Enterprise Risk Management at MnDOT

Joint Session of the AASHTO Subcommittee on Risk Management and Transportation System Security and Resilience

July 12, 2018
1. **ERM at MnDOT:** *Where* and *How* enterprise risk management is happening at MnDOT

2. **Gaps & Maturity:** How we are integrating and improving our approach
Where we started in 2013
Management of risk at all levels

**Enterprise:** Risks to the organization’s strategic objectives or risks that involve multiple levels.
**Responsibility:** Executive and Senior Leadership Teams acting in their capital, governance, and operating committee roles

**Program / Product & Services:** Risks that are common to groups of projects that achieve strategic objectives.
**Responsibility:** Management groups in coordination with Assistant Commissioners

**Project / Activity:** Risks that are specific to individual projects and ongoing functions.
**Responsibility:** Office Directors, Office Managers and Staff
Update to our ERM Framework

**What** is Enterprise Risk Management

**Why** is it important to actively manage risks

**Where** is the process of risk management being used at MnDOT

**How** are key risk management tools informing our decision making

**Who** is responsible for Enterprise Risk Management
Process of managing risk

Establish Context
(Goals/Strategy/Objectives)

Assess Risks

Manage Risks
(Response)

Monitoring & Communication
**Integration**

**Enterprise Agency Risk Register**

**Who Acts:** Executive & Senior Leadership Teams

**Risk Management Tool(s):**
*Enterprise Agency Risk Register* (composite of Capital, Governance, Operating and FHWA identified agency risks)

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**Capital**

**Who Acts:** Transportation Program Investment Committee (TPIC)

**Agency Goals:** Statewide Multimodal Transportation Plan Objectives

**Risk Management Tool:** Investment Opportunity Plan (IOP)

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**Governance**

**Who Acts:** Governance Council

**Agency Goals:** Safeguarding MnDOT Goals

**Risk Management Tool(s):**
- Safeguarding MnDOT Risk Assessment Plan
- MnDOT Policies

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**Operating**

**Who Acts:** Resource Investment Council (RIC)

**Agency Goals:** SOP Goals

**Risk Management Tool:** SOP Risk Register
Enterprise Agency Risk Register

FHWA/MnDOT Risks

Enterprise Agency Risk Register

Capital

Governance

Operating
## Enterprise Risk Management Practice at MnDOT

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Program / Products &amp; Services</th>
<th>Project / Activity</th>
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<tbody>
<tr>
<td><strong>Who Acts</strong>: Transportation Program Investment Committee (TPIC)</td>
<td><strong>Who Acts</strong>: Management Groups (PMG, PCMG, District Engineers, etc.)</td>
<td><strong>Who Acts</strong>: Office Directors, District Engineers, Project Managers, and MnDOT Staff</td>
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</table>
| **Risk Management Tool(s)**:  
  - Risk assessments in capital investment plans  
  - Investment Opportunity Plan (IOP) | **Risk Management Tool(s)**:  
  - MnSHIP risk assessment and other risk-based capital investment plans  
  - Asset Management Risk Register  
  - District Risk Management Plans (DRMP) | **Risk Management Tool(s)**:  
  - Project Risk Registers |
| **Who Acts**: Governance Council | **Who Acts**: Control Environment Leads, Data Domain Stewards, Policy Owners | **Who Acts**: Office Directors, District Engineers, Office Managers, and MnDOT Staff |
| **Risk Management Tool(s)**:  
  - Safeguarding MnDOT Risk Assessment Plan  
  - MnDOT Policies | **Risk Management Tool(s)**:  
  - Control Environment Assessments  
  - MnDOT Policies | **Risk Management Tool(s)**:  
  - MnDOT Policies  
  - Office & District Business Plans |
| **Who Acts**: Resource Investment Council (RIC) | **Who Acts**: Management Groups (PCMG, District Engineers, Office Directors, etc.) | **Who Acts**: Office Directors, District Engineers, Office Managers, and MnDOT Staff |
| **Risk Management Tool(s)**:  
  - SOP Risk Register | **Risk Management Tool(s)**:  
  - P & S Investment Impact Analysis  
  - Asset Management Risk Register  
  - Office & District Business Plans | **Risk Management Tool(s)**:  
  - Office & District Business Plans |

### Who Acts
- Executive & Senior Leadership Teams
- Transportation Program Investment Committee (TPIC)
- Governance Council
- Resource Investment Council (RIC)
- Management Groups (PMG, PCMG, District Engineers, etc.)
- Control Environment Leads, Data Domain Stewards, Policy Owners
- Office Directors, District Engineers, Project Managers, and MnDOT Staff

### Risk Management Tool(s)
- *Enterprise Agency Risk Register* (composite of Capital, Governance, Operating and FHWA identified agency risks)
### Enterprise Risk Management Practice at MnDOT

#### Capital

**Who Acts:** Transportation Program Investment Committee (TPIC)

**Risk Management Tool(s):**
- Risk assessments in capital investment plans
- Investment Opportunity Plan (IOP)

#### Governance

**Who Acts:** Governance Council

**Risk Management Tool(s):**
- Safeguarding MnDOT Risk Assessment Plan
- MnDOT Policies

#### Operating

**Who Acts:** Resource Investment Council (RIC)

**Risk Management Tool(s):**
- SOP Risk Register

### Program / Products & Services

**Who Acts:** Management Groups (PMG, PCMG, District Engineers, etc.)

**Risk Management Tool(s):**
- MnSHIP risk assessment and other risk-based capital investment plans
- Asset Management Risk Register
- District Risk Management Plans (DRMP)

#### Project / Activity

**Who Acts:** Office Directors, District Engineers, Project Managers, and MnDOT Staff

**Risk Management Tool(s):**
- Project Risk Registers

**Who Acts:** Office Directors, District Engineers, Office Managers, and MnDOT Staff

**Risk Management Tool(s):**
- MnDOT Policies
- Office & District Business Plans

**Who Acts:** Office Directors, District Engineers, Office Managers, and MnDOT Staff

**Risk Management Tool(s):**
- Office & District Business Plans

### Who Acts

- Executive & Senior Leadership Teams

### Risk Management Tool(s)

- Enterprise Agency Risk Register (composite of Capital, Governance, Operating and FHWA identified agency risks)
Minnesota Where & How
Capital Risk Management
Minnesota Where & How
Governance Risk Management
Minnesota Where & How
Operating Risk Management

5-Year Strategic Operating Plan
2018 - 2022

MnDOT’s Mission
Plan, build, operate and maintain a safe, accessible, efficient and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world.

Implementing our Long-Term Transportation Vision
Our vision for Minnesota’s multimodal transportation system is to maximize the health of people, the environment and our economy. This vision comes directly from Minnesota Gov – our 50 year, 100 mile wide collaborative vision for Minnesota’s transportation system. Whether we’re on the road, in the air, on the water or driving on the streets, our mission is to serve the transportation needs of today and tomorrow, and to do so efficiently, effectively and with integrity.

New Mission Statement
Our mission is to create a seamless multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world.

Operating Goals

Charlie Zelle, Commissioner
Minnesota Department of Transportation

FY18-19 Business Plan
Electrical Services Section/Transportation System Management & Operations
September 2017

DRAFT
Gaps & Challenges

• Agreement on risk tolerance

• Risk tools, and processes that support them, are challenging to integrate across the organization

• Sustaining effort without overwhelming

• Inclusive vs. Focused