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Certified in the Governance of Enterprise IT Exam

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Question: 1

A newly established IT steering committee is concerned about whether a system is meeting availability objectives. Which of the following will provide the BEST information to make an assessment?

A. Balanced scorecard
B. Capability maturity levels
C. Performance indicators
D. Critical success factors (CSFs)

Answer: C

Explanation:
Performance indicators are quantitative measures that can be used to evaluate the availability of a system or service. They can include metrics such as uptime, downtime, response time, availability percentage, etc. Balanced scorecard, capability maturity levels, and critical success factors are not directly related to availability objectives, but rather to strategic alignment, process improvement, and goal achievement respectively. Reference := CGEIT Exam Content Outline, Domain 1: Governance of Enterprise IT, Subdomain A: Governance Framework, Task 5: Establish and monitor key performance indicators (KPIs) and key goal indicators (KGIs) that are aligned with strategic objectives.

Question: 2

Which of the following is the BEST method to monitor IT governance effectiveness?

A. Service level management
B. Balanced scorecard
C. Risk control self-assessment (CSA)
D. SWOT analysis

Answer: B

Explanation:
A balanced scorecard is a strategic management tool that measures and monitors the performance of an organization against its vision, mission, goals, and objectives. It uses four perspectives: financial, customer, internal process, and learning and growth. A balanced scorecard can help evaluate the effectiveness of IT governance by aligning IT activities with

business strategies, assessing IT value delivery, identifying IT strengths and weaknesses, and facilitating continuous improvement. Reference := CGEIT Exam Content Outline, Domain 1: Governance of Enterprise IT, Subdomain B: Strategic Management, Task 3: Establish and maintain a framework for the governance of enterprise IT to enable the achievement of enterprise objectives.

Question: 3

An IT audit reveals inconsistent maintenance of data privacy in enterprise systems primarily due to a lack of data sensitivity categorizations. Once the categorizations are defined, what is the BEST long-term strategic response by IT governance to address this problem?

A. Standardize data classification processes throughout the enterprise.
B. Incorporate enterprise privacy categorizations into contracts.
C. Require business impact analyses (BIAs) for enterprise systems.
D. Reassess the data governance policy.

Answer: A

Explanation:
Data classification is the process of categorizing data according to its sensitivity, such as public, confidential, or restricted. Data classification helps ensure that data privacy is maintained by applying appropriate controls and policies to different types of data. By standardizing data classification processes throughout the enterprise, IT governance can ensure consistent and effective data privacy practices across all systems and departments. Incorporating enterprise privacy categorizations into contracts, requiring business impact analyses for enterprise systems, and reassessing the data governance policy are not long-term strategic responses, but rather tactical or operational actions that may support data privacy. Reference := What is Data Classification?, Data Governance Policy: Examples & Templates, What is data governance?

Question: 4

A new and expanding enterprise has recently received a report indicating 90% of its data has been collected in just the last six months, triggering data breach and privacy concerns. What should be the IT steering committee's FIRST course of action to ensure new data is managed effectively?

A. Mitigate and track data-related issues and risks.
B. Modify legal and regulatory data requirements.
C. Define data protection and privacy practices.
D. Assess the information governance framework.

Explanation:
An information governance framework is the structure that provides a holistic overview of the influences that inform how an organisation creates and manages its enterprise-wide information assets (records, information and data)1. It defines the roles, responsibilities, policies, standards, and processes for ensuring effective and secure information management. If a new and expanding enterprise has collected a large amount of data in a short period of time, it may face data breach and privacy risks if it does not have a robust and comprehensive information governance framework in place. Therefore, the IT steering committee's first course of action should be to assess the current state of the information governance framework, identify any gaps or weaknesses, and implement improvements or changes as needed. This will help the enterprise to protect and preserve its information assets, comply with legal and regulatory requirements, and enable ethical and efficient use of information. Mitigating and tracking data-related issues and risks, modifying legal and regulatory data requirements, and defining data protection and privacy practices are important actions, but they are not the first course of action. They are more likely to be part of the implementation or improvement of the information governance framework after it has been assessed. Reference := Establishing an information governance framework

Question: 5

An enterprise is planning to replace multiple enterprise resource planning (ERP) systems at various regions with one company-wide ERP system. The main objective of this change is to achieve economies of scale efficiencies resulting in cost reductions. To meet this objective, what is the BEST approach in the planning phase of the project?

