

Risk Management Framework



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1. Executive Summary

Risk management is an increasingly vital strategic consideration to all organisations concerned at minimising and where possible mitigation (treatment plans) the adverse impact of unplanned events. There is a cost associated with effective risk management implementation and it is important to ensure a balance between wasting resources on trivial risk issues and missing potentially important events.

This Framework considers all of the operations and activities of the Shire of Nannup with potential risks assessed to ensure their relevance and whether mitigation strategies are required. The document is not static, and must not become so, to ensure that the Shire of Nannup is always relevant to our increasingly complex and ever-changing external environments it will be reviewed annually by governance.

In summary, this Framework provides an integrated plan and approach for the Shire to ensure it has taken appropriate steps to prepare itself for any adverse effects flowing from unplanned events.

2. Scope

This Framework aims to provide guidance to the Shire of Nannup in applying risk management processes across the organisation's operations to ensure that it has taken appropriate steps to prepare itself for any adverse effects flowing from unplanned events.

3. Definitions

- **Risk:** As defined in AS-NZS ISO 31000:2018 as “effects of uncertainty on objectives”. A risk is often specified in terms of risk sources, potential events or circumstances and the consequences and likelihood that flow from it. Risk is a situation involving exposure to danger. It is the process of planning, organising, directing, and controlling the resources and activities of an organisation in order to minimise the adverse effect of accidental losses on that organisation at least possible cost.
- **Risk Management:** AS-NZS ISO 31000:2018 defines risk management as “coordinated activities to direct and control an organisation with regard to risk”. It encompasses the forecasting and evaluation of financial, operational, and strategic risks together with the identification of procedures to avoid or minimise their impact.
- **Risk Management Framework:** ISO Guide ISO Guide 73:2009 Risk Management - Vocabulary defines a risk management framework as a “set of components that provide

the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization”.

- **Mitigation:** The action of reducing the severity, seriousness, or painfulness of something.
- **Impact:** Actual or potential for a marked effect or influence (impact) that may occur.
- **Likelihood:** Probability of chance of an incident occurring.
- **Consequence:** A result or effect, typically one that is unwelcome or unpleasant.

4. Risk Assessment Matrix

A risk assessment matrix, also known as a Probability and Severity Risk Matrix, is a visual tool that depicts the potential risks affecting a business. As part of the risk management process, local governments use risk matrices to help them prioritise different risks and develop an appropriate mitigation strategy.

There are four (4) main steps to calculate risk using the risk matrix:

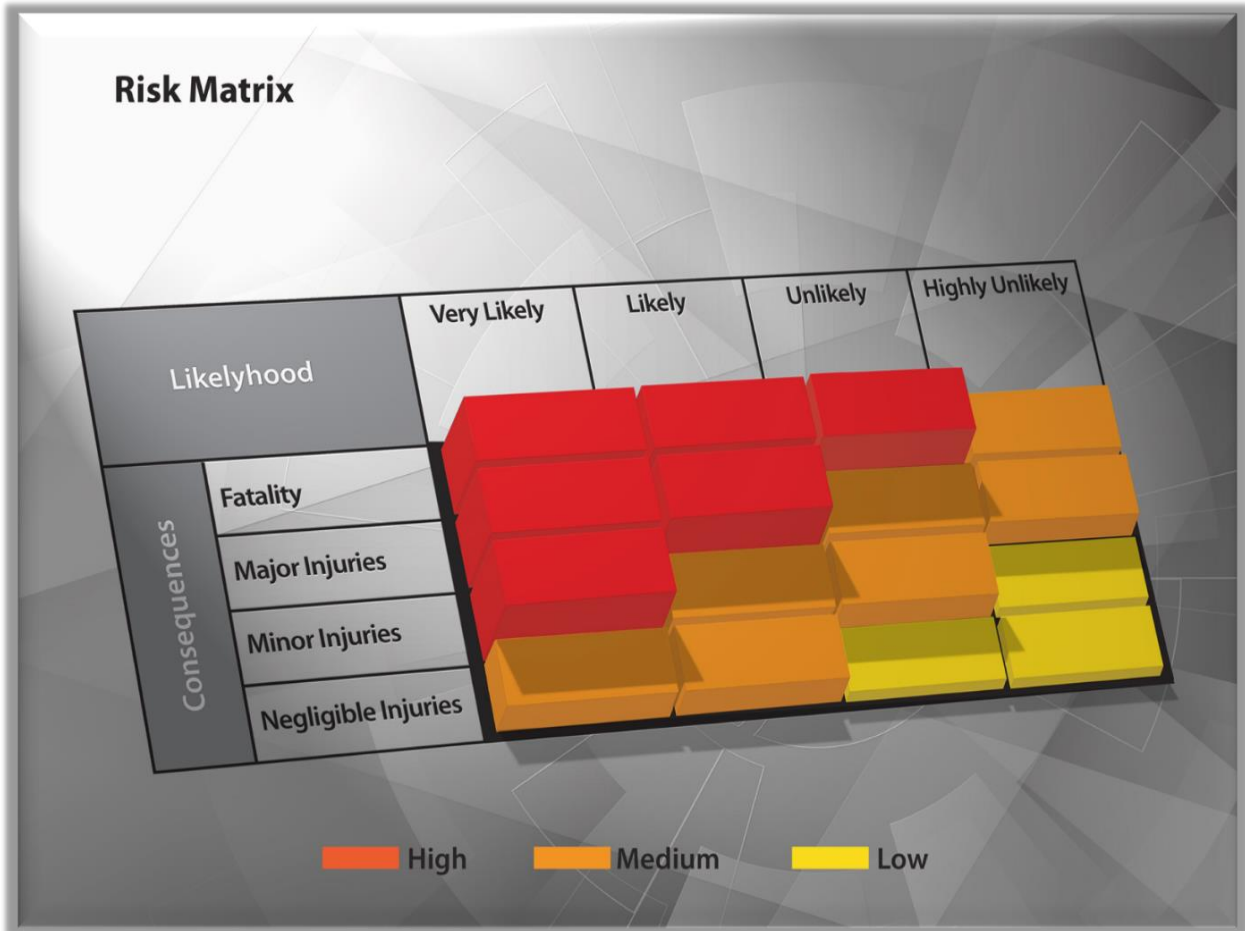
- Step 1: Identify the risks related to your organisation and or project.
- Step 2: Define and determine risk criteria for your organisation and or project.
- Step 3: Analyse the risks identified.
- Step 4: Prioritise the risks and make an action (treatment) plan.

