

Assets and Equipment

Policy Responsibilities and Authorisation

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Policy Review History

Version	Updated by	Date Updated	Summary of Changes
	Erica Clarkin	September 2011	
	Michael Gore	March 2017	Policy updated from 2011 version to focus on use of assets and equipment.

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Assets and Equipment

1. Introduction

1.1 Purpose

This policy specifies Waikato DHB's standards and/or processes for the operational management, maintenance, replacement and disposal of all assets/equipment, including buildings and major utilities.

1.2 Background

Waikato District Health Board (DHB) recognises its responsibilities for maintaining public health assets and equipment of an appropriate type, quality and functionality relative to the health needs of its population and within the limitations of budgets.

1.3 Scope

This policy applies to assets and equipment that are:

- Owned by, leased by, or on loan to, the Waikato DHB
- Used on Waikato DHB sites.
- On trial/being evaluated when used on Waikato DHB property or to provide Waikato DHB Provider Arm services.

This policy applies to all Waikato DHB personnel.

1.4 Exclusions

Details regarding the acquisition and recognition of assets and equipment are provided in the Capital Expenditure Policy.

2. Definitions

Asset and Equipment	A tangible or intangible item with a useful life greater than one year, which meets the capitalisation criteria as defined in the Capital Expenditure policy.
Asset and Equipment Owner	<p>The Manager of the Responsibility Centre (RC) allocated to the asset and equipment item at the time of procurement, donation or leasing of the item shall own the item in terms of budgeting and operational activity.</p> <p>In the case of shared assets (e.g. Clinical Equipment Pool), the Pool administrator shall own these assets / equipment in terms of operational activity.</p> <p>For leased or loan assets and equipment, the RC Manager will have stewardship of that asset or equipment and must assume responsibility for safe use and protection of that asset or equipment item.</p>
Consumables	A tangible or intangible item where the benefits of the item are consumed, drained, worn out or exhausted, within one year of procurement.
RC	Responsibility Centre – An accounting term for an organisational unit / service / department or division of Waikato DHB where like information on revenues earned, costs incurred and other statistical data may be collected, analysed and reported on, to interested parties.

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3. Policy Statements

Waikato DHB shall identify the responsibilities of managers and staff at all levels for the stewardship and effective functioning of all Waikato DHB assets and equipment.

- Have systems and procedures in place for preventative maintenance and repair of assets and equipment managed across Waikato DHB, ensuring maintenance is of a quality and functional standard that meets legislative and regulatory requirements and provides no impediment to Waikato DHB service levels.
- Ensure processes are in place to ensure the safety, efficiency and economy of assets and equipment used in the provision of Waikato DHB services.
- Ensure all fixed assets are accurately recorded and accounted for.

4. Policy Processes

Waikato DHB will follow defined processes, including appropriate planning, approval, disposal and repairs and maintenance, to optimise the functionality and utilisation of assets and equipment used, across Waikato DHB.

5. Roles and Responsibilities

5.1 Chief Financial Officer Responsibilities

The Chief Financial Officer, in conjunction with Finance staff, is responsible for:

- Ensuring assets and equipment are accurately recorded in the Enterprise reporting system.
- Ensuring assets and equipment are accurately depreciated/amortised in accordance with relevant financial reporting standards.
- Ensuring assets and equipment are reviewed for revaluation and impairment as required in accordance with relevant reporting standards.
- Accurately reporting maintenance and repair expenditure in accordance with financial reporting standards.

5.2 Chief Information Officer Responsibilities

The Chief Information Officer, in conjunction with Information Services staff, is responsible for:

- Ensuring timely and effective provision of planned maintenance and repairs of information technology hardware and software by appropriately qualified staff.
- Ensuring sound management of all external contracts for Information Technology hardware and software maintenance unless this responsibility has been delegated to an appropriate department manager.
- Ensuring that all Information Technology hardware and software is maintained in accordance with statutory and regulatory standards.

