

Audit Report for Audit ID - AU00425-1

VA- HK Q3


Audit Score

82/100

Details

Audit	AU00425
Scheduled Audit	AU00425-1
Location	Hyderabad
Hotel	AVASA Hotel
Department	House Keeping
Checklist	VA- HK Q3
Audit Type	External
Auditor	Saritha C
Start Date	14-02-2019
End Date	21-02-2019
Submitted Date	19-02-2019
Status	Completed
Assigned By	Administrator Account
Non-Compliance	6
Chronic Issues	0

Comparison

AVASA HOTEL VA- HK Q3				
VA- HK Q3		Feb 2019	VARIANCE	% of Increase / Decrease (-/ +)
S.No	Sections	SCORE OBTAINED		
1	HK Functions	82	-	-
Audit Score		 82	-	-

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

Non-Compliance

Section: HK Functions

Subsection: Bill Processing

1: Whether complimentary laundry service provided are documented with approvals?

NC

Rating: 7

Attachments :

COMPLIMENTARYLAUNDRYBILLING_20190218_162311.xlsx

Observation Text :

No approval in specific, as Complimentary laundry details are not being updated in IDS but the details are maintained separately and are being reported directly in MIS.

Note: This observation was also reported in our previous audit. Further an increase in the amount (Rs.17.21 Lakhs for Apr'18-Dec'18)of complimentary laundry was observed upon comparison with 17-18. Response:- Finance to suggest and IT to provide the option to post the bill in IDS, Bills are not raised for comp laundry from beginning due to some finance issues.

Section: HK Functions

Subsection: Consumables

1: Whether physical verification is done and variance if any are documented with approvals? **NC**

Rating: 7

Attachments :

INVENTORYRECORDS-CONTROLS_20190218_171653.xlsx

Observation Text :

Finance-HOD, Housekeeping HOD/Executive Housekeeping sign not available for the inventory records maintained. Further physical inventory verification record of F&B Linen and Staff uniform were missing in a solitary and a couple of instances respectively. (Sample size-Apr'18-Dec'18) Response:- Physical inventory done by the supervisor and handed over the paper to executive for cross verification and same Being updated in stock register which done by the HOD. How ever henceforth HOD will sign the hard copy before filing.

Section: HK Functions

Subsection: Lost and Found Articles

1: Whether any lost and found liquor was handover to controls? **NC**

Rating: 7

Attachments :

DISCREPANCIESINLOSTANDFOUNDLIQUOR-
RECORDS_20190218_173521.xlsx

Observation Text :

Yes, lost and found liquor was handover to Controls by the Housekeeping. a) Liquor handed over by the Housekeeping team is maintained at Controls, but there is no procedure of mentioning the details of the room and date of lost and found on the

liquor bottles for identification. b) Also details of liquor quantity is missing in a few instances in the register maintained. b) Further there is no lock and key storing procedure for lost and found liquor received by Controls at the department. (Sample size-As on 08-Jan-19) Response:- Noted - Madan to response.

Section: HK Functions

Subsection: Uniform Register and Tailoring

1: Whether physical verification of stitched and unstitched clothes is done and variance, if any are documented with approvals? **NC**

Rating: 7

Attachments :

VARIANCEINUNIFORM(UNSTITCHED)STOCK_20190219_111712.xlsx

Observation Text :

No such procedure of physical verification of unstitched cloth. Further net short variance of Rs.9,072.20 was observed during the physical verification. (Sample size-As on 08-Jan-19) Response:- Few cases items were sent thru returnable gate pass for stitching of uniform but stock register was not updated which have been done.

Section: HK Functions

Subsection: Minibar

1: Is there a room-wise stock statement maintained by the department indicating the opening stock, receipts, issues, inter-room transfers, pilferage / missed items, consumed items and closing stock and are they adequate in having control over the stocks to ensure all the consumption is billed? Controls on expiry stock to be verified and commented upon

NC

Rating: 7

Observation Text :

"Room-wise stock details are updated in the register maintained at Housekeeping. Daily verification is carried out by the mini bar person(Housekeeping) and informed to the Executive or HOD for action to be taken. Consumables near expiry(1month)are moved to the other outlets for consumption after informing to the HOD F&B Service.(Sample size: NA) Observation: During our physical verification of items placed in mini bar at rooms on random basis(6rooms) on 04-Feb-19, 2tonic water bottles (Schweppes) were found expired(22-Jan-19) in room number 904 and 827."