The Matrix has five (3) levels of risk (five can be used if deemed necessary) as outlined below:

- **Low (insignificant) Risk:** Like but not limited to, disruptive or concerning behaviour or incident (as a guide we may think along the lines of <3% Chance).
- **Medium (Marginal) Risk:** More involved or repeated disruption where the incident overvents or behaviour is more concerning these ate more seriously disruptive incidents or events. (as a guide we may think along the lines of between 10%-50% Chance).
- **High or Extreme (Catastrophic) Risk:** are risks of very bad outcomes or "high or extreme consequence", but of low probability. They include the risks of terrorist attack, biosecurity risks such as the invasion of pests, and extreme natural disasters such as major earthquakes (as a guide we may think along the lines of >80% chance).

The following internationally accepted risk assessment framework is used as a guide for users in understanding the risk profile of an issue and or potential event. The matrix has been applied to the risk identification in the Shire’s Risk Register.

The risk analysis is explained more in the section on risk analysis in section 5.7.4.

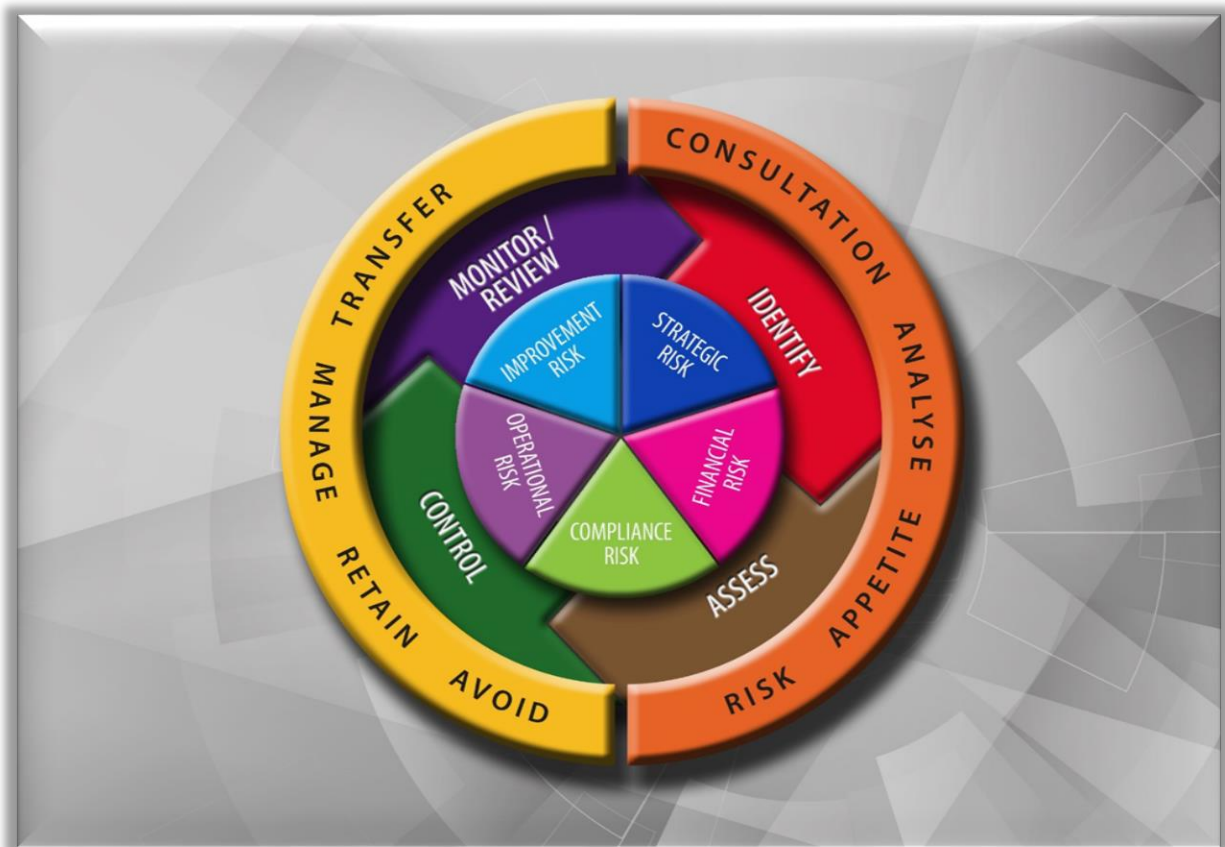


5. Standard Risk Models

A risk-based approach addresses the inherent uncertainty in the relationship between information quality and organisational impact. It can assist managers to understand the risk dimensions and how to manage them.

The following High-level model shows the aspects of understanding risk management from the core (centre) the types of risks, to identifying, assessing using the assessment framework, controlling, or mitigating the risk to monitoring and reviewing the risk and risk plans.

The outcomes being the analysis of the types of risk potentially present in the Shire of Nannup to how the risks are avoided, managed, mitigated, or transferred.



Generally the types of risk fall into a number of areas, like but not limited to:

- **Strategic risk** - eg a competitor coming on to the market.
- **Compliance and regulatory risk** - eg introduction of new rules or legislation.
- **Financial risk** - eg interest rate rise on your business loan or a non-paying customer.
- **Operational risk** - eg the breakdown or theft of key equipment.
- **Improvement Risk** – eg loss of an opportunity.

6. Shire of Nannup Risk Model

The Shire of Nannup using the standard models has developed its Risk Model, shown below. The Risk Model is the primary source of guidance on managing risks. This Risk Assessment Framework (RAF) is a strategy for prioritising and sharing information about risks, this common view provides the organisation see which of its systems and processes are at low risk for abuse or attack and which are at high risk.

