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Certification or Maturity
Mentoring Audit – Driving the Asset Management Journey
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• Outsourcing Asset Management
• Assessing the Contract
• Mentoring Audit not Certification
• Audit Process
• Audit Outcomes
• Comparing Journeys – Mentor or Certify
### Strategic Actions

<table>
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<tr>
<th>Title</th>
<th>Description</th>
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<tbody>
<tr>
<td>1. Formalise Asset and Sustainment Methodologies</td>
<td>Navy and DMO should jointly establish practical methodologies for integrated through-life Asset and Sustainment Management.</td>
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<tr>
<td>2. Take Whole-of-Life Decisions</td>
<td>Defence and DMO should ensure that decisions made during acquisition fully consider whole-of-life costs and capability, through a rigorous and formalised Asset Management process.</td>
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**LHD AM Value Proposition 2011**

Defining a **defensible** budget to achieve **agreed platform outputs**
Defence outsourcing Contract had key clauses of:

- The Contractor to deliver and manage the Services using an asset management approach based on and consistent with ISO 55001:2014 Asset Management.

- The Objectives of the Contract are to (c) implement a structured asset management framework to maximise asset value and minimise Total Cost of ownership.

No measures of success were defined, and milestone payments paid for Plans written, not outcomes achieved.

After 2 years, no AM Framework, AM System Plans incomplete, AM related progress fragmented with milestone payments withheld.

However, there was a growing recognition that the AM System cannot developed piecemeal or bottom-up.
Assessing Achievement of SOW - The Proposition

Develop AM Maturity audit process from public domain sources:
1. 20 Audit Topics;
2. 101 Questions.

Measure our success in AM Maturity such that for each Topic:
1. There is a defined Process;
2. Process has been implemented;
3. Process outcomes are measured;
4. Measures are used to continuously improve (not applied).

Conduct a fast track assessment (2 weeks) by:
1. Direct interview responsible manager only for each Topic;
2. Use of selected 50% of Topic questions to sample status;
3. Scoring Topics against a 0 to 9 scale in pairs (0-1, 2-3 etc.)

Plus 84 “opportunities” to improve
**Examples of Topics, Questions and Audit Criteria**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Context Setting</th>
<th>Topic</th>
<th>Decision Making</th>
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<tbody>
<tr>
<td>Topic 01</td>
<td>Context Setting</td>
<td>Topic 07</td>
<td>Decision Making</td>
</tr>
<tr>
<td>Topic 04</td>
<td>Asset Management Objectives</td>
<td>Topic 11</td>
<td>Resourcing</td>
</tr>
<tr>
<td>Topic 05</td>
<td>Culture and Leadership</td>
<td>Topic 13</td>
<td>Outsourcing</td>
</tr>
</tbody>
</table>

**Topic 1 Context Setting (7 Questions)**

a. Does the organisation have a defined list of stakeholders?
b. Is there an assessment of their importance?
c. Has an associated stakeholder engagement regime been defined?
d. Is there a list of internal and external issues determined from the stakeholder engagement process?
e. Has the asset management portfolio of assets been identified?
f. Is that asset scope clearly identified in a document under quality management control?
g. Is the scope aligned with the SAMP and AM Policy?

<table>
<thead>
<tr>
<th>Score</th>
<th>Process</th>
<th>Implementation</th>
<th>Results</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 -1</td>
<td>Practices &amp; processes do not apply ISO 55000/1 intent or meet a moderate amount of the Process Model</td>
<td>The process is not documented. There is little or no evidence of any systematic achievement of purpose.</td>
<td>Ad hoc and/or poor results achieved. Goals are not identified.</td>
<td>No improvements have been recorded. Improvement goals are not identified.</td>
</tr>
</tbody>
</table>
Assessment of Audit results agreed to follow-up actions of:
1. Conduct a Mentoring Audit to encourage understanding of AM and the supporting Management System for AM;
2. Break audit into three Tranches separated by 6 months;
3. Create payment milestone for first tranche (Score of 3);
4. Extend Audit to cover Governance and Contractor;
5. Design a low impact program that grows capability.

Workshop from Fast Track results in July 2019 agreed:
1. Full audit using all 101 questions and all four criteria;
2. All Topics from Fast Track audit to be completed;
3. Mentoring Audit to commence Mar/Apr 2020;
4. Governance function (CofA) to be included in audit.
Mentoring Process – 4 Key Characteristics

Preparation
- Lead Auditor to meet with Topic Leads and describe expectations for the pre-audit template to be completed

Negotiation
- Both audited parties present during the face to face audit where both parties answer the same question independently
- Objective quality evidence must be provided for all answers

Enable Growth
- Opportunities are listed for each Topic. These will be the basis of post audit bundling and prioritising into projects

Provide Closure
- Recognise what has been achieved.
- Create a vision of what must come next in the maturity journey

Key Role of Lead Auditor
- In-house AM Specialist (CPEng, CFAM and CAMA)
- Provided Topic guidance sessions and formal training
Improvement Outcomes from Initial Audit to Tranche3

• 310 Improvement Opportunities identified.

• Improvement scores continued to grow during the audit.

• More than 50% of the June 2019 Opportunities resolved by time Tranche audits done between July 2020 and June 2021.

<table>
<thead>
<tr>
<th>Initial Maturity Audit (Issues and Oppor)</th>
<th>84</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche 1 Opportunities</td>
<td>101</td>
</tr>
<tr>
<td>Tranche 2 Opportunities</td>
<td>73</td>
</tr>
<tr>
<td>Tranche 3 Opportunities</td>
<td>52</td>
</tr>
<tr>
<td>Tranche Total</td>
<td>226</td>
</tr>
<tr>
<td>Grand Total</td>
<td>310</td>
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| Tranche 1 - % Improvement from Initial Audit | 45.8% |
| Tranche 2 - % Improvement from Initial Audit | 78.4% |
| Tranche 3 - % Improvement from Initial Audit | 87.0% |

| Identified Opportunities               | 113 |
| Opportunities Resolved                 | 58  |
| Opportunities Progressing              | 55  |
Comparing Certification to Mentoring Audit

2018 to 2020

Certifying organisation

Mentoring Audit organisation

From green to orange – a two year journey for both
THANK YOU!