

December 28, 2021

Elissa Konove, Acting Secretary
California State Transportation Agency
915 Capitol Mall, Suite 350-B
Sacramento, CA 95814

Dear Acting Secretary Elissa Konove,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Transportation submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact
Blair Thompson, Division Chief, Risk and Strategic Management, at (916) 826-4387,
blair.thompson@dot.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Mission and Strategic Plan

The State of California, Department of Transportation (Caltrans) through its strategic plan fulfills its mission, vision, goals, and strategic objectives by focusing in the areas of leadership, accountability, core values and workforce. The focus on leadership and accountability is especially critical to the success of meeting Caltrans' strategic performance objectives and program priorities while ensuring that all internal controls are functioning as intended.

Strategic Plan

Caltrans is operating under the 2020-2024 Strategic Plan, which is available on the Caltrans external website Home page.

Vision

A brighter future for all through a world-class transportation network.

Mission

Provide a safe and reliable transportation network that serves all people and respects the environment.

Values

- Engagement — We inspire and motivate one another through effective communication, collaboration, teamwork, and partnership.
- Equity — We strive to eliminate disparities while improving outcomes for all.
- Innovation — We are empowered to seek creative solutions and take informed risks.

- Integrity — We promote trust and accountability through our consistent and ethical actions.
- Pride — As one Caltrans family, we are proud of our work and strive for excellence in public service.

To achieve our Vision and Mission, Caltrans has established the following Strategic Imperatives, Goals, and Strategic Objectives:

Strategic Imperatives: Cross-cutting principles that guide our decision making for all Goals.

- STRATEGIC IMPERATIVE 1: Improve and expand community partnerships, especially in underserved communities.
- STRATEGIC IMPERATIVE 2: To the maximum extent feasible, align financial investments to deliver on State goals and Caltrans' strategic outcomes while maintaining a fix-it-first approach and staying within existing funding frameworks.
- STRATEGIC IMPERATIVE 3: Commit to equity-focused actions that make advancements in the areas of People, Programs and Projects, Partnerships, and Planet, as referenced in Caltrans' Equity Statement.

Goals and associated Strategies

- Safety First:
 - Leverage proven practices.
 - Accelerate advanced technology.
 - Lead safety culture change.
 - Partner to reduce speeding-related fatalities and serious injuries.
 - Increase collaboration with external organizations to identify and implement best practices, technology, and lessons learned.
 - Advance delivery of safety enhancements in, and that are responsive to, the priorities of underserved communities.
- Cultivate Excellence:
 - Foster a work environment that welcomes everyone and resembles the communities we serve.
 - Support career progression through professional and leadership development.
 - Inspire a values-based culture through an innovative performance-driven workforce.
 - Clearly communicate and align expectations at all levels.
 - Improve internal and external relationships to create beneficial solutions aligned with Statewide Goals and Objectives.
 - Improve, update, or adopt new strategies to advance equity in recruitment, hiring, and promotions.
- Enhance and Connect the Multimodal Transportation Network:
 - Use operational strategies and incentives to reduce vehicle miles traveled (VMT) through increased high occupancy modes, active transportation, and other Transportation Demand Management (TDM) methods.
 - Improve network operations and invest in networks for walking, cycling, transit, and multimodal trips.

- Better utilize technology and data to create a seamless multimodal travel experience and improve travel demand management.
- Optimize and expand equitable pricing.
- **Strengthen Stewardship and Drive Efficiency:**
 - Standardize and modernize our equipment, facilities, technology, and supporting work practices.
 - Enhance asset management and decision support tools.
 - Develop and implement a methodology to allocate resources to support strategic priorities.
 - Promote and implement innovative and creative solutions.
 - Enhance diversity, equity, and inclusion for contracting and procurement.
- **Lead Climate Action:**
 - Develop and start implementing a Caltrans Climate Action Plan that incorporates the CalSTA Climate Action Plan for Transportation Investments.
 - Accelerate sustainable freight sector transformation.
 - Establish a robust Climate Action program of education, training, and outreach.
 - Partner and collaborate to lead on climate action.
 - Establish a vehicle mile traveled (VMT) monitoring and reduction program.
 - Engage with communities most vulnerable to climate change impacts to inform development and implementation of Climate Action activities.
- **Advance Equity and Livability in All Communities:**
 - Avoid, and work to address, transportation related disparities in underserved communities on all new projects.
 - Plan and design transportation facilities to support vibrant livable places, with a focus on addressing the needs and concerns of underserved communities.
 - Collaborate with partner agencies to make equity and inclusion central in funding decisions.