The Shire has identified a number of risks area that need to be assessed and where necessary treated. They can come from a number of areas like but not limited to:

- Audit risks,
- Compliance and regulatory risks,
- Operational risks,
- Legal risks,

- Political risks,
- Financial and credit risks,
- Technological and IT risks,
- Environmental risks,
- Strategic risks,
- Sustainability and security risks.

After listing all possible risks, the Shire selected the risks to which it is exposed and categorised these into core and non-core risks.

The model shows the areas of risk to analyse and manage from the strategic risks including financial and system audits, the various operational risks including finance, tender and contract management and compliance. Improvement risks ensure organisational efficiency and effectiveness and the close out of improvement opportunities. A risk management framework is a set of references and tools that decision-makers rely on to make decisions about how to manage risk. It could include, for example, policies, strategies, plans, processes and models, and statements of your organisation's position on risk.



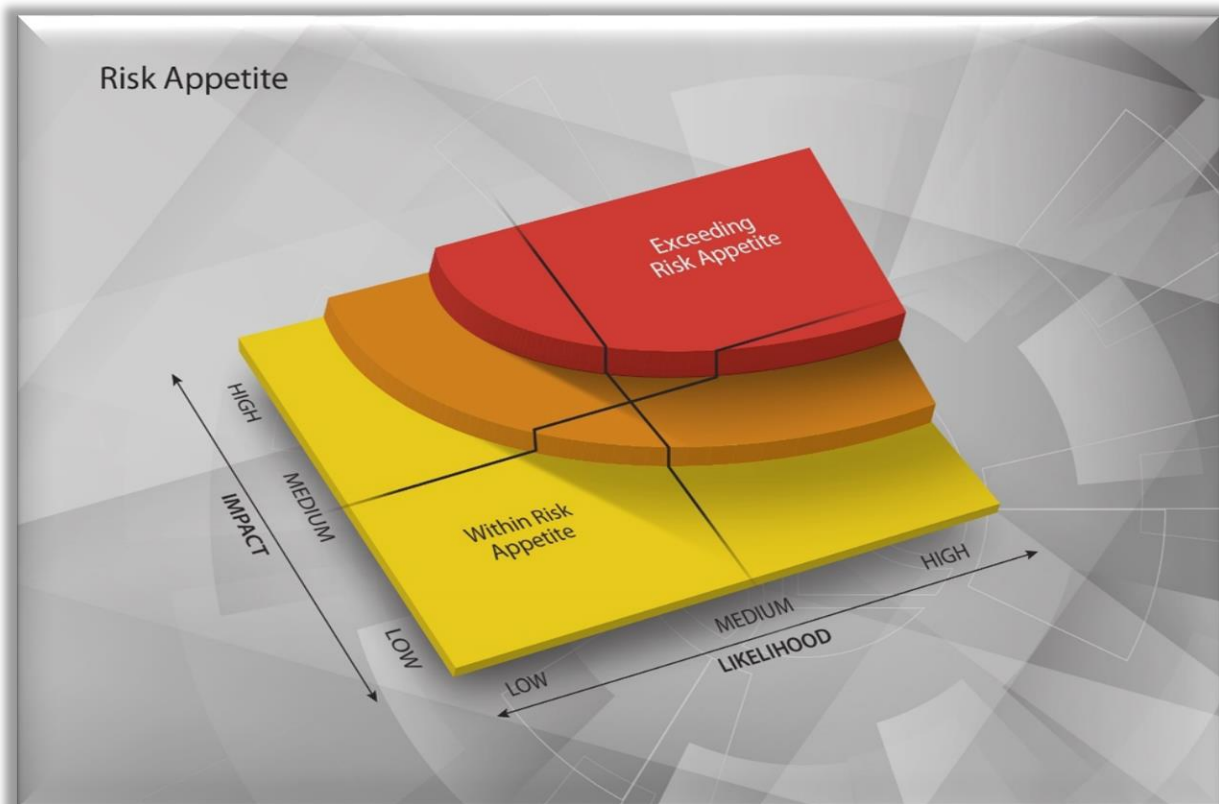
5.5 Shire of Nannup Risk Appetite

The Shire has determined that as a local government working in trust with its community the risk appetite is **low**. That is the Shire's decision-making process ensure low risk for the community is acceptable.

The key risk indicator (KRI) for the Shire is the metric used for measuring the likelihood that the consequence probability of an event and its consequences, using the Risk Matrix (discussed in section 4), will exceed the Shire's risk appetite and have a profoundly negative impact on an organization's ability to be successful.


The model below extends the Risk Matrix and allows the Shire to determine what amount of risk that the Shire is willing to accept or retain in order to achieve its objectives. Determining and articulating an entity's risk appetite assists entities to make better choices by considering risk. more effectively in decision making.

There are at least three levels at which risk appetite which are defined as: Corporate, Division or Business Unit, and Service or Product. The Risk Management Framework links together all five elements: stakeholder objectives, corporate risk appetite, business unit and department risk appetite, capabilities, and risk appetite process.



5.6 Risk Management Statement

A risk management statement was developed in 2023 by the then President of the Shire of Nannup and is reproduced below:



Risk Management Statement

The Shire of Nannup values the safety of all users as our first priority and is highly aware of our duty of care to all residents, customers, staff, volunteers, and visitors.

The Shire of Nannup are always mindful of potential risks and hazards on throughout the district and seek to communicate them effectively and clearly to all users.

Our staff and volunteers are fully aware of their responsibilities under the duty of care and have made a commitment to the Shire to undertake tasks and activities in a safe, thoughtful, and considerate manner.

The Shire on Nannup continually revisit and reassess our risk management Framework, policy, and registers to ensure we offer the safest possible environment for our users and staff.

The Shire will always welcome feedback on any element of safety or risk management practices and procedures.

In the event of an accident or incident, all details will be recorded, reported, and duly considered by the Shire with a view on minimising risk.

