

MoR[®] Foundation

Sample Papers Terms of Use – English

Please note that by downloading and/or using this document, you have agreed to comply with the terms of use outlined below:

1. All sample (electronic or paper based) papers are for personal use only.
2. The sample papers are intended for the following use only:
 - For use as study aid/s for candidates who wish to sit an MoR Foundation examination, or
 - for reference purposes.
3. By downloading a complimentary digital copy of any of the MoR Foundation sample papers, you agree not to:
 - Reproduce or copy;
 - forward or share;
 - sell the document with/to any third party.
4. If you wish to use the whole or part, of any of this sample paper, for any purpose other than self-study or reference, please contact AXELOS Accreditation Team (examinations@axelos.com).



The Foundation Examination

Rationale

Sample Exam Paper 1

© AXELOS Limited 2012

All rights reserved.

Reproduction of this material requires the permission of AXELOS Limited.

The swirl logo™ is a trade mark of AXELOS Limited

M_o_R® is a registered trade mark of AXELOS Limited

M_o_R:2011-Rationale-4047-GBMORFSample1-130220SamplePaper1

1 PR0201 - MoR Processes

A

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the goal of the identify - context step.

- a) Correct: One of the goals of the identify - context step is to identify internal and external factors that may affect the activity (e.g. by using PESTLE and/or SWOT analyses). Ref 4.4.1 / 4.4.4
- b) Incorrect: This is the goal of the identify - risks step. Ref 4.5.1
- c) Incorrect: This is one of the goals of the plan step. Ref 4.8
- d) Incorrect: This is one of the goals of the plan step in which risk actionees are identified for implementing planned risk mitigation actions. Ref 4.8

2 IG0101.1 - Introduction & Glossary

C

LL1: Know the facts, terms and concepts relating to M_o_R. Specifically to recall definitions of risk management terms used in the M_o_R framework - risk.

- a) Incorrect: Risks that materialize may be escalated to senior management as an issue, but this is not part of the definition of risk. Ref 1.2
- b) Incorrect: An event that has occurred is an issue, not a risk. Ref Glossary
- c) Correct: This is the definition of risk. Ref 1.2
- d) Incorrect: Risks may occur in the future, but the key part of the definition is the potential impact on objectives. Ref 1.2

3 PE0201 - Perspectives

B

LL2: Understand how the M_o_R perspectives are used. Specifically to identify the purpose of each perspective- strategic.

- a) Incorrect: This is a purpose of the programme perspective. Ref 6.1
- b) Correct: A purpose of the strategic perspective is to ensure the overall business success of the organization. Ref 6.1
- c) Incorrect: This is a purpose of the project perspective. Ref 6.1
- d) Incorrect: This is a purpose of the operational perspective. Ref 6.1

4 CT0201 - Common Techniques

A

LL2: Understand how M_o_R techniques are used. Specifically to identify how the PESTLE analysis, SWOT analysis and horizon scanning techniques are used for understanding the context of an organizational activity.

- a) Correct: This describes the outputs of the SWOT and PESTLE analysis techniques. Ref App B.2.2 / B.2.3
- b) Incorrect: This is output of the horizon scanning technique. Ref App B.2.4
- c) Incorrect: This is the output of the horizon scanning technique. Ref App B.2.4
- d) Incorrect: This is the output of the assumptions analysis technique. Ref App B.3.7

5 PI0202.2 - MoR Principles

A

LL2: Understand how the M_o_R principles are used and the main mechanisms (e.g. appetite, capacity, tolerance, EWI, KPI, etc.) that support them. Specifically to identify the outcome from satisfying the fits the context principle.

- a) Correct: The outcome from satisfying the principle of designing the risk management approach so it fits the context is that money is not wasted on either an over-engineered approach or an approach that cannot effectively deal with the risks posed by the external and internal environment within risk capacity and appetite. Ref 2.3
- b) Incorrect: Thorough risk identification is an outcome of the engages stakeholders principle. Ref 2.4
- c) Incorrect: Taking decisions with explicit consideration of the impact of risks is an outcome of the informs decision-making principle. Ref 2.6
- d) Incorrect: Comparing results with plans is an outcome of the provides clear guidance principle. Ref 2.5

6 AP0101 - MoR Approach

D

LL1: Know the facts, terms and concepts relating to the M_o_R approach. Specifically to recall the three documents that makes up the central approach documents.

- a) Incorrect: The risk management strategy is a central approach document. Ref 3.1
- b) Incorrect: The risk management policy is a central approach document. Ref 3.1
- c) Incorrect: The risk management process guide is a central approach document. Ref 3.1
- d) Correct: A lesson learned report is an input to the identify - context step and is not one of the central set of approach documents. Ref Table 4.1

7 IG0204 - Introduction & Glossary

C

LL2: Understand how the M_o_R framework is used. Specifically, to identify how effective risk management is likely to improve performance against objectives.

- a) Incorrect: Opportunities should be enhanced not reduced so as to maximize the likelihood of realizing associated benefits. Ref 1.4
- b) Incorrect: All companies must take some risks in order to succeed. Ref 1.4
- c) Correct: Effective risk management is likely to improve innovation and therefore performance against objectives. Opportunities should be exploited so as to maximize the likelihood of realizing associated benefits. Ref 1.4
- d) Incorrect: Risk management will not eliminate all risks. It will enable better decisions on how to change the likelihood and impact of the risks facing the organization. This may include seeking to increase the likelihood or impact of opportunity risks. Ref 1.4

8 PR0105 - MoR Processes

B

LL1: Know the facts, terms and concepts of the M_o_R process. Specifically to recall the common process barriers to success to implementing the risk management process.

- a) Incorrect: Having immature risk practices is a barrier. Ref 4.2
- b) Correct: Not having an appropriate response may mean that the risk is tolerated – it is not a barrier to implementing the M_o_R process steps. Ref 4.2
- c) Incorrect: The lack of an organizational culture that appreciates the benefits is a barrier. Ref 4.2
- d) Incorrect: The lack of clear guidance is a barrier. Ref 4.2

9 PI0102.1 - MoR Principles

C

LL1: Know the facts, terms and concepts relating to the M_o_R principles. Specifically to recall the definitions of the terms describing the amount of risk an organization is willing to take - risk capacity.