Equity Statement

Acknowledgement

Published: Dec 10, 2020

The California Department of Transportation (Caltrans) acknowledges that communities of color and under-served communities experienced fewer benefits and a greater share of negative impacts associated with our state's transportation system. Some of these disparities reflect a history of transportation decision-making, policy, processes, planning, design, and construction that "quite literally put up barriers, divided communities, and amplified racial inequities, particularly in our Black and Brown neighborhoods."¹

Caltrans recognizes our leadership role and unique responsibility in State government to eliminate barriers to provide more equitable transportation for all Californians. This understanding is the foundation for intentional decision-making that recognizes past, stops current, and prevents future harms from our actions.

Statement of Commitment

We will achieve equity when everyone has access to what they need to thrive — starting with our most vulnerable— no matter their race, socioeconomic status, identity, where they live, or how they travel. To create a brighter future for all Californians, Caltrans will implement concrete actions as outlined in our Race & Equity Action Plan, regularly update our Action Plan, and establish clear metrics for accountability in order to achieve the following commitments:

People — We will create a workforce at all levels that is representative of the communities we serve by improving our recruitment, hiring, contracting, and leadership development policies and practices.

Programs & Projects — We will meaningfully engage communities most impacted by structural racism in the creation and implementation of the programs and projects that impact their daily lives by creating more transparent, inclusive, and ongoing consultation and collaboration processes. We will achieve our equity commitments through an engagement process where everyone is treated with dignity and justice. We will reform our programs, policies, and procedures based on this engagement to avoid harm to frontline and vulnerable communities. We will prioritize projects that improve access for and provide meaningful benefits to underserved communities.

Partnerships — By leveraging our transportation investments, we also commit to increasing pathways to opportunity for minority-owned and disadvantaged business enterprises, and for individuals who face systemic barriers to employment.

Planet — We commit to combating the climate crisis and its disproportionate impact on frontline and vulnerable communities — such as Black and Indigenous peoples, communities of color, the people experiencing homelessness, people with disabilities, and youth. We will change how we plan, design, build, and maintain our transportation investments to create a more resilient system that more equitably distributes the benefits and burdens to the current and future generations of Californians.

1 California State Transportation Agency Secretary David Kim's Statement on Racial Equity, Justice and Inclusion in Transportation.

Districts and Programs

In accordance with Government Code section 14007, Caltrans is organized into twelve geographic districts and fifteen Budgetary programs.

District 1: Eureka, District 2: Redding, District 3: Marysville, District 4: Oakland, District 5: San Luis Obispo, District 6: Fresno, District 7: Los Angeles, District 8: San Bernardino, District 9: Bishop, District 10: Stockton, District 11: San Diego, District 12: Santa Ana

Budgetary Programs: Aeronautics, Capital Outlay Support, Capital Outlay Projects, Local Assistance, Program Development, Legal, Operations, Maintenance, State and Federal Mass Transit, Intercity Rail Passenger, Statewide Planning, Regional Planning, Equipment Services, Office of the Inspector General, and Administration.

Control Environment

Integrity and Ethical Values

Integrity is one of the core values that guides Caltrans management: “We promote trust and accountability through our consistent and honest actions.” All managers and supervisors are required to take the Attorney General’s online ethics course every two years. In addition, the Caltrans Leadership Training Series includes sections on ethical behavior.

The Independent Office of Audits and Investigations maintains a Hotline where employees and members of the public can anonymously report unethical or questionable behavior by Caltrans employees. The Ethics Hotline is open 24 hours a day, 365 days a year for employees and the public to report any of the following:

- Possible violations of any law, regulation, or rule, including safety or privacy violations, theft, or other criminal conduct
- Possible fraud, financial misconduct, questionable practices, bribery, falsification of records or reports, and/or misuse or waste of state resources

The Director, Chief Deputy Director and Deputy Directors are responsible for the overall establishment and maintenance of internal control and monitoring systems. In order to discuss on-going investigations statewide, the Chief Deputy Director meets monthly with the Inspector General, Chief Legal Counsel, Deputy for Administration, Chief of the Division of Equal Employment Opportunity, Chief for the Division of Safety and Management Services, Chief of the Division of Risk and Strategic Management, and the Audit Chief for the Caltrans Internal Audits Office.