We are committed to continue making the Shire of Nannup a safe, enjoyable and unique place in Western Australia's Southwest.

:

Cr Tony Dean
Shire President Shire of Nannup

5.7 Risk Framework

This section establishes the strategic, organisational and risk management context in which the rest of the process takes place. It establishes the criteria against which risk will be assessed and defines the structure of the analysis.

5.7.1 Roles and Responsibilities

5.7.1.1. Council

- Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint External Auditor
- Establish and maintain an Audit Committee in terms of the Local Government Act.

5.7.1.2. Audit Committee

- Refer to Terms of Reference of Audit and Risk Committee.

5.7.1.3. CEO - Management Team

- Appoint Internal Auditors as required .
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management.

5.7.1.4. Framework.

- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues, and trends.
- Document decisions and actions arising from risk matters.
- Own and manage the Risk Profiles at Shire Level.

5.7.1.5. Executive Manager Corporate Services

- Oversee and facilitate the Risk Management Framework.
- Support reporting requirements for Risk matters.

5.7.1.6. Work Areas

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.

- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
 - o New or emerging risks.
 - o Review existing risks.
 - o Control adequacy.
 - o Outstanding issues and actions.

5.7.2. Document Structure (Framework)

The following diagram outlines the relationship between Risk Management Statement, Policy, Procedures, Framework and supporting documentation and reports.



5.7.3. Roles and Responsibilities

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis.

Each Manager, in conjunction with the Manager Corporate Services is accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least a six-monthly basis unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops, and ongoing business engagement.

5.7.3.1. Risk & Control Assessment

To ensure alignment with AS ISO 31000:2018 Risk Management Guidelines, the following approach is to be adopted from a Risk & Control Assessment perspective. The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

5.7.3.1.1. Organisational Context

The Shire's Risk Management Procedures provide the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Manager Corporate Services and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision-making processes.

5.7.3.1.2. Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process.

For risk assessment purposes the Shire has developed a high-level model as discussed in section six (6) which is divided into three levels of risk assessment context:

5.7.3.1.3. Strategic Context

This constitutes the Shire's external environment and high-level direction. Inputs to establishing the strategic risk assessment environment may include;

- Organisation's Vision, Mission, Values.
- Stakeholder Analysis.
- Environment Scan - SWOT Analysis.
- Existing Strategies, Objectives, Goals – Community and Corporate Business Plans.

5.7.3.1.4. Operational Context

The Shire of Nannup's day to day activities, functions, infrastructure, and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

5.7.3.1.5. Improvement and Project Context

Project Risk has two main components:

- Risk of not Continuously Improving, system audits, close out of previous audit outcomes, business improvement opportunities and resident and customer complaint rectification.
- Risk in Projects refers to the risks that may arise as a result of project activity (i.e. impacting on current or future process, resources, or IT systems) which may prevent the Shire from meeting its objectives
- Project Risk refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

5.7.3. Risk Identification

Using the specific risk assessment context as the foundation, and in conjunction with relevant stakeholders, answer the following questions, capture, and review the information within each Risk Profile.

- What can go wrong? What are areas of uncertainty? (Risk Description)
- How could this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)

- What are the potential consequential outcomes of the risk eventuating?
(Consequences)

5.7.4. Risk Analysis

To analyse the risks, the Shire's Risk Assessment and Acceptance Criteria as discussed in section four (4) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (**Consequence**)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (**Likelihood**)
- By combining the measures of consequence and likelihood, determine the risk rating – the Level of Risk.

The Following tables can be used as an additional guide to section four's model to risk analysis:

Shire Nannup Consequence Guide							
Rating Level	Health	Financial	Reputational	Compliance	Service disruption	Assets	Environment
Low (Minor)	First Aid Injury	Less than \$5,000	Unsubstantiated No real impact	Negligible statutory impact	Little disruption	Inconsequential Damage	Contained and minimal
Medium (Moderate)	Lost Time Injury <30 days	\$25,001 to \$100,000	Substantial public embarrassment moderate news profile	Short term but significant regulatory imposts	Temporary interruption and additional resources needed	Localised damage requiring external sources to rectify	Contained reversable impact with external agencies involved
High (Major – Extreme)	Lost time injury >30 days or a fatality	\$100,001 To \$500,000+	Substantiated prolong public embarrassment with widespread news	Non-Compliance resulting in litigation or criminal charges	Prolonged interruption greater than 1 month+	Excessive damage to complete loss of asset.	Uncontained irreversible impact

Shire Nannup Likelihood Guide			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur sat sometimes	At Least three per year
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may occur in exceptional circumstances	Less than once in 15 years

5.7.5. Risk Evaluation

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix A)
- Risk versus Reward - Opportunity

The risk acceptance decision needs to be documented and acceptable risks are then subject to the monitor and review process. Note: Individual Risks or Issues may need to be escalated due to urgency, level of risk or systemic nature.

The following Risk Acceptance Criteria can be used as a guide in evaluating the risk.

Shire Nannup Acceptance Criteria Guide			
Rating Level	Description	Criteria	Responsibility
Low (Minor)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operations Managers and Coordinators
Medium (Moderate)	Attention Required	Risk Acceptable with excellent controls, managed by senior staff subject to regular (1-3 Month) monitoring	Manager Corporate Services/CEO
High (Major – Extreme)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level authority and subject to continuous monitoring	CEO and Council

5.7.6. Risk Treatment

For unacceptable risks, determine treatment options that may improve existing controls and or reduce consequence and likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit.
- Ease of implementation
- Alignment to organisational values and objectives

Once a treatment has been fully implemented, the Manager Corporate Services is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

The main criteria against which risks are assessed are ensuring the:

- delivery of services to the community.
- provision of a safe working environment.
- provision of a safe community.
- compliance with legislation.
- maintaining of financial viability.
- maintaining of a positive image of the organisation.
- economic and environmental sustainability.
- Financial sustainability.