A. Implement an ERP system on shared resources with the lowest cost.
B. Minimize customization by standardizing ERP processes across regions.
C. Adopt a best in breed web-based architecture for the ERP system.
D. Use a service provider to evaluate and implement the new ERP processes.

Answer: B

Explanation:
One of the main benefits of ERP systems is that they can integrate and streamline various business processes across an enterprise, such as accounting, inventory, sales, human resources, etc. However, this also means that different regions or departments may have to adopt common or standardized processes that are supported by the ERP system, rather than using their own customized or localized ones. This can reduce the complexity and cost of implementing and maintaining the ERP system, as well as improve data quality and consistency. According to one of the web search results1, "it's important to always keep those processes at the core of yourimplementation plan" and "an ERP implementation is an opportunity to introduce a better process, not simply to automate an existing inefficient one."

Another web search result2 states that "standardizing ERP processes across regions" is one of the best practices for a successful ERP implementation. Therefore, the best approach in the planning phase of the project is to minimize customization by standardizing ERP processes across regions. Reference := 9 Key ERP Implementation Best Practices | NetSuite, 6 Best Practices for a Successful ERP Implementation

Question: 6

While monitoring an enterprise's IT projects portfolio, it is discovered that a project is 75% complete, but all budgeted resources have been expended. Which of the following is the MOST important task to perform?

A. Review the IT investments.
B. Reorganize the IT projects portfolio.
C. Re-evaluate the business case.
D. Review the IT governance structure.

Answer: C

Explanation:
A business case is a document that justifies the initiation and continuation of a project based on its expected benefits, costs, risks, and alignment with the strategic objectives of the organization. If a project is experiencing a cost overrun, meaning that it has exceeded its initial budget, it is important to re-evaluate the business case to determine whether the project is still viable and worth pursuing. Re-evaluating the business case can help to identify the root causes of the cost overrun, assess the impact of the overrun on the project's value proposition, and decide whether to continue, modify, or terminate the project. Reviewing the IT investments, reorganizing the IT projects portfolio, and reviewing the IT governance structure are not the most important tasks to perform in this situation. They are more likely to be part of the portfolio management or governance processes that should be done regularly or periodically, not in response to a specific project issue. Moreover, they do not directly address the problem of the cost overrun or its implications for the project's feasibility and desirability. Reference := What is a Business Case?, How to Write a Business Case, Project Cost Overruns – Reasons, How to Prevent and Manage

Question: 7

Six months ago, an enterprise's CIO reorganized IT to improve service delivery to the business. Which of the following would BEST demonstrate the effectiveness of the reorganization?

A. The number of help desk calls
B. A balanced scorecard

C. A survey of IT staff
D. IT cost reduction

Answer: B

Explanation:
A balanced scorecard is a strategic management tool that measures and monitors the performance of an organization against its vision, mission, goals, and objectives. It uses four perspectives: financial, customer, internal process, and learning and growth. A balanced scorecard can help demonstrate the effectiveness of the IT reorganization by showing how the IT function has improved in terms of delivering value to the business, satisfying customer needs and expectations, optimizing internal processes and workflows, and enhancing the skills and capabilities of the IT staff. According to one of the web search results1, "a balanced scorecard can help evaluate the effectiveness of IT governance by aligning IT activities with business strategies, assessing IT value delivery, identifying IT strengths and weaknesses, and facilitating continuous improvement." The number of help desk calls, a survey of IT staff, and IT cost reduction are not the best indicators of the effectiveness of the IT reorganization. They are more likely to reflect operational or tactical aspects of IT service delivery, rather than strategic or holistic ones. They may also be influenced by other factors that are not related to the IT reorganization, such as user behavior, staff morale, or market conditions. Reference := Service Delivery for IT and Business | Splunk

Question: 8

An enterprise is evaluating a possible strategic initiative for which IT would be the main driver. There are several risk scenarios associated with the initiative that have been identified. Which of the following should be done FIRST to facilitate a decision?

