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QUESTION 1

Integrating privacy requirements into functional areas across the organization happens at which stage of the privacy operational lifecycle?

- A. Respond.
- B. Assess.
- C. Protect.
- D. Sustain.

Correct Answer: D

QUESTION 2

What is the best way to understand the location, use and importance of personal data within an organization?

- A. By analyzing the data inventory.
- B. By testing the security of data systems.
- C. By evaluating methods for collecting data.
- D. By interviewing employees tasked with data entry.

Correct Answer: C

QUESTION 3

SCENARIO

Please use the following to answer the next QUESTION:

Amira is thrilled about the sudden expansion of NatGen. As the joint Chief Executive Officer (CEO) with her long-time business partner Sadie, Amira has watched the company grow into a major competitor in the green energy market. The

current line of products includes wind turbines, solar energy panels, and equipment for geothermal systems. A talented team of developers means that NatGen's line of products will only continue to grow.

With the expansion, Amira and Sadie have received advice from new senior staff members brought on to help manage the company's growth. One recent suggestion has been to combine the legal and security functions of the company to

ensure observance of privacy laws and the company's own privacy policy. This sounds overly complicated to Amira, who wants departments to be able to use, collect, store, and dispose of customer data in ways that will best suit their needs.

She does not want administrative oversight and complex structuring to get in the way of people doing innovative work.

Sadie has a similar outlook. The new Chief Information Officer (CIO) has proposed what Sadie believes is an unnecessarily long timetable for designing a new privacy program. She has assured him that NatGen will use the best possible

equipment for electronic storage of customer and employee data. She simply needs a list of equipment and an estimate of its cost. But the CIO insists that many issues are necessary to consider before the company gets to that stage.

Regardless, Sadie and Amira insist on giving employees space to do their jobs. Both CEOs want to entrust the monitoring of employee policy compliance to low-level managers. Amira and Sadie believe these managers can adjust the

company privacy policy according to what works best for their particular departments. NatGen's CEOs know that flexible interpretations of the privacy policy in the name of promoting green energy would be highly unlikely to raise any

concerns with their customer base, as long as the data is always used in course of normal business activities.

Perhaps what has been most perplexing to Sadie and Amira has been the CIO's recommendation to institute a

privacy compliance hotline. Sadie and Amira have relented on this point, but they hope to compromise by allowing employees to take turns handling reports of privacy policy violations. The implementation will be easy because the employees

need no special preparation. They will simply have to document any concerns they hear.

Sadie and Amira are aware that it will be challenging to stay true to their principles and guard against corporate culture strangling creativity and employee morale. They hope that all senior staff will see the benefit of trying a unique approach.

If Amira and Sadie's ideas about adherence to the company's privacy policy go unchecked, the Federal Communications Commission (FCC) could potentially take action against NatGen for what?

- A. Deceptive practices.
- B. Failing to institute the hotline.
- C. Failure to notify of processing.
- D. Negligence in consistent training.

Correct Answer: A

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What Data Lifecycle Management (DLM) principle should the company follow if they end up allowing departments to interpret the privacy policy differently?

- A. Prove the authenticity of the company's records.
- B. Arrange for official credentials for staff members.
- C. Adequately document reasons for inconsistencies.
- D. Create categories to reflect degrees of data importance.

Correct Answer: C

QUESTION 5

Which aspect of a privacy program can best aid an organization's response time to a Data Subject Access Request (DSAR)?

- A. Conducting privacy training.
- B. Maintaining a written DSAR policy.

- C. Creating a comprehensive data inventory.
- D. Implementing Privacy Impact Assessment (PIAs).

Correct Answer: C

QUESTION 6

SCENARIO

Please use the following to answer the next QUESTION:

It's just what you were afraid of. Without consulting you, the information technology director at your organization launched a new initiative to encourage employees to use personal devices for conducting business. The initiative made purchasing a new, high-specification laptop computer an attractive option, with discounted laptops paid for as a payroll deduction spread over a year of paychecks. The organization is also paying the sales taxes. It's a great deal, and after a month, more than half the organization's employees have signed on and acquired new laptops. Walking through the facility, you see them happily customizing and comparing notes on their new computers, and at the end of the day, most take their laptops with them, potentially carrying personal data to their homes or other unknown locations. It's enough to give you data-protection nightmares, and you've pointed out to the information technology Director and many others in the organization the potential hazards of this new practice, including the inevitability of eventual data loss or theft.

Today you have in your office a representative of the organization's marketing department who shares with you, reluctantly, a story with potentially serious consequences. The night before, straight from work, with laptop in hand, he went to the Bull and Horn Pub to play billiards with his friends. A fine night of sport and socializing began, with the laptop "safely" tucked on a bench, beneath his jacket. Later that night, when it was time to depart, he retrieved the jacket, but the laptop was gone. It was not beneath the bench or on another bench nearby. The waitstaff had not seen it. His friends were not playing a joke on him. After a sleepless night, he confirmed it this morning, stopping by the pub to talk to the cleanup crew. They had not found it. The laptop was missing. Stolen, it seems. He looks at you, embarrassed and upset.

