PALM BEACH COUNTY

BOARD of COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 06/26/2012	[] Consent [X] Regular [] Public Hearing
Department: Submitted By:	Internal Auditor's Office
	I. EXECUTIVE BRIEF
Motion and Title: Staff recomme	nds motion to approve:
contract for one additional year end salary increase for any across-the-	R2004-1796) with Joseph Bergeron, Internal Auditor; extending said ling on September 30, 2015, adding a provision allowing an automatic board increase the BCC provides in the annual budget process, and ons to be consistent with recent changes in state law.
recommending a one year extension salary adjustment which is considered approved allowing the Internal Augustross-the-board increases for generous \$146,008. The new contract the contract have been changed to design the contract have been chan	2 meeting, the Internal Audit Committee unanimously approved a of the Internal Auditor's contract. The Committee recommended no stent with general County employees. However, the Committee ditor's compensation to be increased in the event the BCC approves exal county employees in its budget. The Internal Auditor's salary will ext expiration date is September 30, 2015. The severance provisions of comply with recent changes in state law. This item is presented to the rith the 90 day notice requirement of the contract. Countywide (PFK)
meeting covering calendar year 20 nine skills along with written comments. Expectations;" two members rated the Internal Auditor as "Meets Expevaluations are attached to this again March for the calendar year just enextension of the contract for another	ducted an evaluation of the County Internal Auditor at its May 30, 2012 of 11. All five members submitted evaluations that included rating of ments. Two members rated the Internal Auditor as "Meets and Exceeds the Internal Auditor as "Meets Expectations;" and one member rated ectations with Needs Improvement in two categories." Copies of the renda item. Future performance evaluations will be conducted each ded. The Audit Committee unanimously approved recommending an er year, no salary adjustment consistent with general county employees, ay increase in the event the BCC provides for an across-the-board its annual budget process.
Attachments:	
Amendment No. 8 to contract (R2 Annual Performance Evaluations (
Recommended by: Joseph 7	Bergeron 6.12.12 Internal Auditor Date
Pacammanded by:	1/21/12
Recommended by:	County Administrator Date

II. FISCAL IMPACT ANALYSIS

Α.	Five Year Summai	ry of Fisca	ai impact			
	Fiscal Years	2012	2013	2014	2015	2016
Oper Exter Prog	tal Expenditures ating Costs rnal Revenues ram Income (County) nd Match (County)	y)			\$ <u>146,008</u> 	
NE"	T FISCAL IMPACT	***************************************			<u>\$146,008</u>	·
	DDITIONAL FTE SITIONS (Cumulativ	/e)		***************************************		WHICH AND ADDRESS OF A STATE OF A
is Ite	m Included in Curre	nt Budge	t? `	Yes X No	_	
Budg	et Account No.:	Fund <u>000</u>	<u>)1</u> Departn	nent <u>500</u> Unit <u></u>	5000 Object <u>1</u>	201
•		Reportin	g Category	/		
D	Dogommondod So	uroon of l	Eundo/Gum	amany of Ficasi	Impost	
B. Cont	Recommended So ract Element	Curr		Proposed	Change	
	, , , , , , , , , , , , , , , , , , , ,		***************************************			
Salar	y (no increase)	\$146	,008	\$146,008	none	
	Departmental Fiscon B above does not anged in this amendar OFMB Fiscal and/OFME	include denent III. Ri or Contrac	EVIEW CO	<u>MMENTS</u>	rol Comments	: Jao/Ja
B.	Legal Sufficiency:	6	21/12 ey	6-20/13/B.	W heeler	
c.	Other Department	Review:				
	Danautmant	Divasta-				

Amendment No. 8 to Contract Between Palm Beach County And Joseph Bergeron, Internal Auditor

This amendment No. 8 dated June 26, 2012 to the contract dated August 17, 2004 (R2004-1796 as amended by R2005-1030 (5/17/05), R2006-0801 (5/2/06), R2007-0818 (5/15/07), R2008-0809 (5/6/2008), R2009-0795 (5/5/09), R2010-0800 (5/18/10) and R2011-0939 (6/21/11) between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Joseph Bergeron, hereinafter referred to as "Internal Auditor", an individual residing at 13689 Exotica Lane, Wellington, Florida 33414.

