M_o_R®

The M_o_R® 4 Practitioner Examination

Sample Paper 1

Question Booklet

Multiple Choice

Examination Duration: 2 hours 15 minutes

Instructions

1. You should attempt all 65 question items. Each question item is worth one mark.

2. There is only one correct answer per question.

3. You need to answer 33 question items correctly to pass the exam.

4. Mark your answers on the answer sheet provided. Use a pencil (NOT pen).

5. You have 2 hours 15 minutes to complete this exam.

6. This is a 'open book' exam. You can use the *Management of Risk: Creating and Protecting Value (M_o_R®4)* guidance.

7. No other material is allowed.

8. The questions in this paper should be answered in the context of Scenario 2 (TaxDept) described in the *Management of Risk: Creating and Protecting Value (M_o_R®4)* guide.

9. Each question is separate. Do not use information from one question to answer another question.

1) Which statement about risks is CORRECT?

    A. Risks are unplanned events that are happening now

    B. Risks include uncertainties regardless of their impact on objectives

    C. Risks protect objectives by increasing the objectives' exposure to risk

    D. Risks will impact the organization's objectives if they materialize

2) What is a purpose of corporate governance and enterprise risk management?

    A. Creating the organization's risk policy and process guide

    B. Prioritizing the risks with the biggest potential to protect value

    C. Providing assurance to executive management that risk controls are effective

    D. Protecting the organization's assets, its capacity, and reputation

3) Which is a specific risk management challenge that is MOST LIKELY to be faced by organizations that are trying to climb the 'digital curve' by introducing product-focused agile ways of working?

    A. Risk management is viewed as slowing down the innovation needed to deliver speed to market

    B. Risk management is viewed as a 'tick the box' exercise rather than a way to create value

    C. Risk management focuses on threats rather than the potential for opportunities to add value

    D. Risk management focuses on applying guiding obligations continually until an objective is achieved

4) The TaxDept has identified that the taxpayers' demands for more online solutions are increasing. As a result, the department has decided to introduce a product-oriented approach to developing its digital solutions for businesses and individual taxpayers. The DTP is being split into 2 programmes, one introducing the product focus for individual taxpayers and one doing the same for businesses. The remainder of the programmes within the department remain unaffected.

What should risk management focus on?

A. The need to coordinate the release of new functionality between the 2 new product-focused programmes and the other programmes in the portfolio
B. The need to monitor the objective of accurate and reliable tax collection more frequently due to rapid changes in the external environment
C. The need to obtain up-front funding in order to fund large-scale investment in programmes designed to change the way tax is collected
D. The need to work within a stable taxation environment enabling planning to focus on the longer-term reduction in real estate and staffing levels

5) Which element of the M_o_R integrated framework gives risk practitioners confidence that they are managing risk in an effective way across the whole organization, regardless of its size?

A. Principles
B. Portfolio
C. The 'plan responses' process
D. Perspectives

6) The TaxDept follows a 'tight risk process' to make sure value is protected. However, the chief risk officer has agreed with the programme manager of the DTP that the rules about delegated authority for project objectives need to be adjusted to accommodate the needs of projects applying the agile ways of working. This will allow the agile teams to be empowered and self-managing.

Which principle is being applied?

A. Aligns with objectives
B. Provides clear guidance
C. Engages stakeholders
D. Informs decision-making

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7) The national government has introduced legislation to phase out the use of gas-fired heating systems within 20 years. At the same time, research suggests that the TaxDept could reduce heating bills to a quarter of the current cost if they invested in new heating technologies such as infrared panels. Complying with the new legislation will significantly disrupt the current portfolio. However, it gives the TaxDept an opportunity to make significant positive changes to the TaxDept Properties. The proposed redevelopments are much riskier than previous change activities, due to the relatively new technologies being used. The executive management has asked the chief risk officer if the current risk management process guide is suitable for this programme, and to update it if necessary.

Is this an appropriate application of the 'fits the context' principle, and why?

A. Yes, because the executive management should ensure that the risk management process guide meets the needs of the whole department

B. Yes, because the executive management, as key senior stakeholders, should be actively engaged in conversations about risk

C. No, because the proposed estates redevelopment programme could significantly disrupt the existing flexible working programme

D. No, because making changes to the risk management process at this time could cause confusion among the department's stakeholders

8) As part of the TaxDept's risk management process, it has been identified that project managers working on the DTP feel that their role in risk management has been reduced by the introduction of agile ways of working. As a result, it has been agreed that a 'PM Forum' should be created. This will be hosted by an independent agile coach who will be able address the project managers' concerns.

Which principle is being applied?

A. Fits the context

B. Engages stakeholders

C. Provides clear guidance

D. Facilitates continual improvement

9) Following a recent review of the DTP, it was found that the scales used for measuring risks were inappropriate. This resulted in the programme's total risk exposure caused by the one of the projects being underestimated. The SRO has asked for the programme and project teams to carry out a review of the programme and project level controls to understand why this happened.

Is this an appropriate use of the 'facilitates continual improvement' principle, and why?

A. Yes, because mechanisms to measure the change in risk exposure over time need to be developed
B. Yes, because lessons from the inappropriate impact scales should be learned by project managers across the programme
C. No, because changing the programme level controls would require rework by the other ongoing DTP projects
D. No, because a maturity model should be developed and applied across the whole programme instead

10) As part of an initiative to build a risk culture, the TaxDept's board members have approved the funding for risk training at all levels of management. The focus for this training is "the benefits of taking risk in pursuit of our objective to transform our service delivery."

Which principle is being applied?

A. Provides clear guidance
B. Creates a supportive culture
C. Informs decision-making
D. Achieves measurable value

11) Following a review of a successful project, the SRO of the DTP has decided that all projects affecting tax collection processes and systems should also measure:

"The number of risks to the collection of taxes that were effectively managed and therefore did not materialize."

Which principle is being applied, and why?

A. Achieves measurable value, because effective management of risks to the TaxDept's objectives demonstrates the importance of managing risks
B. Achieves measurable value, because measuring key performance indicators should reduce the number of risks to the collection of taxes
C. Creates a supportive culture, because measuring key performance indicators should encourage conversations about the risks to collecting taxes
D. Creates a supportive culture, because the SRO has demonstrated they value the risk process and its positive impact on the change

12) What is defined at the strategic perspective in an organization?

A. The amount of risk the organization is able and willing to take in pursuing organizational objectives
B. The added value brought by risk management to the collection of changes
C. The objectives at risk due to failure to deliver the right outputs and capabilities as planned
D. The number of risks faced by the organization as a result of existing low levels of customer service

13) Which is the MOST appropriate action when a risk within one perspective is assessed to be at a level that is significant at a higher perspective?

A. Appoint a risk specialist to take responsibility for responding to the risk
B. Communicate and agree whether to formally escalate the risk for management
C. Calibrate how fast the risk would impact on objectives should it occur
D. Appoint a risk action owner to take responsibility for responding to the risk

14) In support of agile ways of working, the senior responsible owner (SRO) for the TaxDept's DTP has agreed that agile projects should be empowered to calibrate their own scales for likelihood and impact. This is because working iteratively, using empowered, self-managed teams, is recognized to reduce risk by introducing early feedback.

Is this an appropriate calibration of scales, and why?

A. Yes, because empowered, self-managed agile teams should be able to make risk-based decisions more effectively
B. Yes, because the senior responsible owner should be responsible for the risks to achieving DTP's outcomes
C. No, because best practice recommends the use of the same likelihood scale across the whole government department
D. No, because determining likelihood is subjective unless there is a large homogeneous data set available from previous government programmes

At the regular monthly management board meeting the risk specialist presented analysis of the current status of risks. The board members have asked the risk specialist to delegate the following three risks for further analysis.

To which perspective (A-F) should each of the risks be delegated?
Choose only ONE perspective for each risk. Each perspective can be used once, more than once, or not at all.

15) Because most staff members take their annual holidays during the summer months, there is a risk that there may not be enough staff to continue to collect taxes and to support the DTP in transforming the digital delivery of service during this time. This could result in delays to the programme to reduce the real estate.	A. Strategic B. Portfolio C. Programme D. Project E. Product F. Operational
16) Because of a new government anti-fraud initiative, staff may have to spend more time identifying potential fraudulent activities resulting in a failure to meet tax collection deadlines.	
17) Because a supplier is having problems sourcing IT components, the supplier may be late in delivering the required hardware resulting in late delivery of the business 'self-serve' taxation system within the DTP	

The TaxDept experienced significant disruption last week. New services were introduced by the DTP at the same time as changes were made to one of the call centres by the flexible working programme. There are concerns that the TaxDept has been overly ambitious and that the portfolio is negatively impacting critical activities such as collecting taxes. Some actions have been identified in order to prevent this occurring in the future.

Which control (A-E) is being used in each response to this situation?

Choose only ONE control for each action. Each control can be used once, more than once, or not at all.

18) The portfolio director and portfolio manager have discussed whether the flexible working programme should remain a priority for the portfolio.	A. Decision-making processes B. Portfolio risk culture C. Aggregation to portfolio level D. Change portfolio escalation and delegation E. Portfolio level controls
19) Staff from the tax collection teams will be given more training before future changes are implemented in order to reduce the risk of similar disruption in future.	
20) New regular risk meetings have been scheduled for programme managers of the DTP and flexible working programme, with the aim of preventing similar disruption in future.	

Within the TaxDept DTP they are deploying agile ways of working for the first time while complying with the department's 'tight risk process'. The programme manager has identified that the programme team may need to adapt to the agile ways of working.

Here are some actions being carried out within the DTP to achieve this.
Which role (A-E) should be responsible for each action?
Choose only ONE role for each action. Each role can be used once, more than once, or not at all.

21) Seeking feedback from the agile project teams on the current risk management practices and recommending changes to accommodate agile ways of working.	A. Senior responsible owner (SRO) of the DTP
	B. Programme manager of the DTP
22) Managing any risks to achieving the required reduction in staff levels resulting from the incremental roll-out of the new 'self-serve' taxation systems.	C. Business change manager of the DTP
	D. Programme office lead of the DTP programme
23) Providing advice on the suitability of the qualitative scales for likelihood and impact needed to enable aggregation of risks from the agile projects of the programme level	E. Risk specialist of the DTP

The flexible working programme has just started a project at the TaxDept headquarters. The open plan project will replace open plan office spaces with 12 soundproofed collaborative workspace and 130 pre-bookable individual desks. Each workspace will be equipped with a meeting table, chairs, an interactive screen that can link to any device, and whiteboards for brainstorming. The desks will capture details of staff logging into the IT network to track which seats are in active use and by whom. The project manager is documenting the high-level project scope and outline business case to present to the project executive.

Which control (A-E) is being used in each situation?
Choose only ONE control for each action. Each control can be used once, more than once, or not at all.

24) Recording the risk that the desk tracking system might contravene global data protection legislation as a 'major risk' when presenting the project to the project executive for approval.	A. Estimating B. Project business case C. Agreeing financial contingency D. Project stage gate decisions E. Project level controls
25) Considering how likely the desk tracking system is to be delivered within the defined budget, based on experience from previous similar IT projects.	
26) Defining what processes should be followed in order to approve the extra spend to rent temporary office space, if it is required during the project.	

27) Which TWO statements about how risk management is influenced by different modes of delivery are CORRECT?