Oversight Design

The Caltrans Executive Board, whose members include the Director, Chief Deputy Director, Deputy Directors, and District Directors, maintains responsibility for the department's strategic direction and general oversight. The Executive Board convenes monthly for half-day, full-day, or even two-day sessions. The Executive Board also meets weekly to share and discuss timely updates. Additionally, the Director, Chief Deputy Director, and Deputy Directors have weekly Executive Staff Meetings to discuss ongoing issues. Caltrans has critical boards that exercise oversight over departmental policies and procedures.

Responsibility and Authority

Each program has a Deputy Director and each District has a District Director who have responsibility and authority over the program or District. Policy is developed by the Director or a Deputy Director and the Department implements it. Deputy Directors are supported by a management structure that goes from Division Chief, Office Chiefs, Managers, to Supervisors; each with the responsibility for ensuring their employees have the proper tools and training to accomplish their work.

The Department provides many resources to assist managers and supervisors to assess and respond to employee performance, including guidance on completing annual performance reviews. Performance reviews are placed in the employee’s official personnel file. Performance review is also used at the executive level through Executive Annual Performance Plans that are agreed to and evaluated by the Director and Chief Deputy Director.

Commitment to Excellence

Since Caltrans is committed to establishing and maintaining a skilled and competent workforce, there is

a dedicated workforce and succession planning function in the Division of Human Resources. In addition, there are units throughout the organization that work closely with the Division of Human Resources on workforce and succession planning matters. Caltrans has a large, diverse, and multi-disciplinary labor pool, and workforce planning provides a strategic approach and set of procedures to assist in managing staff resources. The workforce plan was updated in June of 2019; it serves as a periodic summary of Caltrans' workforce plans, which are divided into the major occupational series/ groups utilized by the Department.

Caltrans provides access to liaisons for the State's hiring process and provides hiring supervisors multiple resources to help them recruit and hire a competent workforce, such as manuals, guidelines, videos, flyers, and recruitment events. In addition, Caltrans has a Recruitment Program which provides leadership to the Recruitment Liaisons in the District offices and Headquarters Divisions by identifying, developing, and coordinating recruitment strategies designed specifically to recruit qualified candidates and a diverse workforce. Recruiting, developing, and retaining a competent workforce are frequent topics at various supervisory training classes, Toolbox Tuesday presentations/ discussions, recommend reading for leadership growth, and recorded executive interviews on workforce-related topics.

To ensure competence and accountability, Supervisors' annual employee performance evaluations provide feedback and coaching related to an employees' performance according to their duty statement in alignment with Caltrans' values. Management is responsible to ensure that each program area delivers on their commitments and maintains a competent workforce. The hierarchy of management listed above use duty statements and expectations memorandums to ensure staff members understand the expectations that come with their job and annual performance reviews are conducted to ensure these expectations are being met.

Information and Communication

Caltrans employees and management are responsible for collecting and communicating relevant and reliable information needed for decision making across organizational lines and with external stakeholders. This process is accomplished primarily through research, regular reports, and other informational material and meetings, especially Executive Board, Executive Staff, and various Executive committee and council meetings.

Relevant and Reliable Information

The responsibility for the quality and reliability of Caltrans' information is shared between the business area(s) responsible for the creation and maintenance of the underlying data assets and the business area conducting the analysis. Creation and maintenance of data assets is addressed through implementation of an enterprise data governance program requires consideration of the people (data stewards and custodians), processes (practices, standards, and guidance), and technology (data governance, data management, and data analytics tools). Analytical capabilities are managed through implementation of a data literacy and analysis training program.

Internal Communication

Caltrans has a wide set of both Director's Policies and Deputy Directives to communicate controls and explain roles of responsibility in implementing and monitoring those controls. The review cycle for Director's Policies and Deputy Directives is set at a minimum of every four years, to ensure accuracy

and relevance by the responsible Program. Deputy Directives further interpret and explain policies and communicate a deeper level of guidance. Caltrans also has a robust training program for new supervisors that includes units on risk management, monitoring internal controls, process improvement, and the policies and internal controls for which all supervisors share responsibility. There are also training programs available to all staff and supervisors that standardize the communication of proper internal controls, facilitate, and encourage compliance with them, and promote an ethical culture that is aware of its risks. Caltrans' Leadership Competencies were updated in June 2020; LinkedIn Learning training courses covering all 9-leadership competencies are identified and promoted to staff regularly. These Leadership Competencies are:

- Change Commitment
- Risk Appetite
- Self-Development/Growth
- Conflict Management
- Relationship Building
- Organizational Awareness
- Communication
- Strategic Perspective
- Results Driven

External Communication

Many of our stakeholders are local governmental organizations (such as cities, counties, and metropolitan planning organizations) and federal agencies and transportation associations. The Division of Local Assistance coordinates funding, projects, and oversight with local organizations. At the national level, Caltrans has a Federal Liaison that acts as a primary point of contact between us and the federal government, and representatives from both CalSTA and the Federal Highway Administration are usually attend Caltrans Executive Board meetings. Caltrans is a frequent participant in national transportation conferences, councils, and discussions.

