CORE CONCEPT

# Hotel Internal Audit and Operational Controls Course: Risk Assessment and Compliance

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## Introduction:

Hotel internal audit and operational controls, covering risk assessment and compliance, is a 1-week course for hotel internal auditors, income auditors, cost controllers, financial controllers and the finance directors who act on findings, ending with a Hotel Audit Plan and Findings Report for a case property. Hotels lose revenue when rates are overridden, complimentaries go unapproved, card data is mishandled and receiving and stores controls are weak. Nominees already audit or control hotel transactions, and teaching is by case study on night audit packs, PMS reports and purchasing records. CoreConcept Training Center delivers this hotel internal audit course.

## Course Objectives:

- Map hotel revenue and expenditure cycles by department and rank control risks in a property risk register
- Design a risk-based audit universe and annual audit plan that covers rooms, outlets, purchasing, stores and payroll
- Test night audit, income audit, cashier and credit card controls and quantify revenue leakage from samples
- Review PMS and POS access, overrides and card data handling against segregation of duties and PCI DSS expectations
- Rate audit findings, trace their root causes and agree management action plans with department heads
- Produce a Hotel Audit Plan and Findings Report for a case property

## Target Audience:

- Hotel internal auditors responsible for planning and performing property and cluster audits
- Income and night auditors responsible for daily revenue verification, rate checks and cashier reconciliations
- Cost controllers responsible for receiving, stores, par levels and food and beverage cost variances
- Financial controllers responsible for the control environment, accounts receivable and month-end close
- Hotel finance directors and general managers responsible for acting on audit findings and owner reporting

## Course Outline:

### Day 1: Hotel Control Environment and the Audit Risk Baseline

- Hotel Internal Audit Mandate, Independence and Reporting Lines
- Hotel Revenue and Expenditure Cycle Mapping by Department
- Owner, Operator and Brand Control Expectations Review
- Revenue Leakage and Fraud Red Flag Catalogue for Hotels
- Property Risk Register Baseline by Department and Process

### Day 2: Control Frameworks, USALI Reporting and Card Data Rules

- USALI 12th Revised Edition Departmental Accounts and Audit Trails
- Segregation of Duties Matrix for Front Office and Accounts
- PMS and POS User Access and Override Controls
- PCI DSS Card Data Handling at Front Desk and Outlets
- Risk-Based Audit Universe and Annual Audit Plan Design

### Day 3: Income Audit, Night Audit and Revenue Controls

- Night Audit Close Review and Rate Variance Checks
- Daily Income Audit of Rooms, Outlets and Banqueting Postings
- Cashier Float, Deposit and Credit Card Settlement Reconciliation
- Complimentary, Discount, Allowance and Rebate Authorisation Testing
- City Ledger, Advance Deposits and Receivables Ageing Review

### Day 4: Purchasing, Stores, Payroll and Compliance Risks

- Purchase Requisition, Receiving and Three-Way Match Testing
- Stores Issues, Par Levels and Food Cost Variance Analysis
- Payroll Attendance, Overtime and Service Charge Distribution Review
- Brand Standards and Licensing Compliance Audit Checklists
- Audit Sampling and Exception Reports Drawn From PMS Data

### Day 5: Case Study and the Hotel Audit Plan and Findings Report

- Case Hotel Risk Assessment and Audit Priority Ranking
- Case Income Audit Sample Testing and Leakage Quantification
- Case Purchasing and Stores Control Gap Analysis
- Audit Finding Rating, Root Cause and Management Action Plans
- Hotel Audit Plan and Findings Report Completion and Presentation

## Skills You Will Gain:

- Hotel Risk Assessment
- Audit Planning
- Income Audit Testing
- Revenue Leakage Detection
- Segregation of Duties Review
- Card Data Control Review
- Purchasing and Stores Auditing
- Audit Reporting

## Why Attend This Course:

- Deliver a Hotel Audit Plan and Findings Report to the finance director, general manager and owner's representative
- Decide which departments and processes to audit first on a documented risk ranking
- Avoid revenue leakage, unapproved complimentaries, card data exposure and stock losses that go unseen between audits
- Equip income auditors and cost controllers with the checklists, sampling steps and exception reports used on the course

## Conclusion:

Back at work, the participant gives the Hotel Audit Plan and Findings Report to the finance director, the general manager and the owner's representative. They use it to agree which audits run first, which control gaps to close and who owns each management action. After the first audit cycle under the plan, the unit should compare repeat findings, leakage recovered and action close-out rates with the baseline and re-rank the risk register.

## Frequently Asked Questions FAQ:

### What should participants know before a hotel internal audit and operational controls course?

Participants should already audit, control or account for hotel transactions and read PMS and night audit reports. Bringing anonymised night audit packs, exception reports or purchasing records from their own property makes the case study work directly useful.

### How does a hotel internal audit and operational controls course differ from a general internal audit course?

General internal audit courses teach audit methods for any organisation. This course applies them to hotel cycles: night and income audit, rates and complimentaries, PMS and POS controls, card handling, receiving, stores and service charge, using hotel records throughout.

## Why does hotel internal audit focus on revenue leakage?

Hotel revenue passes through many hands and systems every day, so small overrides, unposted charges and unapproved discounts add up quickly. Daily income audit and targeted testing find these leaks before they become normal practice.

## What do participants take back from the hotel internal audit and operational controls course?

Participants take back a Hotel Audit Plan and Findings Report with a property risk register, risk-based audit plan, tested samples, rated findings and management action plans they can apply in their own hotel.