

Audit Report for Audit ID - AU00345-1

VA- Engineering

Audit Score

83/100

Details

Audit	AU00345
Scheduled Audit	AU00345-1
Location	Hyderabad
Hotel	AVASA Hotel
Department	Engineering
Checklist	VA- Engineering
Audit Type	External
Auditor	Saritha C
Start Date	20-12-2018
End Date	28-12-2018
Submitted Date	27-12-2018
Status	Completed
Assigned By	Administrator Account
Non-Compliance	7
Chronic Issues	0

Comparison

AVASA HOTEL VA- ENGINEERING				
VA- ENGINEERING		Dec 2018	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED		
1	Maintenance	83	-	-
2	Annual Maintenance Contracts	83	-	-
Audit Score		● 83	-	-

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

Non-Compliance

Section: Maintenance

Subsection: Preventive Maintenance

1: Are the critical machines/equipment parts been identified as "Critical", "Essential" & "Desirable" and documented at the Engg. Dept.? **NC**

Rating: 7

Observation Text :

Not defined and no such document available for verification. RESPONSE: No separate document maintained. Laundry, Boilers, Electrical, Plumbing spares etc are the critical equipments and we maintain the spares for these equipments depending upon the availability, procurement time. Every month end we ensure the items are available as per the requirement and take action accordingly

2: If critical spares are kept in store as a stand by how is it ensured that the spare is in working condition .i.e. is it tested at regular intervals for workability? **NC**

Rating: 7

Observation Text :

No such procedure followed. RESPONSE: The condition of the spare or part of machinery item cannot be tested as the material will be at stores and we need to raise the indent to pick the item for testing. The test check or working condition cannot be done for all the items

3: Are there any under usage or over usage of any particular equipment? **NC**

Rating: 7

Observation Text :

No such procedure followed. Laundry, Kitchen Equipments are monitored by deputed team, and major plant or equipments are monitored by shift operators. RESPONSE: We can only take feedback from the user depts. about the machinery usage as we cannot directly monitor. We can identify the mis handling upon the break down of the equipment.

Section: Maintenance

Subsection: Repairs & Maintenance

1: Does the dept. have the practice of preparing commercial/Technical evaluation for the quotations received for outsourcing the jobs at Projects? **NC**

Rating: 7

Attachments :

6-

SINGLEQUOTATIONOBTAINEDFORJOBWORKSATPROJECTS_20181227_143159.xlsx

Observation Text :

"Single or no quotation obtained for the job works undertaken amounting to Rs.1.6 Lakhs in 14instances. Note: a. Jobs above Rs.5000/- were considered. b. Manual bills or quotations were obtained for a few job works. RESPONSE: Only one major

renovation (OHM) work of in this year with Corporate approval. Apart from that we obtain and evaluate the quotes depending on the nature of work and also we have approved rate list for labour payments.

- 2: Do the dept. collect Job completion certificates for the jobs completed? **NC**

Rating: 7

Attachments :

6a-

JOB COMPLETION CERTIFICATE NOT OBTAINED FOR ENGINEERING JOBS_20181227_141711.xlsx

Observation Text :

No such process. Job completion certificate was not obtained for 30 engineering jobs worth Rs.5.96 Lakhs. RESPONSE: Job completed will be verified by Engineering HOD and certified for the submission of bills and processing payment.

- 3: Do the dept. analyse the long pending RGPs and action plan taken or not? **NC**

Rating: 7

Attachments :

7-

MATERIAL SENT THROUGH GATE PASS PENDING TO BE RECEIVED_20181227_115256.xlsx

Observation Text :

No such procedure followed. In 19 instances, material was pending to be received for 6-268 days as on 16-Nov-18. RESPONSE: We follow up with the vendors but no separate document.

Section: Maintenance

Subsection: Others

- 1: Is there a process to ensure that every room undergoes "KEN-FIX" once in a year as per policy? **NC**

Rating: 7

Observation Text :

Process available-18 rooms KEN-FIX per month. But not followed till 26-Nov-18. RESPONSE: Not done due to occupancy.

Chronic

No chronic issues found

Audit Questionnaire

Section: Maintenance

Subsection: Purchase Planning

1: Is there a process for determining the requirement (purpose and quantum) for purchase of engineering items along with the budget, whether the expenses are above or below the budget and necessary approvals are taken when the actuals are above the budget?

