INTERNAL AUDIT REPORT

Monthly General Audit & Revenue Review

Hospitality Sector | Prepared by: Emmanuela Elochukwu Nnadiekwe, Internal Auditor

SAMPLE REPORT. This report shows the structure and standard of my audit reporting. The business and every figure in it are illustrative and are not based on a real client.

1. Engagement Summary

Audit Type	Internal Audit — Monthly General & Revenue Review
Industry Sector	Hospitality
Client Type	SME — Hotel & leisure business (sample)
Report Period	One month (illustrative)
Auditor	Emmanuela Elochukwu Nnadiekwe
Audit Scope	Revenue verification by department, payment channel reconciliation, debtors review, cash handling
Report Status	Sample
Distribution	Business Owner / Chief Executive

2. Financial Performance Summary

The table below presents the verified financial performance for the audit period. Revenue was tracked across all income-generating departments and reconciled against recorded expenditure.

Financial Metric	Amount (NGN)
Total Revenue Generated	N12,480,000.00
Total Expenditure	N5,241,600.00
Net Profit for the Period	N7,238,400.00
Profit Margin	Approx. 58%
Outstanding Debtors (at period end)	N1,250,000.00

2.1 Revenue Breakdown by Department

Revenue was generated across seven departments:

Revenue Department	Amount (NGN)
Front Desk (Room Revenue)	N5,400,000.00
Food Sales	N2,150,000.00
Drinks / Bar	N3,620,000.00
Supermarket / Retail	N310,000.00
Events & Leisure Services	N560,000.00
Service Charge — Food	N235,000.00

Revenue Department	Amount (NGN)
Service Charge — Drinks	N205,000.00
TOTAL REVENUE	**N12,480,000.00**

2.2 Payment Channel Reconciliation

Total revenue was reconciled against payments received, outstanding debtors and amounts still pending reconciliation.

Payment Channel	Amount (NGN)
POS Transactions	N3,310,000.00
Bank Transfer	N7,260,000.00
Cash Payments	N520,000.00
TOTAL VERIFIED PAYMENTS	**N11,090,000.00**
Outstanding Debtors	N1,250,000.00
Pending Reconciliation	N140,000.00
TOTAL REVENUE	**N12,480,000.00**

Note: verified payments (N11,090,000) plus outstanding debtors (N1,250,000) and the unreconciled amount (N140,000) equal total revenue.

3. Debtors & Outstanding Receivables

At the end of the period, outstanding amounts yet to be received total N1,250,000.00, which is about 10% of revenue. In a full engagement, a detailed debtors list is compiled and attached for management.

Total Outstanding Debtors	N1,250,000.00
Status	Pending collection at period end
Action Required	Follow-up by management on all outstanding accounts

Recommendation: Management should set up a formal credit control policy to reduce outstanding receivables and make cash flow easier to predict.

4. Audit Findings & Risk Register

The following findings were identified during the audit. Each finding is rated by risk level and has a recommended corrective action.

Ref	Audit Area	Finding	Risk	Recommended Action
F-01	Debtors Management	Outstanding receivables of N1,250,000 (about 10% of revenue) not yet collected at period end. No formal credit control process in place.	High	Establish a formal credit control policy. Management to follow up all outstanding accounts within 14 days.

Ref	Audit Area	Finding	Risk	Recommended Action
F-02	Revenue Reconciliation	An amount of N140,000 (about 1% of revenue) is not yet matched between recorded revenue and payment channels.	Medium	Complete the payment channel reconciliation. Investigate and document all unmatched amounts.
F-03	Inventory Records	Supplier invoices were not available for some stock purchases, which limits accurate cost of goods sold verification.	Medium	Enforce an invoice collection policy. Every purchase to be supported by a supplier invoice before goods are accepted.
F-04	Cash Handling	Cash makes up only about 4% of revenue (N520,000). Controls over cash receipts should still be confirmed.	Low	Review cash handling procedures. Make sure all cash is receipted, counted and deposited daily.

5. Conclusion & Next Steps

This sample audit shows strong revenue performance with a net profit margin of about 58%. The outstanding debtor balance of N1,250,000 needs management attention to protect cash flow.

Four findings were identified: one rated High risk, two Medium and one Low. Management is advised to respond with a corrective action plan within 7 working days of receiving the report.

High Risk Findings	1 — Immediate action required
Medium Risk Findings	2 — Action within 30 days
Low Risk Findings	1 — Monitor and review
Net Profit Confirmed	N7,238,400.00
Next Report Due	End of the following month

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