

CICM Professional Qualifications

Level 5 Diploma in Credit Management (QCF)

CICM

Chartered
Institute
of Credit
Management

Chartered Institute of Credit Management 2018

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CICM Graduate Programme MCICM(Grad)

For essential management skills and knowledge

The Level 5 Diploma in Credit Management is the Chartered Institute of Credit Management's Graduate Programme and provides essential knowledge and skills for the credit manager covering business strategy, advanced credit risk management, process improvement, strategic communications, leadership and legal proceedings and insolvency. Qualification demonstrates a high level of knowledge and expertise in credit management and the ability to maximise the efficiency of the credit function. The qualification establishes the level of competency required for roles such as credit managers, credit risk managers, risk control and compliance managers, credit and legal services managers.

Awarded by the largest professional body for credit management in Europe, the CICM Level 5 Diploma in Credit Management is internationally recognised and regulated by the Office of Qualifications and Examination Regulations (Ofqual). Qualification gives eligibility to Graduate Membership of the UK Chartered Institute of Credit Management and to the designatory letters MCICM(Grad). There are progression routes to the BA(Hons) Degree in Credit Management (one year top up) and Masters Degrees.

Structure

The Level 5 Diploma in Credit Management is made up of six mandatory units (each 10 credits) which need to be successfully completed for the qualification award:

- Strategic planning
- Advanced credit risk management
- Compliance with legal, regulatory, ethical and social requirements
- Process improvement
- Strategic communication and leadership
- Legal proceedings and insolvency.

The qualification has a 60 credit value. See page 11 onwards for unit learning outcomes, assessment criteria and indicative content.

Learning hours

CICM currently recommends a total qualification time of 606 learning hours for this qualification. Learners generally take two years to complete the qualifications (4 months per unit). All units have a credit value of 10, guided learning hours of 16 and a total qualification time of 101.

Current Level 5 Diploma units

Advanced credit risk management	10 credits	L/507/4136	TQT 101
Compliance with legal, regulatory, ethical and social Requirements	10 credits	K/507/4144	TQT 101
Legal proceedings & insolvency	10 credits	L/507/4167	TQT 101
Process improvement	10 credits	T/507/4146	TQT 101
Strategic communication & leadership	10 credits	J/507/4152	TQT 101
Strategic planning	10 credits	L/507/4153	TQT 101

Level 5 Diploma in Credit Management	60 credits	601/6610/1	TQT 606
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Qualification aims

The Level 5 Diploma in Credit Management aims to provide essential knowledge and skills for a credit manager or aspiring credit manager, covering strategic planning, advanced credit risk management, compliance, process improvement, strategic communications and leadership and legal proceedings and insolvency.

The qualification aims to establish the level of competency required for roles such as credit manager, credit risk manager, collections manager, risk control and compliance manager.

Ofqual Level 5 level descriptors

The following summarises the level of achievement required to pass the qualification:

Knowledge and understanding	<ul style="list-style-type: none">• Use practical, theoretical or technological understanding to find ways forward in broadly-defined, complex contexts.• Analyse, interpret and evaluate relevant information, concepts and ideas.• Be aware of the nature and scope of the area of study or work.
Application and action	<ul style="list-style-type: none">• Address broadly-defined complex problems.• Determine, adapt and use appropriate methods and skills.• Use relevant research or development to inform actions.• Evaluate actions, methods and results.
Autonomy and accountability	<ul style="list-style-type: none">• Take responsibility for planning and developing courses of action, including, where relevant, responsibility for the work of others.• Exercise autonomy and judgement within broad parameters.
Summary Level 5	<p>Achievement at Level 5 reflects the ability to identify and use theoretical and technical understanding, methods and skills to address problems that are well defined but complex and non-routine. It includes taking responsibility for overall courses of action as well as exercising autonomy and judgement within fairly broad parameters. It also reflects understanding of different perspectives or approaches within an area of study or work.</p>

Qualification learning outcomes

Knowledge and understanding

On completion of the qualification, learners will have demonstrated:

- knowledge and critical understanding of the well-established credit management principles, in particular in relation to credit risk management, legal proceedings and insolvency, compliance, strategic planning, process improvement, communications and leadership.
- knowledge about main methods of enquiry and be able to evaluate critically the appropriateness of different approaches to solving credit management related problems.
- an understanding of the limits of their knowledge, and how this influences analysis and interpretation.

