

Process: Financial Closing

Subprocess: Period End Consolidation

Process Owner: Beatriz Puente

Proces Leader: Carolina Werner

Author	Miguel Pérez
Date	19.09.2016
Last modification date	08.01.2018
Document version	1

## NH Approvals

Name	Function	Date	Comments
Beatriz Puente	Process Owner	19.09.2016	
Carolina Werner	Process Leader	19.09.2016	

## Modification History

Document Version	Date	Modified by	Comments
1	08.01.2018	Miguel Pérez	Consolidation Manual NH Hotel Group linked

Process: Financial Closing

Subprocess: Period End Consolidation

Process Owner: Beatriz Puente

Proces Leader: Carolina Werner

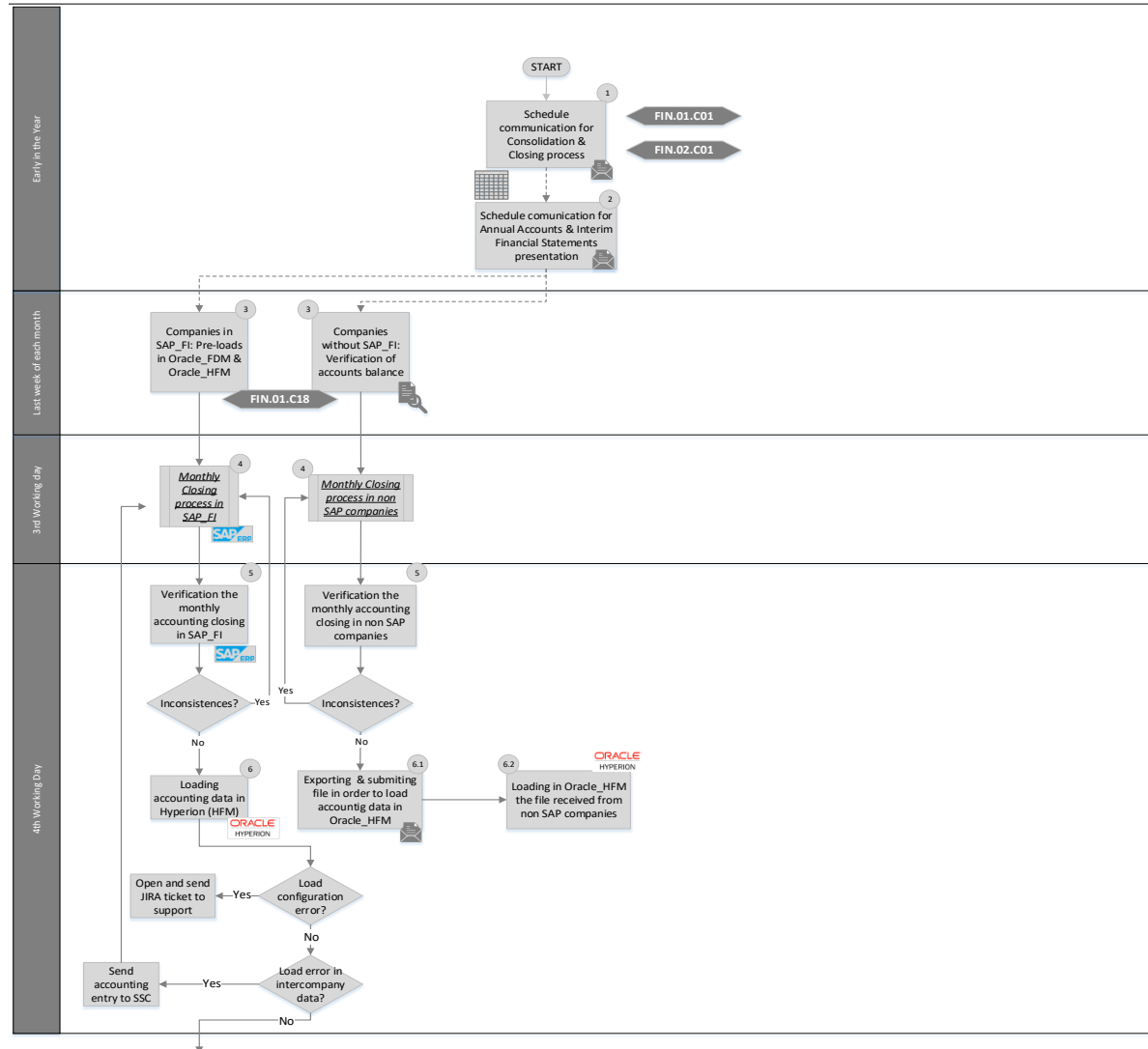
Finance Department BU & Subsidiaries managed by HQ Administration

