



Australian Government

FNSCRD505 Respond to corporate insolvency situations

Release: 1

FNSCRD505 Respond to corporate 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 respond to corporate insolvency and its effect on creditors, and to determine actions required in an insolvency situation.

It applies to individuals in positions of responsibility who may use managerial and other specialist techniques to perform their work.

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.

Pre-requisite Unit

FNSCRD501	Respond to personal insolvency situations
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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 corporate insolvency and analyse potential risk	1.1 Identify factors in corporate client accounts that may contribute to possible corporate insolvency situations and risk factors to creditor organisation 1.2 Analyse impact of insolvency options that may be taken by liquidator, administrator, receiver or other third party

ELEMENT	PERFORMANCE CRITERIA
	1.3 Discuss possible effects of actions with line manager if required to determine correct action
2. Determine appropriate action	2.1 Evaluate corporate 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 to implement appropriate action and commence legal proceedings
3. Review circumstances which led to corporate insolvency situation	3.1 Evaluate causes for corporate insolvency and review organisational procedures to determine mechanisms to identify contributing factors and prevent recurrence of loss and exposure to insolvency risk 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, 3.1	Interprets and analyses complex information from a range of sources to identify and monitor risk potential and determine relevance to required actions
Writing	2.2, 3.1	Compiles documents which accurately convey complex financial information required for processes and procedures
Oral Communication	1.3	Uses active questioning and listening techniques, initiates points of clarification and uses clear and direct language to establish required actions
Numeracy	1.1, 2.2, 3.1	Extracts and evaluates numerical information embedded in a range of texts and formats to assess risk and prepare accurate claim information
Navigate the world of work	2.1, 2.2	- Works independently or with others in making decisions to achieve organisational outcomes - Reviews, modifies and applies organisational policy and procedures, and follows legislative requirements in the management of insolvency situations
Get the work	1.1, 1.2,	Applies judgement skills for making insolvency risk determinations

done	2.1-2.3, 3.1, 3.2	• Accepts responsibility for planning and sequencing complex tasks and workload • Uses the main features and functions of digital tools to complete work tasks
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSCRD505 Respond to corporate insolvency situations	FNSCRD505A Respond to corporate insolvency situations	Updated to meet Standards for Training Packages Rewritten and clarified performance criteria	Equivalent unit

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 FNSCRD505 Respond to corporate insolvency situations

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Performance Evidence

Evidence of the ability to:

- follow organisational policy and procedures and legislative requirements to determine required action related to corporate insolvency
- complete relevant documentation to ensure legal proceedings are undertaken correctly
- evaluate circumstances of corporate insolvency and determine changes to organisational procedures as required.

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:

- describe factors that lead to corporate insolvency
- outline potential insolvency actions
- describe a range of insolvency situations and risk factors for the creditor organisation
- explain key features of current legislative requirements relating to corporate insolvency
- explain the application of organisational policy to corporate insolvency management
- identify and describe the full range of credit options within legal requirements
- define relevant industry indicators of insolvency.

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 related to managing insolvency.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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