

# Customizable Risk Ranking Matrix Template

## For Internal Audit

### Risk Ranking Matrix

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