

Audit Report for Audit ID - AU00428-2

VA-Banquets Controls


Audit Score

62/100

Details

Audit	AU00428
Scheduled Audit	AU00428-2
Location	Hyderabad
Hotel	Marigold Hotel
Department	F & B Service
Checklist	VA-Banquets Controls
Audit Type	External
Auditor	Saritha C
Start Date	21-02-2019
End Date	28-02-2019
Submitted Date	28-02-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	16
Chronic Issues	0

Comparison

MARIGOLD HOTEL VA-BANQUETS CONTROLS				
VA-BANQUETS CONTROLS		Feb 2019	VARIANCE	% of Increase / Decrease (- / +)
S.No	Sections	SCORE OBTAINED		
1	Banquets	62	-	-
Audit Score		 62	-	-

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

Non-Compliance

Section: Banquets

Subsection: Reservations

1: Whether Function prospectus are raised for all the functions and is complete in all aspects relating to the rate, expected PAX, guaranteed PAX, guest own liquor details, extras needed, charges for the same, mode of payment? **NC**

Rating: 7

Attachments :

QUE1_DOC_20190227_163230.xlsx

Observation Text :

Concerned documents were not available in the Banquets file maintained at Banquets Department and also not mentioning the guest own liquor details on the Function Prospectus. (Sample Size: Nov '18 & Dec '18) RESPONSE:- all these points are available in the released accounts fp and it is attached with bills and submit to accounts after every event and there is no separate document for this/ plate control sheet/ challan/fp / bill has all this information for every event. After the event banquets will not keep all this in dept. except the sales file sales fp & mostly corporates mail conformations and btc approvals/ for social few are mail confirmations like resi cons and resi social and local social we do contracts and file in sales files but finally the fps with bills close at operation on the event day with out discrepancies and revenues are accounted by controls if there are short charges or any other discrepancies they found or not tally with fp they address and we close with in the week.

2: Whether the function prospectus are Serially numbered and wherever there are cancellations, the same are approved and documented with reasons? **NC**

Rating: 0

Attachments :

QUE2_DOC_20190227_163814.xlsx

QUE2_DOC_20190227_163821.xlsx

QUE2_DOC_20190227_163827.xlsx

Observation Text :

"1. On verification of FP engine from IDS, Few FPs were missing in seriality. . 2. Cancelled function prospectus were not filed or approved and the same was not available for verification at Banquets Dept. . 3. Further observed that there is no option to cancel the event, Instead the unit is moving the event under ""WAITLISTED"" status. (Sample Size: Dec '18)" RESPONSE:- "These are reservation numbers, not fp but again this is relates to IT f&b is an user These are wait listed like esquires and load in ids on call and later these are not materialized hence it will shown as wait list / wait list is just a primary inquire and not confirmed."

3: Whether the rates offered are same as banquets standard menu rate and wherever discounts are offered, whether the same are approved as per DOA? **NC**

Rating: 7

Attachments :

QUE3_DOC_20190227_164217.xlsx

Observation Text :

"As per Delegation Of Authority : HOD can approve discount up to Rs.10,000/- Unit head up to Rs.25,000/- Dy. Head of Operations Corporate up to Rs.40000/- Head of Operations up to Rs.60,000/- Head of Operations and Head of finance Corporate above Rs.60,000/- Observation- Discount provided to the banquets guests without proper approvals and adequate documents for support in 3 instances and the Financial impact of Rs.1.77 Lakhs (Sample Size: 15 Bills - Dec '18)" RESPONSE:- These 3 cases are customized and two events are less then 20% discount on the menu matrix's and one event is mr vishnus agarwal (mr ankit sarangi)/ for mr vishun agarwal awe are offering for veg 1200/ 1300 and for non veg 1600 on the set matrix's

- 4: Are Advance collected during bookings/Confirmation- as per the SOP? **NC**

Rating: 0

Observation Text :

Advance collecting for the bookings, but Event Date and Hall details not mentioned on the advance receipts in most cases. (Sample Size: Apr '18 & Dec '18)
RESPONSE:- all these are paid through ids at front desk and the receipt will have the receipt no/ venue name/ amount received/ reservation number/ no evidence found in this case please present if there any evidence to relook

- 5: Whether guest acknowledgement and Banquets Manager signature taken on FP?

