

Hybrid Risk Assessment Matrix for Audit Planning

Audit Area/Process:

Risk Factors	Description	Likelihood		Impact		Control Environment (Strong/Weak)	Overall Risk Level (L, M, H)
		Score (1-5)	Rationale	Score (1-5)	Rationale		
Strategic	Alignment with organizational objectives	3	Potential misalignment	4	Could affect achievement of goals	Strong	Medium
Financial	Financial loss or errors	2	Limited exposure	5	High value transactions	Weak	High
Compliance	Legal or regulatory violation	4	History of non-compliance	4	Potential penalties	Weak	High
Operational	Process inefficiencies	3	Past process issues	3	Could disrupt operations	Strong	Medium
Reputational	Potential for reputational damage	2	Low likelihood	4	Negative public perception risk	Strong	Low

Overall Audit Priority: **High**

Important Notes:

- This hybrid matrix format combines both qualitative and quantitative risk factors for comprehensive audit planning.
- Scores should be determined collaboratively, considering both inherent and residual risks.
- Document rationale for each score to ensure transparency and track previous assessments.
- The overall risk level guides audit resource allocation and scheduling of reviews.
- Regularly review and update risk assessments to reflect changes in business and control environments.