

# 5<sup>th</sup> National University Finance & Procurement Conference 2005

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## Total Asset Management Implementation

## UTas Experience



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# Objectives

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- TAMII project
- Systems framework and interfacing
- Problems encountered
- A Financial Services perspective
- What's next
- Questions

# Need for Change

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- Managing assets - OPR and F&BS
- Asset planning not linked to strategic dir<sup>n</sup> EDGE
- Formalise existing maintenance agreements
- Space generally under utilised and ‘territorial’
- IT systems in house and no linkage to the Financial systems
- Improve data flows and relationships between ‘physical’ and financial’ sections
- Structuring Issues
- Reporting

# Total Asset Management

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## Definition

Asset management is the process of guiding the acquisition, use and disposal of assets to make the most of their service delivery potential and manage the related risks and costs over their entire life

## Objectives

The principal objective of asset management is to achieve the best possible match of assets with service delivery strategies and outputs

# What's it all about

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- Asset management is about:
  - reducing demand for new assets
  - maximising service potential
  - lowering overall cost
  - establishing accountability and responsibility for assets

# Asset management principles

- Service delivery needs to guide asset practices and decisions
- Asset planning and management are integrated with business planning, budgeting and reporting processes
- Asset management decisions are based on assessment of alternatives, life cycle costs, benefits and risks
- Ownership, control, accountability and reporting requirements are implemented
- Asset management activities are undertaken within an integrated policy framework

# Portfolio approach

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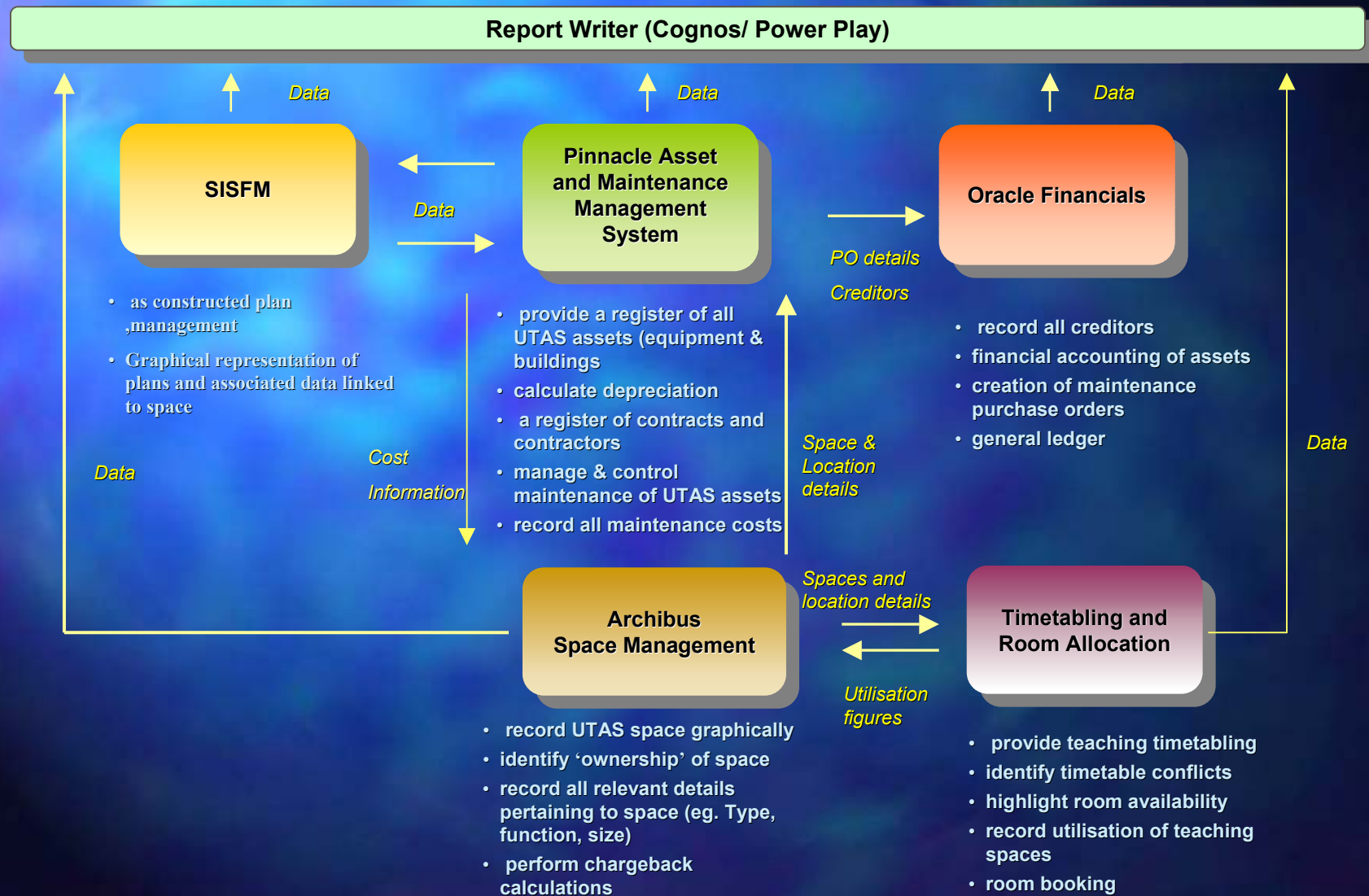
- a strategic view (assets selected and used in the context of the outputs they support)
- a basis for informed decisions (when to acquire, when to upgrade and when to dispose)
- more efficient allocation of resources (where assets are needed)