NC

Rating: 0

Observation Text :

Not following the same RESPONSE:- this operations take sign on challen and plate tracking sheets some times missing on fp/ we relook this aspect

Section: Banquets**Subsection: Cancellations**

- 1: Whether any charges are retained from the advance made by the guest in case of cancellation beyond the applicable time? **NC**

Rating: 0

Attachments :

QUE6_DOC_20190227_164651.xlsx

Observation Text :

Retention charges were not collected for the events cancelled, amounting to Rs.13.63 Lakhs and date of cancellation is not documented by the banquets department. (Sample Size : Apr '18 to Dec'18) RESPONSE:- we collect and amendments made / no discrepancy found.

Section: Banquets**Subsection: Cashiering**

- 1: Whether guest own liquor form filled and acknowledged wherever applicable and Whether corkage charged for the same?? **NC**

Rating: 7

Observation Text :

Guest own liquor forms were not available with the unit due to which the billing

accuracy of corkage charges could not be authenticated. (Sample Size: Apr '18 to Dec '18) RESPONSE:- With approvals we allow and again sales call on corkage s this happen mostly with corporate ref events

Section: Banquets

Subsection: Billing

1: Are the invoices raised for all the Function prospectus and are they in seriality and in case of break, whether necessary approvals are obtained and documented? Are all the taxes charged are appropriate? **NC**

Rating: 7

Attachments :

QUE14_DOC_20190227_170612.xlsx

QUE14_DOC_20190227_170618.xlsx

Observation Text :

Invoice Seriality missing in an instance, B.No.68 - April '18 and further observed that Voucher Nos. also missing for which no invoice was raised. (Sample Size: Apr '18 to Dec '18) In 3 instances, Taxes were wrongly charged, amounting to Rs.8777/-. (Sample Size: Nov '18 & Dec '18) RESPONSE:- Not provided.

2: Are the approvals available for the waivers? **NC**

Rating: 7

Attachments :

QUE15_DOC_20190227_170820.xlsx

Observation Text :

The total no. of 1391 bills were raised from out of which 113 bills were cancelled which accounts to 8.13% on the total cancelled bills. And in a few of bills reasons and authroised signatures were not available. (Sample Size: Apr '18 to Dec '18) RESPONSE:- There were bills which was canceled have got reasons like 1.Extra pax added if the guest increased after printing of the bills. 2.Extra liquor taken by the guest after printing of the bills to add that extra items in the bill 3.last minute request of AV that to be added in the bill. 4.Last minute request of GST to be added in the bills.

3: If the expected PAX exceed 10% of guaranteed PAX, whether surcharge is collected and wherever there are deviations, whether approvals are available? **NC**

Rating: 7

Attachments :

QUE16_DOC_20190227_170917.xlsx

Observation Text :

Surcharge was not collected from the guests, when the expected pax exceeds more than guaranteed pax, amounting to Rs.0.74 Lakhs. (Sample Size: Dec '18) RESPONSE:- we are not having this practice in the past also & now also. wave off we do with approvals by write off allowance notes and submit to accounts.

4: Whether Banquet hiring indent requisition is prepared and approved? **NC**

Rating: 0

Observation Text :

No requisition will be raised. RESPONSE:- all guest requirements during booking we write in fp and the floor request will be billed direct / and we reconcile the chargeable av charges with vendor bills to make payments.

5: Whether Event-wise reconciliation done for the revenue generated and accounted in IDS and are same as what is accounted? **NC**

Rating: 7

Attachments :

QUE26_DOC_20190227_171522.xlsx

Observation Text :

While billing ODC events hall name is being selected instead of selecting ODC event head and further observed that all the amount is booking under Banquets food sales instead of Banquets ODC food sales, amounting to Rs.19.62 Lakhs (Sample Size: Apr '18 to Dec '18) RESPONSE:- it was sorted out and very few instances like less charges or over charges or writing errors in the FPs.

6: At the time of billing, banquets personal selecting correct Hall rather than the agreed hall in FP. **NC**

Rating: 7

Attachments :

QUE28_DOC_20190227_172033.xlsx

Observation Text :

In 19 instances different venue was selected while billing rather than agreed in FP. (Sample size: Nov'18 & Dec'18) RESPONSE:- This is because of the - 1.Extra pax added if the guest increased after printing of the bills. 2.Extra liquor taken by the guest after printing of the bills to add that extra items in the bill 3.last minute request of AV that to be added in the bill. 4.Last minute request of GST to be added in the bills. 5) after the requirement entry if the amendments were raised for increase of the pax.