1. An agile project lifecycle reduces the risk of delivering outputs that are not fit for purpose by delivering them incrementally.
2. When a linear lifecycle is used, risks can be identified, and managed once scope and quality have been agreed.
3. A project manager can choose not to use formal risk management processes when using a hybrid lifecycle.
4. Continual improvement uses defined stage gates to make risk-based decisions about the viability of a project.

A. 1 and 2
B. 2 and 3
C. 3 and 4
D. 1 and 4

The TaxDept has identified that the demands of taxpayers for online solutions is changing rapidly. As a result, the department has decided to introduce a product-oriented approach to developing its digital solutions for business taxpayers and a business solutions team has been set up. Here are a number of actions to be carried out to meet the needs of business taxpayers.

Which role (A-F) should be responsible for carrying them out?
Choose only ONE role for each action. Each role can be used once, more than once, or not at all.

28) Specify what problems business taxpayers have caused for the reliable collection of taxes in the past, so that these can be managed as part of the online solutions.	A. Product manager for business B. taxation solutions C. Product director
29) Understand how the delivery of online solutions could cause a risk to the reliable and accurate collection of business taxes.	D. Expert in operational support E. Product developers F. Agile coach
30) Ensure the business solutions team understands the need to allow the scope to emerge as learning takes place, managing risks to delivery.	

Following the successful implementation of a DTP project to implement business 'self-serve' taxation, operational managers from the business taxation support team have identified three new risks. The operational managers need to decide what to do about each risk. Each risk has same cause: "The recent implementation of business 'self-serve' taxation."

What decision should be taken for each risk?
Choose only ONE decision for risk. Each decision can be used once, more than once, or not at all.

31) Risk 1. Disaster recovery procedures may not include the tasks needed to recover business customer data, resulting in the time to recover from system outages being increased.	A. Escalate to the TaxDept's executive management B. Escalate to the DTP programme manager C. Escalate to the project manager of the business 'self-serve' taxation project D. Resolve as an issue within the business taxation support team E. Manage as a risk within the business taxation support team
32) Risk 2. Staff may not have the time to be trained on the new business 'self-serve' taxation system resulting in the planned reduction in the number of staff needed to support business customers not being achieved.	
33) Risk 3. There may be delays in operational staff being able to fully use the new business features, resulting in delays in processing tac returns and the TaxDept not meeting its government targets.	

34) Why should an organization invest in building risk management competence in individuals?

    A. It removes the need for a top-down mandate for risk management

    B. It helps build shared understanding of risk management across teams

    C. It removes the need for a chief risk officer (CRO), or equivalent role

    D. It helps balance scarce resources between change and operational activities

35) Which ability should people possess in order to support successful risk management?

    A. The ability to apply systematic, inbuilt ways of thinking

    B. The ability to make judgements under conditions of uncertainty

    C. The ability to prioritize more recent and memorable situations

    D. The ability to understand and respond well to a crisis situation

36) The DTP has been running for two years, with three more years of development planned. The programme manager needs to complete a review to re-examine the engagement that the programme is undertaking with its project managers.

What is the MOST important factor for the programme manager to re-examine when completing this review?

    A. The project manager's role in the day-to-day leadership in achieving the project's outputs and capabilities

    B. The project manager's responsibilities for effective application of risk management across the project

    C. The project manager's attitudes to decisions and whether they are likely to be supporters or blockers

    D. The project manager's responsibilities for risks to achieving the project's outputs and capabilities on time

37) The project managers working on the DTP have continued to object to using the agile ways of working on the programme. As a result, the senior responsible owner has hired an independent consultant to support the deployment of agile. The consultant has held a group meeting with the project managers, but was unable to convince them of the value of using agile on the DTP.

Which approach is MOST LIKELY to help the consultant to overcome the project managers' decision bias?

A. Encourage individual project managers to develop mental short cuts based on previous experience
B. Meet with individual project managers and ask them to provide their opinion independently of others
C. Schedule a second group meeting and invite the senior responsible owner to convince the project managers
D. Schedule a second group meeting and invite the agile coaches to explain the value of agile ways of working

38) The TaxDept's DTP is mission critical and agile ways of working will be deployed for the first time. Consequently, the board members have made two announcements recently about the importance of risk management and the need to build a supportive risk culture.

Which announcement is consistent with a supportive risk culture, and why?

A. The use of agile will be limited temporarily to DTP projects, because this should minimize the risk to the portfolio from adopting the agile ways of working across the whole organization
B. The use of agile will be limited temporarily to DTP projects, because the programme manager should promote competition by rewarding the most agile project manager in the programme
C. Agile coaches will be trained in the department's risk process, because the department's 'tight risk process' should be used to avoid the agile delivery teams being too empowered
D. Agile coaches will be trained in the department's risk process, because risk management is a complex subject that requires ongoing learning and development of team members

39) Currently, the TaxDept's DTP has been running for two years, with three more years of development planned. A number of decisions have been made as part of this programme.

Which decision indicates there is a supportive risk culture in the TaxDept?

A. Agile ways of working will be used to reduce risk and incrementally achieve the business case over the next three years
B. The realization of benefits from the DTP will be used to measure and rank the performance of the project managers
C. DTP project managers will work weekends to ensure that the DTP's full business case can be realized in the next three years
D. The TaxDept's 'Suggestion Scheme' recognizes staff who identify opportunities to collect taxes more efficiently

40) The TaxDept's behavioural programme has started a project to develop three tailored risk management training modules: one each for programme managers, project managers and operational managers to ensure that they apply risk management effectively as part of their roles.

Is this an appropriate way to overcome the common challenges in risk management application, and why?

A. Yes, because it will help to overcome any tendency towards 'tick the box' risk management
B. Yes, because different risk language should be used to meet the needs of different parts of the organization
C. No, because reward and recognition systems should be used to encourage staff to manage risk effectively
D. No, because the programme should analyse risk information to improve estimates of risk likelihood

41) What should be achieved as a result of the 'define context and objectives' process?

A. Focus on the need to create value by identifying opportunities
B. Clarity about how the risk management process may be tailored
C. Focus on the need to assign responsibility for the agreed priority of risks
D. Clarity about existing controls and how they may be strengthened

42) Which is an objective of the 'identify threats and opportunities' process?

    A. The strategic risk management policy is clearly defined

    B. The objectives 'at risk' are clearly described

    C. The governance of contingency is clear and understood

    D. The owners of each defined risk are identified and agreed

43) Which is the BEST indicator that the 'plan responses' process is working well?

    A. Risk owners examine the best ways of keeping risk exposure within tolerances

    B. Risk owners are appointed to take responsibility for agreed risk response actions

    C. Decision-makers agree the size of contingency when selecting leading indicators

    D. Decision-makers understand how risk events affect the chances of achieving a single objective

44) Which is an indication that the 'agree contingency' process is working well?

    A. Stakeholders understand the most significant risks to higher perspectives from lower perspectives

    B. Ownership of the financial allowances is delegated to the person who can best protect its use

    C. Value is added to the achievement of the overall change objectives of the organization

    D. Design and delivery can be repeated in order to manage risks associated with uncertainty of scope

45) A new "Staff Motivation" project is being initiated and the project is in the 'define the context and objectives' process. The project team has identified that the current TaxDept was set up by merging several government departments, with a new hierarchy and role names. However, some staff members still refer to the old structures and make decisions in the old ways. So much so, that there appears to be a hidden hierarchy within TaxDept.

In which activity of the 'define the context and objectives' process would this be identified?

    A. Analyse context

    B. Analyse and engage stakeholders

    C. Agree objectives at risk and how these will be measured

    D. Develop perspective level risk approach(es) as necessary

46) The government has introduced legislation to phase out the use of gas-fired heating systems within 20 years. The TaxDept does not have enough resources to address this while delivering the existing programmes and collecting taxes. The senior management team cannot agree which change activities the TaxDept should continue with and which should be stopped.

Which technique in the 'define context and objectives' process is MOST LIKELY to resolve this issue?

A. Horizon scanning
B. Stakeholder analysis
C. Benefits mapping
D. Quality function deployment

47) As part of the DTP, the programme manager has made the following notes:

"The Public Service Union represents 68% of the TaxDept's staff. The Union is concerned that the proposed reduction in staff will result in remaining staff being overloaded."

In which document should this information MOST LIKELY be recorded?

A. Strategic risk management policy
B. Strategic risk management process guide
C. DTP risk approach
D. DTP stakeholder map

48) The TaxDept. executive management team identified several risks relating to the DTP during a board meeting. The executive management team were unable to agree how to describe the risk cause of several of the risks and there was confusion as to why the risks were important. An example of one risk that has been recorded is "the external supplier might be late delivering the systems changes." The programme manager needs to decide whether to include this risk on the DTP risk register.

Which action should the programme manager take FIRST for this risk in the 'identify threats and opportunities' process?

   A. Identify the cause of the risk as "using agile ways of working for the first time in this programme"
   B. Identify what could go wrong with the agile ways of working, leading to the external supplier being late, impacting the programme
   C. Identify someone who understands the risk relating to the external suppler and appoint them as risk owner to describe the risk
   D. Identify how the late delivery of the systems changes could impact on the DTP's benefits being realized

49) The DTP is preparing to add a new feature to the 'self-serve' website. The feature will enable taxpayers to apply for tax refunds online. If tax refunds are applied incorrectly then it will be costly and time-consuming to reclaim the refunds from taxpayers. The project team plans to spend a day examining each step in the tax refund process to identify risks to the effective collection of taxes.

Which technique in the 'identify threats and opportunities' activity is being used?

   A. Group idea generation
   B. Constraint analysis
   C. Johari window
   D. Failure mode effect analysis

50) The government has introduced legislation to phase out gas-fired heating systems within 20 years. In response, the TaxDept has started the new carbon neutral programme. It has been agreed that the first tranche of the programme will research different replacement heating systems and select the preferred solution. The second tranche will implement the chosen technology in one pilot location (the pilot project).

As part of the 'identify threats and opportunities' process, in which document should this agreement be recorded FIRST?

A. Carbon neutral programme risk register
B. Pilot project risk register
C. Carbon neutral programme issue register
D. Carbon neutral programme decision register

51) The TaxDept consists of a large number of operational teams of differing sizes. For example, the "call handling" team has over 200 team members, while the "fraud investigations" team only has 10 team members. The executive management team has asked all operational managers to tailor the impact scale for the prioritization of risks in the 'prioritize risks' process, based on each team's staffing budget.

Which statement about the consequence of this action is CORRECT?

A. Risks can be accurately aggregated across the "fraud investigations" and "call handling" teams to identify individual risks that could impact the reliable collection of taxes
B. Risks identified by the "call handling" team with a major impact will be recognized as being more important than those with a major impact identified by the "fraud investigations" team
C. Risks identified by the "fraud investigations" team with a major impact will appear to be as important as those with a major impact identified by the "call handling" team
D. Risks identified by the "call handling" team with a major impact should have a higher risk probability than those with a major impact identified by the "fraud investigations" team

52) The TaxDept has decided to adopt a product-oriented approach for its digital solutions, initially appointing a product team for individual taxation products with a flatter, less hierarchical structure. As a result, concerns have been raised about whether the product team will be able to reach agreement about the priority of risks when they usually allow the former team leader to make important decisions.

Which technique is MOST LIKELY to assist with this in the 'prioritize risks' process?