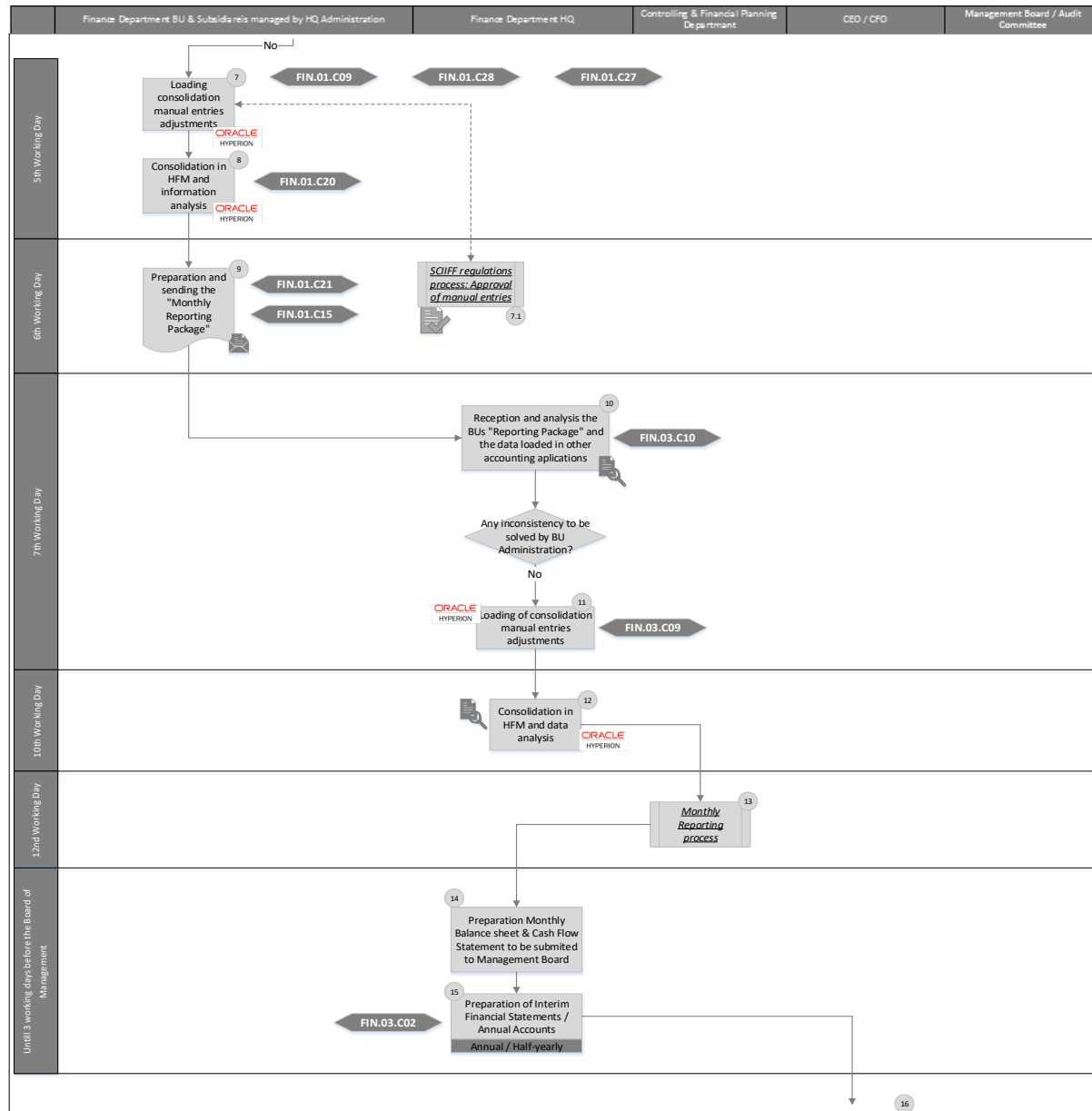
Finance Department HQ

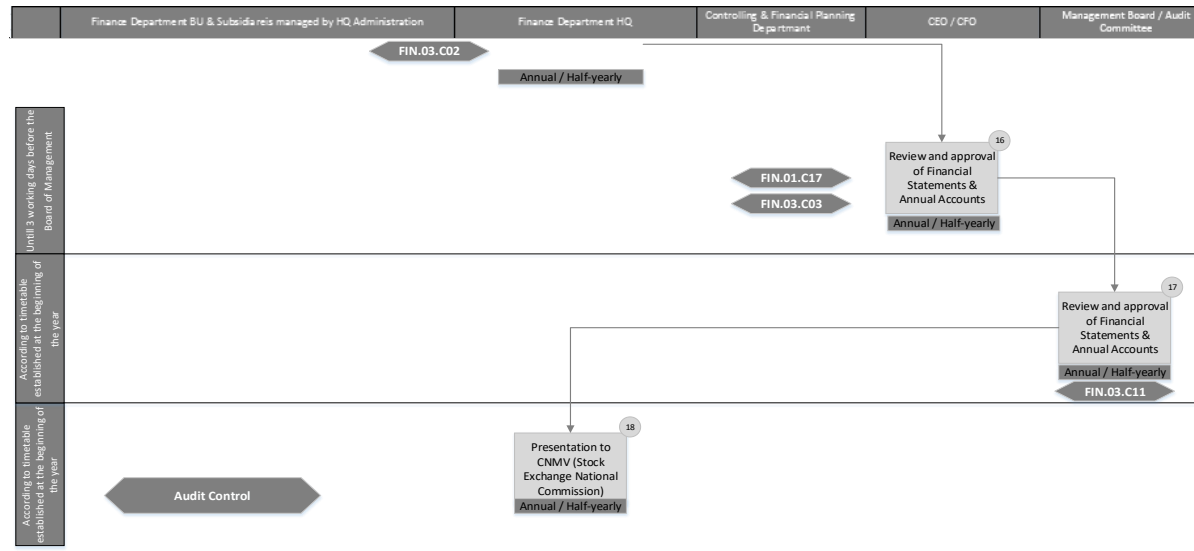
Controlling & Financial Planning  
Department






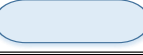
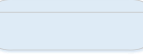



CEO / CFO

Management Board / Audit  
Committee







Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
	Flow direction	Input or output of the task or decision.
	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Application or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
	Notifications	External/Internal Notifications.

