

The PMA QA Mark Audit Programme

What is it?

The PMA QA Mark audit programme has been developed with the help of some of the PMA's most trusted independent consultants in the field of commercial service charges in response to insufficient numbers of properties being 'examined' by directly employed retail representatives.

It is very much aligned with the 'RICS Code of Practice for Service Charges in Commercial Properties', and is considered the major tool of the PMA in policing the management standards, and adoption of the principles of The Code, across the board within the retail property market.

The structure of the audit, like The Code of Practice, has been engineered to evolve with the changing demands of all sides of the complicated world that we all operate in, but is sufficiently rigid so as to provide a consistent result regardless of which consultant undertakes the audit at a particular property.

It is envisaged that mutual benefit is achieved from the process. The occupiers derive comfort that the property is being efficiently managed and that the accounting standards are in order without having to undertake their own investigation. Because of this the landlord and property managers should receive considerably fewer enquiries from the occupiers regarding the FAQ's normally asked each year, along with the benefit of having their properties independently audited and awarded.

It is likely that competition will develop between individual properties and also between landlord and Management Company's as to who has been awarded the highest and most awards so I expect the take up to accelerate quite quickly.

How does it work?

The auditor would attend the property in question and examine the management and accounting standards, and practices, exercised at the property.

They would award points from a maximum 100 in accordance with a scoring matrix laid down by The PMA. A concise report will be issued to all retailers represented at the property, detailing the issues examined, any responses given by the property management team. This will invariably cover many FAQ's (but to a deeper level) that the retailers would ask themselves if involved. Items of concern will be highlighted and if appropriate conclusions

and suggestions will be made. It is important to note that while this audit ought to identify how well the properties being audited are being managed, it will not cross reference the accounting standards to occupiers individual leases. Therefore it is incumbent upon the individual occupier, or their retained consultants to check compliance with lease terms such as negotiated exclusions, Service Charge CAP's etc.

When the points are totalled the property in question will be made an award at the relevant level to the points awarded as follows.

Bronze: 51 – 70

Silver: 71 – 90

Gold: 91 +

Any award would be dated specifically for the year when the audit was undertaken in recognition of the changing patterns of ownership and management practices.

Who says? & Who pays?

The landlord, or property manager, wishing to achieve a particular award for their property, or a group of occupiers where they have concerns regarding the management and accounting standards at a particular property, can trigger the process. In the event that the landlords trigger the audit then the consultants fee (obviously dependant on complexity of property and time spent performing audit) will be split between the landlord and the service charge. In the event that the audit is triggered by the occupiers then it is hoped that the costs can be taken onto the service charge, with agreement of the landlord, but if not these will be agreed and absorbed by the group making the appointment.

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