

**BOARD OF REGENTS GOVERNANCE RECOMMENDATIONS  
IMPLEMENTATION SCORECARD**

CURRENT AS OF FEBRUARY 2009

Recommendation	Target Date	Status
1. To ensure that the Board is positioned to provide effective leadership, the Governance Committee will examine the appropriate structure and composition of the Board, the Executive Committee, and Board committees and report to the Board in January 2008 on its findings and recommendations.	May 2008	<b>COMPLETED</b>
2. To establish clear governance expectations, the Regents adopt the description of the Regents' duties and responsibilities.	June 2007	<b>COMPLETED</b>
3. To enhance Board leadership, the Regents adopt the specific duties and responsibilities for the positions of Chancellor and Chair of the Board and will initiate a change to the Bylaws to separate these positions.	September 2007	<b>COMPLETED</b>

<p>4. To provide sufficient time for deliberations and action, the Board of Regents will hold no fewer than four regular business meetings, with additional meetings as necessary. Each Board meeting will include an executive session without the presence of staff, as well as executive sessions with the Secretary and other key staff individually, as appropriate. To enhance the transparency of Board operations and deliberations, the Board and Board committees will keep minutes for all meetings, including executive sessions, and the Special Advisor to the Regents will develop a new format to document minutes of Board and Board committee meetings. The Secretary will delegate to the General Counsel the responsibility for preparing and keeping Board and committee minutes.</p>	<p>September 2007</p>	<p><b>COMPLETED</b></p>
<p>5. To provide Regents with the necessary foundation to be effective, the Governance Committee will develop an orientation program for new Regents. To promote accountability, the Governance Committee also will develop and regularly administer a process to assess the effectiveness of the Board, Board committees, and individual Regents.</p>	<p>February 2009</p>	<p><b>COMPLETED</b></p>
<p>6. To enhance effectiveness, each Board committee will review its role, function, and charter. The committees will revise and update their charters as necessary. Committee charters will be subject to approval by the full Board. To provide momentum as the Board initiates its strengthened governance practices, new leadership will be appointed for each of the Board-established committees.</p>	<p>December 2007</p>	<p><b>COMPLETED</b></p>
<p>7. To ensure a rigorous, independent, and transparent system for evaluating executive compensation and performance, the Compensation and Human Resources Committee will implement a refined process that follows best practices in executive evaluation and compensation in the nonprofit sector. The Committee will follow this new process to recommend to the Board, at its September meeting, an appropriate compensation package to guide the search for the next Secretary, balancing the need to attract the best leader for the Institution with our public trust status.</p>	<p>September 2007</p>	<p><b>COMPLETED</b></p>

<p>8. To provide a mechanism for immediate and continuing Board attention to the Smithsonian's facilities needs and to underscore the Regents' commitment to resolving the facilities backlog, the <i>ad hoc</i> Committee on Facilities Revitalization will become a standing committee of the Board.</p>	<p>June 2007</p>	<p><b>COMPLETED</b></p>
<p>9. To strengthen board development and integrate the nominating and governance process, the Governance Committee will assume the responsibilities of the Nominating Committee and be renamed the Governance and Nominating Committee. The Committee will develop criteria for the nomination of new Citizen Regents to ensure that the skill sets and diversity necessary for a dynamic Board are identified. It also will review existing processes for appointing Board committee members and chairs and will recommend improvements.</p>	<p>November 2007</p>	<p><b>COMPLETED</b></p>
<p>10. To provide the Board with necessary and timely legal advice, the General Counsel will have direct access to the Board, attend Board and Board committee meetings (either in person or by delegate), and regularly report to the Board and relevant Board committees in executive session. The General Counsel will have the right and obligation to bring directly to the Board and/or relevant Board committee any information on legal or compliance matters that he or she reasonably determines should be brought to their attention. The Governance Committee will review and report to the Board on whether sufficient resources are available for the Office of General Counsel to effectively perform its functions.</p>	<p>January 2008</p>	<p><b>COMPLETED</b></p>

