Internal Controls Risk Assessment Worksheet

Date: _____

Department/Process: _____

Prepared by: _____

Reviewed by: _____

Risk Assessment Table

#	Process / Area	Risk Description	Likelihood (Low/Med/High)	Impact (Low/Med/High)	Existing Controls	Control Effectiveness (Effective/Needs Improvement)	Action Plan / Recommendations
1	Payroll Processing	Incorrect salary payments due to data entry errors	Medium	High	Supervisor reviews and system validations	Effective	Periodic training for payroll staff
2	Accounts Receivable	Uncollected receivables	High	Medium	Monthly aging review, follow-up reminders	Needs Improvement	Automate reminders, management review
3	Purchasing	Unauthorized purchases	Low	High	Managerial approval required for all orders	Effective	Random audits of purchase orders
4	IT Access	Unauthorized system access	Medium	High	User access reviews quarterly	Needs Improvement	Implement multi-factor authentication

Summary of Key Risks and Controls

1. Payroll Processing: Effective controls in place, recommend continued staff training.
2. Accounts Receivable: Current controls need enhancement; automate reminders and escalate overdue balances.
3. Purchasing: Controls are effective; routine audits to maintain compliance.
4. IT Access: Improve controls by introducing multi-factor authentication and more frequent reviews.

Important Notes

- This worksheet is used to identify, assess, and address internal control risks in business processes.
- Assessment should be reviewed and updated regularly, especially after significant process changes.
- Controls should be tested periodically to ensure effectiveness.
- Action plans should be clearly assigned and tracked to completion.
- Proper documentation supports compliance and audit readiness.