



Australian Government

FNSCRD501 Respond to personal insolvency situations

Release: 1

FNSCRD501 Respond to personal insolvency situations

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to monitor personal insolvency, analyse risk impact on creditors and determine required actions.

It applies to individuals who may use a range of managerial techniques to analyse and review actions performed in their job role.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Credit management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Monitor status of insolvency and analyse potential risk	1.1 Identify factors in client accounts that may contribute to a possible personal insolvency situation and risk factors to the organisation 1.2 Assess impact of insolvency options that may be taken by a trustee or other third party
2. Determine appropriate action	2.1 Evaluate personal insolvency actions in accordance with legislative rights and obligations of both debtor and creditor 2.2 Complete appropriate documentation in accordance with legislative requirements and organisational policy and procedures to implement appropriate action and commence legal proceedings

ELEMENT	PERFORMANCE CRITERIA
3. Review circumstances which led to the personal insolvency situation	3.1 Evaluate causes for insolvency and review procedures to prevent recurrence of loss, contributing factors and exposure 3.2 Implement outcome of review, as required

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1, 2.1, 2.2	Interprets and analyses complex textual information from a range of sources to identify and monitor potential for risk
Writing	1.1, 2.2	Compiles documents which accurately convey complex financial information as required
Numeracy	1.1, 2.2	Extracts and evaluates numerical information embedded in familiar texts and formats to assess risk and calculate associated costs
Navigate the world of work	2.1, 2.2, 3.1	Researches, analyses and manages information to determine insolvency risk in accordance with the creditor organisation and statutory and regulatory requirements
Get the work done	1.1, 1.2, 2.1, 2.2, 3.1, 3.2	- Applies systematic and analytical decision-making processes for complex and non-routine situations - Accepts responsibility for planning and sequencing complex tasks and workload, negotiating key aspects with others and taking into account capabilities, efficiencies and effectiveness - Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSCR501	FNSCR501A	Updated to meet	Equivalent unit

Code and title current version	Code and title previous version	Comments	Equivalence status
Respond to personal insolvency situations	Respond to personal insolvency situations	Standards for Training Packages. Minor edits to clarify intent of performance criteria.	

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSCR501 Respond to personal insolvency situations

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Performance Evidence

Evidence of the ability to:

- monitor relevant client accounts for possible personal insolvency situations or risks to the organisation
- accurately complete relevant documentation relating to taking insolvency action
- implement legislative requirements and organisational policy in responding to personal insolvency situations.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and describe the factors that lead to personal insolvency
- outline potential risks to the organisation of insolvency situations
- outline potential insolvency actions that may be taken
- explain key features of relevant legislative requirements relating to insolvency
- explain the application of organisational policy and procedures on insolvency management
- describe the full range of insolvency options within legal requirements
- explain relevant industry indicators of insolvency risk.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the credit management field of work and include access to:

- common office equipment, technology and consumables

- credit product information
- relevant software systems and data
- organisational policy and procedures.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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