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BSI Standards Publication

Application guidelines — Technical and financial processes for implementing asset management systems

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National foreword

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The UK participation in its preparation was entrusted to Technical Committee DS/1, Dependability.

A list of organizations represented on this committee can be obtained on request to its secretary.

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INTERNATIONAL ELECTROTECHNICAL COMMISSION

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APPLICATION GUIDELINES – TECHNICAL AND FINANCIAL PROCESSES FOR IMPLEMENTING ASSET MANAGEMENT SYSTEMS

FOREWORD

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Technical Specifications are subject to review within three years of publication to decide whether they can be transformed into International Standards.

IEC TS 62775, which is a Technical Specification, has been prepared by IEC technical committee 56: Dependability.

The text of this Technical Specification is based on the following documents:

Enquiry draft	Report on voting
56/1644/DTS	56/1675/RVC

Full information on the voting for the approval of this Technical Specification can be found in the report on voting indicated in the above table.

This publication has been drafted in accordance with the ISO/IEC Directives, Part 2.

The committee has decided that the contents of this publication will remain unchanged until the stability date indicated on the IEC website under "http://webstore.iec.ch" in the data related to the specific publication. At this date, the publication will be

- transformed into an International Standard,
- reconfirmed,
- withdrawn,
- replaced by a revised edition, or
- amended.

A bilingual version of this publication may be issued at a later date

IMPORTANT – The 'colour inside' logo on the cover page of this publication indicates that it contains colours which are considered to be useful for the correct understanding of its contents. Users should therefore print this document using a colour printer.

INTRODUCTION

Asset management is a multi-disciplinary business activity comprising financial, technical and risk components. Effective control and governance of assets by organizations is essential to realizing value from their use through the management of risk. The value derived through the use of assets is determined by the organization.

The organization's decision-making processes are effective when they address technical and financial risks together and when those processes achieve a ‘desired balance of cost, risk and performance’- as required by the ISO 5500x asset management suite. Thus, the processes developed within the asset management system (AMS) need to integrate financial and accounting procedures with technical and management activities, using risk based decision making.

The ISO 5500x asset management suite of standards defines the principles of asset management and documents the requirements for an AMS that implements those principles. However, ISO 55001 explicitly excludes information necessary to implement the technical and financial processes in support of the management of assets.

The IEC dependability suite of standards provide guidance on technical processes and techniques that achieve desired availability, reliability, maintainability and supportability of assets, products and systems. Systems engineering standards describe the life cycle of systems and define the processes needed for the engineering management of a system while the International Financial Reporting Standards (IFRS) provides a suite of globally accepted international financial reporting standards and a suite of supporting accounting standards in the form of the International Accounting Standards (IAS).

This Technical Specification demonstrates the relationship between the ISO AMS standards, the ISO/IEC/IEEE systems engineering standards, the IEC dependability standards and the IFRS and IAS financial standards.

APPLICATION GUIDELINES – TECHNICAL AND FINANCIAL PROCESSES FOR IMPLEMENTING ASSET MANAGEMENT SYSTEMS

1 Scope

IEC 62775, which is a Technical Specification, shows how the IEC dependability suite of standards, systems engineering and the IFRS and IAS standards can support the requirements of asset management, as described by the ISO 5500x suite of standards.

This Technical Specification therefore provides

- a brief introduction to asset management and the requirements for an AMS,
- a description of the benefits from the use of an established and common set of AMS processes and procedures, tools and techniques to manage assets, and
- a description of the relationships between the AMS and the tools and techniques, processes and procedures of
  - ISO/IEC/IEEE 15288:2015, Systems and software engineering – System lifecycle processes,
  - IEC dependability standards in particular IEC 60300-3-15, and
  - relevant IFRS and supporting IAS standards.

This Technical Specification is intended for

- asset managers who wish to identify and implement technical and financial processes within an AMS, using dependability techniques and IFRS and IAS standards respectively, and
- systems and dependability engineers who need to apply their technical processes and techniques within an AMS.

2 Normative references

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 55001:2014, *Asset management – Management systems – Requirements*

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

3.1
accrual accounting
accounting which depicts the effects of transactions and other events and circumstances on a reporting entity's economic resources and claims in the periods in which those effects occur, even if the resulting cash receipts and payments occur in a different period

Note 1 to entry: In order to meet their objectives, financial statements are prepared on the accrual basis of accounting.

[SOURCE: IFRS – IASB Conceptual Framework for Financial Reporting 2010]