

Financial Controls and Client Fund Protection

Client fact sheet | June 2026

Owners entrust significant funds to their Owners Corporation, and protecting those funds is one of the most important responsibilities of a strata managing agent. This fact sheet outlines key financial management controls and transparency measures that support the protection and proper oversight of scheme funds under LGS management.

Scheme funds are held in trust for the Owners Corporation and are kept separate from Lake Group Strata's operating funds. These trust accounts are subject to specific legislative requirements and independent audit obligations.

Control area	What this means in practice
How scheme funds are held	<ul style="list-style-type: none"> • Scheme funds are held in individual trust accounts and separately from LGS operating funds. • Trust accounting records support scheme-by-scheme accountability and transaction tracing. • Client funds are handled in accordance with NSW trust accounting obligations and client instructions.
Invoice review and approval	<ul style="list-style-type: none"> • Invoices are reviewed, coded and processed in line with delegated authority, committee instructions, management agreements and internal approval thresholds. • Routine expenditure is assessed against scheme history and approved budgets; non-routine expenditure is escalated where committee approval is required. • Supporting documents, such as quotes, work orders, reports and committee instructions, are retained against the relevant scheme records wherever applicable.
Segregation of duties and oversight	<ul style="list-style-type: none"> • No single team member manages the entire payment process from beginning to end. Multiple review and approval points exist throughout invoice processing and payment workflows, helping reduce risk and supporting accountability. • Payment processing is supported by internal review and oversight rather than relying on one person acting alone from start to finish. • Checks are built across invoice receipt, review, coding, approval and payment processing. • Unusual transactions, high-value items, disputed invoices and items outside ordinary authority are escalated.
Supplier and bank verification	<ul style="list-style-type: none"> • Supplier payment details and bank account changes are treated as high-risk items and subject to verification controls. • Staff are expected to be alert to altered banking details, urgency pressure and other fraud indicators. • Where a payment request is unclear or inconsistent with existing records, further verification is undertaken before processing.
Committee visibility and client access	<ul style="list-style-type: none"> • Committees can request financial reports, transaction lists, paid invoices, budget comparisons, levy positions and arrears information through usual management channels. • Owners don't need to simply rely on periodic reports. Through the SMATA Portal and App, owners can access levy notices, meeting minutes and other key scheme records at any time, providing greater visibility into your scheme. • Formal records inspections remain available in accordance with strata legislation and scheme management arrangements.
External compliance framework	<ul style="list-style-type: none"> • NSW property professionals who handle trust money operate under trust accounting and audit obligations administered through NSW Fair Trading. • Trust account audit periods generally end on 30 June, with audit results required to be lodged with NSW Fair Trading by 30 September where trust money has been held. • External compliance obligations operate alongside LGS internal procedures and client reporting practices.

Committee assurance option: Committees may request a financial governance check-in at their next committee meeting to review reporting, invoice approval pathways and available scheme records.

Important note: No financial control can remove all risk. Strong governance depends on documented procedures, staff vigilance, committee oversight and timely queries where a transaction appears unusual.

Regulatory reference: NSW Fair Trading guidance on real estate trust accounts and audit requirements, including annual audit lodgement timeframes. This fact sheet is general information and should be read with the relevant management agreement, scheme records and applicable legislation.