

Integrated Infrastructure Services

Edmonton

Capital Asset Management Audit & Lessons Learned

Presentation to Infrastructure Asset Management Alberta

Contact information

Murray Johnson, General Supervisor of Infrastructure Strategies and Innovation
murray.johnson@edmonton.ca

Agenda

- Capital Asset Management Audit
 - Recommendations
 - Management Response
- Experiences from the Audit
 - Time Commitment
 - Data
 - Communication
 - Understanding Asset Management
- Lessons Learned

Capital Asset Management Audit

Capital Asset Management Audit

- Audits can and should be conducted at regular intervals to validate the organization is doing the right things
- Audits can be a positive or negative depending on the participation level and willingness of both sides
- This audit was a welcome activity
- The auditor was very much a partner in this audit

Audit Objective

Determine whether the City manages its capital assets to optimize investments in existing infrastructure. This includes:

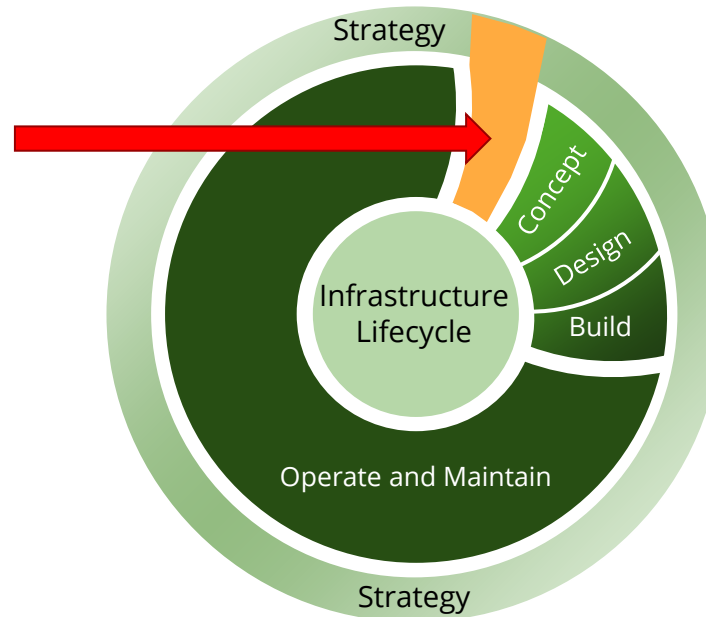
- Developing and maintaining a policy, strategy, and plans to guide, integrate, and direct asset management throughout the City
- Evaluating asset management practices to improve and align practices across the City
- Implementing asset management practices that align with asset management policy, strategy, and plans

Audit Objective (Continued)

This audit focused on the City's processes for funding capital asset renewal only. The audit did not include:

- Acquisitions, new construction, operations, or maintenance of capital assets

Area Focused
on by Audit



Audit Recommendations

1. Update the Infrastructure Asset Management Policy and the Infrastructure Strategy to better align with best practices and City Objectives
2. Guide the development, approval, and regular updates of Asset Management Plans for significant asset categories
3. Develop guidance on asset disposition including regular asset portfolio reviews to make better use of budgets
4. Develop and communicate guidance for asset managers on the requirements of accurate and complete data
5. Improve the City's capital asset management performance measurement

Management Response

1. Policy C598 - Infrastructure Asset Management Policy and the Infrastructure Strategy (Strategic Asset Management Plan) being updated for 2024 completion
2. Ongoing Work. Finalizing Gen-1 AMPs and preparing for Gen-2 AMPs
3. Implementing Asset Rationalization Program to support end of life decisions for assets, including disposition
4. Continually improving inventory process, including enhanced guidance to “non-asset management” asset managers
5. Updating and streamlining the measures being used for asset management, and developing a Level of Service Framework for use by service owners

Experiences From the Audit

Time Commitment

As the lead for the audit

- 20 hours of planned meetings with auditors
- 3-5 impromptu meetings per week with auditors
- 20 hours of planned meetings with internal stakeholders
- Countless impromptu meetings with internal stakeholders
- More than 100 hours gathering, analyzing, comparing data sources

