

Asset Management Audit

Making your assets work for your business

Asset Management Audit



pwc

Key questions from our clients

- Am I using the latest techniques available to guide my asset planning decision ?
- Is the performance of my assets aligns to and supports the delivery of broader corporate goals ?
- On what basis am I forecasting the capital expenditure required on my assets in future ?
- How did I determine the optimum operating levels and annual budgets for my assets ?
- How well do I plan annual maintenance requirements and expenditures for my assets ?
- Are my maintenance staff competent and adopting latest practices available in the industry ?
- Is my in-house O&M functions providing me Value for Money (VfM) or should I outsource ?
- How assured am I on the spare holding levels of my most critical assets, if categorised ?
- Do I have confidence on the accuracy of the condition and performance reports of my assets ?
- Am I using the right systems and/ or adequately to optimise my asset related decisions ?
- How mature are the risk management procedures being followed to avoid any asset failures ?

Examples of our recent experience:

Transport authority in the UAE: We reviewed the asset management practices across the lifecycle of a variety of physical transport assets, benchmarked against international standards and developed a strategy to achieve excellence.

Manufacturing plant in the UK: We performed a root cause analysis on the increasing levels of operating and maintenance expenditures to identify improvements in asset management practices being followed especially around asset renewal/ repair.

Telecommunications company in UK: We studied the asset planning practices in the company and identified significant gaps in the decision making techniques being used especially around ascertaining demand and acquisition/ procurement planning.

Our Team

Our multidisciplinary Capital Projects & Infrastructure team (CP&I) in the Middle East includes engineers, management consultants, finance and accounting specialists. We have extensive experience of advising asset owners and managers in both the public and private sectors and across sectors including power, water/ wastewater, telecommunications, oil & gas, transport, healthcare, municipality, media and real estate.



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“Mature asset management practices provide the right foundational support for achievement of sustainable business outcomes for your organisation”



Physical assets and equipments in your business can be complex, expensive and often mission critical. Management teams and Boards therefore increasingly want an independent opinion on the capability of their organisations to manage and sustain the performance, risk, investment and costs related to these assets. They also often want to assess how well are these assets supporting these organisations to achieve their business goals.

Over these years, it has been realised that continuous review and improvement of asset management practices have brought significant gains to numerous asset intensive organisations. Organisations have adopted a more integrated asset centric focus to their day-to-day business departing from the traditional functional siloed models.

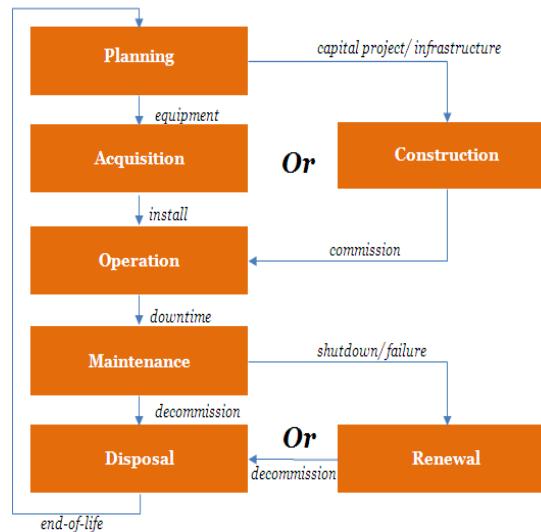
These organisation are constantly working towards reviewing and improving their existing asset management practices through a structured asset management audit methodology

How can PwC help ?

PwC have developed a comprehensive audit methodology in the area of asset management based on the issues we hear from our clients and our capabilities in delivering a relevant and sustainable outcome

We provide an independent, objective and experience based audit based on a number of dimensions across the asset lifecycle. Our audit covers latest thinking and standards available e.g. Publicly Availability Specification (PAS) 55 and provides practical recommendations for organisations to implement.

Figure: PwC physical asset lifecycle



Understanding the importance of some key enablers to effective asset management, we also review the adequacy of the following as part of the audit:

- Organization structure and governance mechanisms
- Training and competency levels
- Data and information standards and quality
- Technology solutions and optimisation tools
- Continuous improvement procedures

Our tried and tested audit methodology is applicable across a range of asset classes and typically involves a few face-to-face meetings, workshops and presentation of final results. The methodology covers reviewing the following areas on each asset lifecycle stage:

Asset planning

- Identifying service requirements
- Scoping asset specifications and costs
- Planning asset lifecycle strategies e.g. sourcing, O&M, etc
- Perform asset investment appraisal

Asset acquisition

- Conducting technical testing and certification
- Agreeing contract terms with OEM and supply chain
- Managing asset procurement/ tendering activities

Asset construction *

- Performing asset handover/ commissioning testing

Asset operation

- Identifying asset operating levels and costs
- Setting asset operations teams/ supply chain contracts
- Monitoring asset performance and condition
- Optimising asset performance

Asset maintenance

- Identifying asset maintenance requirements
- Agreeing asset maintenance plans and costs
- Monitoring asset maintenance contracts
- Optimising asset maintenance plans

Asset renewal

- Agreeing rehabilitation (repair or refurbish) plan
- Monitoring renewal
- Certifying fit-for purpose renewal

Asset disposal

- Agreeing decommissioning and disposal plan
- Monitoring compliance requirements
- Certifying disposal completion