- a) Incorrect: This describes inherent risk. Ref Glossary
- b) Incorrect: This describes risk appetite. Ref 2.2 / Glossary
- c) Correct: This is the definition of risk capacity. Ref 2.2 / Glossary
- d) Incorrect: This describes risk evaluation. Ref Glossary

10 PR0210 - MoR Processes

C

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify which of the nine M_o_R framework documents are developed, used or updated in the assess - evaluate step.

- a) Incorrect: The description of the risk is recorded in the risk register during the identify - risks step. Ref 4.5
- b) Incorrect: The probability and impact exposure of an individual risk is recorded in the risk register during the assess - estimate step. Ref 4.6
- c) Correct: The aggregated risk exposure is calculated and recorded in the risk register during the assess - evaluate step. Ref 4.7
- d) Incorrect: The plans to mitigate the risk are recorded in the risk register during the plan step. Ref 4.8

11 ER0101.2 - Embedding and Reviewing

C

LL1: Know the facts, terms and concepts relating to embedding and reviewing of risk management into the culture of an organization. Specifically to recall the definition of the terms 'risk management health check' and 'risk management maturity model' used in embedding and reviewing the implementation of risk management.

- a) Incorrect: Recording information about risk understanding and awareness is one way of assessing how well risk management has been embedded but it is not a use of the risk management maturity model. Ref 5.2
- b) Incorrect: The speed with which risk-based decisions are made is an indicator of the success of building a risk management culture, but it is not the purpose of a risk management maturity model. Ref 5.2
- c) Correct: The purpose of the risk management maturity model is to provide a well-structured and detailed guide to facilitate the progressive incremental improvement in risk management practices. Ref App D.1
- d) Incorrect: The monetary benefit from investing in building a risk management culture is a valid activity, but it is not the purpose of a risk management maturity model. Ref 5.2

12 PR0202 - MoR Processes

B

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the goal of the identify - risks step.

- a) Incorrect: This is the goal of the identify - context step. Ref 4.4.1
- b) Correct: The goal of this step is to identify risks to the activity's objectives with the aim of minimising threats whilst maximising opportunities. Ref 4.5.1
- c) Incorrect: This is the goal of the plan step. Ref 4.8
- d) Incorrect: This is one of the goals of the plan step in which risk actionees are identified for implementing planned risk mitigation actions. Ref 4.8

13 IG0102.2 - Introduction & Glossary

D

LL1: Know the facts, terms and concepts relating to M_o_R. Specifically to recall definitions of corporate governance terms used in the M_o_R framework - risk management.

- a) Incorrect: Corporate governance is defined in the most recent UK code as the system by which companies are directed and controlled. Ref 1.6
- b) Incorrect: Internal controls (along with effective management systems, including financial monitoring and control systems) are put in place as part of the wider corporate governance effort to protect assets, earnings capacity and the reputation of the organization. Ref Glossary.
- c) Incorrect: Tools, rules and techniques support the application of the principles, approach and processes. Ref App B.1
- d) Correct: Risk management is defined as the systematic application of principles, an approach and a process to the tasks of identifying and assessing risks, and then planning and implementing risk responses. Ref 1.3

14 PE0202.4 - Perspectives

D

LL2: Understand how the M_o_R perspectives are used. Specifically to identify how the principle 'aligns with objectives' is applied and the focus of concern at each perspective - operational.

- a) Incorrect: Project objectives are concerned with delivering a set of business change products to an agreed business case. Ref 6.4.1
- b) Incorrect: Programme objectives are concerned with step-change improvements to organizational performance. Ref 6.3.1
- c) Incorrect: Strategic objectives are concerned with defending or challenging organizational performance. Ref 6.2.1
- d) Correct: Operational objectives are concerned with the successful day-to-day management of the organization. Ref 6.5.1

15 AP0201.1 - MoR Approach

A

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify the purpose of each of the M_o_R documents- risk management policy.

- a) Correct: The risk management policy states why risk management should be carried out in an organization. Ref 3.2 / App A.1
- b) Incorrect: The risk improvement plan assists with embedding risk management in to the culture of the organization. Ref 3.7
- c) Incorrect: The risk management strategy describes the activities for applying risk management to the activity. Ref 3.4
- d) Incorrect: The risk communications plan describes how information will be disseminated to, and received from, all relevant stakeholders. Ref 3.8

16 CT0202 - Common Techniques

B

LL2: Understand how M_o_R techniques are used. Specifically to identify how the relationships between a stakeholder analysis, an influence/interest matrix and a RACI diagram are used for understanding stakeholders' interests.

- a) Incorrect: Some members of the senior team may be included in the RACI diagram but its benefit is identification of the participants in the organizational activity. These participants may or may not be in the senior team. Ref App B.2.1
- b) Correct: The roles and responsibilities of the participants are described in the RACI diagram. Ref App B.2.1
- c) Incorrect: Some stakeholders may be included but the RACI diagram technique enables the identification of the participants in an activity, just one of many possible stakeholder groups. Ref App B.2.1
- d) Incorrect: Categorizing the potential impact is a benefit of the of the influence/impact diagram. Ref App B.2.1

17 ER0202 - Embedding and Reviewing

C

LL2: Understand the need for integrating risk management into the culture of an organization. Specifically to identify the purpose of a health check.

- a) Incorrect: This is the questionnaires group risk identification technique. Ref 4.5.4.5
- b) Incorrect: This is risk proximity. Ref 4.6.4.3
- c) Correct: This is the purpose of the risk management health check. Ref 5.2
- d) Incorrect: This is the individual interviews group risk identification technique. Ref 4.5.4.6

18 PR0211 - MoR Processes

B

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify which of the nine M_o_R framework documents are developed, used or updated in the plan step.

- a) Incorrect: This information is recorded in the risk register during the assess - estimate step. Ref 4.6
- b) Correct: Information about risk response actions is recorded in the risk register during the plan step. Ref 4.8
- c) Incorrect: The risk description is recorded in the risk register as a string made up of the cause, event and effect during the identify - risks step. Ref 4.5
- d) Incorrect: This is the proximity of the risk which is recorded in the risk register during the assess - estimate step. Ref 4.6

19 AP0204.1 - MoR Approach

C

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify the concepts supporting the contents of the risk management strategy - scales for estimating probability and impact.