One of our strategies is to improve and expand community partnerships, especially in underserved communities. Part of that strategy calls for Caltrans to increase and invest in outreach to local communities, partners, and stakeholders. Doing so may build trust, create efficiencies, and improve collaboration, which may assist Caltrans and partners with achieving statewide goals and objectives.

The *Mile Marker* is an online performance magazine that is one of the tools Caltrans uses to highlight how it is improving the state travel network for the public and serves as a source of performance measurement and reporting. The *Mile Marker* is posted quarterly on Caltrans' website and distributed to employees, external partners, lawmakers and staff, and stakeholders.

Caltrans also uses other methods to communicate successes and challenges both internally and externally, including an enterprise-wide employee newsletter, regular updates to Caltrans' social media accounts, Caltrans Newsflash videos on the Department's YouTube channel, and Director's Video Messages and Town Halls.

There are also many different channels through which Caltrans reports progress on many things—including addressing control vulnerabilities—to California's State Transportation Agency (CalSTA), the California Transportation Commission, the Governor's Office, California's legislature, and

the federal government.

Employee Reporting

Caltrans employees have many avenues to communicate vulnerabilities and control inefficiencies through the various internal units that monitor compliance with controls, such as the Independent Office of Audits and Investigations, the Office of Disciplinary Services, Equal Employment Opportunity, Enterprise Risk Management, Ethics, and the Discrimination Complaints Investigation Unit. Most of these functions serve both as a place to report vulnerability or violation concerns as well as to ask questions and clarify confusion.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Department of Transportation monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Blair Thompson, Division Chief, Risk and Strategic Management.

The responsibilities of the executive monitoring sponsor(s) have been given to Michael Keever, Acting Chief Deputy Director.

Caltrans has documented and implemented the ongoing monitoring processes as outlined in the monitoring requirements of California Government Code sections 13400-13407. These processes include reviews, evaluations, and improvements to the Caltrans systems of controls and monitoring.

Through ongoing monitoring processes, Caltrans reviews, evaluates, and improves its systems of internal controls. As a standard business practice, Caltrans develops, implements, and monitors internal controls through a variety of methods—including but not limited to management review, audits done by the Independent Office of Audits and Investigations, audits by Caltrans' Internal Audits Office, risk assessment, and the work of units focused on specific areas of internal controls.

Various routine monitoring activities and tools are used by the management of the programs and Districts, including regular meetings, performance progress tracking, and regular internal reports. Regular reporting and documentation of monitoring activities outside of expectations set by management in their respective business areas occurs through committees. The Caltrans Executive Board maintains oversight of broad operational policy and the department's strategic direction in monthly meetings.

Weekly Executive Staff meetings are used to share information; providing the opportunity to compare results with expectations and discuss control failures and other issues. The Caltrans Inspector General ensures Caltrans, and external entities that receive state and federal transportation funds, are spending those funds efficiently, effectively, and in compliance with applicable state and federal requirements. The Inspector General is required to report a summary of investigation and audit findings and recommendations annually to the Governor, the Legislature, California's State Transportation Agency, and the California Transportation Commission (CTC). In addition, the California Transportation Commission oversees Caltrans' project programming and allocations.

Caltrans management analyzes the design of a control and its intended purpose to ensure that they are

implemented and functioning as intended. If not, management adjusts and/or takes the issue with the internal control before the appropriate committee or council, who in-turn may refer it to the Executive Board for further response. Management may also be aware of a need for control that was not highlighted at the board level and—depending on scope—can either introduce or propose a control in their immediate scope or propose a wider-scale control to their management. If a control vulnerability or proposed control is enterprise in scope, it can be brought to the weekly Executive Staff meetings or monthly Executive Board meetings for discussion.

Every Director's Policy and Deputy Directive is reviewed at least every four years, for accuracy and relevance by the responsible Program.

