



Risk Category

A Risk Category is a mechanism by which risks are logically grouped with other related risks. NIH risk categories are aligned to major functional areas to provide enhanced reporting capabilities to the Risk Management Program. Risk Categories are selected on the Risk Capture Form to provide information about the functional groupings that apply to the risk. Up to three categories can be selected for any given risk. Risk Categories enhance the reporting capabilities of the Risk Management Program, making it possible to analyze the data and gain an understanding of which functional areas have the greatest risk. Risk categories used at NIH include the following:

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| Acquisitions <i>This category includes risks related to acquisitions and logistic activities related to contracts.</i> | Financial <i>This category includes financial related risks such as budget, travel and intellectual property activities at NIH.</i> | Human Capital <i>This category includes human resource related issues including recruitment, retention & personnel management.</i> | Facilities <i>This category includes risks related to building, managing, & maintaining facilities, property & equipment.</i> |
| Information Management <i>This category includes risks related to IT, IT security, and records management.</i> | Intramural <i>This category includes risks related to intramural research activities.</i> | Extramural <i>This category includes risks related to extramural research activities.</i> | Other <i>This category includes other risks not included in the designated categories.</i> |

The following are examples of potential risks listed by category. This is not an all-inclusive list, rather this list is intended to stimulate ideas and serve as a tool to assist personnel in the task of risk identification. Based on an individual's responsibilities they may identify risks in all categories, or only a select few. For risks that do not readily apply to an established category, there is an "other" category.

Acquisitions

Examples of potential *Acquisitions Risks* Include:

- If NIH relies on a limited number of suppliers, then personnel may be unable to obtain critical materials or services in times of shortage or urgent need.
- If NIH fails to pay vendors and contractors in a timely manner, then they may become unwilling to do business with NIH.
- If NIH fails to be proactive in identifying quality issues from certain vendors, then NIH may continue to obtain inferior goods and services from these vendors.



Financial

Examples of potential *Financial Risks* Include:

- If the use of NIH purchase cards is not appropriately tracked, then waste, fraud and abuse of government funds may occur.
- If NIH does not properly track improper payments, then violations of the Improper Payments Information Act (IPIA) may occur, and there may be waste, fraud, and abuse of government funds.
- If NIH fails to effectively track sponsored travel arrangements for researchers and scientists, then waste, fraud, and abuse of government funds may occur.

Human Capital

Examples of potential *Human Capital Risks* Include:

- If NIH is unable to attract scientific personnel to conduct research, then the agency's ability to achieve its scientific mission will be threatened.
- If NIH employees and staff do not have adequate opportunities for career development and advancement, then excessive turnover may occur.

Facilities

Examples of potential *Facilities Risks* Include:

- If the NIH Clinical Center fails to meet accreditation requirements, then the operation of the Clinical Center may be jeopardized.
- If NIH is unable to track asbestos abatement activities, then employee and patient health may be threatened.
- If NIH facilities are shut down due to broken water pipes, loss of electricity, loss of climate control, etc., then scientific personnel cannot carry out the scientific mission and significant costs may be incurred to correct the problem(s).

Information Management

Examples of potential *Information Management Risks* Include:

- If information technologies used at NIH are not operating as intended, then this could potentially result in the exposure of data and financial assets to loss or misuse.
- If unsecure systems and databases exist, then data corruption, misuse or dissemination of sensitive information due to a network attack or penetration may occur.
- If an unencrypted laptop is stolen, then a significant degradation of public trust may occur and patient data is compromised.

Intramural

Examples of potential *Intramural Risks* Include:

- If there is an occurrence of a major environmental health and safety incident, then the NIH campus may shutdown.



- If improper treatment of animals used for scientific research activities occurs, then NIH will receive negative publicity that impacts the public's trust in NIH.
- If human subject volunteers suffer unnecessary health consequences due to participation in a clinical trial, then NIH may receive negative publicity and a decline in public trust.

Extramural

Examples of potential *Extramural Risks* Include:

- If there are flaws in the grant application and peer review process, then there may be a decline of principal investigators (PIs) applying or re-applying for research grants.
- If there is a lack of NIH supervision over grantee research activities, then this could result in the misuse of government funds by grantees and a decline in public trust.

Other

Examples of potential *Other Risks* Include:

- If there is a natural disaster (Fire, Flood, Tornado, Earthquake, etc.) or other disasters stopping or slowing NIH operations, then NIH cannot achieve its mission goals.
- If there is a decrease in the number of principal investigators seeking NIH grants, then the scientific research efforts at NIH are diminished.