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**Thomas P. DiNapoli  
COMPTROLLER**



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**OFFICE OF THE  
NEW YORK STATE COMPTROLLER**

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**DIVISION OF STATE  
GOVERNMENT ACCOUNTABILITY**

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**INDUSTRIAL EXHIBIT  
AUTHORITY**

**OVERTIME CONTROLS  
FOR WORK DURING THE  
NEW YORK STATE FAIR**

**Report 2007-S-97**

## AUDIT OBJECTIVE

Our objective was to determine whether the Industrial Exhibit Authority (Authority) has established adequate controls over overtime for employees working during the New York State Fair.

## AUDIT RESULTS - SUMMARY

We found the Authority has adequate controls over overtime during most of the year. However, we found that the Authority could improve its controls over the overtime earned by and paid to the maintenance staff during the two weeks of the Fair.

During the 2006 fiscal year, Authority employees worked over 4,500 hours of overtime at a cost of more than \$115,000. Ten maintenance employees accounted for 2,223 hours or 49 percent of the overtime. The same ten employees worked 919 of their overtime hours during the two-week period of the Fair. Individual totals ranged from 38 to 158 hours of overtime per person during the 2006 Fair. For the 2007 Fair, these employees worked a total of 840 hours of overtime, ranging from 35 to 146 hours each for the two weeks.

Authority procedures require that supervisors schedule their employees for work and overtime shifts. If overtime is needed, supervisors pre-approve this work. These pre-approvals must contain the exact dates and hours that the employee is requesting to work overtime as well as the reason for the overtime. We found that during the Fair there is a significant rise in maintenance needs which requires Maintenance Department employees to work both scheduled and unscheduled extra hours. However, while the Maintenance supervisor schedules employees for work and overtime during most of the year, this practice is not followed for the two

weeks during the Fair. In addition, these employees do not maintain records of why overtime was needed or what was done. Further, we found there is a lack of documentation for emergency overtime. There are no procedures requiring employees to fill out work orders or other documentation to show what the emergency was and the amount of overtime needed to address the situation.

Our audit report contains two recommendations to improve controls over overtime worked by Maintenance Department employees during the Fair.

This report, dated April 10, 2008, is available on our website at <http://www.osc.state.ny.us>. Add or update your mailing list address by contacting us at: (518) 474-3271 or Office of the State Comptroller Division of State Government Accountability 110 State Street, 11<sup>th</sup> Floor Albany, NY 12236

## BACKGROUND

The Industrial Exhibit Authority (Authority) was created to provide a means for obtaining the bond financing necessary to construct buildings on the Fairgrounds in Syracuse. This funding was used to build five structures on 375 acres, four of which still exist. The Fairgrounds offer eight primary facilities, temporary RV parking sites, as well as parking and shuttle services for 23,000 vehicles. The Fairgrounds hosts events, performances and expositions throughout the year, including the New York State Fair (Fair), which the Authority hosts in conjunction with the Department of Agriculture and Markets. More than two million people attend these events each year, including 936,000 who attended the 2007 Fair between August 23 and September 3.

During the 2006 fiscal year, Authority employees worked over 4,500 hours of overtime at a cost of more than \$115,000. Ten maintenance employees accounted for 2,223 hours or 49 percent of the overtime. The same ten employees worked 919 of their overtime hours during the two-week period of the Fair. Individual totals ranged from 38 to 158 hours of overtime each during the 2006 Fair. Maintenance Department employees are responsible for providing routine electrical, plumbing, and mechanical maintenance for the Fairgrounds. During the Fair there is a significant rise in maintenance needs which requires these employees to work both scheduled and unscheduled extra hours (overtime). The Authority had 72 employees working during the 2007 Fair, 29 of which were assigned to the Maintenance Department.

## AUDIT FINDINGS AND RECOMMENDATIONS

### *Overtime Controls*

Authority procedures require that supervisors schedule their employees for work and overtime shifts. If overtime is needed, supervisors pre-approve this work. These pre-approvals must contain both the exact dates and hours that the employee is requesting to work overtime and the reason for it. We interviewed Authority officials, reviewed time sheets, personnel files and overtime authorization requests for the period of June 2007 through October 2007. We found Authority employees, with the exception of the Maintenance Department, consistently adhered to the overtime procedures during this period. Pre-approvals were properly authorized prior to the overtime worked by these employees.

In contrast, we found that while the Maintenance Department supervisor does

schedule employees for work and overtime during most of the year, this practice is not followed for the two weeks of the Fair. We found that 27 of the 29 Maintenance Department employees were paid \$56,729 for overtime worked during the 2007 Fair. We reviewed time sheets and personnel records for ten of these employees who were paid \$23,205 for 840 hours of overtime. Overtime hours reported by these staff members during the Fair period ranged from 35 to 146 hours each. There were no pre-approvals or documentation showing why these employees performed overtime work. Therefore, we could not determine if the overtime was necessary or verify it was actually worked.

Further, we found there is a lack of documentation for emergency overtime. There are no procedures requiring employees to fill out work orders or other documentation to show what the emergency was and the amount of overtime needed to address the situation. Therefore, neither the Authority nor we could determine if any employees were required to perform emergency overtime work and the reason for the emergency.