Section: HK Functions

Subsection: Assets-Items Lost from GUEST Room

1: Is there a process of verifying room before billing/check out at FO -- how many cases are waived off/how many are charged? **NC**

Rating: 7

Attachments :

DAMAGECASUEDBYTHEROOMGUESTS_20190219_112925.xlsx

Observation Text :

Register maintained by Housekeeping for the asset or item damage or missing from guest room(12instances), but neither record for the amount charged to the guests nor approval for waiver was available for verification during our audit. (Sample size:

01-Apr-18 to 28-Jan-19) RESPONSE: All missing and damage items are updated in missing/damaged register and mail sent to Front office, Front office charge to guest based on profile & company.

Chronic

No chronic issues found

Audit Questionnaire

Section: HK Functions

Subsection: Rate Master

1: Are there multiple items codes created for the same item and vice versa ? If yes, whether the same are corrected and such changes are documented with reason and approval?

Rating: 8

Attachments :

DISCREPANCIESINMENULIST_20190218_161612.xlsx

Observation Text :

a) Item rate not available in menu card but updated in IDS in 26 instances. Out of these, in a solitary instance sale was done for an amount of Rs.120/-. Complete details are given in Annexure-A1
 b) In a solitary instance rate was wrongly updated leading to excess collection of Rs.105/-. Complete details are given in Annexure-A1
 c) "Service Tax extra as applicable" was mentioned on few menu(old) cards to be presented to the guests instead of "Taxes extra as applicable". Either the old need to be used after correcting as "TAX as applicable" or shall be discarded. Note: This observation was also reported in our previous audit. (Sample size-As on 04-Jan-19)
 Response:- Old items were made passive after implementation of new laundry rate card, may be due to some system error its became active, will block the code which are not in laundry tariff card and still available in IDS. Changes were made in laundry tariff card after suggestion received from last audit, how ever will cross check all rooms and take out the old laundry tariff cards which says "Service tax extra as applicable"

2: whether multiple rates are defined for the same menu items? If yes, whether the same are corrected and such changes are documented with reason and approval?

Rating: 9

Observation Text :

No such instances. Verified and found satisfactory. (Sample size-As on 04-Jan-19)

3: Are there any open item billing done? If yes, whether the same is documented with approval?

Rating: 9

Observation Text :

No such instances. Verified and found satisfactory. (Sample size-01-Jul-18 to 04-Jan-19)

4: Is there any difference in rate between Laundry list & IDS

Rating: 8

Attachments :

DISCREPANCIESINMENULIST_20190218_162228.xlsx

Observation Text :

In a solitary instance rate was wrongly updated leading to excess collection of

Rs.105/-.

Section: HK Functions

Subsection: Bill Processing

1: Is the laundry register tallied with the billings made?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample size-As on 5,15,20-Nov'18 & 4,10,14-Dec'18)

2: Whether complimentary laundry service provided are documented with approvals?

NC

Rating: 7

Attachments :

COMPLIMENTARYLAUNDRYBILLING_20190218_162311.xlsx

Observation Text :

No approval in specific, as Complimentary laundry details are not being updated in IDS but the details are maintained separately and are being reported directly in MIS. Note: This observation was also reported in our previous audit. Further an increase in the amount (Rs.17.21 Lakhs for Apr'18-Dec'18)of complimentary laundry was observed upon comparison with 17-18. Response:- Finance to suggest and IT to provide the option to post the bill in IDS, Bills are not raised for comp laundry from beginning due to some finance issues.

3: Are the shift sign off available in log book, key register, duty register, attendance and departure register?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size-As on 01-Dec-18 to 10-Jan-19)

4: Whether the cancelled / void laundry bills are approved?inferences to be given based on the reasons

Rating: 8

Attachments :

REASONANDHODAPPROVALNOTAVAILABLEFORVOIDBILLS_20190218_165958.xlsx

CANCELLEDORNOTSETTLEDILLSINIDSFROMLAUNDRYUSERID_20190218_170002.xlsx

Observation Text :

a) In 5 instances bills amounting to Rs.4,174.80 were not available for verification and in 14 instances neither reason for void was mentioned nor approval of the concerned was available for the void bills amounting to Rs.16,921.20 out of total 24 void bills (total Rs.26,417.80). (Sample size-Jul'18-Dec'18) b) In 11 instances bills amounting to Rs.9,746.80 were cancelled in IDS for the audit period from the user id-"LAUNDRY" without adequate supporting or documentation for the same. (Sample size-Apr'18-Dec'18) Response:- Details mentioned in B2 & B3. Executives given authority to void the bills by writing valid reason on bill as well as on bill book.

