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.

1. **Risk Category**
   * Groups similar risks together (e.g., technical, operational, financial, legal, environmental).
2. **Mitigation Strategies / Controls**
   * Actions to reduce the likelihood or impact of the risk.
3. **Risk Owner**
   * The person or team responsible for monitoring and addressing the risk.
4. **Status / Comments**
   * Current status of the risk (e.g., open, mitigated, closed) and any additional notes.