

Standrad Operating Procedure for Controls

SECTION :- FOOD AND BEVERAGE AND INVENTORY CONTROL PROCEDURES

POLICIES

1. Any stated authority shall not be delegated downwards
2. The F&B Controller is responsible for monitoring the purchasing process to ensure that procedures following in the restaurant when ordering goods and services.
3. Receiving of all goods purchased are to be carried out during the time periods and standards set out in the organization purchasing policy. The Receiving officer is responsible for ensuring that quantities and quality specification are always maintained when receiving goods
4. It is responsibility of the head storekeeper or store manager and food and beverage controller to ensure that goods are stored securely and in a proper manner.
5. Ordering and stocking of goods are to be carried out according to consumption patterns and delivery lead time requirements for each items and incase of perishable need to check with user dept (Bar or Kitchen) and order as per requirement.
6. The issuance and usage of store room keys are to be dealt with according to the established procedure designed to ensure that goods contained within such stores rooms are held secure and not open to theft, misuse or abuse.
7. Issuance of goods from the store room is carried out according to the store room issues time table and only when supported by store requisition which is properly authorized.
8. Goods are to be issued on a first in first out basis (FIFO).
9. The Executive chef is responsible for preparing the recipes for the menu items and standardizing content before a new menu or menu items are produced
10. It is the responsibility of the F&B Controller to ensure that all spoilage and breakage are quantified and is accounted for.
11. Physical verification of entire inventory is to be carried out on a monthly basis on last day of the month in coordination with respective department and outlets.

PURCHASE CONTROL

1. Need to ensure specifications are following as per Purchase Manual.
2. Review the purchase prices of the food & liquor material Refer purchase manual for details.

RECEIVING CONTROL

1. Receiving personnel designated by the Store Manager to witness receipt of all goods according to specifications required by the restaurant or else other wise specifically stated. All goods receipts challan should be supported by RR (Receiving Report) entry in Material Management System (MMS).
2. All direct kitchen purchases are checked for Quality & quantity by Executive chef or Sous Chef designated by him & Receiving officer to check the temperatures of chilled and frozen goods and intimate the same.
3. Expiry dates of goods received are to be checked to ensure that goods have sufficient life for usage.

4. On competing of goods received verification process, all invoices are to be stamped with the goods received stamp, signed. Receiving register (R R entries) to be printed and obtain HOD's signature on bills and challans and need to forward the same to Accounts / Controls.
5. The document are reviewed and checked for accuracy by the Food & Beverage Controller or Account executive and forwarded to bills payable officer who effects the process of data posting or data transfer to the accounts payable.
6. Need to verify R.R deleted report, It should have genuine reason and signature of the Store manager.

STORING CONTROLS

1. Goods are categorized and stored in separate store rooms, liquor store and wine store according to the nature and type of goods.
2. Inventory records are maintain in Material Management System (MMS).
3. Minimum reorder and maximum stock levels are the basis on which goods are purchased and stored and require to be maintained at all times Variations attributed to special event requirements are approved by the Cost centre head or Food & Beverage Controller.
4. Goods are stored in designated shelves with the flow of storage arranged according to the stock list so as to facilitate easy access.
5. Periodical checks are to be carried out to review expiry dates of goods. A stock expiry report is to be prepared and circulated to relevant department Managers for action. Expired goods are not to be retained in the stores at any time and are to be disposed of after expiry and spoilage report generated. The Spoilage report to be acknowledged by the concerned HOD and approved by Commercial Manager.
6. Physical stock counts are to be carried out at last day of every month. A member of the finance dept., who is independent and not directly involved with the procurement, storage and issuance of materials will be witness such stock taking.
7. After Physical stock count is completed, same is considered closing stock the month. The Physical and system generated stock statement matched, the variance between two to be documented in stock variation report. The same has to be investigated and forwarded with explanations to the Commercial Manager & General Manager - Operations for authorization.

STORE ROOM KEY CONTROL

1. Stores lock to be unique and excluded from the Restaurant master lock system. One set of keys are to be issued to the Stores Manager.
2. Access to store room is limited strictly to stores personnel. Delivery personnel and staff assigned to collect goods issued from stores are allowed access only in the presence of store personnel and for valid business purposes.
3. A stores key register is maintained in security office to record movements of stores keys. Keys are signed out each morning / shift commencement by stores personnel and signed back in at the security office at the end of the day / shift closure on completing the daily activities keys are returned and collected in a sealed envelop with the key register completed for each transaction any variation or irregularities are to be brought to the attention of the General Manager & Commercial Manager.
4. For emergency night pickup, the stores will be only opened in presences of the HOD of the cost centre & F & B controller. The issue will be recorded in Night pickup registered along with reasons for the emergency. The stores manager to regularize the same by issuing report to concerned Cost Center with proper authorization.

