

# loss prevention audit user guide

## LOSS PREVENTION AUDIT USER GUIDE

The purpose of this guide is to give you the knowledge needed to use the 'Loss Prevention Audit Form' to help prevent loss in your store. The Loss Prevention Audit User Guide will be updated on a periodic basis. These updates will be distributed to you via e-mail or through your BDM.

There are 7 (seven) areas on the Panago Loss Prevention Audit Form. These sections are as follows:

Store Information – this section gathers specific financial data for your store.

Sales Reduction Information and Procedures – this section looks at the stores ability to follow the approved ways of reducing a transaction that has been saved to a POS system in a Panago store.

Cash and Payment Control – this section looks at the stores ability to follow the approved ways for controlling cash and other payment methods in a Panago store.

Deposit Procedures – this section looks at the stores ability to follow the approved ways for preparing and managing bank deposits in a Panago store.

Store Inventory Control – this section looks at the stores ability to follow the approved ways to control inventory and manage food costs in a Panago store.

Payroll and Labour Control – this section looks at the stores ability to follow the approved ways to manage their payroll and labour costs in a Panago store.

Store Information Security Systems – this section looks at the stores ability to follow the approved security programs and policies.



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## Store Information

Item	Explanation
Gross Sales \$ _____ (last month)	Enter in Gross Sales from last month's EOM (CTS & SpeedLine)
Net Sales \$ _____ (last month)	Enter in Net Sales from last month's EOM (CTS & SpeedLine)
__ % Walk in __ % Delivery __ % before 4 pm	Enter in % for Walk in, Delivery and Sales before 4pm from last month's EOM (CTS & SpeedLine)
Store Float amount \$ _____ (Balance Sheet)	Enter amount of store float from Balance Sheet
Store Float amount \$ _____ (Actual)	Count float with Franchisee or CM and record actual amount
Store Float amount \$ _____ (Variance)	Enter any variance between store reported float and actual count
Store Employee Meal Policy: _____% discount for off duty employees	Enter % of discount given to off duty employees
Store Employee Meal Policy _____% discount for working employee	Enter % of discount given for working employees
Store Employee Meal Policy _____% discount for managers and supervisors	Enter % of discount given for managers and supervisors
Voids \$ _____ Voids % _____ (Last Month)	Enter the \$ and % of Voids from last month's EOM (CTS & SpeedLine)
Voids Variance to Benchmark \$ _____ % _____	Multiply last month's Net Sales by .8% to calculate Void guideline (example \$70,000 x .8% = \$560). For variance, enter the difference between actual voids and the guideline (example actual Voids are \$620 and guideline is \$560, variance = \$60 and .08%)
Actual Cash +/- \$ _____ / _____%	Enter actual cash +/- from last month's FMP
Cash +/- Variance to Benchmark \$ _____ / _____%	Multiply last month's Net Sales by .1% and enter \$ value (example \$70,000 x .1% = \$70) as guideline\$ For variance, enter the difference between actual cash +/- and guideline (example actual cash +/- = \$95 and guideline is \$70, variance = \$25 and .035%)
Food Cost Actual \$ _____ / _____%	Enter Actual Food Cost \$ and % from last month's Cost of Sales (COS) tab in the FMP
Food Cost Theoretical \$ _____ / _____%	Enter Theoretical Food Cost \$ and % from last month's Theoretical Food Cost Workbook
Food Cost Variance \$ _____ / _____%	Enter Variance \$ and % from last month's Theoretical Food Cost Workbook
Labour Matrix Hours _____	Enter total guide hours from last month's Labour Matrix files
Actual Labour Hours _____ / _____%	Enter actual labour hours and % used last month from SOME report
Variance Hours _____	Enter difference between total guide hours and actual labour hours used



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Does the store have a closed circuit camera system? Yes No	Circle 'Yes' if the store does have a closed circuit camera system Circle 'No' if the store does not have a closed circuit camera system
Is the system internet ready? Yes No	Circle 'Yes' if store closed circuit camera system is internet ready Circle 'No' if the store closed circuit camera system is not internet ready