<p>11. To enhance the accessibility of financial information, the Chief Financial Officer will have direct access to the Board, attend Board and relevant Board committee meetings, and regularly report to the Board of Regents, the Audit and Review Committee, and/or other relevant Board committees in executive session. The Chief Financial Officer will have the right and obligation to bring directly to the Board and/or relevant Board committee any information on financial or compliance matters that he or she reasonably determines should be brought to their attention. The Audit and Review Committee will review and report to the Board on whether sufficient resources are available for the Office of Chief Financial Officer to effectively perform its functions.</p>	<p>January 2008</p>	<p><b>COMPLETED</b></p>
<p>12. To strengthen the role of the Inspector General, the Audit and Review Committee will document the expectations for, and reporting relationship of, the Inspector General to the Board of Regents. The Inspector General is expected to bring directly to the Board and/or relevant Board committee information on all matters that he or she determines should be brought to their attention. The Audit and Review Committee will review and report to the Board on whether sufficient resources are available for the Office of Inspector General to effectively perform its functions. The Office of Inspector General will be relocated to downtown Washington, in close proximity to the Secretary and senior management.</p>	<p>June - November 2007</p>	<p><b>COMPLETED</b></p>

<p>13. To recognize the assistance and support that the Smithsonian National Board and other Advisory Boards provide to the Smithsonian and to establish a stronger link between the Regents and the Advisory Boards, the Governance Committee will oversee an examination of options to more effectively engage these Advisory Boards and will report to the Board with its recommendations in 2008.</p>	<p>June 2008</p>	<p><b>COMPLETED</b></p>
<p>14. To foster a culture of ethical conduct, the Secretary will develop an overarching Smithsonian Code of Ethics that promotes best practices and the highest professional standards and is based on the guiding principles for ethical conduct adopted by the Regents. The Code will be presented to the Board for review and approval as soon as possible and in any event no later than the end of 2007.</p>	<p>December 2007</p>	<p><b>COMPLETED</b></p>
<p>15. To embrace a spirit of increased openness, the Regents will provide an opportunity for input through an annual public forum and other appropriate mechanisms beginning in 2008. The Regents also will engage regularly in direct communication with interested members of Congress to promote a constructive dialogue with these key stakeholders. In addition, the Regents will immediately launch a public webpage that will include information about the structure, membership, and functions of the Board, as well as meeting agendas and summaries of meeting minutes.</p>	<p>Calendar Year 2008</p>	<p><b>COMPLETED</b></p>
<p>16. To foster an ethos of transparency, the Secretary will develop a strategy to increase available information about the Board and Smithsonian activities and operations and to enhance communications with the Board. The strategy will be based on the best practices of nonprofit organizations, universities, and federal agencies. The Secretary will begin immediately implementing elements of this recommendation as they are developed and will present the full strategy to the Board for review and approval by the end of 2007.</p>	<p>May 2008</p>	<p><b>COMPLETED</b></p>

<p>17. To increase accessibility to information about Smithsonian activities, the Regents affirm that the Smithsonian embraces the principles of disclosure reflected in the Freedom of Information Act (“FOIA”) and follows its spirit in considering public requests for information. The Secretary will develop and issue by the end of 2007 a policy on disclosure of Smithsonian records to implement this guidance.</p>	<p>December 2007</p>	<p><b>COMPLETED</b></p>
<p>18. To avoid even an appearance of conflict of interest or divided loyalty, the Regents adopt the policy that, beginning October 1, 2007, Smithsonian senior executives shall not be permitted to serve on the board of a for-profit company.</p>	<p>June 2007</p>	<p><b>COMPLETED</b></p>
<p>19. To maintain public confidence in the integrity of the Board and staff, the Regents adopt the following policies and guidance on outside activities and conflicts of interest:</p> <ul style="list-style-type: none"> <li>• The Secretary will transition all Smithsonian staff to a leave accrual system as soon as possible, and in any event no later than October 1, 2007. The leave policy for all Smithsonian employees will follow federal employee policies.</li> <li>• The rules on approval of outside activities engaged in by senior executives established in the Interim Policies and Procedures are adopted as standing policies and expanded to include all unit heads and above.</li> <li>• As the Smithsonian’s Chief Ethics Officer, the General Counsel is primarily responsible for the identification and management of potential conflicts of interest of senior executives. The General Counsel will personally review the annual financial disclosure statements and outside activity requests of all senior executives and unit heads under the Standards of Conduct. The General Counsel will provide a written report to the Audit and Review Committee on the conclusion of the annual financial disclosure process and will also provide a written annual report to the Committee on the reported outside activities of senior executives, including dispositions of requests for clearance to participate</li> </ul>	<p>December 2007</p>	<p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p>

