



# Appendix 1: Risk Appetite Matrix

## Agenda Item 6

### National Park Authority Board Meeting

9 March 2026

Paper for decision

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## RISK APPETITE MATRIX

Category	Risk	Appetite	Rationale
Reputational	Risks which impact on the Authority's reputation and public image:		The Authority's reputation is a critical asset. Damage to its reputation can undermine the Authority's ability to deliver its core aims.
	<ul style="list-style-type: none"> <li>risks arising from innovative activities which align with our key corporate priorities</li> </ul>	Moderate to Open	The Authority has a <b>moderate to open</b> appetite to take action to support its key corporate priorities even where the Authority is aware it might be subject to challenge or differing views.
	<ul style="list-style-type: none"> <li>risks of working with others to promote our brand, vision, goals and priorities</li> </ul>	Moderate	The Authority has a <b>moderate appetite</b> to develop relationships with other bodies to deliver the ambitions in its Partnership and Corporate plans.
	<ul style="list-style-type: none"> <li>risks of decisions where sustainability, climate, greener living and net zero ambitions haven't been properly considered</li> </ul>	Low	The Authority has a <b>low appetite</b> for risks likely to have an adverse impact on those it works with or generate adverse publicity.
	<ul style="list-style-type: none"> <li>risks of innovation and activity that isn't aligned with corporate priorities</li> </ul>	Low	The Authority has a <b>low</b> appetite for activity that isn't clearly aligned to its corporate priorities, or for systemic or repeated failures in our processes.
	<ul style="list-style-type: none"> <li>risks of systemic or repeated failures in operational performance</li> </ul>	Low	
	<ul style="list-style-type: none"> <li>risks of breach of conduct and ethical standards</li> </ul>	No	The Authority has <b>no appetite</b> for any criminal acts or breach of ethical or professional standards either internally or with key partners.
Environment and Sustainability	Risks which impact our environmental and sustainability objectives:		Positively promoting nature restoration, biodiversity and climate impact and / or a more sustainable way of living through greener housing, jobs, skills and economy is key to delivering the Authority's aims core aims.
	<ul style="list-style-type: none"> <li>risks arising from our strategic leadership and action on the environment and sustainability</li> </ul>	Moderate to Open	The Authority has a <b>moderate to open appetite</b> for leading, communicating and promoting opportunities to influence. This reflects the Authority's desire to be innovative in advancing the case for nature, biodiversity, the climate and a greener way of living, and recognises the need to work with and influence others to deliver. The Authority has an <b>open appetite</b> to exploring innovative opportunities to deliver those aims.
	<ul style="list-style-type: none"> <li>risks from failure to work effectively with partners to reduce climate change, biodiversity loss or negative ecological impact and / or promote a greener and more accessible way of living through greener housing, jobs skills, economy and tourism.</li> </ul>	Low	The Authority has <b>low appetite</b> for failing to engage and work effectively with partners as effective collaboration is needed to address environmental and sustainability risks. However the Authority recognises there are limits to the influence it has in whether and how partners engage.
	<ul style="list-style-type: none"> <li>risks arising from organisational actions or inaction – intentional or unintentional – which result in harm, danger or damage to the environment or cause negative environmental or climatic impacts</li> </ul>	Open No	The Authority has an <b>open appetite</b> to taking action and decisions which aim to protect and / or deliver benefits to the environment, nature and / or climate.  Conversely, the Authority has <b>no appetite</b> for actions, inactions and / or decisions which cause avoidable net harm to the environment, nature and / or climate. In taking actions and decisions the Authority will be mindful of any legal, regulatory or Scottish Government policy requirements that might apply, for example in its role as Planning authority.

