



Smithsonian Institution

The Board of Regents

A STATEMENT FROM THE BOARD OF REGENTS ON THE REPORT AND RECOMMENDATIONS OF THE GOVERNANCE COMMITTEE

Nearly three months ago, in response to intense congressional and public interest about executive compensation and the handling of certain expenses by the former Secretary, the Regents initiated a comprehensive review of governance at the Smithsonian. Since that time, we have scrutinized our oversight of the Smithsonian — both from the inside and out.

Internally, we created a standing Regents' Governance Committee with a mandate to swiftly and comprehensively review Smithsonian policies and practices as well as how the Board could better oversee this vast and complex Institution. We asked the Governance Committee to look forward and report back to the Board with recommendations to strengthen the Regents' leadership and governance of the Institution. The Governance Committee, chaired by Regent Patty Stonesifer, has admirably done so.

At the same time the Governance Committee was at work, we sought an outside perspective. The Regents commissioned the Independent Review Committee (IRC), chaired by the Honorable Charles A. Bowsher, former Comptroller General of the United States, to review those matters identified by the Smithsonian's Inspector General and Senator Charles Grassley. On June 11, the IRC met with the full Board of Regents to discuss their preliminary findings and recommendations. The Regents welcomed this opportunity to engage the IRC directly in a frank review and discussion of their work. We expect that the IRC's final report will be released later this week.

The Regents are pleased to adopt the 25 recommendations of the Governance Committee's report. These recommendations address the serious problems regarding executive compensation and expenses that the IRC was directed to study, and take account of the IRC's helpful findings and suggestions. In addition, the Governance Committee looked well beyond those problems. Its recommendations constitute a comprehensive "Blueprint for Better Governance" that both addresses weaknesses in a variety of existing Smithsonian policies and practices and serves as a foundation for the Board to become a leader in 21st century nonprofit governance.

The recommendations are wide-ranging and will result in concrete change. Together with the immediate policy improvements we approved in April, we have strengthened board and committee structures; enhanced monitoring and accountability; reinforced the Smithsonian's strong ethical foundation; increased effective transparency; ensured that the critical "gatekeepers" — the General Counsel, the Chief Financial Officer, and the Inspector General — have direct access to the Board; and promoted robust and informed deliberations. We expect that our adoption of these recommendations will immediately

improve the management, governance, and transparency of the Institution. Today's launch of a web page providing key information about the Regents and their work, including the Governance Committee's report, demonstrates our commitment to an ethos of increased transparency. (See www.si.edu/about/regents.htm)

We recognize, however, that much work remains. Over the next seven months, the Board will study issues ranging from the appropriate size and composition of the Board to creating an improved framework to strengthen our relationships with the dedicated Advisory Boards of individual Smithsonian museums and research centers. We will build the strong constructive partnership with Acting Secretary Cristián Samper and his staff that is necessary to advance the Smithsonian's mission and maintain the public trust. We also welcome the rigorous search process now under way that will result in the selection of the 12th Secretary of the Institution.

The Regents appreciate the hard work of Patty Stonesifer and her fellow Governance Committee members, Robert Kogod, Walter Massey, Congresswoman Doris Matsui, and Diana Aviv, the President and CEO of Independent Sector, in producing this report.

We are particularly grateful to the nearly 6,200 Smithsonian staff members and the Institution's more than 5,000 volunteers. Above all, it is their dedication and passion for the Smithsonian's mission that enables the Institution to enrich the lives of millions of Americans every day.

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