- a) Incorrect: The policy provides organization-wide guidance and therefore does not define the specific risk activities and scales for each organizational activity. Ref 3.2
- b) Incorrect: The process guide describes the series of steps needed to implement risk management. Thus, the process guide describes the need to determine the probability, impact and proximity scales, but does not determine the scales to be used because these will be specific to the organizational activity on which the risk management process is applied. Ref 3.3
- c) Correct: The risk management strategy will define, amongst other things, scales for estimating probability and impact, risk categories, risk appetite and risk tolerance thresholds for a specific organizational activity. Ref 3.4
- d) Incorrect: The progress report provides regular progress information to management on risk management within a particular organizational activity. Ref 3.10

20 IG0205 - Introduction & Glossary

C

LL2: Understand how the M_o_R framework is used. Specifically to identify how legislation and increased focus on formal risk management influences the drivers for an increased focus on risk management, corporate governance and internal control.

- a) Incorrect: The main driver for increased focus on risk management is corporate governance. Ref 1.5
- b) Incorrect: The main driver for increased focus on risk management is corporate governance. Ref 1.5
- c) Correct: Legislation that requires corporate governance and internal control has increased resulting in an increased focus on corporate governance. Ref 1.5
- d) Incorrect: The main driver for increased focus on risk management is corporate governance. Ref 1.5

21 PE0210 - Perspectives

C

LL2: Understand how the M_o_R perspectives are used. Specifically to identify the risk management responsibilities of the risk specialist.

- a) Incorrect: Assurance reviews the results of management of risk implementation. Ref 6.8 / Table 6.1
- b) Incorrect: Managers agree the involvement of the audit committee. Ref 6.8 / Table 6.1
- c) Correct: The risk specialist is responsible for preparing risk management strategies and ensuring that the risk management policy is implemented. Ref 6.8 / Table 6.1
- d) Incorrect: Assurance ensures information is available to inform decision-making. Ref 6.8 / Table 6.1

22 ER0206 - Embedding and Reviewing

D

LL2: Understand the need for integrating risk management into the culture of an organization. Specifically to identify opportunities and trigger points to emphasize support and commitment to risk management and establish a continual cycle of review and improvement.

- a) Incorrect: This is a task of the identify - risks step and is not part of the wider embedding and review of risk practices. Ref 4.5.5
- b) Incorrect: This is an ongoing corporate management action, the result of which is recorded in the risk management policy. This is not a specific change event offering an opportunity for updating risk practices. Ref 2.2 / 3.2 / Table 6.1
- c) Incorrect: This is a task of the implement step. This is not a specific change event offering an opportunity for updating risk practices. Ref 4.9.4
- d) Correct: Organizations should identify opportunities to check that risk management is taking place appropriately. Ref 5.6

23 PR0203 - MoR Processes

D

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the goal of the assess - estimate step.

- a) Incorrect: This is a task of the plan step. Ref 4.8.4
- b) Incorrect: This is a task of the implement step. Ref 4.9.4
- c) Incorrect: This is a task in the assess - evaluate step. Ref 4.7.5 d)
Correct: This is the goal of the assess - estimate step. Ref 4.6.1

24 CT0203 - Common Techniques

A

LL2: Understand how the M_o_R techniques are used. Specifically to identify how a probability impact grid and a summary risk profile are used for visualizing the total risk to an activity.

- a) Correct: The probability impact grid provides a way of prioritising risks by using common scales to rank them. Ref App B.2.5
- b) Incorrect: This is an output of the expected value assessment technique which multiplies the estimated average cost of the risk impact by the estimated probability of the risk. Ref App B.4.4
- c) Incorrect: This is an output of the proximity assessment technique. Ref App B.4.3
- d) Incorrect: This is an output of the probability trees technique. Ref App B.5.4

25 PE0203.2 - Perspectives

B

LL2: Understand how the M_o_R perspectives are used. Specifically to identify how the principle 'fits the context' is applied and the typical areas of uncertainty for each perspective - programme.

- a) Incorrect: The project perspective is concerned with changes to the scope, budget and delivery schedule of business change products. Ref 6.4.2
- b) Correct: The programme perspective is concerned with the impact of business changes on business-as-usual operations. Ref 6.3.2
- c) Incorrect: The operational perspective is concerned with the ability of the infrastructure to meet the required level of service. Ref 6.5.2
- d) Incorrect: The strategic perspective is concerned with the views of stakeholders about operational activities that may impact the organization's reputation. Ref 6.2.2

26 CT0101 - Common Techniques

D

LL1: Know the facts, terms and concepts of the M_o_R techniques. Specifically to recall definitions of the terms used in the 'risk description' technique.

- a) Incorrect: This is in the accepted form of a risk description. Ref App B.3.9
- b) Incorrect: This is in the accepted form of a risk description. Ref App B.3.9
- c) Incorrect: This is in the accepted form of a risk description. Ref App B.3.9
- d) Correct: This is not in the accepted form of a risk description. Ref App B.3.9

27 IG0201 - Introduction & Glossary

A

LL2: Understand how the M_o_R framework is used. Specifically to identify the purpose of each of the elements of the M_o_R framework.

- a) Correct: This is a requirement of the M_o_R approach. Ref 1.1
- b) Incorrect: The principles are guidance about good risk management practice. Ref 1.1
- c) Incorrect: The processes describe the inputs, outputs, tasks and techniques for each process step. Ref 1.1
- d) Incorrect: This tests that the implemented approach is effective. Ref 1.1

28 PR0102.1 - MoR Processes

D

LL1: Know the facts, terms and concepts of the M_o_R process. Specifically to recall the definitions of the terms used in the process steps and sub-steps - probability (inherent and residual).

- a) Incorrect: This describes impact. Ref Glossary
- b) Incorrect: This describes the residual probability once the risk response has been defined. Ref Table 4.15 / App A.4
- c) Incorrect: This describes a secondary risk. Ref Table 4.15 / App A.4
- d) Correct: This describes inherent probability. Ref 4.6.4.1

29 PI0103.1 - MoR Principles

D

LL1: Know the facts, terms and concepts relating to the M_o_R principles. Specifically to recall the definition of terms used to support decision making - key performance indicator.

