

# **COMPLIANCE REVIEW REPORT**

## **FRANCHISE TAX BOARD**

Compliance Review Unit  
State Personnel Board  
November 20, 2015

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## **INTRODUCTION**

Established by the California Constitution, the State Personnel Board (the SPB or Board) is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. The SPB oversees the merit-based recruitment and selection process for the hiring of over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authority's personnel practices in four areas: examinations, appointments, equal employment opportunity (EEO), and personal services contracts (PSC's) to ensure compliance with civil service laws and board regulations. The purpose of these reviews is to ensure state agencies are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews. The SPB conducts these reviews on a three-year cycle.

The CRU may also conduct special investigations in response to a specific request or when SPB obtains information suggesting a potential merit-related violation.

## **EXECUTIVE SUMMARY**

The CRU conducted a routine compliance review of California Franchise Tax Board (FTB) personnel practices in the areas of examinations, appointments, EEO, and PSC's from June 30, 2014, through March 31, 2015. The following table summarizes the compliance review findings.

Area	Finding	Severity
Examinations	Examinations Complied with Civil Service Law and Board Rules	In Compliance
Appointments	Equal Employment Opportunity Questionnaires Were Not Separated From All Applications	Very Serious
Appointments	Applications Were Not Date Stamped and/or Accepted After the Final File Date	Non-Serious or Technical

Area	Finding	Severity
Equal Employment Opportunity	Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Regulations	In Compliance
Personal Services Contracts	Personal Services Contracts Complied with Civil Service Laws and Board Rules	In Compliance

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

## **BACKGROUND**

The FTB is responsible for administering two of California's major tax programs: Personal Income Tax and Corporation Tax. The FTB's mission is to correctly apply the tax laws in a fair and impartial manner. Every year the FTB receives approximately 20 million tax returns from not only California residents, but from all over the nation and/or world - as any taxpayer who does business in California is subject to the tax laws. In addition to California, the FTB also has field offices located in Chicago, Houston, and Manhattan. The FTB employs 5,000 to 7,000 staff based on the filing season.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the FTB's examinations, appointments, EEO program, and PSC's from June 30, 2014, through March 31, 2015. The primary objective of the review was to determine if the FTB's personnel practices, policies, and procedures complied with state civil service laws and board regulations, and to recommend corrective action where deficiencies were identified.

A cross-section of the FTB's examinations and appointments were selected for review to ensure that samples of various examinations and appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the FTB provided, which included examination plans, examination bulletins, job analyses, 511b's, scoring results, notice of personnel action forms, vacancy postings, application screening criteria, hiring interview rating criteria, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports.

The review of the FTB's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the upward mobility program; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC). The CRU also interviewed appropriate FTB staff.

FTB PSC's were also reviewed. The FTB contracted for legal services, hearing impaired services, and various personal services.<sup>1</sup> It was beyond the scope of the compliance review to make conclusions as to whether the FTB justifications for the contracts were legally sufficient. The review was limited to whether the FTB's practices, policies, and procedures relative to PSC's complied with procedural requirements.

On November 3, 2015, an exit conference was held with the FTB to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the FTB's written response on November 13, 2015, which is attached to this final compliance review report.

## **FINDINGS AND RECOMMENDATIONS**

### **Examinations**

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications (MQs) for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931.) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the MQs. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed in the

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<sup>1</sup> If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

examination announcement. (Gov. Code, § 18934.) Generally, the final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, the FTB conducted 23 examinations. The CRU reviewed 13 of these examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Applications
Accountant I (Specialist)	Promotional	Qualification Appraisal Panel (QAP) <sup>2</sup>	8/27/2014	31
CEA A, Taxpayers' Rights Advocate	Career Executive Assignment (CEA)	Statement of Qualifications (SOQ's) <sup>3</sup>	11/13/2014	19
CEA B, Chief Technologist Development	CEA	SOQ's	10/2/2014	9
CEA B, Director, Audit/Individual & Pass-Through Entity Audit Bureau	CEA	SOQ's	2/20/2015	4
Digital Composition Specialist II	Promotional	Education & Experience (E&E) <sup>4</sup>	10/22/2014	12
Key Data Supervisor I	Promotional	QAP/Supplemental Application (SA) <sup>5</sup>	10/22/2014	57