A. Group assessment
B. Individual assessment
C. Sensitivity analysis
D. Probabilistic risk analysis

53) The DTP is attempting to deploy agile ways of working for the first time. Each delivery team is using its own way of documenting risks. However, the senior responsible owner (SRO) wants to visually compare identified risks in a consistent and logical way across the programme.

Which technique should the programme manager use to fulfil the SRO's needs in the 'prioritize risks' process?

A. Risk matrix
B. Sensitivity analysis
C. Probabilistic risk analysis
D. Group assessment

54) The TaxDept has decided to set up two separate teams focused on delivering products for business and individual taxpayers as part of the DTP. Two product managers have already been appointed to ensure the different needs of these taxpayers are met.

Which action should the product manager for business taxpayers take as part of the 'model relationships between risks and assess combined impact on objective(s)' activity?

A. Advise the programme manager of a risk to the reliable collection of business taxes so that the programme manager can identify any similar risks to individual tax collection
B. Estimate the predicted cost and benefit expected from the solutions being delivered by the product team appointed to meet the needs of business taxpayers
C. Assess whether a risk identified by the product manager for individual taxpayers affects the ability to meet the needs of business taxpayers and to reliably collect business taxes
D. Assess how likely it is that business taxes can be collected reliably and accurately as a result of a new feature being introduced offering deferred payments by businesses

55) The DTP is seeking to support individuals and businesses to 'self-serve' taxation matters online. As a result, the programme's SRO wants to understand what would happen if the number of individuals and businesses enrolling for the new online service is not as high as anticipated. In particular, the SRO wants to understand the impact of lower numbers for either of these customer groups on the programme's full business case over the next three years. The DTP is now in the 'assess the combined risk profile' process.

Which technique is MOST LIKELY to help identify the impact?

A. Decision trees
B. Sensitivity analysis
C. Probabilistic risk analysis
D. Scenario analysis

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56) TaxDept has controls in place to prevent unauthorized access to IT systems. An internal review has identified the following risk:

"Because passwords have to comply with a specified format, staff may use a 'team password' to make it easier for all team members to access the system, allowing unauthorized access to IT systems by people outside of the team."

A number of actions have been identified to respond to this threat of unauthorized access.

Which action should be taken FIRST in the 'plan responses' process?

A. Start a new project to change the IT systems to ensure 'team passwords' cannot be used on IT systems

B. Review whether the current controls to prevent unauthorized access to IT systems are adequate

C. Ask a public relations expert to create a plan to deal with the bad press, if unauthorized access occurs

D. Add material to staff training courses on data protection obligations relating to the use of passwords

57) The DTP is in the 'plan responses' process. The following risk has been entered into the programme's risk register:

"Because of slow internet speeds in rural areas, there is a risk that individuals and businesses in those areas may be reluctant to 'self-serve' their taxation matters online, resulting in failure to fully realize the DTP business case in the required timescale."

Which role should suggest a suitable response to the identified risk?

A. Programme change sponsor (SRO)

B. Programme manager

C. Project manager

D. Risk owner

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58) January is a particularly busy month for tax return submissions and, as a result, no changes to IT systems are permitted during this month. The desktop implementation project is about to start. The project manager has been discussing the risk that project delays could mean extending the project into January, causing major disruption to operations.

Which action should the project manager take in the 'agree financial contingency' activity?

A. Prepare a plan to identify how the business will continue to operate should the project extend beyond December

B. Identify, with the senior management team, the impact on tax collections of continuing to deliver the project during January

C. Identify how many additional specialist staff would be required to ensure the desktop implementation project finishes on time

D. Prepare a risk response plan for the each of the risks that could delay the project to reduce the risk of the project delivering late

59) The DTP is seen as being mission critical for the TaxDept. Consequently, the department is focused on realizing benefits from the programme incrementally, with the full business case realized in the next three years. The programme is in the 'agree contingency' process and contingency needs to be sized to suit the DTP's needs.

Which is likely to be the BEST approach for sizing time contingency?

A. Add an additional empty timebox of the same duration to each of the agile project, whatever the project complexity

B. Add an additional tranche to the programme, with an allocated elapsed time, but no defined work

C. Add an additional project to the scope of the programme and allocate an elapsed time to that project

D. Add a defined buffer to protect the programme's critical chain of sequential projects and other work

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60) The most difficult element of the DTP is the migration of the department's existing IT systems from the old infrastructure to the new infrastructure needed to support 'self-serve' taxation matters online. The following risk has been added to the DTP risk register:

"Because the TaxDept needs to migrate from the old infrastructure to the new infrastructure to enable 'self-serve' taxation, there is a risk that the new infrastructure could fail and the department could be completely unable to collect taxes, resulting in loss of revenue and reputation."

What action should be taken in response in the 'agree contingency' process?

A. Prepare a contingent plan
B. Prepare a business continuity plan
C. Produce a risk report
D. Conduct a risk management health check

61) January is a particularly busy month for tax return submissions due to the deadline for tax returns approaching. There is a risk that the performance of the IT systems will deteriorate during January due to the number of people trying to submit their tax returns online. The operations manager for online tax returns has been collecting data over the last months of the year on how many people have completed their tax returns compared with how many people need to complete a tax return before the deadline.

In which activity in the 'monitor and report progress' process should this take place?

A. Monitor planned actions
B. Monitor leading indicators
C. Report use of contingency
D. Escalate/delegate ownership of risks as appropriate

62) The DTP is seen as being mission critical for TaxDept, with the full business case to be realized in the next three years. The programme is in the 'monitor and report progress' process. Unfortunately, the actual benefits realized to date have been disappointing. It is not clear what has caused the benefits to be lower than anticipated. As a result, the SRO wishes to review all of the factors that have led to these reduced benefits.

Which technique is MOST LIKELY to provide this information?

A. Cause-and-effect diagram
B. Swiss cheese model
C. Risk management health check
D. Risk breakdown structure

63) The DTP is seen as being mission critical for the TaxDept, with the full business case to be realized in the next three years. Unfortunately, however, the actual benefits realized to date have been disappointing and, consequently, the DTP senior responsible owner (SRO) needs to monitor leading indicators relating to these specific risks across the programme.

Which role is MOST LIKELY to provide the data necessary for the SRO to monitor the situation?

A. Change sponsor (SRO)
B. Programme manager
C. Risk owner
D. Project manager

64) The portfolio is in the 'review and adapt' process and the portfolio manager has been reviewing the application of risk management across the portfolio. It is clear that the scales for risk velocity did not work well with the agile way of working used on the DTP. As a result, the 'self-serve' project did not prioritize some risks to the programme and the DTP's senior responsible owner was given risk information too late to act. The portfolio manager needs to recommend changes to the way velocity is assessed.

In which document should the portfolio manager recommend the required changes?

A. TaxDept's risk management policy

B. DTP's risk approach

C. 'Self-serve' project risk approach

D. Portfolio risk management improvement plan

65) The DTP has completed the first tranche. The programme manager is completing an end of tranche review, which includes the 'review and adapt' process.

Which statement should the programme manager record in the risk management improvement plan?

A. There is a strong possibility that a key piece of software used in the self-service app will no longer be supported in future

B. There are likely to be risks caused by dependencies between projects in the next tranche, as more services are added to the website

C. An audit found that risk reports from the agile delivery teams often contained over-optimistic assessments of a risk's impact

D. Risk reports were completed by the application developers as scheduled, using the right templates and reporting the right data

END OF EXAMINATION

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The M_o_R® 4 Practitioner Examination

Sample Paper 1

Answers and Rationales

For exam paper: EN_MoR4_PRAC_2022_SamplePaper1_QuestionBk_v1.0

Q	A	Syllabus Ref	Rationale
1	D	1.1	A. Incorrect. The definition of a risk is "an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives." The definition of an issue is "an unplanned event that has occurred and requires management action." Ref 1.2 B. Incorrect. There are many uncertainties in organizations, however organizations concern themselves with uncertainties that affect their goals or objectives. "Many uncertainties exist, but uncertainties are risks only if they would impact objectives should they occur." Ref 1.2 C. Incorrect. Managing risks to an objective should reduce the amount of exposure. "Whether you take proactive action to reduce exposure of an objective now… responding to risk ensures that… objectives are protected." Ref 1.2 D. Correct. The definition of risk is "an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives." Ref 1.2

Q	A	Syllabus Ref	Rationale
2	D	1.2	A. Incorrect. Creation of the organizational risk policy and process is "led from, or apply specifically in, the strategic perspective..." It supports corporate governance, which "is focused on maintaining a sound system of internal control by which the directors and officers of the organization ensure that effective management systems are in place to protect assets, earning capacity, and the reputation of the organization." Ref 3.3.3, 1.4
			B. Incorrect. "Corporate governance is focused on maintaining a sound system of internal control by which the directors and officers of the organization ensure that effective management systems are in place to protect assets, earning capacity, and the reputation of the organization." Only 'earning' would not be relevant for a government department. The primary outcome of satisfying the principle of 'aligns with objectives' is that the risks that are prioritized for management action are those with the biggest potential to protect current value or to create additional value. Ref 1.4, 2.2
			C. Incorrect. "Corporate governance is focused on maintaining a sound system of internal control by which the directors and officers of the organization ensure that effective management systems are in place to protect assets, earning capacity, and the reputation of the organization." The 'third line of defence', from the three lines model, supports this. Ref 1.4
			D. Correct. "At the level of the legal entity, corporate governance is focused on maintaining a sound system of internal control by which the directors and officers of the organization ensure that effective management systems are in place to protect assets, earning capacity, and the reputation of the organization." The definition: Enterprise risk management (ERM) is "the culture, capabilities, and practices that are effected by an organization's management and applied in strategy-setting and across the enterprise/legal entity. ERM identifies and manages risk to be within an organization's risk appetite, and provides reasonable assurance regarding the achievement of organizational objectives." Ref 1.4

Q	A	Syllabus Ref	Rationale
3	A	1.3	A. Correct. "Product-oriented organizations have sought to ensure resilience in a VUCA environment by adopting agile ways of working that focus on delivering value early and often, using feedback to continually improve and innovate at a faster rate. This approach has potential benefits for the delivery of value, but it can introduce specific challenges for risk management as organizations further explore new technologies and ways of working... [such as]…. The emphasis on speed to market means risk management is often seen as a 'blocker' preventing, rather than enabling, experimentation and innovation." Ref 1.6 B. Incorrect. "Disengaged stakeholders leading to apathy and a tendency to 'tick the box' on risk management, rather than commit to using risk management to create and protect value" is one of the "12 challenges [that] can impact the effective management of risk, regardless of the organization and its chosen operating model." It is not a challenge faced specifically by product-oriented organizations. Ref 1.6 C. Incorrect. "Downside thinking, limiting the ability to explore and exploit upside opportunities" is one of the "12 challenges [that] can impact the effective management of risk, regardless of the organization and its chosen operating model." It is not a challenge faced specifically by product-oriented organizations. Ref 1.6 D. Incorrect. This is not a challenge of risk management application. This describes the M_o_R principles which "are guiding obligations that apply continually, from the decision to set an objective through to the change or achievement of that objective." Ref 2.1
4	A	1.4	A. Correct. At the portfolio level in a product-oriented organization, "risk management is focused on achieving the optimal coordination of product development cycles and prioritization of backlogs and releases/launches." Ref tab 14.1 B. Incorrect. At the strategic level in a product-oriented organization, "objectives at risk likely to have, relatively, a shorter time horizon with major volatility expected." Ref tab 14.1 C. Incorrect. At the portfolio level in a functional-oriented organization, "risk management is focused on achieving the optimal coordination of investments to change normal routines, typically funded by capital." Ref tab 14.1 D. Incorrect. At the strategic level in a functional-oriented organization, "objectives at risk likely to have, relatively, a longer time horizon with major volatility the exception." Ref tab 14.1

