

Risk Prioritization Matrix

Audit Planning Document

| No. | Risk Description | Likelihood (1-5) | Impact (1-5) | Total Score (L × I) | Risk Category (High/Medium/Low) | Audit Coverage |
|-----|--|------------------|--------------|---------------------|---------------------------------|-----------------|
| 1 | Unauthorized access to financial systems | 4 | 5 | 20 | High | In-depth Review |
| 2 | Process delays in month-end closing | 3 | 3 | 9 | Medium | Limited Review |
| 3 | Data entry errors in inventory records | 2 | 2 | 4 | Low | Sample Testing |

Risk Scoring Guide:

- **Likelihood:** 1 (Rare) to 5 (Almost Certain)
- **Impact:** 1 (Insignificant) to 5 (Severe)
- **Category:** High (16–25), Medium (6–15), Low (1–5)

Important Notes:

- The matrix provides a systematic basis for risk-based audit planning.
- Scores and categories should be validated by relevant stakeholders.
- Review and update the matrix regularly to reflect changing risk environment.
- Document all sources, data, and assumptions used in the assessments.