- 5: Whether any compensation was paid for damage of items given on guest laundry?

Rating: 8

Attachments :

LOSSDUETODAMAGECASUEDBYTHEUNIT_20190218_171406.xlsx

Observation Text :

In 6 instances an amount of Rs.19,790/- (total) was given towards the damage of items given for laundry caused by the Housekeeping team. (Sample size: 01-Apr-18 to 28-Jan-19) Response: Noted.

- 6: Whether Staff and HOD's laundry register are updated properly?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample Size-As on 10-Jan-19)

- 7: Whether any extra beds are rented and whether they have been used or not?

Rating: 9

Observation Text :

Extra beds(rented) were used as per the requirement . (Sample size-As on 10-Jan-19)

Section: HK Functions

Subsection: Consumables

- 1: Whether register maintained for Linen stock and F&B linen stock updated with the opening balance, issues, receipts, and closing balance?

Rating: 8

Observation Text :

Linen Items are directly issued to the House Keeping department after the procurement. So, The balance in IDS shows '0' Stock. The tracking of the linen stock is done through a register maintained by the House keeping department. The physical verification is done on a monthly basis and the variances are reported in MIS by the department. (Sample Size: NA) Response:- All linen items are non stackable and we procure linen quarterly basis, All items are handed over to housekeeping as soon as received from the vendor. Same being updated in linen stock register which will Talley 100% with IDS record

- 2: Whether register is maintained for all circulation stock of rooms and updated with the opening balance, issues, receipts, and closing balance?

Rating: 8

Observation Text :

Stock for rooms are directly issued to the House Keeping department after the procurement. So, The balance in IDS shows '0' Stock. The tracking of the room stock is done through a register maintained by the House keeping department. The physical verification is done on a monthly basis and the variances are reported in MIS by the department. (Sample Size: NA) Response:- All linen items are non stackable and we procure linen quarterly basis, All items are handed over to housekeeping as soon as received from the vendor. Same being updated in linen

stock register which will Talley 100% with IDS record

3: Whether physical verification is done and variance if any are documented with approvals? **NC**

Rating: 7

Attachments :

INVENTORYRECORDS-CONTROLS_20190218_171653.xlsx

Observation Text :

Finance-HOD, Housekeeping HOD/Executive Housekeeping sign not available for the inventory records maintained. Further physical inventory verification record of F&B Linen and Staff uniform were missing in a solitary and a couple of instances respectively. (Sample size-Apr'18-Dec'18) Response:- Physical inventory done by the supervisor and handed over the paper to executive for cross verification and same Being updated in stock register which done by the HOD. How ever henceforth HOD will sign the hard copy before filing.

4: Whether register maintained for Pillows, Extra bed, Bed runners available and and updated with the opening balance, issues, receipts, and closing balance and tallied with IDS

Rating: 8

Observation Text :

A register is maintained for the issue of extra beds and bed runners. (Sample Size: NA) Response:- All linen items are non stackable and we procure linen quarterly basis, All items are handed over to housekeeping as soon as received from the vendor. Same being updated in linen stock register which will Talley 100% with IDS record

Section: HK Functions

Subsection: Lost and Found Articles

1: Is the lost and found register updated with name of the finder, place, time, item, quantity and signed by the HKM?

Rating: 8

Observation Text :

Details are updated and verified by the Housekeeping Executive. (Sample size-Oct'18-Dec'18) Response:- Noted

2: Whether physical verification of lost and found articles done at frequent intervals and documented with remarks on the variance?

Rating: 8

Attachments :

DISCREPANCIESINLOSTANDFOUNDARTICLES-RECORDS_20190218_173459.xlsx

Observation Text :

No separate document but being verified in the register maintained. Further discrepancies like handover slip not available, claimant sign not obtained in the slip and courier document not attached were observed in 3 instances. (Sample size-Nov'18-Dec'18) Response:- Noted

3: Whether any lost and found liquor was handover to controls? **NC**

Rating: 7

Attachments :

DISCREPANCIESINLOSTANDFOUNDLIQUOR-
RECORDS_20190218_173521.xlsx

Observation Text :

Yes, lost and found liquor was handover to Controls by the Housekeeping. a) Liquor handed over by the Housekeeping team is maintained at Controls, but there is no procedure of mentioning the details of the room and date of lost and found on the liquor bottles for identification. b) Also details of liquor quantity is missing in a few instances in the register maintained. b) Further there is no lock and key storing procedure for lost and found liquor received by Controls at the department. (Sample size-As on 08-Jan-19) Response:- Noted - Madan to response.

