

A nighttime photograph of a multi-lane highway with light trails from cars. Streetlights are visible on the left side, and a building with a 'Prestige' sign is in the background under a dark blue sky.

ILLINOIS TOLLWAY *Enterprise Risk Management*

Chief Strategy and Implementation Officer
December 17, 2020



Agenda

Enterprise Risk Management (ERM) Overview

Tollway ERM Framework

Risk Identification

Key Areas of Review

Risk Mitigation Plans

Next Steps



ERM Overview

What is ERM?

- A structured, organization-wide approach to monitor, identify, assess and manage issues and uncertainties that threaten fulfillment of our mission, programs and operations.
- ERM is an inherent and critical component of leaderships strategy development and execution, as well as a component of Board oversight



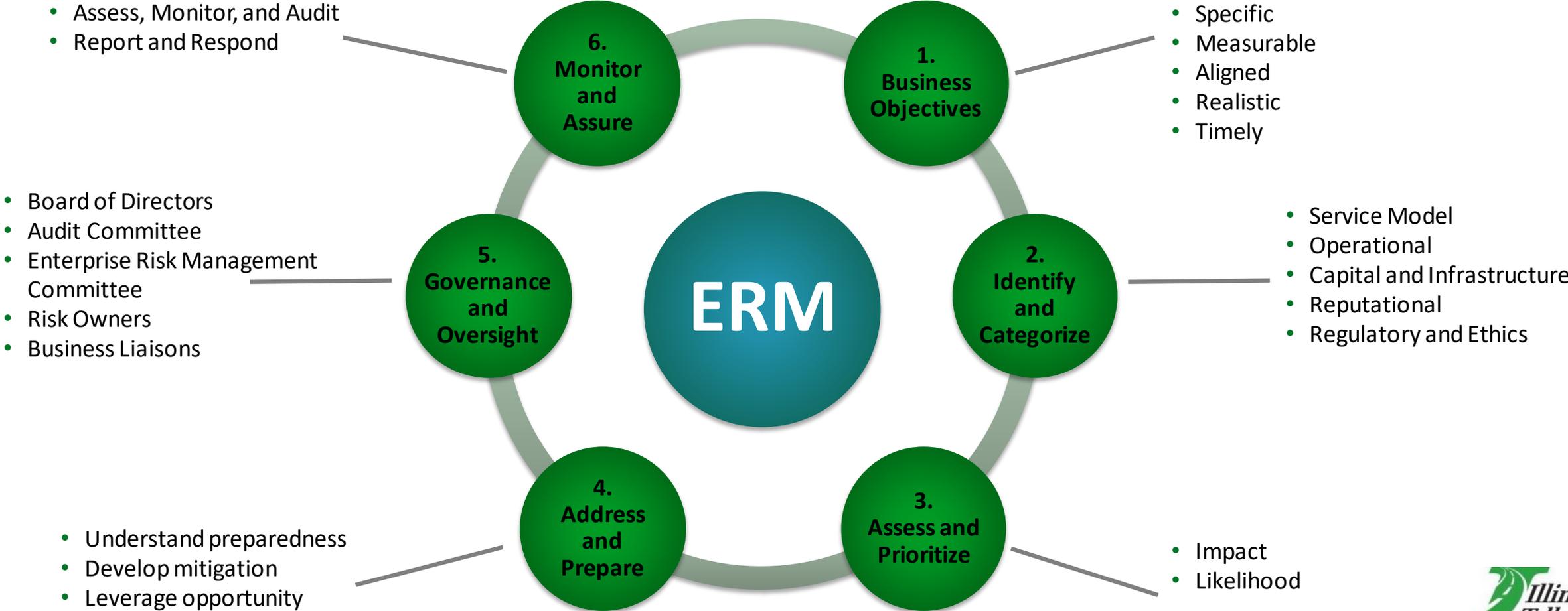
ERM Overview

EVERYONE HAS A ROLE

- Board
 - Oversight
 - Direction
- Senior Management
 - Implement, execute, monitor, report
- Staff—Roles tailored to position, risk awareness



