

## Q & A for CIRM RFP 2369 seeking Audit Services\*

Q1) Were there any issues in the previous audit (i.e. any significant deficiencies or material weaknesses noted by the auditors)?

CIRM Answer: No.

Q2) What was the makeup of the audit team (i.e. number of staff, seniors, etc.) and how long was the team in the field for both interim and year end work for previous audit?

CIRM Answer: Generally, the audit team consists of a manager and two/three senior/associate auditors. Additionally, the audit firm partners are involved in the review of the final report. Generally, the audit fieldwork begins within two weeks from the close of the year-end financial statements. Because the fieldwork is done at DGS's office, not CIRM, we do not know exactly how long the fieldwork lasts. Based on the invoices we received, we estimate approximately 3 to 4 weeks for each auditor.

Q3) How many audit adjustments were made in the previous audit?

CIRM Answer: The audit adjustments included Legal to GAAP and government-wide adjustments.

Q4) Is the prior year audit firm invited to bid?

CIRM Answer: Yes, the current audit firm is eligible to bid.

Q5) What were the itemized fees by service for the previous audit?

CIRM Answer: The current auditor charges CIRM fees on an hourly rate basis. The total fees for the 2010/11 audit were approximately \$63,700, and for the 2011/12 audit were approximately \$69,500.

Q6) Why is CIRM going out for bid? Is the previous auditor allowed to bid?

CIRM Answer: The current contract expires February 2013 and is up for re-bid. The current audit firm is eligible to bid.

Q7) May we get a copy (or at least an understanding of) prior year audit adjustments?

\*Questions were submitted to CIRM by multiple companies.

CIRM Answer: No, prior year audit adjustment records are maintained by the audit firm. The audit adjustments include Legal to GAAP and government-wide adjustments.

Q8) What were prior year fees?

CIRM Answer: The total fees for the 2010/11 audit were approximately \$63,700, and for the 2011/12 audit were approximately \$69,500.

Q9) Page 3, section 2.1.2 of the RFP describes the Bonds Funds, the Surplus Money Investment Funds, and the Loan Repayments and Gift Money Funds. Yet, when reviewing the financial statements for 2012, we noted only one fund – the Stem Cell Fund. Is the use of the term “fund” in section 2.1.2 meaning monies versus fund accounting?

CIRM Answer: Yes.

Q10) Does CIRM prepare the financial statements or is this done by the auditor?

CIRM Answer: The current auditor prepares the financials, with review by CIRM.

Q11) Typically when are CIRM records related to the fiscal year ready for audit (in reference to the 55 day requirement in section 2.2.5 on page 3 of the RFP)?

CIRM Answer: On or around August 20 of each year.

Q12) In the past, how many audit team members were used to complete the audit? How many weeks was fieldwork? Was there interim fieldwork? If not, is this something CIRM would allow?

CIRM Answer: Generally, the audit team consists of a manager and two/three senior/associate auditors. Additionally, the audit firm partners are involved in the review of the final report.

Generally, the audit fieldwork begins within two weeks from the close of the year-end financial statements. Because the field work is done at DGS's office, not CIRM, we do not know exactly how long the fieldwork lasts. Based on the invoices we received, we estimate approximate 3 to 4 weeks for each auditor.

Fieldwork cannot begin until August 20, as the year-end financial statements are not completed until then.

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For a copy of the previous audits, please see the following web pages:

[http://www.cirm.ca.gov/Agenda\\_2012-10-25/icocgoverning-board](http://www.cirm.ca.gov/Agenda_2012-10-25/icocgoverning-board), item #18

[http://www.sco.ca.gov/eo\\_about\\_cfaoc\\_meetings.html](http://www.sco.ca.gov/eo_about_cfaoc_meetings.html)

Q13) In regards to Section 5.1 of the RFP - Documents to be Submitted, is it mandatory to separate the documents, or can we submit your forms within the entirety of our proposal?

CIRM Answer: All of the documents and forms can be submitted in one package, on one disk, etc.

Q14) Can we have access to the original file (in Word) of the Proposal Part II Form? The PDF that was submitted with the RFP has some formatting errors that make it difficult to fill-out and to satisfy the mandatory requirement within your RFP.

CIRM Answer: Yes, the word document is now posted on the CIRM website.

Q15) How many samples of our work (audited financial statements) are required? Can we use a previously issued CIRM report?

CIRM Answer: We would prefer to see 6 samples of your work. If you have previously audited CIRM, you may use a previously issued CIRM report.

Q16) Is the Payee Data Record to be included in the proposal?

CIRM Answer: No. The Payee Data Record will not be needed until we enter into a contract.

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