Intellectual skills

On completion of the qualification, learners will be able to:

- use a range of established techniques to initiate and undertake critical analysis of information, in order to propose solutions to credit management related problems.
- apply underlying concepts and principles related to credit management to the workplace context.
- deploy key credit management techniques effectively.
- communicate information, arguments and analysis effectively in a variety of forms to specialist and non-specialist audiences.

Transferable skills and personal skills

On completion of the qualification, learners will have:

- demonstrated the ability to undertake further training, develop existing skills and acquire new competencies that will enable them to assume significant responsibility within organisations
- have qualities and transferable skills necessary for credit management roles requiring personal responsibility and decision-making.

Objectives

Learners who have achieved the qualification will:

- have researched practices of other credit management departments in order to build an in-depth understanding of best practice credit management standards.
- have an in-depth knowledge and critical understanding about different approaches to credit risk management.
- understand responsibilities and liabilities in relation to legal, regulatory, ethical and social requirements.
 - know how to monitor and improve business processes.
 - understand principles of communication theory and the way in which these have developed.
 - understand the role of communication in relation to leading teams.
 - understand the importance of leadership in helping teams achieve organisational goals and objectives.
 - know how to improve communications in order to achieve positive outcomes.
 - understand the role of communication in relation to leading teams.
 - know how to prepare for recovery of debt through the courts.
 - understand routes to judgment on undefended and defended claims.
 - know how to enforce a judgment.
 - understand insolvency in relation to debt collection.
 - know how a credit manager can manage the post-insolvency processes.

Learners who have achieved the qualification will be able to:

- map the environment in which a credit department and its organisation operate.
- benchmark a credit management department's performance.
- assess internal (SWOT) and external (PESTEL) environmental factors.
- develop a plan of improvement.
- prepare reports to communicate to relevant stakeholders.
- assess credit risk on the basis of a wide range of financial and non-financial information.
- report effectively on the level of credit risk within the department and recommend improvements.
- prepare and communicate a plan of action to improve the management of credit risk.

- be able to evaluate operational compliance of procedures in meeting legal, regulatory, ethical and social requirements.
- be able to review and report on compliance with legal, regulatory ethical and social requirements.
- evaluate the impact of compliance and non-compliance on key stakeholders.
- develop an action plan to address areas of non-compliance for own area of responsibility.
- use appropriate measures to monitor and assess business processes in own area of responsibility.
- prepare a business plan for the implementation of proposed process improvements.
- develop measures to test the impact of a change to business processes.
- be able to evaluate communication in relation to a credit management department.
- use theory to explain a range of communication issues, including any barriers to communication with stakeholders.
- identify strategies to resolve main areas of internal and external conflict.
- apply a range of appropriate communication styles to manage change and achieve positive outcomes.
- explain the impact of communication styles on work group issues on the basis of research.
- use theory to explain effective leadership communication practices.

Learners who have achieved the qualification will have developed the ability to:

- take responsibility for courses of action.
- exercise autonomy and judgement within broad parameters.
- evaluate and plan own learning.

Entry requirements

The qualification requires a minimum of Level 3 passes or exemptions in credit management, accounting principles, business environment and business law.

Study methods

There are a range of study methods and learning providers for each unit: home study, supported distance learning, evening classes or virtual classrooms. Classes start in January, June and September (see CICM website for details).

Learning resources

CICM publishes study guides for each unit which have links to electronic resources and wider reading (see CICM website for details).

CICM Awarding Body supplies assignments and learners can download free from the website:

- Syllabus
- Past examination question papers and answers with examiners comments
- Study handbook
- Level 5 assignment guidance.

CICM membership

The Chartered Institute of Credit Management (CICM) offers a range of support, information and events to enrich the learning experience:

- Monthly newsletters: Study Updates and In Brief
- Monthly Credit Management magazine
- Access to free Education Conference and Masterclasses on credit risk management, technology and change management
- Best Practice conferences
- CICM Branch events
- CICM Credit Community on LinkedIn.
- Regular CICM Twitter feeds and weekly blogs.

Learners who pass the Level 5 Diploma are eligible to Graduate Membership of the Chartered Institute of Credit Management and post nominal letters, MCICM(Grad).

Assessment methodology

CICM assesses all units by externally marked work-based assignments. Learners can submit work in January, June or October. Legal Proceedings and Insolvency will be accepted for marking from January 2017.

Grading

The overall qualification has pass/fail grades only.

