The Smithsonian Institution (Smithsonian) is the world’s largest museum complex. Its funding comes from its own private trust fund assets and federal appropriations. The Smithsonian Board of Regents, the Smithsonian’s governing body, is responsible for the long-term stewardship of the Smithsonian. In recent years, GAO and others have documented (1) significant governance and accountability breakdowns at the Smithsonian, which could ultimately put funding and the organization’s credibility at risk, and (2) the deterioration of the Smithsonian’s facilities and the threat this deterioration poses to the Smithsonian’s collections.

This testimony discusses (1) the Smithsonian’s status in implementing governance reforms recommended by its Governance Committee and by GAO in a 2008 report (GAO-08-632)—as discussed in a GAO report being released today (GAO-10-190R)—and (2) the Smithsonian’s progress in implementing facilities and funding recommendations GAO made in a 2007 report (GAO-07-1127). The work for this testimony is based on GAO-10-190R and an analysis of documentary and testimonial evidence from Smithsonian officials.

What GAO Found

Since May 2008 the Smithsonian has implemented 9 reforms recommended by the Board of Regents Governance Committee—in addition to the 30 it had implemented prior to May 2008—and 1 of 4 GAO recommendations, but work remains on 3 reforms and 3 recommendations. The 9 Governance Committee reforms implemented since May 2008 include efforts such as revising policies related to travel and expense reimbursement and event expenses, creating a regents’ annual public forum, completing a review and revision of Board of Regents committees’ charters, and developing an assessment process for the Board of Regents. The Smithsonian has not completed implementation of 3 Governance Committee reforms related to the Smithsonian’s contracting policy, a comprehensive review of financial reporting and internal controls, and enhancing the role of advisory boards.

Regarding GAO’s May 2008 recommendations, the Smithsonian implemented GAO’s recommendation to evaluate what actions it can take in the event of persistent neglect of duties by a regent, but has not completed implementation of the following three recommendations:

- The Board of Regents has not fully implemented GAO’s recommendation to develop and make public its process for the selection, use, and evaluation of nonregents. The Board of Regents posted on its Web site the process for selecting nonregent committee members but did not make a final decision regarding a proposed bylaw to give nonregent members of committees the same roles and responsibilities as regents.
- The Board of Regents took steps to improve its relationship with stakeholders, including advisory boards. However, because of limitations of the efforts thus far—such as the informal nature of the Board of Regents’ efforts and their focus on the dissemination of information from the regents rather than two-way communication—several advisory board chairs with whom GAO spoke expressed concern that the Board of Regents still lacked a sufficient understanding of Smithsonian museums and other entities to govern as effectively as possible.
- The Board of Regents has not yet conducted a comprehensive evaluation of its reforms but plans to do so in fiscal year 2010.

The Smithsonian has implemented four of GAO’s five 2007 recommendations related to facilities and funding. These include recommendations related to improving the Smithsonian’s security communications and the comprehensiveness of its capital plan. Furthermore, the Smithsonian has implemented GAO’s recommendation to more comprehensively analyze nonfederal funding options to meet the needs of its facilities projects. The Smithsonian is planning to launch a national fund-raising campaign to raise private sector funds for its programs and facilities. It is unclear how much in funds will be raised or dedicated to facilities through such a campaign. The Smithsonian has not implemented GAO’s recommendation to submit a report to Congress and the Office of Management and Budget on its funding strategy, but it plans to do so as part of its national fund-raising campaign.