M_o_R®

M_o_R® 4 Practitioner

Sample Paper 1

Answers and Rationales

PeopleCert

Official Training Materials

Sample Paper 1: Answers and Rationales

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
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

Q	A	Syllabus Ref	Rationale
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
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

Q	A	Syllabus Ref	Rationale
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
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

Q	A	Syllabus Ref	Rationale
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
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
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**
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

Q	A	Syllabus Ref	Rationale
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
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**

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
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

Q	A	Syllabus Ref	Rationale
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

Notes

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