- a) Incorrect: This plan assists with embedding and reviewing risk management. Ref App A.8
- b) Incorrect: The progress report provides regular updates to management on risk management within an activity. Ref App A.9
- c) Incorrect: The threshold is a level of risk exposure which if exceeded will trigger some form of response. Ref App A.1
- d) Correct: A KPI is a measure of performance that is used to help an organization define and evaluate how successful it is in making progress towards its organizational objectives. Ref 2.6 / Glossary

30 PR0212 - MoR Processes

C

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify which of the nine M_o_R framework documents are developed, used or updated in the implement step.

- a) Incorrect: The risk register is an output of several steps but is not used as described in the question. Ref Table 4.5 / Table 4.8 / Table 4.14 / App A.4
- b) Incorrect: This plan is concerned with improving the way that risk management is performed by the organization. Ref App A.6
- c) Correct: The risk progress report also contains information on the overall risk exposure for an activity. Ref Table 4.17 / App A.9
- d) Incorrect: This plan is used to detail specific plans for responding to a risk or linked risks. Ref 3.9 / Table 4.14 / App A.8

31 PE0211 - Perspectives

B

LL2: Understand how the M_o_R perspectives are used. Specifically to identify the risk management responsibilities of the team.

- a) Incorrect: Assurance reviews the plans for management of risk implementation. Ref 6.8 / Table 6.1
- b) Correct: The team participates in the identification, assessment, planning and management of risks. Ref 6.8 / Table 6.1
- c) Incorrect: The risk specialist is responsible for preparing risk management strategies and ensuring the risk management policy is implemented. Ref 6.8 / Table 6.1
- d) Incorrect: Assurance ensures information is available to inform decision-making. Ref 6.8 / Table 6.1

32 IG0207 - Introduction & Glossary

D

LL2: Understand how the M_o_R framework is used. Specifically to identify the difference between a risk and an issue.

- a) Incorrect: Depending on its severity, a risk could have an impact on the organization's objectives if it materialized. An issue will certainly impact on an activity within an organization, and depending on its severity, may impact the organization's objectives as well. Ref Glossary
- b) Incorrect: A risk is uncertain and an issue is certain because it is happening now or has already happened. Ref Glossary
- c) Incorrect: A risk has yet to occur and an issue is occurring or has occurred. Ref Glossary
- d) Correct: This is the definition as defined in the Glossary entries for risk and for issue. Ref Glossary

33 AP0203.1 - MoR Approach

B

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify the concepts supporting the contents of the risk management process guide.

- a) Incorrect: The risk improvement plan brings together all the actions required to improve the way that risk management is performed by the organization. It would be prudent to describe who will be responsible for those actions. Ref App A.6.1
- b) Correct: The risk management process guide describes who has the overall responsibility for the process. Ref App A.2.1
- c) Incorrect: The risk response plan defines the risk owner and who will perform the detailed risk responses for the risk(s) covered by the plan. Ref App A.8.1
- d) Incorrect: The risk communications plan describes how information will be disseminate to, and received from, relevant stakeholders for a particular organizational activity. Ref App A.7.1

34 PR0204 - MoR Processes

B

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the goal of the assess - evaluate step.

- a) Incorrect: This calculates the probability, impact and proximity of each risk. Ref 4.6.1
- b) Correct: This is the aggregated impact - the net effect of threat and opportunity assessments when combined together. Ref 4.7.1
- c) Incorrect: The goal of this step is to identify risks to the activity's objectives. Ref 4.5.1
- d) Incorrect: The goal of this step is to obtain information about a planned activity. Ref 4.4.1

35 CT0102.1 - Common Techniques

A

LL1: Know the facts, terms and concepts of the M_o_R techniques. Specifically to recall definitions of the terms used in the risk response planning technique - avoid a threat.

- a) Correct: Avoiding a risk makes the probability of it occurring zero. Ref App B.6.1 / Table B.9
- b) Incorrect: Reducing a threat changes the probability (possibly to a minimal value) but does not remove the probability totally. Ref App B.6.1 / Table B.9
- c) Incorrect: Sharing the risk can reduce the probability (possibly to a minimal value) but does not remove the probability totally. Ref App B.6.1 / Table B.9
- d) Incorrect: Accepting the risk does not change the probability because the organization has taken the decision to take the chance that the risk will occur as predicted rather than to change the probability of the risk. Ref App B.6.1 / Table B.9

36 PE0204.1 - Perspectives

A

LL2: Understand how the M_o_R perspectives are used. Specifically to identify how the principle 'engages stakeholders' is applied and the likely stakeholder groups at each perspective - strategic.

- a) Correct: Financial matters relating to the viability of the organization are an area of interest to strategic stakeholders. Ref 6.2.1 / 6.2.3
- b) Incorrect: This is an area of programme interest. Ref 6.3.1 / 6.3.3
- c) Incorrect: This is an area of interest of stakeholders at the operational perspective. Ref 6.5.1 / 6.5.3
- d) Incorrect: This is an area of project interest. Ref 6.4.1 / 6.4.3

37 ER0203 - Embedding and Reviewing

B

LL2: Understand the need for integrating risk management into the culture of an organization. Specifically to identify the purpose of a risk management maturity model.

- a) Incorrect: Risk improvement plans record the actions required to improve specific areas of risk management. Ref App A.6
- b) Correct: A maturity model is a commonly accepted framework of mature practices to enable organizations to assess the maturity of risk management competency against specific criteria. Ref App D.3 / D.4
- c) Incorrect: EWIs are a leading indicator for an organizational objective measured ultimately by a KPI. They provide an early notification of possible threats to the objectives measured by KPIs. They are not used to measure the effectiveness of risk management implementation. Ref 2.6
- d) Incorrect: Assessing the monetary benefit from investing in building a risk management culture is a valid activity but it is not a way of maximizing value from investing in risk management. Ref 5.1

38 CT0204 - Common Techniques

D

LL2: Understand how the M_o_R techniques are used. Specifically to identify how the checklist, prompt list, risk breakdown structure and a cause and effect diagram assist in identifying risks.

- a) Incorrect: This is describing the checklists technique, not prompt list technique. Ref App B.3.1
- b) Incorrect: This will be done during embedding and reviewing, not as part of the prompt list technique. Ref 5.1
- c) Incorrect: The prompt list technique assists in identifying potential sources of risks, not issues. Ref App B.3.2
- d) Correct: The prompt list technique stimulates thinking about the sources of risk. Ref App B.3.2

39 PE0101.1 - Perspectives

A

LL1: Know the facts, terms and concepts relating to the M_o_R perspectives. Specifically to recall definitions of terms used in the perspectives - contingency.