The Shire's risks will be assessed against the Risk Statement, Model, Policy, Procedures, Framework and the adopted Risk Matrix discussed earlier, analysed, and assessed in the Risk Register which is under document. The structure ensures responsible officers have been allocated areas of oversight and review. These officers are identified in the Register established and reviewed by governance.

5.7.7. Monitoring and Review

The Shire is to review all Risk Profiles at least on a six-monthly basis or if triggered by one of the following;

- Changes to context,
- A treatment is implemented,
- An incident occurs or due to audit or regulator findings.

The Manager Corporate Services is to monitor the status of risk treatment implementation and report on, if required.

The CEO and Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk designated at High or deemed Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of High or deemed Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of the Risk Summary report will be determined from time to time on the direction of the CEO and Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

Monitoring outcomes must be reported to the Audit Committee for information.

5.7.8. Communication & Consultation

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

Risk management awareness and training will be provided to staff as necessary.

Risk management will be included within the induction process to ensure new workers are introduced to the Shire's risk management culture.

5.7.9. SWOT Analysis

The objective of this Strength, Weaknesses, Opportunities and Treats (SWOT) is to define the relationship between the Shire and its environment. The operating environment encompasses a number of dimensions, as detailed in the table below; which considers each in terms of a normal SWOT evaluation, the table is not exhaustive but indicates key potential strengths and opportunities.

Dimension	Strengths	Weaknesses	Opportunities	Threats
Financial	<ul style="list-style-type: none"> Debt servicing. Moderate reserves. Growing client base. Public interest test of services. Current ratio. 	<ul style="list-style-type: none"> Reliance on assistance grants. Restrictive commercial constraints. Low alternative revenue streams. Need for DLGSC reporting. Own source revenue coverage. 	<ul style="list-style-type: none"> Other income sources. Rationalising resources. Resource Sharing. Strategic Alliances. 	<ul style="list-style-type: none"> Future removal of State income grants. Income cannot cover costs. Loss of Federal Government grants. Continues lack of operating surpluses. Misconduct/Theft
Operational	<ul style="list-style-type: none"> Existing assets. Experience base of staff. Local Lack of staff housing. Availability of contractors and consultants. Local knowledge of Shire. 	<ul style="list-style-type: none"> Condition of assets. Lack of staff capabilities. Available capital and operational budgets. Alignment of asset management and business goals. Asset sustainability ratio. 	<ul style="list-style-type: none"> Resource Sharing. Finalise policy framework. Set service levels and standards for each asset class. Rationalise assets. Making correct replacement decisions. 	<ul style="list-style-type: none"> Shortage of expertise ongoing. Asset failures. Service standards mismatch with community expectations. Lack of policy framework in place. Disruptions – IT, suppliers, power,

				damage to physical Assets
Political	<ul style="list-style-type: none"> Predictability. Western world 	<ul style="list-style-type: none"> Reactive. Quick-fix solutions. Post-election direction changes. 	<ul style="list-style-type: none"> Become more strategic. Collegiate working arrangements. 	<ul style="list-style-type: none"> Dysfunctional Council. Politicisation of Local government.
Reputation	<ul style="list-style-type: none"> Corporate style. Citizen centred. Commitment to improve image. Proactive. 	<ul style="list-style-type: none"> variable local press coverage. Communication and marketing budgets. 	<ul style="list-style-type: none"> Increase promotion. Reposition Shire as a tourist centre. Reposition Shire as a great place to live. 	<ul style="list-style-type: none"> non-unified approach to dealing with press lack of interest by media no longer seen as a valuable asset by the community
Social	<ul style="list-style-type: none"> strong social focus within the Council. Community interest in the Shire as a lifestyle place. Community Planning. 	<ul style="list-style-type: none"> increasing anti-social trends. negative feedback on social media. Meeting community expectations. 	<ul style="list-style-type: none"> Improve website. Improve social media presence. 	<ul style="list-style-type: none"> Loss of control of social media. Dominance of minority groups. Community expectations changing quickly.
Resident	<ul style="list-style-type: none"> Open and transparent AGMs. Resident data base and regular contact. Increased resident focus. 	<ul style="list-style-type: none"> Lack of understanding of constraints on the Shire (financial, etc) Public knowledge of the Shire and its products and services. 	<ul style="list-style-type: none"> Improve relationship management Develop customer complaint processes. 	<ul style="list-style-type: none"> Lack of Resident service charter. Lack of satisfaction Surveys.
Cultural	<ul style="list-style-type: none"> strong local heritage/history. Strong staff culture. 	<ul style="list-style-type: none"> No understanding of what the desired Shire culture should be. 	<ul style="list-style-type: none"> relationship management. celebrate our successes more. 	<ul style="list-style-type: none"> Loss of public concern for heritage.
Legal	<ul style="list-style-type: none"> Act and Regulations. Shire governance policy and procedures. 	<ul style="list-style-type: none"> Limited opportunity to shape legislation. Society being more litigious. Cost of legal services. 	<ul style="list-style-type: none"> Lobby. Train and develop internal resources. 	<ul style="list-style-type: none"> imposed legislative changes. increasing exposure to litigation.
Compliance	<ul style="list-style-type: none"> Local Government Act and Regulations. Council understanding of need for compliance. Well-articulated Corporate Strategic Plan. 	<ul style="list-style-type: none"> Increasing compliance and regulation. Lack of policy formation expertise. Available time. 	<ul style="list-style-type: none"> Develop compliance calendar. Review delegations register. Finalise structural frameworks and policy manuals. 	<ul style="list-style-type: none"> Major compliance breach. Lack of governance oversight.

5.8 Crisis Management Process

Managing an issue or a crisis is a core function for any organisation – irrespective of size. In recognising the importance of this core function, the Shire has developed this Crisis (Issues) Communication Management Plan.

A crisis can occur at any time without any notice or warning. In order to deal with a crisis efficiently, an organisation should have an effective Crisis Management and Communication Plan in place, as insurance to protect the organisation’s corporate image or reputation. Having such a plan in place will most likely minimise the impact of the crisis on the organisation and forms part of the Risk Management Plan.

