

# Annual Assurance Report Procedure

## PROCEDURE VALIDATION

Version	Corporate area	Name	Action	Date
1	Internal Audit	L. Petracca - R. Dvorak	Creation	10/10/2022
	General Secretary	Carlos Ulecia	Validation	
	Management Committee		Approval	

Always find the latest version of this document and all the related ones in the **Business Processes** section of the *NH Digital Knowledge Workplace* <https://nhorganization.nh-hotels.com>

## OBJECTIVE AND SCOPE

This NHHG internal procedure provides a detailed framework to ensure the correct issuance of the Annual Assurance reports to landlords as per the current signed contracts between the owners and NHHG.

The annual revenue assurance report is a confirmation issued by the Internal Audit Dpt or the External Audit Firms that the financial information and related calculations elaborated and communicated to hotel owners by the different NH Dpts after year end, is complete, accurate and aligned with contracts' requirements.

## WORKFLOW

#	Description	Deliverable	In Charge	Receiver	Deadline
1.	Confirmation of the list of hotels and restaurants where, according to current signed contracts, an annual assurance audit report is required either by Internal Audit Dpt or External Audit Firms (PwC, Deloitte..).	I. After being checked with the related BU, Asset sends the list of applicable hotels for the current year to Legal Dpt for confirmation specifying those ones that requires External Audit Firm issuing	HQ Asset	HQ Legal	<20/10
		II. Copies of contracts in force, addenda and any relevant information, highlighting the audit clause and the detailed scope of the work to be performed and deadlines (Revenue / Ebitda / Rent calculation / ...)	HQ Legal	Internal Audit	<31/10
		III. After deadline, any subsequent change to the above-mentioned documents or any communication with landlords affecting criteria or calculation after this date must be communicated without delay.	HQ Asset BU Finance	Internal Audit	
		A SharePoint platform will be setup to store this info.			
2.	Clarification and validation internal meeting	I. Scope of work by center including content and structure of the annexes	Internal Audit	HQ Asset	<30/11
		II. Tentative planning with reports issuance dates		HQ - BU Finance	

		<b>III. Confirmation of the internal recipients (by country / organization) of the reports once issued</b>			
<b>3/a.</b>	Request for quotation to be issued in case external support is needed	<b>I. RFQ sent out to external firms Contract for professional services signed.</b>	<b>Internal Audit</b>	<b>General Counsel CFO</b>	<b>&lt;15/12</b>
<b>3/b.</b>	For reports issued by the External Audit firm, confirmation of the name of the firm that has been contracted	<b>I. BUs Finance Dpts sends to the related recipients the name of of the external audit firm contracted per hotel (incl date of report issuance)</b>	<b>BU Finance</b>	<b>HQ Asset HQ Conso. Internal Audit</b>	<b>&lt;15/12</b>
<b>4.</b>	All basket consumption, if applicable, must be included in December closing at reporting date  For Covivio portfolio NCA calculation must be sent to HQ Consolidation on December reporting date. Covivio Portfolio: Once the individual hotel's financial statements are officially issued, BUs involved must send it to HQ Consolidation Dpt.	Individual Covivio Hotels Financial Statements, related calculations and any relevant information.	<b>BU Finance</b>	<b>HQ Conso.</b>	<b>Dec reporting date- as per closing calendar</b>
<b>5.</b>	[COVIVIO PORTFOLIO] HQ Consolidation Dpt proceed with the harmonization of the accounting criteria setting up the Consolidated Table with NCA, Fees calculation and Basket consumption (if any).	Consolidated Table with NCA, Fees calculation and Basket consumption (if any).	<b>HQ Conso.</b>	<b>-</b>	<b>&lt;15/02</b>
<b>6.</b>	Upload to the SharePoint of all the contractual and financial information communicated to the landlords after year end closing	<b>I. Copy of the Email with yearly financial information sent to the landlords.</b>  <b>III. Files/calculation formulas and any relevant information;</b>	<b>HQ - BU Finance HQ Conso.</b>	<b>Internal Audit</b>	<b>&lt;15/02</b>
<b>7.</b>	Validation of the information uploaded to the SharePoint	Sign-off in the tool or by e-mail.	<b>BU Finance HQ Asset HQ Conso.</b>	<b>Internal Audit</b>	<b>&lt;15/02</b>
<b>8/a.</b>	Annual Assurance Reports issued internally	Signed pdf sent by email to internal recipients	<b>Internal Audit</b>	<b>Agreed internal recipients Cc: HQ Asset</b>	<b>&lt;15/03</b>
<b>8/b.</b>	All annual assurance reports issued as per signed contracts commitments.	External + internal Reports uploaded to SharePoint	<b>BU Finance Internal Audit</b>	<b>--</b>	<b>15/03</b>
<b>9.</b>	Review and issuance of the Annual Assurance Reports to the Landlords (both issued by Internal Audit Dpt and External Audit Firms).  In case of any doubts or specific request for adjustments, Internal Audit Dpt should be contacted without delay.	Copy of the Email with Annual Assurance Reports to the Landlords uploaded to the SharePoint	<b>Agreed internal recipients</b>	<b>Landlords</b>	<b>&lt;31/03</b>

Note: The above reporting dates apply to December 31<sup>st</sup> year end closing

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Business Processes – Internal Audit