Audit findings and legislative actions may trigger a review and adjustment by the responsible program. These reviews allow for the opportunity to edit policies and directives, in addition to the normal process for adding them. Caltrans' Chief Deputy Director meets monthly with the units primarily purposed with internal controls to review controls, processes, and trends. These internal control units include but are not limited to the Office of Disciplinary Services, the Equal Employment Opportunity Program's Discrimination Complaints Investigation Unit, the Independent Office of Audits and Investigations, and the Ethics Helpline Unit. The Director gets information regarding controls through briefings from the responsible program leads.

The Innovations Team, with Lean 6 Sigma as it's hallmark, assesses current controls for effectiveness as part of its evaluation methodology. The Enterprise Risk Management unit is responsible for both the biennial State Leadership Accountability Act (Leadership Accountability) enterprise risk assessment, as well as smaller risk assessments as requested by Programs, Districts, and other groups within the Department.

The processes of assigning ownership for addressing identified control vulnerabilities depends on whether the vulnerability was revealed through regular management review, audit, Executive Board discussion, or otherwise. Ownership for addressing the vulnerability often resides with the program, district, or other functional unit whose controls were found insufficient. Sometimes an enterprise-wide control—such as a new policy, program, or piece of equipment—is adopted.

All formal audits have review periods during which progress to reduce identified vulnerabilities are monitored. Many efforts to address vulnerabilities that were presented to the Executive Board have regular reporting cycles.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Transportation risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, other/prior risk assessments, consideration of potential fraud, and other.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, and timing of potential event.

The Enterprise Risk Management office (ERM) facilitated separate Risk Assessment (RA) sessions to identify, assess, classify, and rank opportunities and threats (risks) to Caltrans. Each session was

scheduled for 2-4 hours. Attendees included Executive Board voting and non-voting members and their designated leadership teams.

The ERM staff met multiple times and conducted their own risk assessment of the process for facilitating these meetings and created response strategies prior to embarking on this mission-critical project.

During the risk assessments, the ERM facilitator guided the group in an analytical risk-based framework discussion of their submitted risk registers. The objective was to ensure common understanding in a clear and concise manner, and to add relevant content to the context, scoring, controls, risk response ideas, and risk ownership. After each session, groups were given four weeks to complete and return their final risk register.

Upon the completion of all RA sessions, ERM combined the final risk registers into a single risk register containing all risk statements. ERM staff individually and then collectively conducted analysis and achieved consensus on all risk statements and their relation to transportation risk categories, Caltrans 2020-2024 Strategic Plan's Goals, and Strategies in support of performance measures.

After further priority analysis ERM submitted to the Caltrans Administrative Governance Council (AGC) enterprise risk statements for review and asked to select risk statements to nominate for inclusion in the 2021 State Leadership Accountability Act (SLAA) Report. AGC members were also provided the opportunity to write in a separate risk statement if they deemed it necessary. Using SurveyMonkey, the AGC was able to select risks. The AGC's selected risks were presented to the Caltrans Executive Board for approval in August of 2021, and all recommended risks were approved for inclusion in the 2021 SLAA Report.

The Enterprise Risk Management program also created an Enterprise Risk Assessment Report to the Executive Board to describe trends identified in the risk assessment and facilitate enterprise decision making.

RISKS AND CONTROLS

Risk: Recruitment and Retention

If Caltrans does not improve its workforce and succession planning, including its hiring and employee retention practices, then the number of qualified employees may be reduced, potentially resulting in diminished candidate pools and loss of knowledgeable and skilled employees, which ultimately may affect project and programs delivery.

Control: Statewide Strategic Recruitment

Departmental recruitment efforts have historically been initiated based on an identified need, either because of an increase in workload requirements, in order to combat attrition, or to address hard to fill classification vacancies. This has established recruitment as a reactionary mechanism, impacting delivery goals while recruitment efforts are planned, developed, and executed. The Statewide Strategic Recruitment effort is designed as a proactive approach to outreach, with the goal of creating qualified applicant lists that can be leveraged by districts/divisions for the duration a Job Control is valid. The Division of Human Resource's Recruitment team will work with districts/

divisions twice a year to compile listings of all classification needs; recruitment will then be facilitated with a two-pronged approach by conducting in-state/national outreach combined with a file in-person event at district offices. Statewide Strategic Recruitment is intended to reduce risk by:

- Standardizing recruitment efforts, addressing all identified needs simultaneously and continuously twice a year.
- Generating a larger candidate pool of qualified applicants competing for vacant jobs at Caltrans.

