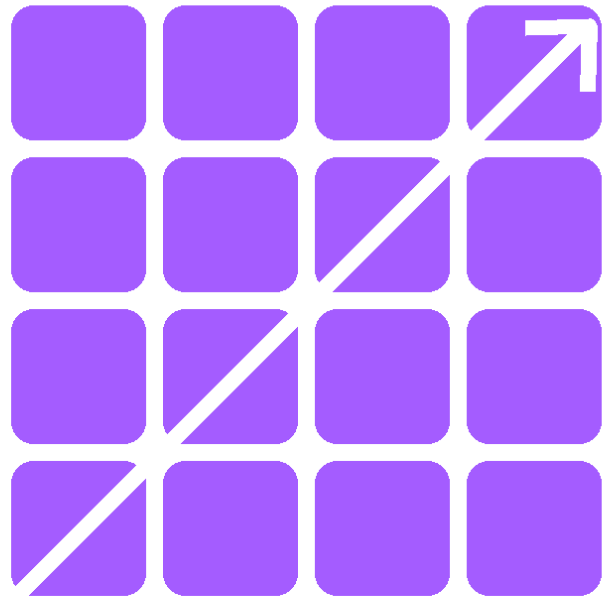


Risk Prioritization Tool

Rank audit risks using impact, likelihood, velocity and control weakness.



PRACTICAL • WORKABLE • READY TO USE

1. Purpose & When to Use It

Use this tool to reduce a long risk list into a small set of risks that deserve audit attention. It works well during annual planning, engagement-level risk assessment, or when management provides an unprioritized list of concerns.

The score is not a substitute for judgment. Its purpose is to make judgment transparent and comparable.

How to use this tool

1. Define the audit question or decision you need to support.
2. Complete the inputs using evidence available at the time - do not wait for perfect information.
3. Apply the scoring or decision logic on the next page.
4. Record the rationale behind important judgments.
5. Update the tool when new evidence changes the risk or conclusion.

Core Inputs

1. Risk statement	
2. Potential impact	
3. Likelihood / frequency	
4. Risk velocity (how quickly damage can occur)	
5. Control weakness / maturity	
6. Regulatory or reputational sensitivity	
7. Recent incidents / near misses	
8. Auditability / available evidence	

2. Decision / Scoring Matrix

Use the matrix as a disciplined prompt for judgment. Adapt thresholds to your organization where necessary.

Factor	1 - Low	2 - Moderate	3 - High
Impact	Limited local effect	Material business effect	Severe financial/compliance /reputation effect
Likelihood	Rare	Possible	Frequent / expected
Velocity	Slow; time to react	Weeks / months	Immediate / rapid
Control weakness	Strong controls	Mixed controls	Weak / unproven controls
Sensitivity	Low external impact	Some stakeholder impact	Regulatory / public / strategic sensitivity

Judgment Notes

3. Working Sheet

Complete this page during planning, fieldwork or issue validation. Keep entries brief and evidence-based.

Risk statement	
Potential impact	
Likelihood / frequency	
Risk velocity (how quickly damage can occur)	
Control weakness / maturity	
Regulatory or reputational sensitivity	
Recent incidents / near misses	
Auditability / available evidence	

4. Worked Example

The example below shows the level of detail the tool is designed for. Replace it with your own engagement information.

Risk	Unauthorized price changes
Impact	3
Likelihood	2
Velocity	3
Control weakness	3
Sensitivity	2
Priority score	13 / 15 - high audit attention

Auditor Reflection

What conclusion would you draw from this example? What evidence would you request next?

5. Quick Reference

Five reminders to keep the tool practical and audit-ready.

- 1 Define the risk as cause + event + consequence.
- 2 Score inherent risk before considering controls when possible.
- 3 Do not let a precise number create false precision.
- 4 Record the reason behind every high score.
- 5 Revisit scoring when new evidence appears.

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