



Australian Government

CPPSCM5004 Perform strategic financial management of a strata community

Release: 1

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Modification History

Release	Comments
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| 1 | <p>This version first released with CPP Property Services Training Package Release 16.0.</p> <p>Supersedes and is not equivalent to CPPDSM5030 Manage projects in the property industry. Unit redeveloped to meet specific strata community management requirements.</p> |
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Application

This unit of competency specifies the skills and knowledge required to perform strategic financial management of a strata community. It includes preparing for strategic financial management by conducting research and analysis to determine financial compliance requirements and the financial status of the strata community. It also includes managing financial risk and establishing long-term financial management strategies. Strategic financial management activities are conducted under the authority of the strata community committee, or corporation where relevant.

This unit is suitable for senior strata managers/principals who are self-directed and have substantial depth of knowledge and skills to make independent judgements in the management of strata communities. Strata managers may also be known as strata community managers, owners' corporation managers or body corporate managers depending on the jurisdiction of operation.

Licensing, legislative, regulatory or certification requirements apply to strata community management in some states and territories. For further information, check with the relevant regulatory authority.

Pre-requisite Unit

Nil.

Unit Sector

Strata Community Management.

Elements and Performance Criteria

Element	Performance Criteria
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Elements describe the essential outcomes.	Performance criteria describe what needs to be done to demonstrate achievement of the element.
1. Prepare for strategic financial management of strata community.	1.1 Conduct research to determine regulatory requirements for strata community financial compliance. 1.2 Analyse financial reports and accounts to assess financial status of strata community. 1.3 Analyse tender documentation for critical dates and initiatives to determine cash flow trends for strata community. 1.4 Determine strata community assets and liabilities and review project funding options in consultation with strata committee. 1.5 Use audit trails to identify any discrepancies relating to strata community financial reports.
2. Manage strata community financial risk.	2.1 Conduct financial strengths, weaknesses, opportunities and threats (SWOT) analysis of strata community. 2.2 Identify potential risks to strata community financial management. 2.3 Analyse and prioritise financial risks based on likelihood and potential consequences. 2.4 Devise and implement risk management strategies to mitigate financial risks according to strata community, workplace and regulatory requirements. 2.5 Identify and engage appropriate specialists to provide advice as required according to regulatory and workplace requirements.
3. Establish long-term financial management strategies for strata community.	3.1 Develop long-term financial management plan to meet strata community, workplace and regulatory requirements. 3.2 Incorporate planned future strata community expenditure and income required to fund operations under guidance of strata committee. 3.3 Identify situations requiring specialist advice and seek assistance as required to establish long-term financial management strategies. 3.4 Review strata community financial systems, reporting methods and processes and implement changes required to ensure ongoing regulatory compliance. 3.5 Establish review processes and indicators to measure long-term financial performance and compliance. 3.6 Communicate financial management plan to relevant persons and use feedback to update plan.

Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Unit Mapping Information

Supersedes and is not equivalent to CPPDSM5030 Manage projects in the property industry.

Links

Companion volumes to this training package are available at the VETNet website -
<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>

Assessment Requirements for CPPSCM5004 Perform strategic financial management of a strata community

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Performance Evidence

To demonstrate competency, a candidate must meet the elements and performance criteria of this unit by performing strategic financial management of one strata community, including:

- undertaking a strengths, weaknesses, opportunities and threats (SWOT) analysis to determine funding methods for one type of major works related to strata community property selected from the list below:
 - concreting remediation
 - installation of solar panels or other energy efficiency initiative
 - installation or removal of an embedded network related to an existing building
 - replacement of flammable cladding on a building
 - replacement of utilities, including water pipes, conduits or cabling
 - road and street lighting replacement
 - roof replacement on a building
 - waterproofing remediation
 - weather tightness remediation (roof, balconies and walls)
- investigating the strata community's capacity to fund the above works and the risks and challenges associated with sale of lots over the project life of the major works
- documenting the findings within a long-term financial management plan for the strata community.

Knowledge Evidence

To be competent in this unit, a candidate must demonstrate knowledge of:

- cash flow requirements with regard to levy issue dates
- common discrepancies and non-compliances associated with handling strata community funds held in trust

- compliance requirements of legislation and regulations relevant to strategic financial management of a strata community in the jurisdiction of operation:
 - civil liability
 - environmental protection (sustainability)
 - fair trading and consumer protection
 - financial probity
 - privacy
 - provisions of legislation and funding body requirements that affect how finances and assets can be used by strata communities
 - records management
- concept of and procedures for financial contingency planning
- concept of strata community control and how it applies to budgetary decision making
- differences between mutual and non-mutual income and requirements for lot owners and strata companies to declare income in tax returns
- distinction between funds information that may be provided to strata community committee members, lot owners and members of the general public
- insurances required to be maintained to mitigate strata community risk
- operation of split budgets relative to strata schemes, including layered schemes
- potential financial management implications relating to the sale or title exchange of strata community property where long-term levies or loans are in place
- reporting intervals and types of strata community financial reports:
 - balance sheets
 - income and expenditure statements
 - detailed expenditure reports
 - levy position statements
- risks and risk management strategies related to strata community financial management where payment default has occurred
- role and responsibilities of senior strata managers/principals in the strategic financial management of a strata community
- situations in which strata community funds are held in trust:
 - contractor payments
 - direct debit payments
 - discrepancy in strata community account
 - long-term maintenance works
 - payment of loans
 - payment of wages
 - receipt of interest on investment account
 - receipt of lot owner's contribution
 - receipt of other income to the strata community
- sources of strata community expenditure:
 - administrative

- building
- grounds
- long-term maintenance planning
- utilities
- sources of strata community income:
 - contribution levies
 - embedded network
 - interest: bank and investments
 - penalty interest
 - recovered fees or costs
 - rental income
 - sale or lease of common property
- thresholds for goods and services tax (GST) related to strata community management:
 - impact of registration and de-registration on stakeholders
 - registration requirements and periods
- types of strata community assets and liabilities
- types and typical components of annual budgets for a strata community
- types of strata schemes and requirements for retrospective strata by-law approval
- workplace requirements for performing strategic financial management of a strata community:
 - systems for storing and retrieving information and documentation.

Assessment Conditions

Assessors must meet the requirements for assessors contained in the Standards for Registered Training Organisations.

Assessment must be conducted in the workplace or a simulated workplace using realistic conditions, materials, activities, responsibilities, procedures, safety requirements and environmental considerations.

Candidates must have access to documentation, information and technologies required to achieve the performance criteria and performance evidence.

Links

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