Q	A	Syllabus Ref	Rationale
5	A	1.5	A. Correct. "The purpose of M_o_R having a principles-based framework is to be clear about the enablers of effective risk management that always apply, irrespective of the perspective and objectives at risk, and of the process being applied." Principles give risk practitioners confidence because they are "Empowering: They enable practitioners to practise risk management in an effective way." Ref 2.1, fig 1.3 B. Incorrect. Portfolio is one of the perspectives so this cannot be the correct answer. Principles give risk practitioners confidence because they are "Empowering: They enable practitioners to practise risk management in an effective way." Ref 2.1 C. Incorrect. 'Plan responses' would increase confidence but this is a process, not an element of the M_o_R integrated framework. Principles give risk practitioners confidence because they are "Empowering: They enable practitioners to practise risk management in an effective way." Ref 2.1, fig 1.3 D. Incorrect. Perspectives are an element of the M_o_R integrated framework, and the use of them will improve confidence. However, not all perspectives will apply to all organizations. "All... may be relevant, or just a sub-set…" Principles give risk practitioners confidence because they are "Empowering: They enable practitioners to practise risk management in an effective way." Ref 1.5.1, 2.1
6	A	1.6.a	A. Correct. The 'aligns with objectives' principle is achieved by "governance specifying ownership and delegated authority for each objective" and "a risk management process that is continually applied to reflect changes to objectives over time." Ref 2.2 B. Incorrect. 'Provides clear guidance' is concerned with providing "clear guidance through a comprehensive, structured approach to the management of risk that can be tailored to the specific context." This principle does not specify governance; this is the 'aligns with objectives' principle. Ref 2.5 C. Incorrect. 'Engages stakeholders' is concerned with engaging "stakeholders in an inclusive and collaborative way, recognizing that people have differing perceptions of what is risky and why," whereas this is concerned with providing "leadership and governance to achieve the objectives that are at risk over time." Ref 2.4, 2.2 D. Incorrect. 'Informs decision-making' is concerned with integrating "the best available information and expertise to inform decision-making at multiple levels," whereas this is concerned with providing "leadership and governance to achieve the objectives that are at risk over time." Ref 2.6, 2.2

Q	A	Syllabus Ref	Rationale
7	A	1.6.b	A. Correct. "The 'fits the context' principle is achieved by [having]… a risk management process that explicitly assesses external and internal contexts… [and] leadership that is flexible and willing to adjust so that risk management is fit for the context." "Risk management can only be successful if it is... tailored to put effort into the areas that pose the greatest risk and/or where critical decisions are being made." Ref 2.3
			B. Incorrect. This is an example of the 'creates a supportive culture' principle being implemented, which "is achieved by... encouraging conversation about risk as a positive and value-creating behaviour." The action is an appropriate application of the 'fits the context' principle, which "is achieved by [having]… a risk management process that explicitly assesses external and internal contexts… [and] leadership that is flexible and willing to adjust so that risk management is fit for the context." "Risk management can only be successful if it is... tailored to put effort into the areas that pose the greatest risk and/or where critical decisions are being made." Ref 2.8, 2.3
			C. Incorrect. Disruption to the existing programmes is a legitimate concern, however the action is an appropriate application of the 'fits the context' principle, which "is achieved by [having]… a risk management process that explicitly assesses external and internal contexts… [and] leadership that is flexible and willing to adjust so that risk management is fit for the context." "Risk management can only be successful if it is... tailored to put effort into the areas that pose the greatest risk and/or where critical decisions are being made." Ref 2.3
			D. Incorrect. There may be confusion if the risk management process is updated without providing clear guidance, however the action is an appropriate application of the 'fits the context' principle, which "is achieved by [having]… a risk management process that explicitly assesses external and internal contexts… [and] leadership that is flexible and willing to adjust so that risk management is fit for the context." "Risk management can only be successful if it is... tailored to put effort into the areas that pose the greatest risk and/or where critical decisions are being made." Ref 2.3

Q	A	Syllabus Ref	Rationale
8	B	1.6.c	A. Incorrect. 'Fits the context' is concerned with providing "guidance on tailoring risk management so that it is proportionate to the objectives at risk over time," whereas, this is concerned with engaging "stakeholders in an inclusive and collaborative way" Ref 2.3, 2.4

B. Correct. The 'engages stakeholders' principle is achieved by "a risk management process that explicitly identifies and engages the stakeholders relevant to the objective and associated decisions" and "access to skilled facilitators who have the ability to engage and the gravitas to challenge, stakeholders as required." Ref 2.4

C. Incorrect. 'Provides clear guidance' is concerned with providing "clear guidance through a comprehensive, structured approach to the management of risk that can be tailored to the specific context," whereas this is concerned with engaging "stakeholders in an inclusive and collaborative way" Ref 2.5, 2.4

D. Incorrect. 'Facilitates continual improvement' is concerned with "learning from the application of risk management" to continually improve practices, whereas this is concerned with engaging "stakeholders in an inclusive and collaborative way." Ref 2.7, 2.4 |
| 9 | B | 1.6.f | A. Incorrect. Developing mechanisms to measure exposure over time is a feature of the 'achieves measurable value' principle. "Measures can also be established to track specific risk management performance, such as the reduction over time in the exposure of the organization to the combined risks to objectives." Ref 2.9

B. Correct. Being involved in the analysis of risk data and coming up with recommendations will improve each team member's understanding of the application of risk. The 'facilitates continual improvement' principle is achieved by "supporting the continued professional development of people involved in any aspect of the risk management process." Ref 2.7

C. Incorrect. Although it might be true that other projects might have undertaken some rework, this would be better than overlooking a threat or missing an opportunity. The 'facilitates continual improvement principle focuses on "learning from the application of risk management ensures that the risk management practices are focused on creating and protecting as much value as practicable." Ref 2.7

D. Incorrect. It is true that using a maturity model is a valid way of applying the 'facilitates continual improvement' principle. However, "some organizations focus their continual improvement efforts by using a maturity model approach to improve all aspects of their risk management framework" and is not suitable for one reviewing one particular issue. Other organizations focus on the "…sharing of experiences and learning between teams so that future risk identification and analysis builds on learning. Both approaches can have significant value." Ref 2.7 |

Q	A	Syllabus Ref	Rationale
10	B	1.6.g	A. Incorrect. The 'provides clear guidance' principle ensures that the risk process is clearly defined and communicated. This training however is on the benefits of risk taking. "Being clear about how risk management will be tailored within the organization" and "keeping processes relevant by seeking feedback" are both goals of the 'creates clear guidance' principle. Ref 2.5 B. Correct. Training and awareness on the reward for risk management form part of the 'creates a supportive culture' principle. "Designing reward and recognition systems that motivate risk rather than issue/crisis management" and "encouraging conversation about risk as a positive and value-creating behaviour" are both aspects creating a supportive culture. In addition, "one important aspect of creating a supportive culture for risk-taking is senior leadership: the 'tone from the top'." And the decision to implement these sessions is driven by the board members. Ref 2.8 C. Incorrect. The focus of the training is about the value added by taking risk. The training is not aimed at using risk data to make decisions. "Educating and supporting decision-makers so they are discerning customers for risk information" is a key feature of the 'informs decision-making' principle. Ref 2.6 D. Incorrect. The training is about the benefits of taking risk, not how these benefits will be measured. 'Achieves measurable value' refines "how value from risk management is judged over time to enable continual improvement." Ref 2.9

Q	A	Syllabus Ref	Rationale
11	A	1.6.h	A. Correct. Mission critical objectives in TaxDept, include collecting taxes accurately and reliably. The 'achieves measurable value' principle seeks to create and protect organizational value. To do this "objectives, measured by key performance indicators (KPIs) are likely to span multiple areas, for example… product quality... operational efficiency, and reputation." Measuring the number of risks that were effectively managed and therefore delivered "reduce waste/re-work levels" and "increase client/user confidence" are therefore appropriate KPIs related to the 'achieves measurable value' principle. Ref 2.9
			B. Incorrect. According to the 'achieves measurable value' principle, improving risk management would be expected to "reduce waste/re-work levels, increase client/user confidence, improve regulatory performance." This principle does not reduce the number of risks that are identified. Ref 2.9
			C. Incorrect. It is true that according to the 'creates a supportive culture' principle "recognizing and rewarding the anticipatory and mindful behaviours that come with effective risk management, rather than rewarding heroic recovery from crises, is a key factor, as is supporting the continual improvement of risk processes and practices." However, it is the 'achieves measurable value' principle that states "performance measures need to be established. In all organizations, improving risk management would be expected to… increase client/user confidence." Ref 2.8, 2.9
			D. Incorrect. It is true that, according to the 'creates a supportive culture' principle, it can be achieved by "encouraging conversation about risk as a positive and value-creating behaviour." However, it is the 'achieves measurable value' principle that is about "establishing methods to objectively judge the performance of risk management." Ref 2.8, 2.9
12	A	2.1	A. Correct. "The organizational capacity and appetite for risk is defined within the strategic perspective and communicated across the organization so that decision-makers at all levels understand how much risk can be tolerated as they pursue objectives." Ref 3.3.1
			B. Incorrect. A collection of changes is a portfolio perspective, not strategic perspective. "The purpose of risk management in the portfolio perspective is to add value to the achievement of the overall objectives of the portfolio." Ref 3.4.1
			C. Incorrect. Outputs and capabilities are delivered by projects. "The purpose of risk management in the project perspective is to add value to the achievement of outputs and capabilities." Ref 3.6.1
			D. Incorrect. Customer service is delivered by the operational perspective. "The purpose of risk management in the operational perspective is to add value to the achievement of reliable and efficient operational outputs." Ref 3.8.1

Q	A	Syllabus Ref	Rationale
13	B	2.2	A. Incorrect. Risk owners are responsible for responding to risks, NOT risk specialists. The risk owner is "the person who is assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." Ref 3.2.2 B. Correct. "When a risk within one perspective is assessed to be at a size of exposure that is also significant at a higher perspective (based on calibrated impact scales), it is important to communicate this, and agree whether to formally escalate the risk for ownership and management within that higher perspective." Ref 3.2.2 C. Incorrect. This is the definition of velocity, i.e. "how fast the risk would have an impact on objectives should it occur." Calibrating velocity would not be appropriate at this point. Instead, "communicate this, and agree whether to formally escalate the risk for ownership and management within that higher perspective." Ref 8.3.3, 3.2.2 D. Incorrect. Risk owners are responsible for responding to risks, NOT the risk action owner. The risk owner is "the person who is assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." The risk action owner is "the person who is the nominated owner of agreed actions to respond to a risk. Also known as risk actionee." Ref 3.2.2
14	C	2.3	A. Incorrect. While it is true that "empowered, self-managed agile teams that demonstrate transparency, collaboration, and rich communication may have an advantage when making risk-based decisions", the guidance states that "the key to being able to integrate risk management across perspectives is the calibration of the scales used to determine the priority of risks" and "best practice is to use the same likelihood scale across the whole organization." Ref 4.5.2, 3.2, 3.2.1.1 B. Incorrect. While it is true that the senior responsible owner (SRO) should be "responsible for the successful delivery of the outcomes of the programme, and therefore the risks to achieving those outcomes", the guidance suggests that "best practice is to use the same likelihood scale across the whole organization." Ref 3.5.2, 3.2.1.1 C. Correct. "The key to being able to integrate risk management across perspectives is the calibration of the scales used to determine the priority of risks" and "best practice is to use the same likelihood scale across the whole organization." Ref 3.2, 3.2.1.1 D. Incorrect. While it is true that "determining likelihood is subjective unless there is a large homogeneous data set that can reliably determine the chance of any risk in future", the guidance suggests that "best practice is to use the same likelihood scale across the whole organization." Ref 3.2.1.1, 3.2.1.1