Rating: 8

Attachments :

1-EXPENSESAMOUNTEXCEEDEDBUDGETAMOUNT_20181225_190541.xlsx

Observation Text :

No procedure as such, of defining the purpose for purchase of engineering items except raising requisition with quantity mentioned in it. Overall expenses in the months of Apr'18, Jun'18, Jul'18, Aug'18 & Oct'18 exceeded the budget amount by Rs.3,500/-, Rs.1.39Lakhs, Rs.3.56Lakhs, Rs.3.32Lakhs and Rs.2.61Lakhs.

RESPONSE: Based on monthly stock consumption, stock levels and physical stock available we procure the items. Expenses depend upon the operations.

2: Wherever advances are paid to vendors, whether the same are accounted in the ledgers and upon receipt of goods, service and invoice, whether payment is done after adjusting advance amount?

Rating: 9

Observation Text :

Verified and found satisfactory.

3: Are quantity and rate entered in the purchase requisition is accurate?

Rating: 8

Observation Text :

"Verified quantity and found satisfactory. PRs do not contain the rate hence verified the POs and quotation attached and found satisfactory. Note: No proper filing of the quotations attached with POs from Apr'18-Sep'18, hence could not verified or commented. RESPONSE: We will streamline the filing and maintain up to date

4: Do all the purchase requisitions are authorized by the concerned as per policy?

Rating: 8

Observation Text :

Verified and found satisfactory. Note: No proper filing of the quotations attached with POs from Apr'18-Sep'18, hence could not verified or commented.

5: Is there any long pending purchase requisitions & purchase orders?

Rating: 8

Attachments :

3-

MATERIALPENDINGTOBERECEIVEDTOAGAINSTPOsFROMDELIVERYDATE_20181225_191251.xlsx

3a-PENDINGPRsTOBEREGULARISED_20181225_191255.xlsx

Observation Text :

"In 25 instances, materials amounting to Rs.12.87 Lakhs was pending to be received from 10-179days from delivery date mentioned in PO and in 1094instances PRs were pending to be converted to POs from 11-227days. Also no penalty clause in the PO for the delay in the delivering the material as per PO. RESPONSE: Engineering Exclusive things need to place the order and wait up to complete of the production. We will close the old POs and PRs not required

6: Whether the performance evaluation of the existing vendors are done and approvals are available for continuing with the existing vendor before the contract is renewed? ☒
Not Applicable

7: Are there any fresh PR & PO raised against old pending purchase requisitions & purchase orders?

Rating: 8

Attachments :

4-FRESHPOsRAISEDINSPITEOFPENDINGPOs_20181225_192840.xlsx

4a-FRESHPRsRAISEDINSPITEOFPENDINGPRs_20181225_192844.xlsx

Observation Text :

In 15instances fresh POs amounting to Rs.2.42 Lakhs were raised inspite of pending POs and in 34 instances fresh PRs were raised inspite of pending PRs.
RESPONSE:We will close the old POs and PRs not required

Section: Maintenance

Subsection: Preventive Maintenance

1: Is there a preventive maintenance schedule drawn for the equipment's available at the unit?

Rating: 9

Observation Text :

Schedule available for preventive maintenance.

2: Are the critical machines/equipment parts been identified as "Critical", "Essential" & "Desirable" and documented at the Engg. Dept.? **NC**

Rating: 7

Observation Text :

Not defined and no such document available for verification. RESPONSE: No separate document maintained. Laundry, Boilers, Electrical, Plumbing spares etc are the critical equipments and we maintain the spares for these equipments depending upon the availability, procurement time. Every month end we ensure the items are available as per the requirement and take action accordingly

3: If critical spares are kept in store as a stand by how is it ensured that the spare is in working condition .i.e. is it tested at regular intervals for workability? **NC**

Rating: 7

Observation Text :

No such procedure followed. RESPONSE: The condition of the spare or part of machinery item cannot be tested as the material will be at stores and we need to raise the indent to pick the item for testing. The test check or working condition cannot be done for all the items

4: Is there a logbook maintained for breakdowns reported and the time within which the breakdowns are serviced?

Rating: 9

Observation Text :

Yes, verified softcopy maintained and found satisfactory.

