

## Asset Management Policy

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## 1 Purpose

This policy document sets out the way in which the Department of Communities and Justice (DCJ) will approach asset management in working towards the achievement of its objectives.

Asset management practices are to be consistent with DCJ's purpose statement: 'Our purpose is to help create a safe, just, resilient and inclusive NSW in which everyone has the opportunity to realise their potential.'

## 2 Definitions

Term	Definition
DCJ Board	The core of DCJ's leadership group, made up of the Secretary and Deputy Secretaries.
Asset management framework	The set of interrelated or interacting policies, objectives and processes required to achieve DCJ's objectives through the management of existing and planned assets. The term and definition of 'management framework' is interchangeable with that of 'management system' as used in the International Standard for Asset Management (ISO 55001).
Asset	All non-financial assets recognised by DCJ including, but not limited to, land and buildings, plant and equipment, infrastructure systems, leased assets, works in progress, cultural and heritage collections, ICT systems and digital services.
Asset lifecycle	Encompasses all the stages an asset experiences over the period from conception to end-of-life or contract and typically would include planning, acquisition, delivery, operations and disposal.
Asset management	The coordinated activity of the department to realise value from assets, present and future. Value can represent financial return and/or be measured by the contribution the assets make to service delivery.
Attestation statement	An annual statement in which the department attests to its compliance with Core Requirements 1 and 2 of Treasury Policy Paper (TPP) 19-07.
Budget material agencies	All entities considered material for whole-of-government purposes, which are controlled by the NSW Government and the government finance statistics sectors under which they are classified. A list of budget material agencies is typically published in the NSW Budget Papers.
Controlled entity	Same meaning as section 2.2 of the <i>Government Sector Finance Act 2018</i> .
Department	A department within the meaning of the <i>Government Sector Employment Act 2013</i> .

Term	Definition
International Standard for Asset Management (ISO 55001)	Three separate documents: ISO 55000 – the concepts and definitions which underpin the standards, ISO 55001– the requirements that make up the standard, and ISO 50002 – guidance on the requirements
Outsourcing	An arrangement where an external organisation performs part of an organisation’s function or processes

### 3 Scope

The assets and activities in scope with this policy include:

- all non-financial assets recognised in an agency’s financial statements, including but not limited to, land and buildings, plant and equipment, fleet, infrastructure, leased assets, works in progress, cultural and heritage collections, ICT systems, and digital services
- activities related to the management of assets carried out by the department and its outsourced service providers who are required to establish, implement, manage and continually improve the asset portfolio and the framework.

The policy applies to all budget material agencies (as listed in NSW Budget Paper 1), excluding state-owned corporations and public financial corporations.

The policy applies to existing agencies identified under the *Government Sector Finance Act 2018* as at the effective date of [Treasury Policy Paper \(TPP\) 19-07 Asset Management Policy for the NSW Public Sector](#).

The policy becomes effective for new agencies (i.e. those agencies added to *Government Sector Finance Act 2018*) 24 months from the date the agency was included in the Act.

As the lead department for the Stronger Communities Cluster, DCJ will work with cluster agencies to strive for consistency in their asset management frameworks and align with the department’s where possible.

### 4 Policy statement

The department is committed to the effective management of assets under its control to ensure it delivers the highest level of social and economic value to its customers and stakeholders. It recognises the asset management benefits of continually strengthening accountability, performance and capability with the department.

The department will adopt and integrate 5 key principles in asset management:

1. Assets exist to provide value by supporting government objectives.
2. The department will act as a steward of public assets on behalf of the government.

3. Asset management decisions must have regard to the appropriate balance of cost, risk and performance.
4. Asset management must be integrated with other organisational functions, processes, activities and data.
5. Asset management decisions must be made using a whole-of-lifecycle approach.

The department is committed in continually improving its asset management practices and maturity in line with International Standard for Asset Management (ISO 55001) to enhance its ability in realising value from assets;

The department will maintain an asset management framework consisting of key artefacts:

- An asset management policy – Statement of leadership commitment to effective asset management and setting the direction for asset management.
- A strategic asset management plan (SAMP) – Interrelated policies, objectives and processes to achieve organisational objectives through the management of assets.
- Asset management plans (AMP) – Detailed requirements for all lifecycle activities to existing and planned assets to manage cost, risk and performance to meet required service delivery outcomes
- Asset registers – Accurate, current and comprehensive information on planned and existing assets – traceable between financial and technical data.

The department will continually review and improve its framework to ensure it is fit-for-purpose and meets the department's requirements. The framework will have regard to:

- establishing and managing the framework
- lifecycle planning and operation
- integration with other organisational asset policies, functions, processes, activities and data
- improving and reporting performance.