7: Status of Pending banquet bills as on date to be given **NC**

Rating: 7

Attachments :

QUE29_DOC_20190227_172153.xlsx

Observation Text :

Delay of 181 to 1154 days were pending banquet bills as on 18-Jan-19, amounting to Rs.11.75 Lakhs. RESPONSE:- list attached is few ref of cso sir (police related events) and other few banquets events approved btc letters were submitted/ most of these vector heli is rooms not banquets

8: Liquor left over by the guests at banquets events is being documented by the Banquets and F&B Controls department ? **NC**

Rating: 0

Observation Text :

Liquor left over by the guests at banquets events is not being recorded for tracking of the liquor quantity by the Banquets and F&B Controls department. RESPONSE:- guest take away the left overs if not it will be handover to fb controls

9: Analysis of Revenue with pax to be done and commented upon **NC**

Rating: 7

Attachments :

QUE31_DOC_20190227_172406.xlsx

Observation Text :

Analysis of Hall Wise Revenue was done and our inferences were given below : a)

Negative variance of Rs.2.02 Lakhs for May '18, Rs.1.85 Lakhs for Aug '18 and Rs.2.40 Lakhs for Nov '18 was observed when compared to previous month, while comparing No of Events by Hall Revenue. RESPONSE:- revenue generation will be depend on the leads closed with price and pax @ cocktails events with the price offerings it may not be same every month / this will depend on the business volumes in the month

Chronic

No chronic issues found

Audit Questionnaire

Section: Banquets

Subsection: Reservations

1: Whether Function prospectus are raised for all the functions and is complete in all aspects relating to the rate, expected PAX, guaranteed PAX, guest own liquor details, extras needed, charges for the same, mode of payment? **NC**

Rating: 7

Attachments :

QUE1_DOC_20190227_163230.xlsx

Observation Text :

Concerned documents were not available in the Banquets file maintained at Banquets Department and also not mentioning the guest own liquor details on the Function Prospectus. (Sample Size: Nov '18 & Dec '18) RESPONSE:- all these points are available in the released accounts fp and it is attached with bills and submit to accounts after every event and there is no separate document for this/ plate control sheet/ challan/fp / bill has all this information for every event. After the event banquets will not keep all this in dept. except the sales file sales fp & mostly corporates mail conformations and btc approvals/ for social few are mail confirmations like resi cons and resi social and local social we do contracts and file in sales files but finally the fps with bills close at operation on the event day with out discrepancies and revenues are accounted by controls if there are short charges or any other discrepancies they found or not tally with fp they address and we close with in the week.

2: Whether the function prospectus are Serially numbered and wherever there are cancellations, the same are approved and documented with reasons? **NC**

Rating: 0

Attachments :

QUE2_DOC_20190227_163814.xlsx

QUE2_DOC_20190227_163821.xlsx

QUE2_DOC_20190227_163827.xlsx

Observation Text :

"1. On verification of FP engine from IDS, Few FPs were missing in seriality. . 2. Cancelled function prospectus were not filed or approved and the same was not available for verification at Banquets Dept. . 3. Further observed that there is no option to cancel the event, Instead the unit is moving the event under ""WAITLISTED"" status. (Sample Size: Dec '18)" RESPONSE:- "These are reservation numbers, not fp but again this is relates to IT f&b is an user These are wait listed like esquires and load in ids on call and later these are not materialized hence it will shown as wait list / wait list is just a primary inquire and not confirmed."

3: Whether the rates offered are same as banquets standard menu rate and wherever discounts are offered, whether the same are approved as per DOA? **NC**

Rating: 7

Attachments :

QUE3_DOC_20190227_164217.xlsx

Observation Text :

"As per Delegation Of Authority : HOD can approve discount up to Rs.10,000/- Unit head up to Rs.25,000/- Dy. Head of Operations Corporate up to Rs.40000/- Head of Operations up to Rs.60,000/- Head of Operations and Head of finance Corporate above Rs.60,000/- Observation- Discount provided to the banquets guests without proper approvals and adequate documents for support in 3 instances and the Financial impact of Rs.1.77 Lakhs (Sample Size: 15 Bills - Dec '18)" RESPONSE:- These 3 cases are customized and two events are less then 20% discount on the menu matrix's and one event is mr vishnus agarwal (mr ankit sarangi)/ for mr vishun agarwal awe are offering for veg 1200/ 1300 and for non veg 1600 on the set matrix's

- 4: Are Advance collected during bookings/Confirmation- as per the SOP? **NC**

Rating: 0

Observation Text :

Advance collecting for the bookings, but Event Date and Hall details not mentioned on the advance receipts in most cases. (Sample Size: Apr '18 & Dec '18)
RESPONSE:- all these are paid through ids at front desk and the receipt will have the receipt no/ venue name/ amount received/ reservation number/ no evidence found in this case please present if there any evidence to relook

- 5: Whether guest acknowledgement and Banquets Manager signature taken on FP?

