

WHAT GOOD LOOKS LIKE

Applying asset management in practice

About this guide

This guide is for managers responsible for asset management planning and delivery. It poses questions to help determine whether asset management is efficient, well structured, and appropriately resourced.

This guide uses a ten-question structure consistent with our guide [What Good Looks Like – Asset management](https://auditnz.parliament.nz/resources/asset-management).¹

That guide poses questions for governors and senior managers, while this one has an operational focus.

Implementing asset management practices and processes in line with good governance can help you effectively manage assets and control risks to service levels.

	10 questions for asset managers	Indicators of what good looks like
Framework	1. Are asset management processes and procedures consistent with the asset management strategy, policy, and any supporting guidelines?	<ul style="list-style-type: none"> • Asset management processes and procedures are properly documented and updated as required to reflect good practice. • Processes match the range and complexity of the assets being managed. • Arrangements for maintenance, renewals, and capital expenditure deliver value for money, and the procurement policy requires open competitive quotes/ tendering.
Infrastructure	2. Are asset management roles and responsibilities clearly defined?	<ul style="list-style-type: none"> • Tasks are allocated to specific staff and enough time is allowed for tasks to be carried out at the required frequencies (such as maintaining asset data, managing work programmes, and capital project management). • Training is provided to staff to ensure that they maintain an up-to-date knowledge of asset management practices and systems.
	3. Does the Asset Management Information System (AMIS) have the tools needed to support all aspects of asset management?	<ul style="list-style-type: none"> • All assets (both owned and leased) are recorded in a centralised AMIS. • The AMIS interfaces with other core systems such as GIS, maintenance records, customer relationship modules, and the finance system to minimise data duplication and inconsistencies. • The AMIS provides information for day-to-day and longer-term planning.

1. <https://auditnz.parliament.nz/resources/asset-management>

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Application	4. Are good processes in place to ensure that asset data is complete and accurate?	<ul style="list-style-type: none"> • Asset hierarchy supports data capture to support different information needs across the organisation. • An asset numbering system is applied across the organisation to link and integrate data about specific assets (such as maintenance records and customer service requests). • Responsibility for collecting and maintaining asset data is assigned to an appropriate person(s) and is carried out in a timely manner. • A programme of continual monitoring and auditing is put in place to maintain data accuracy and relevance.
	5. Are regular condition assessments completed for all critical and high-risk assets?	<ul style="list-style-type: none"> • Critical assets are identified using a structured framework to ensure consistency in the assessment process and across the portfolio. • Condition assessments are regularly carried out, more frequently and with more comprehensive coverage for critical assets. • Condition assessments are used to determine where maintenance and/or capital expenditure is required. • Different treatment/management plans are developed for different criticality levels, reflecting the impact on service delivery.
	6. Have assets been assessed for resilience in adverse weather conditions, and for vulnerability to climate change?	<ul style="list-style-type: none"> • Priority is given to assessing the condition and resilience of critical and high-risk assets, particularly those associated with major infrastructure that protects community health and safety. • The capital expenditure and maintenance programme reflects the work necessary to develop and maintain the resilience of critical assets. • Contingency plans are developed to ensure continuity of service when adverse events occur. • Asset managers are aware of the limits of resilience for critical assets, and contingency plans include provisions for asset failure.
	7. Is asset use optimised by effectively forecasting and managing demand?	<ul style="list-style-type: none"> • Current demand for services is accurately measured. • Future demand is forecast in conjunction with corporate planners, based on appropriate assumptions. • Future demand (both quantum and type) is understood and compared against the capacity of assets to meet that demand. • Plans are put in place for how demand will be managed for over-utilised and under-utilised assets.

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10 questions for asset managers		Indicators of what good looks like
Application (continued)	8. Have expected levels of service and key performance indicators (KPIs) been established for each asset/asset category?	<ul style="list-style-type: none"> • Required/expected levels of service are clearly defined for each asset category at both a technical level and from a user perspective. • Customer-focused and technical KPIs are used to assess whether assets are delivering required levels of service. • All KPIs are specific, measurable, achievable, relevant, and time-bound (SMART). • KPIs measure the quality as well as quantity of services delivered by assets.
	9. Are the outcomes of asset management planning activities properly documented in Asset Management Plans (AMPs)?	<ul style="list-style-type: none"> • Asset management planning and AMPs are driven by Asset Management Strategy and a Strategic Asset Management Plan (a 'top-down' approach). • Key audience(s) for the AMP are identified and documents are prepared for their information requirements (for example, to support governors' decision-making). • AMPs are viewed as live documents that formalise decisions made and summarise information about an asset category.
Monitor and review	10. Have improvement plans been implemented to close identified gaps between good asset management practice and current practices?	<ul style="list-style-type: none"> • Improvement plans are regularly refreshed to reflect what needs to be completed to improve asset management. • Improvement plan tasks are prioritised and used as a basis for determining work programmes. • Sufficient time and resources are allocated to carry out necessary improvements.