ISSUING CONTROLS

1. Issuance of goods from store rooms is carried out according to the store room issues time table and only when supported by an authorized store requisition.
2. Store personnel are required to ensure that requisitions are properly authorized by HOD of the cost centre. On issuance of goods the stores executive is required to generate issue report in MMS and take the initial of the person collecting goods evidencing the issuance.
3. The issue report has to be authorized by the HOD of concerned cost centre at end of the day. This process will help and to ensure that accurate stock status information is available all times.

FOOD PRODUCTION COST CONTROLS

1. **Food Costing:** The Standard recipes for new menu or menu items have to be forwarded by Executive Chef to F & B Controller for costing before same has been introduced. Upon receipt of the costing, Executive Chef to decide the selling price while maintaining food cost budgets.
2. **Bar Costing:** The Standard recipes for new cocktail menu or introduction new brand or vintage on arrival have to be forwarded by the Bar manager to F&B Controller for costing before the same can be introduced. It is the responsibility of the Bar Manager to determine the selling price while maintaining bar cost budgets. The standard recipe costing sheet should be available for all menu items and alphabetically maintained in the FB control dept.
3. **Spoilage Reporting:** The unintentional and accidental damages/spoilages are documented in a breakages/ Spoilage for purpose of accounting for the same. The Spoilage has to be authorized by the HOD of the cost center responsible. All spoilage report are quantified in value and charged (account for it) to relevant department as well as included in the cost of sales calculation for the purpose of accurately determining cost efficiency.
4. **Butchery yield:** The Butchery yield tests are to be carried out to evaluate the net price values of a particular establish purchasing decisions and to establish a yield ratio for costing purposes. Butchery yield test are carried out by the butcher in the presence of the Executive Chef and F&B Controller. Result is recorded in a butchery test from which is retained in a file by the F&B Controller.
5. **Inter department transfer:** The Inter department transfer slips are to be prepared recording the items and quantities transferred from one cost center to another. This is an essential component of the departmentalized costing process. The beneficiary departments are required to raise transfer slips to record transaction and HOD of the cost centers are required to ensure that the process is maintained on an accurate and consistent basis. All transfer slips are forwarded to the F&B controller The F&B controller has to calculate the value of each transfer slip and allocate cost to the relevant departments on a daily basis.
6. A Daily flash F & B cost report as per issue basis will be prepared by the F & B controller in order to provide operational information enabling effective planning. This report is prepared by using goods issued from stores, Direct purchase information and inter department transfer information calculated from inter department transfer slip. Opening and closing stock are estimated using the agreed kitchen par stock values and adjusted for actual when physical stock verification is carried out.

7. Menu engineering report is prepared by the F & B Controller as a process of analyzing the popularity and profitability of the menu items included in the menu. The information is to be applied by food and beverage management to classify menu items into performance categories and consider course of actions to be taken.
8. Potential food cost report to be prepared by the F & B Controller to evaluate cost efficiency of food production by comparing the potential cost with the actual cost. This is applicable to all the menu items other than banquets and brunch and buffet items.

OUTLET BEVERAGES & TOBACCO CONTROLS

1. Physical inventory need to carry for all liquor & tobacco and all countable soft beverages before starting the operation of the outlet
2. All beverages / Tobacco spoilage breakage occurrences are to be documented on a spoilage / breakage report and signed by the respective manager. The report is to be reviewed by the HOD and authorized. Spoilt, damaged or broken items are to be sighted, verified and the spoilage / breakage report approved by the F & B Controller prior to disposal. The information taken in to account for stock depletion purposes.
3. Issues report need to collect from a store which is signed by the store personnel and bar representative collecting stocks evidencing the issuance and this need to take into consideration while doing the physical consumption.
4. Kot analysis report needs to be generated (POS itemized sales reports) and physical consumption report to be prepared on the basis of physical inventory. Compare the physical consumption with kot analysis report item wise consumption both should match.
5. If there is any variation and discrepancies while comparing both the consumptions, variations and discrepancies are to be recorded in the Beverage / Tobacco shortage and excess report. The Barman in charge of bar is required to provide an explanation for any variance by the end of the day.
6. Any stock requirement in excess of par stock is to be informed Store manager by the user department well in advance.
7. Proper stock should be maintain and in a proper manner in the bar based on historical consumption and sales pattern.

