

PERFORMANCE AND RISK MANAGEMENT



Presented By:
Wayne Sams, CPA
Director of Internal Audit Services

The Rat Race



- Where are we trying to go?

Mission and Objectives

“SCDOT connects communities and drives our economy through the systematic planning, construction, maintenance, and operation of the state highway system and the statewide intermodal transportation and freight system.”

The Rat Race



- Where are we trying to go?
Mission and Objectives
- How do we get there?
Programs, Activities, and Processes
- What do we need to get there?
People, Funding, Technology, Partners
- How do we know we are getting there?
Performance Measures
- What keeps us from getting there?
Risks

Strategic Plan



Goal 1: Improve safety programs and outcomes in our high-risk areas.

Strategy: Continue implementation of Highway Safety Plan.

Objective: Reduce fatalities by 6% by end of calendar year 2020.

Strategy: Develop and implement a data-driven, rural road safety program.

Objective: Reduce fatalities on roads in our rural areas.

Goal 2: Maintain and preserve our existing transportation infrastructure.

Strategy: Improve SCDOT's reliability on resolving reported maintenance issues.

Objective: Increase responsiveness regarding customer service requests for routine maintenance items.

Strategy: Utilize the Transportation Asset Management Plan to drive outcomes on system and asset condition.

Objective: Increase the % Good Pavements on the road network across the state.

Strategic Plan

- Objective: Decrease the number of structurally deficient bridges across the state.*
- Objective: Improve the level of service of our day-to-day maintenance of the State System for key safety-related items.*
- Objective: Decrease the number of mass transit vehicles in poor condition.*
- Strategy: Increase competition by growing the number of South Carolina contractors capable of bidding on road & bridge work.**
- Objective: Enhance the network of small businesses that are ready, willing and able to assist the Agency in meeting its infrastructure goals.*

Goal 3: Improve SCDOT program delivery to increase the efficiency and reliability of our road and bridge network.

- Strategy: Target known congested areas.**
- Objective: Improve the reliability of the movement of people and goods across the major portions of our road network.*
- Strategy: Increase SCDOT's reliability of delivering projects on-time and on-budget.**
- Objective: Projects proceed on schedule and within budget in accordance with SCDOT's 10-year Program Delivery Plan.*
- Objective: Expedite the environmental permitting process for road and bridge projects.*

Goal 4: Provide a safe and productive work environment for SCDOT employees.

- Strategy: Promote workforce safety throughout the state.**
- Objective: Increase the public's awareness of highway worker safety in our work zones.*
- Objective: Establish programs to provide unit and individual safety awards and incentives.*

- Strategy: Reinforce a culture of excellent customer service at SCDOT.**
- Objective: Launch updated Customer Service Training.*
- Objective: Increase responsiveness.*
- Strategy: Plan for an evolving workforce.**
- Objective: Prepare for an anticipated loss of workforce experience and expertise due to TERI program completion and other retirements.*
- Objective: Train and develop a strong bench of future leaders through participation in leadership programs.*
- Objective: Continue and enhance efforts to promote a more diverse and inclusive workforce.*

Goal 5: Earn public trust through transparency, improved communications and audit compliance.

- Strategy: Utilize multiple ways to facilitate interactive communication about SCDOT.**
- Objective: Simplify the website to create a more user-friendly interface.*
- Objective: Launch Speaker's Bureau to provide forums for agency personnel to provide updates directly to the public and our industry partners.*
- Strategy: Re-tool our existing reports to make them easier to understand.**
- Objective: Simplify public reporting on the use of taxpayer dollars.*
- Objective: Develop an effective method for communicating how projects are prioritized.*
- Strategy: Provide continuous assurance of audit compliance.**
- Objective: Institute a process for providing verification that corrective actions implemented as a result of an audit are continuous.*

* The SCDOT Strategic Plan Overview is a summary of a detailed plan. For more information that includes specific measures and targets please contact the Office of Strategic Planning and Reporting at 803-737-1381/2649 or at www.scdot.org.

Where are we trying to go?



Objectives must be **SMART**

S - specific, significant, stretching

M - measurable, meaningful, motivational

A - agreed upon, attainable, achievable, acceptable, action-oriented

R - realistic, relevant, reasonable, rewarding, results-oriented

T - time-based, time-bound, timely, tangible, trackable

How do we know we are getting there?

Performance Management



- Set a Strategic Objective (fewer traffic fatalities)
- Set the Target Value (Reduce by 6%)
- Set the Target Date (June 30, 2020)
- Identify Current Value (X%)

How do we know we are getting there?

