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Chiang Releases Results of Financial Review of California's Stem Cell Institute

SACRAMENTO – State Controller John Chiang today unveiled the results of an audit conducted on the California Institute for Regenerative Medicine (CIRM), the stem cell grant program created in 2004 by Proposition 71. The review found CIRM's conflict-of-interest policies, grant administration, administrative expenses and expenditures conform with Proposition 71 and generally were followed.

"California taxpayers agreed to dig into their pockets and finance up to \$6 billion over 10 years to help find cures for a host of debilitating and chronic diseases and every public penny must be protected," Chiang said. "This audit shows that the Institute's administrative processes and expenditures are proper and in compliance with Proposition 71's voter-approved requirements."

The State Controller ordered the audit to determine whether the Institute was following the conflict-of-interest policies, grant administration and expense guidelines established by Proposition 71, the California Stem Cell Research and Cures Act. The results of the audit found the Institute has adopted adequate policies in each area, often basing its standards on National Institute of Health requirements and industry best practices.

The only area of concern was found in the CIRM grants working group, where specialists failed to follow a policy requiring them to sign post-review certification forms that cover conflicts of interest, confidentiality and non-disclosure of information. While other statements are required from reviewers, and the grant reviewers sign pre-review conflict-of-interest statements, the audit recommends the Institute enforce its policy and collect post-review certification forms after every application is reviewed to protect the integrity of the grant approval process.

The Controller chairs the Citizens Financial Accountability and Oversight Committee (CFAOC), which also was created by Proposition 71 to oversee the finances of the publicly funded stem cell research program. The Controller called for the audit of CIRM's policies and procedures at the last CFAOC meeting in November 2007.

Chiang has scheduled a meeting of the CFAOC on July 7 in San Diego to publicly review the audit findings and discuss the Institute's financial reporting.

The complete [audit](#) can be found at www.sco.ca.gov.

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