



Risk Appetite Matrix

Agenda Item 6

National Park Authority Board Meeting

9 March 2026

Paper for decision

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1. Purpose

1.1. This paper introduces the updated Risk Appetite Matrix set out in Appendix 1.

1.2. The paper explains the process followed to create the updated Matrix and outlines the next steps in plan to roll the Matrix out as a practical tool to help decision-making.

2. Recommendation(s)

2.1. The Board are asked to:

- Approve the updated Risk Appetite Matrix, and
- Note that the Risk Appetite Framework will be updated to include the approved Risk Appetite Matrix and presented for approval at Audit and Risk Committee.

3. Contribution to National Park Partnership Plan 2024-2029 and/or our Corporate Plan 2025-2030

- 3.1. Developing a refreshed Risk Management Framework is a key objective of the Corporate Plan. The Risk Appetite Matrix forms part of the Risk Appetite Framework.
- 3.2. This work contributes to the good governance of the organisation, which underpins all Outcomes and Priorities of the National Park Partnership Plan 2024-2029 and our Corporate Plan 2025-2030.

4. Background

- 4.1. Our current Risk Management Framework was approved by the Board in March 2022. Our organisation and the wider landscape in which we operate has changed significantly since then.
- 4.2. Our Partnership Plan is rightly ambitious, and the expectation is that we won't be able to achieve all of it. But to achieve as much of it as we can we'll need to make decisions about how to maximise the use of our resources. And we need to take a degree of risk in those decisions.
- 4.3. Having a Risk Appetite Matrix will help us focus our activity on the most important actions to bring our vision closer.
- 4.4. We need the Risk Appetite Matrix to be approved before we can update the Risk Management Framework.

5. Review methodology

- 5.1. Our review has been informed by:
 - Board feedback from the strategy day in September 2025
 - Input from all members of our Executive Team
 - Benchmarking against our peers across the public sector
 - Cross-referencing against the trends in the Scottish Government's "[Young People and the Future of Scotland](#)" report and the priorities identified in last year's Youth Committee survey. The mapping showing how these themes have been reflected in the Matrix is included as Appendix 2 for information.

6. Role of the Risk Appetite Matrix

6.1. Using the Matrix will help speed up our decision-making and make it more robust. Following the Matrix will give decision-makers:

The right information at the right time and in a consistent way so they can properly assess the risk of taking – or not taking – the decision

Confidence to proceed where the decision is within the risk appetite set out in the Matrix; and

A clear escalation route to the Executive Management Team where they consider there is a compelling reason to go ahead with a decision what would otherwise be out-with appetite.

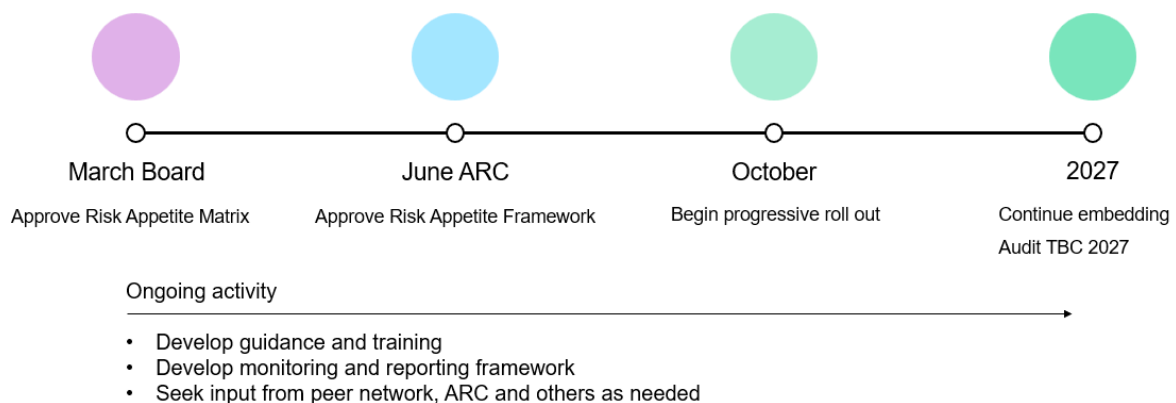
6.2. This in turn improves the efficiency of our decision-making because it:

- creates consistency – everyone takes the same factors into consideration
- improves clarity and transparency – the record of the decision clearly shows why it was taken, and
- supports the full decision lifecycle – articulating what would happen if risks materialise helps us manage potential impacts before they arise.

6.3. Approving the Matrix is the first step towards making this happen.

6.4. We'll embed the Matrix into our day-to-day decision-making. To do this we'll need to have appropriate training and guidance in place and have a proportionate process for oversight and reporting. We'll create the operational design of this with key internal stakeholders building on the experience and learnings from other public sector organisations.

7. Next steps



8. Risks

We've identified the following risks if we don't implement the Risk Appetite Matrix, or don't embed it successfully.

- 8.1. **Compliance risk:** not having an approved Risk Appetite Matrix means we are at risk of not being able to demonstrate we have appropriate governance and controls to identify, evaluate and manage risks (**Governance and Legal & Regulatory risk categories**)
- 8.2. Opportunity risk: not having an approved Risk Appetite Matrix means we are at risk of being risk averse in areas where we don't need to be (**Governance risk category**)
- 8.3. **Delivery risk:** there's a risk that we don't successfully embed the Matrix into our day-to-day decision-making process. As explained in section 6 above we have a plan to develop the necessary guidance, training, monitoring and reporting (**Governance and Operational risk categories**).

9. Appendices

Appendix 1 – Risk Appetite Matrix

Appendix 2 – Table showing how trends identified in [Young People and the Future of Scotland](#) report and Youth Committee's survey 2025 have been reflected in the Matrix

Appendix 3 – Table showing mapping from old to new risk categories.

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