5: Are there any under usage or over usage of any particular equipment? **NC**

Rating: 7

Observation Text :

No such procedure followed. Laundry, Kitchen Equipments are monitored by deputed team, and major plant or equipments are monitored by shift operators. RESPONSE: We can only take feedback from the user depts. about the machinery usage as we cannot directly monitor. We can identify the mis handling upon the break down of the equipment.

Section: Maintenance

Subsection: Inventory Controls

1: Do the dept. conduct random stock verification process at regular intervals?

Rating: 9

Observation Text :

No random stock verification but only month end stock verification is carried out-100%. RESPONSE: Engineering item stores monitored by the Finance

2: Whether approvals are taken for variance (short / excess), documented and action taken for the variance derived?

Rating: 8

Observation Text :

Month end stock variance with adjustments and adequate approval taken are maintained at Finance. Jun'18 & Jul'18 stock papers were missing for verification. RESPONSE: All the stores including Engineering items monitored by the Finance

3: Status of slow-moving and or non-moving goods to be given?

Rating: 9

Observation Text :

Verified the non moving stock with the procurement during the year and no instances of non moving stock procured by the department till date. RESPONSE: We generally not procure. There may be cases of procurement for cases where item code is same for 2different items for example we may have Item code for bulb, screws but there may difference by brand, size, capacity etc

4: Whether all the materials issued from stores have proper indents signed by both the receiver and the issuer?

Rating: 9

Observation Text :

Verified and found satisfactory.

- 5: Physical verification to be done and variances to be reported

Rating: 9

Observation Text :

Verified and found satisfactory.

- 6: Whether stock levels are fixed for engineering items?

Rating: 8

Attachments :

5-

ITEMS STOCKED BELOW THE MINIMUM STOCK LEVEL DEFINED IN IDS_20181227_114141.xlsx

Observation Text :

Stock levels are defined but in a solitary instance stock out situation was observed out of 16 instances for which minimum stock level not maintained.

RESPONSE: Stores need to maintain the stock as per the minimum level.

Section: Maintenance

Subsection: Power & Fuel Consumption

- 1: Do the dept. review the diesel log book for all the DG Sets on a daily basis?

Rating: 9

Observation Text :

Verified and found satisfactory.

- 2: Do the dept. validate the EB bills with latest revised rates?

Rating: 9

Observation Text :

Verified and found satisfactory.

- 3: Whether the diesel consumption are analyzed on a monthly basis and findings shared with all the concerned for any abnormal deviations on a monthly basis?

Rating: 8

Observation Text :

No separate analysis as such but reviewed as part of the monthly reporting.

RESPONSE: Yes reviewed and reported in MIS and if exceed the budget.

- 4: Whether the gas consumption are analyzed on a monthly basis and findings shared with all the concerned for any abnormal deviations?

Rating: 8

Observation Text :

Followed the procedure, reported on daily basis. RESPONSE: Yes reviewed and analysed as part of our regular reporting and circulated to Kitchens for control.

5: Is there a process of verifying the power shut down timings with DG working timings?

Rating: 9

Observation Text :

Satisfactory.

6: Do the dept. monitor the usage controls of air conditioners, water heaters, computers, lifts, lights & fans?

Rating: 9

Observation Text :

Energy marshal Control sheet maintained for verification shift wise. Verified and found satisfactory.

7: Is there a process of updating the readings of WTP (Water Treatment Plant) , STP (Sewage Treatment Plant), AHU (Air Handling Unit), FCU (Fan Coiling Unit), Boiler regularly or not?

Rating: 9

Observation Text :

Verified and found satisfactory.

Section: Maintenance

Subsection: Repairs & Maintenance

1: Does the dept. have the practice of preparing commercial/Technical evaluation for the quotations received for outsourcing the jobs at Projects? **NC**

Rating: 7

Attachments :

6-

SINGLEQUOTATIONOBTAINEDFORJOBWORKSATPROJECTS_20181227_143159.xlsx

Observation Text :

"Single or no quotation obtained for the job works undertaken amounting to Rs.1.6 Lakhs in 14instances. Note: a. Jobs above Rs.5000/- were considered. b. Manual bills or quotations were obtained for a few job works. RESPONSE: Only one major renovation (OHM) work of in this year with Corporate approval. Apart from that we obtain and evaluate the quotes depending on the nature of work and also we have approved rate list for labour payments.

2: Are there any delay in raising job order?

