

# ***Rockdale City Council***



## ***Asset Management Assessment***

***August 2014***

# Background

- ❖ Rockdale City Council wants to gain an improved understanding of their current asset management processes
- ❖ Council also wants to understand how their asset management practices, systems and processes compare with other councils across NSW
- ❖ To provide this assessment, an onsite audit of Council's asset management practices and a review of the relevant asset management and financial documents has been undertaken

# Methodology

- ❖ The independent audit assesses each council against the following six categories and sub-categories:
  - Asset Knowledge / Data
  - Asset Knowledge Processes
  - Strategic Asset Planning Processes
  - Operations and Maintenance Work Practices
  - Information Systems
  - Organisational Context

## Methodology cont.

- ❖ Each category was scored as per the ranking system below

Assessment	Description	Standard
<b>A</b>	At or near best practice	$\geq 9.0$
<b>B</b>	Advanced level of competence	7.50 – 8.99
<b>C</b>	Core level of competence	6.00 – 7.49
<b>D</b>	Basic level of competence	4.00 – 5.99
<b>E</b>	Awareness	2.50 – 3.99
<b>F</b>	Nothing/limited	$\leq 2.49$

# Asset Management Review Findings

Category	Assessment
Asset Knowledge/Data	C
Asset Knowledge Processes	D
Strategic Asset Planning Processes	C
Operations and Maintenance Work Practices	D
Information Systems	C
Organisational Context	D
Overall Asset Management Assessment	C

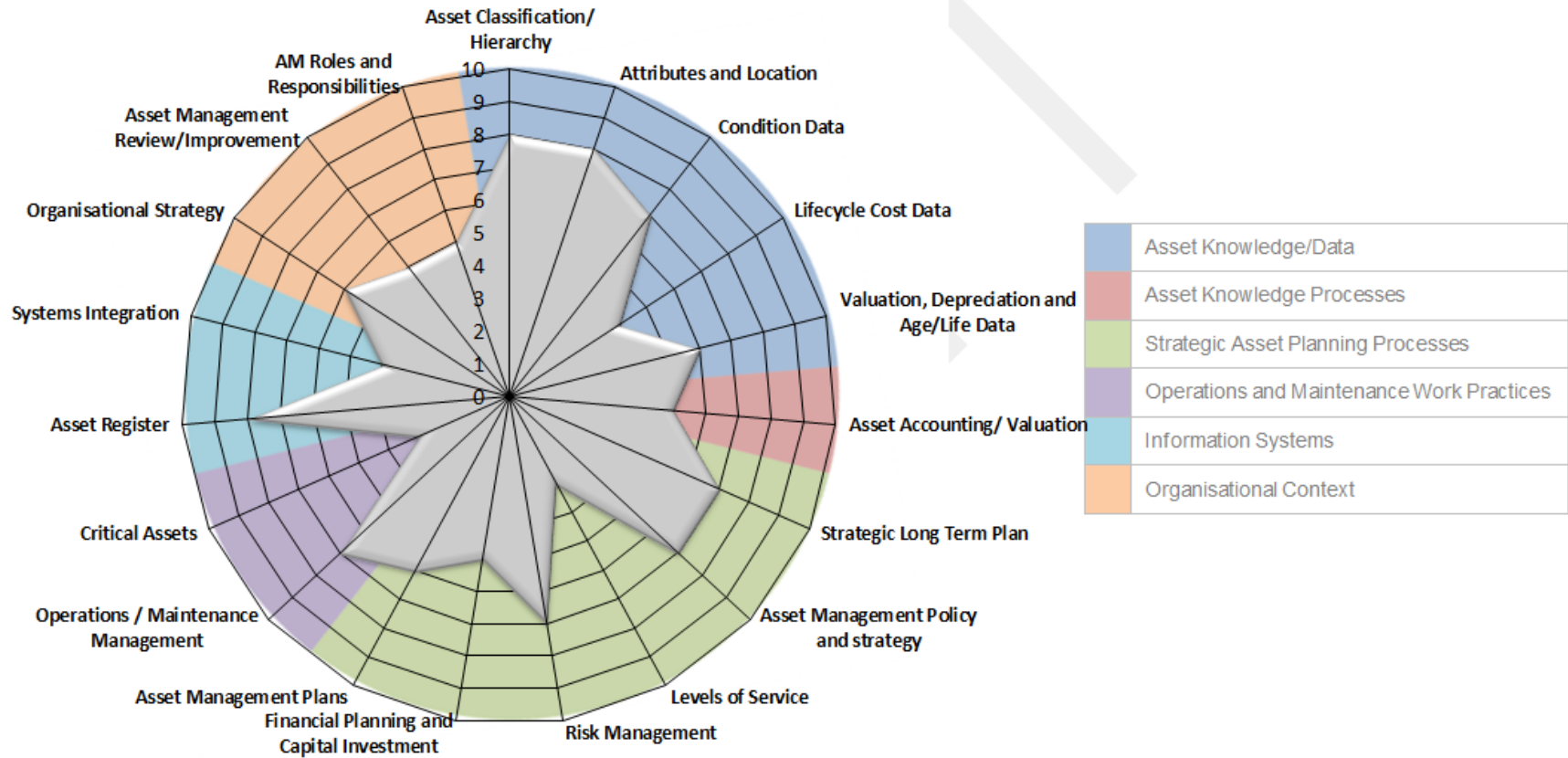
- ❖ The overall score of **C** would indicate that the Council is at a Core level of competence in asset management