The most challenging part of dealing with a crisis is to ensure that the organisation reacts quickly and appropriately with the right response to the crisis. An incident can very quickly turn into a crisis if not managed properly, so an organisation must be prepared to deal with the unpredictable. It is also important for the Board and management team work together to ensure that appropriate stakeholders and relevant parties are communicated with throughout the period of the crisis. This will demonstrate that the organisation is coping with the issue and has everything under control.

This crisis management plan provides an overview of how the Shire will deal with a crisis and defines the roles and responsibilities of individual officers.

The Crisis Management and Communication Plan is designed to:

- Provide the Shire with communication processes to use during a crisis.
- Provide guidance to the Crisis Management Team in relation to communications.
- Define the roles and responsibilities of individual Crisis Management Team members.
- Cover all aspects of the communications required during a crisis.
- Assist the spokespeople with key messages when responding to stakeholders.
- Online strategies to demonstrate the Shire is in control of the situation and sensitive to concerns of key stakeholders and other interested parties.

A crisis is an actual event or occurrence, usually of short timeframe, which puts the Shire, and its methods of operation, under intense public and media scrutiny and which can, if not handled properly, materially impact on the business.

A crisis is usually an emergency or event that is unforeseen or seen as only a remote possibility that it will impact the Shire. It is usually short-lived (but depending on the particular crisis, last

longer). It attracts significant and sometimes hostile media attention. In some cases, the crisis can be 'championed' by media.

An example of some crises could be:

- Accidents that kill, maim, or injure people (e.g. industrial accidents, fire, explosions, etc),
- Environmental concerns (e.g. discharge of waste, not meeting environmental standards, WHS practices leading to injury or death)
- Organisational specific corporate malpractice (e.g. fraud, embezzlement etc.)

In simplistic terms, it is often the case that an issue is an implied or potential event which can be proactively managed, while a crisis is an actual event or occurrence which requires a reactive response.

The Shire defines a crisis as:

“An event, or series of events, that seriously threatens the ability of the Council, organisation, or staff, to carry out the requirements of the Local Government Act or Regulations on a daily and practical basis, or ... an event, or series of events, that seriously threatens the safety and security of the community”.

Key Principles of Crisis Management are:

- When the crisis involves a death, serious injury, or serious health scare, a **“people first”** approach must be taken in all items actioned and key public messages. The financial impact on the organisation must be considered a second priority.
- The first concern when dealing with a crisis is the protection of life and limitation of property damage.
- The organisation will be open and transparent with all information that is permissible and act with integrity and honesty while displaying leadership and maintaining credibility.
- The organisation will ensure that all relevant parties and key stakeholders will be effectively communicated with during the period of the crisis.
- The organisation will listen to any major concerns that arise as a consequence of a crisis and through its key messages will advise how these concerns have been addressed, demonstrating the 'care' factor.
- The Shire's actions align with its organisational values of Commitment, Passion, Fun, Inclusivity, Boldness and Accountability.

The only spokesperson will be the President, or their delegate, supported by if required a strategic communications advisor with the Shires Communications Coordinator to manage all enquiries.

5.8.1 Crisis Management 4 Step Process

5.8.1.1. Step One: Establish a Crisis Management Team (CMT) and Structure

Where deemed necessary a crisis management team should be established to support the President, CEO and the Council. The CMT attempts to reduce the impact of the crisis on the organisation's reputation, employees, volunteers, assets, and revenue.

The CMT will be responsible for anticipating any business-related crisis, and planning and implementing strategies to deal with a crisis across the organisation.

Specifically, the role of the CMT is to:

- Gather all of the facts together as quickly as possible when a crisis occurs.
- Agree on the organisation's response to stakeholders.
- Communicate with key stakeholders.
- Prioritise stakeholders on a 'need to know Basis.
- Develop key messages, speech notes, media releases, briefing notes and additional material that will assist the designated spokesperson.
- Agree on an action plan and key responsibilities.
- Manage internal communications.
- Monitor and evaluate.
- Follow up and action as required.

The CMT, when establish, will consist of the following:

- Shire President.
- CEO.
- Executive Team Members.
- Area Manager where crisis occurred.
- Communications personnel.
- Specialist personal with knowledge of the issue or event.
- Specialist media advisors – when deemed necessary.
- Legal Services – when deemed necessary.
- Shire Insurer – when deemed necessary.

5.8.1.2. CEO (Team Leader)

As the ultimate decision-maker for the organisation during a crisis is the CEO working with the President and Council should be the team leader who is responsible for chairing the CMT.

5.8.1.3. President or delegate, (Spokesperson)

As outlined in this Risk Management Plan is the spokesperson for the Shire unless the President wishes the CEO or delegate allows, this permits them to speak without referral to higher authority. The CEO is also able to speak on behalf of the organisation, however, the communications personnel will address operational based messages and the President will speak on community focused messages and liaise with relevant government agencies.

5.8.1.4. The Executive Committee

The Crisis Coordinator is the central focus and is appointed by the Team Leader (generally it consists of the executive committee of the Shire, but other officers may be selected depending on the circumstances. They assume the principal co-ordination role for the duration of the crisis, and as such, must inform the CMT immediately of any changes occurring within the crisis (or even when an emerging issue could become a crisis). The Crisis co-ordinators make an initial evaluation of the seriousness of an issue when it is first identified.

In the event that the Shire is facing a reputational crisis, which does not require the mobilisation of the Crisis Management Team and can be handled from purely a communications perspective the relevant communication personnel under the guidance of the CER will form part of the CMT as opposed to the Crisis Coordinator.

5.8.1.5. Media Management

In some cases the Shire will engage special Media Advisor(s). The Media advisor(s) provide direction and leadership to the CMT regarding internal and external communication and ensure that key messages are conveyed to all stakeholders. The Media advisor(s) will also contact the communications personnel of the Shire to activate additional communications resources should they be required.

5.8.1.6. Legal Services

Legal Services maybe engaged to provide legal guidance to the CMT in relation to the legal implication of the situation which has occurred.