Witnesseth:

Whereas, the parties hereto have previously entered into an employment contract dated August 17, 2004 (R2004-1796 as amended by R2005-1030 (5/17/05), R2006-0801 (5/2/06), R2007-0818 (5/15/07), R2008-0809 (5/6/2008), R2009-0795 (5/5/09), R2010-0800 (5/18/10) and R2011-0939 (6/21/11); and

Whereas, the contract will automatically renew under the same terms and conditions unless terminated by either party in accordance with Section 5 of the employment contract; and

Whereas, the parties hereto desire to amend the contract to reflect these changes.

Now therefore, in consideration of the mutual covenants hereinafter set forth and for other such good and valuable consideration, the receipt of which the parties hereto expressly acknowledge, the parties agree as follows:

Section 1 of the employment contract is amended to read: 1. The County shall employ Joseph Bergeron (hereinafter "Internal Auditor") as the Internal Auditor of Palm Beach County pursuant to the Charter of Palm Beach County for a period of three (3) years beginning October 1, 2012 and ending September 30, 2015. The County shall pay the Internal Auditor a salary of \$146,008 per year plus any increase in salary in the same percentage as provided other County employees as determined by the Board of County Commissioners during its budget process, payable biweekly and a continuing contribution on behalf of the Internal Auditor into the NACO Deferred Compensation Program in the amount of 50% of the maximum basic contribution allowed by law exclusive of any catch-up provisions allowed by law. In addition, the County shall pay the Internal Auditor a car allowance of \$550.00 per month. This Agreement shall continue on the same terms and conditions as herein provided for additional one year periods, unless terminated by either party in accordance with Section 5 of this Agreement.

Attachment	#		/	
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- 2. Subparagraphs 5A and 5B are amended as follows:
 - A. At the end of a contract period At least ninety (90) days prior to the expiration of this Agreement or any subsequent extensions, renewals or continuations thereof, the County shall provide the Internal Auditor with written notice of its decision not to renew this Agreement. The Internal Auditor shall notify the Board of this requirement thirty (30) days in advance of the ninety (90) day period.

In the event County elects <u>not to renew this Agreement to provide such</u> ninety (90) day notice, the Internal Auditor shall remain employed by the County through the end of the term of this Agreement. At the end of said term the County shall have no obligation to pay the Internal Auditor any monies other than the unpaid balance of his salary for time actually worked plus payment for any unused sick and vacation leave in accordance with then existing County policy relating to non-merit administrative employees.

In the event the Internal Auditor wishes to terminate this Agreement at the end of its term, or any extensions, renewals or continuations thereof, he shall provide at least ninety (90) days notice in writing to the Board.

- B. Without cause during term of this Agreement The County may, at any time, terminate this Agreement and conclude the Internal Auditor's employment with the County, at its pleasure and without cause, provided that: (1) the County provides the Internal Auditor with written notice of its intent to do so, (2) the action is approved by a majority of the full Board, and (3) the County shall provide as severance payments to the Internal Auditor an amount equal to but not exceeding 20 weeks of all salary and benefits provided for herein through the remaining term of this agreement; provided however, that in no event, shall the Internal Auditor receive less than the equivalent of six (6) months of salary and benefits calculated from the date of the County's notification of termination to the Internal Auditor, plus payment for any unused sick and vacation leave in accordance with then existing County policy relating to non-merit administrative employees.
- 3. All other terms and conditions of the employment contract shall remain in full force and effect.

This amendment shall be effective following execution hereof by the parties hereto.