# Gap Analysis

Gap Analysis Assessment Chart - Rockdale City Council

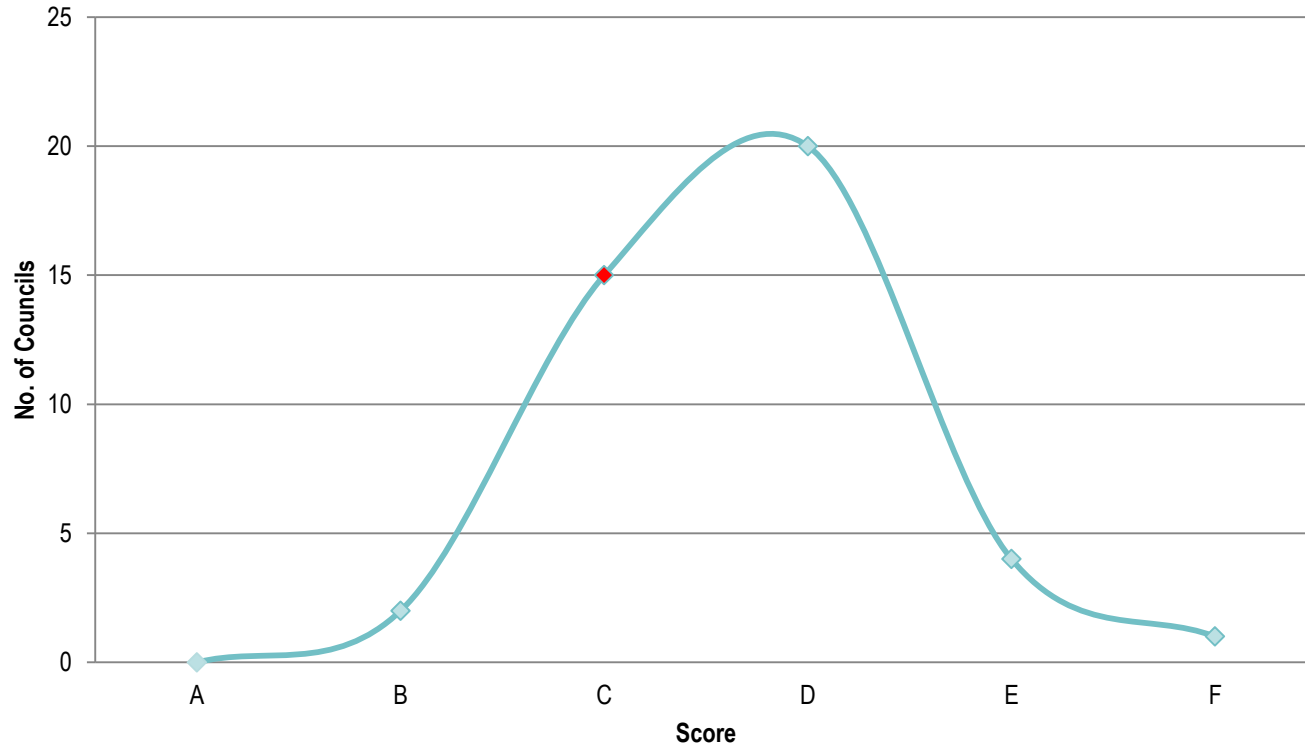
Rockdale City Council	Current Score	Desired score 3yrs	Priority (1-3)	1	2	3	4	5	6	7	8	9	10
<b>Asset Knowledge / Data</b>	<b>7.0</b>	<b>8.0</b>											
Asset Classification/ Hierarchy	8												
Attributes and Location	8												
Condition Data	7												
Lifecycle Cost Data	4												
Valuation, Depreciation and Age/Life Data	6												
<b>Asset Knowledge Processes</b>	<b>5.0</b>	<b>8.0</b>											
Asset Accounting/ Valuation	5												
<b>Strategic Asset Planning Processes</b>	<b>6.0</b>	<b>8.0</b>											
Strategic Long Term Plan	7												
Asset Management Policy and strategy	7												
Levels of Service	3												
Risk Management	7												
Financial Planning and Capital Investment	5												
Asset Management Plans	6												
<b>Operations and Maintenance Work Practices</b>	<b>5.0</b>	<b>8.0</b>											
Operations / Maintenance Management	7												
Critical Assets	3												
<b>Information Systems</b>	<b>6.0</b>	<b>8.0</b>											
Asset Register	8												
Systems Integration	4												
<b>Organisation Context</b>	<b>5.0</b>	<b>8.0</b>											
Organisational Strategy	6												
Asset Management Review/Improvement	5												
AM Roles and Responsibilities	5												

