

Customizable Risk Ranking Matrix Template

For Internal Audit

Risk Ranking Matrix

Likelihood (Probability)	Impact / Consequence			
	Minor (1)	Moderate (2)	Major (3)	Severe (4)
Rare (1)	Low	Low	Medium	Medium
Unlikely (2)	Low	Medium	Medium	High
Possible (3)	Medium	Medium	High	High
Likely (4)	Medium	High	High	Extreme

Criteria for Assessment

Likelihood (Probability):

- **Rare (1):** May occur only in exceptional circumstances
- **Unlikely (2):** Could occur at some time
- **Possible (3):** Might occur at some time
- **Likely (4):** Will probably occur in most circumstances

Impact / Consequence:

- **Minor (1):** Negligible impact on objectives
- **Moderate (2):** Manageable impact, short-term disruption
- **Major (3):** Significant impact, long-term disruption
- **Severe (4):** Critical impact, failure to achieve objectives

Risk Levels

Risk Level	Description	Action Required
Low	Acceptable risk; monitor periodically.	No immediate action needed.
Medium	Monitor and manage according to audit cycle.	Address as part of normal processes.
High	Significant; requires attention by management.	Action plan required; escalate if necessary.
Extreme	Critical; threatens achievement of objectives.	Immediate action and escalation required.

Important Notes:

- This matrix is customizable; adapt criteria and scoring to fit your organization's risk context.
- Risk rankings should be based on consensus among audit team members and validated with process owners.
- Review and update this template regularly to reflect changes in business environment and risk appetite.
- Clearly document any rationale or assumptions for assigned risk ratings in the audit working papers.

- This tool supports, but does not replace, professional judgment in risk assessment.