

No. 1162

24 November 2006

**SOUTH AFRICAN QUALIFICATIONS AUTHORITY (SAQA)**

In accordance with regulation 24(c) of the National Standards Bodies Regulations of **28 March 1998**, the Standards Generating Body (SGB) for

Banking and Micro Finance

registered by Organising Field 03, Business, Commerce and Management Studies, publishes the following qualification and unit standard for public comment.

This notice contains the titles, fields, sub-fields, NQF levels, credits, and purpose of the qualification and unit standard. The qualification and unit standard can be accessed via the SAQA web-site at [www.saga.org.za](http://www.saga.org.za). Copies may also be obtained from the Directorate of Standards Setting and Development at the SAQA offices, SAQA House, 1067 Arcadia Street, Hatfield, Pretoria.

Comment on the qualification should reach **SAQA** at the address *below and no later than 23 December 2006*. All correspondence should be marked Standards Setting – **SGB** for Banking and Micro Finance and addressed to

The Director: Standards Setting and Development  
SAQA

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**DR. S. BHIKHA**  
**DIRECTOR: STANDARDS SETTING AND DEVELOPMENT**



SAQA QUAL ID	QUALIFICATION TITLE		
57901	Further Education and Training Certificate: Credit Management		
SGB NAME	ORGANISING FIELD ID	PROVIDER NAME	
SGB Banking and Micro Finance	3		
QUAL TYPE	ORGANISING FIELD DESCRIPTION	SUBFIELD	
Further Ed and Training Cert	Business, Commerce and Management Studies	Finance, Economics and Accounting	
ABET BAND	MINIMUM CREDITS	NQF LEVEL	QUALIFICATION CLASS
Undefined	164	Level 4	Regular-Unit Stds Based

#### PURPOSE AND RATIONALE OF THE QUALIFICATION

Purpose:

A learner assessed as competent against this qualification, will be able to assume responsibility for Credit Management at a junior management level in a variety of organisations in any business sector. The qualification will suit the following people:

- > Credit controllers.
- > Credit administrators.
- > Credit control supervisors.
- > Credit managers.

The qualification is a step in the learning pathway that underpins a career in the Credit Management arena and ameliorates the progression for a career path within an organization. It is intended to empower learners to acquire knowledge, skills, attitudes and values required to operate confidently in Credit Management positions not only in the South African context of the credit arena but also to respond to the challenges of the changing work environment globally.

The qualification provides a framework for the application of the guiding principles of Credit Management in the working environment of credit controllers, supervisors, managers and directors of Credit Management functions.

The range of typical learners that will enter this qualification will vary and includes:

- > School leavers wishing to enter the credit industry.
- > Learners from different specializations and of different levels of practical experience in Credit Management, wishing to consolidate their education.

Rationale:

In the social and economic development of South Africa the role of credit and Credit Management are becoming critical. With the introduction of the Credit Act there is an increased awareness amongst consumers regarding their rights and obligations. There is requirement to equip staff operating in the various aspects of Credit Management with the knowledge and skills to carry out their responsibilities in terms of the act. Additionally, the Credit Management staff requires the values and attitudes to perform their duty to manage credit extension in line with the objectives set out in the act. The Credit Management sector is highly regulated and the consequences of non-compliance for the industry are substantial in terms of both financial and reputation risk.

The role of the credit manager is becoming crucial. Financial and trading firms need to have resources of

qualified people (credit controllers, supervisors, managers and directors), skilled in the planning, directing, organizing and control of the sector and able to set and maintain good standards in the development of credit management.

The Institute for Credit Management identified the need for the comprehensive education, training and development of future professionals in Credit Management and defined the qualification in Credit Management as suitable solution.

This qualification forms a generic basis for further learning. Learners will be provided with the necessary skills to choose different options as career paths, such as specialising at higher levels in Trade, Retail, Third party collection, Banking and Export.

### **RECOGNIZE PREVIOUS LEARNING?**

Y

### **LEARNING ASSUMED TO BE IN PLACE**

It is assumed that a learner entering a programme leading to this qualification has achieved:

- > Communication at NQF Level 3.
- > Mathematical Literacy at NQF Level 3.
- > Accounting at NQF Level 3.

Recognition of Prior Learning:

The qualification can be achieved wholly or in part through recognition of prior learning in terms of the defined Exit Level Outcomes and/or individual Unit Standards.

Evidence can be presented in variety of ways, including international and/or previous local qualifications, products, reports, testimonials, work records, portfolios and performance records.

All this evidence will be judged in accordance with the general principles of assessment and the requirements for integrated assessment.

Access to the Qualification:

Access to the qualification is open keeping in mind the "learning assumed to be in place".

### **QUALIFICATION RULES**

The qualification consists of 164 credits allocated to Fundamental, Core and Elective Unit Standards.

Fundamental Unit Standards:

The Fundamental Unit Standards add up to fifty six (56) credits. Sixteen (16) credits are in Mathematical Literacy; twenty (20) in Communication in a First South African Language and twenty (20) in Communication in a Second South African Language. All Unit Standards in this section are compulsory.

