

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

	Institute of Medicine (2013)	CIRM’s Response to the Institute of Medicine.	CA Institute for Regenerative Medicine Performance Audit (FY 2010-2011)	The Little Hoover Commission (2009)	CIRM’s Response to the Little Hoover Commission
	ICOC Governance				
ICOC Board Structure: Size, Independence & Term Limits	Maintain or reduce the size of the Board but change its composition by ensuring that a majority of members are “independent,” to include adding members from the business community. But no institution or organization should be guaranteed a seat on the board. ¹ The terms of board	The Chair proposed and the board approved in concept having the 13 institutional members abstain from voting on all grants (this policy is proposed for a 1 year trial period.)		-Decrease board size from 29 to 15. Add 5 patient advocates from unspecified disease groups, 2 independent business leaders and 2 independent scientists with no ties to CIRM-funded institutions, 2 UC officials, 1 non-UC official, 2 private sector biotechnology executive, and 1 leader of a CA research institution.	-Reducing the size of the Board almost by half would interfere with the deliberate design set forth in Prop. 71 -Limiting Board member terms to four years would interfere with the independence and stability of the Board. -Concentrating 11 of 15 appointments in the

¹ The current structure is a 29-member Independent Citizens Oversight Committee (ICOC) as the Institute’s governing authority. The ICOC is composed of representatives of specific disease advocacy groups, CA research universities, and representatives of both CA’s biotechnology industry and other nonprofit CA-based research institutions. *ICOC action as of 1/23/13: The board members appointed from institutions eligible for funding will no longer vote on any grants brought before the Board.*

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

<p>ICOC Board Structure continue</p>	<p>members should be staggered to balance fresh perspectives with continuity.²</p> <p><i>(Modifications would require a new ballot measure)</i></p>			<p>-Reduce terms to four years for all members.</p> <p>-Concentrate appointment authority in the Governor by authorizing the Governor to appoint 11 of 14 members.</p> <p>-Authorize the Board to select the Chair and Vice Chair from among the 15 members</p> <p><i>(Modifications would require a new ballot measure)</i></p>	<p>Governor and authorizing the Board, rather than the 4 constitutional officers, to nominate the Chair and Vice Chair, is inconsistent with the voters' express intent to create an independent Board to oversee CIRM.</p>
<p>ICOC Oversight Role</p>	<p>Separate operations from oversight. The board should have primary responsibility for oversight and strategy. The board</p>	<p>CIRM rejected this recommendation.</p>	<p>Make every effort to manage and operate as one cohesive organization, while recognizing the varying roles, responsibility, and</p>	<p>Eliminate the Chair' statutory responsibilities and clarify that CIRM president manages all day-to-day</p>	<p>-The Chair's statutory responsibilities reflect the voters' intent to allocate financial/legal issues and scientific issues to individuals with expertise in those</p>

² Currently, ICOC members representing disease advocacy groups and those appointed by the UC, Speaker, and the Senate pro Tem serve for 8 year terms. No member can serve more than 2 terms.

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

<p>ICOC Oversight Role continue</p>	<p>should oversee senior management but should not be involved in day-to-day management. ³</p> <p>Delegate operational tasks performed by the Chair and the Vice Chairs to management.</p>		<p>authorities that exist with positions in both the Chairman’s Office and President’s Office.</p>	<p>operations.</p> <p><i>(ICOC Counsel opined that this could be done through Board delegation)</i></p> <p>-Add a provision to the Board bylaws authorizing removal of members for cause.</p> <p><i>(Modification would require statutory change approval of 70%)</i></p>	<p>fields. Thus, transferring the Chair’s statutory duties to the President would be inconsistent with the deliberate structure established by Prop. 71.</p> <p>-The Board does not support this recommendation because they do not have the power to adopt a bylaws provision providing for the removal of members.</p>
<p>External Reviews</p>			<p>Key performance information is not readily available to CIRM leadership and other stakeholders on an ongoing basis.</p> <p>Enhance annual performance report</p>	<p>-Expand the authority of CFAOC to review, track and report CIRM’s programmatic performance and adherence to the goals set out by Prop.</p>	<p>-The Board does not support this recommendation because CIRM is already subject to performance review.</p>

³ The Chair and President share a division of responsibilities with the President supervising all scientific operations and internal operational responsibilities. The Chief Financial Officer would report to the President. The Chair handles the ‘external affairs’ aspect of the agency.

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

<p>External Reviews continue</p>			<p>to provide CIRM leadership and other stakeholders with core performance information.</p>	<p>71 with regular, quarterly meetings. <i>(Performance audit is required by SB 1064 every 3 years. Moss Adams audit is the first)</i></p>	
<p>Conflict of Interest (CA Code Regs, tit.17, section 100003)</p>	<p>CIRM should revise its definitions of conflict of interest to recognize conflicts arising from nonfinancial interests, such as the potential for conflict arising from an individual's interest in a specific disease.⁴</p>	<p>CIRM rejected this recommendation.</p>	<p>Adopt a Board Code of Conduct. Continue to use controls and processes to consider all conflicts of interest. In addition, review processes related to conflict of interest forms to assess whether there are redundancies in the process, and if so, are there reasons for the redundancy.</p>	<p>CIRM should poll CIRM's peer reviewers anonymously about their willingness to participate in the review process if their financial disclosure statements are made available to the public. The results of this poll should be made public. <i>(Policy changes that CIRM could implement)</i></p>	<p>Under CA law, members of an advisory group are not required to complete financial disclosure statements. CIRM would risk losing substantial number of peer reviewers if it were to require its out-of-state reviewers to publicly disclose their economic interest. The Board endorses the proposal and CIRM staff have undertaken an anonymous poll of GWG members.</p>

⁴ CIRM's policy for managing conflict of interest is recusal from deliberations and voting on matters that affect the financial interests of conflicted individuals.

