

EXAMGOOD

QUESTION & ANSWER

Exam Good provides update free of charge in one year!

Accurate study guides
High passing rate!

<http://www.examgood.com>

Exam : GRCP

**Title : GRC Professional
Certification Exam**

Version : DEMO

1.What does the initialism GRC stand for?

- A. Governing risk and compliance
- B. Governance, risk, and compliance
- C. Governance, risk, and controls
- D. Government, regulation, and controls

Answer: B

Explanation:

GRC stands for Governance, Risk, and Compliance, a critical framework for organizations to ensure they operate ethically and effectively while adhering to laws, regulations, and industry standards.

Governance: Refers to the organization's leadership, policies, and procedures that guide its activities to align with business objectives, ethical practices, and compliance requirements. Effective governance ensures strategic alignment and accountability.

Risk: Encompasses identifying, assessing, managing, and mitigating risks that could impede the organization's objectives. This includes financial risks, operational risks, cybersecurity threats, and reputational risks.

Compliance: Involves adhering to laws, regulations, industry standards, and internal policies.

Compliance ensures that the organization fulfills external and internal obligations to maintain trust and avoid legal penalties.

Reference: NIST Risk Management Framework (RMF): Emphasizes integrating GRC principles into risk assessment and management.

COSO Framework: Offers detailed guidance on governance and internal control processes.

ISO 31000 (Risk Management): Explains systematic risk management practices aligning with GRC objectives.

Compliance documentation, such as GDPR for privacy and SOX for financial controls, highlights the importance of GRC in maintaining ethical and lawful operations.

2.What is the essence or the central meaning of GRC?

- A. A connected and integrated approach that provides a pathway to Principled Performance by overcoming VUCA and disconnection
- B. A system for monitoring and evaluating the performance of employees and teams
- C. A set of guidelines and regulations for corporate governance and ethical conduct
- D. A framework for managing financial risks and ensuring fiscal responsibility

Answer: A

Explanation:

The essence of GRC (Governance, Risk, and Compliance) lies in creating a connected and integrated approach that enables organizations to achieve their goals through Principled Performance while managing uncertainty and fostering ethical operations.

Pathway to Principled Performance: GRC focuses on achieving a balance between objectives, risks, and compliance in a manner that aligns with ethical practices and organizational values.

Overcoming VUCA:

VUCA stands for Volatility, Uncertainty, Complexity, and Ambiguity, which are common challenges in modern organizational environments.

GRC integrates processes, communication, and systems to navigate these challenges effectively.

Avoiding Disconnection: Disconnection in governance, risk management, and compliance activities can

lead to inefficiency, misaligned objectives, and increased vulnerability. GRC ensures seamless integration and collaboration across departments.

Reference: OCEG's GRC Capability Model: Highlights how GRC helps achieve Principled Performance by harmonizing governance, risk, and compliance with organizational goals.

COSO and ISO 31000 Frameworks: Stress the importance of connected approaches for better risk management and performance outcomes.

3.What is the difference between an organization that is being "Good" and being a "Principled Performer"?

A. An organization must measure up to the Principled Performance definition to be a "Principled Performer," regardless of whether its objectives are subjectively perceived or preferred as "Good" or "Bad."

B. A "Principled Performer" always pursues objectives that are considered "Good" by society.

C. There is no difference: "Good" and a "Principled Performer" are synonymous.

D. A "Principled Performer" is an organization that donates a significant portion of its profits to charity.

Answer: A

Explanation:

The distinction between being "Good" and being a "Principled Performer" lies in the approach and framework used to meet objectives, irrespective of whether the objectives are considered "good" or "bad" by society.

"Good" vs. "Principled Performer":

"Good" is a subjective measure based on societal norms, values, or preferences.

A "Principled Performer", however, aligns its objectives and operations with ethical practices, risk management, compliance, and governance, irrespective of societal perceptions.

Definition of a Principled Performer:

The term originates from OCEG's Principled Performance model, which emphasizes the achievement of objectives with integrity, accountability, and foresight.

Organizations that ensure their processes and decisions meet defined principles of performance, even under external pressures, qualify as "Principled Performers."

