



The Asset Leadership Network
presents

October 2020  Online

reStructuring America

Rethinking the concept of value in national assets and infrastructure.





Demystifying Standards and Certifications

Thursday 8 October 1 pm – 2:30 pm Eastern

Rhys Davies, Global Consulting Leader for Asset Management at Atkins and Chair of ISO 55000 Committee TC251

Jennifer Tursi, Manager, Technical Committee Operations, ASTM International

Rich Culbertson, ALN Senior Fellow and Chair of ASTM E53 Asset Management Committee

Dominic Townsend, President, ABS Quality Evaluations and ALN Board Member

Jack Dempsey, ALN Senior Fellow and ISO/TC 251/WG 4 – Product Improvement Convenor

Lindsay Ziegler, Principal, Andrew James Advisory Group

Nick Knoke, ALN Director, Technology

Special thanks to ASTM International

Asset Management Clarity

- The definition of “asset” in ISO 55000 changes everything.
 - Asset -- item, thing or entity that has potential or actual value to an organization ... can be tangible or intangible vs. in financial statements: Assets are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.
 - ISO 55000 does not require tangible, proof, probable benefit, or ownership. Think total entity value.
- The Uruguay Round Agreement – World Trade Organization -- Agreement on Technical Barriers to Trade (~1995)
 - Standards as a building block system
 - **Standard** – “Document approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods,...”
 - **Conformity assessment** procedures -- Any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled.
 - **[Voluntary]** Technical expert groups produce standards. Participation in technical expert groups shall be restricted to persons of professional standing and experience in the field in question.



Asset Management Clarity

- National Technology Transfer and Advancement Act of 1995
 - Congress finds: Bringing technology and industrial innovation to the marketplace is central to the economic, environmental, and social well-being of the people of the United States.
 - **TECHNICAL STANDARDS-** performance-based or design-specific technical specifications and related management systems practices.
 - **[A]II** Federal agencies and departments **shall use** technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments.

Participation of a technical expert in a voluntary consensus standards body is voluntary. Adoption of standards by organizations in many cases is not voluntary.



Asset Management Clarity

- OMB Circular A-119: Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities
 - Developing standards based on **performance** criteria **rather than design** criteria when appropriate;
 - Incorporating standards by reference in regulation;
 - ***What is the Policy for Federal Use of Standards?*** **All** Federal agencies must use voluntary consensus standards in lieu of government-unique standards in their procurement and regulatory activities, except where inconsistent with law or otherwise impractical.

(Go to the ALN Web site to read the referenced documents in full also with my mark-ups and comments.)



Essential Governance Building Block Framework of a Successful Organization

<u>Given Fiduciary Requirements</u>	<u>Meeting Requirements</u>
Mission Success	Assurance of Mission Success
Willingness, competence, and wherewithal to meet objectives	Providing adequate resources, leadership, personnel, training, equipment ... to do the work as planned.
Internal policy, contracts and other obligations	Incorporate and align requirements, and assurance into plans, policy, practices, processes, and performance
Industry standards	Adoption of appropriate industry standards
International Management Systems Standards	Adoption of International Management Systems Standards, e.g. ISO 55000, ASTM E2279...
Applicable laws and regulations	Identification, recognition and alignment of applicable laws and regulations ... placed into policy
Generally accepted audits, conformity assessments and certifications – internal and external for assurance - GAO Yellow Book -	Continuous internal and external audits, conformity assessments and certifications to achieve assurance and improvements, and to avoid failure of meeting objectives
Objectives / Internal controls -- COSO or GAO Green Book	Established internal controls framework to meet objectives
Foundational mission of the organization	Organization's foundational purpose with Mission Statement