Section: HK Functions

Subsection: Held-up Laundry

1: Whether the details of L&F returned is updated in the register and IDS?

Rating: 9

Observation Text :

Held up laundry register maintained was verified and found satisfactory.

Housekeeping maintains the held up laundry for 3-6months for follow-up and handover to the guest or moves it to Lost and Found if no reply from guest. No such instances of held up laundry moved to Lost and Found was observed for 2018-19.

Response:- Noted

2: In case of any held-up laundry, whether the all the details are entered in the register and wherever the same is handed over to the guest, whether the signature of the guest is taken?

Rating: 9

Observation Text :

a) Held up laundry register maintained was verified and found satisfactory. (Sample size-01-Dec-18 to 08-Jan-19) b) Guest signature is obtained for handover of held up laundry and HOD sign is obtained in the register in case of handover to HOD.(Sample size-Nov'18 & Dec'18) Response:- Noted

3: Whether physical verification of held-up laundry done and documented with remarks in case of variance?

Rating: 8

Observation Text :

No separate record but verified on periodic basis. (Sample size-NA) Response:- Noted

Section: HK Functions

Subsection: Uniform Register and Tailoring

1: Whether agreement is entered into with the tailor, signed and up to date?

Rating: 9

Observation Text :

Revised rate list approved by Corporate is available for uniform stitching. (Sample size-As on 05-Jan-19) Response:- Noted

- 2: Whether uniform register is updated with opening balance, new issues, uniforms received back from resigned employees, closing balance and authorized?

Rating: 8

Observation Text :

Record maintained but HOD signature is not obtained for the same. (Sample size-NA) Response:- HOD signed the gate pass when items sent out for stitching after verifying the stock in stock register, there is no option in stock register for HOD signature.

- 3: Whether physical verification of stitched and unstitched clothes is done and variance, if any are documented with approvals? **NC**

Rating: 7

Attachments :

VARIANCEINUNIFORM(UNSTITCHED)STOCK_20190219_111712.xlsx

Observation Text :

No such procedure of physical verification of unstitched cloth. Further net short variance of Rs.9,072.20 was observed during the physical verification. (Sample size-As on 08-Jan-19) Response:- Few cases items were sent thru returnable gate pass for stitching of uniform but stock register was not updated which have been done.

- 4: Whether payment made is as per agreed terms and if not, whether the same are documented with approvals?

Rating: 8

Attachments :

AMOUNT(RATE)PAIDLESSTHANAPPROVEDFORUNIFORMSTITCHING_20190219_111740.xlsx

Observation Text :

Amount was paid based on the old rates approved (15% lesser) for uniform stitching leading to short payment of Rs.11,022/-. (Sample size-Apr'18-Dec'18) Response:- Noted

Section: HK Functions**Subsection:** Festive Clothes

- 1: Whether register is maintained and updated for festival stock issues? ☒ Not Applicable

- 2: Whether physical verification of festive clothes is done and variance, if any are documented with approvals? ☒ Not Applicable

Section: HK Functions**Subsection:** Discard Items

- 1: For discarded items, whether necessary approvals are taken and documented?

Rating: 8

Attachments :

ANALYSISDISCARDITEMS_20190219_122825.xlsx

Observation Text :

Item wise details are reported in MIS every month. (Sample size-Apr'18-Dec'18)

Section: HK Functions

Subsection: Shoe Register

1: Whether shoe register is maintained and updated with issues and taken back with the signatures?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample size-As on 08-Jan-19)

2: Whether Physical verification of shoes are done and variance, if any are documented with approvals?

Rating: 8

Attachments :

VARIANCEINSHOESANDBELTSCOUNT_20190219_111937.xlsx

VARIANCEINUPHOLSTERYSTOCK_20190219_111943.xlsx

Observation Text :

a) In a couple of instances excess variance of Rs.4,075/- and in a solitary instance excess variance of Rs.275/- was observed during the physical verification of the shoes and belts with the details updated in register. b) Net short variance of Rs.0.69 lakh was observed during the physical verification of upholstery material. (Sample size-As on 08-Jan-19) Response:- J1) 1 KST sample shoe received and same was not updated in register. One belt received from left staff but kept along with new stock. 6 pair gum boots were issued during monsoon and received back which kept in store along with new stock. J2) Water proof material received for Bike parking cover and same was stitched by in house tailor but the register was not updated. Being done. One roll was there inside and found when entire stock taken out and counted

Section: HK Functions

Subsection: Garden Maintenance

1: Whether agreement is entered into, signed and up to date?

