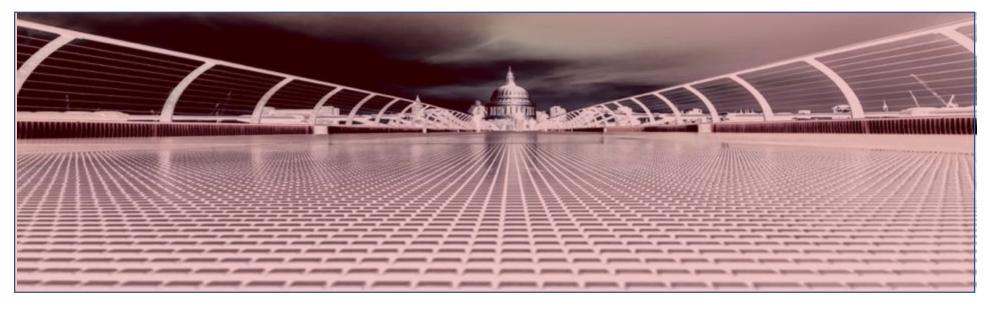
Capital Planning through the Lens of ISO 55000



How Proven Processes Help Improve Financial Performance





Introductions

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- Lindsay Ziegler, Principal, Andrew James Advisory Group





ISO 55000 and Capital Planning

- Provides a top-down view of asset management
- Application to capital planning
- Capital Committee approach
- Integrates with other management system standards





ISO 55000 and Capital Planning

US GAO Report 19-57 on asset management

"OMB staff said that they view asset management as a tactical activity, separate from broader strategic and <u>capital planning</u> efforts, where agencies make operational-level policies to support their real property portfolio."





ISO 55000 and Capital Planning

US GAO Report 19-57 on asset management

"However, this approach to asset management differs from ISO's definition of asset management, which encompasses both the capital-planning and asset management levels of OMB's policy model."





Top-down view of asset management provides value beyond the traditional view of capital planning

- •ISO 55000 provides a top-down view
 - Outcome-based rather than process-based
 - SAMP is the foundation
 - Takes into account the interests of all stakeholders, but not equally
 - Requires alignment of asset management objectives with organizational objectives
 - Comprehensive documentation, inherent in the standard, provides greatly improved audit support
 - Includes requirements for continual improvement





Organizations that leverage ISO 55000 for capital planning have seen, on average, 10-20% improvement in return on assets ... This is an artful process

- Many portions of ISO 55000 have application to capital planning, including:
 - Redefines assets based on organizational value, in contrast to just financial value
 - Doesn't replace GAAP
 - Meshing ISO 55000 and GAAP in an AMS strengthens both and assists in audit compliance
 - Provides significant cost savings and improved ROI
 - Improves overall operations
 - Customer satisfaction
 - Constituent involvement
 - Productivity
 - Profitability
 - Effectiveness and efficiency





Appointment of a capital committee is a best practice to ensure GAAP and ISO 55000 compliance

- What is a Capital Committee?
 - Standing committee comprised of individuals who understand the needs of the organization and have insight into organizational objectives and strategic direction
 - Members have responsibility and authority to agree upon a capital plan
 - Should include experts in fixed asset accounting, asset management, and asset maintenance
 - May also include expertise in Lean Six Sigma, procurement, pricing, and taxation





ISO 55000 is compatible with and integrates with other management systems

- •ISO 55000 is compatible with and integrates with:
 - ISO 9000 Quality Management
 - Securities and Exchange Act of 1934
 - ASTM E2279 Property Asset Management
 - COSO Integrated Framework of Internal Controls GAO Green Book
- If you are complying with some or most of these, you already have a leg up on ISO 55000 compliance





Contact Us

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Questions?