# Portfolio approach - How

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- Strategic Asset Management Plan — Capital, IT, Financial, Library
- Strategic screen of capital projects — CMPRC and Planning and Resources Ctte
- Built Environment Ctte — Policy setting
- Rationalisation of Maintenance Services — from doing to managing - GB&FM and FP&EM
- Data

# Systems Framework



# Archibus, Pinnacle, Oracle Financials

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- Archibus-repository for all UTas spatial assets
- Pinnacle-repository for all UTas equipment assets
- Schools and Sections will have access (to owned assets)
- Schools/Sections will be required to record maintenance on assets
- Higher level reporting – Cognos and Powerplay
- Oracle Financials – GL recording of summary asset data to budget Centre / asset category level
- Pinnacle – records detailed financial information for each asset, including depreciation

# Problems Encountered

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- TAM –Ambitious?
- Change - ongoing
- Skills alignment
- Gaining Knowledge
- Accounting issues

# A Financial Services Perspective

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- Asset financial data maintained in Pinnacle, not Oracle
- Asset Clerk position transferred to AMS
- Significant data migration issues – mapping of mandatory/non-mandatory fields
- Major data cleansing exercise prior to final mapping and upload
- Post migration reconciliation – some issues

# Process changes

- Review of processes to transfer data between Oracle and Pinnacle, including GL Account Codes
- Custom interfaces developed
- Standard Pinnacle reports customised to assist monthly reconciliations (Oracle GL – Pinnacle)
- Use of Discover and Noetix Views to provide on-line ad-hoc financial reporting