Performance Management



- Establish Action Plan (Additional safety features)
- Set the Target Value (Y miles)
- Set the Target Date (June 30, 2018)
- Identify Current Value (X miles completed)

How do we know if the Strategy is working?

Leading Measures vs. Lagging Measures

Leading: 

Move from 0 miles to 30 miles by June 30, 2018

 Lagging:

Move from 0% to 6% by June 30, 2020

A Simple Approach

3 to 5 Action Items per Business Unit

Division:		Section:		Unit:		
Goal:						
Strategy:						
Action Steps/Tasks	Resources Assigned	Responsible person	Timelines	Challenges/Hurdles	Possible Solution(s) to the Challenge/Hurdle	Date Completed
Identify what steps or actions are needed by your unit for those 3-5 items. List each item separately.	List resources assigned to accomplishing the items.	Identify a Champion for each item.	Clearly define the timelines you are setting to accomplish the action step/task.	List any challenges/hurdles you think you may encounter that may affect your ability to accomplish the items.	What are some ways to solve the challenges?	

Are We Winning or Losing?



Are We Winning or Losing?



Are We Winning or Losing?

- Scorecard
 - Leading measures
 - Timely (Weekly)
 - The 5 second rule
 - Accountability
 - The daily whirlwind 80/20 principle
 - Team meets weekly no matter what!
 - Identifies actions to hit the leading targets



What keeps us from getting there?

RISKS!