NH   HOTEL GROUP			Corporate IT & Organization Department			
Process: Financial Closing						
Subprocess: Period End Consolidation						
Process Owner: Beatriz Puente			Proces Leader: Carolina Werner			
Order	Task	Task Description	When	Responsible	Frequency	Tools
0	Accounting data in HFM: According to IFRS	Accounting data loaded in Oracle_HFM have to be under IFRS (Internacional Financial Reporting Standards). Accounting data loaded in SAP_FI have to be under IFRS, but for the exceptions approved by HQ Finance Department. In order to convert the Financial Statements to Local GAP, on a monthly basis, it will be necessary to register the adjustment entries in the temporary accounts defined for this purpose.	N/A	Finance Department BU	Daily	Oracle_HFM SAP_FI
0.1	Consolidation Manual NH Hotel Group	<a href="#">Consolidation Manual NH Hotel Group</a>	N/A	Finance Department BU	Monthly	<a href="#">Consolidation Manual NH Hotel Group</a>
1	Submission of the consolidation process closing calendar	Submission to the BU Finance Managers (and regions and subsidiary companies) of the closing calendar for the coming year.	Early in the year	Finance Department HQ	Annual	E-mail
1 - AI	Internal Audit Control (FIN.01.C01)	There is a closing calendar in place that includes the activities defined for each area (AR, AP, etc.).	N/A	BU Finance Director	Execution: Yearly Testing: Yearly	Evidence: Closing calendars (both)
1 - AI	Internal Audit Control (FIN.02.C01)	Participation percentages are loaded into Hyperion. Any change in the consolidation perimeter is introduced by the responsible of consolidation, based on the information provided by the Legal Department HQ/BU	N/A	SVP Consolidation & Internal Control	Execution: Ad-hoc Testing: Yearly	Evidence: E-mail with the new company/center
2	Submission of the calendar for drawing up and publishing the Annual Accounts and Interim Financial Statements	Submission to the Steering Committee of the calendar for drawing up and publishing the Consolidated Annual Accounts and Interim Financial Statements, at internal level (submission to the CEO, Steering Committee and Audit Committee) and public level for publishing to the CNMV (National Stock Exchanges Commission).	Early in the year	Finance Department HQ	Annual	E-mail
3	Pre-loads at the end of each month in Oracle_FDM and Oracle_HFM	Pre-loads in FDM & HFM with the aim to identifying errors in order to correct them in SAP (or others accounting system): - Intercompanies account balances unmatched - Divisions and accounts already created in SAP, but not available in FDM / HFM - Intercompany accounts without intercompany data in SAP.	Last week of each month	Finance Department BU Administration Department HQ	Monthly	Oracle_HFM Oracle_FDM
3 - AI	Internal Audit Control (FIN.01.C18)	Before the closing of SAP, the BU carries out the first loaded in Oracle_FDM in order to detect any errors, the actions to be taken are: - In case of errors in the information loaded on intercompany transactions (and others), the consolidation responsible sends a correction entry to the SSC for its accounting in SAP_FI - In case of configuration errors in the load on Oracle_FDM, the consolidation responsible opens and sends to IT a ticket via JIRA	N/A	BU Consolidation Responsible	Execution: Monthly Testing: Yearly	Evidence: FSD Hyperion Report and email sent to the SSC with the errors detected and the confirmation of the errors solved. Jira Ticket
4	<a href="#">FCL_Period End Closing and Reporting process</a>	Monthly closing in SAP of all countries, regional and subsidiary companies (also companies and subsidiaries that are not available in SAP)	d+3 working day	Finance Department BU	Monthly	SAP (and other reports for companies out of SAP scope)
