



Technical Specification

ISO/TS 55010

Asset management — Guidance on the alignment of financial and non-financial functions in asset management

*Gestion d'actifs — Recommandations relatives à l'alignement des
fonctions financières et non financières dans la gestion d'actifs*

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Foreword

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This document was prepared by Technical Committee ISO/TC 251, *Asset management*.

This second edition cancels and replaces the first edition (ISO/TS 55010:2019), which has been technically revised.

The main changes are as follows:

- the text has been updated to be aligned with ISO 55001:2024;
- the retitling and revision of [Annex E](#);
- the addition of new [Annexes H, I and J](#).

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

The ISO 55000, ISO 55001 and ISO 55002 asset management standards raise awareness of the importance of improving alignment between an organization's financial and non-financial functions, and this document provides guidance on how to achieve this. Alignment of these functions enabling the realization of value derived from the implementation of asset management is detailed in ISO 55000, ISO 55001 and ISO 55002, particularly ISO 55002:2018, Annex F.

The guidance in this document is consistent with the requirements of ISO 55001 for an asset management system but does not add new requirements to ISO 55001 or provide interpretations of the requirements of ISO 55001.

For an example of an organization aligning its asset management functions, see [Annex F](#).

As used in this document, financial functions refer to processes and activities such as managerial costing and accounting, budgeting, financing and valuation related to the assets. Non-financial functions are the complementary processes and activities, for providing a product or service from the assets.

The asset management function may include both financial and non-financial functions.

The definition of "asset" in ISO 55000 is broader than that of the United States (US) Generally Accepted Accounting Principles (GAAP) or the International Financial Reporting Standards (IFRS). The term "asset" as primarily used in this document is defined in ISO 55000. See [Annex H](#).

In many organizations, the financial and non-financial functions of asset management are inadequately aligned. Often the financial accounting functions are predominantly focused on retrospective reporting of accounting/regulatory financial activities. However, there is a growing awareness in organizations of the need to focus on providing a managerial costing approach to support decision-making for the future. At the same time, the non-financial functions are recognizing the need to improve their understanding of the financial implications of their activities. These are examples of moves towards better alignment of the financial and non-financial functions with the aim of better decision-making and value realization.

Lack of alignment between financial and non-financial functions can be attributed to silos in an organization, including reporting structures, functional/operational business processes and related technical data. Reference [23] advises that "... silos [department/functional specialization] are necessary to allow for the required level of specialization, but if these silos [department/functional specialization] do not communicate, inefficiencies and errors in asset management result" and that "when asset management implementation fails, it is often because asset management staff and senior management are not in alignment".

Alignment should prudently work both "vertically" and "horizontally". Vertical alignment "top-down and bottom-up information flow" means that financial and non-financial asset-related directives by top management are informed by accurate upward information flows, effectively implemented within the appropriate levels of the organization. Horizontal alignment means that financial and non-financial information that flows between departments (conducting functions such as operations, engineering, plant maintenance, financial accounting, financial management and risk management) uses the same terminology and refers to the assets identified in the same way. See the asset mapping table in [Annex H](#).

The aim of this document is to encourage organizations to support alignment between these asset management functions and to provide guidance on how such alignment can be achieved. It also promotes the benefits that can be achieved for an organization and its stakeholders by having alignment of these asset management functions better understood, implemented and improved. This enables an organization's functional areas to share information and collaborate to achieve the organization's objectives.

This document can assist users in applying the concepts of ISO 55000 and fulfilling the requirements of ISO 55001. It provides additional advice and guidance over and above the explanations outlined in ISO 55002 on the benefits to be realized for an organization through alignment.

It is intended for use by personnel, at all levels in an organization, who are involved in asset management, including:

- top management and decision-makers, to derive the benefits that are achievable by better alignment between financial and non-financial functions;
- those in asset-related multidisciplinary functions who provide information to support decision-making or rely on the outcomes of those decisions;
- a wide range of personnel, including those who have responsibility for the technical planning, design, construction, operation, maintenance and performance of the assets, and those with financial responsibilities such as accounting, financial planning, budgeting and financial reporting.

Knowledge and understanding of terminology and common language used by financial and non-financial functions can facilitate discussion, communication and exchange of information between these functions. [Clauses 4](#) to [9](#) and the related annexes provide a range of information on financial and non-financial functions in asset management, including information on asset management accounting principles.