Risk Management

A CHANGING LANDSCAPE

INCREASED FUNDING

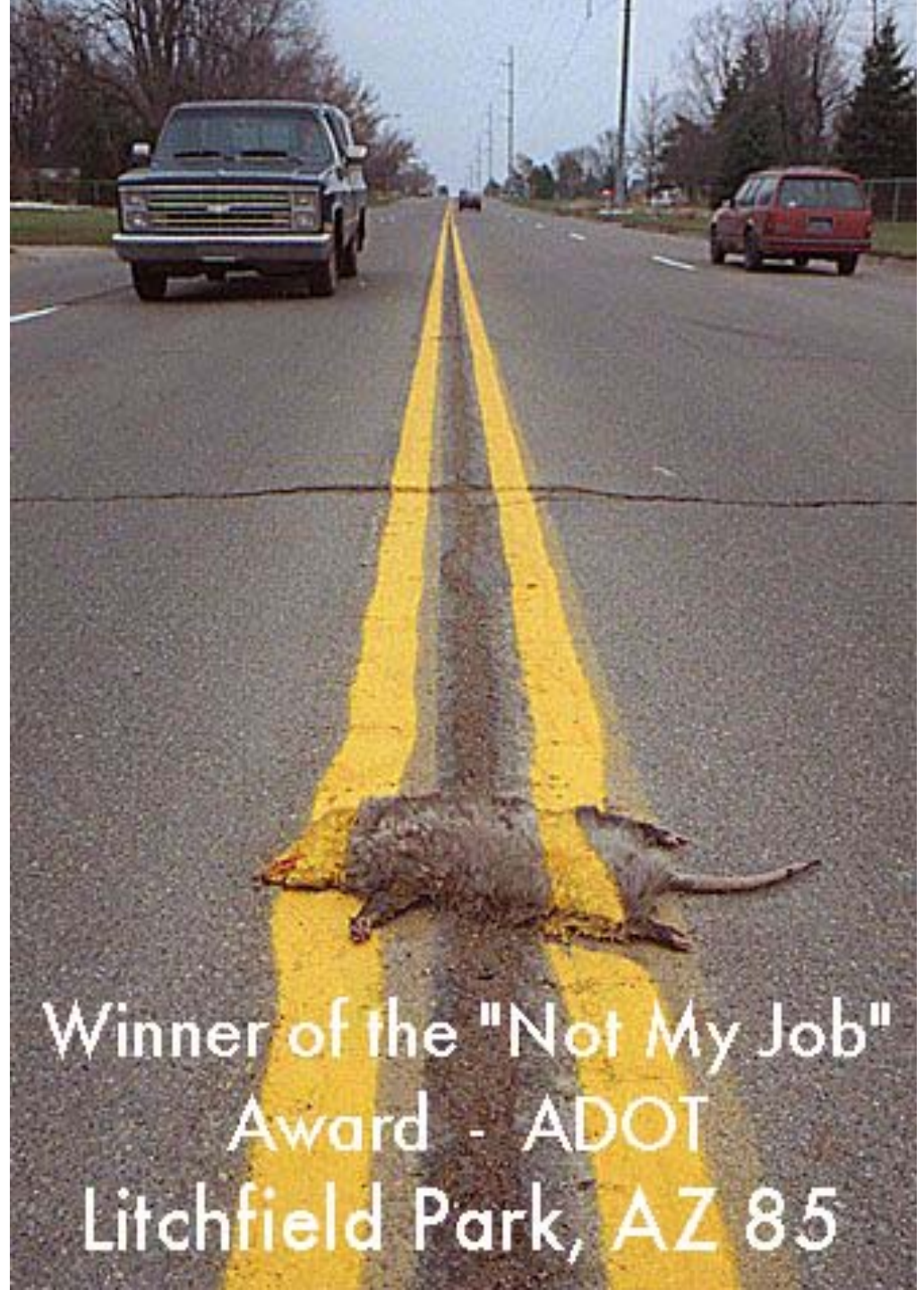
REORGANIZATION

NEW TECHNOLOGY

NEW PROGRAMS

REVISED REGULATIONS

*Whose
Job is
Performance
and Risk
Management?*



Winner of the "Not My Job"
Award - ADOT
Litchfield Park, AZ 85

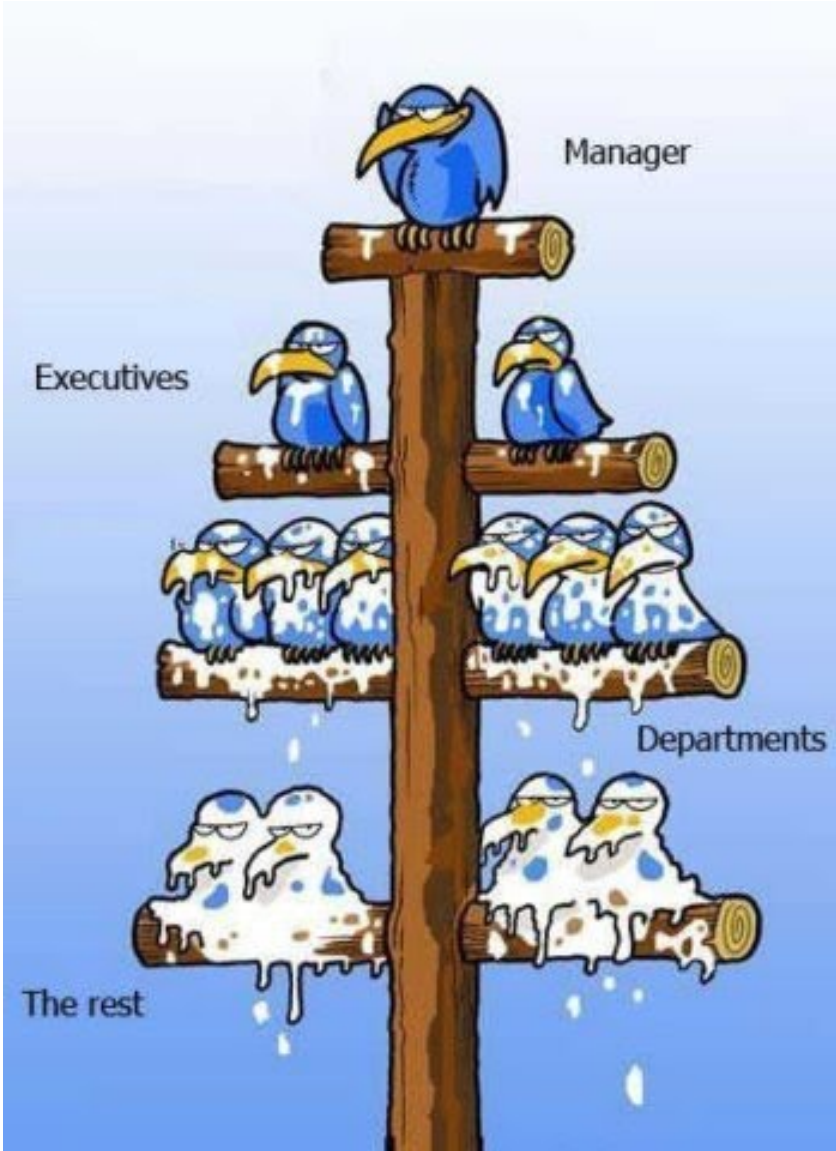
Opportunity

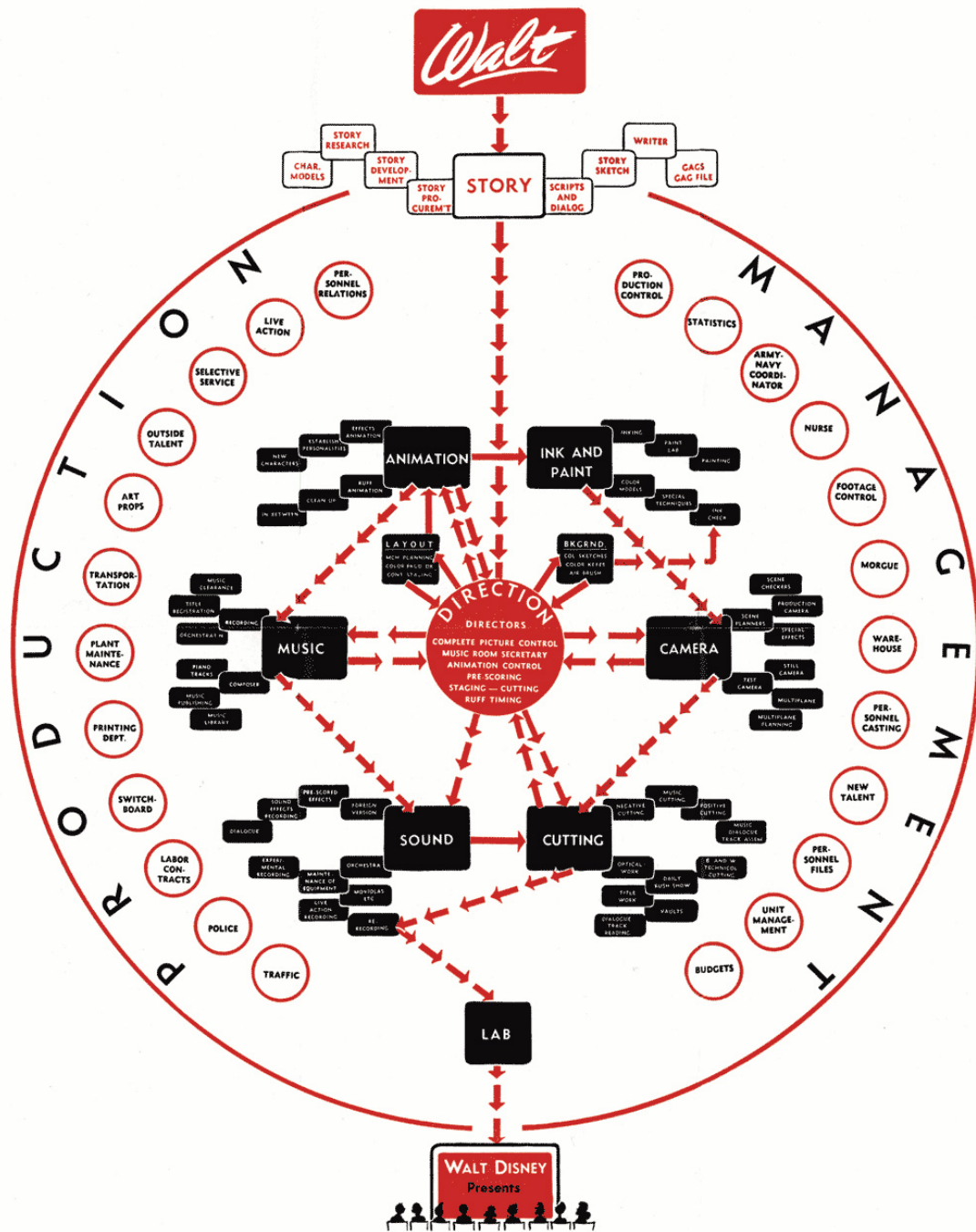
Risk





ORGANIZATIONAL CHART





Note: This Chart Designates Operations and Not Authorities

Important Questions about Risk Management

- Are you aware of the risks that may hinder you from achieving your objectives?
- Does everyone agree on the significance of these risks (consequences and likelihood)?
- For risks that are “under” managed, is there a plan in place to improve the management of these risks?

Risk and Control Self-Assessment

- Identify the division's activities and process
- Identify the risks that threaten the achievement of the objectives
- Score the consequence and likelihood of the risks
- Determine if the controls in place to manage the risks are adequately designed
- Test the controls to determine if they are effectively working
- Propose actions to improve controls
- Report the results



I can see no way in which this carefully laid plan could ever fail.