Rating: 9

Observation Text :

Rate finalized by the Corporate was available. (Sample size-As on 04-Jan-19)

2: Whether payment made after authenticating the work done and is as per agreed terms and if not, whether the same are documented with approvals?

Rating: 9

Observation Text :

a) No deviations. (Sample size-As on 04-Jan-19) b) Verified and found satisfactory. (Sample size-As on 04-Jan-19)

Section: HK Functions

Subsection: Pest Control

- 1: Pest control agreement and billing to be verified and commented upon

Rating: 9

Observation Text :

Rate finalized by the Corporate was available. (Sample size-As on 04-Jan-19)

- 2: Whether payment made after authenticating the work done and is as per agreed terms and if not, whether the same are documented with approvals?

Rating: 9

Observation Text :

a) No deviations. (Sample size-As on 04-Jan-19) b) Verified and found satisfactory.

(Sample size-As on 04-Jan-19)

Section: HK Functions**Subsection: Minibar**

- 1: Is there a room-wise stock statement maintained by the department indicating the opening stock, receipts, issues, inter-room transfers, pilferage / missed items, consumed items and closing stock and are they adequate in having control over the stocks to ensure all the consumption is billed? Controls on expiry stock to be verified and commented upon

NC

Rating: 7

Observation Text :

"Room-wise stock details are updated in the register maintained at Housekeeping. Daily verification is carried out by the mini bar person(Housekeeping) and informed to the Executive or HOD for action to be taken. Consumables near expiry(1month)are moved to the other outlets for consumption after informing to the HOD F&B Service.(Sample size: NA) Observation: During our physical verification of items placed in mini bar at rooms on random basis(6rooms) on 04-Feb-19, 2tonic water bottles (Schweppes) were found expired(22-Jan-19) in room number 904 and 827."

- 2: Sales Vs loss (incl. waivers) to be compared and commented upon

Rating: 8

Observation Text :

Verified and found satisfactory.

- 3: Do the department verify the room before check-out of the guest to confirm the consumption to enable the billing of items consumed and discrepancies noted to be reported.

Rating: 8

Attachments :

FINANCIALLOSS-

GUESTCONSUMABLESPVATMINIBAR_20190218_144724.xlsx

Observation Text :

"Billing for minibar consumables is done by Front Office & Housekeeping both for check out & occupied rooms respectively. a) Financial Loss Rs.0.94 Lakh was incurred due to shortage or missing of guest consumables at mini bar. (Sample size:

Apr'18-Dec'18) Note: Details of Jun'18 & Aug'18 were missing for verification. In all cases Unit Head approval was taken. b) Excess stock amounting to Rs.1,060.91 was observed in 6 instances during the physical verification (cross verified with the closing stock as per register maintained) of the mini bar stock at Housekeeping. (Sample size: As on 04-Feb-19)

Section: HK Functions

Subsection: Assets-Items Lost from GUEST Room

1: Is there a process of verifying room before billing/check out at FO -- how many cases are waived off/how many are charged? **NC**

Rating: 7

Attachments :

DAMAGEDCASUEDBYTHEROOMGUESTS_20190219_112925.xlsx

Observation Text :

Register maintained by Housekeeping for the asset or item damage or missing from guest room (12 instances), but neither record for the amount charged to the guests nor approval for waiver was available for verification during our audit. (Sample size: 01-Apr-18 to 28-Jan-19) RESPONSE: All missing and damage items are updated in missing/damaged register and mail sent to Front office, Front office charge to guest based on profile & company.

Section: HK Functions

Subsection: Complaints

1: Analysis of HK/laundry complaints to be done and commented upon

Rating: 8

Attachments :

GUESTFEEDBACKANALYSIS1_20190219_122208.xlsx

Observation Text :

During the analysis of guest feedback, it was observed that: 16 complaints were related to "Rats, Flies/Mosquitoes & Cockroaches" with 27.12% of total complaints (59) followed by 14 complaints related to "Bad smell in room" with 23.73%. Note: In a solitary instance repeated (twice-Aug'18 & Oct'18) complaint was observed related to bad smell in room number 403 (Sample size: Apr'18-Dec'18)

Section: HK Functions

Subsection: Master Key

1: Controls on master keys (takeover and handover updating, access to master keys etc.,) to be verified ?

Rating: 9

Observation Text :

Verified and found satisfactory. (Sample size: NA)