

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

1/29/2020

2. Department

Franchise Tax Board

3. Organizational Placement (Division/Branch/Office Name)

Technology Services Division/Quality Assurance Bureau

4. CEA Position Title

Quality Assurance Bureau Director

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The proposed CEA will serve as the Quality Assurance Bureau Director within the Technology Services Division (TSD). The Quality Assurance Bureau Director will set policy, plan, organize and direct quality assurance and validation for critical systems tools and data. The Franchise Tax Board's (FTB) Information Technology (IT) systems support over 20 million taxpayers, and over 200 systems, enabling the FTB to bring in 76% of California's general fund.

6. Reports to: (Class Title/Level)

Chief Information Officer / CEA C

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the administrative direction of the Technology Services Division (TSD), Chief Information Officer (CIO), the Quality Assurance Bureau Director (Quality Assurance BD) is responsible for planning, organizing and directing the quality assurance and validation of the FTB's 200 automated systems, supporting all tax processing, tax compliance activities, administrative functions, and non-tax debt collection systems.

The Quality Assurance BD establishes policy regarding key departmental, technology and service issues while directing subordinate managers in the delivery of mission critical services in support of the FTB's automated systems, Systems of Work (SOW), and other FTB customers and stakeholders. The Quality Assurance BD acts as a member of the FTB executive management team as a program advisor and policy maker and in an advisory capacity to the department's Executive Officer and Division Chiefs in policy development and issue resolution. The Quality Assurance BD will provide direct support to the CIO on major project issues requiring external review and approval on contract negotiations; policy issues which impact the departments' business functions and programs; and acts on his/her behalf on division and department-wide policy issues.

The Quality Assurance BD is responsible in ensuring the systems and applications meet current and evolving business requirements, tax laws and/or legislative statutes, and other executive mandates with the highest degree of quality, availability and reliability. Establishes goals, objectives, and success criteria for the staff, and works with them to achieve these goals via active management of plans and schedules. The Quality Assurance BD is responsible for completing work within the budgeted scope, time frames, and costs and is responsible for adherence to the enterprise architecture, Software Development Life Cycle (SDLC), Project Management, IT Service management methodologies, Security Information Management (SIM) and Software Asset Management (SAM) directives. Provides a working environment that fosters productivity and job satisfaction of the staff.

The Quality Assurance BD is a member of the FTB's governance process and executive management team, providing critical and highly sensitive recommendations to the CIO and other FTB senior managers on policy development in support of SIM and SAM directives. All program work is performed within the framework of the Department's mission and values with the objectives of optimizing processes, products, services and resources to better serve our customers.

The Quality Assurance BD will provide leadership to departmental teams in response to legislative, political, and business issues employing knowledge of the departmental strategic goals, understanding of underlying business issues, and coming up with solutions that meet the needs of customers while maintaining efficiency and effectiveness from an automated systems perspective.

The Quality Assurance BD is a member on various action committees, steering committees and other departmental teams, which are responsible for developing departmental policy and standards as well as recommending departmental solutions and strategies. This requires outstanding leadership and communication skills in interacting with the taxpayer community, other state agencies and departments, vendor community and oversight agencies, and the country's leading authorities on state taxation and administration.

The Quality Assurance BD understands the consequence of error and pro-actively ensures policies and designs prevent failure, errors, and defects in IT products, systems, services, processes, procedures, and protocols, which in turn provides excellent customer experiences and prevents negative consequences to the State and the Department. The Quality Assurance BD establishes policy and subsequent standards and procedures around quality, and quantity of testing required before an application or service goes into production. The Quality Assurance BD also establishes policy on defect levels and what level of defect is okay to still go into production versus required to be fixed before a deployment. The Quality Assurance BD assesses and properly advises about and mitigates risks related to IT architectural designs, while keeping long-term visions and goals in mind. Collaborates with business professionals, IT professionals, tax professionals, other state revenue departments, Federal Government, private industry (IT vendors) and academics (research through universities) to leverage the latest policy and program knowledge and emerging trends in business and technology. Ensures the intent of policies is carried out through systems, processes, procedures, and protocols.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The mission of the Franchise Tax Board is to help taxpayers file timely and accurate tax returns, and pay the correct amount to fund services important to Californians. To accomplish this mission, the Quality Assurance BD is responsible for all software testing and validation over the IT systems that provide automated return processing, cashiering, auditing, collections and assorted administrative functions. These systems are essential to the success of the department's programs.

The TSD supports the IT framework essential to the success of the FTB's programs. Technology is a means to help the FTB provide the most efficient and effective service to California's taxpayers. The TSD leverages the latest innovative technologies to facilitate all of its core business functions. For example, the FTB uses technology to help taxpayers quickly and easily meet their tax obligations, whether checking a refund status via mobile device, making a payment via telephone, or finding tax return answers by simply visiting our website. Due to technology, 88% of taxpayers with a requirement to file, utilize the FTB's online filing program (eFile) which allows taxpayers to file taxes timely and accurately.

