



Pouneh Simpson
Director of Finance
CFAOC Presentation
November 9, 2022

CIRM
CALIFORNIA'S STEM CELL AGENCY

OUR MISSION

Accelerating world class science
to deliver transformative
regenerative medicine treatments
in an equitable manner to a
diverse California and world



2019 Performance Audit

Audit overview

Audit finding and update

2021/22 Budget Results

Financial Results

Major Drivers

2022/23 Approved Budget Overview

Major Drivers

2020/21 Financial Audit

FY 2019-20 Performance Audit

- Conducted every three years per Senate Bill 1064 statutes of 2010 to assess the economy, efficiency, and effectiveness in the employment of available resources.
- In FY 2019-20 CIRM funding was set to expire by 2023 and the agency was winding-down.
- Audit was conducted by Moss Adams LLP in October of 2021. Nine recommendations were made to increase compliance, efficiency and effectiveness.

Compliance Recommendations		Update
1	Consider Improvements in Grants Management System.	In progress
2	<p>A) Reinforce the requirements of the Grants Administration SOP.</p> <p>B) Add additional review of dates.</p>	<p>Completed.</p> <p>Progress report created. GMS updated with auto populate templates. Updated SOP with compliance check</p>
3	Implement controls to flag missing documentation.	Completed

Efficiency & Effectiveness		Update
4	Conduct succession planning.	In progress
5	Take steps to proactively engage more ICOC Board Members in decision-making	Completed
6	A) Develop policy to monitor and enforce compliance with publication disclosures requirements. B) Consider implementing CRM to support automated monitoring of publications and press releases.	In progress
7	Seek more diverse member of the scientific community to review and recommend grants.	In progress

Efficiency & Effectiveness		Update
8	Update Records Retention schedule, establish policies, and provide training.	Completed.
9	Improve document management	In progress
10	Enhance GMS capabilities to automate processes, centralize data, and enhance access.	In progress
11	Consider CRM to collect and better analyze data in support of CIRM's Mission	In progress

FY 2021/22 Financial Results and Discussion

- Completion of the first year of CIRM relaunch
- Launched Strategic Plan December 2021
- Ramp-up
 - Increased staff levels due to increased workload
 - Increase in number of reviews based on ramp-up
 - CIRM closed Oakland Headquarters; in the process of moving into new HQ
- Pandemic impact on in-person meetings and travel

FY 2021/22 Projected Financial Results

Category	FY 21/22 Budget	FY 21/22 Actual	Variance
Employee Expense	15,653	12,269	-3,384 (-22%)
External Services	2,301	2,285	-16 (-1%)
Reviews, Meetings and Workshops	1,253	1,059	-194 (-15%)
Memberships & Training	239	134	-105 (-44%)
Travel	126	29	-97 (-77%)
Office Expenses	1,661	1,514	-147 (-9%)
Rent	1,757	1,654	-103 (-6%)
Total	22,990	18,944	-4,046 (-18%)

- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

Lower Expense:

- **Employee Expenses** under budget by \$3,384,000 (-22%) due to delay in filling positions and decision not to fill three budgeted positions.
- **Reviews, Meetings, and Workshops** under budget by \$194,000 (-15%) because events held remotely at a lesser cost.
- **Office Expenses** under budget \$147,000 (-9%) because actual move cost was lower than budgeted.

2022/23 Proposed Budget

Category	FY 21/22 Budget	FY 21/22 Actual	FY 22/23 Approved Budget	Variance FY 22/23 Requested vs 21/22 EFT
Employee Expense	15,653	12,269	18,421*	6,152 (33%)
External Services	2,301	2,285	2,382	97 (4%)
Reviews, Meetings and Workshops	1,253	1,059	1,815**	756 (42%)
Memberships & Training	239	134	235	101 (43%)
Travel	126	29	212***	183 (86%)
Equipment & Supplies	1,661	1,514	1,594	80 (5%)
Facilities	1,757	1,654	1,555	-99 (-6%)
Total	22,990	18,944	26,214	7,270 (28%)

* Cost of increased mandated benefits, and ICOC Patient Advocate Per Diem, and a request for 10 new FTE. Details provided in Appendix.

** Increase in cost of reviews, advisory meetings, and in-person meetings.

*** Increase in travel with reopening.

- Numbers are in thousands of dollars (\$000). Minor variances due to rounding.

- Overview Proposed Increases
 - Employee Expenses
 - Requesting budget to fund 10 new positions based on program needs
 - Increased Patient Advocate Board Member per diems
 - Increase in state mandated benefits and retirement adjustment and merit salary adjustment
 - External Services
 - Consultants for program development and contingent legal contracts
 - Reviews/Meetings/Workshops
 - Higher cost of reviews, increased in board and subcommittee meetings, and more advisory workshops (more in-person meetings)

- CIRM continues to actively manage costs; however, some factors are difficult to control:
 - Office move
 - Recruitment and personnel growth
 - COVID-19 effect on meetings, travel, and work activities

FY 2020/21 Financial Financial Audit

- First 6 months of the fiscal year were winding down CIRM. After the Passage of Prop 14, the second 6 months were focused on CIRM relaunch.
 - First fiscal year with both Prop 71 and Prop 14 funds.
 - First Prop 14 General Obligation Bond sold for \$180 Million
 - CIRM relaunched and development of a new strategic plan.

Prop 14 Expenditure by Fiscal Year

Dollars in thousands

\$300M in bond sales approved by Stem Cell Committee (Controller, Treasurer, DOF Director, and three members of ICOC governing board)