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5.3 Executive Director - Facilities and Business Responsibilities

The Executive Director – Facilities & Business, in conjunction with Facilities and Business staff, is responsible for:

- Ensuring that all existing property and infrastructure assets are maintained in good condition within budget constraints.
- Ensuring that systems are in place to record the condition of property and infrastructure assets and to update condition status as repairs, maintenance and replacement occur.
- Developing twenty year capital replacement schedules based on the condition status of relevant plant and equipment
- Alerting the Chief of Staff should expenditure on maintenance of property and infrastructure fall below the point that those assets are capable of being maintained in steady state.
- Ensuring sound management of all external contracts for property and infrastructure maintenance.
- Ensuring assets and equipment are maintained as part of a formalised program, and records of all asset and equipment maintenance are recorded in Enterprise Asset Management or Clinical Asset Management systems.
- Ensuring all costs associated with the accumulated maintenance for all assets and equipment maintained are recorded for future analysis.
- Ensuring asset and equipment maintenance and repair will be conducted using a system of prioritisation. Priority shall be given for unplanned maintenance and repair to assets and equipment which impacts upon the quality of patient care and/or staff safety.
- Ensuring that all reasonable attempts will be made to maintain or repair high priority items within the same day.
- Ensuring that all other assets and equipment items shall be repaired or maintenance performed as soon as practicable without creating unreasonable risk or delay.
- Where service delivery targets cannot be met, it is the responsibility of the maintenance / repair manager to inform the user service and the asset and equipment owner of the expected turn-around time so that alternative arrangements can be made if necessary.
- The maintenance / repair manager must inform the asset and equipment owner of any repairs undertaken.
- Assets and Equipment must not be modified without the explicit written approval of the manufacturer's duly authorised agent and the written approval of the departments Executive Director.

5.4 Asset and Equipment Owner Responsibilities

The Asset & Equipment Owner is responsible for:

- Ensuring the maintenance and repair strategy of owned assets and equipment is managed in accordance with overall asset management planning.
- Ensuring all clinical assets (in accordance with Bio-medical guidelines) are registered on the Clinical Asset Management system.
- Ensuring regular stock take of assets and equipment are undertaken as agreed with the Fixed Assets Lead and stock take procedures are followed.

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- Ensuring that staff involved in asset management receive training commensurate with their responsibilities and have access to the relevant user information.
- Ensuring the physical security of assets and equipment under their control.
- Knowing the location of the assets and equipment under their control.
- Reporting equipment failure / loss for updating in the Clinical Asset Management system and Waikato DHB's Fixed Assets register as required.
- Reporting biomedical equipment failure to Users through the Waikato DHB DO NOT USE Tag (2560518).
- Ensuring adequate physical space, lighting, storage facilities, support services and technical resources are provided to comply with relevant statutory requirements.
- Viewing (and recording as reviewed) at least every 12 months the assets and equipment to verify asset register information held is correct.
- Ensuring assets and equipment is electrically and/or performance tested at intervals set by the maintaining department or service provider which will be based on manufacturer recommendations, Australian/New Zealand Standards and statutory requirements.
- Checking that testing / calibration of assets / equipment is undertaken by Biomedical Engineering, Facilities and Business, or a nominated third party provider
- Assessing assets and equipment condition every 12 months or where practicable, with feedback given to Biomedical Engineering, Facilities and Business, or Finance teams as appropriate.