<sup>2</sup> The qualification appraisal panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

<sup>3</sup> In a statement of qualifications (SOQ's) examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

<sup>4</sup> In an education and experience (E&E) examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

<sup>5</sup> In a supplemental application (SA) examination, applicants are not required to present themselves in person at a predetermined time and place. Supplemental applications are in addition to the regular

Classification	Exam Type	Exam Components	Final File Date	No. of Applications
Office Services Manager I	Promotional	SA	8/13/2014	57
Program Specialist II, FTB	Promotional	QAP/SA	12/3/2014	157
Sheetfed Offset Press Operator II	Open	E&E	12/31/2014	6
Staff Services Analyst (Transfer)	Promotional	Written <sup>6</sup>	Continuous	4
Staff Services Analyst (Transfer)	Promotional	Written	10/15/2014	181
Tax Program Supervisor, FTB	Promotional	QAP	9/5/2014	141
Tax Program Technician II, FTB	Promotional	Written	7/30/2014	258

**FINDING NO. 1 – Examinations Complied with Civil Service Laws and Board Rules**

The CRU reviewed all 13 of the examinations the FTB administered to create eligible lists from which to make appointments. The FTB published and distributed examination bulletins containing the required information for all examinations. Applications received by the FTB were accepted prior to the final filing date and were thereafter properly assessed to determine whether applicants met the minimum qualifications for admittance to the examinations. The FTB notified applicants as to whether they qualified to take the examination, and those applicants who met the minimum qualifications were also notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. Competitors were then notified of their final scores.

The CRU found no deficiencies in the examinations that the FTB conducted during the compliance review period. Accordingly, the FTB fulfilled its responsibilities to administer those examinations in compliance with civil service laws and board rules.

application and must be completed in order to remain in the examination. Supplemental applications are also known as "rated" applications.

<sup>6</sup> A written examination is a testing procedure in which candidates' job-related knowledge and skills are assessed through the use of a variety of item formats. Written examinations are either objectively scored or subjectively scored.

## Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and board rules. (Gov. Code, § 19050.) Appointments made from eligible lists, by way of transfer, or by way of reinstatement, must be made on the basis of merit and fitness, which requires consideration of each individual's job-related qualifications for a position, including his or her knowledge, skills, abilities, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

During the compliance review period, the FTB made 2,445 appointments. The CRU reviewed 112 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Accountant I (Specialist)	Certification List	Permanent	Full Time	1
Accounting Technician	Certification List	Permanent	Full Time	1
Administrative Assistant I	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	4
Associate Operations Specialist, FTB	Certification List	Permanent	Full Time	1
Associate Tax Auditor	Certification List	Permanent	Full Time	9
Offices Services Manager I	Certification List	Permanent	Full Time	2
Office Technician (Typing)	Certification List	Permanent	Full Time	1
Senior Information Systems Analyst	Certification List	Permanent	Full Time	1
Senior Legal Typist	Certification List	Permanent	Full Time	1
Staff Operations Specialist	Certification List	Permanent	Full Time	6
Staff Services Analyst	Certification List	Permanent	Full Time	10
Staff Services Manager I	Certification List	Permanent	Full Time	6



Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Tax Program Technician II	Certification List	Permanent	Full Time	5
Warehouse Worker	Certification List	Permanent	Full Time	7
Associate Operations Specialist	Mandatory Reinstatement	Permanent	Full Time	1
Key Data Operator	Mandatory Reinstatement	Permanent	Full Time	7
Tax Program Supervisor	Mandatory Reinstatement	Permanent	Full Time	4
Tax Program Technician I, FTB	Mandatory Reinstatement	Permanent	Full Time	11
Tax Program Technician II, FTB	Mandatory Reinstatement	Permanent	Full Time	5
Tax Technician	Mandatory Reinstatement	Permanent	Full Time	4
Administrator I, FTB	Training and Development	Permanent	Full Time	1
Administrator II, FTB	Training and Development	Permanent	Full Time	2
Business Service Officer I (Supervisor)	Training and Development	Permanent	Full Time	1
Accountant I (Specialist)	Transfer	Permanent	Full Time	2
Associate Operations Specialist	Transfer	Permanent	Full Time	1
Program Specialist III	Transfer	Permanent	Full Time	1
Senior Operations Specialist	Transfer	Permanent	Full Time	1
Staff Services Analyst (General)	Transfer	Permanent	Full Time	4
Tax Program Technician I	Transfer	Permanent	Full Time	1
Tax Program Technician II	Transfer	Limited Term (24 Months)	Full Time	2
Tax Program Technician II	Transfer	Permanent	Full Time	8

**FINDING NO. 2 – Equal Employment Opportunity Questionnaires Were Not Separated From All Applications**

- Summary:** Out of 112 appointments reviewed, 5 appointment files included applications where EEO questionnaires were not separated from the STD 678 employment application.
- Criteria:** Government Code section 19704 makes it unlawful for a hiring department to require or permit any notation or entry to be made on any application indicating or in any way suggesting or pertaining to any protected category listed in Government Code section 12940, subdivision (a) (e.g., a person's race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status). Applicants for employment in state civil service are asked to provide voluntarily ethnic data about themselves where such data is determined by California Department of Human Resources (CalHR) to be necessary to an assessment of the ethnic and sex fairness of the selection process and to the planning and monitoring of affirmative action efforts. (Gov. Code, § 19705.) The EEO questionnaire of the state application form (STD 678) states, "This questionnaire will be separated from the application prior to the examination and will not be used in any employment decisions."
- Severity:** Very Serious. The applicant's protected class was visible, subjecting the agency to potential liability.
- Cause:** The FTB states that their hiring supervisors need additional training and resources/tools to ensure they consistently comply with FTB directives and Government Code 19705.
- Action:** The FTB has submitted a corrective action plan for ensuring EEO questionnaires are separated from the STD 678 employment application and confidentially destroyed as part of its department response; therefore, no further action is required at this time.

**FINDING NO. 3 – Applications Were Not Date Stamped and/or Accepted After the Final File Date**

**Summary:** Out of the 2,132 applications received, the FTB accepted and processed 169 applications that were not date stamped, and 93 applications that were date stamped after the final filing date.

**Criteria:** California Code of Regulations, title 2, section 174 (Rule 174) requires timely filing of applications: All applications must be filed at the place, within the time, in the manner, and on the form specified in the examination announcement.

Filing an application 'within the time' shall mean postmarked by the postal service or date stamped at one of the department's offices (or appropriate office of the agency administering the examination) by the date specified.

An application that is not postmarked or date stamped by the specified date shall be accepted, if one of the following conditions as detailed in Rule 174 apply: (1) the application was delayed due to verified error; (2) the application was submitted in error to the wrong state agency and is either postmarked or date stamped on or before the specified date; (3) the employing agency verifies examination announcement distribution problems that prevented timely notification to an employee of a promotional examination; or (4) the employing agency verifies that the applicant failed to receive timely notice of promotional examination. (Cal. Code Reg., tit. 2, § 174, suds. (a), (b), (c), & (d).) The same final filing date procedures are applied to the selection process used to fill a job vacancy.

**Severity:** Non-Serious or Technical. Final filing dates are established to ensure all applicants are given the same amount of time in which to apply for a job vacancy and to set a deadline for the recruitment. Therefore, although the acceptance of applications after the final filing date may give some applicants more time to prepare their application than other applicants who meet the final filing date, the acceptance of late applications may not impact the results of the job vacancy selection.

**Cause:** The FTB states that the inconsistency in their application date stamping practices can be contributed to different business processes when receiving applications via postal service or hand-delivered/routed to Human Resources.

**Action:** The FTB has submitted a corrective action plan for ensuring all applications are appropriately postmarked and/or date stamped as part of its department response; therefore, no further action is required at this time.