5	Review of the monthly closing in SAP_FI (or other accounting application)	Review that the data loaded in SAP_FI (or other accounting applications) is correct.	d+4 working day	Finance Department BU Administration Department HQ	Monthly	SAP (and other accounting applications)
6	Loading the accounting data in Oracle_FDM and Oracle_HFM (in companies with SAP_FI)	Load the accounting data in Oracle_FDM with the data obtained in SAP_FI: - If any error in loaded data is detected will be necessary to submit a adjustment accounting entry to the SSC in order to load it in SAP_FI - If any configuration error is detected in the Oracle_FDM load will be necessary to open a JIRA ticket and submit it to support. First review in HFM once the consolidation process has been launched: balance sheet without discrepancies, consolidation automatic eliminations, etc.	d+4 working day	Finance Department BU Administration Department HQ	Monthly	Oracle_FDM
6.1	Export and submit the file in order to load the accounting data in HFM (companies not available in SAP_FI)	Export and submit the file with accounting data obtained from companies without SAP_FI, so that HQ Finance Department can load this file in Oracle_HFM.	d+4 working day	Finance Department BU Administration Department HQ	Monthly	Data load file (word / excel) Oracle_HFM
6.2	Load in Oracle_HFM the file received from the companies, not included in SAP_FI scope	Load in Oracle_HFM the file received from the companies, not included in the SAP_FI scope.	d+4 working day	Finance Department HQ	Monthly	Data load file (word / excel) Oracle_HFM
7	Consolidation adjustments loading: Reversible and non reversible entries	Load in HFM all consolidation manual adjustments at BU level: - During the current year, reverse the manual entries posted in the last month and load the new entries for the current one (all account entries are reversible). For an automatic reversion process, these entries have to be correctly labeled. - At the end of each year, it is possible and recommended to leave the accounting manual entries with fixed level (non reversible entries). In this way, it should not be necessary to reverse and load them again the next year. - Except for some cases approved by the HQ Finance Department, it will not be allowed to post manual accounting entries in Oracle_HFM. All accounting data should be posted in the individual financial statements of each company (posted in SAP_FI).	d+5 working day	Finance Department BU	Monthly	Hyperion (HFM)
7.1	Manual accounting entries Approval: SCiIF process	According to SCiIF standars: Approve the manual accounting entries of consolidation recorded by each BU	d+12 working day	Finance Director BU SVP Consolidation & Internal Control HQ	Monthly	Manual accounting entries from Oracle_HFM (printed and signed)
7 - AI	Internal Audit Control (FIN.01.C09)	The manual adjustments at BU level are performed in Oracle_HFM by the Consolidation Responsible for consolidation purposes. These adjustments are supported by the corresponding documentation (mails, excel, calculations) and are reviewed and approved by the BU Financial Director.	N/A	BU Consolidation Responsible	Execution: Monthly Testing: Yearly	Evidence: Manual adjustments in Hyperion and Supporting Documentation. Approval of Hyperion adjustments performed by the Financial Director
7 - AI	Internal Audit Control (FIN.01.C28)	Only the authorized personnel has access granted to enter manual adjustments in Hyperion (Oracle_FDM and Oracle_HFM)	N/A	IT	Execution: Yearly Testing: Yearly	Evidence: a. User profiles matrix b. List of users with profiles assigned. c. All manual adjustments entered in hyperion.
7 - AI	Internal Audit Control (FIN.01.C27)	Any manual entry registered directly in Oracle_HFM, must be approved by the SVP Consolidation and Internal Control.	N/A	SVP Consolidation & Internal Control	Execution: Ad-hoc Testing: Yearly	Evidence: Approval of the manual entries registered in Oracle_HFM