Misconceptions Debunked:

Option B is incorrect because "Principled Performers" do not necessarily align with what society perceives as "Good."

Option C is incorrect as it equates two fundamentally different concepts.

Option D is irrelevant, as charity is not a determining factor of principled performance.

Reference: OCEG's GRC Capability Model: Defines the characteristics of Principled Performance and how it differs from subjective notions of "Good."

Ethics and Compliance Standards (ISO 37301): Demonstrates the operationalization of principles within organizations.

NIST RMF and COSO ERM Frameworks: Discuss how principled approaches are embedded into risk and governance processes.

4.Which organization and its membership created the concepts of Principled Performance and GRC?

A. IAPP (International Association of Privacy Professionals)

B. AICPA (American Institute of Certified Public Accountants)

- C. ISACA (Information Systems Audit and Control Association)
- D. IFAC (International Federation of Accountants)
- E. IMA (Institute of Management Accountants)
- F. SCCE (Society of Corporate Compliance and Ethics)
- G. ACFE (Association of Certified Fraud Examiners)
- H. The Financial Accounting Standards Board (FASB)
- I. IIA (Institute of Internal Auditors)
- J. The International Organization for Standardization (ISO)
- K. The OCEG community of GRC Professionals

Answer: K

Explanation:

The concepts of Principled Performance and GRC (Governance, Risk, and Compliance) were developed by the OCEG (Open Compliance and Ethics Group) community of GRC professionals.

OCEG Overview:

OCEG is a global, nonprofit think tank and community that pioneered the integration of governance, risk, and compliance practices under the GRC framework.

It focuses on helping organizations achieve Principled Performance, a concept that involves balancing objectives, managing uncertainties, and maintaining integrity.

Principled Performance and GRC Development:

OCEG introduced the GRC Capability Model, which serves as a comprehensive guide for aligning GRC practices with strategic goals.

The model emphasizes reliable achievement of objectives, addressing uncertainty, and ensuring ethical behavior.

Why Other Options are Incorrect:

Organizations like ISACA, ISO, or IIA provide valuable standards or guidance in specific areas (e.g., auditing, information systems, etc.), but they did not create the overarching GRC and Principled Performance concepts.

Reference: OCEG Capability Model (Red Book): A detailed framework for implementing GRC practices. OCEG official resources on the history and mission of GRC and Principled Performance.

5. GRC Professionals, known as "Protectors," work to achieve a specific goal referred to as Principled Performance.

Which of the following best describes Principled Performance®?

- A. To reliably achieve objectives, address uncertainty, and act with integrity – to produce and preserve value simultaneously.
- B. To maximize profits and minimize losses.
- C. To ensure compliance with all legal requirements.
- D. To eliminate all risks and uncertainties.

Answer: A

Explanation:

Principled Performance® is the goal of GRC professionals and is best described as the ability to:

Reliably Achieve Objectives:

Organizations must set clear, measurable objectives and work towards them consistently, using governance and risk frameworks to guide decision-making.

Address Uncertainty:

Risk and uncertainty are inherent in every organization. GRC frameworks like ISO 31000 and COSO ERM help identify, evaluate, and manage uncertainties effectively.

Act with Integrity:

Ethical decision-making and compliance with laws and regulations ensure the organization operates responsibly and builds trust with stakeholders.

Produce and Preserve Value:

Through integrated GRC practices, organizations create value by achieving their goals while mitigating risks and maintaining ethical standards.

Why Other Options are Incorrect:

B: Maximizing profits is a financial objective, but Principled Performance encompasses broader strategic, ethical, and risk-related goals.

C: Legal compliance is a part of GRC, but Principled Performance goes beyond mere compliance to ensure ethical integrity and strategic alignment.

D: Eliminating risks entirely is unrealistic. The goal is to manage risks effectively, not eliminate them altogether.

Reference: OCEG Capability Model: Principles of achieving objectives with integrity and reliability.

COSO ERM Framework: Guidance on managing risk in support of value creation.

ISO 31000: Principles and guidelines for addressing uncertainty in decision-making.