Rating: 9

Observation Text :

Verified and found satisfactory.

3: Do all the Job orders are authorised or not?

Rating: 9

Observation Text :

Verified and found satisfactory.

- 4: Do the dept. collect Job completion certificates for the jobs completed? **NC**

Rating: 7

Attachments :

6a-

JOB COMPLETION CERTIFICATE NOT OBTAINED FOR ENGINEERING JOBS_20181227_141711.xlsx

Observation Text :

No such process. Job completion certificate was not obtained for 30 engineering jobs worth Rs.5.96 Lakhs. RESPONSE: Job completed will be verified by Engineering HOD and certified for the submission of bills and processing payment.

- 5: Is there any delay in completion of jobs?

Rating: 8

Attachments :

6b-

DELAY IN JOB COMPLETION FROM EXPECTED DATE_20181227_145038.xlsx

Observation Text :

Delays from 6-22 days was observed in completing the Projects jobs in 4 instances and delays from 6-109 days was observed in completing the Engineering jobs in 15 instances. Expected date of completion not mentioned in 12 instances. RESPONSE: We will mention the completion date here onward. Response provided in Annexure.

- 6: Are RGPs accompanying with materials sent outside for repairing purpose?

Rating: 9

Observation Text :

Verified and found satisfactory.

- 7: Do all such RGPs are authorized by the concerned or not?

Rating: 9

Observation Text :

Verified and found satisfactory.

- 8: Do the dept. analyse the long pending RGPs and action plan taken or not? **NC**

Rating: 7

Attachments :

7-

MATERIALS SENT THROUGH GATE PASS PENDING TO BE RECEIVED_20181227_115256.xlsx

Observation Text :

No such procedure followed. In 19 instances, material was pending to be received for 6-268 days as on 16-Nov-18. RESPONSE: We follow up with the vendors but no separate document.

- 9: Is there any abnormal delay in receiving materials sent for repair from the vendor ?

Rating: 8

Attachments :

7a-

DELAYINRECEIVINGMATERIALSENTTHROUGHGATEPASSFROMEXPECTE
DDATE_20181227_115356.xlsx

Observation Text :

In 25 instances delays from 16-108days was observed in receiving the material from expected date of return.

10: Whether any machines/equipment's hired from outside vendor during the delayed period?

Rating: 9

Observation Text :

No such instances.

11: Are the hired equipment's/machines from the same vendor who has already taken the hotel's assets for repairing purpose?

Rating: 9

Observation Text :

No such instances.

Section: Maintenance

Subsection: Others

1: Is there a process to ensure that every room undergoes "KEN-FIX" once in a year as per policy? **NC**

Rating: 7

Observation Text :

Process available-18rooms KEN-FIX per month. But not followed till 26-Nov-18.

RESPONSE: Not done due to occupancy.

2: Is there any abnormal delay in releasing the rooms after KEN-FIX activity completed?

☒ Not Applicable

3: Whether the unit has installed EYE WASH UNITS near laundry chemical storage area?

Rating: 9

Observation Text :

Yes, Satisfactory.

Section: Annual Maintenance Contracts

Subsection: AMC

1: Are all the services under AMCs availed as per the frequencies and terms of contracts?

Rating: 9

Observation Text :

Verified and found satisfactory.

2: Are AMCs for equipment's available at Engineering dept. and for HK equipment's?

Rating: 8

Observation Text :

AMC available for only 36 equipments. Note: No major repair works or breakdowns for other equipments during audit period. AMC (with OTIS vendor) validity of the Sky Lift-2nd was expired by 31-Oct-18. RESPONSE: AMC obtained for major equipments at Engineering and rest all taken care by the our (Engineering) team. Quotation obtained from OTIS and negotiation under process for renewal. Service is being provided by the vendor.

3: Do the dept. verify the mandatory clauses i.e. price, period and equipment covered and payments are made based on the service certificate?

Rating: 8

Observation Text :

"a) In a solitary instance service report for baggage scanner from the Smith Detection was not obtained for Sep'18. b) Attendance of the personnel appointed for the STP by the AMC vendor(Srinivasa Engineering Solutions) was not updated properly. RESPONSE: "a) Missed out filing. b) Two personnel of the vendor are available as per the schedule as agreed. We have informed the concerned of the vendor strictly to brief their team regarding attendance updating.