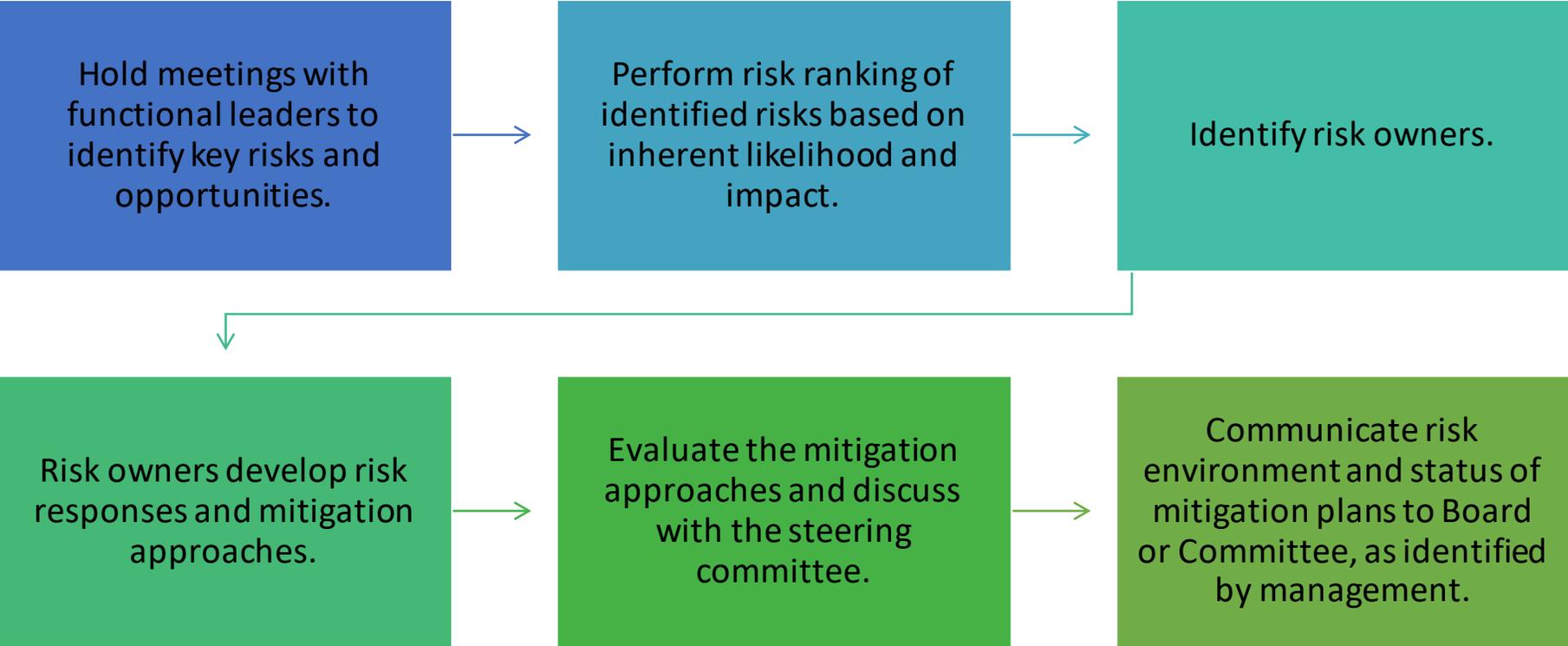
Tollway ERM Framework



ERM Overview

ERM Component	Board/Committee	Senior Management/ ERM Committee
ERM Plan	Support/Track Progress	Develop and Implement
Risk Tolerance	Debate and approve	Establish and Manage
Risk Policies	Approve and Monitor	Develop and Implement
Risk Strategies	Debate Approve Monitor	Formulate and Execute
Key Risks	Provide input and oversight	Manage and Measure
Risk Reporting	Monitor and Feedback	Analysis and Context