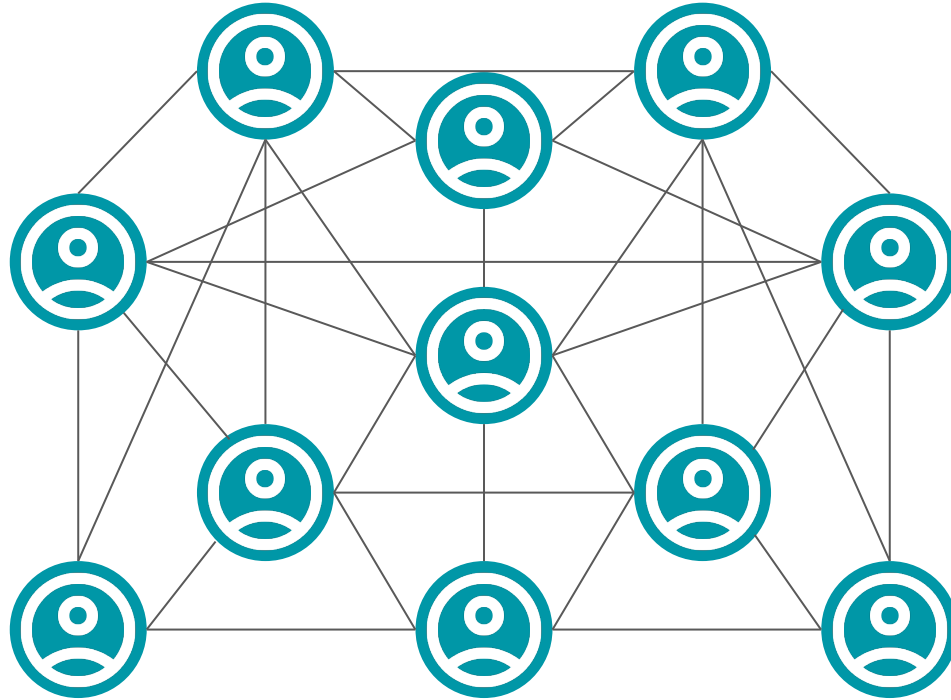
Data

- Data sourced from more than 10 asset stewards
- More than 80 different data sources
 - Spreadsheets
 - Databases
 - Reports
 - Manuals
- Provided access to RIMS
- Audit Documents Not in Our Control

Understanding Asset Management

- While Asset Management is data driven there is nuance to the data and how we use it
- Asset Management decisions are much more complex than what data alone can determine. Professional judgement plays an important role in decision making.
- Asset Management is not one size fits all. What works for one organization may not work for another.

Communication



Lessons Learned

Lessons Learned - Time Commitment

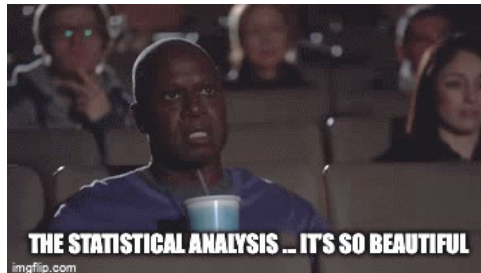
Allocate a Significant amount of your day toward the audit

- Time commitment ranged from 10% to 100% per week
- Meetings, collection, analysis, counter-analysis



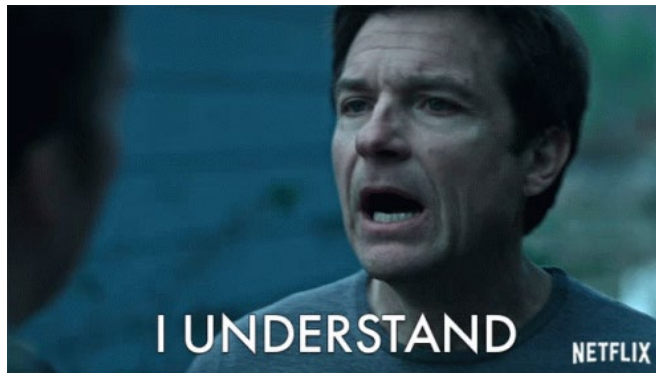
Lessons Learned - Data

- SHOW YOUR WORK!!! Document all decisions as if you are being audited every day.
- All data shared with the Auditor goes through one point of contact and stored in a single shared folder
- Make a copy of everything received from the Auditor (Google issue)
- When sharing data, teach the auditor how it is used and validate their understanding of the data as they are conducting analysis



Lessons Learned - Understanding Asset Management

- Give your Auditor team a course in Asset Management as a first step. Show where you are different from others and why
- SHOW YOUR WORK!!! Document all decisions you make. Future employees will thank you
- Volunteer a complex situation to show where data plays a role and where professional judgement plays a role



Lessons Learned - Communication

- Anyone meeting with the Auditor needs to document the discussion
- All data shared with the Auditor goes through one point of contact and stored in a single shared folder
- Regularly follow up with Auditor to validate their findings



Lessons Learned - General

- Reiterate - SHOW YOUR WORK!!!
- Work WITH your Auditor
- Asset Management is a process of continual improvement. Accept that not all things are perfect and use the process to understand a better way forward



Questions

Contact information
Murray Johnson, murray.johnson@edmonton.ca
edmonton.ca

Edmonton