## Sales Reduction Information and Procedures

Item	Explanation
Voids are within guideline amounts?	Guideline for Voids is .8% of Net Sales. From Void \$ and % recorded above in 'Store Information' determine if store is within guidelines. If yes, awards point(s).
Voids have valid detailed reason?	Review all Voids in last month's Monthly Envelope. If <b>all</b> voids have a detailed reason recorded, award point(s).
Voids have 2 signatures?	Review all Voids in last month's Monthly Envelope. If <b>all</b> voids have 2 signatures, award point(s).
Complimentary Orders (100% discount) have a detailed reason?	Review all Complimentary Orders in last week's Weekly Envelope. If <b>all</b> Complimentary Orders have a detailed reason recorded, award point(s).
Complimentary Orders (100% discount) have 2 signatures?	Review all Complimentary Orders in last week's Weekly Envelope. If <b>all</b> Complimentary Orders have 2 signatures, award point(s).
Discounted tickets have a detailed reason?	Review all Discounts in last week's Weekly Envelope. If <b>all</b> discounted tickets have a detailed reason recorded, award point(s).
Discounted tickets have a signature?	Review all Discounts in last week's Weekly Envelope. If <b>all</b> discounted tickets have a signature, award point(s).
Credits have a detailed reason in the customer file?	Use the Credit Log from prior week. Access each customer account on the Credit Log. If all customer accounts have a detailed reason for credit, award point(s).
Credits over \$10.00 are detailed on the Credit Log?	Review Credit Log for last month. Verify recorded credit balance with credits on EOM (CTS & SpeedLine). If amounts balance, award point(s).
Credit Log is reviewed and signed by the Franchisee or Certified Manager?	Review Credit Log for last month. Verify that the Franchisee or Certified Manager has signed the Credit Log. If signed, award point(s).
Franchisee Monthly Paperwork is completed daily?	Review current week and prior week paperwork in FMP. If all paperwork is complete, award point(s).



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All employee meal discounted receipts are entered according to procedure?	Review all employee meal receipts in last week's Weekly Envelope, if <b>all</b> employee meal receipts have the staff member and manager's signatures, award point(s).
All redeemed certificates have 'VOID' written on paper certificate?	Review all redeemed certificates in last month's Monthly Envelope. If <b>all</b> redeemed certificates have 'VOID', award point(s.)
Deferred orders are entered properly in the transaction system?	Review all deferred orders in store. If entered correctly according to the transaction system (CTS or SpeedLine), award point(s).
Voided deferred orders are executed using the correct procedures?	Review store's system for managing deferred orders. If store is following correct procedures for handling deferred orders, award points. Note: the automated procedure for SpeedLine is not approved for use by Panago Pizza Inc.

## Cash and Payment Control

Item	Explanation
Cash Drops and Driver Drops are completed every 2 hours?	Verify with Franchisee or Certified Manager that drops are completed by <b>all</b> cashiers and drivers for a day by reviewing slips for drops performed on prior day of audit. If there are drop slips every 2 hours for <b>each</b> employee handling cash, award point(s).
Is cash locked up each night?	Verify with Certified Manager or Franchisee that the store has the ability to secure cash that is left in store overnight. If store has ability to secure cash (example – safe) and procedures are followed, award point(s).
Cash +/- is within guidelines?	Use the Cash +/- information recorded in 'Store Information' section of Panago Loss Prevention Audit to determine if store is within guidelines. If store is within guidelines, award point(s).
Manual credit card slips are available?	Locate manual credit card slips in store. If able to locate manual credit card slips, award point(s).
Panago Go cards are loaded and redeemed according to procedures?	Ask a Staff Member to load and redeem 1 (one) Panago Go card. If able to complete the transactions according to procedure, award point(s).
All new Panago Go cards are tracked using the Go Card Tracking Form?	Locate Go Card Tracking Form in store. If form is in use and all new Panago Go cards are being tracked, award point(s).
The store has a posted 'Cash Control Policy' in place for all staff?	Review all locations in store where information is posted for staff review. If a 'Cash Control Policy' is posted in plain view for staff to read, award point(s).



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The Certified Manager or Franchisee documents all cash control violations?	Verify with Certified Manager or Franchisee that 'Cash Control Violation Forms' are available and used as necessary. If verified, award point(s).
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## Deposit Procedures

Item	Explanation
All Deposits are correctly listed in the Franchisee Monthly Paperwork?	Review the 'MPOS Entry' tab in last week's FMP. If <b>all</b> deposits are listed correctly and balance to entries on last week's Deposit Log, award point(s).
Panago approved 'Deposit Log' is completely filled out? (All signatures)	Review the Deposit Log from prior week. If <b>all</b> 3 required signatures for <b>all</b> deposits (deposit made up by, taken to bank by and verified by) are completed, award point(s)
Stamped deposit slips are available and correctly entered on deposit log?	Review the Deposit Log for <b>2</b> weeks prior. If there is a stamped deposit slip for <b>all</b> recorded deposits, award point(s).
Deposits are taken to the bank by 2:00pm by a supervisor or manager?	Review the Deposit Log for last week and current week. If <b>all</b> times recorded in 'Time Deposited' are prior to 2pm and the name of person listed as 'Taken to Bank by' can be confirmed as a Supervisor or Manager, award point(s).

