

RISK MATRIX

PURPOSE

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

RISK DEFINITIONS

- **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.