### Equal Employment Opportunity

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; issue procedures for providing equal upward mobility and promotional opportunities; and cooperate with the CalHR by providing access to all required files, documents and data. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795.)

Each state agency must establish a separate committee of employees who are individuals with a disability, or who have an interest in disability issues, to advise the head of the agency on issues of concern to employees with disabilities. (Gov. Code, § 19795, subd. (b)(1).) The department must invite all employees to serve on the committee and take appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

The CRU reviewed the FTB's EEO program that was in effect during the compliance review period.

#### **FINDING NO. 4 – Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Regulations**

After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRU determined that FTB's EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Director of the FTB. In addition, the FTB has an established DAC which reports to the Director on issues affecting persons with disabilities. The DPR also provided evidence of its efforts to promote EEO in its hiring and employment practices, to increase its hiring of persons with disabilities, and to offer upward mobility opportunities for its entry-level staff.

##### Personal Services Contracts

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the State. (Cal. Code Reg., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state's authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC's achieve cost savings for the state. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC's, a state agency is required to notify SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the compliance review period, the FTB had 18 PSC's that were in effect. The CRU reviewed 14 of those contracts, which were subject to the Department of General Services (DGS) approval and thus our procedural review, and are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified
Bancoft & Associates, PLLC	Legal Services	7/1/2014 – 6/30/2015	\$700,000	Yes
Bancoft & Associates, PLLC	Legal Services	7/1/2014 – 6/30/2015	\$1,085,000	Yes
Bell & Howel	Equipment Maintenance	11/1/2014 – 10/31/2016	\$228,648	Yes
Bell & Howel	Equipment Maintenance	2/14/2015 – 2/13/2016	\$190,511	Yes
Carter, Ledyard, Milburn, LLP	Legal Service	7/1/2014 – 6/30/2015	\$185,000	Yes
CCITE	Telecom Wiring Services	7/1/2014 – 6/30/2015	\$269,000	Yes
Class Act Interpreting	Hearing Impaired – Sign Language	7/1/2014 – 6/30/2015	\$200,000	Yes
H & R Interpreting	Hearing Impaired – Sign Language	7/1/2014 – 6/30/2015	\$200,000	Yes
Lemons, Grundy & Eisenberg	Legal Services	7/1/2014 – 6/30/2015	\$155,000	Yes
Lexis Nexis	Subscription Services	7/1/2014 – 6/30/2015	\$373,500	Yes
McDonald, Carran, Wilson, LLP	Legal Services	7/1/2014 – 6/30/2015	\$725,000	Yes
Orrick, Herrington & Sutcliffe, LLP	Legal Services	7/1/2014 – 6/30/2015	\$400,000	Yes
Orrick, Herrington & Sutcliffe, LLP	Legal Services	7/1/2014 – 6/30/2015	\$900,000	Yes
Professional Technical Services	Worksite Security Services	10/15/2014 – 6/30/2015	\$57,353	Yes

**FINDING NO. 5 – Personal Services Contracts Complied With Civil Service Laws and Board Rules**

When a state agency requests approval from the DGS for a subdivision (b) contract, the agency must include with its contract transmittal a written justification that includes *specific and detailed factual information* that demonstrates how the contract meets one or more conditions specified in Government Code section 19131, subdivision (b). (Cal. Code Reg., tit. 2, § 547.60.)

The total amount of all the PSCs reviewed was \$5,669,012. It was beyond the scope of the review to make conclusions as to whether FTB justifications for the contract were legally sufficient. For all PSC's subject to DGS approval, FTB provided specific and detailed factual information in the written justifications as to how each of the 14 contracts met at least one condition set forth in Government Code section 19131,

subdivision (b). Accordingly, the FTB's PSC's complied with civil service laws and board rules.

### **DEPARTMENTAL RESPONSE**

The FTB response is attached as Attachment 1.

### **SPB REPLY**

Based upon the FTB's written response, the FTB will comply with the CRU recommendations and findings. The FTB submitted corrective plans for the two departmental findings that were out of compliance.

It is further recommended that the FTB continue to comply with the afore-stated recommendations and submit to the CRU a written report of compliance within 60 days of the Executive Officer's approval.



