

## Policy on Composition and Balance and Conflicts of Interest for Boards and Committees Used for Institutional Oversight

*Note: This policy applies to oversight boards and committees responsible for assuring the relevance and quality of the body of work conducted under their auspices, and for identifying opportunities for new work that would advance the mission of the National Academies. It does not apply to committees used in the development of findings, conclusions and recommendations; committees used for non-advisory program activities (such as workshop planning committees); the NRC Governing Board; or the Councils of the National Academy of Sciences, National Academy of Engineering and National Academy of Medicine. A complete list of all policies on composition and balance, conflicts of interest, and independence for the committees, boards and councils of the National Academies can be read [here](#).*

Hundreds of scientists, engineers, health professionals and other experts are appointed to boards and committees that oversee the programmatic activities of the National Academies. The quality and integrity of the work of these committees is essential to the reputation of the National Academies and to continuation of the institution's role as an advisor to the government and the nation on matters involving science, engineering, and medicine.

### I. Committee Composition and Balance

In order to do work of high quality, the membership of an oversight committee must be qualified and appropriately balanced. The members of the committee must be able to work together through cooperative, respectful discourse and the free exchange of ideas (see [Preventing Discrimination, Harassment, and Bullying: Expectations for Participants in NASEM Activities](#)). The assessment of composition and balance includes consideration of the following:

1. Expertise. Consideration should be given to the range of knowledge and expertise required to effectively fulfill the committee's responsibilities, and to the appropriate balance among disciplines and fields of expertise, taking into account the range of the activities conducted under the committee's auspices.
2. Perspective. Consideration should be given to whether there is an appropriate range of perspectives on the portfolio of activities the committee may oversee. Differing and new perspectives, shaped by different backgrounds and experiences, are important to effective oversight by the committee.
3. Background. Consideration should be given to the committee membership with respect to, for example, age, employment sector experience, and geographic location. The membership of the committee should reflect the communities of scientists, engineers, health professionals and other fields from which the committee members are drawn, and of the communities that have a stake in the range of activities under the committee's auspices.
4. Academy Membership. Consideration should be given to the importance of including members of the Academies on the committee. Academy members are leaders in science, engineering, and health. The inclusion of Academy members on a committee contributes

to its expertise and increases the involvement of Academy members in the oversight of the work of the Academies.

5. Independence. Consideration should be given to the impact of an employee of a government agency or private organization that sponsors our work in the area for which the committee has oversight responsibility. The value of including all views and perspectives, including those of current and potential sponsors, should be balanced against the risk that the other members of the committee will give too much deference to the views of a committee member because they are employed by a sponsoring agency or organization, or that the board or committee will be perceived by others as having surrendered at least some of its independence. The more senior an individual is within their home agency or organization, and the more we are dependent on the individual's agency or organization to support our work in an area, the greater the risk.

## **II. Financial Conflicts of Interest**

A member of an oversight committee may not participate in any matter involving a decision by the committee if the individual has a financial conflict of interest with respect to the decision. The conclusion that a committee member has conflict of interest is not an assessment of the individual's actual behavior or character. The exclusion of a committee member with a conflict of interest from participation in the matter is intended to avoid a potentially compromising situation, thereby protecting the individual, the Academies, and the public interest.

A committee member has a conflict with respect to a matter involving a decision by the committee in any of the following circumstances:

1. The committee member has a financial interest that could be affected directly and predictably by the decision of the committee;
2. The committee member's spouse, domestic partner, or dependent child has a financial interest that could be affected directly and predictably by the decision of the committee; or
3. The committee member has a current relationship with an entity that has a financial interest that could be affected directly and predictably by the decision of the committee involving --
  - i. a business partnership or employment;
  - ii. the provision of compensated advisory or consulting services, including compensated service on a scientific or technical advisory board;
  - iii. the provision of representation services or service as an expert witness, whether compensated or not;
  - iv. service as an officer, director, trustee, or other fiduciary of the entity, whether compensated or not; or
  - v. research support for the individual, except for research support that is awarded on the basis of merit without restrictions on the conduct of the research or the publication of the results.

Financial interests include stocks, bonds, and other financial instruments and investments; patents, copyrights and other intellectual property interest; and ownership interests in for profit business enterprises. Financial interests do not include any financial asset with a value of less

than \$15,000 or diversified mutual funds and similarly diversified investments. There is no minimum threshold for income or compensation.

It is uncommon for a conflict of interest issue to arise in connection with the work of a board or committee used for institutional oversight. These boards and committees are not directly involved in conducting studies or planning workshops. They provide more general direction for the institution's program work, helping to assure its continuing quality and relevance. Fulfilling of this oversight responsibility seldom involves circumstances in which the work of a board or committee could have a direct and predictable effect on any financial interests.

However, there could be circumstances in which the matter being addressed by an oversight board or committee is so directly linked to specific financial interests that a conflict could arise. For example, if an oversight board is reviewing the work plan for a study to evaluate the success of a federal agency program, an employee of the contractor running the program should not participate in the review. The potential for any decision by the oversight committee (such as guidance on modifying the work plan) to influence the outcome of the study, and for that outcome to then affect the financial interests of the contractor, is sufficiently direct and predictable to create a conflict of interest for the employee.

### **III. Disclosure of Other Relevant Information**

Any other information regarding an oversight committee member that does not create a conflict of interest but could have a significant impact on a reasonable person's perception of the member's objectivity regarding a matter involving a decision by the committee must be disclosed to the other members of the committee when the committee begins consideration of the matter. The purpose of the disclosure is to inform other members of the committee of the information so that they can take it into account in weighing the views expressed by the member. It does not disqualify the member from full participation in the decision by the committee.

This information could concern a relationship that is relevant to the matter before the oversight committee. For example, in the case of a board review of a staff proposal for a study on improving the Food and Drug Administration's drug approval process, recent past service by a committee member on the scientific advisory board of a drug manufacturer, whether compensated or not, is a relevant relationship and should be disclosed. Similarly, service by a committee member as an officer of a nonprofit organization that has taken a public position on the importance of giving unmanned deep space scientific missions a high priority in the National Aeronautics and Space Administration's astrophysics program should be disclosed in the case of a committee review of the proposed statement of task for a review of NASA's astrophysics research agenda.

A publication or public statement authored by an oversight committee member alone or with others that takes a position on an issue that is central to a matter before the oversight committee could also be relevant. For example, in the case of a board review of the prospectus for a proposed study on opportunities for mandating improved motor vehicle fuel efficiency, the fact that a committee member has authored a recent opinion piece arguing that further improvements in vehicle fuel efficiency is not the right focus for improving environmental quality should be disclosed.