Authority officials told us they do not require the Maintenance Department to pre-approve overtime during the Fair. They stated they expect the Maintenance Department to incur significant overtime because staff need to provide coverage during all Fair operating hours, as well as after hours to respond to emergencies. Because of this, officials have granted the maintenance supervisor "blanket" authorization to have staff work overtime on an as-needed basis without prior approval. We agree with the need for additional coverage during the Fair. However, the increased need does not preclude the maintenance supervisor from scheduling much of the required overtime, especially during the extended Fair hours. Nor does the increased workload

preclude employees from documenting the reasons for unscheduled overtime.

Since the Fair is the busiest time of year for the Authority, it is also the period of time where risk of error or abuse of overtime is the highest. Without efforts to schedule maintenance employee time during the Fair or to document the reasons for unscheduled emergency overtime, management is not really allowing the maintenance supervisor to schedule whatever the Authority needs, but rather ends up allowing the individual employees to schedule whatever extra hours they want.

In responding to our audit, Authority officials assert that maintenance staff did in fact have scheduled work hours during the 2007 Fair. However, during the Fair, we made several requests for copies of any maintenance staff work schedules and each time were told that none existed. Authority officials did not provide these schedules to us at any time during our audit.

### **Recommendations**

1. Require the Maintenance supervisor to schedule employee overtime during the Fair.
2. Require supervisors to maintain documentation to support hours and reasons for working unscheduled (emergency) overtime.

### **AUDIT SCOPE AND METHODOLOGY**

We conducted our performance audit in accordance with generally accepted government auditing standards. We audited the Authority's overtime records for the period June 1, 2007 through October 31, 2007. To accomplish our objectives we

interviewed Authority officials and reviewed time records and employee schedules.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

### **AUTHORITY**

The audit was done according to the State Comptroller's authority set forth in Article X, Section 5 of the State Constitution, Article II, Section 8 of the State Finance Law, and Article 8, Section 1656 of the Public Authorities Law.

### **REPORTING REQUIREMENTS**

A draft copy of this report was provided to Authority officials for their review and comment. Their comments were considered in preparing this report, and are included as Appendix A. Officials indicated actions have already been taken to address our recommendations in advance of the 2008 State Fair.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Chairman of the Authority shall report to the Governor, the

State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

## **CONTRIBUTORS TO THE REPORT**

Major contributors to this report include Frank Houston, John Buyce, Greg Petschke, Heather Pratt, Michele Krill, Constance Walker, Dave Reilly, Richard Podagrosi, Diane Hardy, Andre Spar, Laurie Burns, Donald Cosgrove, Andrea Dagastine, Raymond Barnes and Sue Gold.

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## APPENDIX A - AUDITEE RESPONSE

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STATE OF NEW YORK  
DEPARTMENT OF AGRICULTURE AND MARKETS  
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Eliot Spitzer  
Governor

Patrick Hooker  
Commissioner

March 3, 2008

Mr. John Buyce, Audit Manager  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, New York 12236

Dear Mr. Buyce:

I have reviewed the Industrial Exhibit Authority's Draft Report on Overtime Controls for Work During the New York State Fair (2007-S-97). On behalf of the IEA Board, we appreciate your independent review and reaffirmation of previously noted opportunities for improvement by IEA management during internal assessments of overtime practices.

The IEA management has incorporated internal controls into the revised overtime policy that addresses the recommendations issued in the report. The Maintenance Supervisor will continue, as practicable, to schedule employee overtime during the Fair and is now required to document the nature of emergency overtime. During the 2007 State Fair, maintenance staff were scheduled to work split shifts to minimize overtime. Therefore, we take exception to your comment in the report whereby you indicate that the individual employees schedule whatever extra hours they want. That statement is not factually correct.

The fairgrounds consist of nearly 400 acres with 24 main structures and over 100 structures in all. The State Fair has 400-500 campers on the grounds each day and parking capacity for 25,000 cars. The Maintenance Department is responsible for the entire electrical system including transformers, high voltage switches and the lighting. There is more than 10 miles of roadway which must be maintained and patched when needed. Plumbing staff must monitor the water pressure and is responsible for keeping over 600 toilets and sinks in working order. The hot water tanks, boilers, hydrants, sewer systems, showers and sprinkler systems in the various buildings must be monitored and maintained during a period of very heavy use. During the 12 days of the State Fair, we are obligated to ensure the health and safety of almost one million fairgoers and the maintenance staff is instrumental in this mission. While not all emergency situations can be anticipated, management will make every reasonable effort to approve and document the nature of the overtime worked.

Should you require any additional information, please contact Dan O'Hara, State Fair Director at (315) 487-7711 ext. 1200.

Sincerely,

Patrick Hooker  
Commissioner

\*  
Comment

\*See State Comptroller's Comment, page 7

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## **APPENDIX B - STATE COMPTROLLER COMMENT ON AUDITEE RESPONSE**

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We requested the work schedules of the maintenance department staff several times during the audit. We asked for schedules from the individual in charge of the payroll, the maintenance supervisor, and his superior - the Authority's property manager. In each case, the officials told us no schedules existed and that the only documentation that would be

available for maintenance staff time would be the individual workers' timesheets filed after the Fair was concluded. Authority officials did not provide us with any maintenance staff schedules during the audit, nor in response to our preliminary findings.