You ask him if the laptop contains any personal data from clients, and, sadly, he nods his head, yes. He believes it contains files on about 100 clients, including names, addresses and governmental identification numbers. He sighs and places his head in his hands in despair.

In order to determine the best course of action, how should this incident most productively be viewed?

- A. As the accidental loss of personal property containing data that must be restored.
- B. As a potential compromise of personal information through unauthorized access.
- C. As an incident that requires the abrupt initiation of a notification campaign.
- D. As the premeditated theft of company data, until shown otherwise.

Correct Answer: B

QUESTION 7

In which situation would a Privacy Impact Assessment (PIA) be the least likely to be required?

- A. If a company created a credit-scoring platform five years ago.
- B. If a health-care professional or lawyer processed personal data from a patient's file.
- C. If a social media company created a new product compiling personal data to generate user profiles.
- D. If an after-school club processed children's data to determine which children might have food allergies.

Correct Answer: D

QUESTION 8

SCENARIO

Please use the following to answer the next QUESTION.

Manasa is a product manager at Omnipresent Omnimedia, where she is responsible for leading the development of the company's flagship product, the Handy Helper. The Handy Helper is an application that can be used in the home to manage family calendars, do online shopping, and schedule doctor appointments.

After having had a successful launch in the United States, the Handy Helper is about to be made available for purchase worldwide.

The packaging and user guide for the Handy Helper indicate that it is a "privacy friendly" product suitable for the whole family, including children, but does not provide any further detail or privacy notice. In order to use the application, a family creates a single account, and the primary user has access to all information about the other users. Upon start up, the primary user must check a box consenting to receive marketing emails from Omnipresent Omnimedia and selected marketing partners in order to be able to use the application.

Sanjay, the head of privacy at Omnipresent Omnimedia, was working on an agreement with a European distributor of Handy Helper when he fielded many Questions about the product from the distributor. Sanjay needed to look more closely at the product in order to be able to answer the Questions as he was not involved in the product development process.

In speaking with the product team, he learned that the Handy Helper collected and stored all of a user's sensitive medical information for the medical appointment scheduler. In fact, all of the user's information is stored by Handy Helper for the additional purpose of creating additional products and to analyze usage of the product. This data is all stored in the cloud and is encrypted both during transmission and at rest.

Consistent with the CEO's philosophy that great new product ideas can come from anyone, all Omnipresent Omnimedia employees have access to user data under a program called "Eureka." Omnipresent Omnimedia is hoping that at some point in the future, the data will reveal insights that could be used to create a fully automated application that runs on artificial intelligence, but as of yet, Eureka is not well-defined and is considered a long-term goal.

What security controls are missing from the Eureka program?

- A. Storage of medical data in the cloud is not permissible under the General Data Protection Regulation (GDPR)
- B. Data access is not limited to those who "need to know" for their role
- C. Collection of data without a defined purpose might violate the fairness principle
- D. Encryption of the data at rest prevents European users from having the right of access and the right of portability of their data

Correct Answer: B

QUESTION 9

If an organization maintains a separate ethics office, to whom would its officer typically report to in order to retain the greatest degree of independence?

- A. The Board of Directors.
- B. The Chief Financial Officer.
- C. The Human Resources Director.
- D. The organization's General Counsel.

Correct Answer: A

Reference: <https://hbr.org/1994/03/managing-for-organizational-integrity>

QUESTION 10

Which of the following is TRUE about a PIA (Privacy Impact Analysis)?

- A. Any project that involves the use of personal data requires a PIA
- B. A Data Protection Impact Analysis (DPIA) process includes a PIA
- C. The PIA must be conducted at the early stages of the project lifecycle
- D. The results from a previous information audit can be leveraged in a PIA process

Correct Answer: A

Reference: <https://www.oaic.gov.au/s/elearning/pia/topic1.html>

QUESTION 11

Which of the following is a common disadvantage of a third-party audit?

- A. It identifies weaknesses of internal controls.
- B. It lends credibility to an internal audit program.
- C. It requires a learning curve about the organization.
- D. It provides a level of unbiased, expert recommendations.

Correct Answer: A

QUESTION 12

Which will best assist you in quickly identifying weaknesses in your network and storage?

- A. Running vulnerability scanning tools.
- B. Reviewing your privacy program metrics.
- C. Reviewing your role-based access controls.
- D. Establishing a complaint-monitoring process.

Correct Answer: A

QUESTION 13

SCENARIO Please use the following to answer the next QUESTION: Natalia, CFO of the Nationwide Grill restaurant chain, had never seen her fellow executives so anxious. Last week, a data processing firm used by the company reported that its system may have been hacked, and customer data such as

names, addresses, and birthdays may have been compromised. Although the attempt was proven unsuccessful, the scare has prompted several Nationwide Grill executives to Question the company's privacy program at today's meeting.