In witness whereof, the parties hereto have set t	heir hands and seal on the day set forth
above.	
Attest:	
Sharon R. Bock, Clerk & Comptroller	Palm Beach County, Florida
	By Its Board of County
	Commissioners
By:	Shelley Vana, Chair
Witness for Internal Auditor	Internal Auditor
Witness signature	Joseph F. Bergeron
JERACOLAN MASCIS Witness printed name	
Approved as to form and legal sufficiency	Approved as to terms and conditions
192	
Assistant County Attorney	County Administrator

Internal Auditor: Joseph Bergeron

Rating Period: January 1, 2011 through December 31, 2011

David Rosenstein April 30, 2012

	RATING (Check One)		
CORE COMPETENCIES	Needs Improvement	Meets Expectations	Exceeds Expectations
Planning & Organizing			
• Develop Comprehensive Annual Internal Audit Plan		X	
 Develop Annual Risk Assessment 			X
• Implement Annual Audit Plan	,		X
• Perform Timely Special Projects as Requested		x	
Leadership/Judgment/Decisiveness		X	
Technical/Professional Knowledge			X
Initiative		X	
Communication Skills			x
OTHER CONSIDERATIONS			
Goal Accomplishment		X	

Overall Conclusion is that the Internal Auditor is Meeting Expectations +

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Attachment #	<u> </u>

Performance appraisal for County Internal Auditor
By __David Rosenstein____
For Calendar Year 2011

Comments and/or Suggestions Regarding Performance:

2011 was a significant transition year for the PBC IAD. The IA team worked on the development of a more formal risk assessment process, implemented a more comprehensive annual audit plan, performed follow-ups and improved the documentation of follow-up efforts, while still maintaining an aggressive audit schedule. Overall, reporting has improved. This was accomplished during a period of budget and staff reductions.

There were external factors that modified the strategic direction as well as scope and execution of the planned audit activities. These factors included the implementation of a county Inspector General office, as well as the BCC looking for added value from the IA function.

During the period the IA Audit Committee gained a better understanding of its roles and responsibilities, and working with the IA and county management, modified/amended the appropriate ordinances to more clearly reflect what the IA function and IA Audit Committee policies/procedures should include. I commend the IA Director for his patience in working with the Audit Committee during this period of learning and change.

Suggestions

Continuous Improvement – the IAD director should prepare specific goals and objectives for himself and for each member of his staff. These measurable objectives should be reported to the Audit Committee in a summary form on a regular basis to ensure that the director and each member of his department are meeting or exceeding their goals. These goals should be challenging, but realistic for each member of the staff including the Director.

BCC attendance at Audit Committee meetings – The IA director should encourage a member of the BCC to attend each meeting in an effort to ensure that they have "bought in" to the efforts of the IAD and the Audit Committee. With their visible support, the function will be more effective.

Develop automated tools to sample and to identify potential exceptions for applicable computer based systems. This can be done in conjunction with specific audits, or as part of a continuous audit program.

Spend more time in areas where there are the greatest exposures to errors and fraud. Oftentimes the results of audits are not commensurate with the amount of

Performance appraisal for County	Internal Auditor	
ByDavid Rosenstein		in the second
For Calendar Year 2011		

time and money spent on the audit. Be more cognizant of the fact that the average audit is costing \$25 - \$30,000 and spend this budget wisely.

When hiring new staff, strive to attract people with the know how to use current auditing techniques that can be applied to be more efficient and effective.

Rating Period: January	<i>1</i> , 2011	through December	31, 2011
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•	
Mark J. Burger	5/29/2012
	5/27/4014
Evaluator (Print Name)	Date
(Date

	RATING (Check One)			
CORE COMPETENCIES	Needs Improvement	Meets Expectations	Exceeds Expectations	
Planning & Organizing			-	
• Develop Comprehensive Annual Internal Audit Plan		Yes		
 Develop Annual Risk Assessment 		Yes		
• Implement Annual Audit Plan		Yes		
• Perform Timely Special Projects as Requested		Yes		
Leadership/Judgment/Decisiveness		Yes		
Technical/Professional Knowledge		Yes		
Initiative		Yes		
Communication Skills		Yes		
OTHER CONSIDERATIONS				
Goal Accomplishment		Yes		

Comments and/or Suggestions Regarding Performance:
Joe has been open to recommendations provided by the committee over the past year. There have been a couple of occasions where Joe has expressed his frustration with his staffing and the needs requested by the BCC. Despite the frustrations expressed, Joe has been responsive to the requests of the committee and the BCC.