<b>Property and Assets</b>	Risks that impact on the Authority's property and/or assets:		As a public body the Authority has a responsibility to manage and maintain its property and assets efficiently.
	<ul style="list-style-type: none"> <li>risks from the statutory community empowerment process</li> </ul>	Open	The Authority has an <b>open appetite</b> for considering asset transfer or similar engagement requests as this reflects the Authority's commitment to community empowerment.
	<ul style="list-style-type: none"> <li>risks of unauthorised and/or inappropriate use of or access to Authority assets leading to damage, theft or vandalism</li> </ul>	Low	The Authority has a <b>low appetite</b> for such damage. Although the Authority cannot always control the actions of others it will take appropriate steps to prevent damage from unauthorised access
	<ul style="list-style-type: none"> <li>risks of damage from natural events such as fire, flooding or extreme weather</li> </ul>	Low	While it has little control over natural events, the Authority will take appropriate steps to prevent or minimise damage as it has a <b>low appetite</b> for damage from such events.
	<ul style="list-style-type: none"> <li>risks from complex ownership or tenancy structures resulting in legacy operational/maintenance/legal issues</li> </ul>	Low	The Authority has a <b>low appetite</b> for these complex structures because resolving them diverts resources away from delivering its core priorities over the longer-term.
	<ul style="list-style-type: none"> <li>risks from failure to use or maintain Authority property and assets appropriately</li> </ul>	No	As a public body the Authority must demonstrate value for money. As a result, the Authority has <b>no appetite</b> for failing to use or maintain its property or assets in an appropriate way through their life cycle.
<b>People and Knowledge</b>	Risks which impact on the Authority's employees:		The Authority's people are its biggest asset. Supporting and developing staff to deliver maximum impact within the available capacity is key to the Authority's ability to deliver its core aims.
	<ul style="list-style-type: none"> <li>risks arising from innovative development of people and skills</li> </ul>	Moderate	The Authority has a <b>moderate appetite</b> for exploring innovations that improve culture and support transformational change or continuous improvement to meet our ambitious goals within our capacity.
	<ul style="list-style-type: none"> <li>risks arising from poor workplace culture</li> </ul>	Low	Workplace culture has an important part to play in high employee morale, engagement, retention and productivity. The Authority therefore has a <b>low appetite</b> for weaknesses in workplace culture.
	<ul style="list-style-type: none"> <li>risks of insufficient capacity or capability</li> </ul>	Low	The Authority has a <b>low appetite</b> for taking risks that mean it is unable to manage its talent, succession plan, motivate, develop and train its staff. This includes having the right people in the right jobs, effective people management and a structure fit to deliver the Authority's organisational outcomes.
	<ul style="list-style-type: none"> <li>risks of inappropriate conduct and unacceptable behaviour</li> </ul>	No	The Authority has <b>no appetite</b> for risks that give rise to harassment or other similar claims.
	<ul style="list-style-type: none"> <li>risks of breach of employment legislation / HR policies</li> </ul>	No	The Authority has <b>no appetite</b> for risks that undermine the health and safety, wellbeing, diversity and equality of its employees or the public.
<b>Operational</b>	Risks adversely impacting the Authority's ability to deliver accessible and inclusive services:		Delivery of statutory services (such as planning and our role as access authority) is regulated and complex, with continued pressure on budgets.
	<ul style="list-style-type: none"> <li>risks from processes which adversely impact user services and / or deliver poor value for money</li> </ul>	Low to moderate	The Authority has a <b>low appetite</b> for inadequate, poorly designed or ineffective processes, or failure / inadequate review of processes which adversely affect user services. The Authority needs to deliver accessible and inclusive services effectively, efficiently and in a way that provides value for money. It therefore has a <b>low appetite</b> (for statutory services) to <b>moderate appetite</b> (for discretionary services) in how it delivers those statutory and discretionary services, and what discretionary services are provided.
	<ul style="list-style-type: none"> <li>risks of failure to deliver a statutory service, or failing to uphold health and safety in service provision</li> </ul>	No	The Authority has <b>no appetite</b> for failure to deliver a statutory service or to compromise health and safety.

<b>Information Technology and Security</b>	Risks which compromise system security and performance:		Protecting information in the Authority's systems is vital to allow continued availability and innovation against the backdrop of ever-increasing cyber security threats.
	<ul style="list-style-type: none"> <li>risks arising from being innovative and adopting new technology</li> </ul>	Moderate to low	The Authority acknowledges the efficiencies that technology can bring so has a <b>moderate appetite</b> to explore adopting innovative technological solutions. Those solutions must be sustainable, so the Authority has a <b>low appetite</b> for solutions which would create fragmented systems, rely on a single point of knowledge or require support out-with the IT resources available.
	<ul style="list-style-type: none"> <li>risks of poor system performance which adversely impacts the expected level of services provided</li> </ul>	Low	The Authority has a <b>low appetite</b> for losing continuity of business activity resulting from system unavailability or reduced performance. Resiliency planning will be aligned with strategic objectives
	<ul style="list-style-type: none"> <li>risks of failures in system security and resilience / cyber security</li> </ul>	No	The Authority has <b>no appetite</b> for unauthorised access to or use of systems and confidential data. The Authority will maintain strong controls to mitigate these risks.
<b>Political</b>	Risks arising from changing national political priorities:		The Authority acknowledges that, although its statutory aims provide a stable backdrop, it needs to be able to accommodate changes in ministerial emphasis and direction.
	<ul style="list-style-type: none"> <li>risks arising from engagement with - and activity to influence - government thinking, policies, guidance and legislation</li> </ul>	Moderate to Open	The Authority has <b>moderate to open</b> appetite for engaging with the legislative, policy and guidance process to shape and influence political priorities/commitments. The Authority will consider challenge to nature, climate and environmental commitments which are counter to its aims.
	<ul style="list-style-type: none"> <li>risks that strategies and plans: <ul style="list-style-type: none"> <li>fail to reflect current ministerial priorities</li> <li>diverge from ministerial priorities in the future</li> <li>fail to retain the flexibility to remain effective in the medium to longer term</li> </ul> </li> </ul>	Low	The Authority accepts a degree of uncertainty exists against a changing political backdrop but has <b>low appetite</b> for committing to a strategy or plan which doesn't reflect current priorities and / or fails to embed flexibility for future changes.
<b>Governance</b>	Risks which impact good governance:		Clear planning and oversight are needed to deliver the National Park Partnership and Corporate Plans while meeting the governance requirements in the Framework Agreement and other Scottish Government guidance.
	<ul style="list-style-type: none"> <li>risks arising from lack of diversity Board membership</li> </ul>	Open	The Authority actively seeks to create a diverse and representative Board and has an <b>open appetite</b> in how to achieve this.
	<ul style="list-style-type: none"> <li>risks from unclear plans and priorities</li> </ul>	Low	Given the long-term nature of the Authority's NPPP and Corporate Plans, the Authority accepts it can't predict or control all external factors affecting delivery at the outset. Having a robust annual and medium-term planning process allows it to respond to changes and therefore have a <b>low appetite</b> in this area.
	<ul style="list-style-type: none"> <li>risks from ineffective oversight of operational decision-making or organisational performance</li> </ul>	Low	The Authority has a <b>low appetite</b> for poor or ineffective oversight which may adversely impact on its people, systems and / or its ability to deliver its objectives.
	<ul style="list-style-type: none"> <li>risks from ineffective processes to support strategic decisions being taken by the Board</li> </ul>	Low	Enabling efficient and effective strategic decisions by the Board is key to the Authority's ability to deliver its aims. The Authority therefore has a <b>low appetite</b> for any process failures which compromise the Board's ability to take strategic decisions.
	<ul style="list-style-type: none"> <li>risks arising from unclear authorities and accountabilities</li> </ul>	No	The Authority has <b>no appetite</b> for unclear authorities and accountabilities which may hamper the effectiveness and efficiency of the Authority in meeting its priorities.