Unit grade bands are:

Fail/Refer	Pass	Merit	Distinction
0% – 49%	50% – 64%	65% – 74%	75% – 100%

Assessment re-sits/resubmissions

There are no restrictions on the number of times a student can re-sit or resubmit an assignment for a unit they have failed.

Results and certification

CICM notifies grades in a results letter and candidates can access results online on the published results day. Approximately six weeks later, candidates receive a certificate for unit passes and a final qualification certificate if they have achieved the Level 5 Diploma.

Exemptions

The Institute assesses exemptions for any earlier units or for other business related qualifications on an individual basis, following standard exemption arrangements (see CICM website). There is no exemption fee to carry out work related to former CICM qualifications.

CICM will recognise exemptions from previous units to new units for learners who are part way through the Level 5 Diploma in Credit Management or previous CICM qualifications as shown in following tables:

TABLE1 Exemptions for QCF Level 5 Diploma units

QCF Level 5 Diploma		New RQF Level 5 Diploma	
Map the organisational environment	6	Strategic planning	10
Develop a customer focused organisation	5	Strategic communications and leadership	10
Developing and leading teams	4		
Credit risk management	8	Advanced credit risk management	10

Evaluate compliance with legal, regulatory, ethical and social requirements	6	Compliance with legal, regulatory, ethical and social requirements	10
Monitor and review business processes	3	Process improvement	10
Legal Proceedings and insolvency	8	Legal Proceedings and insolvency	10
Total credits (plus 10 optional credits)	40	Total credits (no optional credits required)	60

Table 2 Exemptions for pre-QCF Level 5 Diploma units

Pre QCF Level 5 Diploma	New Level 5 Diploma	
Practical credit management project ¹	Strategic planning	10
Advanced credit management	Strategic communications and leadership	10
	Advanced credit risk management	10
	Process improvement	10
Credit management law	Compliance with legal, regulatory, ethical and social requirements	10
Legal proceedings and insolvency	Legal Proceedings and insolvency	10
	Total credits	60

¹ Depending on the content of the Practical Credit Management project.

Unit content

Strategic planning

Aim

The unit aims to develop the ability to map the environment in which a business operates and benchmark operational performance in a way which raises strategic planning and communication skills.

Learning outcomes		Assessment criteria	
The learner will:		The learner can:	
1	Be able to map the environment in which an organisation operates.	1.1	Obtain information about an organisation and its environment from a variety of sources.
		1.2	Assess internal and external environmental factors.
2	Be able to benchmark departmental performance	2.1	Identify good practice for your area of work using established quality standards.
		2.2	Benchmark departmental performance and practices.
3	Be able to develop a plan of improvement.	3.1	Identify areas for improvement in line with business strategy.
		3.2	Prepare a report to communicate the scheme of improvement to relevant stakeholders.

Indicative content

- Information sources, e.g. business report, industry regulator, league table, intranet, press report, competitor data.
- PESTEL construction and analysis.
- External environmental factors including macro and micro economics, distinguishing economic features, competitive forces and common driving forces of change.
- Internal environmental factors, including resources, capabilities, competitive power, costs and prices.

- Strategic factors, including business modeling, corporate governance, functional area and operating strategies; organisational objectives and goals; vision, mission, values, service level agreements (SLA).
- Best practice frameworks using key success factors, competitor analysis, industry standards and quality benchmarks, e.g. QICM, TQM, CSE, ISO, SOX.
- Benchmarking using best practice standards to measure performance; key performance indicators, performance measurements, e.g. DSO, balanced scorecard, SLA, customer service standards, departmental targets and success criteria.
- Decision making including communication of plan via action plans and reports; outcomes of success criteria; implementation and review.

Assessment: Assignment

Advanced Credit Risk Management (10 credits)

Aim

The unit aims to build high level knowledge and skills in advanced credit risk management.

Learning outcomes		Assessment criteria	
The learner will:		The learner can:	
1	Understand approaches to credit risk management.	1.1	Explain principle forms and methods of credit risk assessment and control.
		1.2	Assess the impact of credit risk management approaches on stakeholders.
2	Be able to assess credit risk.	2.1	Quantify credit risk using data from a variety of information sources.
		2.2	Assess credit risk on the basis of a range of financial information.
		2.3	Assess credit risk on the basis of non financial information.
3	Be able to recommend improvements to credit risk management.	3.1	Report on the level of credit risk within the department.
		3.2	Communicate a plan of action to improve the management of credit risk.

