



Australian Government

Department of Education, Employment and Workplace Relations

FNSCRD501A Respond to personal insolvency situations

Revision Number: 1

FNSCR501A Respond to personal insolvency situations

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to respond to personal insolvency and its impact on creditors, and determine actions to be undertaken in an insolvency situation. 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	This unit may be adapted to meet the specific needs of debt recovery and credit management in all financial sectors and work environments.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

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. Monitor the status of the insolvency and analyse potential risk	1.1. Factors that may contribute to a possible personal <i>insolvency situation</i> and the <i>risk factors</i> to the creditor organisation are assessed 1.2. Impact of actions that may be taken by a trustee or other third party is assessed before determining action
2. Determine appropriate action	2.1. Personal insolvency actions are evaluated in accordance with statutory rights and obligations 2.2. Appropriate claims, and proof of debt are completed in accordance with <i>statutory and regulatory requirements</i>
3. Review the circumstances which led to the personal insolvency situation	3.1. Causes for personal defaults are evaluated and procedures reviewed as a mechanism to prevent recurrence of loss, contributing factors and exposure 3.2. Outcome of review is implemented as required

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- well-developed communication skills to:
 - determine and confirm personal insolvency situations and to clarify this using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform personal insolvency related calculations
 - use relevant software, spreadsheets and databases
 - access web-based information services
- research and analysis for accessing, interpreting and managing personal information to determine insolvency risk
- well-developed interpersonal skills to deal effectively with personalinsolvency stakeholders
- judgement skills for making personal insolvency risk determinations
- organisational skills, including the ability to plan and sequence work

Required knowledge

- current knowledge of relevant legislative requirements
- developments in the credit management sector and company policy
- full range of credit options within legal requirements
- relevant industry indicators

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:

- interpret and apply the principles of personal insolvency to insolvency actions
- accurately complete relevant documentation such as:
 - lodgement of claims and proof of debt
 - enforcement of security
 - enforcement of legal proceedings.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services or other organisations which offer credit facilities 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 relevant organisational policies and procedures and legislation.

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 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.

Insolvency situations may include:

- bankruptcy:
 - Part IX of the Bankruptcy Act
 - Part X of the Bankruptcy Act
- court liquidations.

Potential ***risk factors*** may include:

- Australian Bureau of Statistics (ABS) information
- Australian Securities and Investments Commission (ASIC) information
- commercial repercussions
- commercial return versus outlay cost for recovery
- industry trade bureau information
- Insolvency and Trustee Service Australia (ITSA) information
- voidable transactions.

Statutory and legislative requirements may include:

- appropriate sections of the Tax Act
- Bankruptcy Act
- Bills of Sale and Other Instruments Act
- Cheques and Payment Orders Act
- Corporations Act
- Fair Trading Acts
- National Consumer Credit Protection Act
- Partnership Act
- Personal Property Securities Act
- Privacy Act
- Sales of Goods Act
- Small Debts Court Act or equivalent.

Unit Sector(s)

Unit sector

Credit management

Competency field

Competency field	
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Co-requisite units

Co-requisite units		