A **Risk Assessment Matrix** (also known as a Risk Matrix or Risk Heat Map) is a tool used to evaluate and prioritize risks based on their **likelihood** and **impact**. The key components of a risk assessment matrix are:

✅ Key Components of a Risk Assessment Matrix:

1. **Risk Identifier**
   - A unique ID or name for each identified risk.
   - Helps in referencing and tracking risks.
2. **Risk Description**
   - A brief explanation of the risk, including its cause and potential effect.
3. **Likelihood (Probability)**
   - The estimated frequency or probability of the risk occurring.
   - Often categorized as:
     - Very Low / Rare
     - Low / Unlikely
     - Medium / Possible
     - High / Likely
     - Very High / Almost Certain
4. **Impact (Severity)**
   - The potential consequence or effect if the risk occurs.
   - Often categorized as:
     - Negligible
     - Minor
     - Moderate
     - Major
     - Critical / Catastrophic
5. **Risk Rating / Score**
   - A combination of likelihood and impact, often calculated as:

     Risk Score=Likelihood×Impact\text{Risk Score} = \text{Likelihood} \times \text{Impact}Risk Score=Likelihood×Impact

   - Usually represented on a color-coded grid (e.g., green, yellow, red) to indicate priority.
6. **Risk Category**
   - Groups similar risks together (e.g., technical, operational, financial, legal, environmental).
7. **Mitigation Strategies / Controls**
   - Actions to reduce the likelihood or impact of the risk.
8. **Risk Owner**
   - The person or team responsible for monitoring and addressing the risk.
9. **Status / Comments**
   - Current status of the risk (e.g., open, mitigated, closed) and any additional notes.