NH   HOTEL GROUP		Corporate IT & Organization Department				
Process: Financial Closing						
Subprocess: Period End Consolidation						
Process Owner: Beatriz Puente				Proces Leader: Carolina Werner		
Ord	Task	Task Description	When	Responsible	Frequency	Tools
8	Consolidation in HFM and data analysis	Scope consolidation in Oracle_HFM and general review the balances of the balance sheet accounts (intercompany balances, consolidation adjustments and eliminations, review of the "Plug Accounts" -L920-L930-L940- their balances have to be zero, balances of the equity and P&L accounts, review of the budgetary deviations detected and compared with last year (in the period and in the YTD), etc. In case of using another accounting system (non SAP) in order to prepare the "Monthly Reporting Package" (i.e. khalix), it will be necessary to review that all P&L data is consistent in all applications used.	d+5 working day	Finance Department BU	Monthly	Hyperion (HFM)
8 - AI	Internal Audit Control (FIN.01.C20)	The responsible of the consolidation at local level runs the consolidation in Oracle_HFM And checks: intercompany balances, plug accounts amounts 0 , equity and p&l reconciliation. Any discrepancy should be seek, resolved or explained in order to continue with the consolidation process.	N/A	SVP Consolidation & Internal Control	Execution: Monthly Testing: Yearly	Evidence: Screenshots of the checks performed
9	Prepare and submit the "Monthly Reporting Package"	Prepare and submit the "Monthly Reporting Package" filling in the data required depending on the type of the closing (monthly, quaterly, half-yearly or annual closing), including a analysis of the data reported, the most relevant budgetary deviations and data comparative analysis respect to last year (period and YTD balances), etc. Deadline to receive the "Monthly Reporting Package": 09.00 h (Madrid time).	d+6 working day	Finance Department BU	Monthly	Excel
9 - AI	Internal Audit Control (FIN.01.C21)	The Responsible of the consolidation compares the P&L balances in Hyperion with the P&L balances in Khalix. In case of discrepancies, the differences should be seek and resolved, before to prepare the Monthly Report Package.	N/A	BU Consolidation Responsible	Execution: Ad-hoc Testing: Yearly	Evidence: Approval of the manual entries registered in Oracle_HFM
9 - AI	Internal Audit Control (FIN.01.C15)	The BU F&A Director or GL Responsible carries out an analytical review over the Financial Statements (P&L and Balance). Deviations and variations are properly explained into the reporting (monthly report package) sent to Corporate	N/A	BU Finance Director / BU GL Responsible	Execution: Monthly Testing: Yearly	Evidence: Screenshots of the checks performed
10	Receipt and analysis of the "Monthly Reporting Package" of each BU	Analysis of the "Monthly Reporting Package" of each BU and request any additional information or any necessary accounting corrections: - Verify that all BUs / Countries have reported. - Make extractions in Oracle_HFM in order to check that the data submitted is updated and correct. - Check that all data in "Monthly Reporting Package" is correct, according to the monthly closing. - Verify that the accounting balances of all accounts are balanced and check that the most relevant deviations are explained and justified. If any inconsistency in the data loaded by each BU is detected, it will have to be communicated immediately in order to make appropriate corrections. Also, it will be necessary to modify / add those accounting entries posted in Oracle_HFM that have not been previously posted in SAP_FI. Depending on the amounts of the corrections, the Consolidation Department will determine if the corrections will be posted in SAP_FI or in Oracle_HFM.	d+7 working day	Finance Department HQ Finance Department BU	Monthly	HFM / Excel