5.5 Staff Responsibilities

Staff are responsible for:

- Not using equipment that is known to be unsafe for use.
- Safe use and handling of equipment. This includes complying with equipment use instructions as specified in Equipment Manuals or procedures.
- Taking all reasonable steps to protect physical security of equipment.
- Reporting to their Manager any known instances of failure, loss or damage or risks of failure, loss or damage to equipment.
- Reporting of building repair and maintenance requirements to the Facilities and Business Help Desk.
- Reporting of computer systems and phone repair and maintenance requirements to the IS Service Desk.
- Reporting of equipment failures and unavailability using the DATIX incident reporting system to manage the services.
- Immediately removing from use any unsafe or damaged equipment and labelling it with a Waikato DHB DO NOT USE Tag (2560518).
- Sending broken equipment for repair to the appropriate internal department e.g. Medical Electronics - all medical electronic equipment must transit through Biomedical Engineering for asset management and tracking purposes.
- Ensuring condemned equipment is removed from the service area and sent to the appropriate internal department e.g. Biomedical Engineering / Property & Infrastructure for disposal.

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6. Asset and Equipment Disposal

Disposal of assets and equipment must only occur when:

- Items are no longer required by any Waikato DHB department; or
- Items are beyond economical repair as judged by staff trained in the maintenance of that item, or
- Replacement is approved in accordance with the Delegations of Authority Policy and general asset management planning.

The disposal of any asset will include :

- Identification of surplus, obsolete and / or under-performing assets
- Establishment of the rationale for, the anticipated time and method of, and the expected proceeds of safe and ethical disposal of assets and equipment
- Evaluation of disposal alternatives e.g. sale, gift, waste disposal, transfer, trade-in, write-off (Statutory requirements apply here -Medical items deemed unfit for use, non-repairable, obsolete, date expired etc. must not be sold, gifted or transferred for use by another health care provider).
- The best value return for the organisation is realised where possible
- Updating of asset management system records are updated
- A clear audit trail
- Minimisation of disposal costs
- Compliance with the Waikato DHB Waste Management Policy
- Consideration of heritage value to ensure items are retained for heritage purposes either within or beyond the organisation.

The Capital and Fixed Asset Lead, Finance Department must be notified of all assets sold or otherwise disposed of (e.g. building demolition programme) using the Waikato DHB Plant and Equipment Disposal Form, for the purposes of updating the Fixed Asset register.

Where assets are to be condemned, the item must be rendered unusable by the asset and equipment owner and recorded as such on Waikato DHB Asset Condemnation Form, with a copy provided to the Capital and Fixed Asset Lead, Finance department.

All assets must be made safe prior to sale or other disposal. This may involve:

- Deleting programmes and data from computer hard drives and electronic mobile devices e.g. Personal Digital Assistants (PDAs) with particular attention to potentially sensitive files and other information or programmes licenced to Waikato DHB.
- Ensuring that assets are uncontaminated, with all potentially hazardous materials or substances removed or made safe (refer to the Waikato DHB Waste Management Policy and Management of Hazardous Substances Policy).

Where assets are condemned but may be broken down as spare parts:

- These assets must be recorded as 'disposed' in the asset register with the spare parts recorded as inventory items.
- Any asset kept for spare parts must be labelled with clear identification of the item's faults.

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All assets authorised for condemnation, or disposal by sale, donation or possible re-use as per above comment within Waikato DHB must be immediately removed from the service area and stored securely on each Waikato DHB hospital site.

7. Assets and Equipment Donated by Waikato DHB to Other Organisations or Individuals

The island states of the South Pacific are the preferred recipients of donated assets/equipment using only government dedicated transfer routes per statutory requirements.

All assets and equipment items donated by Waikato DHB must be processed through the Procurement Manager.

No item shall be donated unless the following criteria are met:

- The recipient expresses a need for the donated item
- Prior to despatch from Waikato DHB, the item will be within its certification period for testing and safe for use. The recipient organisation will be advised of:
 - the need to carry out an acceptance test prior to use
 - the staff and facility resources required to be in place to support the safe use and maintenance of the donated item
 - the need to have access to any agents / products essential to the item's safe and effective use.
- A Waikato DHB Deed of Arrangement for Donation of Goods must be completed. The signed Deed must be retained by Bio Medical Engineering or Property & Infrastructure as appropriate. This includes a disclaimer from the recipient organisation excluding Waikato DHB from any liability associated with the use, misuse or operation of the item.

