FY2021 RISK ASSESSMENT

Risk Assessment - Top 16 Risks from 20 Surveys (1 Board Member & 19 in Senior Management)

Response	Average (A) Impact	Average (B) Likelihood	(A x B) Inherent Risk	(D) Mitigating Controls	Accept Risk	Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
Workforce Shortage, Competition & Development	7.88	7.71	60.7	BCG did a workforce planning study. MV and MTM is offering Hiring bonuses for Operators, plus referal bonuses for new hires. Marketing engaged in Hiring Campaign materials. MV has a consulting company helping with hiring. Service providers are evaluating wages for both new hires and existing employees.	6	11	Leverage Linkedin.com and other tools; opportunities to expedite recruiting process (e.g. background check process, etc.); not always gathering salary expectations; Create mechanism for new operators to have access to better shift times. Improve the work environment and location for office staff; Recruiting a Director of Workforce Development; developing a recruiting strategy with the Marketing team; starting pay for unskilled labor is requiring more pay; Better define workforce versus resources to accomplish this work since this is not correctly balanced; Ensure job descriptions and training programs are properly and proactively developed for changing technologies (i.e. electrified and more computerized buses; condition based maintenance in lieu of time based maintenance).
Service Provider Performance & Contract Management	7.24	7.00	50.6	A software solution (GRC & Contract Performance Mgt) is in the works to help manage this; Contracts & QA Oversight; PDC - performance deficiency credits; Employee engagement; QA in contracts & periodic audits; Contract Management Plans created by Procurement; Contract Monitoring Plans created by PMs; Mode-specific oversight in place; Increasing QA audits with focus on maintenance which includes listening sessions with employees and daily calls; increasing time in the field and related observations.	4	12	Fine-tune what Cap Metro can impact and what contractors should control; MV's incident/accident reporting needs to be timely and accurate; CapMetro leadership is developing a joint plan with MV to address performance issues; need more focus on putting Disincentives and Performance Bonds into contracts; Improved and more specific contracts, appropriate QA staffing resources, improved audit tools, and better oversight structure need to be developed; Fine Tune recruiting strategy to include reducing age qualification for Drivers; Training program to develop and access skill levels of incumbent employees.
Project Connect - Cost / Schedule / Quality / Complexity	7.67	6.33	48.6	ATP established with governance structure; HDR is PMOR under contract responsible for development of PMP which addresses risks; Project Connect office; BCG has been a strategic advisor; FTA Requirements; Community & Stakeholder engagement; Technical work by professionals; Resources & Funding to support initiative have been provided; NEPA contracts being developed; Agency wide planning and documentation; Additional procurements for services, rolling stock, etc..	10	8	Implement FTA Requirements; Need specific policies/procedures for ATP and Project Connect; Coordination & Alignment with City Council; Integration with new EPPM System; Clear lines of authority and communications for anti-displacement funds; Hiring staff is a challenge that needs a plan; Consider hiring a 3rd Party Estimator who can provide specific price indexes for Austin; Develop dashboards for ELT to provide timely updates on cost, schedule, quality and safety to ELT; ensure disjointed initiatives go through common focal point for better coordination/prioritization with overal project; Develop design guidelines and project management tools to ensure requirements are fully met; Ensure clear protocols on public notifications to ensure accuracy and transparency; Ensure proper balance of internal experienced workforce versus consultants are in place to successfully execute Project Connect in order to stay within budget, meet quality expectations, and complete within public notified schedules, scopes, and deliverables.
COVID-19 & Variants Impacts	6.50	7.06	45.9	Agile service planning; innovative customer technology updates, including contactless fare collections; and state of art cleaning; real time social distancing support; strong communication program to build customer confidence; incentive payments for vaccination; tracking vaccination status by employee.	8	9	Vaccine distribution for Cap Metro employees and contractors; remain agile to adjust to COVID variants; and continue vaccine program; emphasize COVID facts to employees including testimonials from family members; health fair has been put in place; COVID Task Force has been reactivated.
IT Risks & Cybersecurity	6.47	5.59	36.2	IT Policies/Procedures; Internal/External Audits; Ongoing training for employees; Position allocated to address Cyber Security; Monthly IT Security Review Meeting.	10	6	BCG is performing and Organizational Assessment to help ensure Cybersecurity and IT have the right resources, necessary experience level, established standards and guidelines, and procedures to properly engage in all software implementations and IT security matters.
Fast Growing Priority Lists & Managing between ST & LT	5.88	6.06	35.6	The Transform 2030 Plan has helped to identify priorities; Development of updated strategic plan and CapMetro 2030 Initiatiaves in development; the continued focus on workforce development; strategic plan in in the process of being updated; Monday.com has been deployed to the senior leadership team, as well as capture higher level external communications.	8	8	Developed a framework for a joint strategic plan between CapMetro and APT. Looking at having a facilitator help departments develop business plans to support the Strategic Plan; Opportunity for better planning and systematic approaches; plans Need to do more as it relates to adoption and cascading strategic priorities down through the organization.
