



Performance Audit Status Report January 2012

In 2010, the Legislature enacted Senate Bill 1064, which made a number of changes to CIRM's governing statutes. A new provision, codified as Health and Safety Code section 125290.30, subdivision (c), requires CIRM to commission performance audits every three years:

A performance audit shall be commissioned by the institute every three years beginning with the audit for the 2010-11 fiscal year. The performance audit, which may be performed by the Bureau of State Audits, shall examine the functions, operations, management systems, and policies and procedures of the institute to assess whether the institute is achieving economy, efficiency, and effectiveness in the employment of available resources. The performance audit shall be conducted in accordance with government auditing standards, and shall include a review of whether the institute is complying with ICOC policies and procedures. The performance audit shall not be required to include a review of scientific performance. The first performance audit shall include, but not be limited to, all of the following:

- (1) Policies and procedures for the issuance of contracts and grants and a review of a representative sample of contracts, grants, and loans executed by the institute.
- (2) Policies and procedures relating to the protection or treatment of intellectual property rights associated with research funded or commissioned by the institute.

CIRM consulted experienced government performance auditors to define the terms for an audit engagement and to select auditors. CIRM issued a Request for Proposals that conveyed the relevant information about CIRM and the audit requirements, including adherence with government auditing standards.

CIRM's audit planning committee reviewed and scored the eight bids submitted, and interviewed the four highest-scoring teams. CIRM selected the highest-scoring team, from the accounting firm Moss Adams. They began work in October, as CIRM's annual financial audit was wrapping up. They have completed their planning process, and are at the evidence-gathering and analysis stage of their work. They will be ready to present their final report to the ICOC in April.