NC

Rating: 0

Observation Text :

Not following the same RESPONSE:- this operations take sign on challen and plate tracking sheets some times missing on fp/ we relook this aspect

Section: Banquets**Subsection: Cancellations**

- 1: Whether any charges are retained from the advance made by the guest in case of cancellation beyond the applicable time? **NC**

Rating: 0

Attachments :

QUE6_DOC_20190227_164651.xlsx

Observation Text :

Retention charges were not collected for the events cancelled, amounting to Rs.13.63 Lakhs and date of cancellation is not documented by the banquets department. (Sample Size : Apr '18 to Dec'18) RESPONSE:- we collect and amendments made / no discrepancy found.

Section: Banquets**Subsection: Cashiering**

- 1: Whether PAN collected for cash payments exceeding Rs.50,000?

Rating: 9

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

2: Are the amendment slips raised, attached for any change in the function prospectus and approved?

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

3: Are the plate control sheets attached for Extra plates consumed and acknowledged by the guest and the event manager / the team leader?

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

4: Whether guest own liquor form filled and acknowledged wherever applicable and Whether corkage charged for the same?? **NC**

Rating: 7

Observation Text :

Guest own liquor forms were not available with the unit due to which the billing accuracy of corkage charges could not be authenticated. (Sample Size: Apr '18 to Dec '18) RESPONSE:- With approvals we allow and again sales call on corkage s this happen mostly with corporate ref events

5: Whether GSTIN Obtained for the bill to company?

Rating: 9

Observation Text :

Satisfactory. (Sample size:Dec'18)

Section: Banquets

Subsection: Billing

1: In case any cheques are collected for advance and if dishonored, whether 100% of total expected PAX collected from the guest?

Rating: 8

Observation Text :

In an instance, cheque was dishonoured, no advance was collected from the guests. As per Section 138 of Neotiable Instrument Act, Notice to be sent to the guest, but the same was not forwarded and no cheque dishonour charges were collected. RESPONSE:- Not provided.

2: Whether cash or card receipts documented and accounted for such advances collected for bookings.?

Rating: 8

Observation Text :

Satisfactory. (Sample size: Dec'18)

3: Are the invoices raised for all the Function prospectus and are they in seriality and in case of break, whether necessary approvals are obtained and documented? Are all the taxes charged are appropriate? **NC**

Rating: 7

Attachments :

QUE14_DOC_20190227_170612.xlsx

QUE14_DOC_20190227_170618.xlsx

Observation Text :

Invoice Seriality missing in an instance, B.No.68 - April '18 and further observed that Voucher Nos. also missing for which no invoice was raised. (Sample Size: Apr '18 to Dec '18) In 3 instances, Taxes were wrongly charged, amounting to Rs.8777/-. (Sample Size: Nov '18 & Dec '18) RESPONSE:- Not provided.

4: Are the approvals available for the waivers? **NC**

Rating: 7

Attachments :

QUE15_DOC_20190227_170820.xlsx

Observation Text :

The total no. of 1391 bills were raised from out of which 113 bills were cancelled which accounts to 8.13% on the total cancelled bills. And in a few of bills reasons and authroised signatures were not available. (Sample Size: Apr '18 to Dec '18) RESPONSE:- There were bills which was canceled have got reasons like 1.Extra pax added if the guest increased after printing of the bills. 2.Extra liquor taken by the guest after printing of the bills to add that extra items in the bill 3.last minute request of AV that to be added in the bill. 4.Last minute request of GST to be added in the bills.

5: If the expected PAX exceed 10% of guaranteed PAX, whether surcharge is collected and wherever there are deviations, whether approvals are available? **NC**

Rating: 7

Attachments :

QUE16_DOC_20190227_170917.xlsx

Observation Text :

Surcharge was not collected from the guests, when the expected pax exceeds more than guaranteed pax, amounting to Rs.0.74 Lakhs. (Sample Size: Dec '18)

RESPONSE:- we are not having this practice in the past also & now also. wave off we do with approvals by write off allowance notes and submit to accounts.