Q	A	Syllabus Ref	Rationale
15	B	2.4	B. Correct. This risk is looking at the balance of staffing across the change and delivery areas in the organization. The Portfolio perspective "supports overall organizational objectives by ensuring that scarce resources are balanced between change and operational activities." In addition, the impact on the programme to deliver the reduced real estate is within the portfolio of the TaxDept. A portfolio is defined as: "The totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objective." Ref 3.4.1, 3.4 A, C, D, E, F. Incorrect. Ref 3.4.1
16	F	2.4	F. Correct. Tax collection deadlines affect the operational areas of the organization. The operational perspective "ensures that the products and services of the organization are delivered when required." Ref 3.8.1 A, B, C, D, E. Incorrect. Ref 3.7.1
17	D	2.4	D. Correct. Activities affecting an implementation date of an output is in the realm of a project. Projects "ensure the organization is able to deliver the project scope to the right quality, on time, and within budget." Ref 3.6.1 A, B, C, E, F. Incorrect. Ref 3.6.1
18	A	2.5	A. Correct. Decision-making processes look "beyond individual programme or project business cases, evaluating potential investments in additional change initiatives, looking at portfolio fit, and balancing overall risk and return." Reprioritizing the change activities will help rebalance the returns of the portfolio against the risk to operations. Ref 3.4.3 B, C, D, E. Incorrect. Ref 3.4.3
19	E	2.5	E. Correct. Portfolio level controls identify "common causes of change-related risks and [implement] controls that directly target causes." This action aims to control a cause of risk. Ref 3.4.3 A, B, C, D. Incorrect. Ref 3.4.3
20	B	2.5	B. Correct. Portfolio risk culture [establishes] "the risk culture for the portfolio, as a sub-set of overall risk culture; in particular, ensuring collaborative working between projects and programmes to facilitate good conversations about risk." The new meeting should facilitate risk conversations. Ref 3.4.3 A, C, D, E. Incorrect. Ref 3.4.3
21	B	2.6	B. Correct. The programme manager is responsible "in support of the SRO, for day-to-day leadership of the programme, and therefore the efficacy of application of risk management across the programme." Ref 3.5.2 A, C, D, E. Incorrect. Ref 3.5.2

Q	A	Syllabus Ref	Rationale
22	C	2.6	C. Correct. The business change manager is responsible "in support of the SRO, for managing risks to day-to-day adoption of new capabilities in support of the realization of outcomes of benefit." Ref 3.5.2 A, B, D, E. Incorrect. Ref 3.5.2
23	E	2.6	E. Correct. The risk specialist is "responsible for supporting the programme manager and business change manager to apply fit-for-purpose risk management to programme activities." Ref 3.5.2 A, B, C, D. Incorrect. Ref 3.5.2
24	B	2.7.a	B. Correct. An outline business case ensures "risk is explicitly considered in the business case." Ref 3.6.3 A, C, D, E. Incorrect. Ref 3.6.3
25	A	2.7.a	A. Correct. Estimating [considers] "specific risk events and estimating variability when estimating effort and cost for project activities." Ref 3.6.3 B, C, D, E. Incorrect. Ref 3.6.3
26	C	2.7.a	C. Correct. Agreeing financial contingency [means] "establishing a suitable risk budget, management reserve, and protocols for releasing this for use on the project." If renting temporary office space is required, then this will cost money. This will come out of the risk budget and the risk management approach will explain the protocols for using these funds. Ref 3.6.3 A, B, D, E. Incorrect. Ref 3.6.3

Q	A	Syllabus Ref	Rationale
27	A	2.7.b	A. Correct. (1) The iterative/agile project lifecycle is "a project delivery mode that repeats aspects of the design or delivery" to allow the solution to "[emerge] over time." Ref 3.6.1.2 (2) "The choice of a linear/sequential project delivery mode works well when scope and quality can be defined clearly at the start." This allows timescales and cost to be understood. "From this baseline, risks can then be identified, prioritized, and managed accordingly." Ref 3.6.1.1 B, C, D. Incorrect. (3) Risk management is not optional when using a hybrid approach. "Hybrid approaches are increasingly seen as a pragmatic way of delivering projects in a collaborative, yet controlled way... Having defined stage gates/boundaries is one way [of achieving that control]… as it provides a common mechanism for communicating risk information, agreeing risk-based assurance, and making risk-informed decisions." Ref 3.6.1.3 (4) This statement is not true for continuous improvement, which uses "tools and techniques such as Lean Six Sigma" to identify "waste or redundancy in a process, product, service, or system" Instead, this is feature of linear project lifecycles which we see explained in the hybrid project lifecycles section of the manual: having defined stage gates/boundaries is one way that the "perceived challenges of integrating risk management approaches between iterative/agile and wider ERM [enterprise risk management]" used in linear project lifecycles can be reconciled. Ref 3.6.1.4, 3.6.1.3
28	C	2.8	C. Correct. The expert in handling queries from businesses is a functional representative. "Functional representatives: responsible for a particular functional contribution as part of the product team; for example, for ensuring regulatory, people, or operational requirements and constraints are considered in product decisions." Ref 3.7.2 A, B, D, E. Incorrect. Ref 3.7.2
29	A	2.8	A. Correct. "Product owner/manager: responsible for the success of the product in the market and therefore the risks to achieving the specific success criteria that contribute to the organizational objectives." Ref 3.7.2 B, C, D, E. Incorrect. Ref 3.7.2
30	E	2.8	E. Correct. "Agile coach: responsible for championing agile ways of working and ensuring that blockages to effective agile working are highlighted and addressed." Ref 3.7.2 A, B, C, D. Incorrect. Ref 3.7.2

Q	A	Syllabus Ref	Rationale
31	E	2.9	E. Correct. Disaster recovery procedures is an operational control therefore the risk should remain within operations. "Disaster recovery: identifying critical operations and putting in place specific plans to recover from catastrophic failures." Ref 3.8.3 A, B, C, D. Incorrect. Ref 3.7.3
32	B	2.9	B. Correct. As the delivery project is part of a programme, it is the project who captures the benefits. "Programme business case: ensuring risk is explicitly considered in the business case, modelling the impact of risks on both benefits and costs." Ref 3.5.3 A, C, D, E. Incorrect. Ref 3.5.3
33	A	2.9	A. Correct. Targets set by government will affect the strategic approach of the organization. This risk should be escalated to strategic perspective. "Compliance: influencing and monitoring the regulatory environment for the organization and planning effective controls for compliance-related risks." Ref 3.3.3 B, C, D, E. Incorrect. Ref 3.3.3
34	B	3.1	A. Incorrect. "The importance of a top-down mandate for risk management cannot be overemphasized", therefore it cannot be removed. Ref 4.1 B. Correct. "To gain benefit there is a need to build risk management competence in individuals, and to build shared values, beliefs, knowledge, and understanding of risk management across teams." Ref 4.1 C. Incorrect. The chief risk officer (CRO) is a senior appointment, i.e. "group head of risk, strategic risk manager etc." so investing in building risk management competence in individuals would not remove the need for this role. Ref 3.3.2 D. Incorrect. The purpose of risk management in the portfolio perspective is to ensure that "scarce resources are balanced between change and operational activities." Ref 3.4.1
35	B	3.1	A. Incorrect. This is the definition of cognitive bias, i.e. "systematic, inbuilt ways of thinking that skew perception", something to be avoided. Ref 4.3 B. Correct. "Risk… relies on people, as individuals and in groups, to work with foresight. This includes interpreting data and situations and making judgements (educated guesses) under uncertainty." Ref 4.1 C. Incorrect. This is the definition of the availability heuristic, i.e. "prioritizing more recent and memorable situations… even though these may be unrepresentative extremes", something to be avoided. Ref 4.3 D. Incorrect. "As highlighted in the principle of creating a supportive culture, reward and recognition systems that motivate risk management rather than issue/crisis management are needed." Ref 4.5.4

Q	A	Syllabus Ref	Rationale
36	C	3.2.a	A. Incorrect. While the project manager is "responsible, in support of the project executive, for day-to-day leadership of the project", this role has not changed, although their "attitude to the objective(s)/decision(s) and therefore the likelihood that they will be a supporter/backer, or detractor/blocker" is likely to have changed. Ref 3.6.2, 4.2
			B. Incorrect. While the project manager is "responsible, in support of the project executive… [and] the efficacy of application of risk management across the project", this role has not changed, although their "attitude to the objective(s)/decision(s) and therefore the likelihood that they will be a supporter/backer, or detractor/blocker" is likely to have. Ref 3.6.2, 4.2
			C. Correct. "Stakeholder analysis identifies stakeholders and then prioritizes the level and type of engagement for each of the individuals and groups, depending on factors such as... attitude to the objectives/decisions and therefore the likelihood that they will be a supporter/backer, or detractor/blocker." This attitude is highly likely to have changed due to the decision to deploy agile ways of working for the first time. Ref 4.2
			D. Incorrect. Project executives are "responsible for the successful delivery of the outputs and capabilities of the project and therefore the risks to achieving them", not project managers. Ref 3.6.2

Q	A	Syllabus Ref	Rationale
37	B	3.2.b	A. Incorrect. "Decision bias (alternatively called subconscious or unconscious bias) is natural, and largely positive. It allows the brain to efficiently make thousands of decisions every day." Heuristics are a decision bias defined as "mental short cuts or 'rules of thumb' based on previous experience." Ref 4.3
			B. Correct. This is an example of 'Independent Input', because "many decision biases work at the group level", therefore "techniques that require people to provide their opinion independently of others can uncover different perspectives for discussion because the biasing effect of group dynamics has been temporarily removed." Ref 4.3
			C. Incorrect. Many subconscious "biases work at the group level", therefore a second group meeting is unlikely to overcome the social cohesion of the group that prevents individual project managers from expressing an alternative point of view. Ref 4.3
			D. Incorrect. Many subconscious "biases work at the group level", therefore a second group meeting is unlikely to overcome the social cohesion of the group that prevents individual project managers from expressing an alternative point of view. Although the agile coach does have responsibility "for ensuring that the delivery teams apply appropriate techniques and practices effectively to their work and consider risks to effective delivery of the timebox or work package objectives." Ref 4.3, 3.6.2

