

Audit Report for Audit ID - AU00356-1

VA- F&B Controls


Audit Score

79/100

Details

Audit	AU00356
Scheduled Audit	AU00356-1
Location	Hyderabad
Hotel	Marigold Hotel
Department	F&B Controls
Checklist	VA- F&B Controls
Audit Type	External
Auditor	Saritha C
Start Date	26-12-2018
End Date	31-12-2018
Submitted Date	27-12-2018
Status	Completed
Assigned By	Administrator Account
Non-Compliance	20
Chronic Issues	0

Comparison

MARIGOLD HOTEL VA- F&B CONTROLS				
VA- F&B CONTROLS		Dec 2018	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED		
1	F n B Controls	79	-	-
Audit Score		 79	-	-

	80-100 = Green	Good / Excellent
	61-79 = Yellow	Average
	60 below is Red	Poor / Fair

Non-Compliance

Section: F n B Controls

Subsection: Menu Master

1: Are there multiple items codes created for the same item and vice versa? **NC**

Rating: 7

Attachments :

QUE1_DOC_20181227_123453.xlsx

Observation Text :

In an instance, multiple code was created in IDS menu master of Mekong. No financial loss (550 items - Mekong, RSC and Saffron Soul) (Sample Size-As on 16-Nov-18).

2: If yes, whether the same are corrected and such changes are documented with reason and approval? **NC**

Rating: 7

Observation Text :

The same were not corrected

3: Whether item codes created for all the items available in the menu card and vice versa? **NC**

Rating: 7

Attachments :

QUE3_DOC_20181227_123928.xls

Observation Text :

In an instance, item rate available in Menu card but the same not updated in IDS menu master of Saffron Soul. No financial loss. (550 items - Mekong, RSC and Safron Soul) (Sample Size-As on 16-Nov-18).

4: Are there any open item billing done? **NC**

Rating: 7

Attachments :

QUE6_DOC_20181227_130942.xlsx

Observation Text :

Short and excess billing under open item sale, net financial loss of Rs.3858/-.
(Sample Size: Apr'18 to Oct'18)

5: If yes, whether the same is documented with approval? **NC**

Rating: 7

Observation Text :

No approval was available for the same

6: Any rate variance between the menu card and ids rate and vice-versa? **NC**

Rating: 7

Attachments :

QUE8_DOC_20181227_130513.xlsx

Observation Text :

In 8 instances, menu rate variances were observed, due to which financial loss of Rs.7452/- and excess of Rs.10500/- (550 items - Mekong, RSC and Safron Soul) (Sample Size-As on 16-Nov-18).

Section: F n B Controls

Subsection: KOT

- 1: Whether In Room Dining Control sheet are maintained and updated properly? **NC**

Rating: 7

Observation Text :

Control sheet updated, but clearance time not updated in the sheets . (Sample Size : 25th Aug to 5th Oct '18)

Section: F n B Controls

Subsection: Bills Processing & Settlement

- 1: Whether any discounts are passed after settlement is done? **NC**

Rating: 7

Attachments :

QUE27_DOC_20181227_144208.xlsx

Observation Text :

In 4 instances, discounts were passed after bills settled, which can be Re-print / Re-Settled, amounting to Rs.11,676/-. (Sample Size: Jul '18 to Oct '18)

- 2: Any abnormal time difference for re-printing the food bills for the 2nd time? **NC**

Rating: 7

Attachments :

QUE30_DOC_20181227_144143.xlsx

Observation Text :

In 142 instances, bills amounting to Rs.0.40 Lakhs were reprinted with delay ranging from 0 - 24 days. (Sample Size: Apr'18 to Oct '18)

Section: F n B Controls

Subsection: Bar Inventory

- 1: Are the bar stock updated daily for opening balance, receipts, issues and closing balance? **NC**

Rating: 7

Observation Text :

No Register was maintained, Maintaining in soft copy. No approval was taken from the F & B Controller.

- 2: Whether physical stock verification of liquor & soft drinks are conducted on a daily basis? **NC**

Rating: 7

Observation Text :

On random basis twice in a week.

- 3: Are the adjustments to the bar stock approved by the F&B manager? **NC**

Rating: 7

Observation Text :

Stock variances and the adjustments will be are under Finance HOD, keeping informed to Unit Head. (Sample Size-Aug'18 & Sep'18)

- 4: Is the FL - 3 register updated daily and tallied with the bar inventory register? **NC**

Rating: 7

Observation Text :

Bar Stock and Main stock at Stores is being to be updated on a daily basis in FORM-7B (with Opening, Receipts, Issues and Closing Balance details), observed that few items were verified and the same not updated after 10-Oct-18 and 31-Nov-18. (Sample Size: As on 16-Nov-18)

- 5: Whether spoilage/Spillage register is maintained at Bar or not? **NC**

Rating: 7

Observation Text :

No register was available

Section: F n B Controls**Subsection:** Recipe Food Cost Analysis

- 1: Whether recipes are updated for all the menus and rates are picked up as per latest GRN rate / weighted average rate? **NC**

Rating: 7

Attachments :

QUE48_DOC_20181227_153225.xlsx

Observation Text :

Item receipes were not updated in IDS for 52% (683 Items) of the items out of total 1307 items. Further observed that in 469 items, sale was done (Sample Size : Apr '18 to Oct '18)

- 2: Wherever recipes are updated, whether the items are sold above / par / below the cost?=**NC**

Rating: 7

Attachments :

QUE49_DOC_20181227_153838.xlsx

Observation Text :

In 24 items, Fixation of sale price of items below than the budgeted cost percentage (30%) leading to financial loss of Rs.2.09 Lakhs. (Sample Size: Apr '18 to Oct '18)

- 3: Whether quantity of ingredients are correctly updated in the recipe costing module in IDS? **NC**

Rating: 7

Attachments :

QUE50_DOC_20181227_153939.xlsx

Observation Text :

In 5 instances, ingredients are incorrectly entered in IDS. (Sample Size: As on 09-Nov-18)

Section: F n B Controls

Subsection: Staff Cafeteria - Controls on Food Utilization

1: Whether Cafeteria feedback register is monitoring by the F&B Manager at frequent intervals ? **NC**

Rating: 7

Observation Text :

Cafeteria food expenses and feedback is taken by HR Team but no such record for verification were available.

Section: F n B Controls

Subsection: Physical Verification

1: Physical verification of stocks to be carried out at outlets and variances to be reported **NC**

Rating: 7

Attachments :

QUE61_DOC_20181227_154641.xlsx

QUE61_DOC_20181227_154644.xlsx

Observation Text :

a) Physical verification of Liquor was carried out at Mekong on random basis and found satisfactory. (Sample Size : As on 16-Nov-18, 15 items) b) Physical verification of Soft Drinks was carried out at Main Stores and variances found in 4 items, net excess variance of Rs 4959/-. (Sample Size : As on 16-Nov-18, 51/51 items) c) Physical verification of F & B items was carried out at Main Stores and variances found in 65 instances, net short variance of Rs 21,515/-. (Sample Size : As on 16-Nov-18, 145/327 items) d) Physical verification of Liquor was carried out at Main Stores and the same found satisfactory. (Sample Size : As on 16-Nov-18, 61/61 items)

Section: F n B Controls

Subsection: Items Indenting process and Controls

1: Are there any pending indents? Status of the same to be given here **NC**

Rating: 7

Attachments :

QUE65_DOC_20181227_154849.xlsx

Observation Text :

In 1,100 instances, indents were pending from 10 - 594 days. (Sample Size-As on 16-Nov -18)

Chronic

No chronic issues found

Audit Questionnaire

Section: F n B Controls

Subsection: Menu Master

1: Are there multiple items codes created for the same item and vice versa? **NC**

Rating: 7

Attachments :

QUE1_DOC_20181227_123453.xlsx

Observation Text :

In an instance, multiple code was created in IDS menu master of Mekong. No financial loss (550 items - Mekong, RSC and Saffron Soul) (Sample Size-As on 16-Nov-18).

2: If yes, whether the same are corrected and such changes are documented with reason and approval? **NC**

Rating: 7

Observation Text :

The same were not corrected

3: Whether item codes created for all the items available in the menu card and vice versa? **NC**

Rating: 7

Attachments :

QUE3_DOC_20181227_123928.xls

Observation Text :

In an instance, item rate available in Menu card but the same not updated in IDS menu master of Saffron Soul. No financial loss. (550 items - Mekong, RSC and Safron Soul) (Sample Size-As on 16-Nov-18).

4: Whether multiple rates are defined for the same menu items?

Rating: 8

Observation Text :

Satisfactory

5: If yes, whether the same are corrected and such changes are documented with reason and approval?

Rating: 8

6: Are there any open item billing done? **NC**

Rating: 7

Attachments :

QUE6_DOC_20181227_130942.xlsx

Observation Text :

Short and excess billing under open item sale, net financial loss of Rs.3858/-.
(Sample Size: Apr'18 to Oct'18)

7: If yes, whether the same is documented with approval? **NC**

Rating: 7

Observation Text :

No approval was available for the same

8: Any rate variance between the menu card and ids rate and vice-versa? **NC**

Rating: 7

Attachments :

QUE8_DOC_20181227_130513.xlsx

Observation Text :

In 8 instances, menu rate variances were observed, due to which financial loss of Rs.7452/- and excess of Rs.10500/-. (550 items - Mekong, RSC and Safron Soul)
(Sample Size-As on 16-Nov-18).

Section: F n B Controls

Subsection: KOT

1: Whether KOT's are raised for all the table bookings?

Rating: 8

Observation Text :

Verified and found satisfactory. (Sample Size: As on 20-Nov-18)

2: Any seriality break in generation of KOTs?

Rating: 8

Observation Text :

No Seriality break was observed. (Sample Size : Oct '18)

3: Whether any KOT's are deleted from the system and are approved by the Chef?

Rating: 8

Observation Text :

Satisfactory (Sample Size: Apr'18 to Oct'18)

4: Whether the KOT delete option is accessed by unauthorized user ID ?

Rating: 8

Observation Text :

Access by authorised person for deleting the KOTs. (Sample Size: Apr'18 to Oct'18)

5: Whether all the items in KOT are billed?

Rating: 8

Observation Text :

Verified and found satisfactory. (Sample Size : Sept '18)

6: Whether reasons and approvals are available for missed out items in bill from KOT?

Rating: 8

Observation Text :

No such instances.

7: Are cancelled KOT's approved and documented with reason?

Rating: 8

Observation Text :

No such instances.

8: Are void bills are approved with reasons and documented?

Rating: 8

Observation Text :

Approved and the same was documented. (Sample Size : Oct '18)

9: Whether In Room Dining Control sheet are maintained and updated properly? **NC**

Rating: 7

Observation Text :

Control sheet updated, but clearance time not updated in the sheets . (Sample Size : 25th Aug to 5th Oct '18)

10: Any delay in serving foods to guests from the time of order taken at the outlets?

Rating: 8

Observation Text :

No delay was observed in serving the food

11: Are there any manual KOT's raised and reason for the same is documented with approvals?

Rating: 8

Observation Text :

No manual KOT raised for the audit period.

Section: F n B Controls

Subsection: Non-chargeable Bills

1: Whether in-house guest occupancy list prepared for complimentary breakfast and marked and tallied with the Non-chargeable bills raised for the same?

Rating: 8

2: Are all Non-chargeable bills signed by the guest?

Rating: 8

Observation Text :

Guest signatures not obtained on NC bills, no such procedure. (Sample Size: Sept '18 & Oct'18)

3: Are all Non-chargeable bills approved by the GM?

Rating: 8

Observation Text :

Verified and found satisfactory. (Sample Size: Sept '18 & Oct'18)

4: Whether any record maintained for wastage generated at each outlets and the same are updated daily with approval?

Rating: 8

Observation Text :

Outlet wise food wastage details are updated on daily basis, the same will be sent to EAM, UFC and GM for the information.

Section: F n B Controls

Subsection: Bills Processing & Settlement

1: Any seriality break in generation of bills?

Rating: 8

Observation Text :

Verified and found satisfactory. (Sample Size: Apr '18 & Oct'18)

2: Whether any bills are made void post settlement and time gap between the same?

Rating: 8

Observation Text :

Satisfactory

3: Are there any bills settled in cash / card were made void later?

Rating: 8

Attachments :

QUE26_DOC_20181227_144226.xlsx

Observation Text :

In 7 instances, bills settled in Cash / Card mode were made void later, amounting to Rs.0.31 Lakhs. (Sample Size: Apr'18 to Oct '18)

4: Whether any discounts are passed after settlement is done? **NC**

Rating: 7

Attachments :

QUE27_DOC_20181227_144208.xlsx

Observation Text :

In 4 instances, discounts were passed after bills settled, which can be Re-print / Re-Settled, amounting to Rs.11,676/-. (Sample Size: Jul '18 to Oct '18)

5: If so, time gap between the same and whether approvals are available?

Rating: 8

Observation Text :

No time gap was observed.

6: Whether impression of Privilege/ FHRAl/Other discount cards are obtained from the guest at the time of discount given?

Rating: 8

Observation Text :

Verified and found satisfactory. (Sample Size: Oct'18)

7: Any abnormal time difference for re-printing the food bills for the 2nd time? **NC**

Rating: 7

Attachments :

QUE30_DOC_20181227_144143.xlsx

Observation Text :

In 142 instances, bills amounting to Rs.0.40 Lakhs were reprinted with delay ranging from 0 - 24 days. (Sample Size: Apr'18 to Oct '18)

8: Whether any surprise verification is carried out to check whether the quantity served at the outlets are as per standard fixed, documented and approved for any deviation?

Rating: 8

Observation Text :

There is no such standard practice for the quantity to be served at the outlets, depends upon pax and week ends, food will be placed.

Section: F n B Controls

Subsection: Bar Inventory

1: Are the bar stock updated daily for opening balance, receipts, issues and closing balance? **NC**

Rating: 7

Observation Text :

No Register was maintained, Maintaining in soft copy. No approval was taken from the F & B Controller.

2: Whether physical stock verification of liquor & soft drinks are conducted on a daily basis? **NC**

Rating: 7

Observation Text :

On random basis twice in a week.

3: Whether physical stock taking papers are documented with adequate approval?

Rating: 9

Observation Text :

Physical stock verification documents were maintained along with adequate approvals.

4: Are the adjustments to the bar stock approved by the F&B manager? **NC**

Rating: 7

Observation Text :

Stock variances and the adjustments will be are under Finance HOD, keeping informed to Unit Head. (Sample Size-Aug'18 & Sep'18)

5: Does the unit recover the short variance of liquor stock from the employees during daily stock verification conducted at Bar?

Rating: 8

Observation Text :

Verified. Amount being recovered from the respective outlet employees. (Sample

Size-Oct'18)

- 6: Is the FL - 3 register updated daily and tallied with the bar inventory register? **NC**

Rating: 7

Observation Text :

Bar Stock and Main stock at Stores is being to be updated on a daily basis in FORM-7B (with Opening, Receipts, Issues and Closing Balance details), observed that few items were verified and the same not updated after 10-Oct-18 and 31-Nov-18. (Sample Size: As on 16-Nov-18)

- 7: Does the unit utilize the facility of procuring the liquor under Duty free option?

Rating: 8

Observation Text :

Unit has not opted to procure by this option for the audit period.

- 8: Are the chipped beers/damaged liquor bottles are properly segregated from the fresh stocks?

Rating: 8

Observation Text :

Found to be satisfactory

- 9: Whether spoilage/Spillage register is maintained at Bar or not? **NC**

Rating: 7

Observation Text :

No register was available

- 10: Is there a display board available at a prominent place for serving liquor only to persons above 21 years of age?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size: As on 16-Nov-18)

Section: F n B Controls

Subsection: Buffet controls

- 1: Whether Veg & Non-Veg food items are segregated properly in Buffet session?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size: As on 16-Nov-18)

- 2: Whether food item tags are placed in front of Veg & Non-Veg items in Buffet session?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size: As on 16-Nov-18)

- 3: Is there a tracking mechanism for buffet coupons offered to guests ?

Rating: 9

Observation Text :

No coupons were offered to the guests

4: Whether proper table bookings are done for both complimentary and chargeable buffets?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size: As on 21-Nov-18)

5: Whether the items in the hot holding (trays) have the temperature above 60 degrees? Surprise verification to be done

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size: As on 21-Nov-18)

6: Whether all the sessions buffet bills are closed and billed properly without any delay as per session-wise for both non-chargeable and chargeable basis?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size: Jul'18 -Sept '18 - 6 days)

Section: F n B Controls

Subsection: Recipe Food Cost Analysis

1: Whether recipes are updated for all the menus and rates are picked up as per latest GRN rate / weighted average rate? **NC**

Rating: 7

Attachments :

QUE48_DOC_20181227_153225.xlsx

Observation Text :

Item receipts were not updated in IDS for 52% (683 Items) of the items out of total 1307 items. Further observed that in 469 items, sale was done (Sample Size : Apr '18 to Oct '18)

2: Wherever recipes are updated, whether the items are sold above / par / below the cost?=**NC**

Rating: 7

Attachments :

QUE49_DOC_20181227_153838.xlsx

Observation Text :

In 24 items, Fixation of sale price of items below than the budgeted cost percentage (30%) leading to financial loss of Rs.2.09 Lakhs. (Sample Size: Apr '18 to Oct '18)

3: Whether quantity of ingredients are correctly updated in the recipe costing module in IDS? **NC**

Rating: 7

Attachments :

QUE50_DOC_20181227_153939.xlsx

Observation Text :

In 5 instances, ingredients are incorrectly entered in IDS. (Sample Size: As on 09-Nov-18)

4: Whether overall food cost % is less than the standard cost of 29% as per policy? If not, reason and whether approval obtained?

Rating: 8

Observation Text :

Satisfactory

5: Whether food costing is done for banquet events where the PAX are above 1000 and the price charged is over the costing only?

Rating: 9

Observation Text :

No such events for the audit period. (Sample Size-Apr'18-Oct'18)

6: Whether any abnormal trend or increase in NC sales on Total F&B Sales during the period? If yes, reason and whether approved or not?

Rating: 9

Attachments :

QUE53_DOC_20181227_154129.xlsx

Observation Text :

3.36 % of increase in NC sale in the month of Oct '18 followed 2.27 % increase in Jul '18 when compared to F & B Sale in Sept '18 & Jun'18 respectively. (Sample Size: Apr '18 - Oct '18)

7: Whether any abnormal trend or increase in Open Item sales on Total F&B Sales during the period? If yes, reason and whether authorized or not?

Rating: 8

Attachments :

QUE54_DOC_20181227_154248.xlsx

Observation Text :

10% increase of Open Item Sale in the month of Sept '18 followed 5.20% increase in Jun'18 when compared to F & B Sale in Aug '18 & May '18 respectively. (Sample Size: Apr '18 - Oct '18)

8: Does the unit have the practice of conducting the "Yield testing" for butchery stock?

Rating: 8

Observation Text :

Satisfactory

Section: F n B Controls

Subsection: Staff Cafeteria - Controls on Food Utilization

1: Whether actual cafeteria expenses are within the budgeted expenses? If not, reason

and approval obtained?

Rating: 8

Observation Text :

Satisfactory

2: Whether Cafeteria coupons are collected and handed over to accounts dept every month with adequate approvals?

Rating: 8

Observation Text :

Satisfactory (Sample Size-Apr'18-Oct'18)

3: Whether Cafeteria feedback register is monitoring by the F&B Manager at frequent intervals ? **NC**

Rating: 7

Observation Text :

Cafeteria food expenses and feedback is taken by HR Team but no such record for verification were available.

4: Whether food wastage at Cafeteria is documented on a daily basis with approval ?

Rating: 8

Observation Text :

Food wastage details are updated on daily basis, the same will be sent to EAM, UFC and GM for the information.

Section: F n B Controls

Subsection: Physical Verification

1: Physical verification of cash to be carried out at outlets and variances to be reported

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size-As on 16-Nov-18)

2: Physical verification of stocks to be carried out at outlets and variances to be reported

NC

Rating: 7

Attachments :

QUE61_DOC_20181227_154641.xlsx

QUE61_DOC_20181227_154644.xlsx

Observation Text :

a) Physical verification of Liquor was carried out at Mekong on random basis and found satisfactory. (Sample Size : As on 16-Nov-18, 15 items) b) Physical verification of Soft Drinks was carried out at Main Stores and variances found in 4 items, net excess variance of Rs 4959/-. (Sample Size : As on 16-Nov-18, 51/51 items) c) Physical verification of F & B items was carried out at Main Stores and variances found in 65 instances, net short variance of Rs 21,515/-. (Sample Size : As on 16-Nov-18, 145/327 items) d) Physical verification of Liquor was carried out at Main Stores and the same found satisfactory. (Sample Size : As on 16-Nov-18, 61/61

items)

3: Any expired food items are served to the guests/employees?

Rating: 9

Observation Text :

No expiry food items were found at the servicing table during our physical verification as on date - 16-Nov-18

Section: F n B Controls

Subsection: Items Indenting process and Controls

1: "Whether all the materials issued from stores have proper indents signed by both the receiver and the issuer and wherever such documents are not available, whether such issues were updated in the register signed as per SOP and updated in IDS the subsequent day?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size : 10th-15th Sept '18, 15th-20th Oct'18)

2: Whether all the issues that were done after stores working hours as updated in the ODD HOUR register are updated in IDS with all the accurate details on the subsequent day?

Rating: 9

Observation Text :

Satisfactory

3: Are there any pending indents? Status of the same to be given here **NC**

Rating: 7

Attachments :

QUE65_DOC_20181227_154849.xlsx

Observation Text :

In 1,100 instances, indents were pending from 10 - 594 days. (Sample Size-As on 16-Nov -18)