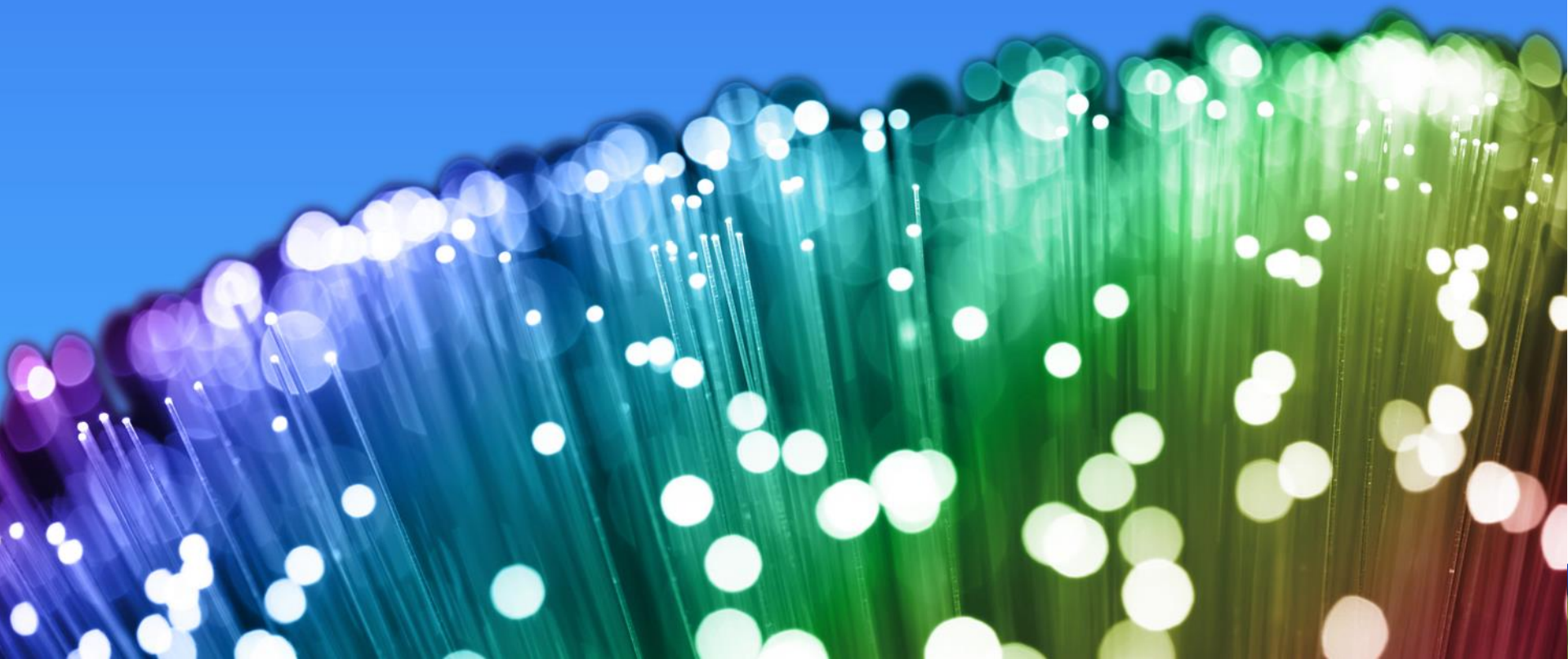




Enterprise Risk Management at the National Science Foundation

Proposed Approach for Year Two

November 9, 2017



Today's Purpose:

- To summarize Enterprise Risk Management (ERM) efforts to date and elicit National Science Board (NSB) perspectives on embracing and managing risks

Outcome:

- Understanding of ERM next steps at NSF
- Ensuring alignment of NSB & NSF approaches to ERM



ERM Year One Progress

- Leadership: Director, Chief Operating Officer, and Assistant Directors support ERM
- Director's Watch List and National Science Board Risk Discussions
- Developed a “maturity based” ERM strategy and process
- OMB concurred with our plans and NSF met OMB's first major milestone by developing an “initial” risk profile by June 2017
- Collaborated with the OIG to discuss road rules on how we can work together
- Lessons Learned
 - Move beyond Budget, Finance and Award Management initial efforts
 - Improve governance and clarify NSF-wide roles and responsibilities for ERM to guard against “compliance exercise” risks and maximize “value” to NSF
 - Governmentwide trends and lesson learned, “where do we go from here?”



NSF's ERM Framework*



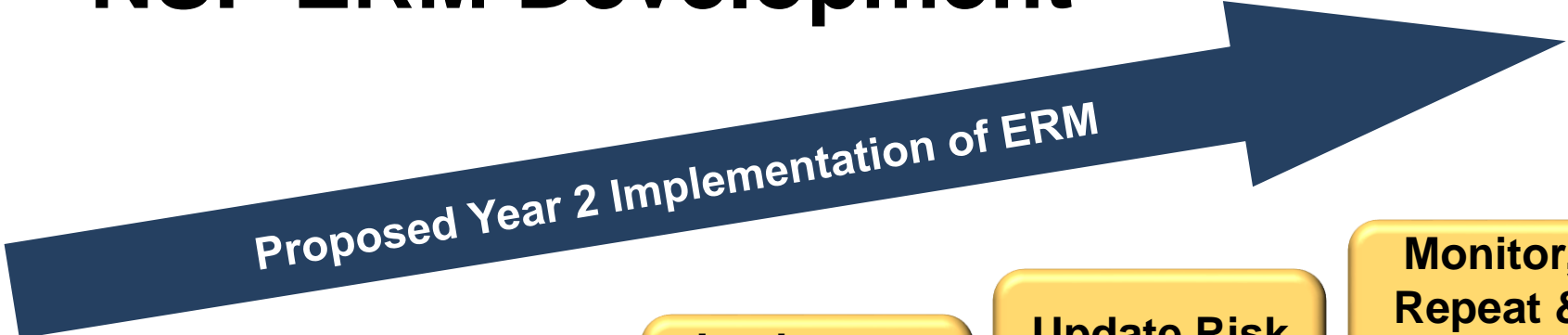
Appreciating different meanings of risk, illustrative examples**:

- external
- strategy
- preventable

* Consistent with authoritative guidance from Committee on Sponsoring Organizations of the Treadway Commission (COSO) and Chief Financial Officer (CFO) and Performance Improvement Officer (PIO) Council Playbook

** Based on a Harvard Business Review Article, [Managing Risks: A New Framework](https://hbr.org/2012/06/managing-risks-a-new-framework) (available at <https://hbr.org/2012/06/managing-risks-a-new-framework>)

NSF ERM Development



Planning

July to October 2017

Complete planning for year 2 based on NSF leadership and NSB feedback.

Training & Governance

By December 2017

Establish an ERM Community of Practice (COP).
Complete training modules to support NSF Directorates.

Implement NSF ERM Framework

January 2018 to March 2018

NSF ERM COP updates initial risk profile and establishes regular reporting process.

Update Risk Profile

April 2017 to June 2018

NSF Leadership reviews and approves “complete” risk profile.

Monitor, Repeat & Refine

July 2018 to Year 3

NSF continually develops and further matures ERM implementation across NSF.



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Outcome:

- Understanding of ERM next steps at NSF
- Appreciation and importance of how NSB work can inform ERM