- a) Correct: This is the contingency that is needed to manage risks if they occur. Ref 6.4.5 / Table B.9
- b) Incorrect: This is the money required to materialize an opportunity, not to respond to it once it has occurred. Ref Table B.9
- c) Incorrect: Funding for risk management training is not used to manage risks if they occur. Ref 6.4.5
- d) Incorrect: The budget to fund risk software tools is not used to manage risks should they occur. Ref 6.4.5

40 IG0105 - Introduction & Glossary

D

LL1: Know the facts, terms and concepts relating to the M_o_R approach, perspectives and the actions needed for effective risk management implementation. Specifically to recall the four perspectives and their relationship with long-term, medium-term and short-term goals.

- a) Incorrect: The four perspectives are strategic, programme, project and operational. Departmental is not an M_o_R perspective. Ref 1.7
- b) Incorrect: The four perspectives are strategic, programme, project and operational. Departmental is not an M_o_R perspective. Ref 1.7
- c) Incorrect: The four perspectives are strategic, programme, project and operational. Departmental is not an M_o_R perspective. Ref 1.7
- d) Correct: The four perspectives are strategic, programme, project and operational. Departmental is not an M_o_R perspective. Ref 1.7

41 PR0209 - MoR Processes

B

LL2: Understand how the M_o_R process is used to identify , assess and control risk. Specifically to identify which of the nine M_o_R framework documents are developed, used or updated in the assess - estimate step.

- a) Incorrect: The description of the risk is recorded in the risk register during the identify – risks step. Ref 4.5
- b) Correct: The probability and impact exposure of an individual risk is recorded in the risk register during the assess – estimate step. Ref 4.6
- c) Incorrect: The aggregated risk exposure is calculated and recorded in the risk register during the assess – evaluate step. Ref 4.7
- d) Incorrect: The plans to mitigate the risk are recorded in the risk register during the plan step. Ref 4.8

42 AP0205 - MoR Approach

C

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify the components of the risk register.

- a) Incorrect: Risk tolerance levels are stated in the risk management strategy but are not used in the risk register. Ref App A.3 / A.4
- b) Incorrect: The risk appetite for an activity is stated in the risk management strategy but is not used in the risk register. Ref App A.3 / A.4
- c) Correct: The risk management strategy describes the risk categories to be used and the risk register records the risk category for each risk. Ref App A.3 / A.4
- d) Incorrect: A summary of the risk process is described in the risk management strategy including any departures from the steps described in the risk management process guide. These are not recorded in the risk register. Ref App A.3 / A.4

43 CT0205 - Common Techniques

B

LL1: Understand how the M_o_R techniques are used. Specifically to identify how the avoid and reduce responses are used to respond to threats.

- a) Incorrect: This is the avoid a threat response option. Ref App B.6.1 / Table B.9
- b) Correct: Changing the probability is a risk reduction action. Ref App B.6.1 / Table B.9
- c) Incorrect: This is the transfer the risk response option. Ref App B.6.1 / Table B.9
- d) Incorrect: This is the accept the risk response option. Ref App B.6.1 / Table B.9

44 IG0206 - Introduction & Glossary

A

LL2: Understand how the M_o_R framework is used. Specifically to identify the benefits of risk management.

- a) Correct: Risk management enables improved innovation and more focus externally to shape effective strategies. Ref 1.4
- b) Incorrect: Risk management increases the likelihood of change initiatives being achieved, but does not remove all risks. Some threats will be accepted, reduced, transferred or shared. Some opportunities will be exploited or enhanced. Ref 1.4
- c) Incorrect: Effective risk management will help focus internally on doing things properly but this will not ensure that all objectives are met. Ref 1.4
- d) Incorrect: The UK Corporate Governance Code (2010) states “the board should maintain sound risk management and internal control systems and review the effectiveness of these at least annually”. However, this does not ensure full compliance with regulations; furthermore companies may not choose to undertake an annual review. Ref 1.6

45 PR0205 - MoR Processes

C

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the goal of the plan step.

- a) Incorrect: The goal of this step is to calculate the probability, impact and proximity of each risk. Ref 4.6.1
- b) Incorrect: The goal of this step is to calculate the net effect of threat and opportunity assessments when combined together. Ref 4.7.1
- c) Correct: The goal of this step is to agree mitigating actions for the identified risks. Ref 4.8
- d) Incorrect: The goal of this step is to implement and monitor the actions taken to mitigate the risks. Ref 4.9

46 PR0103.2 - MoR Processes

C

LL1: Know the facts, terms and concepts of the M_o_R process. Specifically to recall the sub-steps in the identify and assess steps.

- a) Incorrect: Assess is a primary step and evaluate is a sub-step of the assess step. Ref 4.1
- b) Incorrect: Estimate and evaluate are sub-steps in the assess step. Ref 4.1
- c) Correct: Context and risks are sub-steps in the identify step. Ref 4.1
- d) Incorrect: Context is a sub-step in the identify step, however there are no primary or sub-steps for identifying issues. Ref 4.1

47 PE0205.1 - Perspectives

C

LL2: Understand how the M_o_R perspectives are used. Specifically to identify how the principle 'provides clear guidance' is applied at each perspective - strategic.

- a) Incorrect: As the programme's or project's senior manager, the SRO is concerned with knowing how to manage risks to their programme or project. Ref 6.3.4 / 6.4.4
- b) Incorrect: As the project's senior manager, the project sponsor is concerned with knowing how to manage risks to their project. Ref 6.4.4
- c) Correct: As the senior manager of the entire organization, the CEO is concerned with knowing how to manage risks to the viability of their organization. Ref 6.2.4
- d) Incorrect: As a manager within the operational unit, the operations manager is concerned with knowing how to manage risks to their operational unit's delivery of services to customers. Ref 6.5.4 / Table 6.1.

48 RS0101 - Risk Specialisms

D

LL1: Know the facts, terms and concepts of the M_o_R risk specialisms. Specifically to recall the types of risk specialisms.