The quality assurance discipline is the last step in the System Development Lifecycle that tests the application to make sure it is working correctly before an application or service is deployed for use. For example, if a system has any significant defects, it will cause refunds, bills and levies to go out incorrectly and or reports to be incorrect.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Over the last decade, the FTB's TSD Bureaus have been organized around the IT systems they support, i.e. the Taxpayer Information Accounting System, the Accounts Receivable Collection System, the Integrated Non-filer Compliance System, etc. To better align with industry and State IT and Business demands, lower our cost, and prepare for the next two phases of tax system modernization efforts (Enterprise Data Revenue [EDR] Projects 2 and 3), the FTB is moving to a service management based organizational structure.

This requires the FTB to align the TSD around the "functions" we perform, versus the "system" we support. Under the service management structure, we move the TSD organization around what we do. Another way to look at this is to think about the steps/areas of the System Development Lifecycle (SDLC) as follows:

- Initiation
- Analysis
- Development
- Quality Assurance
- Data
- Infrastructure
- Operations

Prior to the EDR project, the FTB's 200 plus systems had limited reliance upon each other, with a lower consequence of error that impacted individual systems, containing the impacts to a smaller audience. With EDR's focus to improve the FTB's use of data, key functions were automated, creating a dynamic environment of shared data, which increased the FTB's ability to perform individual work better due to improved tools and access. However, with this growth came increased complexity, interrelation of data and a higher consequence of error, and as a result, the interdependency that systems have on enterprise data requires that individuals' decisions on each systems must consider upstream and downstream impacts.

The expectations of California taxpayers for dynamic technological solutions has increased significantly based on direct taxpayer feedback from education and outreach events, online surveys, focus groups, call center complaints and has been further, validated by industry research from McKinsey, Gartner, Forrester and Federal GAO (U.S. Government Accountability Office) reports. A common complaint is why government isn't more like Amazon or the online banking services where the taxpayer can have access to their information when and how they want it. This need has been further validated by the new administration's creation of the Office of Innovation, which is part of Government Operations and the Department of Technology. Both provide oversight to the FTB and any IT efforts including statewide expectations from the Governor's office. Their key initiative being 'customer experience' and their expectations that state services will be dynamic to meet our customer's needs. For example, taxpayers now want to conduct business on mobile devices and want information in real time. These expectations increase the FTB's responsibility to deliver and meet their needs.

Along with these taxpayer expectations is the increased sophistication of security threats and fraud schemes, both of which require sophisticated technological responses and protections. The California Consumer Privacy Act (Assembly Bill 375) requires our attention to the security of our taxpayers' data. Further, the FTB shares and receives data with other agencies, which requires additional protections to isolate potential threats.

The Quality Assurance BD is responsible for ensuring the products that are being delivered to the end-users (not only the internal but external taxpayers) are meeting the quality standards and the expectations of the requirements. Additionally, applications are being tested end-to-end to warrant the proper integrations and ensuring communications are carried out, preventing failures and outages. This is the last step before products and/or features are rolled out into the production environment. The Quality Assurance BD is also responsible in validating the security guidelines and standards are met to eliminate the unintended breaches or exposures.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Quality Assurance BD will exercise independence and authority in developing, implementing, directing, and evaluating the FTB's statewide policies relative to new technology and innovation related to quality assurance. The Quality Assurance BD will serve as the expert advisor and provide critical consultation to the Executive Officer, CIO, Governance Council and the FTB's senior management on mission-critical program and policy issues relative to the identification, evaluation, development, and implementation of new technologies for the FTB and tax system administration. The Quality Assurance BD works collaboratively with senior management within the FTB to assess operational needs, develop policies and provide direction with an emphasis on compliance with relevant laws, rules and regulations, as well as with an eye towards aligning operational performance with the FTB's strategic goals and objectives.

The Quality Assurance BD will review proposed legislation and recommend new policy creation and/or amend existing policies to ensure IT solutions meet the intent of the law and business needs for the administration including fair and equitable treatment of taxpayers and/or stakeholders. An example of new legislation is the recent healthcare mandate that puts the FTB into the healthcare business by capturing healthcare information on the income tax return, reconciling healthcare subsidy information and implementing penalty provisions. This requires us to look at virtually all processes to determine where we can integrate into existing processes and where we have to build new. From a quality assurance perspective, this mandate is very risky. We are repurposing applications to do transactions that they were not designed for and we need to make sure we are not breaking existing processes as we make these changes that are stretching the original design. Policies include IT methods or guidelines for development, target architecture, policies and models, software and hardware policies and standards as well as interpretation and application of the FTB and statewide security policies, State Administrative Manual (SAM) policies and mandates (especially those impacting IT), and Statewide Information Management Manual (SIMM) policies and mandates. For example, the Internal Revenue Service (IRS) has mandates around how we process and store Federal Tax Information (FTI) that requires us to update our systems and processes to keep up with the latest security standards. The impacts to IT policies are analyzed for effects on our 200+ systems ranging from tax, compliance, filing enforcement, audit, legal, non-tax, human resources, administration, and financial. A single proposed legislation for data might impact all systems and changes policies, procedures and standards for all IT areas. These changes are very complex and takes and understanding of state IT policies, FTB IT policies, FTB business policies, FTB strategic and operational goals as well as numerous other national and federal guidelines. The Quality Assurance BD certifies what is being delivered.

