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Bonnie Baker, Supervisor
Members of the Town Board
Town of Webb
3140 State Rt. 28
Old Forge, NY 13420

Report Number: 2018M-188-F

Dear Supervisor Baker and Members of the Town Board:

One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage local government officials to reduce costs, improve service delivery and to account for and protect their local government's assets. In accordance with these objectives, we conducted an audit of the Town of Webb (Town) to assess the collection of season passes and lift ticket revenues at the Town operated McCauley Mountain Ski Area (Ski Area). As a result of our audit, we issued a report, dated November 30, 2018, identifying certain conditions and opportunities for Town management's review and consideration.

To further our policy of providing assistance to local governments, we revisited the Town beginning in February 2022 to review progress in implementing our recommendations. Our follow-up review was limited to interviews with Town personnel and inspection of certain documents related to the issues identified in our report. Based on our limited procedures, it appears that the Town has demonstrated limited progress implementing corrective action. Of the five audit recommendations, two recommendations were partially implemented, two recommendations were not implemented and one recommendation is no longer applicable.

Recommendation 1 – Ski Collections

The Board should develop policies and procedures over ski collections to provide guidance on how collections should be recorded, deposited and reconciled.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board did not develop or adopt written policies and procedures over ski collections.

Recommendation 2 – Complimentary Lift Tickets and Season Passes

The Board should develop policies and procedures over the issuance of complimentary lift tickets and season passes.

Status of Corrective Action: Partially Implemented

Observations/Findings: While a former Supervisor developed written policies and procedures that adequately addressed the issuance of complimentary lift tickets and season passes, they were not adopted or approved by the Board. In addition, the policies and procedures are now outdated and the Manager did not have a copy of them.

Recommendation 3 – Comp Cards

The Manager should establish adequate records of comp cards and routinely monitor the inventory.

Status of Corrective Action: No Longer Applicable

Observations/Findings: Comp cards are no longer issued by Ski Area ticket booth personnel. As a result, the Manager has no comp card records to maintain or inventory to monitor.

Recommendation 4 – Supporting Documentation

The Manager should obtain supporting documentation for each type of lift ticket transaction not requiring payment at the ticket booth, to be able to reconcile transactions to ensure their legitimacy.

Status of Corrective Action: Partially Implemented

Observations/Findings: Three types of lift ticket transactions do not require payment at the Ski Area ticket booth. These include tickets purchased and paid for online, issued to individuals age 70 or older (who may ski for free) and those otherwise provided on a complimentary basis.

We tested 169 online ticket transactions recorded in the point of sale (POS) system in December 2021 to determine whether Ski Area personnel maintain supporting documentation for the transactions to verify their legitimacy. Aside from minor discrepancies, these transactions could be traced to the daily online sales reports and were adequately supported and appropriate.

We also tested 28 transactions where a lift ticket was issued to an individual age 70 or older, or a lift ticket or season pass was issued on a complimentary basis. Eleven of these transactions (39 percent) were not adequately supported and could not be reconciled to ensure their legitimacy.

Recommendation 5 – Reconciliations

The Manager should perform periodic reconciliations of individual transactions in the POS system to supporting documentation to ensure the ticket sales are properly collected.

Status of Corrective Action: Not Implemented

Observations/Findings: The Manager stated he reconciles individual transactions in the POS system to supporting documentation. However, the results of the Manager's reconciliation are not documented and there is no written evidence of his review. Without documented reconciliations, it is difficult to demonstrate that this internal control procedure is in place or that appropriate steps are taken to address or rectify identified transactions that are not properly supported, such as those discussed in Recommendation 4.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage Town officials to continue their efforts to fully implement our recommended improvements.

Thank you for the courtesies and cooperation extended to our auditor during this review. If you have any further questions, please contact Rebecca Wilcox, Chief Examiner of our Syracuse Regional Office at 315-428-4192.

Sincerely,

Elliott Auerbach
Deputy Comptroller