Asset Management

Purpose

This Asset Management policy sets out roles and responsibilities for the management of assets, as defined by either their value or level of importance to operational capability, which are owned or managed by Victoria Police. The purpose of this policy is to detail the expectations of how assets will be managed and to clarify the principles and objectives that should guide development of all asset management strategies and plans.

Contents

Definitions

Acquisition – Procurement of assets to meet an identified service need, including the assessment of procurement options.

Asset – For the purposes of this policy, an asset is an item or thing that has potential value and is the responsibility of Victoria Police. From the perspective of the organisation's asset register, Victoria Police has over ten thousand owned, high-value assets valued at over $1.5 billion. In addition, Victoria Police owns thousands of other assets not captured on the asset register because they are individually valued at less than $5,000 and leases of high-value assets such as fleet and property. Not all items warrant management under this policy. As such, a value and a capability test are to be used to define when an item is an asset.

Value Threshold

The Value Threshold relates to the cost of purchase or replacement of an item, thing or intangible asset and applies to:

- individual items with a replacement value equal to or more than $50,000
- individual items required to be or usually purchased in bulk with a total replacement value of equal to or more than $50,000
- contracts or leases for goods or services equal to or more than $500,000.

Capability Threshold

Assets support operational capability. Therefore, in line with Victoria Police's Capability Planning Framework, an item is considered an asset under this policy if the lack of access or ability to use the item would have a material impact on capability. This definition is irrespective of the Value

Threshold.

Asset determination – An item will be determined to be an asset, and therefore managed under this policy, if it meets the Value or Capability Threshold detailed above.

Asset lifecycle – The series of life stages of an asset, from Planning through to Disposal, that need to be effectively managed to get the maximum organisational benefit out of an asset.

Disposal – Treatment of an asset that has either reached the end of its useful life, is considered surplus, or is under-performing.

Exempt assets – Some assets are exempt from management under this policy due to being specifically excluded under the AMAF or due to unique custodianship arrangements. These include, but are not limited to, financial assets, cultural collections, artworks and library collections.

Financial assets – Get value from a contractual right to ownership claim. Examples include, but are not limited to, cash, stocks and bank deposits. Further information on financial assets can be found in Accounting Standard AASB 132.

Intangible assets – are identifiable non-monetary assets without physical substance. They are generally long-term resources of an organisation and derive their value from an organisation. Further information on intangible assets can be found in Accounting Standard AASB 138.

Operation and maintenance – Management, use and maintenance of an asset to deliver services.

Planning – Determination of asset requirements, based on an assessment of both service delivery needs and the capability of the existing asset base to meet these needs.

For further information or to request and asset exemption under this policy, contact the ASSET-STRATEGY-MGR PBEA.

Audience

The intended audience for this Policy and how they will use it includes:

Audience	Use
Department with line accountability for assets	• Clarify their accountabilities for asset management • Communicate responsibilities and functions to other staff
Managers accountable for managing assets	• Clarify their accountabilities for asset management • Develop Asset Management Plans and ensure they are aligned to the strategy
Managers responsible for leading or contributing to any stage(s) in the asset management life cycle	• Clarify their responsibilities for asset management • Understand how their responsibility integrates into the overall strategy for asset management
Audit staff (internal and external)	• As evidence of alignment to policy and procedures • As an input into the development of audit plans and schedules to asset management capability and maturity

Specialist managers in non-asset owning functions including finance, procurement and planning	• As an input into the development of plans or programs that require assets or that impact aspects of asset management (i.e. procurement or financial processes or procedures)

Organisational and state context

This Policy forms one part of Victoria Police's Asset Management Framework, sitting above the Asset Management Strategy. The Policy is required to align with Victoria Police's organisational context as well as Victoria's regulatory context as detailed below.

Victoria Police's Organisational Context

- Organisational policies and frameworks include:
  - Victoria Police Capability Plan 2016-2025: Capability Framework
  - Victoria Police Risk Management Framework
  - The Blue Paper: A Vision for Victoria Police in 2025
  - Victoria Police's Asset Management Framework
  - Victorian Police Manual including policies relating to human resources, finance and procurement.
- These policies and frameworks are outlined in further detail with a link to their location in the Asset Management Strategy.
- Victoria's Police's Asset Management Framework is detailed below and includes:
  - Victoria Police Manual Asset Management Policy (this Policy)
  - Asset Management Strategy 2020-29
  - Service Investment Plan 2020-2025
  - Asset or asset group specific Asset Management Plans.