Enterprise Risk Management Process Overview



Identification of ERM Risks

Risk Intelligence Sources

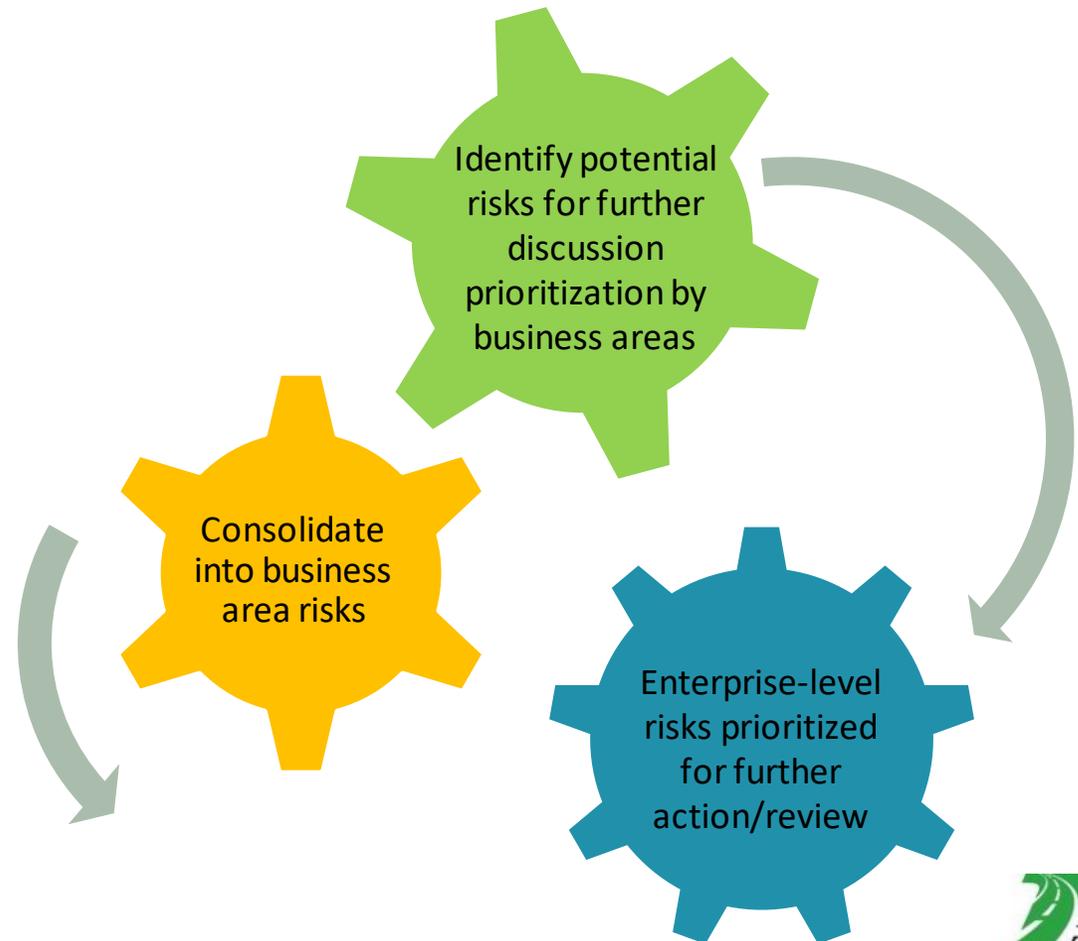
- Senior leaders and business area subject matter experts
- Existing issues management lists
- Strategic business objectives for department

Risk Consolidation Process

- Identified risks consolidated via business area-specific discussions held

Identification of Enterprise-Level Risks

- Business area-identified risks are aggregated, where appropriate, and assessed using likelihood and impact criteria
- ERM Committee evaluate and risk rank proposed risks
- Risk Owners provide mitigation strategies and prioritize for further action/review
- Business areas continue to own risk mitigation plans specific to their business



ERM Management

- Chief Strategy and Implementation Officer
- ERM Committee
- ERM Liaisons from within the business

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Risk Mitigation Plan Monitoring and Reporting											
Chief Strategy and Implementation Officer (Core Lead)											
Review Risk Mitigation Plans January–December											
Identify Emerging Risks	Risk Prioritization	Enterprise- level Consolidation and Prioritization	ERM Risk Documentation, Mitigation Plan Developments and Updates				Support Business Planning, Identification of Emerging Risks, Annual Reporting Activity				



