

# RISK MATRIX

## PURPOSE

This matrix defines the risk levels for exceptions identified during the lab, providing a consistent basis for rating issues.

## RISK DEFINITIONSPURPOSE

- **High Risk** – A failure that could lead to material financial loss, compliance breach, or system compromise. Requires immediate action.
- **Medium Risk** – A failure that may result in moderate operational issues or internal control inefficiencies. Requires timely remediation.
- **Low Risk** – A minor control gap that does not pose immediate risk but should still be addressed.

## RISK LEVELS & CRITERIA:

### A. **HIGH RISK (Severe Impact — Immediate Action Required):**

#### 1. Criteria:

- Could cause major financial, compliance, or operational damage.

### B. **MEDIUM RISK (Moderate Impact — Prompt Remediation):**

#### 1. Criteria:

- Could cause moderate operational disruption or minor compliance breach.

### C. **LOW RISK (Low Impact — Monitor):**

#### 1. Criteria:

- Minimal impact on operations or compliance.