A. Define the risk mitigation strategy.
B. Assess the impact of each risk.
C. Establish a baseline for each initiative.
D. Select qualified personnel to manage the project.

Answer: B

Explanation:
Before deciding whether to pursue a strategic initiative, it is important to understand the potential consequences of the risks involved. Assessing the impact of each risk means estimating how likely it is to occur and how severe its effects would be on the enterprise's objectives, performance, reputation, or resources. This can help to prioritize the most critical risks and compare them with the expected benefits of the initiative. According to one of the web search results1, "the impact assessment is a key element of any risk management process. It helps to evaluate the significance of each risk and determine the appropriate response strategy." Defining the risk mitigation strategy, establishing a baseline for each initiative, and selecting

qualified personnel to manage the project are important steps, but they are not the first ones. They aremore likely to be part of the implementation or execution phase of the initiative, after it has been approved and funded. Reference := Risk Impact Assessment and Prioritization

Question: 9

Enterprise IT has overseen the implementation of an array of data services with overlapping functionality leading to business inefficiencies. Which of the following is the MOST likely cause of this situation?

A. insufficient information architecture
B. Ineffective project management
C. An outdated service level agreement (SLA)
D. An incomplete cost-benefit analysis

Answer: A

Explanation:
Information architecture (IA) is the process of guiding users through the site by organising and arranging all the relevant content in a clear, intuitive way. It also ensures consistency throughout a product's design by standardising labelling conventions such as menu names, link titles, and button labels across all pages1. If enterprise IT has overseen the implementation of an array of data services with overlapping functionality, it may indicate that they have not followed a coherent and effective IA strategy. This can lead to business inefficiencies, such as duplication of efforts, confusion among users, and difficulty in finding and accessing information. According to one of the web search results2, "Application rationalization is a simple first step to analyze the current architecture to determine redundant applications, overlapping functionality, and software that is not exactly current. As more companies move into a service-oriented architecture implementation, this analysis is a cost-effective way to ensure that the IT resources are utilized in the most efficient manner." Ineffective project management, an outdated service level agreement (SLA), and an incomplete cost-benefit analysis are not the most likely causes of this situation. They are more related to the planning, execution, and evaluation of individual projects, rather than the overall design and organisation of information systems. Reference := What is information architecture? - UX Design Institute, Staying Current And Supporting Systems With Overlapping Functionality

Question: 10

Which of the following would be the BEST way to facilitate the adoption of strong IT governance practices throughout a multi-divisional enterprise?

A. Ensuring each divisional policy is consistent with corporate policy

B. Ensuring divisional governance fosters continuous improvement processes
C. Mandating data standardization across the distributed enterprise
D. Documenting and communicating key management practices across divisions

Answer: D

Explanation:
Documenting and communicating key management practices across divisions is the best way to facilitate the adoption of strong IT governance practices throughout a multi-divisional enterprise. This can help to ensure that all divisions are aware of and aligned with the corporate IT governance framework, policies, and standards. It can also promote collaboration, coordination, and consistency among the divisions, as well as transparency, accountability, and trust. According to one of the web search results1, "communication is a critical success factor for IT governance implementation" and "effective communication can help to create a shared understanding of IT governance objectives, roles, responsibilities, and benefits among stakeholders." Ensuring each divisional policy is consistent with corporate policy, ensuring divisional governance fosters continuous improvement processes, and mandating data standardization across the distributed enterprise are not the best ways to facilitate the adoption of strong IT governance practices throughout a multi-divisional enterprise. They are more likely to be part of the implementation or improvement of IT governance practices, rather than the facilitation of them. They may also encounter resistance or challenges from the divisions due to different business needs, cultures, or preferences. Reference := IT Governance Practices For Improving Strategic And Operational …

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