Control: Adopt-a-School Relaunch

With the goal of community engagement and the promotion of student interest in future careers at Caltrans, DHR is relaunching the Adopt-a-School program. Designed as a self-service online resource for districts/divisions, the Adopt-a-School program will provide guidelines and tools to assist in the establishment and development of partnerships with participating high school and K-12 institutions. The Adopt-a-School program reduces risk by:

- Fostering the development of a future workforce.
- Providing information on current career opportunities for newly graduating seniors.
- Supporting departmental workforce diversity, equity, and inclusion initiatives.

Control: Exit Surveys (employee engagement)

Employee exit surveys have low response rates due to antiquated processes. Departing employees and supervisors do not have a technically efficient way of submitting and collecting data. The loss of data greatly reduces efforts to create/adjust the organizations talent retention strategies. Additionally, current methodology requires supervisors to directly gather information from exiting personnel. Both mistrust and failures by supervisors to collect data as soon as departing employees submit their resignations diminish the value of employee feedback.

Our organization will employ a web-based data collection/repository with real-time data analytics. In conjunction with a robust informative campaign highlighting the overall importance of employee feedback, ease of use, and confidentiality in responses. Intended impact and results will be but not limited to:

- Tap into the perspective of departing employees to identify overall trends behind resignations.
- Focus on the insights the data reveals to make organizational improvements and resolve issues that cause premature departure.
- Source qualitative data to understand the context behind the results and action plan with greater impact.

Control: New Hire Survey (employee engagement)

Our organization currently has no efficient processes for collecting and measuring information from new hires regarding recruitment and onboarding efforts. Due to poor data, it is easy for incorrect conclusions and limited analysis to undermine our organizations talent acquisition and retention strategies.

Our organization will employ a web-based data collection/repository with real-time data analytics. Engagement and data collection from new hires will be used for but not limited to:

- Identify and address organizational challenges that, if left unresolved, can lead to higher turnover, higher talent acquisition costs, and lower engagement and performance.
- Focus on the insights the data reveals and identify action plan initiatives to improve HR programs and leader behaviors that impact new hire engagement.
- Source qualitative data to understand the context behind the results and action plan with greater impact.

Control: Coaching for High Performance and Development

Conventional training regarding coaching focuses on teaching a process without in-depth training on applying the behaviors required to coach effectively. The lack of ongoing coaching behavior/skill development in the workplace after formal training efforts greatly reduces retention and application. Our organization will focus on creating a coaching culture wherein ongoing behavior/skill development will be provided, encouraged and demonstrated. The intended impact and results will be, but are not limited to:

- A coaching model developed and integrated into organization's leadership plan.
- Scaling the effort to support and assist the entire workforce in adaptation to coaching model.
- A bring it home training philosophy. Training started in formal settings will continue amongst various applications/modalities in the workplace.
- A focus on availability of dynamic resources to aid and encourage coaching behaviors to be practiced/present in the workplace.
- Peer feedback and discussion forums.

Control: Diversity, Equity, and Inclusion (DEI) in Recruitment

DEI recruitment methodologies have been consistently employed by HR for a number of years, illustrated by our facilitation of out-of-state recruitment events, prison to employment (P2E) hiring efforts, and partnerships with veterans' groups, community organizations, and non-profits. However, with the department's enhanced strategic focus on DEI coupled with the escalation in hiring needs related to the Governor's Clean CA initiative and the recent passing of the Federal Infrastructure Investment and Jobs Act of 2021 (IIJA), HR will institute the following in 2022:

- Facilitation of community-based career fairs/hiring events, including, providing directed job opportunities to historically underrepresented demographics and on-site application and examination assistance.
- In-state and national outreach to demographically diverse educational institutions, including Historically Black Colleges and Universities (HBCUs).
- Procure memberships and conduct outreach to diverse alumni and professional organizations.
- Establish partnerships and conduct outreach to organizations designed to reduce barriers to employment for historically underserved communities.
- Including the Equity Value in addition to a Diversity Statement in all job postings.

Risk: Contracting and Procurement Processes

Efficient contracting and procurement processes are essential to the success of departmental workflow. Equally important is an understanding and adherence of controls in place to correctly procure goods and services. Working within these parameters can reduce jeopardizing delegations of authority, reduce procurement costs and timelines, avoid award protests, and expand the pool of companies and experts willing to work with Caltrans. All of these will drive successful procurements and improve project delivery.

Control: Partnerships

Partnerships with customers is essential when planning procurements for leveraging the various ways of procuring goods and services. The Division of Procurements and Contracts (DPAC) will work to maintain current and develop new partnerships with key stakeholders to plan, educate and create clarity surrounding procurement needs.