As a member of the FTB's executive management, the TSD Bureau Directors will be expected to collaborate with all stakeholders by participating in the FTB's governance process as voting members of the FTB's action committees such as the Compliance Action Committee (CAC), Resource Allocation Action Committee (RAAC), Customer Service Action Committee (CSAC), Technology Action Committee (TAC), Internal Business Action Committee (IBAC), or the Privacy and Security Action Committee (PSAC). Each of these action committees address enterprise-wide policies and practices affecting the FTB's business processes, external customers, finances, security, human resources, and operations. The Quality Assurance BD sits on one or more of the FTB's action committees which is the governance committees that develop policy around customer service, compliance, internal business, privacy, organizational development and resource allocation.

In addition, the Quality Assurance BD will be responsible for providing direct support on major issues requiring external review and approval as well as policy issues impacting the FTB's business programs, such as testing architecture and tools, Testing Standards policy and Testing Automation policy.

The Quality Assurance BD establishes and monitors quality assurance policies for program staff to follow to ensure maximum performance, system availability, IT stability and quality measures in order to meet the FTB's program and revenue goals in support of tax administration. The Quality Assurance BD manages in an environment where consequence of error is extremely high, and also impacts the highest levels of state government as well as the public. Statewide positive impacts include excellent and timely customer service. Negative impacts prevented include inaccurate implementations, such as computational errors resulting in erroneous refunds. Consequence of error includes bringing down our IT processes we rely on to do our work. For example, processing tax returns, cashing money, performing audit and collection activities. Virtually all we do is reliant of IT systems. For example, the FTB has had IT incidents and outages delaying tens of millions of dollars being deposited into the General Accounting Funds, or that have impacted thousands of taxpayers when the FTB services are unavailable.

The Quality Assurance BD represents the FTB on committees and task forces outside of the FTB on issues with statewide impacts, provides input on statewide policies or tools, and opportunities to collaborate and share services. Examples include, SDLC policies, guidelines and standards discussions/panels with statewide overseers such as the Department of Technology, and review of quality assurance policies surrounding new IT frameworks like Agile and Scrum.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Quality Assurance BD will be responsible for directly impacting the formulation of software quality assurance policies, strategic decision-making, program effectiveness of IT services provided to the FTB and the public. As a member of the executive management team, the Quality Assurance BD will provide strategic policy advice that ultimately may have a profound impact on the department's automated systems. The Quality Assurance BD will continuously evaluate and monitor system performance and quality to ensure the integrity and stability of the code being produced (networks, servers, databases, etc.) by providing oversight to ensure the proper policies are developed and protocols are followed by the staff performing system user acceptance, and performance and security audit logging tests to ensure the stability and integrity of the code (set of instructions) being produced. The Quality Assurance BD sets policy and subsequent standards and procedures around quality and quality of testing required before an application or service goes into production. The Quality Assurance BD sets policy on defect levels and what level of defect is okay to still go into production versus required to be fixed before a deployment.

The Quality Assurance BD will identify trends and issues impacting development and integrity and make decisions on staffing levels, classifications, and training and performance standards. The Quality Assurance BD assesses risk, establishes policy and direction on system changes, and establishes business process changes and proposed legislation to facilitate efficient processes and equitable treatment for taxpayers and improved customer experience.

As the Quality Assurance BD, the incumbent is ultimately responsible for certifying the readiness of the systems that supports over 6,000 employees, over 20 million tax returns filed and generates over \$93 billion or 76% of California's general fund annually. The consequence of error is high and attention to detail and ability to assess risk, evaluate readiness, and make decisions promptly and judiciously are critical for this position to be effective.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Quality Assurance BD will play a critical role in developing, implementing, and interpreting new and existing policies. The Quality Assurance BD will strategize on impacts and develop solutions with the CIO, Executive Management, as well as senior management in the recommendation, development, and implementation of policies, standards, processes, and procedures as it relates to IT service management and the TSD's mission and strategic goals.

As TSD continues to move towards a service management organization, the Quality Assurance BD will continue to develop consistent methodologies and standards for the comprehensive SDLC, common tools, expand shared services, etc. Further, the Quality Assurance BD will be tasked with leading, interpreting and implementing new policy which must be complimentary and compatible with existing policies, ensuring the most optimal outcomes for the FTB are achieved.

Currently, there are three new policies being developed.