5.8.1.7. Step Two: Determine Roles and Responsibilities of the Crisis Management Team

Shown below is a list of the Crisis Management Team Members and their individual responsibilities.

Person, division or department or organisation	Roles and responsibilities of crisis communication management team
CEO	<p>Team Leader</p> <ul style="list-style-type: none"> ▪ Principal decision maker ▪ Chair of the CMT ▪ Severity classification and notification ▪ Response team configuration and mobilisation ▪ Determines threats going forward ▪ Sets priorities ▪ Coordinates response strategy ▪ Allocates resources ▪ Statutory notifications ▪ Up-line management communications
President	<p>Spokesperson</p> <ul style="list-style-type: none"> ▪ Speaks on behalf of the Shire ▪ Manages stakeholder relations and political contacts at all levels ▪ Communicates with all relevant parties
Strategic Communications Advisor and Marketing & Communications Coordinator	<p>Media Managers</p> <ul style="list-style-type: none"> ▪ Manages all aspects of media relations – monitor media, manage on-site media, organise media conference etc. ▪ Liaises with President and CEO on stakeholder relations and political contacts at all levels ▪ Develops key messages and media statements for release ▪ Briefs and prepares media spokesperson ▪ Becomes the central information point for dissemination of information and messages internally to staff. ▪ Communicates with all relevant parties ▪ Ensures appropriate information is distributed via relevant communication ▪ Maintain up-to-date information on media and stakeholder contacts
Executive Committee	<p>CTM</p> <ul style="list-style-type: none"> ▪ Gathers information, maintains contact with crisis site ▪ Keeps all CMT informed of crisis ▪ Keeps a log of events with details of time, event, action taken and issues arising from event
Legal Services	<p>Legal Services</p> <ul style="list-style-type: none"> ▪ Legal and regulatory advice ▪ Vetting external and internal communications ▪ Incident recording ▪ Managing the regulator interfaces
Other Selected Team Members	<p>Team Member</p>

Person, division or department or organisation	Roles and responsibilities of crisis communication management team
	<ul style="list-style-type: none"> ▪ Strategic advice ▪ Financial advice ▪ Stakeholder Engagement and Community Consultation advise ▪ Insurance and Risk Management advice ▪ Security and Emergency advice ▪ Commercial advice ▪ Operational advice

5.8.1.8. Step Three: Identify and List Potential Crises that the Shire Could Face

The following is a list of potential crises that the Shire could face (in no particular order of importance):

- Fraud
- Fire
- Disaster that effects multiple employees or volunteers
- Serious breach of Duty of Care
- Contagious Disease (i.e. SARs - COVID-19)
- Bomb threat
- Mass resignations of key staff in the organisation (i.e. loss of corporate knowledge on a wide scale)
- Council sacked or an Inquiry Called
- Permanent disablement of document servers, inclusive of back up tapes i.e. virus or loss of corporate data
- President, Elected Member or CEO in fatal accident
- Serious management issues
- Power failure for an inordinate period
- Fatalities
- Hold up

7.8.1.9. Step Four: Determine and List Stakeholders of the Shire of Nannup

Stakeholders of the Shire include, but are not limited to:

- Council and Audit Committee
- Residents.
- Facility users and customers

- Volunteers
- Insurers
- Minister of Local Government
- DLGSC.
- Other relevant Government Agencies
- Local State and federal representatives and other appropriate government officials
- Media – includes all TV, Radio, and Newspaper contacts
- Management
- Staff
- Schools
- Police
- Department of Health
- Resident Associations
- Friends Groups
- Neighbouring Councils
- Education Department
- Fire and Emergency Services
- State Emergency Services

These stakeholders must be prioritised according to the type of crisis and the communication tools required during the crisis. The level of prioritisation will of course vary depending on the type of Crisis.

5.8.2. Communications Role in Crisis Management

Communications play a critical role in crisis management. It is the role of the Strategic Communications Advisor (when deemed necessary) , with the assistance of the Communications personnel of the Shire, to identify possible or potential media crises and put in place plans and to deal with them. They also need to ensure that management understands that the key to successfully dealing with a crisis depends on how communications are handled, particularly with the media.

In order for effective communications to take place during a crisis, it is necessary for the communications team to ensure that the organisation has the following steps in place so that it is prepared to deal with a crisis, should it occur:

5.8.2.1. Before a Crisis

- The Shire will need a well-documented Business Continuity Plan.
- The Shire has determined a Crisis Management Team and structure and that the team members are aware of their roles and responsibilities.
- The Shire has identified and analysed major threats and has assessed their impacts.
- The Shire has considered its crisis management capacity in the following areas:
 - Strategic Risks
 - Safety and emergency risks
 - Compliance and regulatory risks
 - Operational; and Human resources risks
 - Legal risks
 - Insurance risks
 - Finance Risks
 - Image and PK risks
- Shire will create an up-to-date list is maintained of all relevant stakeholders and their contact details.
- Spokespeople and key executives have the appropriate media training to prepare them when dealing with a crisis.
- A management notification system is in place to deal with a crisis if it occurs out of normal business hours.
- A notification system in place to contact staff, volunteers, and relevant stakeholders of the crisis so that they can be informed directly from management rather than through the media if the matter affects them via page on web-site, email, or direct call.

5.8.2.2 When a Crisis Occurs

- Be prepared! If the above steps are in place, then the crisis team has a much better chance of dealing with the crisis effectively.
- Ensure media staff is fully equipped with necessary equipment.
- Ensure that there is proper co-ordination between management, operations, and the crisis team.
- Ensure that staff are made aware of the crisis and the facts through one centre point and understand the communication protocols in place – i.e. staff not to comment on issues – queries to be directed to appropriate spokesperson.