8. Assets and Equipment loaned or rented to other healthcare providers / patients

Loans of assets / equipment to others must be made with care and in accordance with the Delegations of Authority Policy.

In lending assets and equipment the following conditions must be adhered to:

- All loaned / rented items are to be checked as to condition on issue and return, including items loaned to patients.
- The borrower must be advised in writing of Waikato DHB's Terms of Hire (approved by the Waikato DHB Legal Advisor), including:
 - The period of the loan / rent (using the Waikato DHB Asset / Equipment Loan Form).
Note: Waikato DHB must retain the right to recall the item and receive back immediately, at any stage.
 - The borrower's responsibilities following damage or loss of assets / equipment on loan.
 - The need to return loaned / rented equipment clean.
 - The rental cost of the item and the date by which it must be paid to Waikato DHB.
- The Manager of an asset or equipment rented to other healthcare providers or patients is responsible for ensuring an invoice has been raised.

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- Items on loan / rented must not be lent or sub-leased to a third party.
- The borrower must confirm in writing that they accept the conditions of the loan / rent prior to taking possession of the item.
- All items loaned or rented for use outside Waikato DHB must be re-tested prior to entering Waikato DHB service, for condition and functionality by either, Biomedical Engineering, Facilities and Business or other authorised authority.

9. Assets and Equipment borrowed by Waikato DHB

Clinical assets and equipment loaned to Waikato DHB must be checked or tested by the Biomedical Engineering or other authorised authority, to verify that it is safe for use before entering Waikato DHB service.

10. Equipment owned by patients

Patients wishing to use their own equipment must be informed by the relevant department manager or their delegate of the below requirements for patient-owned equipment.

10.1 Patient owned medical equipment

Whenever practically possible, patient-owned medical equipment should be supplanted with a Waikato DHB-owned medical device which meets the needs of the patient.

If this is not possible, patients are permitted to use their own medical equipment in accordance with the following requirements:

- The Biomedical Engineering or the on-site person responsible for equipment maintenance must perform a visual operational inspection and an electrical safety test on electrical equipment to ensure that it is safe for use. A sticker denoting the test must be affixed to the item.
- Whenever possible the patient is responsible for the operation of their own equipment. If a Waikato DHB employee must use the equipment, they must be adequately trained to use the equipment.

10.2 Patient owned non-medical equipment

In general, Waikato DHB does not support the use of patient-owned mains-powered equipment in its facilities.

However, small personal appliances e.g. televisions, cosmetic equipment (such as shavers and hair driers) and chargers (for cellphones or tablets), may be permitted for the exclusive use of and by the owner provided that the use of such equipment is:

- free of visually apparent damage e.g. fractured housing, frayed or damaged flexible cord. It is the responsibility of the admitting nurse to carry out this visual check.
- not disturbing or distracting to other persons in the area.

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If damage is apparent or reasonable doubt exists as to the safety of the appliance, or it is believed to cause or is likely to cause interference or risk to other persons, staff, or equipment in the vicinity, then ward staff must order removal of the equipment until the problem is rectified.

Battery-powered cosmetic equipment is to be preferred in areas where electrical medical equipment is used routinely.

Mains-powered equipment must not be used near, on, or by a patient undergoing a cardiac-type procedure i.e. when an indwelling electrical conductor is accessible outside the patient's body e.g. cardiac-pacing electrodes, intra-cardiac ECG electrodes, intra-cardiac catheters, intra-cardiac insulated tubes filled with conducting fluids.

10.3 Hired non-medical equipment for personal patient use

Televisions and other equipment hired by patients for their personal use must be certified as complying with the relevant safety standards and having been inspected regularly by the hiring firm as part of its contract.

10.5 Asset Responsibility

All patient owned equipment is the sole responsibility of the patient and the Waikato DHB shall not be held liable for any loss or damage which may occur.

The patient will be held responsible for any loss or damages to Waikato DHB property or personnel caused by the patient owned equipment.