# Gap Analysis



# Asset Management Review

## Overall Asset Management Assessment



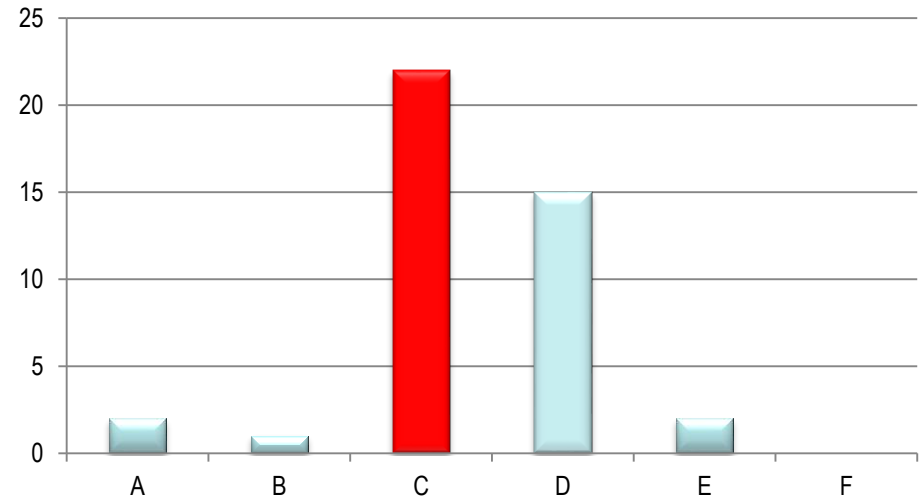
❖ This result puts Rockdale City Council at above average for the NSW councils



# Asset Knowledge/Data

- ❖ Council has an asset register for asset management purposes based on the Council's GIS system. The data appears to be well structured and covers all infrastructure assets

