

November 9, 2020

Regent Michael Hsu
hsu@umn.edu
Delivered via e-mail

Dear Michael:

We are extremely disappointed in recent comments you made to KSTP-TV, wherein you asserted that there is a “culture of non-compliance” at the University. That charge is untrue. It ignores years of positive external and internal audit results and high-integrity work behind those results.

As you would know from your service on the Audit & Compliance Committee, the University’s Office of Internal Audit undergoes a thorough external review every five years utilizing standards of The Institute of Internal Auditors, with the latest February 2020 review extending OIA the highest rating under its quality assurance framework. That validation squares with recent outside assessments of a number of our most sensitive and important University functions: the accreditation review by AAHRPP of our human protection program, the NIH report over the University’s compliance with sub-recipient oversight and monitoring requirements, and the University-wide audit by NSF of compliance as to NSF funding. Another gauge of the University’s compliance culture is its embrace of the compliance training tied to the President’s Initiative on the Prevention of Sexual Misconduct. Your interpretation of the University’s action steps to address Professor Doering’s misconduct, including thorough forensic audit work by OIA in that case, into a basis for a broad accusation of a “culture of non-compliance” is wrong, and disrespectful of the dedication of OIA and the University’s other compliance professionals who foster a compliance culture of which the University and its Board members should be proud.

Beyond running counter to the facts of the matter, your comments to the media were unacceptable from a governance perspective. As a Regent, you have a fiduciary responsibility to act in good faith to advance the best interests of the University. You do not have license to use your status as a Regent to broadcast an unfounded personal opinion. To the contrary, your obligation is to take the assessment of the Chief Auditor of the University as to the University’s compliance culture into account, and if you suspect otherwise, it is your duty to bring those concerns to the attention of your colleagues on the Audit & Compliance Committee so that the appropriate inquiry and follow-up can be undertaken. Instead, you failed to raise these concerns through your participation on the Audit & Compliance Committee, or through any other formal channel, and you’ve offered no evidence to support your claim. To then turn to the media to share your speculative and ill-advised comment displays a reckless disregard for your obligations as a member of the Board of Regents. That manner of governing damages the University’s reputation and baselessly calls into question the integrity of University staff.

As a University leader, we believe you acted in a manner inconsistent with the Board's *Code of Conduct for Members of the Board of Regents*. We will be taking your actions and potential remedies under advisement. In the meantime, we implore you to recognize that your role as a Regent carries with it a governance responsibility to carefully consider the impact of your words and actions.

Sincerely,

Handwritten signature of Ken Powell in black ink.

Ken Powell
Chair

Handwritten signature of Steve Sviggum in black ink.

Steve Sviggum
Vice Chair