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ISO 31000 - Certified Lead Risk Manager

GAQM ISO-31000-CLA

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QUESTION NO: 1

Which of the following are ISO 31000:2009 Enhanced Risk Management attributes? (Choose two)

A. Full accountability for risk controls and treatment

B. Solution offering

C. Decision making involves risk

D. Crisis management and process attributes

ANSWER: A C

Explanation:

“Full accountability for risk controls and treatment” is an enhanced risk-management attribute because ISO 31000:2009 describes mature risk management as assigning comprehensive accountability for risks, controls, and risk treatment. Clear accountability ensures that risk ownership is not merely theoretical: responsible people have authority to implement controls, monitor their effectiveness, and ensure treatment actions are completed. This supports consistent governance and enables the organization to manage risk as an ongoing management responsibility.

“Decision making involves risk” reflects the ISO 31000:2009 enhanced attribute that risk management is applied in decision making. In an enhanced arrangement, relevant risk information is considered when selecting objectives, allocating resources, approving changes, and making operational or strategic decisions. This embeds risk considerations into normal organizational choices rather than treating risk assessment as a separate compliance activity. Together, accountability for controls and treatment and risk-informed decision making demonstrate that risk management is integrated with governance, management processes, and organizational performance. ISO 31000:2009’s Annex A presents these characteristics as attributes of enhanced risk management. See the ISO 31000:2009 standard record and the ISO 31000 risk-management overview.

QUESTION NO: 2

Which of the following should normally be included in a risk treatment plan? (Choose three)

A. Proposed treatment actions

B. Persons accountable for implementation

C. Performance measures and review arrangements

D. A guarantee that no residual risk will remain

E. Replacement of all existing objectives

ANSWER: A B C

Explanation:

Proposed treatment actions, **persons accountable for implementation**, and **performance measures and review arrangements** are appropriate elements of a risk treatment plan. A treatment plan translates a selected risk-treatment option into controlled action. It should specify what is to be done, who is accountable, what resources and timescales are required, and how implementation and effectiveness will be monitored.

Documenting these arrangements helps management determine whether treatment has been implemented as intended and whether the resulting residual risk is acceptable. ISO 31000 also requires treatment plans to be integrated into the organisation's management plans and processes. See ISO 31000:2018—Risk management guidelines.

QUESTION NO: 3

Relying on historic analysis when assessing potential risks and possible impacts implies that

A. should adverse events occur, the impact can be accurately modelled.

B. all significant risks can be confidently analysed.

C. management believe that the future will behave much like the past.

ANSWER: C

Explanation:

“management believe that the future will behave much like the past.” is correct because historic analysis identifies and assesses risk by examining previous events, losses, trends, frequencies, and impacts. Using this approach necessarily treats past experience as a meaningful basis for estimating what may happen again, including the likely nature and scale of consequences. This can be useful where the operating environment, controls, exposures, and available data are reasonably stable, since historical patterns can support evidence-based estimates and decisions.

ISO 31000 emphasizes that risk management should be structured and based on the best available information, while also recognizing the limitations and uncertainty associated with that information. Historic data is therefore an input to risk analysis, rather than a guarantee that future conditions or outcomes will replicate prior ones. A capable risk manager uses historic results alongside current context, emerging changes, expert judgement, and forward-looking analysis, particularly where new technologies, regulatory changes, market shifts, or novel threats may make historical patterns less predictive. The underlying assumption of historic analysis remains that the past offers a useful indication of future risk behavior. See the ISO 31000:2018 Risk management guidelines and ISO’s risk management overview.

QUESTION NO: 4

_____ means doing something according to a plan or method.

A. Systematic

B. Comprehensive

C. Formal

D. Informal

ANSWER: A

Explanation:

“Systematic” is correct because it describes work that is performed according to an organized, planned, and consistent method. In risk management, a systematic approach means that risk-related activities are not improvised or performed randomly; instead, they follow a defined process that can be applied consistently across relevant decisions, activities, and levels of the organization. This supports repeatability, traceability, and sound decision-making when identifying, analysing, evaluating, treating, monitoring, and communicating risks.

ISO 31000 presents risk management as a structured framework and process intended to create and protect value. Applying the process systematically helps ensure that risk information is considered in a disciplined way and that outcomes can be reviewed and improved over time. The term also aligns with common dictionary usage: systematic work is methodical and carried out according to a fixed plan or system. See the ISO 31000:2018 Risk management—Guidelines overview and the Cambridge Dictionary definition of “systematic”.