Core Unit Standards:

The Core section consists of Unit Standards totalling (94) credits. All unit standards are compulsory.

Elective Unit Standards:

The Elective Unit Standards total twenty eight (28) credits. To complete the qualification the learner must choose Unit Standards to the value of at least fourteen (14) credits.

### **WIT LEVEL OUTCOMES**

1. Direct the day to day activities of a Credit Management department.
2. Create and maintain sound client and sales relations.
3. Research macro economic marketing trends and their micro economic implications.
4. Assess, manage and collect a debtor's book.
5. Conform to credit legislation.
6. Manage risk and profitability as it relates to Credit Management.

### **ASSOCIATED ASSESSMENT CRITERIA**

1.
  - > Own staff is trained, coached and counselled as to achieving organisational objectives.
  - > The objectives of the credit department are reported to senior management and staff.
  - > Credit sales transactions are administered according to company requirements.
2.
  - > Communicate verbally and in writing in a wide variety of contexts, in accordance with legislation and standard procedures.
  - > Customer service is provided in line with organisational customer service standards.
  - > Communicate to senior management as well as internal and external clients.
  - > A Credit Management function is provided to internal customers.
  - > Ethical conduct requirements are understood and adhered to in own work environment.
3.
  - > Credit worthiness of debtors is researched and presented to managers.
  - > The principles upon which financial packages have been designed are understood and explained with examples.
  - > Relevant information systems in the business environment are planned, monitored and controlled.
4.
  - > Basic financial statements are interpreted according to company requirements.
  - > Approved credit lines are established.
  - > Debt rescheduling problems are solved.
  - > Defaulting customer accounts are addressed and bad debts controlled according to organisational requirements.
5.
  - > Legal administrative processes are applied and managed at all times.
  - > A Credit Management function is performed within the stipulations of the relevant legislation.
6.
  - > The basics of security for finance are understood and applied consistently.
  - > Credit is monitored according to organisational requirements.
  - > The quality of debtor administration is evaluated with a view to improvement of existing system.
  - > Debt collecting accounts are assessed and allocated according to risk profile.
  - > Defaulting customer accounts are minimised through the application of recognised procedures.
  - > A claim in credit risk insurance is processed according to organisational procedures.

#### Integrated Assessment:

Because assessment practices must be open, transparent, fair, valid and reliable, it must ensure that no learner is disadvantaged in any way whatsoever, as an integrated assessment approach is incorporated into the Qualification.

A variety of methods must be used in assessment and tools and activities must be appropriate to the context in which the learner is working. Where it is not possible to assess the learner in the workplace or on-the-job, simulations, case studies, role-plays and other similar techniques should be used to provide a context appropriate to the assessment.

The term "Integrated Assessment" implies that theoretical and practical components should be assessed together. During integrated assessments the assessor should make use of formative and summative assessment methods and assess combination of practical, applied, foundational and reflective competencies.

Assessment should ensure that all specific outcomes and critical cross-field outcomes are evaluated. The assessment of the critical cross-field outcomes should be integrated with the assessment of specific outcomes and embedded knowledge.

#### **INTERNATIONAL COMPARABILITY**

This qualification has been compared for best practice to equivalent qualifications in the United Kingdom and in Australia. These countries were chosen because their systems correspond to the banking focus, financial and credit traditions, principles and systems used in South Africa.

The Australian Credit Management qualifications are offered in the following programmes:

- > Certificate III in Financial Services (two day programme focusing on debt collection.).
- > Certificate IV in Financial Services covers Credit Applications and Minimization of Risk; Facilitating Legal Compliance; Manage and Recover Errant Debts; Developing the Workplace.
- > Diploma of Financial Services covers the following components:
  - > Manage Legal Compliance.
  - > Personal and Corporate Insolvency.
  - > Risk Analysis to Manage Credit Policy.
  - > Electives: Quality Customer Service; Managing People; Managing Change; Intro to Factoring and Discounting; Consumer Credit.
- > Graduate Diploma of Financial Services.

The United Kingdom ICM Level 3 Certificate in Credit Management is a specialized vocational qualification for credit controllers and supervisors. The following are the compulsory units:

- > Introductory Credit Management.
- > Accounting.
- > Business Law.
- > Business Environment.

The qualification above is pitched at the same level as the FETC: Credit Management.

The Certificate IV and aspects of the Diploma of Financial Services compares well with our South African qualification and it is considered to be a good benchmark.

#### Conclusion

The FETC: Credit Management compares favourably with the relevant equivalent qualifications overseas and will contribute to the promotion of high standards in the Credit Management field in South Africa.

#### **ARTICULATION OPTIONS**

Horizontal Articulation:

This qualification articulates horizontally with the following qualifications:

- > ID 49021 : Further Education and Training Certificate: Debt Recovery, NQF Level 4.
- > ID 57712: Further Education and Training Certificate: Generic Management, NQF Level 4.
- > ID 23953: Further Education and Training Certificate: New Venture Creation, NQF Level 4.