Establishing frequent partnership meetings to plan and discuss upcoming needs, along with tracking current movement of contracts/procurements, will greatly assist with understanding of appropriate risks and timelines.

Control: Contract Manager and Procurement Analyst Training

Providing procurement training to DPAC's customers is essential for successful procurement of goods and services.

DPAC will update and improve both mandatory and non-mandatory training to better align with proper procurement methods in acquiring goods and services. Providing more tools and education early in the process will better align customers behaviors in relation to proper procurement methodologies.

Control: Continue to Invest in Streamlining Procurement Processes

Several Divisions may have touch points concerning procurement of goods and services. DPAC, Legal, and the Information Technology Program are often reliant upon each other to provide services associated with Program/District/Division requests.

While the Lean 6 Sigma process has been applied to many of the current procurement processes, DPAC recognizes how essential it is to continue to look for areas under our purveyance that may reduce timelines for our customers.

Risk: Stakeholders and External Partnerships

If Caltrans increases and invests in outreach to local communities, partners, and stakeholders, then we may build trust, create new efficiencies, and enhance collaboration, which may assist Caltrans and partners with achieving statewide goals and objectives.

Control: Improve and expand external relationships to create beneficial solutions aligned with Statewide Goals and Objectives

The Caltrans 2020-24 Strategic Plan focuses on a people-first approach to addressing challenging Goals, such as transportation safety, climate action, and advancing equity and livability in all communities. Caltrans understands that achieving success in these areas will require us to collaborate and engage with our transportation partners in innovative ways, where best practices can be shared, considered, and implemented.

Control: Improve and Expand Community Partnerships, Especially in Underserved Communities

Establishing and investing in community partnerships is key to building trust and is a necessary step toward collecting important decision-making information on how and where to invest in the transportation network. To advance our community partnerships and maximize participation in underserved communities, Caltrans will collaborate with local cities, agencies, and transportation partners to consider the timing, venue, and frequency of community engagements. Caltrans will seek new methods of increasing engagement from those who typically do not have their voices heard through traditional methods. By strengthening our partnerships with the communities we partner with, we can improve the transportation-related outcomes for all.

Control: Expand Communication About How Caltrans is Delivering on its Vision

Caltrans is committed to providing a safe and reliable transportation network that serves all people. We understand that the best path to community- and partner-engagement is through a dialogue on what is planned to be done, listening to the perspectives of our partners and the impacted communities, and sharing with them what has changed when we have finished. Leveraging the fundamentals of good change management will improve the awareness and engagement of our partners and customers. To expand on our approach to community and partner engagement, Caltrans will leverage the strategies in our 2020-24 Strategic Plan and share our story about how we are making changes that will lead to better transportation-related outcomes for all.

Risk: Multi-Modal Transportation

If performance targets and funding for complete streets are continued, then we may increase non-auto modes share, accessibility, and livability, which may reduce environmental impacts, improve community support, and improve economic prosperity.

Control: Coordinate Pedestrian and Bicycle Data Collection

To understand whether bicycle and pedestrian mode share increases, there must be coordinated data collection. Collection of pedestrian and bicycle count data is critical to establishing and measuring mode share data on our system over time, as well as demonstrating the direct mode shift benefits of project improvements on the system. The Active Transportation Office within the Division of Transportation Planning will coordinate to collect and manage this data. This includes efforts to:

- Deploy automated counters on the state highway system at strategic locations to collect consistent counts of pedestrian and bicycle travel on and across our system.
- Develop a statewide active transportation census program across all districts and upload data into the Statewide Active Transportation Count Database as well as Transportation System Network replacement (TSN-R).
- Develop a data strategy for procurement and use of big data tools to estimate active transportation volumes across the system, and validate with automated, observed counts.

Control: Develop Innovative and Transformative Multi-Modal Projects for the Project Pipeline

Provide guidance, training, and resources to districts for development of project initiation documents (PIDs) that address location-based needs identified in the Caltrans Active Transportation (CAT) plans with innovative, world-class pedestrian and bicycle facilities.

The Office of Active Transportation in the Division of Transportation Planning will continue to improve guidance for development of active transportation projects, and work with the districts to identify the level of PID resources needed to initiate these projects. Support and resources to districts will strengthen their capacity to develop innovative active transportation projects.

