GAQM

ISO-31000-CLA

ISO 31000 - Certified Lead Risk Manager

Question: 18

The organizationâs resources and internal support are _____ the risk management strategy.

A. adjustable to match
B. inputs in the development of
C. metrics used to measure the value of
D. outcomes of the development of

Answer: B

Explanation:

according to page 15 of source 3, the development of a risk management strategy takes into account the organization's resources and internal support. These resources include factors such as human, capital, and technological resources; organizational structure, culture, and governance; communication and consultation mechanisms; and support from senior management and leadership. These inputs have an impact on the feasibility and effectiveness of the risk management strategy.

Question: 19

Risk management is tailored.

A. True
B. False

Answer: A

Explanation:

Risk management is tailored4. Tailored means that risk management takes into account the specific needs, objectives, and characteristics of each organization and its context.

Question: 20

When an operational area develops a treatment for a critical risk, the risk management professional MUST

A. add the risk to the risk map.
B. communicate the treatment plan directly with internal audit.
C. evaluate the dollar savings associated with the treatment.
D. evaluate the impact upon other areas.

Answer: D

Explanation:

When an operational area develops a treatment for a critical risk, the risk management professional must evaluate the impact upon other areas3. This helps to ensure that the treatment does not create new risks or adversely affect other

objectives.

Question: 21

The accuracy and reliability of the risk assessment should be identified as clearly as possible.

A. True
B. False

Answer: A

Explanation:

The accuracy and reliability of the risk assessment should be identified as clearly as possible1. This helps to communicate the level of confidence in the risk assessment results and to inform decision-making.

Question: 22

Treatment plan becomes a living document of defining the direction of the risk treatment and being able to monitor progress against the plan.

A. True
B. False

Answer: A

Explanation:

Treatment plan becomes a living document of defining the direction of the risk treatment and being able to monitor progress against the plan3. Treatment plan helps to ensure that risk treatment actions are aligned with the changing context, objectives, and stakeholder expectations.

Question: 23

Who serves as the principal adviser to the CEO, business unit heads, and critical function heads on risk matter?

A. Chief Risk Officer (CRO)
B. Chief Information Officer (CIO)
C. Quality Auditor (QA)
D. Risk Owner (RO)

Answer: A

Explanation:

Chief Risk Officer (CRO) serves as the principal adviser to the CEO, business unit heads, and critical function heads on risk matter. CRO leads the development and implementation of the organizationâs risk management framework and

process.

Question: 24

Which of the following ensures that uncertainty is managed so the organization can meet its objectives?

A. Extended risk management
B. Enhanced risk management
C. Evasive risk management
D. Avoidance risk management

Answer: B

Explanation:

Enhanced risk management ensures that uncertainty is managed so the organization can meet its objectives4. Enhanced risk management involves applying a systematic and logical process to identify, analyze, evaluate, treat, monitor, review, and communicate risks.

Question: 25

ISO 31000:2018 risk management process is _____

A. descriptive
B. prescriptive
C. visionitive
D. cursive

Answer: A

Explanation:

ISO 31000:2018 risk management process is descriptive6. This means that it provides guidance on what should be done for effective risk management, but not how it should be done. The process can be customized to any organization and its context.

Question: 26

New definition of risk under ISO 31000 and 31010 is:

A. Danger that injury, damage, or loss will occur
B. Possibility of investment loss
C. Probability of loss to an insurer
D. Probability of an event that will have an impact on objectives

Answer: D

Explanation:

According to ISO/IEC Guide73 (2009), clause 1., risk is defined as âthe effect of uncertainty on objectivesâ. This definition applies to both ISO/IEC Guide73 (2009) and ISO31000 (2018), which are standards for risk management terminology and principles respectively.

Question: 27

Which type of risk framework is expected to improve efficiency by aligning strategy, processes, technology and people?

A. Controls, risk and supervision.
B. Corporate, governance and control.
C. Governance, risk and compliance.
D. Supervision, audit and compliance

Answer: C

Explanation:

A governance, risk and compliance (GRC) framework is expected to improve efficiency by aligning strategy, processes, technology and people. GRC aims to integrate these elements to achieve organisational objectives while managing risks and complying with regulations.

Question: 28

Which of the following documents information are relevant to the organizationâs risk management framework, process, and system?

A. Reporting and auditing
B. Recording and reporting
C. Visualizing and conceptualizing
D. Rationalizing and reporting

Answer: B

Explanation:

Recording and reporting documents information that are relevant to the organizationâs risk management framework, process, and system2. These activities help to provide evidence, feedback, learning, and improvement for risk management.

Question: 29

A broker is undertaking a business interruption review on behalf of a client. This would most commonly include an evaluation of the

A. effectiveness of a business continuity plan.
B. effectiveness of risk reserving.
C. level of risk tolerance.
D. level of self insurance.

Answer: A

Explanation:

A business interruption review is an evaluation of the effectiveness of a business continuity plan, which is a set of procedures and resources to ensure that an organisation can continue its critical functions in the event of a disruption12.

Question: 30

Which of the following is the current trend in auditing, risk management and compliance?

A. Providing assurance over threats
B. Performing discrete audits in compliance with internal control
C. Front office function providing leading indicators about risk

Answer: C

Explanation:

According to 3, page 6, one of the current trends in auditing, risk management and compliance is âmoving from a back-office function providing lagging indicators about risk (e.g., audit findings) to a front-office function providing leading indicators about risk (e.g., key risk indicators)â.

SAMPLE QUESTIONS

*These questions are for demo purpose only. **Full version** is up to date and contains actual questions and answers.*

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