- a) Incorrect: This is an approach to managing change. Ref 6.3.1
- b) Incorrect: This is an approach to managing organizational risk. Ref 6.1.5
- c) Incorrect: This is an individual aspect of the wider risk specialism business continuity management. Ref App E.1
- d) Correct: Environmental risk management is a risk specialism. Ref App E.6

49 PI0203.1 - MoR Principles

A

LL2: Understand how the M_o_R principles are used and the main mechanisms, (e.g. appetite, capacity, tolerance, EWI, KPI etc) that support them. Specifically to understand how the principle 'aligns with objectives' supports corporate governance and internal control.

- a) Correct: An objective at the project perspective is to deliver to quality, time and cost. Ref 6.4.1
- b) Incorrect: This is the objective of the strategic perspective. Ref 6.2.1
- c) Incorrect: This is the objective of the programme perspective. Ref 6.3.1
- d) Incorrect: This is the objective of the operational perspective. Ref 6.5.1

50 PR0213 - MoR Processes

D

LL2: Understand how the M_o_R process steps are used to identify, assess and control risk. Specifically to identify the difference between inherent, secondary and residual risks.

- a) Incorrect: This describes residual risk. Ref Glossary
- b) Incorrect: Risks to an organization arise from internal and external sources. Whatever the source, inherent risk is the exposure before any mitigation action has been taken. Ref Glossary
- c) Incorrect: This describes a secondary risk. Ref App A.4.1
- d) Correct: An inherent risk is the exposure arising from a specific risk before any risk response action has been taken. Ref Glossary.

51 PI0104.1 - MoR Principles

B

LL1: Know the facts, terms and concepts relating to the M_o_R principles. Specifically to recall the seven principles that enable risk management.

- a) Incorrect: Aligns with objectives is an enabler principle. Ref 2.1
- b) Correct: Achieves measurable value is the result of implementing risk management well and is not one of the enabler principles. Ref 2.1
- c) Incorrect: Fits the context is an enabler principle. Ref 2.1
- d) Incorrect: Facilitates continual improvement is an enabler principle. Ref 2.1

52 AP0207 - MoR Approach

C

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify the relationship between the nine M_o_R approach documents.

- a) Incorrect: The documents are usually owned by different roles in the organization and won't be updated by the same person. Ref Table 6.1
- b) Incorrect: An organizational chart within the risk management strategy for a specific activity may be updated as required but this would not normally prompt an update to all the M_o_R documents. Ref App A.3.1
- c) Correct: It is important to ensure the documents do not contradict each other and the hierarchical relationship between the documents is maintained. Ref 3.11
- d) Incorrect: Although the documents support the achievement of the objectives, they will not change each time the objectives change. The documents should be updated regularly, at least annually. Ref 3.1 / 3.2

53 IG0103 - Introduction & Glossary

A

LL1: Know the facts, terms and concepts relating to the M_o_R approach, perspectives and the actions needed for effective risk management implementation. Specifically to recall the main elements of the M_o_R framework.

- a) Correct: The core elements of the M_o_R framework are principles, approach, processes and embedding and reviewing M_o_R. Ref 1.1 / Fig 1.1
- b) Incorrect: The core elements of the M_o_R framework are principles, approach, processes and embedding and reviewing M_o_R. Ref 1.1 / Fig 1.1
- c) Incorrect: The core elements of the M_o_R framework are principles, approach, processes and embedding and reviewing M_o_R. Ref 1.1 / Fig 1.1
- d) Incorrect: The core elements of the M_o_R framework are principles, approach, processes and embedding and reviewing M_o_R. Ref 1.1 / Fig 1.1

54 CT0206 - Common Techniques

C

LL2 Understand how the M_o_R techniques are used. Specifically to identify how the exploiting and enhancing responses are used to respond to opportunities.

- a) Incorrect: Exploit and enhance are responses to opportunity risks, not responses to threat risks. Ref App B.6.1 / Table B.9
- b) Incorrect: Avoid and reduce response actions reduce the probability of a threat risk. Ref App B.6.1 / Table B.9
- c) Correct: To enhance or exploit an opportunity risk you need to increase the probability. Ref App B.6.1 / Table B.9
- d) Incorrect: Avoid and reduce response actions reduce the impact of a threat risk. Ref App B.6.1 / Table B.9

55 PR0104 - MoR Processes

C

LL1: Know the facts, terms and concepts of the M_o_R process. Specifically to recall the common terminology used to describe each step - goals, inputs, outputs, techniques and tasks.

- a) Incorrect: Control is used in risk management to mean the combination of the 'plan' and 'implement' steps. However, it is not used in the description of each process step. Ref 4.1
- b) Incorrect: A report may be used to communicate the results of the steps but is not used in the description of each of them. Ref 4.1
- c) Correct: A goal is used in the description of each step. Ref 4.1
- d) Incorrect: The term 'response' is used in the plan process step but is not used in the description of each step. Ref 4.1

56 PR0206 - MoR Processes

A

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the goal of the implement step.

- a) Correct: The goal of this step is to implement the risk responses and take further action if the risk is not properly mitigated. Ref 4.9
- b) Incorrect: The goal of this step is to implement responses to specific risks and take further action if the risk is not properly mitigated. Implementation of the generic risk responsibilities defined in the risk management strategy will be performed as part of the wider management and delivery of the organizational activity. Ref 4.9
- c) Incorrect: This is a task of embedding and review. Ref 5.3
- d) Incorrect: A task of M_o_R health check or maturity model. Ref 5.2

57 ER0201 - Embedding and Reviewing

A

LL2: Understand the need for integrating risk management into the culture of an organization. Specifically to identify the purpose of embedding and reviewing risk management.

- a) Correct: The purpose of embed and review is to integrate risk management into the culture of the organization. Ref 5.1.
- b) Incorrect: This is a purpose of business continuity management. Ref App E.1
- c) Incorrect: This is the purpose of corporate governance. Ref 1.6
- d) Incorrect: This is the purpose of gateway reviews. Ref Glossary

58 PE0206 - Perspectives

C

LL2: Understand how the M_o_R perspectives are used. Specifically to identify the risk management responsibilities of the senior team.