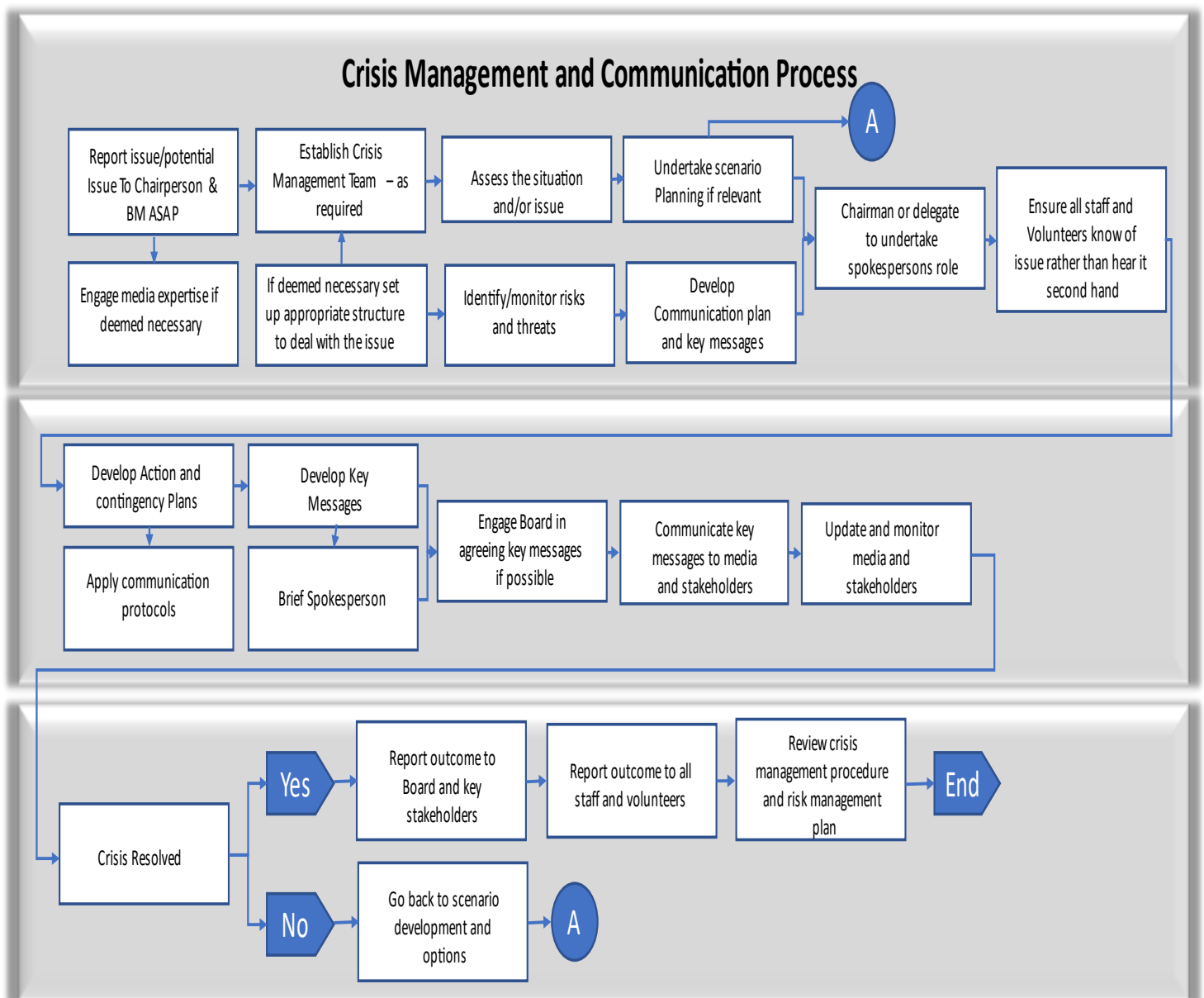
- Gather all information as soon as possible ensuring that it is factual. If necessary, get advice from legal or human resources advisory services and consultancies to determine information that is suitable for release to the media and general public.
- Provide a rapid response to the situation, even if unsure of all facts – advise that the matter is being investigated and be prepared to talk about what you don't know.
- Ensure all relevant internal and external stakeholders are informed as soon as possible – e.g. Council, Minister, Insurer, staff, employees, volunteers, media, general public, government departments, businesses, etc. so that it demonstrates that the organisation is in control of the situation.
- Do not understate the risk and sound and look concerned.
- Acknowledge that a problem exists, and that the organisation is addressing the situation and where appropriate, accept responsibility.
- Be open and honest in all communications and maintain trust and credibility.
- Set up call registers for media calls.
- Refer to and act on media strategy as appropriate – remember the following – **CLARITY, CONTROL, CONCERN, CONFIDENCE** and **COMPETENCE** when dealing with the media.
- Instigate media monitoring and log all media calls and activity.
- Determine Shire's 'position', prepare media strategy and holding statements.
- Prepare key messages and media statements and brief and rehearse spokespersons - control the message not the messengers.
- Prepare backgrounders, media strategies, key messages, and Q&As.
- Prepare for media conference or media presence if necessary.
- Assign appropriate staff to deal with administration issues.
- Prepare media summaries for volunteers, staff, and management.
- Prepare and place media statements and scripts on website.

5.8.2.3. After the Crisis

- Continue to update media and relevant stakeholders.
- Release recovery plans.
- Review performance and monitor effect of crisis on organisation.
- Review Business Continuity Plan and Crisis Communication Management Plan and amend if necessary.
- Undertake CMT debrief and learning outcomes

5.7.3 Crisis Management Process Map

The following process map outlines the procedure graphically to make knowledge retention easier.



5.9 Monitoring and Review

This document identifies and defines the risk management process through the stages of risk identification and risk analysis and area of organisational responsibility. Subsequent actions involve developing the necessary follow-on stages of prioritising the individual strategies to address the identified risks and ensure that the mitigation treatments are appropriate and understood.

In addition to this a crisis management process has been developed to assist in the risk management of high to extreme risks events.

Consistent with these follow-up activities is the need for an appropriate monitoring and review procedure to ensure the ongoing effectiveness and currency of the Plan. While the risks are widely spread across the organisation, these follow-up stages of the Plan are the responsibility of the governance area and the allocated responsible officers (RO) with Council oversight.