

Qualitative Risk Assessment Matrix Sample

For Audit Activities

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

Likelihood increases → Consequence increases →

Risk Level Descriptions

Risk Level	Description
Low	Minimal impact. Acceptable risk; manage by routine procedures.
Medium	Some impact. Requires monitoring and management attention.
High	Significant impact. Timely action required to mitigate risk.
Critical	Major impact. Immediate action required at the highest level.

Important Notes:

- This matrix provides structured guidance for assessing the qualitative risks associated with audit activities.
- The assessment is based on judgements of likelihood and consequence, using standard definitions.
- Risk ratings help prioritize audit focus and guide management responses.
- Regular review and calibration of risk criteria are recommended to ensure ongoing relevance.
- This tool does not replace detailed quantitative analysis where required.