

National Science Board Risk Philosophy

Risk management, mitigation, and (when warranted) informed acceptance of risk are integral to the National Science Board's (Board, NSB) role to further the National Science Foundation's (NSF, Foundation) mission and fulfill NSB's dual roles to set policy for NSF and serve as an advisor to Congress and the White House on science and engineering policy and education.

The Board recognizes that effective risk management must be an enterprise-wide activity. NSB's efforts are undertaken in conjunction with the NSF's enterprise risk management activities as well as directorate and facilities-specific risk monitoring, and are designed to complement those efforts. Through sustained risk-informed dialogue and consistent evaluation of risk factors, the Board, the NSF Director, and NSF Senior Management can arrive at a mutual understanding of the agency's risk appetite relative to the mission of promoting the progress of science, pursue opportunities, navigate challenges, and position NSF for maximal success. Internally, NSB also recognizes its responsibility to mitigate risks associated with its own work and processes.

As the governing body for the Foundation, the Board's primary interest is not to micro-manage NSF, but rather to have sufficient and timely insight and information on matters over which the Board has a decisional role, oversight responsibility, or about which the Board may be asked to respond by a wide range of stakeholders. The Board also recognizes that risk analyses are integral to its ability to engage strategically and generatively with NSF to meet future challenges, seize future opportunities, and fulfill the public trust.

National Science Board Risk Principles

- Risk management is fundamental to effective oversight; evaluation of risk will be incorporated into all Board activities
- The Board must be attuned to its own risk profile to avoid unintended consequences of its decisions or involvement in Foundation decisions
- The Board must be clear in its information needs to ensure it has sufficient information to understand the potential risks associated with matters presented to the Board for consideration.
- With a focus on the Foundation, writ large, the Board must include in its risk analysis of a particular action, a strategic and holistic approach to the larger enterprise.
- In applying the Harvard Business Review Risk Framework¹, the Board will be sensitive to the Foundation's equities in the various preventable, external, and strategy risks in any given matter before the Board.

¹ Robert Kaplan and Anette Mikes. *Managing Risks: A New Framework*, Harvard Business Review, June 2012, accessed online at: <https://hbr.org/2012/06/managing-risks-a-new-framework>