<p>in outside activities. The Audit and Review Committee, in turn, will report the General Counsel's conclusions and recommendations, if any, to the Board.</p> <ul style="list-style-type: none"> <li>The Secretary will develop an accessible database for staff to alert appropriate officials when potential conflicts of interests may exist.</li> </ul>	<p>December 2008</p> <p>February 2009</p>	<p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p>
<p>20. To promote accountability and ensure the public trust, Smithsonian Business Ventures ("SBV") operations will follow established Smithsonian policies, except in specific pre-approved circumstances when an exception is necessary to accomplish SBV mission requirements. All current deviations from general Smithsonian policies must be eliminated or individually re-approved by the Secretary and reported to the Chair of the Audit and Review by the end of 2007. The Regents endorse the Acting Secretary's plan to review the status, mission, and operations of SBV and to make recommendations to the Board concerning these issues.</p>	<p>June 2008</p>	<p><b>COMPLETED</b></p>
<p>21. To strengthen stewardship of Smithsonian resources, the rules on expenses for travel, representational activities, and special events established in the Interim Policies and Practices are established as standing policies and the Regents adopt the following additional policies:</p> <ul style="list-style-type: none"> <li>Expenses for travel, representational activities, and special events incurred by or on behalf of the Office of the Secretary will be subject to review by the Audit and Review Committee for reasonableness and compliance with standard Smithsonian policy. The Audit and Review Committee will report to the Board at least annually on the results of this review, including any deviations from Smithsonian policy. The Chief Financial Officer will conduct periodic audits of travel and entertainment expenses incurred by the Secretary and senior executives and report the results of such audits to the Audit and Review Committee.</li> </ul>	<p>May/June 2008</p>	<p><b>COMPLETED</b></p>

<ul style="list-style-type: none"> <li>Expenses for Regents' activities, as well as other Smithsonian special events, shall be reasonable and in accordance with spending guidelines to be developed by the Secretary and submitted to the Executive Committee for review and approval no later than September 2007.</li> <li>The Audit and Review Committee will review internal controls and monitoring processes for all travel and expense reimbursements to determine whether they are consistent with best practices and will report to the Board on its findings and recommendations in 2008.</li> </ul>	<p>January 2009</p> <p>July 2008</p>	<p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p>
<p>22. The Finance and Investment Committee, working with the Secretary and Chief Financial Officer, will review the Smithsonian federal and trust budget formulation and monitoring process to ensure that the Committee and the Board have adequate opportunities to provide strategic direction in the development of budget priorities and meaningful oversight of the Smithsonian's budget and financial resources. The Committee will report to the Board on its findings and recommendations in 2008.</p>	<p>May/June 2008</p>	<p><b>COMPLETED</b></p>
<p>23. The Audit and Review Committee, working with the Secretary and Chief Financial Officer, will review the Smithsonian's financial reporting systems and internal controls to ensure that appropriate systems and controls are in place to enable the Committee and the Board to provide meaningful oversight of the accuracy and integrity of Smithsonian financial statements and reports. The Committee will report to the Board on its findings and recommendations in 2008.</p>	<p>November 2008</p>	<p><b>COMPLETED</b></p>
<p>24. To ensure that Smithsonian compensation practices are fair and equitable to employees and provide appropriate stewardship of Smithsonian human and financial resources, the Compensation and Human Resources Committee, working with the Secretary, will review the Smithsonian philosophy and rationale for senior trust employee compensation in order to present a unified compensation philosophy and structure to the Board by the end of 2007.</p>	<p>November 2007</p>	<p><b>COMPLETED</b></p>



<p>25. To promote confidence in the integrity of Smithsonian business activities, the Secretary will develop a policy on Smithsonian contracting that will include principles and practices to ensure that all Smithsonian contracting activities are conducted with integrity, fairness, and openness and in a manner that will best achieve Smithsonian mission requirements. The Secretary will develop and issue by the end of 2007 a policy on contracting to implement this guidance.</p>	<p>June 2008</p>	<p><b>COMPLETED</b></p>
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