The Asset Management Framework is also supported by other documentation, including operational plans, programs, and budgets.

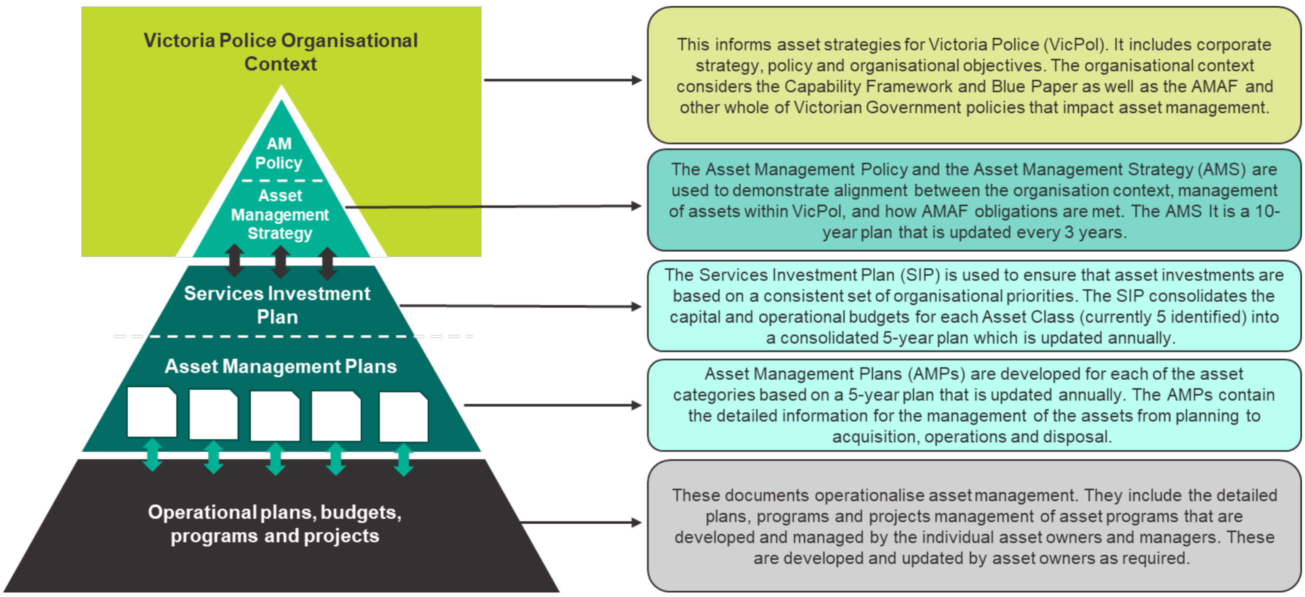

Diagram 1: Victoria Police's Asset Management Framework and a brief description of each document.

Victorian regulatory context

Legislation, regulations, rules, and policies govern the context of asset management for Victoria Police. The most relevant are:

- *Victoria Police Act 2013*
- *Financial Management Act 1994*
- Victorian Government's Asset Management Accountability Framework (AMAF)
- *Occupational Health and Safety Act 2004*.

The AMAF is the Victorian Government's framework for managing assets and details the mandatory asset management requirements as well as general guidance for agencies responsible for managing assets.

Principles and objectives

The principles for effective asset management for Victoria Police include:

- assets are aligned to policing needs, with consideration for available resources, legal and technical requirements, and competing needs
- a whole of lifecycle approach is applied to planning and decision making
- asset performance is monitored
- asset management plans for, manages, and mitigates risk and uncertainty
- the management of assets is responsive to changes in demand, use, or requirement
- there exists strong accountability and governance frameworks
- decisions are accurately informed by asset costs, value, condition, utilisation, functionality, capacity (existing and/or required), safety, operational importance and remaining useful life
- asset management is driven by a continuous improvement and adaptive management approach.