Indicative content

- Theoretical understanding of credit risk management forms, models and methodologies of assessment
- Credit risk control aids
- Credit risks and their driving factors, including probability of default, loss given default and exposure at default
- Continuity and resilience planning
- Quantification of credit risk using financial and non financial information
- External data sources
- Use of internal documents such as a credit policy in the control of risk
- Risk logs, registers and policies

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- External risk management using quality benchmarks
- Impact of credit risk management on stakeholders
- Reporting of results, probabilities and impact of risk
- Action planning for future review and development.

Assessment: Assignment

Compliance with legal, regulatory, ethical and social requirements (10 credits)

Aim

The unit aims to develop the ability to evaluate compliance with legal, regulatory, ethical and social requirements for own area of responsibility.

Learning outcomes		Assessment criteria	
The learner will:		The learner can:	
1	Understand responsibilities and liabilities in relation to legal, regulatory, ethical and social requirements.	1.1	Examine responsibilities and liabilities in meeting legal, regulatory, ethical and social requirements.
2	Be able to evaluate operational compliance of procedures in meeting legal, regulatory, ethical and social requirements.	1.2	Evaluate the operational compliance of procedures in meeting legal, regulatory, ethical and social requirements for own area of responsibility.
3	Be able to review and report on compliance with legal, regulatory ethical and social requirements.	3.1	Report on level of compliance of procedures, based on research.
		3.2	Evaluate the impact of compliance and non-compliance on key stakeholders.
		3.3	Develop an action plan to address areas of non-compliance for own area of responsibility.

Indicative content

- Evaluation of legal, regulatory, ethical and social obligations across function
- Liabilities and consequences of non-compliance
- Risk factors based on occurrence and severity
- Comparison of operational procedures and documentation against compliance requirements
- Sources of compliance data and procedures to gather data
- Cross analysis and weight of influence
- Compliance reporting including stakeholder impact, consultation and governance

- Action planning to improve non compliance
- Principles of legal liability
- Appropriate legal responses to address problems related to the functional area
- Financial regulations, e.g. audit, Companies Act, Accounting Standards.

Assessment: Assignment

Process improvement (10 credits)

Aim

The unit aims to develop the ability to monitor, review and improve business processes in own area of responsibility.

Learning outcomes		Assessment criteria	
The learner will:		The learner can:	
1.	Be able to monitor business processes.	1.1	Use appropriate measures to monitor and assess business processes in own area of responsibility.
		1.2	Work with relevant stakeholders to monitor how business processes affect the quality of work in the department.
2.	Be able to review business processes.	2.1	Devise a plan for suggested improvements in response to the business process monitoring undertaken.
		2.2	Use appropriate measures to check the validity of the plan of improvement.
		2.3	Take corrective action and revise plans where necessary.
3.	Be able to improve business processes.	3.1	Prepare a business plan for the implementation of proposed process improvements.
		3.2	Develop measures to test the impact of the change to business processes.

Indicative content

- Benefits and potential difficulties associated with business process management
- Lean Six Sigma, Streamlined Process Improvement (SPI) and Continuous Improvement methodologies
- Use of tools and techniques to identify areas for improvement including value stream mapping, statistical process control and the DMAIC problem solving process.
- Critical business processes and preliminary boundaries

- Creation of process improvement team and project plan including reporting
- Mapping and documenting current business processes including employee observations and process walk-through
- Cost, cycle time and output analysis
- Remove non-value-adding process steps through leaning, cleaning and greening
- Selecting best-value future-state solutions
- Validation and verification of changed process.
- In-process measurement and feedback systems
- Implementation plans including change effect measurements and continuous improvement, with consideration of the implementation, review and communication of strategy
- SWOT construction and analysis.

Assessment: Assignment

Strategic Communication and Leadership (10 credits)

Aim

The unit aims to build leadership skills through a theoretical and practical understanding of strategic communications.