Control: Caltrans will Support Implementation of the New Director's Policy on Complete Streets

Director's Policy on Complete Streets assigns roles and responsibilities to various Caltrans Divisions that ensure successful implementation of complete streets on projects.

Caltrans Divisions will review and update their standards, guidance, and procedures to align with the new Director's Policy on Complete Streets.

Updated and consistent standards, guidance, and procedures will ensure consistent implementation of the new Director's Policy on Complete Streets by the districts and external partners, and support success of the Department's goals around climate action, equity, and safety.

Control: Update "Main Street, California"

"Main Street" illustrates how Caltrans and partners can work together to foster and sustain state highway main streets that maximize benefits to communities, the environment, and multimodal travelers.

The Landscape Architecture Program in the Division of Design will lead a multidisciplinary team to update "Main Street, California" ("Main Street"). The document emphasizes the power that well-conceived transportation infrastructure must improve multimodal transportation and quality of life.

"Main Street" is a tool to foster a shared vision between local communities, stakeholders, and Caltrans for main street locations. Equity and environmental topics include the importance of public engagement; how main streets can support low carbon alternatives to single occupancy driver trips; and how complete streets and green streets infrastructure can support efforts to adapt to conditions arising from climate change.

Control: Establish, Update, and Refine Practices and Procedures to Reduce Vehicle Miles Traveled (VMT)

The Director's Office Sustainability Team leads a cross-functional team to develop and revise a workplan to guide Caltrans' VMT reduction efforts.

VMT reduction efforts include developing more detailed guidance on VMT analysis and mitigation options to inform project development. Additionally, Caltrans is funding research efforts with local and regional partners and facilitating a community of practice to coordinate research findings and lessons learned across jurisdictions. Lastly, Caltrans co-leads a SB 743 Implementation Working Group with the Governor's Office for Planning and Research for external stakeholders to inform the state's VMT reduction and SB 743 implementation efforts.

Centralized and standardized guidance will ensure consistent implementation of SB 743 in the districts, as well as by external partners and thereby, reduce legal risks.

Risk: Climate Action

If the Department does not develop and implement a coordinated cross-cutting climate change adaptation and resiliency strategy, then we risk adverse impacts to portions of the State Highway System, which may result in disruptions to commerce and the traveling public.

Control: Caltrans Strategic Plan Resilience Performance Objective

Caltrans Division of Transportation Planning (DOTP) will lead, monitor, and report performance of the Caltrans Strategic Plan effort to increase the share of manuals, guidance, policies, plans and projects that consider the impacts that the changing climate has on the transportation system by 10% by 2024.

DOTP will develop a plan that will guide work on achieving this performance objective of the Caltrans Strategic Plan.

Results of this control will reduce the risk by coordinating the Department's progress on climate adaptation and resilience. Through coordination, the number of projects delivered that consider and plan for climate change will increase over time, thereby increasing our infrastructure's resilience to the impacts of climate change.

Control: Update and Implementation of Caltrans Sea Level Rise Guidance

Caltrans will comprehensively update its Sea Level Rise Guidance.

Caltrans' Division of Environmental Analysis (DEA) has executed a task order to revise the "2011 Guidance on Incorporating Sea Level Rise" (SLR Guidance Update). DEA, as the lead, will continue to engage representatives from multiple functions within Caltrans and with the California Coastal Commission to finalize and implement the Department's SLR guidance. This guidance will expand considerations beyond the Project Initiation Document phase and inform best practices and considerations of the implications of projected SLR in all phases of project development (from early corridor planning through construction).

This control will reduce the risk by providing a process by which Caltrans can develop plans and implementation strategies that involve multiple divisions across the agency to reduce the risk of sea level rise impacts to the transportation system. This methodology could then be used as model to evaluate other climate stressors.

Control: Advanced-Needs-Identification and Prioritization of Climate Adaptation Projects

To clearly understand the funding required to increase the resilience of the State's multimodal transportation system, Caltrans will build on the findings from the Caltrans Vulnerability Assessments and Adaptation Priority Reports, and will include information such as social and ecosystem vulnerability, to identify climate risks and quantify adaptation requirements.

Essentially, we need to identify risk and quantify climate adaptation options for all climate risks prior to seeking funding.

Results of this control will reduce risk by coordinating the Department's progress on climate adaptation and resilience. Through coordination, a funding need can be established. The funding need will support the Department in seeking adequate funding for increasing resilience of the State's multimodal transportation system.

CONCLUSION

The Department of Transportation strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Toks Omishakin, Director

CC: California Legislature [Senate (2), Assembly (1)]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency