

# 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, 2023*



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

October 2024



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

October 14, 2024

Mr. Craig Harner, CPA, CFE, Assurance Partner  
Macias Gini & O'Connell, LLP  
500 Capital 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 the firm's audit of the California Institute for Regenerative Medicine for the fiscal year ended June 30, 2023.

If you have any questions regarding this report, please contact Joel James, Chief, Financial Audits Bureau, by telephone at 916-323-1573. Thank you.

Sincerely,

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

KAT/am

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 completed a quality control review of Macias Gini & O'Connell, LLP's (the firm's) working papers for the audit of the California Institute for Regenerative Medicine (CIRM) for the fiscal year ended June 30, 2023.

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, often referred to as generally accepted government auditing standards (GAGAS); auditing standards generally accepted in the United States of America; and the California Business and Professions Code.

## Background

CIRM is a California state agency formed pursuant to the provisions of Proposition 71, the California Stem Cell Research and Cures Initiative, which was approved by California voters in November 2004. Proposition 71 added an article to the California Constitution, amended a section of the California Government Code, and added sections to the California Health and Safety Code. The purpose of the legislation was the formation of the institute 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 diagnosis, treatment, and cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases.
- Support all stages of the process of developing treatments and cures, from basic research and discovery through preclinical and translational research to the conduct of successful clinical trials.
- Establish the appropriate regulatory standards and oversight bodies for research and facilities development.

Health and Safety Code section 125290.30(b) requires CIRM to:

...annually commission an independent financial audit of its activities from a certified public accounting firm, which shall be provided to the State Controller, who shall review the audit and annually issue a public report of that review.

Macias Gini & O'Connell, LLP is an independent certified public accounting firm with an office located in Sacramento, California. The firm also has California offices in Irvine, Los Angeles, Mountain View, San Diego, San Jose, San Rafael, and Walnut Creek, in addition to out-of-state offices in Atlanta, Georgia; Boca Raton, Florida; Chicago, Illinois; Dallas, Texas; and Melville, New York. The firm has been the independent auditor for the CIRM since fiscal year 2005-06.

**Objective, Scope,  
and Methodology**

The objective of our quality control review was to determine whether Macias Gini & O'Connell, LLP's audit of the CIRM for the fiscal year ended June 30, 2023, was conducted in compliance with GAGAS, auditing standards generally accepted in the United States of America, and the California 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 general objectives.

**Conclusion**

Macias Gini & O'Connell, LLP's audit of the CIRM for the fiscal year ended June 30, 2023, was performed in accordance with the standards and requirements set forth in GAGAS, auditing standards generally accepted in the United States of America, and the California Business and Professions Code.

This report is applicable solely to the audit working papers referred to above and is not intended to pertain to any other work of Macias Gini & O'Connell, LLP.

**Firm's Response**

We discussed the review results with Macias Gini & O'Connell, LLP's representatives on September 11, 2024. The firm's representatives agreed with the review results presented in this report.

**Restricted Use**

This report is intended solely for the information and use of the CIRM, Macias Gini & O'Connell, LLP, and the State Controller's Office; it is not intended to be, and should not be, used for any other purpose. This restriction is not meant to limit distribution of this report, which is a matter of public record.

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

October 14, 2024

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

**[www.sco.ca.gov](http://www.sco.ca.gov)**