- a) Incorrect: The senior manager ensures a risk management strategy exists. Ref 6.8 / Table 6.1
- b) Incorrect: The manager identifies the need for investment to fund risks. Ref 6.8 / Table 6.1
- c) Correct: The senior team reviews the risk management strategy. Ref 6.8 / Table 6.1
- d) Incorrect: A responsibility of the manager. Ref 6.8 / Table 6.1

59 ER0205 - Embedding and Reviewing

C

LL2: Understand the need for integrating risk management into the culture of an organization. Specifically to identify ways to obtain and develop senior risk management commitment and support.

- a) Incorrect: Having agreed, documented and established the strategy, it is not advisable to implement in any different way to that planned and agreed. Ref 3.4
- b) Incorrect: The immature use of resources on detailed evaluations of the likelihood of risks with low impacts is likely to antagonise rather obtain the support of stakeholders. Ref 5.5
- c) Correct: Ensuring that risk is discussed in management meetings and cascaded to staff via appropriate communication methods is a useful approach to gaining the support of those managers and staff. Ref 5.5
- d) Incorrect: An organization's risk profile is likely to change continually. Thus, annual presentations are too infrequent for most organizations. Ref 2.2

60 CT0209 - Common Techniques

B

LL2: Understand how the M_o_R Techniques are used. Specifically to identify how the probability assessment, impact assessment, proximity assessment and expected value assessment techniques are used for risk estimation.

- a) Incorrect: Estimating the chance of a risk occurring is the probability assessment technique used in the assess task of the 'assess- estimate' step. Ref 4.6.4.1 / Table 4.9
- b) Correct: Estimating the impact of a risk is the impact assessment technique used in the assess task of the 'assess- estimate' step. Ref 4.6.4.2 / Table 4.9
- c) Incorrect: Predicting when a risk occurs is the proximity assessment technique used in assess task of the 'assess- estimate' step. Ref 4.6.4.3 / Table 4.9
- d) Incorrect: Understanding the cause of the risk will be performed in the identify process steps. Ref 4.4 / 4.5

61 PR0208 - MoR Processes

D

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify which of the nine M_o_R framework documents are developed, used or updated in the identify - risks step.

- a) Incorrect: The issue register is an input to the identify – risks step because it lists unresolved issues which may be causes of risks. Ref 4.5.2
- b) Incorrect: This is a description of the lessons learned input to the process step. Lessons learned also record what went well on similar activities. Ref 4.5.2
- c) Incorrect: This is a description of the activity documents input to the process step. Ref Table 4.1
- d) Correct: Unresolved issues can be a cause for a risk. Ref Table 4.4

62 RS0201 - Risk Specialisms

C

LL2: Understand how the M_o_R risk specialisms are used. Specifically to identify the purpose and scope of each risk management specialism.

- a) Incorrect: This is the approach required at the programme perspective. Ref 6.3.4
- b) Incorrect: This is a risk management activity at the strategic perspective. Ref 6.2.4
- c) Correct: Business continuity management provides a framework that builds resilience into business operations in the event of a risk that would cause breaks in the delivery of business services. Ref App E.1
- d) Incorrect: Business continuity does not include the management of all organizational issues. Ref App E.1

63 PE0209 - Perspectives

C

LL2: Understand how the M_o_R perspectives are used. Specifically to identify the risk management responsibilities of assurance.

- a) Incorrect: The senior manager is likely to act on formal assessments and reports from assurance by assisting the team in embedding risk management. Ref 6.8 / Table 6.1
- b) Incorrect: The risk specialist is responsible for carrying out actions, such as training and holding seminars to embed risk management, the effect of which will be reported on in the formal assessments completed by assurance. Ref 6.8 / Table 6.1
- c) Correct: The assurance role is responsible for carrying out the formal assessments of risk management implementation. Ref 6.8 / Table 6.1
- d) Incorrect: The manager ensures participation in the delivery of risk management, the effect of which will be reported on in the formal assessments completed by assurance. Ref 6.8 / Table 6.1

64 RS0102 - Risk Specialisms

B

LL1: Know the facts, terms and concepts of the M_o_R risk specialisms. Specifically to recall that specialisms have developed as organizations have applied particular approaches to managing specific types of risks.

- a) Incorrect: Security risk management is referenced by M_o_R as a specialism to safeguard an organization's physical assets. It does not prevent people from being harmed by providing a satisfactory working environment. Ref App E.3
- b) Correct: The health and safety specialism has been developed to prevent people from being harmed by work or becoming ill, by providing a satisfactory working environment. Ref App E.3
- c) Incorrect: Business continuity management has been designed to deal with an organization's operational threats. Business continuity risk management does not prevent people from being harmed by providing a satisfactory working environment. Ref App E.3
- d) Incorrect: Incident and crisis management has been developed by organizations to deal with incidents that could escalate into a crisis. Incident and crises management does NOT prevent people from being harmed by providing a satisfactory working environment. Ref App E.3

65 CT0208 - Common Techniques

D

LL2: Understand how the M_o_R techniques are used. Specifically to identify the relationship between 'prepare contingent plans' and the 'reduce the threat' / 'enhance the opportunity' plan responses.

- a) Incorrect: Reduce and enhance can be applied to probability. Ref App B.6.1 / Table B.9
- b) Incorrect: Reduce and enhance can be applied to impact. Ref App B.6.1 / Table B.9
- c) Incorrect: Reduce and enhance can be applied to both probability and impact. Ref App B.6.1 / Table B.9
- d) Correct: Reduce and enhance are not applied to change the proximity. Ref App B.6.1 / Table B.9

66 AP0202.2 - MoR Approach

C

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify the concepts supporting the contents of the risk management policy.

- a) Incorrect: This brings together all the actions required to improve the way that risk management is performed by the organization. Ref App A.6.1
- b) Incorrect: This describes how an organization intends to carry out risk management. Ref App A.2.1
- c) Correct: The risk management policy defines the organizational risk appetite, i.e. the amount of risk an organization is willing to accept. Ref App A.1.1
- d) Incorrect: This provides regular progress information to management on risk management within a particular organizational activity. Ref App A.9.1

67 PR0207 - MoR Processes

B

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify which of the nine M_o_R framework documents are developed, used or updated in the identify - context step.