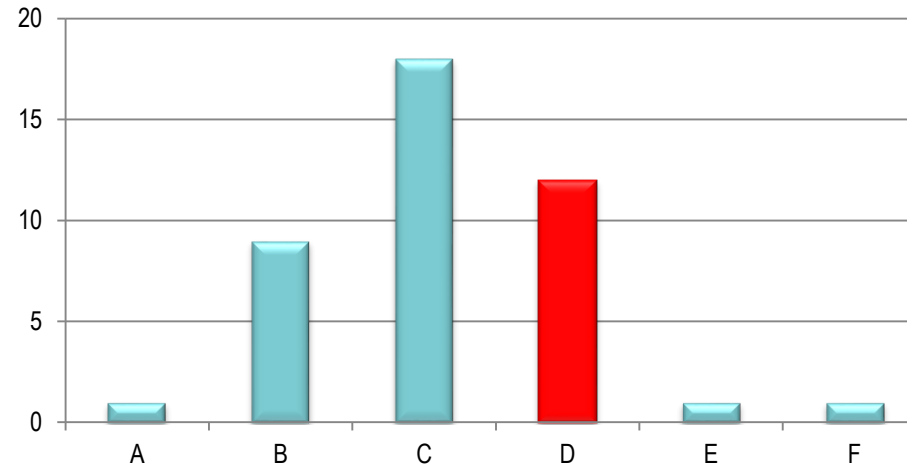
Asset Knowledge/Data



- ❖ Currently Council collects very little useful lifecycle data to manage assets. In general terms lifecycle asset data is not regularly collected, asset management plans detail lifecycle cost issues

# Asset Knowledge Processes

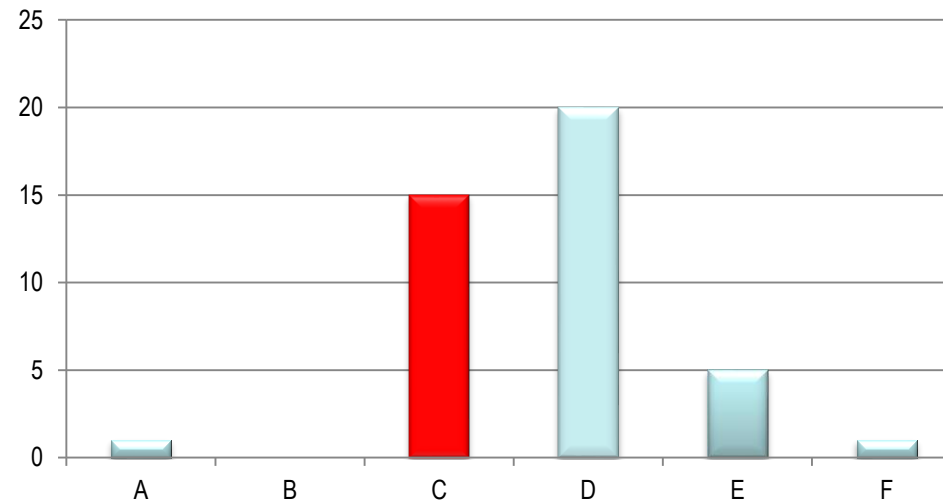
Asset Knowledge Processes



- ❖ Whilst there is no formal documented valuation process in place, there is a fair degree of rigour in the current valuations process. As most of the new asset data is kept in the GIS system there is a possibility that new assets are not registered in the asset management system until the revaluation of assets occurs