## Store Inventory Control

Item	Explanation
Daily pizza box counts completed?	Review the 'Box Count Entry' tab in last month's FMP. If box counts are recorded for <b>each</b> day, award point(s).
Daily pizza box counts reconciled to actual product mix sales?	Review the 'Box Count Entry' tab in last month's FMP. If 'Pizzas Sold' is entered for <b>each</b> day, award point(s).
Monthly pizza box variances are reported to Panago?	Review last month's SOME report in FMP. If pizza box variances are recorded, award point(s).
All Inventory Count Sheets and information is available for the last 3 months?	Review last 3 month's Monthly Envelopes. If <b>all</b> 3 'Inventory Count' sheets are available, award point(s).
Inventory Count Sheets are completed, totalled and have 2 signatures?	Review last 3 month's Monthly Envelopes. If <b>all</b> 3 'Inventory Count' sheets are complete, totalled and have 2 signatures, award point(s).
Changes to the Inventory Count Sheet have 2 signatures and an explanation?	Review last 3 month's 'Inventory Count' sheets. If all changes have an explanation and 2 signatures, award point(s).



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Franchise owner has completed an inventory count in the last 3 months?	Review last 3 month's Monthly Envelopes. If the Franchisee's name and signature appears at least once as a 'Counted By' signature, award point(s).
Paid outs are only used for authorized purchases from approved suppliers?	Review all Paid Outs in last month's Monthly Envelope. If all Paid Outs are for authorized purchases and from approved suppliers, award point(s). Note: GFS and Coke are the only approved suppliers for COS items. Record any unauthorized purchases or suppliers.
Is a Theoretical Food Cost completed for each month and compared to actuals?	Review last 3 month's Monthly Envelopes. If a Theoretical Food Cost Worksheet is enclosed and completed for <b>each</b> month, award point(s).
Is a Waste Tracking Form completed each month?	Review last 3 month's Monthly Envelopes. If a <b>completed</b> copy of the 'Waste Tracking Form' is attached to the <b>each</b> Theoretical Food Cost Worksheet, award point(s).

## Payroll and Labour Control

Item	Explanation
Employee pay cheques/stubs are kept in a safe or secure cabinet?	Verify with Franchisee or Certified Manager where employee pay cheques/stubs are located. If located in safe or secure cabinet, award point(s).
Employee pay cheques/stubs are distributed by a manager or supervisor only?	Verify with Franchisee or Certified Manager that pay cheques/stubs are distributed by manager or supervisors only. If verified, award point(s).
The Labour Matrix is used to manage labour control?	Review last 4 weeks Labour Matrix files. If each week is complete, with schedule, actual sales and hours used, award point(s).
Actual vs. Labour Matrix hours are reported to Panago monthly?	Review last month's SOME report in the FMP. If Actual and Labour Matrix hours are recorded, award point(s).

## Store Information Security Systems

Item	Explanation
Does each employee have their own computer ID and Password?	Verify with Franchisee or Certified Manager that each employee has their own computer ID and password. If verified, award point(s).
POS system User ID's and passwords change every 60 days?	Verify with Franchisee or Certified Manager that passwords are managed and changed every 60 days. If verified, award point(s).



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All Passwords are a minimum of 5 characters?	Verify by asking 2 (two) staff members for their password and verify in POS that they are active and work. After confirmation, request staff to change their passwords. If verified, award point(s).
Does the store enforce the importance of not sharing User ID's or Passwords?	Review all locations in store where information is posted for staff review. If 'POS Security' is posted in plain view for staff to read, award point(s). If a list is posted of staff names, computer IDs and passwords, do not award point(s).
Employees are terminated in the POS system according to proper procedures?	Using current schedule, access POS system and verify only current employees are 'active' in system. Also verify the past employees have not been 'deleted' in the POS system by running an Active Employee Report to check for 'deleted employees'. If only current employees are 'active' and there are no 'deleted employees', award point(s).
Does the store have an alarm system?	Confirm with Franchisee or Certified Manager that store has an active alarm system. If alarm panel and sensor can be located in store, award point(s).
Does each opening and closing employee have their own alarm code?	Verify with Franchisee or Certified Manager that each employee that opens and closes have their own alarm code. If confirmed, award point(s).
Can the alarm system track employee activity?	Verify with Franchisee or Certified Manager that Activity Reports are available from Alarm Monitoring Company. If confirmed, award point(s).
The store has a 'Back Door Policy' and it is enforced?	Review all locations in store where information is posted for staff review. If a 'Back Door Policy' is posted in plain view for staff to read, award point(s).