The objective of this policy and the associated Asset Management Strategy is to support the Victoria Police's remit to serve the Victorian community and uphold the law so as to promote a safe, secure and orderly society through the effective and efficient management of assets. This will be accomplished through the achievement of the following five asset management objectives:

- **compliance** – assets must be managed and maintained compliant with all legislation, regulations, as well as Victorian Government and Victoria Police policies. Where compliance mandates specific maintenance regimes, these will be built into the appropriate Asset Management Plans (AMPs) and budgets
- **health, safety and wellbeing** – assets should provide an environment that promotes and maintains staff health, safety and wellbeing. Asset investment issues identified which impact staff health, safety or wellbeing should ne prioritised and addressed accordingly
- **alignment with service delivery and capability** – Asset ownership is required to support service delivery needs and business demand. The service or capability that the asset supports should inform asset management plans and investment decisions
- **presence and visibility** – Assets are provided and maintained in a manner which enhances the presence and visibility of operational policing where appropriate. Presence and visibility are designed to prevent the opportunity and motivation of offending and public harm, and through

this, it enhances community safety and confidence. This objective does not apply to assets designed for covert operations

- **optimisation of assets investment** – Assets will be managed in a way that optimises their utilisation. Investment in assets will prioritise a whole of life cycle basis to ensure value for money is maximised. In a capital and cost constrained environment, investments that reduce ongoing operational costs or improve asset utilisation will be prioritised. Similarly, asset investment in one asset class must include consideration of the impact to other assets.

Responsibilities and procedures

1.1 Management responsibilities

Department Heads responsible for managing assets within and associated across the organisation must:

- assign responsibility, authority and accountability for decision making across all stages of the asset lifecycle
- ensure employees are appropriately skilled and trained to manage assets
- establish performance measures for assets, establish and maintain processes to record and assess performance, and use these results to improve performance and intrinsic safety
- incorporate performance monitoring into corporate and strategic planning frameworks
- review the performance and utilisation of assets, at minimum annually (for example participation in the Information Technology and Infrastructure Services Business Service's Annual Asset Assessment Program)
- ensure information about assets is readily available and flexible enough to respond to reasonable information requests (for example, being able to view asset data by geographic region or command, or view expenditure by calendar year rather than financial year)
- prepare and maintain risk management plans for assets in accordance with **VPM Risk management**
- establish policies and procedures that securely protect assets against fraudulent activity or improper use
- where services and activities are outsourced, ensure arrangements are in place to ensure that contracted service providers:
    - ensure their staff are appropriately skilled and trained
    - can safely manage the operation and maintenance and then disposal of assets to the required standard, using a risk-based approach
    - protect against fraudulent activity or improper use
- identify Victoria Police's service delivery needs (including proposed asset upgrades, acquisitions, and disposals) over the short term (one to three years), medium term (four to nine years) and longer term (10 and more years)
- consider solutions that do not necessarily involve Victoria Police having traditional asset ownership, for example:
    - outsourcing assets and/or asset management activities through lease arrangements or managed services
    - operational solutions by adjusting or increasing staffing levels
    - substituting the preferred new asset by adjusting the way existing assets are used

- establish processes to identify, monitor and record the condition of assets
- establish processes and systems to undertake and manage corrective, preventative, and emergency maintenance activities
- select disposal methods (for example retirement, replacement, renewal or redeployment) that maximises the financial benefits
- document the above arrangements in accordance with corporate record keeping requirements. This should be done in an asset management plan and can be done for individual or grouped assets
- evaluate these arrangements and outcomes, at minimum annually
- adjust arrangements, processes and systems based on evaluation findings to improve asset performance and asset management maturity.

Department Heads with responsibilities managing assets within and associated across the organisation should:

- consider whether this policy should or could also apply to assets based on the threshold assessment in section 1.3the definitions section of this policy
- compare performance outcomes against asset standards, or benchmark against other comparable organisations
- develop business cases for new assets using information about the condition and performance of existing assets and identified asset and service delivery needs
- not hold assets if they do not or will not contribute effectively to Victoria Police's service delivery needs. Decisions about asset ownership and retention should always be service driven
- incorporate the allocation of asset management responsibilities and accountabilities into staff performance plans and position descriptions
- promote the role and importance of asset management, drive a culture of continuous improvement in asset management and proactively promote the implementation of this policy to add value and deliver high quality and efficient services to the community (and not just a compliance process).

