



AI Risk Identification & Evaluation Matrix

An **AI Risk Identification & Evaluation Matrix** is a visual, structured tool for scoring and prioritizing risks based on **Likelihood (L)** and **Impact (I)**. It complements the AI Risk Assessment Template by focusing specifically on the **risk evaluation stage**.

Here's a clean template + example:

1. Risk Identification Table

Risk ID	Risk Description	Source of Risk	Affected Stakeholders / Process	Category (Ethical, Legal, Technical, Operational, Reputational)

2. Risk Evaluation Matrix (Likelihood × Impact)

Scoring Scale

- **Likelihood (L):** 1 = Rare, 2 = Unlikely, 3 = Possible, 4 = Likely, 5 = Almost Certain
- **Impact (I):** 1 = Insignificant, 2 = Minor, 3 = Moderate, 4 = Major, 5 = Severe

Risk Rating = L × I

- **1–5 = Low**
- **6–10 = Medium**
- **11–15 = High**
- **16–25 = Extreme**

Risk ID	Risk Description	Likelihood (1–5)	Impact (1–5)	Risk Rating (L×I)	Risk Level (Low/Medium/High/Extreme)	Priority (H/M/L)

Example: AI Recruitment System

Risk Identification Table

Risk ID	Risk Description	Source of Risk	Affected Stakeholders / Process	Category
R1	AI model shows gender bias in shortlisting	Imbalanced training data	Job applicants, HR hiring process	Ethical / Reputational
R2	Unauthorized access to candidate data	Weak access control	Candidates, regulators, HR staff	Legal / Technical
R3	AI system downtime during peak hiring	Cloud provider outage	HR teams, recruitment timelines	Operational
R4	Lack of explainability in AI decisions	Complex algorithms (black-box models)	HR managers, applicants	Ethical / Reputational

Risk Evaluation Matrix

Risk ID	Risk Description	Likelihood (1-5)	Impact (1-5)	Risk Rating (L×I)	Risk Level	Priority
R1	Gender bias in shortlisting	4	5	20	Extreme	High
R2	Unauthorized access to data	3	5	15	High	High
R3	System downtime during peak hiring	2	4	8	Medium	Medium
R4	Lack of explainability	3	4	12	High	High

With this matrix, learners can **identify risks clearly, evaluate them systematically, and prioritize actions** for treatment.

