

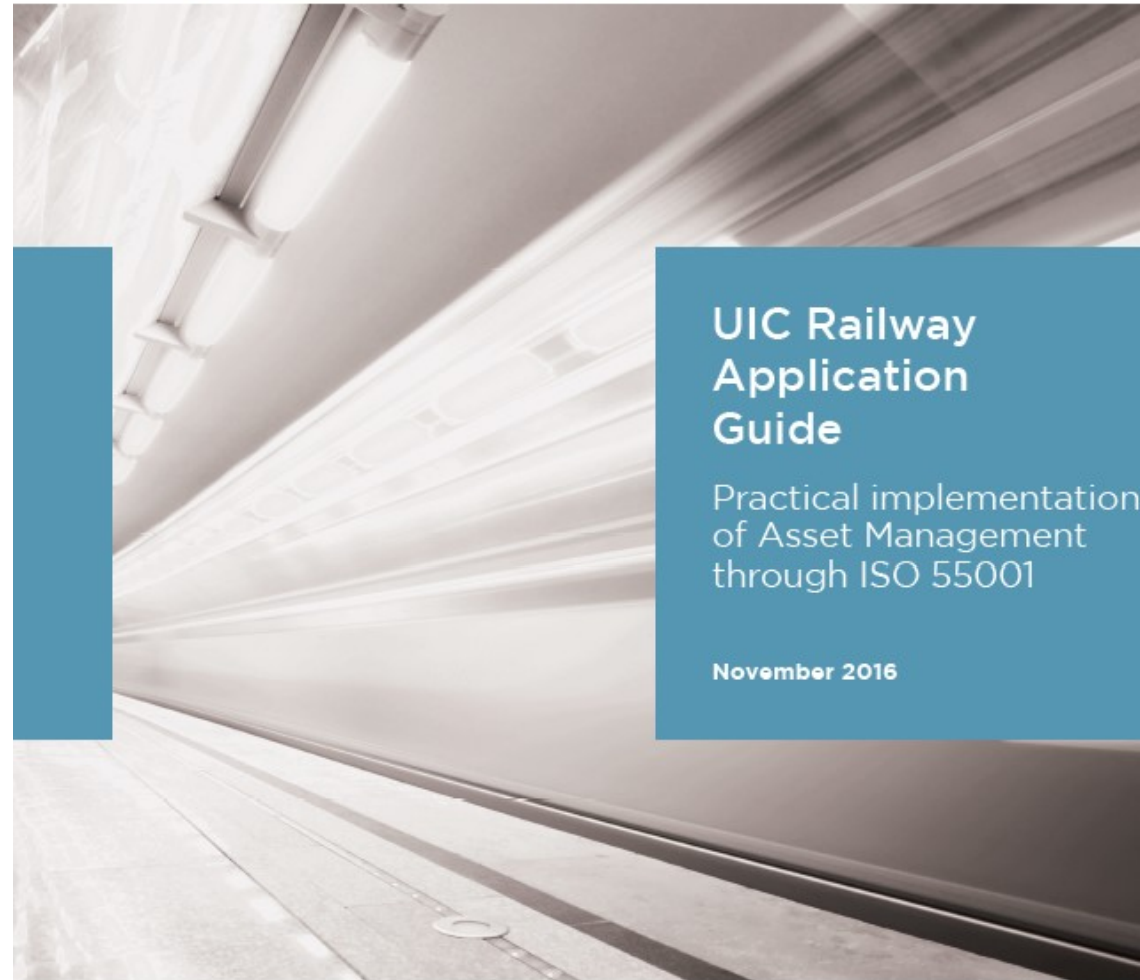
UIC ASSET MANAGEMENT WORKING GROUP

Asset Management System **Internal Audit**

**Internal Audit Case Study
Clause 9.2**

1st of December 2016

Version 1.1



0. Background

Asset Management is fundamentally about achieving an appropriate balance of asset cost, risk and performance to meet organizational objectives and deliver value from the assets to an organization and its stakeholders.

The Asset Management Process is included in the Process Map of Adif (reviewed on 2015) as a Strategic Process "Asset Strategy" along with the Inventory (or Data Base) Management Process.

The guidelines and general objectives of the Asset Management System will be approved by the Adif Management Committee, which will define at least annually the objectives to be achieved in the field of Asset Management, which should be quantifiable, so that it can be to assess their degree of attainment, and to establish subsequent corrective measures.

It is the responsibility of the entire Adif organization, and especially of the people in charge of the activities that the Asset Management System collects, the obligated fulfillment of the established in the same.

