

# Transition guide

P3 Risk management

# Introduction

P3 covers enterprise risk, strategic risk, internal controls and cyber risks.

## **You will learn:**

How to identify, evaluate and manage enterprise risks.

Where strategic risks emanate from, how to evaluate them and understand how oversight of these risks is critical to the governance of the organisation.

How internal controls can be used effectively in the risk management process and how to identify, analyse, remedy and report strategic risks including cyber risks.

# Assessment method

We will continue to use Objective Tests for P3 and the assessment method remains unchanged.

The P3 Objective Test lasts 90 minutes. Before commencing the examination, you will be presented with a compulsory examination tutorial lasting 15 minutes. The purpose of the tutorial is to help you become familiar with the functionality of the test driver.

## Objective Test weightings

P3A	Enterprise risk	25%
P3B	Strategic risk	25%
P3C	Internal controls	25%
P3D	Cyber risks	25%

# Comparison to the 2015 syllabus

## 2015 syllabus

P3: Risk Management	
A	Risk identification and evaluation
B	Responses to strategic risk
C	Internal controls to manage risks
D	Cash flow risks* (Moved to New F3)
E	Capital investment decision risks* (Moved to New F3)

## 2019 syllabus

P3: Risk Management	
A	Enterprise risk
B	Strategic risk
C	Internal controls
D	Cyber risks

\* Cash flow risks and capital investment decision risks have been moved from P3 to F3 and relabelled as Financial Risks.

-  No longer in the syllabus
-  In the previous syllabus
-  New to the updated syllabus
-  Previous syllabus with digital focus

# Strategic level examination blueprints

Each examination now has an examination blueprint. The goal of the blueprint is to demystify the examinations, to demonstrate, without ambiguity, what will be examinable for both Objective Test subjects and Case Studies. You are therefore better equipped to demonstrate the skills you have acquired.

The syllabus is the source document, and both Objective Test and Case Study blueprints are based on this.

The blueprints, which will be updated annually, provide clarity on the approach to be taken in each examination.

Illustrative example taken from the P3 examination blueprint

P3A: Enterprise risk		Skill level				Representative task statement
Lead outcome	Component outcome	Remembering and understanding	Application	Analysis	Evaluation	
1. Sources and types of risk	a. Sources of risks			✓		Analyse upside and downside risks arising from internal and external sources and from different managerial decisions.
	b. Types of risks			✓		Analyse strategic and operational risks.
					✓	

The representative task statements make clear how the lead and component outcomes from the syllabus could be examined. You can download Strategic level examination blueprints [here](#).

# Key differences between 2015 and 2019 syllabus

The following section is particularly useful for you if you have studied this subject under the 2015 syllabus but will be taking the examination under the 2019 syllabus (either first time or as a re-sitter).

Some 2015 syllabus areas will no longer be examinable and these are listed below.

The new topics that have been introduced to the 2019 syllabus, or have been updated to include a digital focus, are also explained below. More detail on how these new and updated areas will be examined can be found in the examination blueprint for this examination. You can match the syllabus outcomes listed below to the representative task statements in the examination blueprint (please see example above).

# Topics added to the 2019 P3 syllabus

There are two new areas introduced to the 2019 P3 syllabus:

- Strategy, reputation and risk
- Cyber risks

These represent around 40% of the 2019 syllabus. There is some cross-over with E3 in the area of strategy (for

example, Ansoff's and Porter's models) but these topics will be examined in the context of the risks presented, rather than the theory that is to be applied, so you can consider it as new content. Cyber risks is a new topic in the 2019 Syllabus and reflects the need for organisations to identify, analyse and manage cyber threats in a digital age.

2019 syllabus learning outcome	Further details
<p>P3B: Strategic risk</p> <ol style="list-style-type: none"><li>1. Analyse risks associated with formulating strategy</li><li>2. Evaluate the sources and impacts of reputational risk</li></ol>	<p>This topic includes how strategy is formulated, including the various choices that need to be made and the risks that can disrupt strategy at each stage of the process.</p> <p>Various methods (such as scenario planning and stress testing) exist to assess strategy, and you will also need to evaluate these.</p> <p>You will need to consider reputational risk as a strategic risk and how this risk can impact the organization. Unethical behaviour and its impact on brand and reputation are included, as well as how to manage this type of risk.</p>
<p>P3D: Cyber risks</p> <ol style="list-style-type: none"><li>1. Analyse cyber threats</li><li>2. Review cybersecurity processes</li><li>3. Discuss cybersecurity tools and techniques</li><li>4. Evaluate cyber risk reporting</li></ol>	<p>You will need to understand how organisations can be vulnerable to cyber threats and the impact these can have. An understanding of how organisations review their cyber security processes is also covered.</p> <p>The syllabus then requires an understanding of the various forms of protection that exist to counter such cybersecurity threats, including the role of the board and other key stakeholders. Specific tools and techniques to mitigate and manage cyber risks are covered.</p> <p>You will need to know about the various frameworks that exist to manage cybersecurity risk (such as ISO 27001, SOC for Cybersecurity and SOC2).</p>

# Topics removed from the 2015 P3 syllabus

Syllabus topics D and E on 'financial risks from cash flows' and 'capital investment risk' have dropped out of P3 and, in most cases, are included in content now examined as part of F3. Some of the material in syllabus topic B1 C has also changed focus as 'information strategy' is now considered in the broader context of 'communication and cybersecurity'. The remaining syllabus content is still examinable and represents around 60% of the 2019 syllabus.

## 2015 syllabus learning outcome

### P3B Responses to Strategic Risk

The purpose and contents of information systems strategies, and the need for strategy complementary to the corporate and individual business strategies.

### P3D Managing Risks Associated with Cashflows

The whole syllabus area has been removed.

### P3E Managing Risks associated with Capital Investment Decisions

The whole syllabus area has been removed.

# Transition guidance

Our general transition advice is, wherever possible, you should aim to complete the level you are studying before transitioning to the CIMA 2019 syllabus examinations. Personalised transition guidance is provided on the CIMA website and can be found in our [interactive study planner](#). The advice changes depending on the number of subjects you have yet to complete in a specific level and the date you view the information.

## Gap learning material

There are certain circumstances under which you may benefit from additional learning material to address any knowledge gaps. For example:

- If you passed your Objective Test/s under the current CIMA 2015 syllabus but plan to take the relevant level Case Study under the CIMA 2019 syllabus.
- If you are studying for an Objective Test but plan to take that examination after 3 November 2019 under the CIMA 2019 syllabus.
- If you passed the Objective Tests for your current level some time ago and are concerned your knowledge may need refreshing.

You will be able to purchase gap learning materials for each subject after 1 August 2019. This material will be offered at a discounted price through [CIMAStudy.com](#). If you are studying with a tuition provider, they may well have their own specific arrangements for covering this content.



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