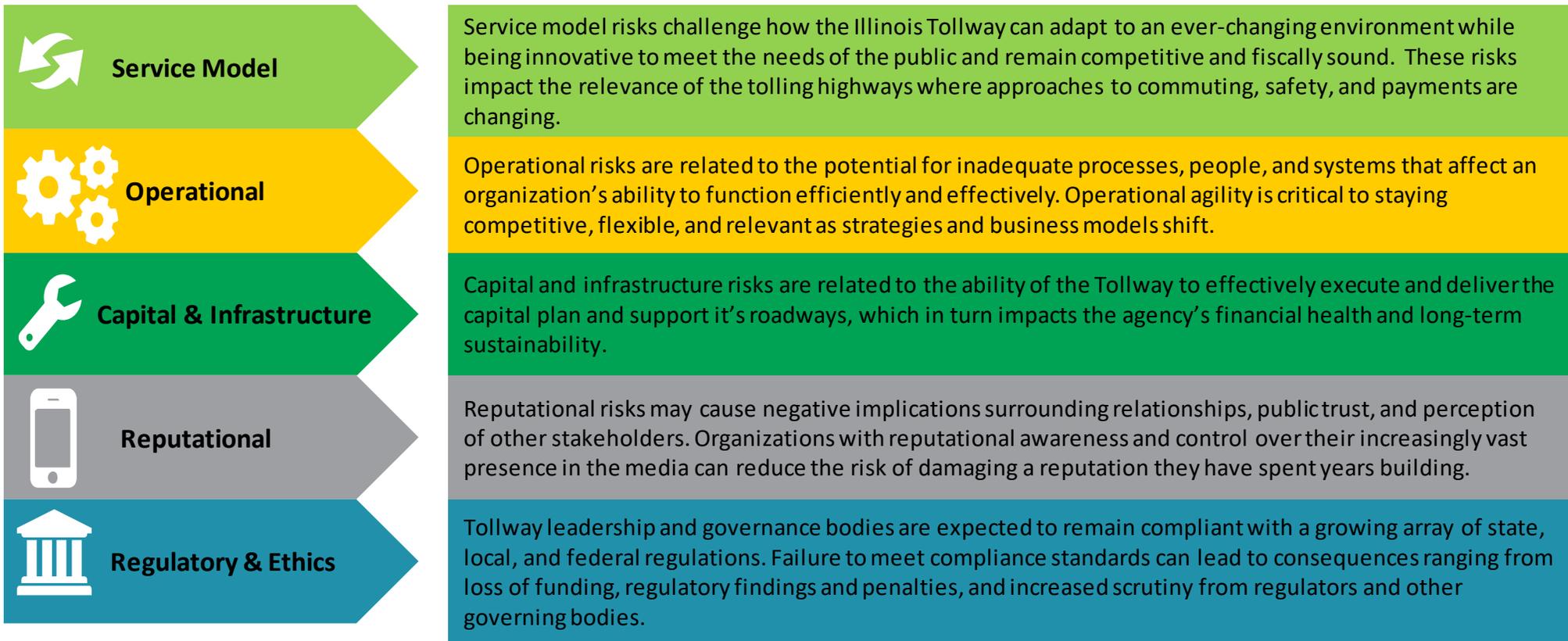
Enterprise Risk Management Accomplishments

- Established ERM Steering Committee and ERM Charter
- Conducted kickoff meeting and initial training session for ERM Steering Committee members
- Conducted interviews with risk owners organization-wide, reviewed pertinent documentation and documented key risk themes for inclusion in the ERM Risk Register
- ERM Steering Committee met to discuss key risk themes and assigned the initial risk rankings
- Collected and consolidated preliminary mitigation strategies from identified risk owners for inclusion in ERM program materials



Enterprise Risk Management

Risk Domains and Definitions



ERM Program Strength

- A formal ERM program has been established, which includes an ERM Committee
- Risks have been identified and assessed
- Risk mitigation strategies have been identified
- Internal Audit is part of the ERM Committee



Next Phases of ERM Process

- Continue to evaluate and assess the current ERM risk universe
- Continue with reporting formats and ERM Committee meeting cadence
- Utilize key risk indicators to enhance risk monitoring effectiveness
- Ensure sufficient resource allocation to Strategy Department for ERM program and ongoing mitigation activities and oversight
- Board formal adoption of the Tollway ERM Program





THANK YOU