

Comprehensive Risk Evaluation Matrix

For Internal Auditor Review

Document Information

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Risk Evaluation Matrix

Risk ID	Risk Description	Likelihood (1-5)	Impact (1-5)	Risk Score (L x I)	Current Controls	Residual Risk	Action Required
R-01	Unauthorized Access to Financial Systems	3	5	15	User authentication, role-based access controls	Medium	Enhance monitoring and periodic access review
R-02	Data Loss due to System Failure	2	4	8	Daily backups, redundant storage solutions	Low	Test recovery procedures quarterly
R-03	Non-Compliance with Regulatory Requirements	4	5	20	Regular policy updates, compliance audits	High	Conduct mandatory staff training
R-04	Process Delays due to Manual Intervention	3	3	9	Standard operating procedures, process automation	Medium	Further automate approval workflow

Risk Rating Guide

Risk Score Range	Risk Level	Interpretation
1-5	Low	Acceptable risk, regular monitoring
6-14	Medium	Review controls, potential improvement required
15-25	High	Immediate action needed

Important Notes

- This matrix should be periodically reviewed and updated according to process changes and new risks identified.
- Risk ratings help prioritize audit focus and allocate resources efficiently.
- Documentation of current controls and action required is essential for ensuring continuous improvement.
- All evaluators should use consistent scoring criteria to maintain objectivity and comparability.
- Supplement this matrix with detailed risk assessment narratives where necessary.