The Commercial Management Unit within the Infrastructure & Assets Branch will facilitate annual attestation of the Asset Management Policy for compliance with Core Requirement 1 and 2 of TPP 19-07.

## **5 Related legislation and documents**

- The following NSW Treasury policy requires the NSW public sector to develop and maintain an asset management framework aligned with International

Standard for Asset Management (ISO 55001): [Treasury Policy Paper \(TPP\) 19-07\) Asset Management Policy for the NSW Public Sector](#).

- Capital Investment Plans (CIP) as contained within NSW Treasury Circulars.
- TPP 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector
- International Professional Practices Framework (IPPF) (is the authoritative guidance promulgated by The IIA)
- Australian Accounting Standards
- International Standard for Asset Management (ISO 55001).

## 6 Responsibilities

Asset management is the responsibility of all departmental staff, with specific responsibilities and accountabilities as follows

### 6.1 Secretary

As the accountable authority, the Secretary carries ultimate responsibility and accountability for the department, attesting annually to Core Requirements 1 and 2 of TPP 19-07 as follows:

- All assets within this policy and under control of the department are managed with regard to the 5 asset management principles outlined above in section 4 (Core Requirement 1).
- A framework (Core Requirement 2) that is appropriate to the department has been established and maintained and that the framework aligns with the requirements of TPP 19-07, including the preparation of necessary documents and the relevant International Standard for Asset Management (ISO 55001).
- Annual attestation is to be completed in accordance with Core Requirement 3.

The Secretary is also responsible for ensuring that an internal audit function has been established and maintained and that the operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing.

### 6.2 DCJ Board

The DCJ Board is responsible for:

- a commitment to continuous improvement of asset management education and practices
- allocating sufficient resourcing for asset management
- implementing and maintaining the framework governance.

### 6.3 Deputy Secretaries and Division Heads

Deputy Secretaries and Division Heads are responsible for:

- supporting asset management training and awareness of ISO 55001
- leadership and commitment to continuous improvement of asset management maturity as per ISO 55001
- supporting the development and maintenance of the framework artefacts relating to the SAMP, AMPs and asset registers consistent with this policy
- ensuring Core Requirements 1 and 2 of TPP 19-07 are integral to the management of all assets within scope of this policy.

### 6.4 Executive Directors, Directors and Senior Managers

Executive Directors, Directors and Senior Managers are responsible for:

- implementing asset management practices in accordance with the framework artefacts
- implementing asset management awareness training to elevate the department's understanding of asset management through an ISO 55001 lens
- ensuring alignment between asset management objectives and business plan development
- implementing an appropriate digital platform on the department's intranet to socialise all aspects of asset management relating to the department and, where relevant, the Stronger Communities Cluster
- ensuring the required governance for asset management is maintained at a divisional level and with outsourced service providers (as per section 3 of this policy)
- supporting cluster engagement on asset management via the Cluster Asset Management Community of Practice (CAMCOP).

### 6.5 Staff

All staff are responsible for:

- contributing to the development and implementation of asset management practices in accordance with the framework artefacts
- identifying, recording, communicating and following up non-compliances with the policy where identified across the assets included in this policy.

### 6.6 Commercial Management Unit

The Commercial Management Unit within the Infrastructure and Assets branch of Corporate Services is responsible for:

- leading the implementation of the department’s framework including coordinating, maintaining, reporting and reviewing the department’s framework and processes
- guiding the implementation of the Roadmap to Compliance to ensure compliance with TPP19-07
- coordinating the development and completion of department specific asset management training material aligned with ISO 55001
- maintaining asset management information shared on the department’s intranet.

## 7 Document information

Document name	Asset Management Policy
Applies to	All of DCJ
Replaces	Corrective Services Enterprise Asset Management Policy (2011) Department of Attorney General & Justice Enterprise Asset Management Policy (2012)
Document reference	TRIM - D20/21366261
Approval	Infrastructure & Assets Subcommittee 20 November 2020
Version	1.0
Commenced	14 December 2020
Due for review	June 2023
Policy owner	Commercial Management Unit Infrastructure and Assets Corporate Services

## 8 Support and advice

Who can people go to if they need more advice?

Business unit	Commercial Management Unit Infrastructure and Assets Corporate Services
Email	<a href="mailto:lou.fiorio@dcj.nsw.gov.au">lou.fiorio@dcj.nsw.gov.au</a> <a href="mailto:aaron.truong@dcj.nsw.gov.au">aaron.truong@dcj.nsw.gov.au</a>