Learning outcomes		Assessment criteria		Level
The learner will:		The learner can:		
1	Be able to evaluate communication in relation to a department.	1.1	Evaluate the effectiveness of departmental communication in relation to internal and external stakeholders.	5
		1.2	Use theory to explain any barriers to communication with stakeholders.	5
2	Know how to improve communication in order to achieve positive outcomes	2.1	On the basis of research, explain the impact of communication styles on work group issues.	5
		2.2	Apply a range of appropriate communication styles to achieve positive outcomes in line with strategic objectives.	5
3	Understand the role of leaders in helping teams to achieve organisational goals and objectives.	3.1	Use theory to explain effective leadership communication practices.	5
		3.2	Demonstrate the impact of leaders in helping teams achieve organisational goals and objectives.	5

Indicative content

- Communication theories and analysis techniques
- Sources of conflict, aspects of conflict internally and externally, conflict styles
- Conflict management and resolution
- Negotiation and influencing techniques
- Importance of good leadership in achieving goals and objectives
- Measuring team performance against organisational goals
- Concepts of influence, authority and power and the responsibilities of leaders
- Effectiveness of leaders in achieving goals including attributes of a good leader
- Factors that influence behaviour at work
- Strategies for building motivation, high level skills and responsibility

Assessment: Assignment

Legal proceedings and insolvency (10 credits)

Aim

The unit aims to develop an understanding of legal proceedings and insolvency in relation to the collection of debt.

Learning outcomes		Assessment criteria	
The learner will:		The learner can:	
1	Understand how to prepare for recovery of debt through the courts.	1.1	Assess the suitability of a case for recovery of debt through the courts.
		1.2	Explain how to prepare for recovery of debt.
2	Understand routes to judgment on undefended claims.	2.1	Evaluate the debtor's options after service of a claim.
		2.2	Explain a creditor's reaction to the debtor's response.
		2.3	Explain different types of judgment.
3	Understand the routes to judgment on defended claims.	3.1	Tactically evaluate routes to judgment on defended claims.
4	Understand how to enforce a judgment.	4.1	Explain methods of enforcement.
		4.2	Evaluate methods of enforcement for different debtor types.
5	Understand insolvency in relation to debt collection.	5.1	Compare and contrast different types of insolvency.
		5.2	Evaluate the process of insolvency for the collection of undefended debt.
6	Understand how a credit manager can manage the post-insolvency processes.	6.1	Explain how a credit manager can manage the post-insolvency processes.

Indicative content

- Case assessment and preparation for recovery of debt through the courts
- Debtor options and creditor reactions after service of a claim
- Types of judgment and routes to judgment on defended claims
- Methods of enforcement
- Types of insolvency including evaluation of insolvency process
- Management of the post-insolvency processes.

Assessment: Assignment

Glossary

BATNA	Best Alternative to a Negotiated Agreement
CSE	Customer Service Excellence
DMAIC	Define, Measure, Analyze, Improve and Control process
DSO	Days Sales Outstanding
EFQM	European Foundation for Quality Management Excellence Model
ISO	International Organisation for Standardisation
MPT	Modern Portfolio Theory
PESTEL	Political, Economic, Socio-cultural, Technological, Legal and Environmental analysis
QCF	Qualifications and Credit Framework
QICM	Quality in Credit Management accreditation
SOX	Sarbanes–Oxley Act. Also known as 'Public Company Accounting Reform and Investor Protection Act' or 'Corporate and Auditing Accountability and Responsibility Act'
SLA	Service-level agreement
SPE	Streamlined Process Improvement
SWOT	Strengths, Weaknesses, Opportunities and Threats analysis
TQM	Total Quality Management

Useful contacts

Learner study advice service 9:00 – 17:00 (UK time) Monday - Friday	Tel: +44 (0)1780 722909
Advice on studying for CICM qualifications	professionalqualifications@cicm.com
Advice on any aspect of the assessment process	awardingbody@cicm.com
Advice on CICM membership	Tel: +44 (0)1780 722903 Email: membership@cicm.com
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Chartered Institute of Credit Management

The Chartered Institute of Credit Management (CICM) is Europe's largest credit management organisation and the second largest globally. The trusted leader in expertise for all credit matters, the Institute represents the profession across trade, consumer and export credit, and all credit-related services. Formed over 70 years ago, the Institute is the only such organisation accredited by Ofqual and offers a comprehensive range of services and bespoke solutions for the credit professional as well as services and advice for the [wider business community](#), including the acclaimed ICM/BIS Managing Cashflow guides.

The Institute is a respected, specialised awarding organisation which has awarded qualifications since 1949 and the global leader for qualifications in credit management. The Institute has been accredited by the qualification regulators since 2001. has the expertise to develop regulated units and qualifications and review National Occupational Standards. The Institute awards qualifications from Level 2 to Level 5 in credit management, money and debt advice, debt collection and enforcement.