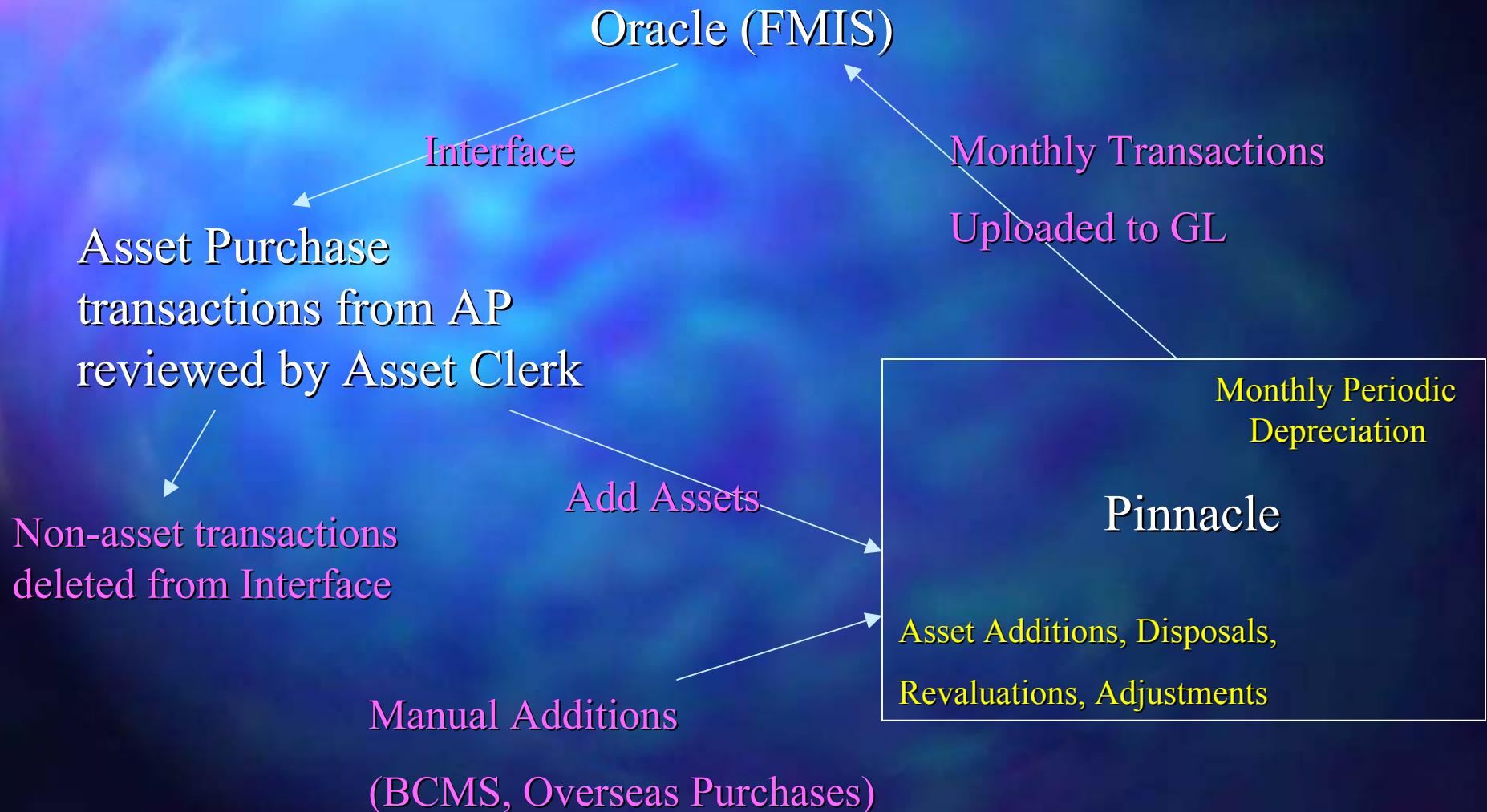
# Current Processes

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- AP transactions reviewed through an interface to identify asset purchases
- Additions, disposals, adjustments and revaluations processed directly into Pinnacle
- Monthly periodic depreciation is run in Pinnacle
- Through an interface, all financial transactions for the month are imported to GL Journal import tables
- Discoverer and Pinnacle reports are used to reconcile journals prior to posting to the GL
- Monthly reconciliations of GL/Pinnacle figures performed at asset group and budget Centre level

# Current Processes

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# Benefits

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- Assets actively managed
- Asset financial data better utilised
- Co-operation between Financial Services/Asset Management staff
- Process improvements – rolling stock-takes
- Monthly reconciliation process provides good control mechanism
- Strategic Asset Plan data feeds into the University's 5-year forward financial plan

# What Now?

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- Restructure - accountability/responsibility/skills match
- EDGE - physical environment implications
- Planning – prioritisation, given resources
- (S)AMP – inform budget allocation
- Contract/consultant management
- Policy and process (development and communication of)
- Further development of reporting functionality
- Promote use of asset data

# Questions

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