

MACIAS GINI & O'CONNELL, LLP

Review Report

QUALITY CONTROL REVIEW

For the Firm's Audit of the
California Institute for Regenerative Medicine
for the Fiscal Year Ended June 30, 2024



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

August 2025



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CALIFORNIA STATE CONTROLLER

August 4, 2025

Mr. Craig Harner, CPA, CFE, Assurance Partner
Macias Gini & O'Connell, LLP
500 Capitol Mall, Suite 2200
Sacramento, CA 95814

Dear Mr. Harner:

The State Controller's Office completed a quality control review of Macias Gini & O'Connell, LLP. We reviewed the working papers for Macias Gini & O'Connell, LLP's audit of the California Institute for Regenerative Medicine for the fiscal year ended June 30, 2024.

If you have any questions regarding this report, please contact Joel James, Chief, Financial Audits Bureau, by telephone at 916-323-1573, or email at jjames@sco.ca.gov. Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

KAT/rs

Copy: Jonathan Thomas, Ph.D., J.D., President and Chief Executive Officer
California Institute for Regenerative Medicine
Vito Imbasciani, Ph.D., M.D., Chair
Independent Citizens' Oversight Committee
California Institute for Regenerative Medicine
Maria Bonneville, Vice Chair
Independent Citizens' Oversight Committee
California Institute for Regenerative Medicine
Citizens Financial Accountability Oversight Committee
State Controller's Office

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Review Report

Summary

The State Controller's Office (SCO) completed a quality control review of Macias Gini & O'Connell, LLP (the firm). We reviewed the working papers for the firm's audit of the California Institute for Regenerative Medicine (CIRM) for the fiscal year ended June 30, 2024.

The firm's audit was performed in accordance with the standards and requirements set forth in *Government Auditing Standards*, issued by the Comptroller General of the United States and often referred to as generally accepted government auditing standards (GAGAS); auditing standards generally accepted in the United States of America; and Business and Professions Code.

Background

CIRM, a California state agency, was formed after the approval of Proposition 71, the California Stem Cell Research and Cures Initiative, in November 2004. The initiative added an article to the California Constitution, amended a section of Government Code, and added sections to Health and Safety Code. CIRM was established to provide funding for stem cell research, training, and facilities.

Section 2 of Article XXXV, "Medical Research," of the California Constitution established CIRM:

- (a) To make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases.
- (b) To support all stages of the process of developing cures, from laboratory research through successful clinical trials.
- (c) To establish the appropriate regulatory standards and oversight bodies for research and facilities development.

The firm is an independent certified public accounting firm with an office located in Sacramento, California. The firm has California offices in Irvine, Los Angeles, Mountain View, San Diego, San Jose, San Rafael, and Walnut Creek. The firm also has offices in Atlanta, Georgia; Boca Raton, Florida; Chicago, Illinois; Austin, Texas; and Melville, New York, and international offices in India. The firm has been the independent auditor for CIRM since fiscal year 2005-06.

Review Authority

We conducted this review in accordance with Health and Safety Code section 125290.30(b), which requires the SCO to review and report publicly on the annual independent financial audit of CIRM's activities.

Objective, Scope, and Methodology

The objective of our quality control review was to determine whether this audit was conducted in compliance with GAGAS, auditing standards generally accepted in the United States of America, and Business and Professions Code. We compared the audit work performed by the firm, as documented in the working papers, with the standards stated in the objective.

Conclusion

The firm's audit was performed in accordance with the standards and requirements set forth in GAGAS, auditing standards generally accepted in the United States of America, and Business and Professions Code.

This report is applicable solely to the working papers for the firm's audit of CIRM for the fiscal year ended June 30, 2024, and is not intended to pertain to any other work of the firm.

Firm's Response

We discussed our review results with the firm's representative during an exit conference conducted on June 12, 2025. At the exit conference, the firm's representative agreed with the review results.

Restricted Use

This report is intended solely for the information and use of CIRM, the firm, and the SCO; it is not intended to be, and should not be, used for any other purpose. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

August 4, 2025

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

www.sco.ca.gov