QUESTION NO: 5

Which of the followingÂ are measured extensively throughout the organization and into the supply chain?

A. KPIs and KRIs

B. API's and SKD's

C. PDA's and PBA's

D. CMP's and CAD's

ANSWER: A

Explanation:

KPIs and KRIs are measured extensively throughout an organization and, where relevant, across its supply chain because they provide structured, repeatable information for performance oversight and risk monitoring. Key Performance Indicators measure progress toward operational and strategic objectives, such as service levels, quality, delivery reliability, or process efficiency. Key Risk Indicators measure conditions, trends, exposures, and early-warning signals that can indicate a changing level of risk, including supplier disruption, dependency, security incidents, nonconformity, or financial instability. Used together, these measures help management understand whether objectives are being achieved while keeping risk within the organization's defined risk appetite and tolerance. ISO 31000 emphasizes that risk management should be integrated into organizational activities, decision-making, monitoring, and review; this integration naturally includes relevant external and supply-chain relationships. Consistent indicators also support timely escalation, comparison of performance across functions and suppliers, and evidence-based treatment decisions. See the ISO 31000:2018 overview and ISO's guidance on risk management.

QUESTION NO: 6

Which of the following are Critical Elements of a Risk Management Framework? (choose four)

A. Architect the system

B. Design the system

C. Strategize the system

D. Implement the system

E. Evaluate the system

F. Improve the system

ANSWER: B D E F

Explanation:

ISO 31000:2018 describes a risk management framework as the set of organizational arrangements used to embed risk management into governance, strategy, planning, management, reporting, policies, values, and culture. Within the framework process, the four applicable elements are to design the framework, implement it, evaluate its effectiveness, and continually improve it. Designing establishes the framework's purpose, organizational context, leadership commitment, roles, resources, communication, and consultation arrangements. Implementation puts those arrangements into operation and integrates risk management with the organization's activities and decision-making. Evaluation determines whether the framework remains suitable and effective, using performance measures and review. Improvement addresses gaps and changing circumstances so that the framework continues to support organizational objectives and value creation. These activities form a continual cycle rather than a one-time project: a framework is designed and implemented, its performance is evaluated, and it is improved based on learning, monitoring, review, and organizational change. ISO's overview of the standard emphasizes that risk management should be integrated into all organizational activities and decision-making. See the ISO 31000:2018 standard page and ISO's risk management overview.

QUESTION NO: 7

How many risk management principles exists ISO 31000:2018?

A. 7

B. 8

C. 9

D. 6

ANSWER: B

Explanation:

9 is correct. ISO 31000:2018 defines eight principles for effective risk management, not nine. These principles establish the characteristics that enable risk management to create and protect value: it should be integrated into organizational activities; structured and comprehensive; customized to the organization's external and internal context; inclusive of appropriate stakeholders; dynamic and responsive to change; based on the best available information; attentive to human and cultural factors; and subject to continual improvement. The 2018 edition reduced and consolidated the principle set from the previous 2009 edition, which had eleven principles. This distinction is important in lead risk manager practice because ISO 31000:2018 separates its guidance into principles, a risk-management framework, and a risk-management process; those components must not be counted together as principles. ISO's official publication page identifies ISO 31000:2018 as the applicable edition of the risk-management guidance standard, while ISO's explanatory material summarizes the standard's principle-based approach. See ISO 31000:2018—Risk management guidelines and ISO risk management resources.

QUESTION NO: 8

An international bank has identified the risks associated with economic changes in the countries in which it operates. Which of the following correctly describes these risks?

A. Internal – Infrastructure.

B. External – Reputational.

C. External – Marketplace.

ANSWER: C

Explanation:

External – Marketplace. is correct because economic changes in the countries where an international bank operates arise outside the bank's direct control and can alter the conditions of the markets in which it provides services. Examples include changes in interest rates, inflation, exchange rates, economic growth, employment levels, government fiscal policy, and the availability of credit. These conditions can affect loan demand and repayment capacity, investment values, liquidity, funding costs, cross-border exposures, and the bank's overall profitability.

