	<b>RESOURCE LIBRARY – ACCOUNTING</b> <b>Night Audit and Income Audit Functions</b>	<i>CODE:</i> 05.04.001
		<i>EDITION:</i> 1
		<i>PAGE</i> 1 OF 2

## Objective

To ensure all revenue earned by the hotel has been accurately recorded and properly allocated.

## POLICY

As a result of on-going computer developments and upgrading, the time consuming element of manual verification is steadily being reduced. Controllers shall assess the current responsibilities of these two functions in his hotel to eliminate duplication of tasks.


The hotel will nevertheless maintain an audit function for ensuring that all revenues and settlements recorded for each day's business have been verified and balanced to the movements of the guest ledger. Additionally, revenue earned should be allocated correctly to the various front office revenue department codes. It will also:

- report revenue to management
- perform proactive and reactive spot checks to verify the accuracy of revenue in generating departments at Point of Sales
- ensure compliance with internal control systems

## PROCEDURE

### a) FOOD AND BEVERAGE VERIFICATION

1. Ensure the transfer of each day's business is accurately interfaced into the front office computer system and agree control totals.
2. Verify outlet shift summaries against manual guest checks, prove calculations and rectify any clerical errors (where applicable).
3. Reset all "Point of Sales" terminals and print audit reports. Such reports will vary according to local requirements but should include at least:
  - food and beverage revenue by outlet and meal period
  - "other operating department" revenue
  - breakdown by settlement
  - daily food and beverage discount
  - "Point of Sales" system control
4. Agree total revenue with total settlements and reconcile any discrepancies.
5. Agree discount amount given with total on the discount report and ensure it is properly supported.
6. Check if outlet void totals are reasonable and highlight any transaction requiring further investigation.
7. Cross reference outlet summary totals with the "Point of Sales" report total and totals recorded in the front office system.

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		<i>EDITION:</i> 1
		<i>PAGE</i> 2 OF 2

#### b) ROOMS VERIFICATION

1. Carry out all checks required prior to the close day procedure, such as potential rooms revenue verification, duplicate guest folio search, preparation of interfaces and other administrative duties.
2. Perform daily computerisation backup and begin the close day procedure by following system prompts and documented instructions.
3. Reactivate interface systems if required and prepare folios for early guest checkouts.

#### c) SPOT CHECKS

1. Selective spot checks should be performed at random and documented. Such checks should include but not be limited to verification of:
  - selling prices in the “Point of Sales” database against current menu prices
  - special billing instruction
  - banqueting control sheet adherence and posting
  - rebates, voids, complimentary amenity forms and authorisations, etc.

#### d) CASH POSTING AND CONTROL

1. Agree totals on the General Cashier report, which records and balances the net cash received, with summary and audit totals as stated by the front office computer system. Follow through by verifying with bank deposit receipts.

Verify transaction totals of guest ledger with daily trial balance report, identify miscellaneous revenues and allocate and enter the audited revenues totals from the front office computer system into the back office computer system, where no computerised integration exists.