



Australian Government

CPPDSM4086 Oversee preparation of strata community budgets

Release: 1

CPPDSM4086 Oversee preparation of strata community budgets

Modification History

Release 1.

New unit of competency.

This version first released with CPP Property Services Training Package Version 5.

Application

This unit of competency specifies the outcomes required to oversee the preparation of the annual budget for a strata community. It includes gathering budget information, identifying projected income and expenditure, overseeing the preparation of a budget, and presenting the budget to the strata community.

The unit supports the work of those involved in preparing budgets for strata communities. It applies to strata managers.

Licensing, legislative, regulatory or certification requirements apply to this unit in some States and Territories. Relevant state and territory regulatory authorities should be consulted to confirm those requirements.

Pre-requisite Unit

Nil

Competency Field

Strata community management

Unit Sector

Property services

Elements and Performance Criteria

Elements describe the essential outcomes.

Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the range of conditions.

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| 1. Gather and analyse relevant budget information for | 1.1. Legislative provisions relating to strata community administrative funds, fee and contribution levies, as well as sinking funds and fees, are identified. |
| | 1.2. <i>Budgeting method</i> is selected. |

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| strata community. | 1.3. | Previous year's budget performance is reviewed. |
| | 1.4. | Budget planning information is collated. |
| | 1.5. | Strata community's expenditure priorities are identified. |
| 2. Identify and document projected income and expenditure. | 2.1. | Sources of income and expenditure are identified. |
| | 2.2. | Estimates of expenditure relating to administrative activities, including repairs and maintenance, are prepared. |
| | 2.3. | Potential variations to income and expenditure estimates are identified and their impact on overall budget is assessed. |
| | 2.4. | Identified items are documented and stored for easy retrieval. |
| 3. Oversee budget preparation. | 3.1. | Budget preparation is coordinated in consultation with owners committee and professional financial advisors. |
| | 3.2. | Budget documentation is reviewed and where necessary clarification is sought from owners committee or professional financial advisors. |
| | 3.3. | Expenditure commitments are checked against final income estimates. |
| | 3.4. | Cash flow forecasts are prepared. |
| | 3.5. | Contingencies are identified and included in draft budget. |
| | 3.6. | Draft budget is reviewed and modifications are proposed as required. |
| 4. Present strata community budget. | 4.1. | Owner's committee is engaged in finalising and approving draft budget. |
| | 4.2. | Draft budget and schedule of contribution levies and fees are presented to strata community for approval. |
| | 4.3. | Budget is regularly reviewed and variances are reported to owners committee. |

Foundation Skills

This section describes the language, literacy, numeracy and employment skills essential to performance in this unit but not explicit in the performance criteria.

Skill	Performance feature
Learning skills to:	maintain current knowledge of legislative and organisational requirements for overseeing preparation of a strata community budget.
Numeracy skills to:	perform routine calculations required to estimate income and expenditure of strata community.
Oral communication skills to:	ask questions to clarify planned expenditure of strata community.
Reading skills to:	read and interpret source financial documents, such as bank statements, and identify relevant and key information.
Writing skills to:	complete workplace documents used in preparing budgets.

Range of Conditions

This section specifies work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included. Bold italicised wording, if used in the performance criteria, is detailed below.

<i>Budgeting method</i> must include:	- historical - zero.
<i>Sources of income</i> must include:	- bank interest - contribution levies - embedded network - fees from owners corporation records - interest from investments - penalty interest - recovered fees, such as from debt collection or insurance excess - rental income.
<i>Sources of expenditure</i> must include:	- debt collection cost - insurance - grounds - strata manager - utilities.

Unit Mapping Information

No equivalent unit.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>

Assessment Requirements for CPPDSM4086 Oversee preparation of strata community budgets

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Performance Evidence

A person demonstrating competency in this unit must satisfy all of the elements, performance criteria, foundation skills and range of conditions of this unit.

The person must also oversee the preparation of the annual budget for one strata community, in which the work must involve:

- identifying typical information to be included in budget
- recognising when budget indicates expenditure is greater than income, and suggesting modifications that will bring it into balance
- overseeing the preparation of budget in collaboration with others in a manner that meets the strata community's identified needs.

Knowledge Evidence

A person demonstrating competency in this unit must demonstrate knowledge of:

- components of a typical budget
- concept of and procedures for financial contingency planning
- concept of strata community control and how it applies to budgetary decision making
- provisions of federal, state or territory legislation and funding body requirements that affect how finances and assets can be used by strata communities
- sources of income and expenditure for strata communities
- standard budgeting procedures.

Assessment Conditions

The following must be present and available to learners during assessment activities:

- equipment:
 - computer system with internet, email and printing facilities
- specifications:
 - organisational policies and procedures relating to budget preparation
 - relevant codes, standards, legislation and regulations relating to preparing budgets for strata communities
- relationship with team members and supervisor:

- member of a work team in a property industry context.

Assessor requirements

As a minimum, assessors must satisfy the assessor requirements in the *Standards for Registered Training Organisations* (RTOs) current at the time of assessment.

Links

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