In risk-management terms, the source is external because it originates in the wider national or international environment rather than within the bank's people, processes, systems, or infrastructure. It is specifically a marketplace risk because the economic environment changes the market conditions under which the bank competes, prices products, manages financial exposures, and serves customers. Identifying this category enables the bank to monitor relevant economic indicators by jurisdiction, assess potential impacts across its operations, and establish proportionate controls and response plans. This classification is consistent with ISO 31000's emphasis on considering the external context when identifying and assessing risk. See ISO 31000:2018—Risk management guidelines and the ISO 31000 Lead Risk Manager examination preparation guide.

QUESTION NO: 9

Which of the following support effective communication and consultation in risk management? (Choose three)

A. Engaging relevant stakeholders early

B. Communicating risk information in a timely manner

C. Considering different stakeholder views and perceptions

D. Restricting risk information to the risk department

E. Postponing consultation until all treatment decisions are final

ANSWER: A B C

Explanation:

Engaging relevant stakeholders early, **communicating risk information in a timely manner**, and **considering different stakeholder views and perceptions** support effective communication and consultation. Stakeholders may hold relevant knowledge about objectives, sources of risk, consequences, controls, and acceptable treatment options. Their involvement can improve the quality, relevance, and acceptance of decisions.

ISO 31000 identifies communication and consultation as continual and iterative activities that take place throughout all stages of the risk-management process. The purpose is to support a common understanding of risk and the basis on which decisions are made. See ISO 31000:2018—Risk management guidelines.

QUESTION NO: 10

Which of the following are examples of changing the likelihood of a risk event? (Choose two)

A. Introducing preventive maintenance

B. Requiring dual authorization for payments

C. Maintaining an emergency response team

D. Purchasing insurance for property damage

ANSWER: A B

Explanation:

Introducing preventive maintenance and **requiring dual authorization for payments** are measures that can reduce the likelihood of an event occurring. Preventive maintenance can reduce the probability of equipment failure, while dual authorization can reduce the probability of an unauthorized or erroneous payment being processed.

Changing the likelihood is one of the risk-treatment options recognized by ISO 31000. It should be distinguished from measures that reduce the consequences after an event has occurred, such as recovery arrangements or contingency funding. See ISO 31000:2018—Risk management guidelines.

QUESTION NO: 11

An organisation has established a risk management framework, but managers apply it differently across business units and do not use risk information in planning decisions. Which framework activity requires the most immediate attention?

A. Implementation of the framework.

B. Elimination of all business-unit risks.

C. External certification of ISO 31000.

D. Delegation of all risk decisions to internal audit.

ANSWER: A

Explanation:

Implementation of the framework. is correct because implementation involves putting the designed framework into operation and integrating risk management into the organisation's activities and decision-making. A framework may be well designed on paper, but it cannot support value creation and protection unless managers understand their roles, use the process consistently, and apply risk information in planning and operations.

Implementation can include establishing plans, responsibilities, communication arrangements, resources, competence, and processes for applying risk management throughout the organisation. See ISO 31000:2018—Risk management guidelines.

QUESTION NO: 12

Which of the following significant risks of reporting are outside the risk appetite of the organization and can impact compliance, which may also be reportable to regulatory agencies? (Choose two)

A. External

B. Vision

C. Internal

D. Dynamic

E. Functional

ANSWER: A C

Explanation:

External and **Internal** are the relevant categories of significant reporting risks. An organization’s reporting can be materially affected by events arising outside its control or direct operations, such as regulatory developments, supplier disruption, economic conditions, cyber threats, or other changes in the operating environment. These events can create compliance consequences and may require escalation or notification under applicable legal or regulatory reporting obligations.

Significant reporting risk also arises from within the organization, including failures in controls, inaccurate records, ineffective governance, fraud, human error, or information-system deficiencies. Where such risks exceed established risk-appetite boundaries, management should ensure timely identification, assessment, treatment, monitoring, and communication to the appropriate decision-makers. If the risk results in a reportable compliance breach or material reporting issue, the organization may also need to notify the relevant regulator in accordance with the applicable requirements.

ISO 31000 emphasizes that risk management must consider both the external and internal context and be integrated into organizational governance and decision-making. This supports the identification and management of reporting risks that can affect compliance. See ISO 31000:2018—Risk management guidelines and ISO Online Browsing Platform—ISO 31000.