



Australian Government

Department of Education, Employment and Workplace Relations

FNSACC611A Implement an insolvency program

Revision Number: 1

FNSACC611A Implement an insolvency program

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to evaluate options, establish timelines and objectives, and monitor progress and plans for business insolvency. This unit has application to a variety of financial services sectors and is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements so the varying Commonwealth, State or Territory requirements should be confirmed with the relevant body.
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Application of the Unit

Application of the unit	The unit has application across all sectors of the financial services industry and can be applied to job functions that have responsibility for implementing insolvency programs into an organisation such as accountants and insolvency specialists.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Evaluate options for insolvency	1.1. Assets and liabilities to be included in insolvency are identified, located and secured 1.2. Insolvency plans are interpreted to determine operational decisions in consultation with stakeholders 1.3. Potential returns from realisation of assets are estimated from assessment of market values and fees and expenses 1.4. Claims of creditors are identified, evaluated and resolved using agreed criteria and standard accounting practices 1.5. Decisions regarding insolvency are made using agreed criteria
2. Establish timelines and objectives	2.1. Milestones for the completion of project tasks are developed and agreed as part of the insolvency plan 2.2. Implementation schedules are developed with defined target dates and communicated to stakeholders 2.3. Operational liaison and reporting responsibilities are allocated to ensure completion of tasks
3. Monitor progress	3.1. Data relevant to the insolvency program are identified, acquired and validated 3.2. Outcomes of the insolvency plan are analysed and documented in accordance with established forms of insolvency administration and statutory requirements 3.3. Day to day administration of the program is supported through liaison and regular reporting 3.4. Delays in implementation are assessed and solutions developed and negotiated 3.5. Recommendations to clients are clear, concrete and based on reasoned examination of data

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- highly developed communication skills to:
 - evaluate an organisation's solvency and risks, using questioning of personnel, management and external stakeholders for confirmation
 - negotiate complex insolvency options and actions
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- highly developed research skills for accessing and managing financial services information
- well-developed literacy skills for analysing financial information and insolvency indicators and preparing financial options and clear written advice
- numeracy skills for financial calculations and analysis, estimating and forecasting
- IT skills for developing and using integrated financial systems, spreadsheets and databases and internet information
- learning skills to maintain knowledge of insolvency statutory requirements, best practice principles, processes and procedures
- problem solving skills to identify insolvency planning issues that have the potential to impact on organisations and to develop options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work and correctly schedule insolvency activity monitoring and reporting

Required knowledge

- comprehensive practices and principles of insolvency administration
- depreciation methods allowed by tax authorities
- duties and responsibilities of insolvency administrators and liquidators
- ethical considerations for the handling of financial insolvency such as:
 - conflict of interests
 - confidentiality
 - disclosure requirements
- forms and functions of employee records
- law as it relates to insolvency management including:
 - trade practices and corporation law
 - Taxation Assessment Acts
 - Workplace Relations Act
 - Australian Consumer and Competition Commission (ACCC) regulations
 - Privacy Act

REQUIRED SKILLS AND KNOWLEDGE

- principles and practices of budgetary control:
 - double-entry bookkeeping
 - accrual accounting
- principles of valuation and processes for asset disposal

Evidence Guide

EVIDENCE GUIDE	
The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the ability to: • apply statutory requirements to evaluate options for insolvency • establish timelines and objectives for an insolvency plan and monitor progress, adjusting as required.
Context of and specific resources for assessment	Assessment must ensure: • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to an integrated financial software system and data.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit: • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills • setting and reviewing workplace projects and business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Assets and liabilities</i> may include:	• cash accounts • loans, leases and debts • personnel • plant and equipment • property investments • shares, bonds and securities
<i>Stakeholders</i> may include:	• clients • employees • financial institutions • managers and company officers: • company directors • boards of management • suppliers.
<i>Claims</i> may include:	• financial institution borrowings • lease owners • redundancy payments • salaries • superannuation payments • unpaid suppliers.
<i>Agreed criteria</i> may include:	• decision making authorities • forecasted returns • net present values • periodic reports • strategic priorities.
<i>Milestones</i> may include:	• compliance with scheduled payment dates • debt reduction targets • profits and losses • reports: • quarterly • half-yearly • annually

RANGE STATEMENT	
Implementation schedules may include:	• budgeting periods • consultation schedules • evaluation of commercial viability timetable • liquidation dates • repayment schedules.
Reporting responsibilities may include:	• administrator reports • availability of credit • commercial viabilities • compliance requirements • valuations.
Data may include:	• Australian Bureau of Statistics (ABS) economic data • budgets and forecasts • credit ratings • financial markets monitoring services • financial statements and reports • market valuations.
Statutory requirements may include:	• corporations law • delegated authorities • internal control procedures • reporting periods • taxation payment timings.
Delays may include:	• court orders • creditor default • identification of ownership • industrial action • taxation assessments.

Unit Sector(s)

Unit sector	Accounting
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		