Q	A	Syllabus Ref	Rationale
38	D	3.3	A. Incorrect. It is true that leaders may decide to limit agile ways of working for a variety of reasons. However, contrary to the reason given, "the behaviours that are valued in agile ways of working… are complementary to the behaviours that are important in building a mature risk culture" and would therefore assist with risk management at portfolio level, rather than hinder it. Ref 4.5.2
			B. Incorrect. Although this may give rise to "competition, internally as well as externally" which will not help to enable a supportive culture. Instead, "reward and recognition systems that motivate risk management rather than issue/crisis management are needed." Ref 4.5.4
			C. Incorrect. "The behaviours that are valued in agile ways of working … are complementary to the behaviours that are important in building a mature risk culture. This does not mean that risk management requires agile ways of working, but it does suggest that empowered, self-managed agile teams that demonstrate transparency, collaboration, and rich communication may have an advantage when making risk-based decisions." Therefore, the opposite is true - risk management is facilitated by the teams being empowered. Ref 4.5.2
			D. Correct. Agile coaches should be provided with training to help them understand the department's risk process, and that is because "risk management is a complex subject requiring knowledge and skills across disciplines... Not everyone needs to be an expert in all facets, but a culture that supports the ongoing learning and development of team members will be beneficial as people become more familiar with what it takes for risk management to work well." Ref 4.5.3

Q	A	Syllabus Ref	Rationale
39	D	3.4	A. Incorrect. It is true that the agile project lifecycle is "a project delivery mode that repeats aspects of the design or delivery with the objective of managing any uncertainty of scope by allowing outputs to evolve as learning and discovery take place." However, to shape a supportive risk culture "reward and recognition systems that motivate risk management rather than issue/crisis management are needed. People tend to quickly notice what behaviours are prized and rewarded in an organization." Ref 3.6.1.2, 4.5.4
			B. Incorrect. This is an example of internal competition. To shape a supportive risk culture "reward and recognition systems that motivate risk management rather than issue/crisis management are needed. People tend to quickly notice what behaviours are prized and rewarded in an organization." Ref 4.5.4
			C. Incorrect. Getting the project managers to work at weekends is an example of 'results at any cost'. To shape a supportive risk culture "reward and recognition systems that motivate risk management rather than issue/crisis management are needed. People tend to quickly notice what behaviours are prized and rewarded in an organization." Ref 4.5.4
			D. Correct. To share a supportive risk culture "reward and recognition systems that motivate risk management rather than issue/crisis management are needed. People tend to quickly notice what behaviours are prized and rewarded in an organization." Ref 4.5.4

Q	A	Syllabus Ref	Rationale
40	A	3.5	A. Correct. "Supporting the continued professional development of people involved in any aspect of the risk management process" helps to address "disengaged stakeholders leading to apathy and a tendency to 'tick the box' on risk management." Ref tab 4.1 B. Incorrect. Investing in a project to develop tailored risk management training modules would help to address "disengaged stakeholders leading to apathy and a tendency to 'tick the box' on risk management." However, using different approaches in different parts of the organization causes "confusion and inconsistent assessments, combined with an inability to aggregate risk information and understand overall exposure to risk." Ref tab 4.1 C. Incorrect. It is true that "designing reward and recognition systems that motivate risk rather than issue/crisis management" would avoid "disengaged stakeholders leading to apathy and a tendency to 'tick the box' on risk management." However, this does not explain why investing in a project to develop tailored risk management training modules would help to address this as well. Ref tab 4.1 D. Incorrect. Investing in a project to develop tailored risk management training modules would help to address "disengaged stakeholders leading to apathy and a tendency to 'tick the box' on risk management." However, "investment in analysis to create the risk information required" would help to overcome "data not being used to improve estimates of the chance of risks occurring." Ref tab 4.1
41	B	4.1.a	A. Incorrect. The objectives of the 'identify threats and opportunities' process include ensuring that "focus is kept on creating additional value through identifying opportunities, not just protecting value by identifying threats." Ref 7.2 B. Correct. The objectives of the 'define context and objectives' process include ensuring that "clarity is established about what aspects of the risk management process can be tailored." Ref 6.2 C. Incorrect. The objectives of the 'prioritize risks' process include ensuring that "risk owners take responsibility for the agreed priority of the risk." Ref 8.2 D. Incorrect. The objectives of the 'plan responses' process include ensuring that "existing controls are understood and strengthened where their effectiveness is less than was planned." Ref 10.2

Q	A	Syllabus Ref	Rationale
42	D	4.1.b	A. Incorrect. An objective of the 'define context and objectives' process is that "a strategic risk management policy and process guide is clearly defined and communicated and can be implemented across the organization." Ref 6.2
			B. Incorrect. An objective of the 'define context and objectives' process is that "objectives 'at risk' are clear and the capacity and appetite for risk to those objectives is defined." Ref 6.2
			C. Incorrect. An objective of the 'agree contingency' process is that "governance of contingency is clear and aligned with delegated limits of authority." Ref 11.2
			D. Correct. An objective of the 'identify threats and opportunities' process is that "ownership for each defined risk is agreed." Ref 7.2
43	A	4.1.e	A. Correct. When working well, "risk owners take responsibility for exploring the most cost-efficient and effective way of keeping exposure to risk within defined tolerances." Ref 10.1
			B. Incorrect. Risk action owners, also known as risk actionees, may be "the nominated owner of agreed actions to respond to a risk" risk owners are those that are "assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." Ref 3.2.2
			C. Incorrect. One of the objectives of the 'prioritize risks' process, not the 'plan response' process, is that "risk owners understand how they will determine whether the risk exposure is changing by identifying suitable leading indicators." Contingency should be determined during the 'agree contingency' process, i.e. decision-makers should "have understood the exposure of their objectives to the combined effects of risk and have had an opportunity to decide how much contingency to carry to protect performance." Ref 8.2, 11.1
			D. Incorrect. "The purpose of the 'assess combined risk profile' process is to improve decision-making by ensuring decision-makers understand the extent to which all individual risk events contribute to the overall risk to achieving any single objective." Ref 9.1

Q	A	Syllabus Ref	Rationale
44	B	4.1.f	A. Incorrect. This is based on the definition of aggregation, i.e. "aggregation is focused on understanding the most significant risks to the higher perspectives from all relevant lower perspectives." Furthermore, "the activities are performed in the 'assess combined risk profile' process." Ref 3.2.3 B. Correct. "When [the 'agree contingency' process is] working well, contingency size is based on a good understanding of the risks to objectives. Ownership of the contingency is delegated to the person who can protect its use, preventing contingency being used for funding other items and leaving the provision to deal with risks depleted." Ref 11.1 C. Incorrect. It is the purpose of risk management in the portfolio perspective "to add value to the achievement of the overall [change] objectives of the portfolio." Ref 3.4.1 D. Incorrect. This is based on the definition of an iterative/agile project lifecycle, i.e. repeating aspects of the design or delivery "with the objective of managing any uncertainty of scope by allowing outputs to evolve as learning and discovery take place." Ref 3.6.1.2
45	A	4.2.a	A. Correct. The 'analyse context' activity is where the internal operating structure of the organization is considered. "The operating environment within the organization needs to be understood, including formal and informal structures, relationships between stakeholders, and aspects of culture such as communication style, decision-making style, or incentives." Ref 6.3.1 B. Incorrect. The 'analyse and engage stakeholders' activity refers to the identification of the various stakeholders and power and influence not culture. "Different stakeholders will have different drivers and motivations depending on their role" and "the team needs to understand the stakeholders relevant to managing risk." Ref 6.3.2 C. Incorrect. The 'agree objectives at risk and how these will be measured' activity defines what the objectives are, not the culture of the organization. "Careful thought is needed to define objectives that are measurable and represent the most important outcomes for the organization at that time." Ref 6.3.3 D. Incorrect. The 'develop perspective level risk approach(es) as necessary' activity is about how the risk approach will be applied at each perspective. It is not related to the culture of the organization. A single strategic risk management policy and process guide should "explain which aspects of the policy and process guide (if any) can be tailored within the portfolio, programme, project, product, and operational perspectives." Ref 6.3.6

Q	A	Syllabus Ref	Rationale
46	D	4.2.b	A. Incorrect. While 20 years might seem a long way off, facilities management within TaxDept will have to address the change in legislation now. This is not "at the margins of current thinking and planning." The problem is that TaxDept cannot address all the competing objectives at once. "Quality function deployment, otherwise known as the House of Quality... is a technique to determine the relative priorities of competing objectives." Inserting the TaxDept's competing objectives into the House of Quality and analysing the results will help them understand which activities to focus on. Ref 6.4.3, 6.4.5
			B. Incorrect. While understanding of the various stakeholders needs and "how they are affected by the organizational activity" will be useful in order to resolve the situation, the problem is that TaxDept cannot address all the competing objectives at once. "Quality function deployment, otherwise known as the House of Quality... is a technique to determine the relative priorities of competing objectives." Inserting the TaxDept's competing objectives into the House of Quality and analysing the results will help them understand which activities to focus on. Ref 6.4.4, 6.4.5
			C. Incorrect. Benefits mapping is "used to clearly visualize the path to benefits", but this will not solve the problem that TaxDept cannot address all the competing objectives at once. "Quality function deployment, otherwise known as the House of Quality... is a technique to determine the relative priorities of competing objectives." Inserting the TaxDept's competing objectives into the House of Quality and analysing the results will help them understand which activities to focus on. Ref 6.4.7, 6.4.5
			D. Correct. "Quality function deployment, otherwise known as the House of Quality... is a technique to determine the relative priorities of competing objectives." Inserting the TaxDept's competing objectives into the House of Quality and analysing the results will help them understand which activities to focus on. Ref 6.4.5

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Q	A	Syllabus Ref	Rationale
47	D	4.2.c	A. Incorrect. The strategic risk management policy "describes the organization's commitment to risk management and the non-negotiable aspects of how risk management is applied." It does not analyse individual stakeholders. The focus of this statement is on describing the stakeholder and would be recorded in the stakeholder map. This document "describes the relative priority of stakeholders", including "stakeholder names (individuals or groups), assessment of power/influence [and an] assessment of interest." Ref tab 6.2
			B. Incorrect. While communication methods are recorded in the strategic risk management process guide, the focus of this statement is on describing the stakeholder and would be recorded in the stakeholder map. This document "describes the relative priority of stakeholders", including "stakeholder names (individuals or groups), assessment of power/influence [and an] assessment of interest." Ref tab 6.2
			C. Incorrect. While communication methods are recorded in the programme level risk approach, the focus of this statement is on describing the stakeholder and would be recorded in the stakeholder map. This document "describes the relative priority of stakeholders", including "stakeholder names (individuals or groups), assessment of power/influence [and an] assessment of interest." Ref tab 6.2
			D. Correct. The stakeholder map "describes the relative priority of stakeholders", including "stakeholder names (individuals or groups), assessment of power/influence [and an] assessment of interest." Ref tab 6.2
48	C	4.3.a	A. Incorrect. Agile working may be a cause of this risk, but without further evidence the management team would not know. Once a risk has been identified the next step is to 'agree risk owners' before going onto 'describe risks'. Ref 7.3.3, 7.3.4
			B. Incorrect. Identifying what could go wrong with the agile way of working is a way of describing the risk "the uncertain event that may occur." Once a risk has been identified the next step is to 'agree risk owners' before going onto 'describe risks'. Ref 7.3.4, 7.3.3
			C. Correct. The risks are not well described, and the management team is not clear of the risk causes. The best course of action is to appoint someone who is close to the situation and can own this risk. "The responsibility of the risk owner in the identify opportunities and threats process is to ensure that each risk they own is well described. This is important not only to ensure clear communication but, more importantly, to ensure that the risk is unambiguous so that prioritizing it (in the next process) can be as objective as possible." Ref 7.3.3
			D. Incorrect. Identifying the "impact on objectives" to the DTP is a way of describing the risk. Once a risk has been identified the next step is to 'agree risk owners' before going onto 'describe risks'. Ref 7.3.4, 7.3.3

