

# Audit Report for Audit ID - AU0085-2

## Purchase Department Audit

Audit Score

74/100

### Details

Audit	AU0085
Scheduled Audit	AU0085-2
Location	Hyderabad
Hotel	Marigold Hotel
Department	Purchase
Checklist	Purchase Department Audit
Audit Type	Internal
Auditor	Naveen Seth
Start Date	01-06-2019
End Date	30-06-2019
Submitted Date	17-06-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	21
Chronic Issues	13

## Comparison

### MARIGOLD HOTEL PURCHASE DEPARTMENT AUDIT

PURCHASE DEPARTMENT AUDIT		Sep 2017	Jun 2019	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED	SCORE OBTAINED		
1	Purchases Review	69	74	5	7.25%
2	Meetings & Market Survey	75	75	0	0%
3	Policy Compliance and Documentation	44	66	22	50%
4	Receiving	55	75	20	36.36%
5	Stores	84	78	-6	-7.14%
Audit Score		● 65	● 74	9	13.85%

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

# Non-Compliance

## Section: Purchases Review

### Subsection: Purchase Requisition

#### 1: Closing of Not Required Requisitions **NC**

Rating: 6

Observation Text :

this closing right should be with user department

## Section: Purchases Review

### Subsection: Purchase Orders

#### 1: Comparative and upload scan copy along with PO **NC**

Rating: 6

Observation Text :

Comparative statements are done manually scanned copy is not uploaded along with PO-IT issue

#### 2: E-mail of Purchase order to Vendor working in PMS **NC**

Rating: 7

#### 3: Review of Cancelled Purchase orders **NC**

Rating: 6

Observation Text :

No reason mentioned for cancelling the PO

## Section: Meetings & Market Survey

### Subsection: Committee Meeting and Market Survey

#### 1: Recording of Observations of market survey as per SOP guidelines **NC**

Rating: 6

Observation Text :

The market survey is done only to check the rate difference. Started maintaining the file when asked, no signatures.

#### 2: Approvals for Price Increase by Committee **NC**

Rating: 7

Observation Text :

Signatures on the comparative statement is taken into consideration for price increase. specs not mentioned in CSQ

## Section: Policy Compliance and Documentation

### Subsection: Policy Compliance

#### 1: Debit note raised for short Supplies **NC**

Rating: 7

- 2: Time spent by vendor in the hotel monitored **NC**

Rating: 3

Observation Text :

In time, Out time of daily suppliers not monitored by the security. Entry is done in the visitors book only when vendors come to meet the department associates.

**Section:** Policy Compliance and Documentation

**Subsection:** Documentation

- 1: All cheques dispatched to supplier in time **NC**

Rating: 7

Observation Text :

most of payment are done thru RTGS

**Section:** Receiving

**Subsection:** Receiving

- 1: Photo of Item being Weighed captured in PMS **NC**

Rating: 7

- 2: Random Check of atleast 5 items by F&B Controller **NC**

Rating: 7

- 3: All Stockable items are received in the presence of user department representative

**NC**

Rating: 6

Observation Text :

The item goes to the store directly.

- 4: Vegetables and Fruits are Pre-washed before weighing **NC**

Rating: 6

Observation Text :

The vegetables are washed after weighing.

- 5: Vendor ID Cards are issued and checked **NC**

Rating: 6

Observation Text :

ID not issued

- 6: Authorization form for items received without PO is attached to GRN **NC**

Rating: 7

- 7: Supply timing of Vendor monitored by using vendor-ID punch report **NC**

Rating: 6

Observation Text :

Monitored by entering the time in the in-ward register.