Employee Retention & Succession Planning	5.50	5.69	31.3	Annual succession planning; 2030 planning; New org structures through business model analysis work and support of BCG and other consultants.	9	6	Recruiting a Director of Workforce Development; Developing a recruiting strategy with the Marketing team; Starting pay and retention pay requires more; Improved attract and retain program; More competitive compensation; Improved program to reward and differentiate top performers; Change management is needed to eliminate perception of this is how it has always been done even though it's not best practice. Consider 360 performance reviews.
Standing Up CapMetro Police Dept	5.00	6.13	30.6	Consultant for operational expertise in creating the department; strong community engagement and advisory community for external input; establishment of a robust public safety approach; Marketing using social media tools to keep the public informed.	7	8	Plans are required and are under development; Need a social media plan.
Seamless Integration Between ATP & CapMetro Processes	5.38	5.38	28.9	The Transform 2030 Plan has helped to identify priorities and ensure integration. Periodic workshops between ATP and CapMetro to keep plan on track; Cross-functional teams; integrated staff, including community engagement and unified governmental affairs approach; regular joint senior team meetings and a joint 2030 Initiatives plan; The new ERP system will help drive processes (e.g. Procurement, Hiring, etc.); new cadence of joint meetings being developed; an IT Service Desk being setup at ATP office.	11	5	Physical separation of CapMetro and ATP offices will make integration more challenging; Identify opportunities for better planning and systematic approaches; There are a significant amount of cross-functional groups and meetings to mitigate. Ongoing assessment and montioring. Consider doing 360 performance reviews.
Ridership Levels & Creating a Culture of Ridership	5.50	5.13	28.2	Invested in safe ridership equipment and processes as well as communicating these changes to the public.	12	3	Realtime overcrowding information display is being deployed that will help build customer confidence back.
Safety of Operations	5.65	4.82	27.2	Safety Policies & Training; Ops Procedures; Ops Mgt; Safety Plans; Oversight from Mgt, Fed, State & Contractors; Accountability & PDC's; Reg Requirements for Safety Plan; SMS in place; SMS plan has been developed for new FTA Requirements; Passenger Safety Initiatives planned.	9	7	Improved driver training & mgt; Continued focus on safety systems/policies; HNTB is performing a review of bus operations training and possible improvements; Need more focus on putting Disincentives and Performance Bonds into contracts; Develop improved safety plans, procedures, protocols, policies, and training programs for programs that should exist today (e.g. electrical safety).
Reputation/Credibility/Identity Management	5.29	4.71	24.9	Community Outreach & Connectivity; Process in place for escalation; Brand identification efforts; Passenger experience improvements; leveraging new Dashboards for public transparency; Marketing/communications hiring specialized staffing related to communications and appropriate media type.	16	0	Social media policy & compliance; Continued community outreach & engagement; Focus on the risks identified in this survey together with service providers; Development of Diversity, Equity and Inclusion Program to encourage managers and operations team to be more involved in community engagement activities, not just our CE staff.
Lack of Resources & Visibility/Utilization Across Departments	4.88	4.88	23.8	Jan 2021 restructuring and additional funding; and FY22 Budget process and additional funding including hiring in advance of FY22 start.	8	8	Impoving workforce planning tools to identify both ST and LT staffing plans; The 2030 Plan will address this.
Streamlining Procurement & Hiring While Ensuring Quality/Compliance	4.71	4.71	22.1	Some streamlining will occur through implementation of the ERP system. Other streamlining must occur though Project Connect and joint efforts across CMTA and ATP.	7	8	Ensure procurement and contracting process are very similar between CapMetro and ATP as necessary, or be able to understand why there are differences; A facilitated review of procedures in Procurement and P&C Depts will be performed; Establish plan and approach that will streamline Procurement and Hiring; Increased task order contracts for Mechanical Electronic & Plumbing consultants, general contractors, energy consultants, etc., needs to be put in place to help streamline Procurement; networking with other government agencies to better understand what is achievable as best practice to properly execute procurement processes more timely, efficiently, and effectively should be a high priority.
Oracle ERP Implementation by 10/01/2022	4.71	4.06	19.1	AST has been chosen as the Oracle integrator is a top-tier Oracle partner which specializes in government clients. KPMG has been hired to help with oversight together with a Steering Committee.	10	5	Ensure resources are provided along with proper plan and training to ensure the software solution can be successfully operated and maintained after consultants complete the initial implementation.
Lack of Policies/Procedures Across CapMetro	3.72	4.00	14.9	Some mitigating controls include Friday SET and SLT meetings, the 2030 planning and Project Connect which will help surface issues so that they may be addressed.	7	9	Project Connect there will likely be a need for some new policies/procedures; Onboarding of new hires requires comprehensive policies/procedures to help facilitate training; A facilitated review of procedures in Procurement and P&C Depts will be performed; Being systematic on approaches and processes; As growth occurs it will be more important to have the proper policies, protocols, procedures, and tools in place to achieve success. Evaluate how relevant our current Policies and Procedures are.

Severity of Impact (Rating of 0 to 9)
Minor/Green = 0 to 3
Moderate/Amber = 3.1 to 6
Critical/Red = 6.1 to 9

Risk Area highlighted in Yellow if at least half the management team believed it "requires a plan".

Like//hood of Occurrence (Rating of 0 to 9)
Remote/Green = 0 to 3
Possible/Amber = 3.1 to 6
Likely/Red = 6.1 to 9

Here are the standard definitions of the two concepts:

Inherent risk represents the amount of risk that exists in the absence of controls.

Residual risk is the amount of risk that remains after controls are accounted for.