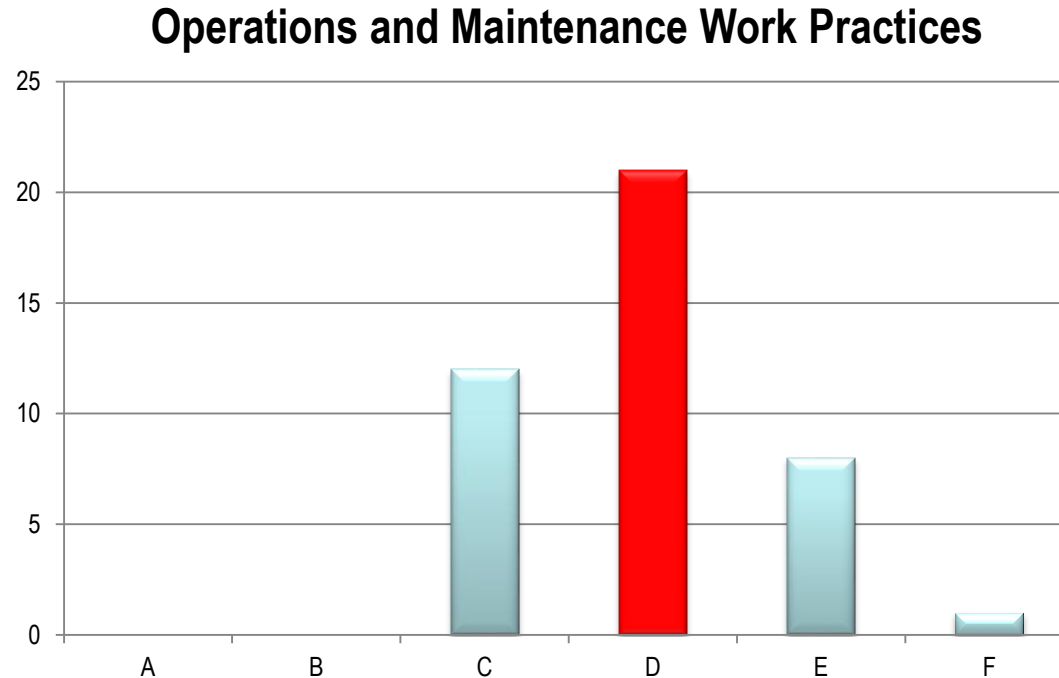
# Strategic Asset Planning Processes

Strategic Asset Planning Process



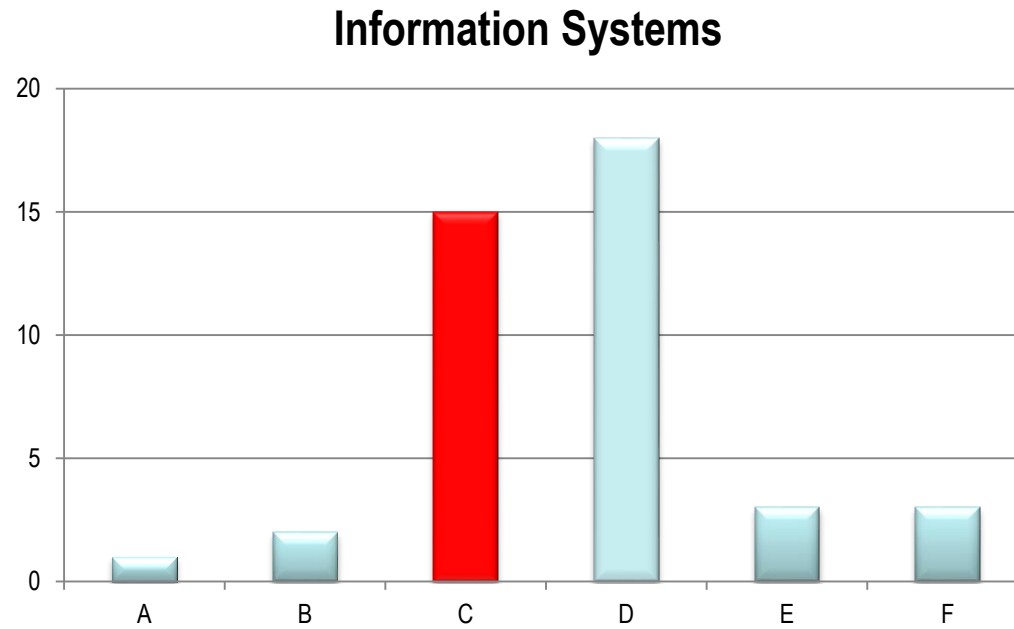
- ❖ Council has an organisation-wide risk management policy and strategy. To date, the majority of the risk related issues are around public liability and business continuity planning. Critical assets have been addressed but no risk planning around these assets has been carried out. Further work is required in relation to asset and service based risks