The area responsible for the Asset Management System at Adif will lead to periodically and systematically carry out the internal audits of the Asset Management System in order to:

- ❑ Verify the degree of conformity with the requirements of the reference standards.
- ❑ Evaluate the ability to comply with applicable legislation and regulations, and commitments Contractual obligations.
- ❑ Verify the degree of implementation and effectiveness of the Asset Management System.
- ❑ Identify areas for improvement and strengths

1. Alignment with UIC Guidelines

Recommended Evidence	Demonstration of alignment with recommended evidence
Internal audit process and procedure	An internal audit procedure has been produced.
Audit findings register and evidence of follow-up and closure	The detected nonconformities will be recorded in the Audit Nonconformity Records. The different audited areas have to define the corrective actions to be implemented, in accordance with the detected nonconformities, setting the persons responsible and the deadlines for their execution and closure. The closing of the corrective actions will be recorded in the corresponding Non-Conformity Audit Register through the approval of the Area responsible for Asset Management.
Audit reports	Once the audit is completed, the audit team will prepare an Audit Report, which will include at least the following information: <ul style="list-style-type: none"> <input type="checkbox"/> Scope of the audit (activities that have been audited). <input type="checkbox"/> Identification of auditors and personnel contacted. <input type="checkbox"/> Date of realization. <input type="checkbox"/> Description of detected nonconformities. <input type="checkbox"/> Conclusions and recommendations.
Evidence of communication and agreement of audit findings	Once the Audit Report has been prepared by the audit team, it will deliver it to the Area responsible for Asset Management. The Area responsible for Asset Management will analyze and evaluate the results of the audit, and will deliver a copy of the report to the Management Committee and to those responsible for the different audited areas, so that they can define the corrective actions to be implemented, in accordance with the detected nonconformities, setting the persons responsible and the deadlines for their execution and closure.
Use of audits to drive corrective, preventative and continual improvement actions, as per the UIC Asset Management Framework in Figure 4	The Area responsible for Asset Management will verify the proper implementation of the corrective actions agreed upon through verifications or new audits, also evaluating the effectiveness of the same.
Internal auditor training	The Internal Audits of the Asset Management System have to be done by personnel independent of the area to be audited, and that meets the following quality requirements: <ul style="list-style-type: none"> <input type="checkbox"/> Specific knowledge of the regulations applicable to the AMS <input type="checkbox"/> Specific knowledge of Management System Audits (ISO). <input type="checkbox"/> Knowledge of the organization and operation of the AMS The Area responsible for Asset Management will appoint the Audit Team.

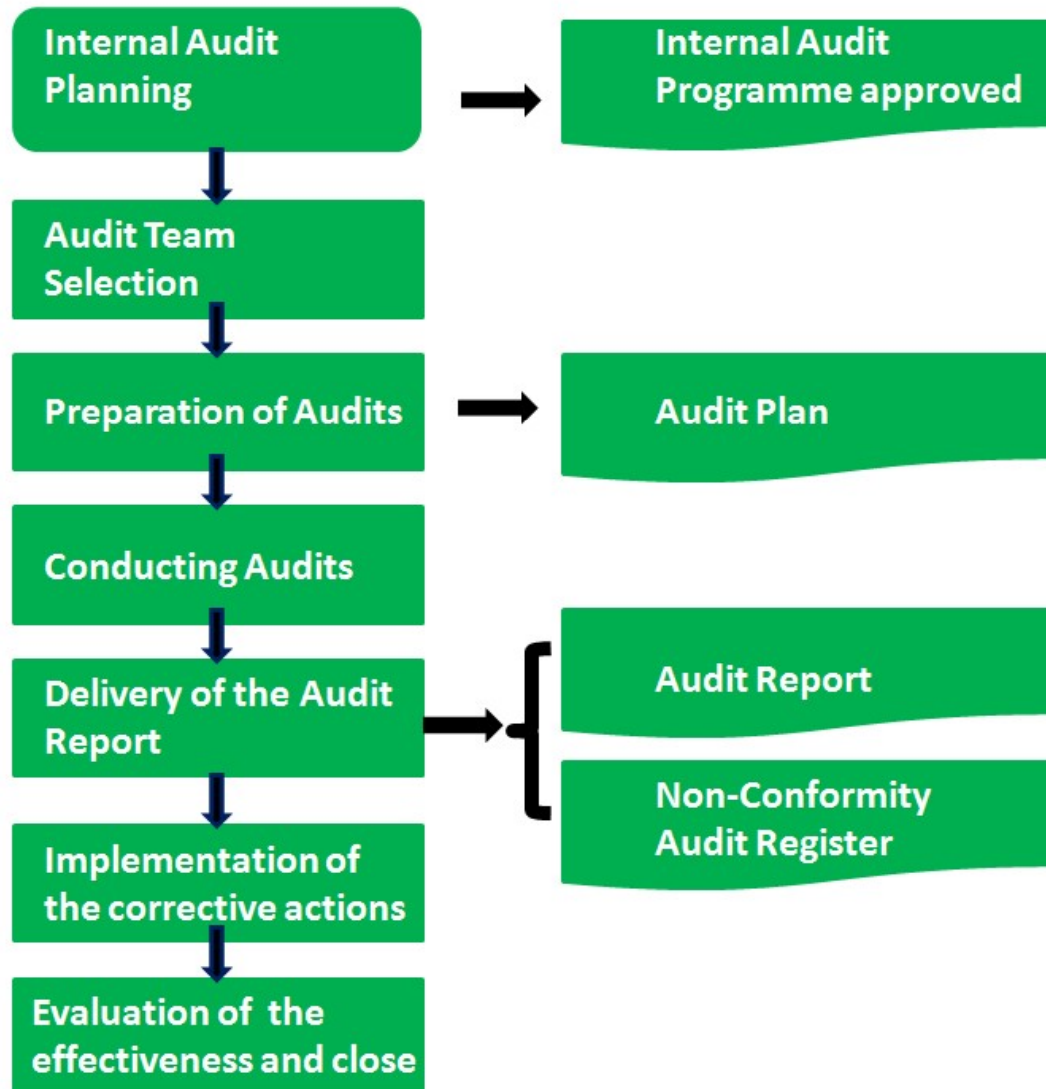
Recommended Evidence directly from Guidelines

