



Australian Government

Department of Education, Employment and Workplace Relations

PRMWM54A Maintain credit control

Release: 1

PRMWM54A Maintain credit control

Modification History

Not Applicable

Unit Descriptor

Unit descriptor

This unit of competency covers credit control, which assists in the maintenance of cash flow and financial liquidity. These work functions would be carried out under routine supervision within organisational guidelines.

Application of the Unit

Not Applicable

Licensing/Regulatory Information

Not Applicable

Pre-Requisites

Not Applicable

Employability Skills Information

Not Applicable

Elements and Performance Criteria Pre-Content

Not Applicable

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1 Identify overdue accounts	1.1 Monitor the current state of accounts payable regularly 1.2 Identify overdue accounts 1.3 Report overdue accounts to appropriate person in line with <i>company/organisational</i> requirements
2 Notify debtor and negotiate payment	2.1 Notify debtor of overdue account and any associated interest charges or fines in accordance with company requirements 2.2 Conduct discussions and negotiations with debtors firmly and courteously 2.3 Make arrangements for payment in line with company/organisational requirements, procedures and relevant legislation 2.4 Monitor compliance with arrangements and take further action if necessary according to company/organisational requirements

Required Skills and Knowledge

Refer to Evidence Guide

Evidence Guide

EVIDENCE GUIDE

Critical aspects of competency

- Ability to accurately identify overdue accounts and negotiate arrangements for payment with debtor.
- Continuous monitoring of debtor compliance with payment arrangements, and ensuring further action.

Knowledge needed to achieve the performance criteria

Knowledge and understanding are essential to apply this unit in the workplace, to transfer the skills to other contexts, and to deal with unplanned events. The knowledge requirements for this unit are listed below.

- Financial policy and procedures
- Required accounting procedures
- Company accounting and ledger systems
- Record-keeping requirements for accounts receivable
- Invoicing
- Double-entry bookkeeping operation of computer and manual systems
- Relevant industry regulations, standards and codes of conduct
- Sources of credit status information
- Liquidity management
- Debt collection
- Personal computer applications (including accounting software)
- Relevant legislation.

Specific skills needed to achieve the performance criteria

To achieve the performance criteria, some complementary skills are required. These are:

- communication including customer service, interpersonal, negotiation, giving information, conflict resolution, gaining feedback
- assertiveness
- cash handling
- financial processing
- methodical organisation of work
- analysis of financial information
- spreadsheeting
- Personal computer operation.

Resources required to assess this unit

The following resources should be available:

- financial recording system
- calculator
- case studies, if required
- communications equipment
- relevant codes of practice.

Gaining evidence to assess this unit

For valid and reliable assessment of this unit, the competency should be demonstrated over a period of time and be observed by the assessor (or assessment team working together to conduct the assessment). The competency is to be demonstrated in a range of situations, which may include customer/workplace interruptions and involvement in related activities normally experienced in the workplace.

Evidence of competency is best obtained by observing activities in this field and reviewing the maintenance of credit control. If this is not practicable, observations in realistic simulated environments may be substituted.

Consistency in performance

Assessment requires that the cash flow and financial liquidity plan meets the objectives of the client and that it complies with industry expectations in the particular client environment. If the environment is narrowly defined or is not representative of industry needs, it may be necessary to refer to portfolio case studies of a variety of waste requirement to assess competency in the maintenance of credit control.

Oral questioning or written assessment and hypothetical situations (scenarios) may be used to assess underpinning knowledge. (In assessment situations where the candidate is offered a preference between oral questioning and written audit, questions are to be identical.)

Supplementary evidence may be obtained from relevant authenticated correspondence from existing supervisors, team leaders or specialist training staff.

Note: All practical demonstrations must adhere to the safety and environmental regulations relevant to each state or territory.

Key competency levels

There are a number of processes that are learnt throughout work and life that are required in all jobs. They are fundamental processes and generally transferable to other work functions. Some of these are covered by the key competencies, although others may be added. Information below highlights how these processes are applied in this competency standard.

- | | | |
|------------------------------|---|---|
| 1 Perform the process | 2 Perform and administer the process | 3 Perform, administer and design the process |
|------------------------------|---|---|

How can communication of ideas and information be applied?	2	Share and discuss with colleagues, supervisor and/or clients information and ideas with regard to developing an understanding of client expectations and requirements.
How can information be collected, analysed and organised ?	2	Collect, analyse and comply with legislative and regulatory information relevant to credit control, as required.
How are activities planned and organised ?	2	Prioritise and coordinate or sequence work tasks as required to meet company needs.
How can teamwork be applied?	2	Provide assistance to team members to maintain credit control.
How can the use of mathematical ideas and techniques be applied?	1	Conduct mathematical calculations to check credit statements.
How can problem-solving skills be applied?	2	Analyse factors that may affect credit control and detail contingencies.
How can the use of technology be applied?	2	Use technology to access client information and conduct credit control (i.e. spreadsheets).

Range Statement

RANGE STATEMENT

The range statement links the required knowledge and organisational and technical requirements to the workplace context. It describes any contextual variables that will be used or encountered when applying the competency in work situations. It allows for different work practices and work and knowledge requirements as well as for differences between organisations and workplaces. The following variables may be present for this particular unit. **Client/company/organisation** includes all forms of business enterprises in this context including government agencies, local governments/councils, private and public companies and residents/ratepayers.

Communication could be required to be in writing under company/organisational policy.

Company/organisational requirements are found in:

- access and equity policy, principles and practice
- business and performance plans
- client and company confidentiality requirements
- client service standards
- defined resource parameters
- duty of care, code of conduct, code of ethics
- emergency and evacuation procedures

- induction documentation
- insurance policy agreements
- legal and organisational policy and procedures including personnel practices and guidelines
- OHS policies, procedures and programs
- operations manuals
- organisational goals, objectives, plans, systems and processes
- policies and procedures relating to own role, responsibility and delegation
- quality and continuous improvement processes and standards
- records and information systems and processes
- training materials
- verbal or written instructions.

Outstanding accounts include accounts issued for provision of goods and services, and fees for service.

Performance of this unit is carried out in accordance with relevant requirements of the following:

- Australian Standards
- environmental regulations
- legislative requirements
- manufacturers' specifications
- organisational procedures
- relevant state/territory regulations.

Relevant legislation and codes cover state and federal accounting practices and codes, industry codes of conduct, Australian Standards and taxation.

System could be manual or computer-based.

Unit Sector(s)

Not Applicable