



Highlights of [GAO-08-632](#), a report to the Chairman, Committee on Rules and Administration, U.S. Senate

Why GAO Did This Study

The Smithsonian Institution's governing body, the Board of Regents (Board), has developed a set of actions to address governance and accountability breakdowns that came to light in 2007. These actions were aimed at problems in three main areas: (1) executive compensation, benefits, ethics, and operational policies and controls; (2) flow of information to the Board, transparency of Board operations, and relationship with stakeholders; and (3) the Board's responsibilities, structure, and performance. GAO was asked to assess the extent of the Board's progress in each of these areas. GAO obtained information and data from the Board's regents, Smithsonian executives, and other stakeholders and also analyzed other organizations whose boards had faced similar governance challenges.

What GAO Recommends

GAO recommends that the Board conduct a comprehensive evaluation of its reform actions once these actions are fully implemented. GAO also recommends that in the Board's ongoing deliberations regarding reforms that have yet to be fully implemented, it develop mechanisms to consider and respond to concerns of key stakeholders, develop a clear policy regarding the selection and use of nonregents, and evaluate what actions it can take in the event of neglect of duties by any of its regents. The Board and the Smithsonian concurred with all of the recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-632](#). For more information, contact Mark Goldstein, (202) 512-2834, or goldsteinm@gao.gov.

SMITHSONIAN INSTITUTION

Board of Regents Has Implemented Many Governance Reforms, but Ensuring Accountability and Oversight Will Require Ongoing Action

What GAO Found

The Board has implemented several reforms related to executive compensation and benefits, but the development of policies for broader operational matters such as travel, event expenses, and contracting is still under way. Actions implemented include a revised salary range for the Smithsonian's Secretary-elect and a unified compensation policy for other executives. The Smithsonian is reviewing policies related to travel and other matters, including internal controls. Effectively implementing the new policies and procedures developed during these reviews is likely to depend on effectively training staff and establishing accountability, both of which may be challenging due to a level of standardization and requirements that did not exist before.

The Board has completed the actions it proposed for improving its access to information and making its operations more transparent, but actions to improve communication and relationships with stakeholders are less far along. The Board now has avenues for obtaining information directly from senior officials rather than through the Office of the Secretary, and it has taken such steps as creating a Web page to better publicize its operations and decisions. The Board is studying how to improve links with its 30 advisory boards and has developed an overall strategy for communicating with the larger network of stakeholders, but neither action is far enough along to assess its potential for addressing past problems.

The Board has largely completed the actions it proposed for clarifying regents' responsibilities and studying possible changes in its size and structure, but actions for assessing Board performance are still being developed. The Board altered its committee structure but decided that more fundamental changes in its size and composition were unnecessary. To provide further expertise where necessary under the existing structure, the Board is encouraging the addition of nonregents to committees. Thus far, however, the Board has not developed a process for assuring transparency and accountability in selecting nonregents and using them to enhance governance. The Board is also developing a self-assessment process, but it remains to be seen how the Board will hold regents accountable if they neglect their duties. Given the extensiveness of actions taken and still under way, it is likely that the effectiveness of some changes will only be evident over a longer time. The Board does not currently have plans to conduct a broader evaluation of its governance reform actions after such time has passed to determine if the actions taken have addressed governance and accountability problems which led to its reform actions.