1.2 Leadership responsibilities

This section outlines asset management responsibilities for key roles and governance committees within Victoria Police. Further roles and committees with responsibilities are outlined in asset management plans. For further information please refer to the overview of the Investment Governance and Assurance Department on the intranet.

Organisational Roles

Role	Responsibility
Chief Commissioner of Police (CCP)	• Under the *Victoria Police Act 2013*, the CCP is the chief constable and the chief executive officer of Victoria Police. They are responsible for the management and control of Victoria Police. The CCP reports directly to the Minister for Police. • Under the AMAF, the CCP is responsible for implementing the framework' mandatory requirements and attesting compliance in the Victoria Police annual report. Compliance with the framework is mandated under 'Standing Direction 4.2.3 – Asset management accountability' of the *Financial Management Act 1994*.
Executive Director, Operational Infrastructure Department (OID)	• The Executive Director, OID is the asset management capability lead and the Policy owner. • Operationally, the Executive Director is responsible for asset class owners and will oversee the development, implementation and maintenance of the Asset Management Strategy and all Asset Management Plans.
Asset and Climate Change Strategy Branch, Business Support Division, OID	• Asset and Climate Change Strategy Branch, Business Support Division, OID is responsible for maintaining this policy and the associated strategy.

Governance committees

Role	Responsibility
Executive Command	• Led by the CCP, Executive Command sets the strategic direction of Victoria Police, monitors organisational performance, determines key priorities and risks, manages organisational capacity and capability an advances initiatives and reforms. • Executive Command is responsible for approving the Asset Management Strategy.
Audit and Risk Committee	• Provides independent assurance and assistance to the CCP regarding Victoria Police governance, risk, control and compliance frameworks, and its external accountability responsibilities. Maintaining effective communication with external auditors and considers recommendations from internal and external auditors. • Under the Victorian Government's Asset Management Accountability Framework, the CCP is responsible for implementing the framework's mandatory requirements and attest compliance in the Victoria Police annual report. The Audit and Risk Committee is responsible for being satisfied with this view prior to finalising attestation.

Other corporate committees	• The acquisition and management of assets should be aligned to Victoria Police's service delivery and capability requirements. Therefore, asset management should be a consideration in all corporate committees, from those that consider operational issues and trends, to people management and safety.

Further advice and information

For further advice and assistance regarding this Policy, contact Asset and Climate Change Strategy Branch, Business Support Division, OID, via the ASSET-STRATEGY-MGR PBEA.

Update history

DATE UPDATED	SUMMARY OF CHANGE	FORCE FILE NUMBER
21/09/20	Conversion from Strategic Asset Management policy statement. Reviewed for compliance with the Victorian Government Asset Management Accountability Framework.	FF – 179967
16/06/25	Minor amendments to reflect updated division/work units in line with the OID organisational restructure.	N/A

Appendix A – The asset lifecycle

The effective management of assets, and decisions relating to assets, need to be considered within the context of the asset life cycle. Assets consume resources to acquire, operate and maintain, and subsequently, decisions about assets can often have long term implications. If assets are managed in alignment with the asset lifecycle, the assets are easier to manage, cost less and generally deliver outcomes more aligned to organisational requirements.

The below diagram details Victoria Police's asset life cycle and the asset management documentation that aligns with each stage.

Diagram 2: Alignment of Victoria Police's Asset Management Documentation with Asset Life Cycle

The stages through which an asset passes during its life are the:

- **Planning** – where the need is identified and the requirement for a new asset is planned, justified and approved. This includes consideration for risk and cost/benefit analysis over the proposed asset lifecycle.
- **Acquisition** – where the asset is purchased, constructed, or otherwise created. This should include a review of the risk assessment conducted during planning both prior to and as a result of the procurement process.
- **Operation** – where the asset is used for its intended purpose. This stage includes maintenance activities and may be marked by periodic refurbishment or major repair, requiring the asset to be taken out of service for periods of time.
- **Disposal** – initiated when the economic life of the asset has expired, when there is no longer a need for the service provided by the asset or the asset in the provision of the service has disappeared.