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

	Grants				
Grant Application and Review	<p>Grants management and review should be purview of CIRM staff reporting to the President.⁵</p> <p>ICOC should be limited to providing final approval and funding amounts for RFA's.⁶</p> <p>ICOC board chair & other ICOC members should not be a member of the Grants Working Group, ICOC patient advocates should not be members of the GWG-should be</p>	<p>CIRM proposed to redirect all scientific appeals to staff, who will evaluate to see if they should be considered for further review and recommendations for actions will go to the board.</p> <p>CIRM proposed that Board patient advocates can attend GWG but not vote on individual proposals.</p>	<p>Build upon current efforts to develop a grants outcome tracking database by creating a digital dashboard that consolidates grants performance data across CIRM programs.</p>	<p>CIRM should conduct a trial grant application round that identifies all applicants in connection with a request for application (RFA).</p> <p>-CIRM should provide full grant evaluations to applicants.</p> <p>-Amend the minutes of all meeting to specify individual board members' votes and recusals.</p> <p><i>(Policy changes that CIRM could</i></p>	<p>The Board believes that this recommendation is premature, but will consider modifications after further review.</p> <p>-The Board does not support this recommendation because of the importance of confidentiality in the peer review process.</p> <p>-The Board endorses this recommendation.</p>

⁵ GWG reports to both the Chair and the President. There are overlapping responsibilities between the Chair and President.

⁶ Under the current structure, members of the ICOC (both as participants in the GWG and through deliberations of the ICOC itself) have considerable influence at all levels in how grants are funded.

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

Grant Application and Review continue	<p>replaced with other patient advocates.⁷</p> <p>Senior VP for research and development and the president should decide on final slate of proposals and submit to ICOC for a final vote on the full slate. ICOC shouldn't be empowered to approve individual grants or move grants from one tier to another.</p> <p>Eliminate extraordinary appeals.⁸</p>	CIRM proposes moving appeals to staff level to make final recommendation to the Board.		<i>implement)</i>	
Working Groups	The Chair and other ICOC members should be prohibited	The Chair proposed and board approved		Eliminate the 15-scientist cap on the Grants Working	Board does not support this recommendation

⁷ The 29 member governing board has the authority to approve individual grants. *ICOC action as of 1/23/13: The 13 Board members appointed from institutions eligible for funding will no longer vote on any grants brought before the Board but would instead abstain.*

⁸ Currently, extraordinary appeals are handled in public board meetings,

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

<p>Working Groups continue</p>	<p>from serving on the working groups. The current level of representation of disease advocates should be maintained, such board members being replaced with other disease advocates who are not board members.⁹</p> <p>Enhance industry representation on the ICOC, the Scientific Advisory Board, the Standards Working Group, and the Grants Working Group in support of bringing therapies to patients.¹⁰</p>	<p>in concept that patient advocates will not vote on individual proposals in the GWG. But patient advocates may still participate in discussion.</p>		<p>Group to maintain transparency.</p> <p><i>(Modification would require statutory change approval of 70%)</i></p>	<p>because the 15-scientist cap on Grant Working Group does not limit CIRM’s capacity to review applications. The real limiting factor for review is time.</p>
--------------------------------	---	---	--	--	--

⁹ Currently, the GWG is appointed by the ICOC and consists of 23 members, including the chair of the ICOC, 7 of the 10 ICOC patient advocates, and 15 non-California scientists known for their expertise in stem cell biology.

¹⁰ *ICOC action as of 1/23/13: Increase industry involvement on the GWG, and also feature in a newly constituted Scientific Advisory Board; the structure and membership of this group is still under discussion.*

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.

IP continue	sponsored inventions in certain circumstances).				
Transition					
Transition	<p>Develop a sustainability plan to sustain momentum after CIRM's initial funding expires, including consideration of the role of additional state funding.¹¹</p> <p><i>(SB1064 requires a transitional plan)</i></p>	<p>The Chair is currently considering a variety of options, including a venture philanthropy fund.</p>	<p>Ensure the Transition Plan addresses CIRM's unique and increasing recruitment and retention challenges, and ensure CIRM leadership clearly and regularly communicates transition plan strategies to all employees.</p> <p><i>(Policy change that CIRM could implement)</i></p>	<p>Adopt a succession plan for leadership and a transition plan for the eventual expiration of bond funding.</p> <p><i>(Required by SB1064)</i></p>	<p>The Board endorses this recommendation.</p>

¹¹ As part of its 2012 Strategic Plan, CIRM set forth plans to establish a platform to enable grantees, and industry, to continue their pursuit of CIRM's mission after the institute's bond funding expires.

Comparison of the Institute of Medicine, Moss Adams Performance Audit, and the Little Hoover Commission reports.