10 - AI	Internal Audit Control (FIN.03.C10)	The HQ Consolidation Department carries out a review over the monthly closing of the Business Unit, in order to detected any error or unexplained deviation. In case of inconsistencies in the information loaded from the BU (from SAP_FI or Oracle_HFM), they will be reported immediately depending on the impact of the change to be made, in amounts and terms, registering on SAP or HFM will be determined by the Consolidation Department	N/A	SVP Consolidation & Internal Control	Execution: Monthly Testing: Yearly	Evidence: Evidence of the performed review (Excel, emails, etc)
11	Consolidation adjustments loading: Reversible and non reversible accounting entries	Load all consolidation manual adjustment entries in HFM (at Group level): - During the current year, reverse the manual entries posted in the last month and load the manual entries for the current month (all accounting entries are reversible ). - At the end of each year, it is possible and recommended to leave the accounting entries with fixed level (non reversible entries). In this way, it should not be necessary to reverse and load them again the next year.	d+7 working day	Finance Department HQ	Monthly	Oracle_HFM
11 - AI	Internal Audit Control (FIN.03.C09)	All the group level adjustments carries out are supported by an excel and registered into Hyperion. The Financial Statements (Balance and P&L) are obtained directly from Oracle_HFM. There are not adjustments out of Hyperion. This excel is filed on G:\Finance and Administration\Area-2\POOL. The consolidation adjustments at group level are review and approved by the SVP Consolidation and Internal Control	N/A	SVP Consolidation & Internal Control	Execution: Yearly Testing: Yearly	Evidence: a. Adjustments supporting information b. Review and approval by the SVP Consolidation and Internal Control
12	Consolidate in HFM and analysis data	Launch the consolidation process in Oracle_HFM. Check the balance of the equity and P&L accounts, including an analytical review, and explain the budgetary deviations detected and the variations compared with last year.	d+10 working day	Finance Department HQ	Monthly	Oracle_HFM
13	Monthly reporting process	Prepare the reporting defined for the monthly, quarterly, half-yearly or annual closing and analysis of the budgetary deviations detected and the main KPIs defined.	d+12 working day	Controlling & Financial Planning Departmant	Monthly	Oracle_HFM / Office Reports and others
14	Consolidated Monthly Balance Sheet	Prepare the Consolidated Monthly Balance Sheet (in Annual Accounts format) and the Cash Flow Statements (CFS) in order to submit them to the Management Board. Previously, these reports will be submitted to the Steering and Audit Committee for approval.	Untill 3 working days before the Board of Management	Finance Department HQ	Monthly	Consolidated Monthly Balance Sheet (in Annual Accounts format) and the Cash Flow Statements (CFS)
15	Prepare the Interim Financial Statements / Annual Accounts	Prepare the Interim Financial Statements / Consolidated Annual Accounts.	Untill 3 working days before the Board of Management	Finance Department HQ	Half-yearly / Annual	Oracle_HFM / Word
15 - AI	Internal Audit Control (FIN.03.C02)	SVP Consolidation requests to the departments involved the necessary information to include it into the Financial Statements. The information requests is as follows: * Litigation- Legal Department. * Guarantees- Treasury Department. * Funding- Treasury Department. * Compensation of the Board of Directors and the management team- HR Department. * Average workforce- Human Resources * Related companies-VP Finance	N/A	SVP Consolidation & Internal Control	Execution: Yearly Testing: Yearly	Evidence: Email sent by each responsible to Consolidation Department