11.13.15

SUZANNE AMBROSE  
STATE PERSONNEL BOARD  
801 CAPITOL MALL  
SACRAMENTO, CA 95814

Dear Ms. Ambrose:

In June 2015, the State Personnel Board (SPB) Compliance Audit Review Unit conducted a compliance review of the Franchise Tax Board's (FTB) personnel practices to ensure that the FTB is in compliance with merit related laws, rules, and principles. As a result, the SPB identified the following two findings that require FTB corrective action: Equal Employment Opportunity (EEO) Questionnaires were not separated from all applications; applications were not date stamped and/or accepted after the final file date.

The identified causes and responses to the findings are listed below:

**Finding – Equal Employment Opportunity Questionnaires Were Not Separated From All Applications**

**Cause:** As a standard practice, the hiring supervisor or designee are listed as the contact on the California Department of Human Resources (CalHR) Vacant Position Database (VPOS) advertisements. The contact receives all applications for the recruitment and is responsible for removing any attached EEO Questionnaires. FTB has concluded that hiring supervisors could benefit from additional training and resources/tools to ensure they consistently comply with FTB directives and/or Government Code section 19704.

**Response:** In fiscal year 2013/14, FTB started two new training programs for managers and supervisors called "HR Academy" and "Training Leaders in Supervision - Veteran Supervisors & Managers". Both programs provide training on several HR topics including Hiring and EEO. During these training classes, supervisors and managers are instructed to remove and confidentially destruct any EEO Questionnaires attached to the applications they receive. These training opportunities are offered 2-3 times per fiscal year. FTB also provides this information during our new supervisor training that is administered twice a year.

In addition to the training classes we provide, we also have a "Hiring Guide and On boarding" page on our internal website that provides step by step instructions for supervisors and managers to follow when hiring. In these instructions we have a "Hiring Process Checklist" and "Hiring Interview History Folder Checklist" that includes the step of ensuring all EEO Questionnaires are removed from applications and confidentially destructed.



**Finding – Applications Were Not Date Stamped and/or Accepted After the Final File Date**

**Cause:** Date stamping of applications is performed in different business areas depending on whether they are received via USPS or hand-delivered/routed to HR. This has contributed to inconsistency in date stamping practices as well as not properly documenting when a decision was made to accept late applications.

**Response:** Applications received after the final file date may be accepted if the hiring program determines there is a business need to increase the candidate pool and they accept all late applications for that hiring effort.

FTB added language to our training classes (HR Academy, Training Leaders in Supervision – Veteran Supervisors & Managers and New Supervisor Training) directing them to date stamp/mark all applications received during their hiring efforts and clearly document the reason for accepting late applications along with the actions taken to ensure late applications will not impact the results of the job vacancy selection.

In addition to the training classes we provide, we also updated our “Hiring Guide and On boarding” page to include the steps of ensuring all applications are date stamped/marked with the date they are received and instructions to clearly document the reason for accepting late applications on their screening matrix. These additional steps on the checklists will help to ensure a merit based process is followed.

**Additional Information:** As a commitment to ensuring that all our vacancies are filled using a merit-based job-related hiring process, FTB’s Human Resources Bureau, in conjunction with our Equal Employment Opportunity Office, developed and implemented its own Hiring Compliance Review program. The program was implemented in January of 2015, and its primary purpose is to ensure that our hiring supervisors and managers are utilizing the resources and tools available to them. We are adding the items identified in the findings above to our internal review process.

**Closing:** FTB thanks the State Personnel Board for its review and report of our department's personnel practices in the areas of examinations, appointments, EEO and Personnel Services Contracts from June 30, 2014 through March 31, 2015. FTB is committed to complying with all state civil service laws and board regulations. In order to achieve full compliance, my staff in HR has already taken action to revise existing training classes and resources/tools to ensure our hiring managers have the information they need to ensure a merit based recruitment and selection process is upheld.

If you have any questions, please feel free to contact me at 845-7285.

Sincerely,



Paul Ogden  
Director, Business and Human Resources