**Section:** Stores**Subsection:** Stores

- 1: All Stores Ledgers are processed till last month **NC**  
Rating: 7
- 2: Physical stock check and updation in PMS **NC**  
Rating: 7
- 3: Physical Stock Variance Report Signed by FM **NC**  
Rating: 7
- 4: Non Moving Items Valued for more than 60 days - Liquor Store **NC**  
Rating: 7
- 5: Store Closing stock of Last month - Kitchen Stewarding **NC**  
Rating: 6

Observation Text :

stock increase reason not mentioned

# Chronic

## Section: Purchases Review

### Subsection: Purchase Requisition

- 1: Closing of Not Required Requisitions **NC**

Rating: 6

Observation Text :

this closing right should be with user department

## Section: Purchases Review

### Subsection: Purchase Orders

- 1: Comparative and upload scan copy along with PO **NC**

Rating: 6

Observation Text :

Comparative statements are done manually scanned copy is not uploaded along with PO-IT issue

- 2: E-mail of Purchase order to Vendor working in PMS **NC**

Rating: 7

## Section: Meetings & Market Survey

### Subsection: Committee Meeting and Market Survey

- 1: Recording of Observations of market survey as per SOP guidelines **NC**

Rating: 6

Observation Text :

The market survey is done only to check the rate difference. Started maintaining the file when asked, no signatures.

- 2: Approvals for Price Increase by Committee **NC**

Rating: 7

Observation Text :

Signatures on the comparative statement is taken into consideration for price increase. specs not mentioned in CSQ

## Section: Policy Compliance and Documentation

### Subsection: Policy Compliance

- 1: Debit note raised for short Supplies **NC**

Rating: 7

- 2: Time spent by vendor in the hotel monitored **NC**

Rating: 3

Observation Text :

In time, Out time of daily suppliers not monitored by the security. Entry is done

in the visitors book only when vendors come to meet the department associates.

**Section:** Policy Compliance and Documentation

**Subsection:** Documentation

- 1: All cheques dispatched to supplier in time **NC**

Rating: 7

Observation Text :

most of payment are done thru RTGS

**Section:** Receiving

**Subsection:** Receiving

- 1: Photo of Item being Weighed captured in PMS **NC**

Rating: 7

- 2: Vegetables and Fruits are Pre-washed before weighing **NC**

Rating: 6

Observation Text :

The vegetables are washed after weighing.

- 3: Vendor ID Cards are issued and checked **NC**

Rating: 6

Observation Text :

ID not issued

- 4: Authorization form for items received without PO is attached to GRN **NC**

Rating: 7

- 5: Supply timing of Vendor monitored by using vendor-ID punch report **NC**

Rating: 6

Observation Text :

Monitored by entering the time in the in-ward register.

# Audit Questionnaire

## Section: Purchases Review

### Subsection: Purchase Requisition

- 1: Online Purchase Requisition with 2 Level Authorisation

Rating: 8

Observation Text :

how to improve

- 2: Daily Perishable order through online

Rating: 8

- 3: Review of Pending Indents at Regular intervals

Rating: 8

- 4: Closing of Not Required Requisitions **NC**

Rating: 6

Observation Text :

this closing right should be with user department

## Section: Purchases Review

### Subsection: Purchase Orders

- 1: Comparative and upload scan copy along with PO **NC**

Rating: 6

Observation Text :

Comparative statements are done manually scanned copy is not uploaded along with PO-IT issue

- 2: Online Purchase orders with 3 level Authorization

Rating: 8

Observation Text :

Authorization is done through IDS

- 3: E-mail of Purchase order to Vendor working in PMS **NC**

Rating: 7

- 4: Pending Purchase orders Review

Rating: 8

Observation Text :

Discussed in the purchase committee meetings.

- 5: Closing of not required purchase orders

Rating: 8

Observation Text :



Purchase department closes the purchase orders.

6: Review of Cancelled Purchase orders **NC**

Rating: 6

Observation Text :

No reason mentioned for cancelling the PO

7: Cash purchases not to exceed Rs.10000

Rating: 8

Observation Text :

Cash purchase less than 10000 for single transaction.

**Section:** Meetings & Market Survey

**Subsection:** Committee Meeting and Market Survey

1: Purchase Committee meeting by 15th of Month

Rating: 8

2: Market Survey conducted in 1st week of month

Rating: 8

Observation Text :

only being done for veggies and fruits

3: Market survey has representatives of Finance, Kitchen and Purchase

Rating: 8

4: Recording of Observations of market survey as per SOP guidelines **NC**

Rating: 6

Observation Text :

The market survey is done only to check the rate difference. Started maintaining the file when asked, no signatures.

5: Purchase committee meeting minutes recorded as per SOP guidelines - twice in a month

Rating: 8

6: Approvals for Price Increase by Committee **NC**

Rating: 7

Observation Text :

Signatures on the comparative statement is taken into consideration for price increase. specs not mentioned in CSQ

**Section:** Policy Compliance and Documentation

**Subsection:** Policy Compliance

1: Debit note raised for short Supplies **NC**

Rating: 7

- 2: Time spent by vendor in the hotel monitored **NC**

Rating: 3

Observation Text :

In time, Out time of daily suppliers not monitored by the security. Entry is done in the visitors book only when vendors come to meet the department associates.

**Section:** Policy Compliance and Documentation

**Subsection:** Documentation

- 1: Purchase order office copy files with relevant attachments

Rating: 8

- 2: All cheques dispatched to supplier in time **NC**

Rating: 7

Observation Text :

most of payment are done thru RTGS

- 3: Recording of late supplies and quality issues to supplier through mail

Rating: 8

**Section:** Receiving

**Subsection:** Receiving

- 1: Online Integration of Weighing scale with PMS to Pickup Weight automatically

Rating: 8

- 2: Weighing of material using our hotel crates only and not of Vendor

Rating: 8

- 3: Online Print of GRN

Rating: 9

- 4: Photo of Item being Weighed captured in PMS **NC**

Rating: 7

- 5: IP camera when interrupted generating Alerts

Rating: 9

Observation Text :

IT department gets the alert.

- 6: Kitchen representative present while receiving the Vegetables, Fruits, Mutton, Chicken, Fish and other perishables

Rating: 9

- 7: Random Check of atleast 5 items by F&B Controller **NC**

Rating: 7

- 8: All Stockable items are received in the presence of user department representative

**NC**

Rating: 6

Observation Text :

The item goes to the store directly.

- 9: Vegetables and Fruits are Pre-washed before weighing **NC**  
Rating: 6

Observation Text :

The vegetables are washed after weighing.

- 10: Temperature Check of Frozen, Dairy and meat products  
Rating: 9

- 11: Vendor ID Cards are issued and checked **NC**  
Rating: 6

Observation Text :

ID not issued

- 12: Authorization form for items received without PO is attached to GRN **NC**  
Rating: 7

- 13: Supply timing of Vendor monitored by using vendor-ID punch report **NC**  
Rating: 6

Observation Text :

Monitored by entering the time in the in-ward register.

## **Section: Stores**

### **Subsection: Stores**

- 1: All Stores Ledgers are processed till last month **NC**  
Rating: 7
- 2: Physical stock check and updation in PMS **NC**  
Rating: 7
- 3: Physical Stock Variance Report Signed by FM **NC**  
Rating: 7
- 4: Non Moving Items Valued for more than 60 days - F&B stores  
Rating: 8
- 5: Non Moving Items Valued for more than 60 days - General Store  
Rating: 8
- 6: Non Moving Items Valued for more than 60 days - Engineering Stores  
Rating: 8
- 7: Non Moving Items Valued for more than 60 days - Kitchen Stewarding Stores  
Rating: 8

## Observation Text :

The items in the store is the par stock maintained. Non moving stock valuded for 180 days.

- 8: Non Moving Items Valued for more than 60 days - Liquor Store **NC**

Rating: 7

- 9: Non Moving Items Valued for more than 60 days - Soft drink Stores

Rating: 8

- 10: Store Closing stock of Last month - F&B Stores

Rating: 8

- 11: Store Closing stock of Last month - General

Rating: 8

- 12: Store Closing stock of Last month - Engineering

Rating: 8

- 13: Store Closing stock of Last month - Kitchen Stewarding **NC**

Rating: 6

## Observation Text :

stock increase reason not mentioned

- 14: Store Closing stock of Last month - Liquor Stores

Rating: 8

- 15: Store Closing stock of Last month - Soft drinks

Rating: 8

- 16: Stock out items are monitored

Rating: 8

- 17: Issue of material only against Indent

Rating: 9

- 18: Odd hour issues from stores are taken in the presence of Security and user department and recorded

Rating: 9