

**Regenerative Medicine Minnesota
Board Meeting Minutes January 16, 2020, via conference call**

Board members on call: Margaret Anderson Kelliher, Roberta King, Ven Manda, Andre Terzic, Jakub Tolar
Guests: Beth Borg, Tucker LeBien, Nancy Morgan, Michael Yardley

The meeting was called to order at 9:05 AM and began with introductions of the attendees.

A review of the OLA events was presented:

RMM received a report from the Office of the Legislative Auditor (OLA) and provided a response. Both were publicly released on January 14. OLA audit was in addition to the audits provided to the legislature every other year. Those are conducted by an outside company, and no deficiencies or problems have been noted in those.

Audit spanned internal controls and compliance July 2014 through February 2019, and was conducted by Lori Leysen, Heather Rodriguez, and Tracia Polden.

First contact from OLA was in May 2017. Information was requested and provided to OLA within the allotted timeframe. There were no comments at that time. The second OLA contact was in March 2019. The audit was conducted under the supervision of staff from the University of Minnesota Controller's Office, and all requested data was provided to OLA within the allotted timeframes. There were approximately six meetings with the auditors. The auditors presented their draft report in December 2019. The audit found that RMM was not compliant for legal or internal controls.

- 1) RMM and the University did not agree with the OLA finding that the program is not compliant.
- 2) OLA stated that inclusion of education and clinical care grants was not part of the legislative intent as written. Initial discussions with legislators who sponsored the bill, reports to the legislature, and the website were all transparent about the inclusion of education and clinical care grants. No concerns were raised prior to the audit.
- 3) OLA stated that internal controls were insufficient. Although the errors noted by the audit are undesirable, this does not equate to inadequate processes.
- 4) The RMM Audit Report was presented at the Legislative Audit Commission Meeting yesterday (1/15/2020). General consensus was that this presented an opportunity to clarify the language of the original bill and include education. A request was made to get a summary of all of the K-12 grants.
- 5) Rick Hanson requested that the RMM website be clearer that education is an intent of the process.
- 6) It was recommended that the RMM Board consider a retreat to discuss these and other points.

The audit was reported in a Star Tribune article on 1/14 and lists quotes from JT, AT, and report. Article is balanced.

The floor was opened to discussion:

The audit report, when viewed without other information about the program, holds the potential for harm.

The Board would like to review the minutes of the January 15 Legislative Audit Commission meeting or access sound/video recording. These are part of the historical record and should become available.

The Board should have been made aware of the audit earlier. [An update on the audit was to have been part of the August Board Retreat that was canceled.]

Use the audit to focus on improvement and protection of organization ongoing.

Government Affairs staff from UMN and Mayo will guide the process of legislation going forward.

Summary of Board opinions:

Take what is useful and make RMM better.

Board can find additional ways to be engaged and accountable, for example, implementing a more formal process for reviewing progress reports.

Proactive communication to stakeholders could be increased and improved.

Postpone Education Program and Clinical Care RFPs for one cycle while Board reflects on strategies to improve the process.

A motion was made to release only the Biobusiness Development RFP for this (spring 2020) cycle. After discussion, the motion was seconded and unanimously approved.

The recent review of the RMM Research grants was discussed. Board members asked for more time to review information and an in-person meeting to discuss results. Agreed that call could be used if in-person was not possible.

The motion to adjourn was made, seconded, and unanimously approved.

The business of the meeting being completed, it was adjourned at 9:57 AM.