Q	A	Syllabus Ref	Rationale
49	D	4.3.b	A. Incorrect. While there are a group of people involved in the activity, the 'group idea generation' technique involved "[group] idea generation [that] is free-flowing and individuals build on the suggestions of others…" The activity carried out in the statement is more focused. It is examining a particular process and is therefore an example of failure mode effect analysis. This technique is "applicable when considering any process or system and the potential ways in which it may not perform as planned... The primary benefit of this technique is to perform a 'deep dive' risk analysis on a single system or organizational process." Ref 7.4.2, 7.4.9
			B. Incorrect. 'Constraint analysis' considers constraints which "are things associated with an activity that are considered fixed and either 'must happen' or 'must not happen'; for example, the need to vacate a building by the lease expiry date. All constraints relating to the activity should be listed and the validity of each one tested." Ref 7.4.6, 7.4.9
			C. Incorrect. The Johari window technique "focuses attention on what information is known to self and what is known to others..." to identify 'blind spots' or 'hidden areas', for example. The activity carried out in the statement is examining a particular process and is therefore an example of failure mode effect analysis. This technique is "applicable when considering any process or system and the potential ways in which it may not perform as planned... The primary benefit of this technique is to perform a 'deep dive' risk analysis on a single system or organizational process." Ref 7.4.7, 7.4.9
			D. Correct. "A failure mode effect analysis (FMEA) is a technique... applicable when considering any process or system and the potential ways in which it may not perform as planned... The primary benefit of this technique is to perform a 'deep dive' risk analysis on a single system or organizational process." In this case they are examining each step in tax refund process. Ref 7.4.9

Q	A	Syllabus Ref	Rationale
50	D	4.3.c	A. Incorrect. While the lack of an obvious solution might be considered a risk as it could cause the programme to deliver a product that is not fit for purpose, this decision was made early in the programme's lifecycle and should be recorded in the decision register FIRST. The risk register is used "to record those uncertain events that would impact on one or more objectives." A decision is not an uncertain event. Ref tab 7.2, 7.3.4
			B. Incorrect. While the lack of an obvious solution might be considered a risk as it could cause the pilot project to deliver a product that is not fit for purpose, this decision was made before the project started, and should be recorded in the programme decision register FIRST. The risk register is used "to record those uncertain events that would impact on one or more objectives." A decision is not an uncertain event. Ref tab 7.2, 7.3.4
			C. Incorrect. While the lack of an obvious solution might be considered an issue, the decision was made early in the programme's lifecycle and should be recorded in the decision register FIRST. The issue register is used "to record issues and the impact on objectives if not managed. Useful to consider if issues cause new risks." Ref tab 7.2, 7.3.4
			D. Correct. A decision register is used to "record decisions made at governance boards, providing an audit trail of decisions and their underpinning rationale." Risk causes "may be derived from an issue register or decision register where these exist." Now that the first two tranches have been agreed, the programme manager can use this decision to help them identify specific threats and opportunities, so the information should be recorded in the decision register first. Ref tab 7.2, 7.3.4

Q	A	Syllabus Ref	Rationale
51	B	4.4.a	A. Incorrect. "Often, the same risk will have been identified and prioritized by individual operations, projects, or product teams, yet a relevant decision needs to be made at a programme, portfolio, or strategic level. In such a situation, the aggregate exposure to risk needs to be determined to support decision-makers." Using a calibrated impact scale does not aid the accurate aggregation of individual risks. Ref 9.3.1 B. Correct. Choosing a tailored impact scale based on budget will enable teams to prioritize risks based on the impact to the specific objectives. When comparing risks across teams it is important to understand how impact scales have been calibrated. "Best practice is not to use the same impact scale across the whole organization, but rather to calibrate specific impact scales based on the capacity and appetite for risk for each objective that is 'at risk'." Ref 8.3.2 C. Incorrect. This is the opposite of what will happen smaller teams will have disproportionately smaller risks. "Best practice is not to use the same impact scale across the whole organization, but rather to calibrate specific impact scales based on the capacity and appetite for risk for each objective that is 'at risk'." Ref 8.3.2 D. Incorrect. Adjusting risk probability will only affect the expected value of the risk, not the proportion of large budget vs small budget risks. "Best practice is not to use the same impact scale across the whole organization, but rather to calibrate specific impact scales based on the capacity and appetite for risk for each objective that is 'at risk'." Ref 8.3.2
52	A	4.4.b	A. Correct. As part of the group assessment technique, "a well-facilitated group session can have the advantage of gaining quick consensus on the assessment of impact. However, the challenges associated with doing this well are significant in some organizational cultures where group dynamics give greater priority to the voices of some stakeholders at the expense of others." Ref 8.4.2 B. Incorrect. The individual assessment technique suggests that "independent input from individual stakeholders can be a useful way of managing decision biases that are triggered by peer pressure or a desire for social conformity and harmony." Ref 8.4.1 C. Incorrect. "A sensitivity analysis is used to model the impact of changing one or more variables on an objective." It does NOT help to prioritize risks and make decisions. Ref 9.4.2 D. Incorrect. "Probabilistic risk models aim to represent an uncertain situation… by taking into account: variability in estimates of benefits and costs" and "the combined effect of specific threats and opportunities from the risk register." It does NOT help to prioritize risks and make decisions. Ref 9.4.3

Q	A	Syllabus Ref	Rationale
53	A	4.4.c	A. Correct. "When it works well, risk prioritization is a methodical and convergent process, with the objective of comparing all identified risks in a logical way." "The purpose of the risk matrix is to show all the risks within the application of a perspective on one chart, so decision-makers can see the relative prioritization of each risk, and the overall exposure in a visual format. There would be a risk matrix for each individual risk analysis completed; for example, per programme, or per operational business area." Ref 8.1, 8.4.3 B. Incorrect. "A sensitivity analysis is used to model the impact of changing one or more variables on an objective." It does NOT help to compare all identified risks within a perspective in a logical way. Ref 9.4.2 C. Incorrect. "Probabilistic risk models aim to represent an uncertain situation… by taking into account: variability in estimates of benefits and costs" and "the combined effect of specific threats and opportunities from the risk register." It does NOT help to compare all identified risks within a perspective in a logical way. Ref 9.4.3 D. Incorrect. According to the group assessment technique "a well-facilitated group session can have the advantage of gaining quick consensus on the assessment of impact… The primary benefit of this technique is to gain quick consensus." This technique should help to ensure that each agile delivery team gains consensus on each risk but does NOT help to present the risks in a logical way to the SRO. Ref 8.4.2

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Q	A	Syllabus Ref	Rationale
54	C	4.5.a	A. Incorrect. In the 'aggregate risks to the level of the decision' activity, "often, the same risk will have been identified and prioritized within individual operations or projects, yet a relevant decision needs to be made at a programme, portfolio, or strategic level. In such a situation, the aggregate exposure to risk needs to be determined to support decision-makers." Ref 9.3.1 B. Incorrect. The "plan to achieve the objective in question (e.g. an investment appraisal, schedule, cost plan, operational quality plan, safety plan)" is an input to the 'assess combined risk profile' process and does not take place in the 'model relationships between risks and assess combined impact on objective(s)' activity. Ref tab 9.1 C. Correct. As part of the 'model relationships between risks and assess combined impact on objective(s)' activity, it is important to "look at the relationship between risks and their contribution to an overall impact on an objective." Reviewing risks relating to individual taxpayers and how this could affect business taxpayers, and the tax collection as a whole, is an example of looking at the relationship between these risks. Ref 9.3.2 D. Incorrect. "Risk register populated with prioritized risks" is an input to the 'assess combined risk profile' process and does not take place in the 'model relationships between risks and assess combined impact on objective(s)' activity. Ref tab 9.1
55	B	4.5.b	A. Incorrect. "A decision tree is a technique for comparing multiple options with different risk profiles. The technique uses the expected value of risks." Ref 9.4.1 B. Correct. "A sensitivity analysis is used to model the impact of changing one or more variables on an objective..." It does not consider specific risks but rather "focuses on estimating variability. Sensitivity analysis supports asking the question, 'what if…?' to understand alternative strategies quickly prior to decision-making." This would include changing the number of individuals and changing the number of businesses that sign up to the new online service. Ref 9.4.2 C. Incorrect. Probabilistic risk models aim to represent an uncertain situation by taking into account "variability in estimates of benefits and costs" and "the combined effect of specific threats and opportunities from the risk register." Ref 9.4.3 D. Incorrect. "Scenario analysis works with prioritized risks, selects the two risks where exposure (combination of likelihood and impact) is highest, and then works to create four plausible scenarios that could occur." Ref 9.4.5

Q	A	Syllabus Ref	Rationale
56	B	4.6.a	A. Incorrect. Implementing new IT controls could be an action to take to proactively respond to the risk if the existing controls are considered to be inadequate. In the 'identify and cost-justify additional proactive responses' activity, "additional proactive responses are designed to work together with existing controls (such as existing policies and procedures) to increase certainty of meeting objectives. The risk owner is responsible for making sure that any investments in additional proactive responses are worth it (i.e. the cost of implementation does not outweigh the 'value' of the increased certainty)." Ref 10.3.2
			B. Correct. TaxDept already has controls in place to prevent the unauthorized access to their IT systems. These should be reviewed before adding further controls in the 'identify and assess effectiveness of relevant existing controls' activity. "Where the prioritization of risks considered current/net exposure, it is important to validate the current control effectiveness that is assumed when assessing the risk. A common error when planning responses to risks is to identify controls that are already in place and then expecting those controls to have a further effectiveness." Ref 10.3.1
			C. Incorrect. Creating a plan could be an action to take reactively respond to the risk. In the 'identify and cost-justify additional reactive responses' activity, "reactive responses are focused on investing now to plan how to deal with risks that become a near certainty, or an actual issue. Reactive responses do not change the likelihood of the risk occurring, but instead focus on reducing the impact of a threat or increasing the impact of an opportunity. Additional reactive responses are designed to work together with existing controls (such as existing business continuity plans) to increase the certainty of meeting objectives." Ref 10.3.3
			D. Incorrect. Providing additional training could be an action to take to proactively respond to the risk if the existing controls are considered to be inadequate. In the 'identify and cost-justify additional proactive responses' activity, "additional proactive responses are designed to work together with existing controls (such as existing policies and procedures) to increase the certainty of meeting objectives. The risk owner is responsible for making sure that any investments in additional proactive responses are worth it (i.e. the cost of implementation does not outweigh the 'value' of the increased certainty)." Ref 10.3.2