Legal and Regulatory	Risks which compromise compliance with the laws and regulations which apply to the Authority:		As a public body the Authority must operate within the boundaries of applicable laws, regulations, statutory guidance and ethical standards.
	<ul style="list-style-type: none"> <li>risks arising from taking enforcement or other action in support of the Authority's aims</li> </ul>	Moderate to open	The Authority has a <b>moderate to open appetite</b> to take appropriate enforcement or other action to support the exercise of its statutory powers, to protect its people and assets from harm, to defend its position, and to recover costs from third parties where their actions have caused the Authority to suffer loss
	<ul style="list-style-type: none"> <li>risks arising from interpretation of the laws and regulations which apply to the Authority.</li> </ul>	Low to moderate	Where (a) there is a legal argument supporting a proposed course of action (ie legal advice is that the Authority is likely or very likely to win any challenge) and (b) the proposed approach clearly furthers the Authority's statutory aims, the Authority has a <b>low to moderate appetite</b> to adopt a course of action which could give risk to risk of challenge.
	<ul style="list-style-type: none"> <li>risks arising from some other action, inaction or event which could result in a claim being made or the Authority incurring a liability or other loss.</li> </ul>	No to low	The Authority has <b>no to low appetite</b> for events which could result in a claim, liability or loss. This includes, for example, defects in its procurement processes or defects in documenting (or failing to document) contracts or funding arrangements.
	<ul style="list-style-type: none"> <li>risks from failure to comply with legal and regulatory obligations</li> </ul>	No	The Authority has <b>no appetite</b> for breaches.
Financial	Risks which compromise sound financial stewardship and sustainability:		To deliver its objectives the Authority must exercise prudent stewardship over its financial resources, maintain strong internal controls and ensure compliance with applicable governmental and accounting standards. The Authority recognises it cannot always control or precisely predict external factors that may affect its financial resources or spending plans but will make prudent decisions to mitigate the financial impact.
	<ul style="list-style-type: none"> <li>risks of seeking medium to long term financial sustainability</li> </ul>	Moderate	The Authority has a <b>moderate appetite</b> for exploring medium to long term financial sustainability through supplementary sources of funding and delivering efficiencies in line with the Authority and Governmental priorities.
	<ul style="list-style-type: none"> <li>risks of short term financial and delivery liabilities resulting from the annualised nature of funding</li> </ul>	Low to moderate	The Authority has a <b>low to moderate appetite</b> for short-term financial risk that occurs in response to external factors, providing it is consistent with the National Park Partnership Plan and Corporate Plan and governmental standards including the Scottish Public Finance Manual.
	<ul style="list-style-type: none"> <li>risks arising from poor financial management, reporting and internal controls including controls to mitigate against fraud</li> </ul>	No	The Authority has <b>no appetite</b> for weaknesses in financial management, reporting or internal controls that would result in it being non-compliant with the SPFM, Accounting Standards or any other applicable rules or regulations. This also includes weaknesses that would expose the Authority to an unreasonable risk of fraud.
	<ul style="list-style-type: none"> <li>risks of not achieving value for money from the resources deployed or not protecting financial assets</li> </ul>	No	The Authority has <b>no appetite</b> for resource utilisation that does not represent value for money for public funds nor expose the financial assets of the Authority to unreasonable risk.