- a) Incorrect: The stakeholder map records the stakeholders and their interests. Ref Table 4.2
- b) Correct: The strategy describes how the risk management activities will be performed during the organizational activity. Ref Table 4.1
- c) Incorrect: Describes the organization's regulatory framework and specific corporate governance requirements. Ref Table 4.1
- d) Incorrect: Provides a description of the objectives and scope of the activity. Ref Table 4.1

68 PI0204 - MoR Principles

C

LL2: Understand how the M_o_R principles are used and the main mechanisms (e.g. appetite, capacity, tolerance, EWI, KPI, etc.) that support them. Specifically to identify the link between risk tolerance and escalation.

- a) Incorrect: The way in which a stakeholder views a risk is not related to risk tolerance threshold which defines the point at which levels of risk exposure become acceptable at a specific authority level. Ref Glossary
- b) Incorrect: Risk capacity defines the amount of risk an organization can bear, not the point at which levels of risk exposure become acceptable at a specific authority level. Ref Glossary
- c) Correct: The extent of risk borne by the organization or an activity at that time must be below the risk tolerance threshold. Ref 2.6
- d) Incorrect: Risk appetite defines the amount of risk an organization is willing to take; not the point at which levels of risk exposure become acceptable at a specific authority level. Ref Glossary

69 PE0207 - Perspectives

A

LL2: Understand how the M_o_R perspectives are used. Specifically to identify the risk management responsibilities of the senior manager appointed to represent the senior team.

- a) Correct: Senior managers define and monitor risk tolerances. Ref 6.8 / Table 6.1
- b) Incorrect: The senior team approves funding for risk management. Ref 6.8 / Table 6.1
- c) Incorrect: Assurance reviews progress in applying the risk management policy. Ref 6.8 / Table 6.1
- d) Incorrect: Risk specialists identify and report on risk activities. Ref 6.8 / Table 6.1

70 ER0207 - Embedding and Reviewing

A

LL2 Understand the need for integrating risk management into the culture of an organization. Specifically to identify the similarities and differences between a risk management health check and a risk management maturity model.

- a) Correct: The health check is a series of questions to assess if the principles are in place today. Maturity models can use a series of health checks to assess the incremental risk competency improvements that are desired over time. Ref 5.2
- b) Incorrect: This is the wrong way round. Ref 5.2
- c) Incorrect: Maturity models can be applied to any organizational activity or across the entire organization – they are not just for business change. Ref App D.3
- d) Incorrect: The status of risks is recorded in the risk register. The health check is a series of questions to assess if the principles are in place today. Maturity models can use a series of health checks to assess the incremental risk competency improvements that are desired over time. Ref 5.2

71 IG0203 - Introduction & Glossary

B

LL2: Understand how the M_o_R framework is used. Specifically to identify how risk management supports better decision-making.

- a) Incorrect: Decisions can be made using the decision trees technique, but the use of the technique only provides evidence to assist in the decision – the decision-taker still has to choose the specific course of action itself. Ref App B.6.3
- b) Correct: Because all information is available, including information about associated risks, a better decision can be made. Risk management should be applied continuously with information made available when critical decisions are being taken. Ref 1.7
- c) Incorrect: Decision-making is not one of the eight risk specialisms. Ref 1.8
- d) Incorrect: Corporate governance is the way organizations are directed and controlled, not how decisions are made. Ref 1.6

72 CT0207 - Common Techniques

C

LL2: Understand how the M_o_R techniques are used. Specifically to identify how the 'transfer the risk', 'share the risk' and 'accept the risk' are used to respond to risks.

- a) Incorrect: This is a response to reduce a threat because pro-active action is taken to reduce the impact. Ref App B.6.1 / Table B.9
- b) Incorrect: This is a response to avoid a threat by removing the cause of the risk. Ref App B.6.1 / Table B.9
- c) Correct: This response transfers the risk via an insurance policy with a third party willing to fund the impact of the risk should it occur. App B.6.1 / Table B.9
- d) Incorrect: This is sharing of the risk with another party through a pain/gain formula. Ref App B.6.1 / Table B.9

73 AP0206 - MoR Approach

D

LL2: Understand the contents of the nine M_o_R approach documents, how they relate to the principles and how they are applied throughout the M_o_R framework. Specifically to identify in a risk description the difference between cause, event and effect.

- a) Incorrect: The cause is the source or trigger point or situation driving the risk. The event is the area of uncertainty, in terms of the threat or opportunity that may happen (not the effect or impact of that event). Ref App B.3.9
- b) Incorrect: The cause is the source or trigger point or situation driving the risk. The event is the area of uncertainty, in terms of the threat or opportunity that may happen. Ref A B.3.9
- c) Incorrect: The cause is the source or trigger point or situation driving the risk. The event is the area of uncertainty, in terms of the threat or opportunity that may happen (not the effect or impact of that event). Ref App B.3.9
- d) Correct: The cause is the source or trigger point or situation driving the risk. The event is the area of uncertainty, in terms of the threat or opportunity that may happen. Ref App B.3.9

74 PI0201.7 - MoR Principles

D

LL2: Understand how the M_o_R principles are used and the main mechanisms (e.g. appetite, capacity, tolerance, EWI, KPI, etc.) that support them. Specifically to identify the purpose of the creates a supportive culture principle.

- a) Incorrect: This principle focuses only on those uncertainties that have the potential to impact the achievement of one or more objectives of the organization. Ref 2.2
- b) Incorrect: This principle focuses on using a sound understanding of the external and internal context to develop appropriate risk practices. Ref 2.3
- c) Incorrect: This principle is about developing strategies to improve risk management. Ref 2.7
- d) Correct: Culture relates to the “way things are done”. Thus creating a supportive culture focuses on establishing the right culture to support management of risk. Ref 2.8

75 PR0214 - MoR Processes

C

LL2: Understand how the M_o_R process is used to identify, assess and control risk. Specifically to identify the difference and relationship between a risk owner and risk actionee.

- a) Incorrect: This is a role responsible for facilitating the wider embedding and review of risk management practices. It is not responsible for the control of specific responses to individual risks. Ref Table 6.1
- b) Incorrect: This is a body of independent directors which is responsible for reviewing the company’s internal control and risk management systems. Ref Glossary
- c) Correct: The risk owner is responsible for the management and control of all aspects of the risks assigned to them. Ref Glossary
- d) Incorrect: The risk actionee implements the specific action allocated to them for addressing the risk. Ref Glossary