On	Task	Task Description	When	Responsible	Frequency	Tools
16	Review and approval of the Interim Financial Statements / Annual Accounts	Review and approval of the Interim Financial Statements / Consolidated Annual Accounts by CEO and CFO.	Until 2 working days before the Board of Management	CFO / CEO	Half-yearly / Annual	Interim Financial Statements / CCAA
16 - AI	Internal Audit Control (FIN.01.C17)	The Monthly financial closing is reviewed and approved by the Chief Financial Officer, once it is approved the financial closing is presented to the Board of Directors.	N/A	CFO	Execution: Monthly Testing: Yearly	Evidence: Board of Directors Minutes
16 - AI	Internal Audit Control (FIN.03.C03)	The Annual/Biannual Financial Statements are reviewed by the chief financial officer and by the CEO	N/A	CFO	Execution: Yearly Testing: Yearly	Evidence: E-mail send by the VP Consolidation with the Financial Statements Attached.
17	Review and approval of the Interim Financial Statements / Annual Accounts	Review and approval of the Interim Financial Statements / Consolidated Annual Accounts by the Audit Committee and Management Board.	According to timetable established at the beginning of the year	Audit Committee / Management Board	Half-yearly / Annual	Interim Financial Statements / CCAA
17 - AI	Internal Audit Control (FIN.03.C11)	The Annual/Biannual Financial Statements are reviewed by the Audit Committee and by the Board of Directors	N/A	CFO	Execution: Yearly Testing: Yearly	Evidence: Board of Directors and Audit Committee Minutes
18	Submission to the CNMV (National Stock Exchange Commission)	Submission to the CNMV the Interim Financial Statements / Consolidated and Audited Annual Accounts of the Group.	According to timetable established at the beginning of the year	Finance Department HQ	Half-yearly / Annual	CNMV.es Interim Financial Statements / CCAA