# Operations and Maintenance Work Practices



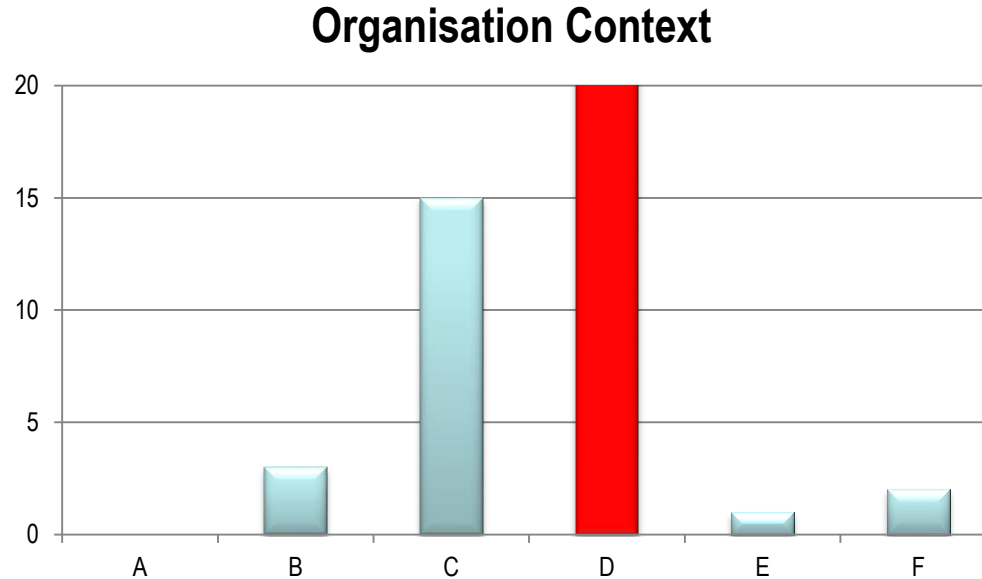
- ❖ Council has identified its critical assets, however it has not developed works and maintenance strategies to support these assets

# Information Systems



- ❖ Although Council's GIS system provides a good register of assets there is no integration between the GIS and the E1 asset management system. As such it is not possible to link depreciation data and financial data to the assets in the GIS apart from manual upload of information

# Organisational Context



- ❖ There is an asset management improvement plan for the organisation currently in place. The plan was managed by the AM steering committee, however emphasis has dropped since our last report, subsequently the plan has not adequately progressed

## Conclusions

- ❖ Whilst asset management practices within the organisation remain at a core level, there has been a drop in performance since our audit 18 months ago
- ❖ The asset management steering committee has lost its drive to promote asset management practices across the organisation, and whilst good work in asset management continues, there is a clear lack of coordination of corporate asset management decisions
- ❖ The asset management improvement program should be reviewed and targeted to achieving a goal of core asset management practices within two years

## Next Steps

- ❖ The AM improvement program should be reviewed in light of this report, and tailored so that an advanced level of asset management is achieved within a two year period
- ❖ The AM steering committee should be reinvigorated to drive asset management throughout the organisation and oversee key organisational asset management decisions
- ❖ The introduction of a new asset management system should be included formally as part of the AM improvement program, treated as a specialised project and managed on a project management basis





A word cloud of MorrisonLow services. The words are arranged in a cluster on the right side of the slide. The colors of the words correspond to the company's branding: dark blue for 'local government', 'alliance partnering', 'asset management', 'governance', 'economic development', and 'sustainability'; green for 'procurement', 'waste management', 'financial/feasibility modeling', and 'sustainability'; and purple for 'governance'. The font sizes vary, with 'local government' and 'procurement' being the largest.

local government  
procurement  
alliance partnering  
long term financial plan  
asset management  
waste management  
governance  
financial/feasibility modeling  
economic development  
sustainability