Performance appraisal for County Internal Auditor By Mark J Burger For Calendar Year 2011

Internal Auditor:	Joseph Bergeron

Rating Period: January 1, 2011 through December 31, 2011

NAM H. NGUYEN	5-25-2012
Evaluator (Print Name)	Date

	RATING (Check One)		
CORE COMPETENCIES	Needs Improvement	Meets Expectations	Exceeds Expectations
Planning & Organizing			
Develop Comprehensive Annual Internal Audit Plan		/	
 Develop Annual Risk Assessment 		/	
• Implement Annual Audit Plan			
Perform Timely Special Projects as Requested Not Applicable			
Leadership/Judgment/Decisiveness			
Technical/Professional Knowledge		·	
Initiative		<i></i>	
Communication Skills		V	
OTHER CONSIDERATIONS			
Goal Accomplishment			

Performance appraisal for County Internal Auditor By NAM H. NGUYEN - MAM For Color In IV. 2011
For Calendar Year 2011
Comments and/or Suggestions Regarding Performance:
The Internal Auditor ("IA") has been tasked to undertake the department in the new direction while continuing to manage the staff and the planned audits. The undertaking to develop a comprehensive risk based annual internal audit plan is a very challenging and time consuming task. This has been made even more challenging with less and less available resources given the county's current fiscal issues.
While the IA is leading the department in the right direction, there is work to be done. Under the guidance and the direction of the Board of County Commissioners, the IA can be an effective change agent who would serve as a catalyst to significantly increase the efficiency and effectiveness of the county operations. The county management's collaboration in identifying and developing efficiency and effectiveness standards for each operating unit or department would be one of the most important step toward achieving that goal. The additional investment in the internal audit function will accelerate this process.
The IA's performance in 2011 has met expectations given the huge task of developing an annual risk assessment and a comprehensive annual internal audit plan.
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Internal Auditor	: Joseph Bergeron		
Rating Period:	January 1, 2011 through	December 31, 201	1
		•	
	_Alan Friedberg	3/24/2012	
Evaluator (Print	Name)		Date

	RATING (Check One)		One)
CORE COMPETENCIES	Needs Improvement	Meets Expectations	Exceeds Expectations
Planning & Organizing			-
Develop Comprehensive Annual Internal Audit Plan		X	
Develop Annual Risk Assessment	X		
• Implement Annual Audit Plan	·	X	
• Perform Timely Special Projects as Requested		X	
Leadership/Judgment/Decisiveness		X	
Technical/Professional Knowledge	X		
Initiative		X	
Communication Skills		X	
OTHER CONSIDERATIONS			
Goal Accomplishment		X	

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Internal Auditor: Joseph Bergeron

Rating Period: January 1, 2011 through December 31, 2011

DORRITT M.	MILLER	5/24/2012
Evaluator (Print Name)		Date /

	RATING (Check One) Needs Meets Exceeds Improvement Expectations Expectations		
CORE COMPETENCIES			Exceeds Expectations
Planning & Organizing			
Develop Comprehensive Annual Internal Audit Plan			V
Develop Annual Risk Assessment		1	₩.
• Implement Annual Audit Plan			1/
 Perform Timely Special Projects as Requested 			./
Leadership/Judgment/Decisiveness			./
Technical/Professional Knowledge			V
Initiative			
Communication Skills			
OTHER CONSIDERATIONS			*
Goal Accomplishment			

Performance appraisal for County Internal Auditor
By Londo A Mulus
For Calendar Year 2011

Comments and/or Suggestions Regarding Performance:

outmonts and/of suggestions Regarding Performance:
Joe direlops a very thoughtful and
comprehensive annual and of plan and leade
his staff to an impressive completion
although faced with declining staffing.
The staffing .
He continues la make positive steps in
make positive steps in
expanding the scopes of audits to include
efficiencies. Juring the year, he has
made attempts to improve the Risk
assassment model The
assessment model. These models are
inherently difficult; honorer he is
continuing his efforts & perfect the
model. and make of many
Les continues & maintain a
1. Southwest of maintain a
Very positive working relationship with staff,
positive wording yelatonship with staff,
administration, the Board of County Commissioners
Mannistration, the Board of County Commissioner
and the OIG, which is very Convendable.