Standardized Risk Assessment Matrix Template for Audit Planning

1. Risk Assessment Matrix

Audit Area/Process	Key Risks	Likelihood			Impact			Risk Rating (L x I)	Planned Audit Coverage
		Low (1)	Medium (2)	High (3)	Low (1)	Medium (2)	High (3)		
Procurement	Non-compliance with policy			3		2		6	Full Scope
Payroll	Incorrect salary payments	1				2		2	Limited Scope
IT Security	Data breach risk		2				3	6	Review Controls

2. Risk Rating Scale

Score	Description
1 - Low	Minor impact, unlikely to occur
2 - Medium	Moderate impact, possible occurrence
3 - High	Significant impact, likely to occur

3. Summary & Actions

Audit Area	Overall Risk Assessment	Audit Priority
Procurement	High	Priority 1
Payroll	Low	Priority 3
IT Security	High	Priority 1

Important Notes

- This risk assessment matrix is a standardized tool to assist in prioritizing audit areas based on likelihood and impact.
- Risk ratings help determine audit coverage and resource allocation.
- Risk assessments should be reviewed and updated periodically as the organizational risk profile evolves.
- Professional judgment should be applied, and documentation of ratings and decisions is essential for transparency.