



Australian Government

FNSCRD505 Respond to corporate insolvency situations

Release: 1

FNSCR505 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

FNSCR501	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	1.1 Identify factors in corporate client accounts that may contribute to possible corporate insolvency situations and risk factors to

ELEMENT	PERFORMANCE CRITERIA
analyse potential risk	creditor organisation 1.2 Analyse impact of insolvency options that may be taken by liquidator, administrator, receiver or other third party 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 done	1.1, 1.2, 2.1-2.3, 3.1, 3.2	• Applies judgement skills for making insolvency risk determinations • Accepts responsibility for planning and sequencing complex tasks and workload • 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
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.education.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>