11. Reporting lost, misplaced or stolen assets

Any Waikato DHB asset or equipment item that is lost, misplaced or stolen must be reported by the asset and equipment owner using the DATIX incident reporting system.

The asset or equipment owner must make every effort to find any lost or misplaced assets or equipment items

12. Hazard and Recall Notices

Every hazard alert, safety notice or device recall notice received by any Waikato DHB staff member / office / department / service must be forwarded immediately to the Waikato DHB Clinical Product Coordinator in Purchasing and Distribution Services who will initiate the appropriate actions to respond to the notice received, and fully document all outcomes.

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13. Retention of Asset and Equipment Reports

Asset and equipment reports (e.g. audit reports, asset register information) must be retained by Waikato DHB for at least 10 years after the asset disposal.

Where possible, all assets and equipment reporting must include information regarding:

- Stock takes to verify the fixed asset register information
- Condition of assets and equipment
- Electrically and/or performance tests at intervals set by the maintaining department or service provider which will be based on manufacturer recommendations, Australian/New Zealand Standards and statutory requirements.
- Assessments by the asset and equipment owner for utilisation every 12 months where practicable and feedback given to Biomedical Engineering, Facilities and Business or Finance as appropriate.
- Costs associated with the accumulated maintenance for all assets and equipment for future analysis

14. Success indicators

- Waikato DHB assets and equipment are maintained to required levels of condition, functionality and utilisation to effectively deliver the health needs of its population.
- Information held by Waikato DHB regarding the attributes and values of its assets and equipment is accurate.
- Waikato DHB assets and equipment is repaired and maintained in alignment with overall asset management planning regarding asset use and replacement.

15. Audit

The Waikato DHB Asset and Equipment Policy shall comply with New Zealand accounting standards for Crown entities.

Patient-owned medical equipment that is used onsite is visually inspected and has been tested for electrical safety as evidenced by a sticker denoting the test completion being affixed to the equipment (section 10.1).

16. Legislative Requirements

16.1 Legislation

Waikato DHB must comply with the following legislation (this list is not exclusive):

- Financial Reporting Act 2013
- Crown Entities Act 2005
- Public Finance Act 1989
- New Zealand Public Health and Disability Act 2000
- Consumer Guarantees Act 1993
- Building Act 2004 and Regulations 2015

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- Electricity Act 2013
- Health & Safety at Work Act 2015
- Human Rights Act 1993
- Privacy Act 1993
- Resource Management Act 1997
- Employment Relations Act 2000
- Treaty of Waitangi Act 1975

17. Associated Documents

17.1 Associated Waikato DHB Documents

- Waikato DHB Capital Expenditure policy (0034)
- Waikato DHB Delegations of Authority policy (2175)
- Waikato DHB Financial Accounting policy (1813)
- Waikato DHB Procurement and Contracts policy (0170)
- Waikato DHB Gifts, Giving and Receiving policy (1829)
- Waikato DHB Intellectual Property policy (1036)
- Waikato DHB Health and Safety policies (0044)
- Waikato DHB Waste Management policy (0148)
- Waikato DHB Hazardous Substances policy (1843)
- Waikato DHB Incident Management policy (0104)
- Waikato DHB Disposal procedure (3314)

17.2 References

- Ministry of Health - Guidelines for Capital Investment
- Treasury – Guidelines on Asset Management
- The District Health Board Handbook for Improving Asset Management Planning March 2005
- Waikato DHB Minimum Standards for Suppliers of Clinical Equipment
- NZS 8134:2008 Health and Disability Services Standards
- AS/NZS 3551:2004 Technical management programs for medical devices
- AS/NZS 2500:2004 Guide to the safe use of electricity in patient care
- AS/NZS 3003: 2003 Electrical installations – Patient treatment areas of hospitals, medical and dental practices and dialyzing locations
- AS/NZS 3760: 2003 In-service Safety Inspection and Testing of Electrical Equipment

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