Summary of how the content of the Internal Audits align with the guidelines



2. Alignment with UIC Guidelines

Internal Audit Procedure



Alignment with UIC Guidelines (1/3)

Recommended Evidence	Demonstration of alignment with recommended evidence
<p>Internal audit process and procedure</p>	<p>An internal audit procedure has been produced.</p>
<p>Internal auditor training</p>	<p>The Internal Audits of the Asset Management System have to be done by personnel independent of the area to be audited, and that meets the following quality requirements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Specific knowledge of the regulations applicable to the AMS <input type="checkbox"/> Specific knowledge of Management System Audits (ISO). <input type="checkbox"/> Knowledge of the organization and operation of the AMS <p>The Area responsible for Asset Management will appoint the Audit Team.</p>

Alignment with UIC Guidelines (2/3)

Recommended Evidence	Demonstration of alignment with recommended evidence
<p style="text-align: center;">Audit reports</p>	<p>Once the audit is completed, the audit team will prepare an Audit Report, which will include at least the following information:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Scope of the audit (activities that have been audited). <input type="checkbox"/> Identification of auditors and personnel contacted. <input type="checkbox"/> Date of realization. <input type="checkbox"/> Description of detected nonconformities. <input type="checkbox"/> Conclusions and recommendations.
<p style="text-align: center;">Evidence of communication and agreement of audit findings</p>	<p>Once the Audit Report has been prepared by the audit team, it will deliver it to the Area responsible for Asset Management.</p> <p>The Area responsible for Asset Management will analyze and evaluate the results of the audit, and will deliver a copy of the report to the Management Committee and to those responsible for the different audited areas, so that they can define the corrective actions to be implemented, in accordance with the detected nonconformities, setting the persons responsible and the deadlines for their execution and closure.</p>

Alignment with UIC Guidelines (3/3)

Recommended Evidence	Demonstration of alignment with recommended evidence
<p>Audit findings register and evidence of follow-up and closure</p>	<p>The detected nonconformities will be recorded in the Audit Nonconformity Records.</p> <p>The different audited areas have to define the corrective actions to be implemented, in accordance with the detected nonconformities, setting the persons responsible and the deadlines for their execution and closure.</p>
	<p>The closing of the corrective actions will be recorded in the corresponding Non-Conformity Audit Register through the approval of the Area responsible for Asset Management.</p>
<p>Use of audits to drive corrective, preventative and continual improvement actions, as per the UIC Asset Management Framework in Figure 4</p>	<p>The Area responsible for Asset Management will verify the proper implementation of the corrective actions agreed upon through verifications or new audits, also evaluating the effectiveness of the same.</p>