



Minimising risk while maximising cash flow should be the aim of your business. This Credit Health Check is intended to quickly identify areas of significant concern to your business. It does not address the issues comprehensively nor does it address all of the issues commonly found in credit management of a business.

Use the scale **(1=strongly disagree 5=strongly agree)** to assess the extent to which your business is adhering to the 'value drivers' below.

**(1=strongly disagree 5=strongly agree)**

Credit Management	1	2	3	4	5
<b>Credit Management Planning</b>					
<b>Identifying your key credit objectives is essential to any sound credit management policy.</b>					
1. Key credit objectives have been identified for my business.					
2. A procedure has been developed from these key credit objectives and reduced to writing to form a Credit Policy.					
3. Our Credit Policy covers all key areas such as provision of credit, debt collection, credit checks and dispute resolution.					
4. Every member of our credit team is trained in and has access to our Credit Policy.					
<b>Credit Documentation</b>					
<b>Identifying whether your business extends credit to customers and managing this process is an important part of credit management.</b>					
1. A detailed Credit Application is in place containing clauses that us allow to exchange and gain access to credit information on our customers					
2. Our trading terms and conditions are attached to our Credit Application or provided to our customers before trading with the customer commences					
3. We have Guarantees that we require as part of the Credit Application					
<b>Trading Terms</b>					
1. Our trading terms and conditions are accurate and appropriate to our business and industry					
2. Our trading terms and conditions are in writing					
3. Key terms and conditions are covered such as any retention of title clauses, when risk and title in our product passes, order and delivery terms, payment terms, breach of contract and jurisdiction.					
4. Applicable Warranties as to our product or service are contained in our terms and conditions.					
<b>Credit Management Hierarchy</b>					
1. A hierarchy is in place for credit staff clearly defining roles and responsibilities.					
2. Appropriate credit staff are required to sign off on or approve the granting of credit or entering into payment arrangements with customers					
3. A settlement matrix has been established to guide our credit team on what settlement of debt arrangements are acceptable in which circumstances.					

<b>Legal Compliance and Risk Management</b>	<b>(1=strongly disagree 5=strongly agree)</b>				
<b>Legal Compliance is at the heart of risk management for any business. Knowing how to comply and having a procedure in place to deal with this is crucial.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Legal Compliance</b>					
1. Our credit staff are trained in essential compliance guidelines as they affect our business such as the Privacy Act 1998 (as amended in 2000), the Trade Practices Act 1974 and the ACCC / ASIC Debt Collection Guideline.					
2. Our credit staff have access to a point of reference should they be unsure of how to proceed in relation to a legal compliance issue					
3. We have in place arrangements with our external debt collection service provider that ensures they also comply with legislation and guidelines when they act on our behalf.					
<b>Privacy</b>					
1. We have advised our customers in writing of the purpose for which their personal information will be used.					
2. We have signed authorisation from our customers for the obtaining and exchange of credit information provided by them					
3. We do not list a customer with a credit reporting agency without the proper authorisation and ability to do so.					
<b>Debt Collection</b>					
1. Our credit policy clearly sets out a debt collection procedure covering written and oral demands for payments and when debts are outsourced for collection					
2. All customer disputes are recorded in writing					
3. All communications with customers about an outstanding debt are recorded in writing and accessible to credit staff					
4. All essential documents such as orders, invoices, delivery dockets, service notes are retained and easily accessible to credit staff in case they are requested by a customer to prove the debt					
5. Copies of customer cheques or payment details are retained					
<b>Effectiveness</b>					
1. Our credit policy works to achieve our debt collection and credit objectives					
2. Recurrent problems in debt collection are identified and analysed and the source of the problem is fixed					
3. Our credit policy is regularly reviewed and updated to meet any changing conditions					

**On completion of the Credit Health Check, you are welcome to contact Rebecca Hegarty of Coleman & Greig on 9895 9289 to discuss any issues you may have identified.**

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