Q	A	Syllabus Ref	Rationale
57	D	4.6.d	A. Incorrect. The programme change sponsor (SRO) is "Accountable" for the activities undertaken during the 'plan responses' process. However, they will most likely choose to delegate associated tasks to other RACI roles responsible (to them). Ref tab 10.4 B. Incorrect. The programme manager is likely to be "Consulted" about the activities undertaken during the 'plan responses' process. Risk owners are the individuals "assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." Ref tab 10.4, 3.2.2 C. Incorrect. Project managers are likely to be "Consulted" about activities undertaken during the 'plan responses' process at the project perspective, but not at the programme perspective. Risk owners are the individuals "assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." Ref tab 10.4, 3.2.2 D. Correct. Risk owners should be "Responsible" during the 'plan responses' process. Risk owners are the individuals "assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." Ref tab 10.4, 3.2.2
58	C	4.7.a	A. Incorrect. Preparing a plan, if the project extend into January, is an example of business continuity. "Business continuity plans ensure that the organization can continue to provide essential products and services in the face of significant risks occurring." Ref 11.3.3 B. Incorrect. "Business continuity plans can be considered to be a form of reactive (contingent) risk response (see Chapter 10), but within the strategic and operational perspectives they are often the only form of explicit contingency held. Business continuity plans ensure that the organization can continue to provide essential products and services in the face of significant risks occurring, such as natural disasters, cyber-attacks or pandemics." Agreeing the impact on operations is therefore part of the 'agree business continuity plans' activity. Ref 11.3.2 C. Correct. Financial contingency can include the cost of additional people. "Depending on the objectives at risk and tolerable variation from plans, the most appropriate form in which to hold contingency is often cost (or holding additional resources that can be costed, such as... skills." Ref 11.3.2 D. Incorrect. Risk response plans should have already been written as an input to this process as part of the 'identify and cost-justify additional proactive responses' activity. Input: "Individual risk response plans." Ref tab 11.1, 10.3.2

Q	A	Syllabus Ref	Rationale
59	B	4.7.b	A. Incorrect. When 'sizing time contingency' in the 'agree contingency' process: "when a linear/sequential project mode of delivery is adopted, time contingency would normally be added as a buffer to protect one or more critical chains of sequential activity... In a programme, the timebox may be an additional tranche to which elapsed time is allocated, but the work that will be done inside that tranche is not defined." However, "time contingency is not intended to be added arbitrarily, but to be a reflection of the risks." Adding additional timeboxes of the same duration does not reflect the risk to each project. Ref 11.4.1 B. Correct. When 'sizing time contingency' in the 'agree contingency' process: "when adopting an iterative/agile project mode of delivery, time contingency would normally be added as an additional timebox (e.g. a sprint, or a stage). In a programme, the timebox may be an additional tranche to which elapsed time is allocated, but the work that will be done inside that tranche is not defined." Ref 11.4.1 C. Incorrect. When 'sizing time contingency' in the 'agree contingency' process: "when adopting an iterative/agile project mode of delivery, time contingency would normally be added as an additional timebox… In a programme, the timebox may be an additional tranche to which elapsed time is allocated, but the work that will be done inside that tranche is not defined." Ref 11.4.1 D. Incorrect. When 'sizing time contingency' in the 'agree contingency' process: "when adopting a linear/sequential project mode of delivery, time contingency would most normally be added as a buffer to protect one or more critical chains of sequential activity." The programme is introducing agile ways of working, so this would not be appropriate. Ref 11.4.1
60	B	4.7.c	A. Incorrect. A contingent plan should "show the amount of contingency to be held (time or financial)... [and] includes the relevant authorities for sanctioning use of the contingency", however, it will NOT help the department to respond to the occurrence of this catastrophic risk. Ref tab 11.2 B. Correct. A business continuity plan should "show how an organization would respond to the occurrence of a catastrophic risk" such as the complete inability to collect taxes due to a failure of the IT infrastructure. Ref tab 11.2 C. Incorrect. A risk report should "show the status of individual risks and/or the combined risk profile, focusing on implementation of planned actions and the use of contingency." However, it will NOT help the department to respond to the occurrence of this catastrophic risk. Ref tab 12.2 D. Incorrect. A health check is a technique "commonly used within the 'review and adapt' process", it should "address all aspects of the M_o_R integrated framework" but it will NOT help the department to respond to the occurrence of this catastrophic risk. Ref 13.4.1

Q	A	Syllabus Ref	Rationale
61	B	4.8.a	A. Incorrect. The action taken is not affecting the risk in terms or chance or impact. It is just monitoring data. During the 'monitor planned actions' activity, "risk owners are responsible for ensuring that planned actions are completed and that their status is accurately reported. Planned actions include the implementation of existing controls so that control effectiveness can be reported, as well as monitoring the implementation and effectiveness of all proactive and reactive risk responses." Ref 12.3.1 B. Correct. The data gathered could be a good leading indicator that there is still a large volume of tax returns heading toward the busiest period and the deadline. Leading indicators are reviewed by risk owners "with the purpose of proactively monitoring how the risks and their ownership may be changing over time... those indicators are reviewed to determine changing exposure." Ref 12.3.2 C. Incorrect. The gathering of data is not using contingency. During the 'report use of contingency' activity, "where time and/or cost contingency has been agreed, the 'run-down' of this contingency needs to be reported: what was used and why, and what contingency remains." Ref 12.3.4 D. Incorrect. The risk is being monitored, it is not being escalated or delegated yet. During the 'escalate/delegate ownership of risks as appropriate' activity, "risk owners are responsible for responding to a risk and therefore should have the commensurate delegated authority to make decisions and take action regarding the risk... there will be times when a risk cannot be effectively managed within one perspective and needs to be escalated to an owner with a higher level of delegated authority. Conversely, there will be times when a risk could be managed effectively by a person with a lower level of delegated authority." Ref 12.3.5

Q	A	Syllabus Ref	Rationale
62	A	4.8.b	A. Correct. Cause-and-effect diagrams, also known as fishbone diagrams, or Ishikawa diagrams, are "helpful to identify multiple causes of a particular impact on objectives. This can be a useful way of communicating where multiple factors lead to a risk materializing and causing an actual problem... Although this technique can be used in risk identification, its primary benefit is in analysing the causes of risks occurring." Ref 12.4.2 B. Incorrect. The Swiss cheese model "illustrates that for a risk to actually occur, multiple layers of controls must fail and it is often used when trying to understand human error in risk management." It is cause-and-effect diagrams that are "helpful to identify multiple causes of a particular impact on objectives." It is used in the 'plan responses' process, not the 'monitor and report' process. Ref 10.4.3, 12.4.2 C. Incorrect. "The health of risk management can be determined using a form of audit or health check." It is used in the 'review and adapt' process. It is cause-and-effect diagrams that are "helpful to identify multiple causes of a particular impact on objectives." Ref 13.4.1, 12.4.2 D. Incorrect. Risk breakdown structures "can be useful as a prompt list when identifying risks" and "to support aggregation of risks." They can also be "a useful way to communicate progress." They are used in the 'identify threats and opportunities' process. It is cause-and-effect diagrams that are "helpful to identify multiple causes of a particular impact on objectives." Ref 12.4.1, 12.4, 7.4.3

Q	A	Syllabus Ref	Rationale
63	C	4.8.d	A. Incorrect. The table "mapping of key roles to perspectives for the monitor and report progress process" shows that the change sponsor (SRO) as "Accountable" for the activity, i.e. the review. They will most likely choose to delegate the task to another RACI role responsible (to them). Ref 12.6, tab 12.3
			B. Incorrect. The table "mapping of key roles to perspectives for the monitor and report progress process" shows that the programme manager is likely to be made "Responsible" to the change sponsor (SRO) for the task of conducting the review, but they are not best placed to provide the required information. Ref 12.6, 12.3
			C. Correct. The table "mapping of key roles to perspectives for the monitor and report progress process" shows that risk owners should be "responsible", i.e. responsible for monitoring and reporting and, hence, will most likely provide the data. They are also the individuals who are "assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board." In addition, "risk owners selected leading indicators during the 'prioritize risks' process with the purpose of proactively monitoring how the risks and their ownership may be changing over time. In this process, those indicators are reviewed to determine changing exposure, and to judge whether the indicators chosen are the best ones possible in the situation." Ref tab 12.3, 3.2.2, 12.3.2
			D. Incorrect. The table "mapping of key roles to perspectives for the monitor and report progress process" shows that project managers are likely to be made "Responsible" for the monitor and report progress process at the project perspective, but not for conducting the review. Nor are they best placed to provide the required information. Ref 12.6, tab 12.3

Q	A	Syllabus Ref	Rationale
64	D	4.9.a	A. Incorrect. The organization's risk management policy applies organization-wide and "describes the organization's commitment to risk management and the non-negotiable aspects of how risk management is applied." The risk improvement plan should record the requirement to make a change to the risk velocity scales and it would be the risk management process guide, not policy, that should be updated with "calibrated qualitative scales" as a result of the recommendation. Ref tab 6.2 B. Incorrect. "After formal reviews of risk management at the strategic level, the organization's strategic risk policy and process guide may need to be updated. This is likely to also trigger changes to techniques used by the organization, training of staff and stakeholders, and (possibly) changes to technology used to support risk management. Where this happens, commensurate changes to guidance will be needed across all relevant perspective specific guidance. Requirements for change should be detailed in a risk management improvement plan." However, "if velocity is used for prioritization, it too should have a common scale across the organization to enable comparison." Therefore amending the programme's risk approach would not help with a change required across the organization. In addition, the portfolio manager should not be responsible for updating programme level documentation. Ref 13.3.3, 3.2.1.3, tab 13.4 C. Incorrect. "After formal reviews of risk management at the strategic level, the organization's strategic risk policy and process guide may need to be updated. This is likely to also trigger changes to techniques used by the organization, training of staff and stakeholders, and (possibly) changes to technology used to support risk management. Where this happens, commensurate changes to guidance will be needed across all relevant perspective specific guidance. Requirements for change should be detailed in a risk management improvement plan." However, "if velocity is used for prioritization, it too should have a common scale across the organization to enable comparison." Therefore amending the project's risk approach would not help with a change required across the organization. In addition, the portfolio manager should not be responsible for updating project level documentation. Ref 13.3.3, 3.2.1.3, tab 13.4 D. Correct. The risk improvement plan is the output of the 'review and adapt' process, its purpose being "to highlight areas for improvement and how these will be managed." In the 'define adjustments to guidance as necessary' activity, "requirements for change should be detailed in a risk management improvement plan." Ref tab 13.3, 13.3.3

Q	A	Syllabus Ref	Rationale
65	C	4.9.c	A. Incorrect. This is a new risk that should be recorded in the programme risk register. The risk register is used "to record those uncertain events that would impact on one or more of the objectives." This is an uncertain event caused by the requirement to have software support. Ref tab 7.2 B. Incorrect. This is a new risk that should be recorded in the programme risk register. The risk register is used "to record those uncertain events that would impact on one or more of the objectives." This is an uncertain event caused by the inter-project dependencies. Ref tab 7.2 C. Correct. The risk improvement plan highlights "areas for improvement and how these will be managed." It includes "evidence for improvement (e.g. recommendations from an assurance activity)." This statement contains evidence of an area that could be improved. Ref tab 13.3 D. Incorrect. This is a positive finding from the review and does not identify an area for improvement. The risk improvement plan highlights "areas for improvement and how these will be managed." It includes "evidence for improvement (e.g. recommendations from an assurance activity)." Ref tab 13.3