OPERATING EQUIPMENT INVENTORY CONTROLS

1. Department heads and line / operational Managers are responsible for their respective operational equipment inventories.
2. An itemized record of inventories will be maintained using the operating equipment inventory record sheet. All movements are to be recorded enabling on going review of usage efficiency.

3. FBC and respective department heads are responsible to arrange a physical verification of inventories on monthly basis.
4. Items discarded due to damage, breakage, and wear and tear is to be recorded using the operating equipment disposal authorization form. Items are to be inspected by the FBC and authorized by the FC prior to disposal. This process is essential in determining unrecorded losses of inventories.
5. The following procedures are to be carried out at each month end.
 - Agree physical verified inventories with perpetual inventories ensuring that variance reports are prepared.
 - Prepare stock valuation reports.
 - The total purchases for the month in purchase ledger and nominal ledger should match.
 - Prepare the Food Beverage and Tobacco cost reconciliation reports
 - Ensure all the store inventory values are in balance.

COST AUDIT

Objective

To keep costs in line with what they should be without sacrificing the quality or quantity

Check NC reports.

- Verify with this report that all the NC's raised on previous day are correctly.
- Correct all the discrepancies observed in a separate Excel sheet since the system does not allow updating the wrongly post NC's
- Update F&B cost percentage based on previous month actual F&B cost while considering average nc's cost for the month.
- Ensure that all the food and beverage cost appearing in the report is correct for the purpose of calculation in the NC's

Check Price variance report.

- It provides the variances of price of an item bought in first time vis-a vis item bought currently.
- If there is any price variance for a same item there should be genuine reason and supportive document.

Surprise check on stores / receiving areas / kitchens

- The F&B Controller to take frequent checks of stores / receiving areas and bar to ensure that the receiving are being done as per the company standards.
- To ensure that items stored in the stores are as per specification .
- To ensure that there is no wastage in the kitchens and the items are made as per the recipes made by the chef.
- To ensure that the chef is maintaining minimum stock in the kitchen.

POS AUDIT

- The New brand/Vintage arrival report

The selling price is determined by the Bar manager on arrival of New brand / Vintage, maintaining bar cost budget. The F & B controller fills in prescribed New Arrival form to be approved by F & B Manager, General manager and Sr. Commercial Manager. On approval same will be update in POS (Point of Sale) .

- Auditing of Void Bills/ KOTs

The F & B controller has to check all void KOTs/Bills and ensure that all that all KOTs & Bills have proper reasoning and has respective dept head signature or on duty manager signature. The Voids report has to counter signed by Commercial Manager

- Auditing of Modified kot/ bill

The F & B controller has to check of all modified kots / bills on a daily basis to ensure that all the Kots/ Bills have a reasonable explanation and respective dept head signature. The report has to be counter signed by Commercial Manager

- Auditing of Discount Bill

The F & B controller has to check all the discounted bills on a daily basis to ensure that all the policies about the discounts are followed and each bill should have discount card number and name of patron which goes to accounts and need to check validity of the card also if there is any problem immediately need to bring Commercial Managers notice.

- Auditing of bill printed report

The F & B controller has to check of bill printed report to ensure there no reprint of bill with proper explanation by Cashier or respective person.

- Auditing of unsettled report

The F & B controller need to check of unsettled report for the bills that not settled after settlement and it should have proper reason and authorization on it and need to concentrate on timing of the settlement and unsettlement both should be within the time limits.

- Auditing of Menu prices

The F & B controller need to check of rate per portion/item for special codes which we have "0" pricing in the system like today's special rate are as per chef suggestion, if there is any variance in the price Cashier is responsible, he need to provide proper explanation for the same or same should be charged to the cashier.

- Auditing non commercial consumption

The F & B controller has to check of all NC kots to ensure that all the kot's authorized respective executive & directors and its have valid reason for that.

- Auditing of Staff Nc's

The F & B controller has to verify all Staff NC's to ensure that all the kot's authorized respective executive & directors and as in lines the company policy.

- The F & B controller should ensure the day end has been done after all the kots are accounted.

- Update the system on weekly basis all the new joiners and the executives those have left the organization

BANQUET CONTROLS

- The Banquet Manager should forward the Function prospectus to F & B Controller with the complete information about the banquets.
- The F & B Controller need to verify the all banquet bills to ensure that bill has been are in accordance with price matches with FP's and number of the guests considered in minimum guaranteed, If the is any variation in that Banquet manager need to provide explanation for the same.
- Pending bills report to be maintained by accounts and bills need to be cleared within the time limits as per company policy.