6: Whether Wash/change room for Refreshment purposes for Banquet guests charged upon exceeding of 6 hrs

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

7: Whether Banquet hiring indent requisition is prepared and approved? **NC**

Rating: 0

Observation Text :

No requisition will be raised. RESPONSE:- all guest requirements during booking we write in fp and the floor request will be billed direct / and we reconcile the chargeable av charges with vendor bills to make payments.

8: Whether any manual bills are raised, if so, reason and approvals obtained?

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

9: Wherever the invoices are BTC, are the necessary approvals and guest signatures taken on all documents?

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

10: Whether approvals are available for complimentary offers

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

11: Whether guest sheet list is available for On plan?

Rating: 8

Observation Text :

Satisfactory (Sample Size: Nov '18 & Dec '18)

12: Whether the rates offered for outdoor catering services are same as menu rate and necessary approvals obtained for discounts provided?

Rating: 8

Attachments :

QUE23_DOC_20190227_171322.xlsx

Observation Text :

In two instances, approvals were not available for verification for the rates offered, amounting to Rs.8.45 Lakhs. (Sample Size: Apr '18 & Dec '18) RESPONSE:- Not provided.

13: While sending out the items whether the security verifies and authenticates all the mentioned in the list?

Rating: 8

Observation Text :

Satisfactory.

14: Upon receiving of the items, whether the security verifies and authenticates all the mentioned in the list??

Rating: 8

Observation Text :

Satisfactory.

15: Whether Event-wise reconciliation done for the revenue generated and accounted in IDS and are same as what is accounted? **NC**

Rating: 7

Attachments :

QUE26_DOC_20190227_171522.xlsx

Observation Text :

While billing ODC events hall name is being selected instead of selecting ODC event head and further observed that all the amount is booking under Banquets food sales instead of Banquets ODC food sales, amounting to Rs.19.62 Lakhs (Sample Size: Apr '18 to Dec '18) RESPONSE:- it was sorted out and very few instances like less charges or over charges or writing errors in the FPs.

16: Whether difference if any are approved after due reconciliation ?

Rating: 8

Observation Text :

No approvals was available for the same.

17: At the time of billing, banquets personal selecting correct Hall rather than the agreed hall in FP. **NC**

Rating: 7

Attachments :

QUE28_DOC_20190227_172033.xlsx

Observation Text :

In 19 instances different venue was selected while billing rather than agreed in FP. (Sample size: Nov'18 & Dec'18) RESPONSE:- This is because of the - 1.Extra pax added if the guest increased after printing of the bills. 2.Extra liquor taken by the guest after printing of the bills to add that extra items in the bill 3.last minute request of AV that to be added in the bill. 4.Last minute request of GST to be added in the bills. 5) after the requirement entry if the amendments were raised for increase of the pax.

18: Status of Pending banquet bills as on date to be given **NC**

Rating: 7

Attachments :

QUE29_DOC_20190227_172153.xlsx

Observation Text :

Delay of 181 to 1154 days were pending banquet bills as on 18-Jan-19, amounting to Rs.11.75 Lakhs. RESPONSE:- list attached is few ref of cso sir (police related events) and other few banquets events approved btc letters were submitted/ most of these vector heli is rooms not banquets

19: Liquor left over by the guests at banquets events is being documented by the Banquets and F&B Controls department ? **NC**

Rating: 0

Observation Text :

Liquor left over by the guests at banquets events is not being recorded for tracking of the liquor quantity by the Banquets and F&B Controls department. RESPONSE:- guest take away the left overs if not it will be handover to fb controls

20: Analysis of Revenue with pax to be done and commented upon **NC**

Rating: 7

Attachments :

QUE31_DOC_20190227_172406.xlsx

Observation Text :

Analysis of Hall Wise Revenue was done and our inferences were given below : a)
Negative variance of Rs.2.02 Lakhs for May '18, Rs.1.85 Lakhs for Aug '18 and
Rs.2.40 Lakhs for Nov '18 was observed when compared to previous month, while
comparing No of Events by Hall Revenue. RESPONSE:- revenue generation will be
depend on the leads closed with price and pax @ cocktails events with the price
offerings it may not be same every month / this will depend on the business volumes
in the month