Vertical Articulation:

The Further Education and Training Certificate: Credit Management articulates vertically with:

- > B Com.
- > B Tech: Credit Management.

#### **MODERATION OPTIONS**

This qualification will be assessed by an assessor and moderated by a moderator registered with the relevant ETQA. Training providers must be accredited by the relevant ETQA. Assessors should:

- > Have a minimum of two years practical experience as a credit manager.
- > Be registered as an assessor with the relevant ETQA.
- > Have a qualification in Financial Management at least at NQF level 5.

#### **CRITERIA FOR THE REGISTRATION OF ASSESSORS**

N/A

#### **NOTES**

N/A

	<b>UNIT STANDARD ID AND TITLE</b>	<b>LEVEL</b>	<b>CREDITS</b>	<b>STATUS</b>
Core	13933 Plan, monitor and control an information system in a business environment	Level 3	3	Reregistered
core	117422 Administer credit sales transactions	Level 3	3	Registered
Core	12739 Evaluate the quality of a business' debtor administration	Level 4	16	Reregistered
core	12759 Provide after-sales customer service in an Asset Based Financing environment	Level 4	9	Reregistered
core	13416 Demonstrate knowledge and understanding of the basics of security for finance	Level 4	6	Reregistered
Core	116599 Manage debtor portfolio	Level 4	6	Registered
core	116608 Demonstrate knowledge and application of ethical conduct in a debt recovery work context	Level 4	6	Registered
core	116610 Assess and allocate debt collecting accounts according to risk profile	Level 4	6	Registered
core	117156 Interpret basic financial statements	Level 4	4	Registered
Core	118039 Promote and control credit	Level 4	5	Registered
core	118042 Supervise credit procedures	Level 4	8	Registered
Core	118044 Address defaulting customer accounts and control bad debts	Level 4	10	Registered
core	242670 Mitigate a potential loss and process a claim in trade credit insurance.	Level 4	6	Recommended
Elective	11253 Administer foreign exchange receipt and payment systems in an international trading company	Level 4	5	Reregistered
Elective	12743 Demonstrate knowledge and understanding of a factoring agreement	Level 4	4	Reregistered
Elective	13398 Demonstrate an understanding of the concepts and conventions of the foreign exchange market	Level 4	10	Reregistered
Elective	14990 Explain international credit risk insurance	Level 4	4	Registered
Elective	243122 Apply the legal requirements related to Credit Management	Level 4	5	Draft - Preo for P Comment
Fundamental	119457 Interpret and use information from texts	Level 3	5	Registered
Fundamental	119465 Write/present/sign texts for a range of communicative contexts	Level 3	5	Registered
Fundamental	119467 Use language and communication in occupational learning programmes	Level 3	5	Registered
Fundamental	119472 Accommodate audience and context needs in oral/signed communication	Level 3	5	Registered
	effectively communicate findings on life related problems			
	space in different contexts			
Fundamental	12153 Use the writing process to compose texts required in the business environment	Level 4	5	Reregistered
Fundamental	119459 Write/present/sign for a wide range of contexts	Level 4	5	Registered
Fundamental	119462 Engage in sustained oral/signed communication and evaluate spoken/signed texts	Level 4	5	Registered
Fundamental	119469 Read/view, analyse and respond to a variety of texts	Level 4	5	Registered



## SOUTH AFRICAN QUALIFICATIONS AUTHORITY

UNIT STANDARD:

1

<b>SAQA US ID</b>	<b>UNIT STANDARD TITLE</b>		
243122	Apply the legal requirements related to Credit Management		
<b>SGB NAME</b>	<b>ORGANISING FIELD ID</b>	<b>PROVIDER NAME</b>	
SGB Banking and Micro Finance	3		
<b>UNIT STANDARD TYPE</b>	<b>ORGANISING FIELD DESCRIPTION</b>	<b>SUBFIELD DESCRIPTION</b>	
Regular	Business, Commerce and Management Studies	Finance, Economics and Accounting	
<b>ABET BAND</b>	<b>CREDITS</b>	<b>NQF LEVEL</b>	<b>UNIT STANDARD TYPE</b>
Undefined	5	Level 4	Regular

**SPECIFIC OUTCOME 1**

Demonstrate an understanding of the National Credit Act.

**SPECIFIC OUTCOME 2**

Apply the legal principles pertaining to delinquent accounts.

**SPECIFIC OUTCOME 3**

Demonstrate an understanding of legal security.

**SPECIFIC OUTCOME 4**

Demonstrate an understanding of the Matrimonial Property Act as it pertains to Credit Management.

**SPECIFIC OUTCOME 5**

Demonstrate an understanding of the Insolvency Act.

**SPECIFIC OUTCOME 6**

Demonstrate an understanding of the Basic Law of Contracts.

**SPECIFIC OUTCOME 7**

Demonstrate an understanding of the Companies and Closed Corporations Act as it pertains to Credit Management.