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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

April 24, 2003

Mr. Charles Gargano
Chairman
Olympic Regional Development Authority
Olympic Center
Lake Placid, NY 12946

Re: Report 2003-F-4

Dear Mr. Gargano:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution, and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Olympic Regional Development Authority (ORDA) as of February 4, 2003, to implement the recommendations contained in our audit report, *Time and Attendance Controls at Whiteface Mountain and Gore Mountain Ski Centers* (Report 2000-S-29). Our report, which was issued on October 25, 2000, reviewed the effectiveness of ORDA's efforts to enhance accountability over the payrolls at Whiteface and Gore and increase operating efficiency and effectiveness at the two ski centers.

Background

ORDA was established in 1981 under State legislation to operate, maintain, and promote the 1980 Winter Olympic facilities in the Lake Placid region, host of the 1932 and 1980 Winter Olympic Games. These facilities include Whiteface Mountain Ski Center, the Olympic Jumping Complex, the Olympic Sports Complex, and the Olympic Center. Gore Mountain Ski Center in North Creek, New York, was added in 1984. ORDA assumed operations of the winter sports facilities at Whiteface Mountain and Gore Mountain Ski Centers (Whiteface and Gore) under an agreement with the State Department of Environmental Conservation.

Whiteface has more than 219 acres of skiable terrain on 74 trails serviced by 10 lifts and Gore has about 300 acres of skiable terrain on 58 trails serviced by 11 lifts. Both ski centers have various operating departments, such as snowmaking and lift operations. ORDA's two downhill ski facilities received about 168,000 visitors from November 2002 through January 2003. Whiteface and Gore employ a total of more than 850 people during the peak winter ski season. ORDA's combined personal service budget for Whiteface and Gore for the period of April 1, 2002 through December 31, 2002, was about \$3.64 million. Actual personal service expenditures for the same

period were about \$4.19 million, including overtime costs of about \$225,000, or about 5 percent of actual personal service expenses.

Summary Conclusions

In our prior audit, we found that ORDA could improve selected aspects of the ski centers' payroll processes if the processes for authorizing overtime were formalized, the information provided by ORDA's automated timekeeping system was used in making management decisions, and communication among operating departments was improved.

In our follow-up review, we found that ORDA has made progress in implementing the recommendations contained in our prior audit.

Summary of Status of Prior Audit Recommendations

Of the three prior audit recommendations, ORDA officials have implemented two recommendations and partially implemented one recommendation.

Follow-up Observations

Recommendation 1

Establish a mechanism at Whiteface and Gore by which supervisors formally authorize overtime in advance and document why it is necessary. This mechanism should allow summary data about the reasons for overtime to be accumulated in a useful manner.

Status - Partially Implemented

Agency Action - Both Whiteface and Gore have made improvements in controlling staff resources, including overtime. These improvements include various tools for identifying overtime needs in advance. For example, monthly planning documents are used to identify longer-term overtime needs and approve the necessary resources in advance, while daily meetings are used to identify overtime needs for that evening or the next day's events and approve the use of the resources in advance. Whiteface has also begun using a formal overtime authorization form for planned events. Although not all overtime is, or can be, planned, management uses these tools to review and approve overtime needs before they occur. However, neither ski center has implemented a formal mechanism for summarizing overtime data, including the reasons for overtime that would help management plan future staffing needs.

Recommendation 2

Assess how electronic payroll data could be summarized in different ways to allow management to better monitor and control operations at Whiteface and Gore.

Status - Implemented

Agency Action - ORDA officials have begun using available data for comparing revenues and personal service expenses, enabling them to monitor year-to-date budgets and control spending more effectively. In addition, the ski centers generate a personal service cost report, which includes overtime costs by operational units. Officials use this report to budget overtime costs in operational areas, such as snowmaking and grooming, where it occurs most often.

Recommendation 3

Evaluate the feasibility of conducting daily staff meetings of department supervisors at Whiteface and Gore to discuss operational needs.

Status - Implemented

Agency Action - Whiteface and Gore hold team meetings each afternoon. These meetings cover the past day's events, anticipated needs for the second shift, and anticipated needs for the following day's events. This includes the discussion and approval of overtime needs, staff schedules, and staffing changes.

Major contributors to this report were Joel Biederman and Don Wilson.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address the unresolved issue discussed in this report. We also thank the management and staff of the Olympic Regional Development Authority for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Frank J. Houston
Audit Director

cc: Ted Blazer, President/CEO, ORDA
Deirdre Taylor, Division of the Budget