Alice, a vice president, said that the incident could have opened the door to lawsuits, potentially damaging Nationwide Grill's market position. The Chief Information Officer (CIO), Brendan, tried to assure her that even if there had been an actual breach, the chances of a successful suit against the company were slim. But Alice remained unconvinced. Spencer ?a former CEO and currently a senior advisor ?said that he had always warned against the use of contractors for data processing. At the very least, he argued, they should be held contractually liable for telling customers about any

security incidents. In his view, Nationwide Grill should not be forced to soil the company name for a problem it did not cause.

One of the business development (BD) executives, Haley, then spoke, imploring everyone to see reason.

"Breaches can happen, despite organizations' best efforts," she remarked. "Reasonable preparedness is key." She reminded everyone of the incident seven years ago when the large grocery chain Tinkerton's had its financial information

compromised after a large order of Nationwide Grill frozen dinners. As a long-time BD executive with a solid understanding of Tinkerton's corporate culture, built up through many years of cultivating relationships, Haley was able to

successfully manage the company's incident response.

Spencer replied that acting with reason means allowing security to be handled by the security functions within the company ?not BD staff. In a similar way, he said, Human Resources (HR) needs to do a better job training employees to

prevent incidents. He pointed out that Nationwide Grill employees are overwhelmed with posters, emails, and memos from both HR and the ethics department related to the company's privacy program. Both the volume and the duplication of

information means that it is often ignored altogether.

Spencer said, "The company needs to dedicate itself to its privacy program and set regular in-person trainings for all staff once a month."

Alice responded that the suggestion, while well-meaning, is not practical. With many locations, local HR departments need to have flexibility with their training schedules.

Silently, Natalia agreed.

The senior advisor, Spencer, has a misconception regarding?

- A. The amount of responsibility that a data controller retains.
- B. The appropriate role of an organization's security department.
- C. The degree to which training can lessen the number of security incidents.
- D. The role of Human Resources employees in an organization's privacy program.

Correct Answer: C

QUESTION 14

The General Data Protection Regulation (GDPR) specifies fines that may be levied against data controllers for certain infringements. Which of the following will be subject to administrative fines of up to 10 000 000 EUR, or in the case of an undertaking, up to 2% of the total worldwide annual turnover of the preceding financial year?

- A. Failure to demonstrate that consent was given by the data subject to the processing of their personal data where it is used as the basis for processing
- B. Failure to implement technical and organizational measures to ensure data protection is enshrined by design and default
- C. Failure to process personal information in a manner compatible with its original purpose
- D. Failure to provide the means for a data subject to rectify inaccuracies in personal data

Correct Answer: A

Reference: <https://gdpr-info.eu/art-8-gdpr>

QUESTION 15

SCENARIO

Please use the following to answer the next question:

Penny has recently joined Ace Space, a company that sells homeware accessories online, as its new privacy officer. The company is based in California but thanks to some great publicity from a social media influencer last year, the company

has received an influx of sales from the EU and has set up a regional office in Ireland to support this expansion. To

become familiar with Ace Space's practices and assess what her privacy priorities will be, Penny has set up meetings with a

number of colleagues to hear about the work that they have been doing and their compliance efforts.

Penny's colleague in Marketing is excited by the new sales and the company's plans, but is also concerned that Penny may curtail some of the growth opportunities he has planned. He tells her "I heard someone in the breakroom talking

about some new privacy laws but I really don't think it affects us. We're just a small company. I mean we just sell accessories online, so what's the real risk?" He has also told her that he works with a number of small companies that help him

get projects completed in a hurry. "We've got to meet our deadlines otherwise we lose money. I just sign the contracts and get Jim in finance to push through the payment. Reviewing the contracts takes time that we just don't have."

In her meeting with a member of the IT team, Penny has learned that although Ace Space has taken a number of precautions to protect its website from malicious activity, it has not taken the same level of care of its physical files or internal

infrastructure. Penny's colleague in IT has told her that a former employee lost an encrypted USB key with financial data on it when he left. The company nearly lost access to their customer database last year after they fell victim to a phishing

attack. Penny is told by her IT colleague that the IT team "didn't know what to do or who should do what. We hadn't been trained on it but we're a small team though, so it worked out OK in the end." Penny is concerned that these issues will

compromise Ace Space's privacy and data protection.

Penny is aware that the company has solid plans to grow its international sales and will be working closely with the CEO to give the organization a data "shake up". Her mission is to cultivate a strong privacy culture within the company.

Penny has a meeting with Ace Space's CEO today and has been asked to give her first impressions and an overview of her next steps.

To help Penny and her CEO with their objectives, what would be the most helpful approach to address her IT concerns?

- A. Implement audit logging and monitoring tools.
- B. Ensure an inventory of IT assets is maintained.
- C. Host a town hall discussion for all IT employees to delivery necessary training.
- D. Perform a gap analysis of the technical countermeasures required to meet privacy compliance.

Correct Answer: A