

Audit Committee

February 23, 2012

Subject matter**Annual Risk Management Report to the Audit Committee.****Background**

This report encompasses both the Review of the 2011-2012 Key Risks (represented by the status update as at December 31, 2011) and the 2011-2012 Key Risks and Action Plans. The report is prepared annually.

The Audit Committee requested regular updates on the management of CBC/Radio-Canada's key risks and these updates are now presented on a quarterly basis. The most recent such update was provided at the last Audit Committee meeting on November 12, 2011. Modifications made to the first three columns of the 2011-2012 report since the February 23, 2011 meeting are in blue font.

Information on the matter

See attached document.

For decision**For information****Prepared by**

Name: Suzanne Morris/Michael Mooney
date: February 10, 2012

Management recommendation

N/A

Last discussed at the Board

Date: March 15 - 16, 2011
Decision made: N/A

Next steps

Present next quarterly update on CBC/Radio-Canada's key risks at the May 2012 Audit Committee meeting.

Annual Risk Management Report

Presentation to the
CBC/Radio-Canada
Audit Committee

Suzanne Morris/Michael Mooney
February 23, 2012

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Presentation Agenda

- ✓ Review of 2011-2012 Key Risks
 - ✓ Introduction
 - ✓ 2011-2012 Key Risks Ranking
 - ✓ Status Update as at December 31, 2011

- ✓ 2012-2013 Key Risks and Action Plans
 - ✓ Introduction
 - ✓ 2012-2013 Key Risk Ranking and Risk Map
 - ✓ Key Risks and Action Plans
 - ✓ Risk Ranking Definitions

Review of 2011-2012

Key Risks

Introduction

- ✓ This part of the report provides the status of the 2011-2012 Key Risks that were presented to the Audit Committee on February 23, 2011 and to the full Board of Directors on March 15-16, 2011.
- ✓ Updates have been provided to the Audit Committee on a quarterly basis. Some of the risks have been either managed and are no longer key risks in 2012-2013 or the issues no longer exist. Some risks continue to be considered key risks in 2012-2013 and are reported in detail in the *2012-2013 Key Risks and Action Plans* section of this report.
- ✓ This is an annual report to the Audit Committee designed to provide feedback on the current year's risk management activities and further strengthens CBC/Radio-Canada's Enterprise Risk Management process.

2011-2012 Key Risks Ranking

Rank	Key Risk	2011-2012			2010-2011
		Impact	Likelihood	Risk Score	Risk Score

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

LEGEND

Risk Trend: ▼ Decreasing ► Stable ▲ Increasing • No change to status



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Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

s.18(b)
s.21(1)(b)

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend
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Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

s.68.1

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend
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Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend

Review of 2011-2012 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2011	Risk Trend
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2012-2013 Key Risks and Action Plans

Introduction

- ✓ This part of the presentation highlights the *Key Risks and Action Plans for 2012-2013*. A summary version will be included in the 2012-2013 Business Plans, Operating and Capital Budget document that will be presented to the Board on March 8, 2012.
- ✓ Media and corporate components identified, evaluated and ranked risks and provided action plans to manage their key risks as part of the 2012-2013 Business Plan submissions. Risks were evaluated and ranked by components using a common set of evaluation criteria and risk definitions provided in the Business Plan Guidelines.
- ✓ The corporate ranking of the key risks was compiled and presented to the Senior Executive Team for approval in February 2012.
- ✓ The ranking was determined by risk score, which is a function of the assessed risk's impact and likelihood of occurrence, each measured on a scale of 1 (low) to 5 (high). Risk ranking definitions are provided on page 47. Risks assessed with a score below 12 continue to be reviewed and managed by components but are not reported on in detail at the Board level.

2012-2013 Key Risks Ranking

Rank	Key Risk	2012-2013			2011-2012
		Impact	Likelihood	Risk Score	Risk Score

2012-2013 Key Risks Map



2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

2012-2013 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
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Risk Ranking Definitions

Impact Descriptions

		Description / Example
5	Severe	Multiple deaths and/or significant asset loss with extreme consequences and/or total service cessation for a day or more and/or severe revenue or cost impact and/or severe impact on the Corporation's reputation.
4	Major	Single death and/or multiple injuries and/or loss of asset(s) with high consequences and/or total service cessation for a number of hours and/or serious revenue impact or cost and/or major impact on the Corporation's reputation.
3	Moderate	Individual injury and/or loss of asset(s) with medium consequences and/or partial service cessation and/or significant revenue or cost impact and/or moderate impact on the Corporation's reputation.
2	Minor	First aid and/or loss of asset(s) with minimal consequences and/or minor service interruption and/or small revenue or cost impact and/or minor impact to the Corporation's reputation.
1	Insignificant	No injuries and/or minor loss of asset(s) and/or negligible revenue or cost impact and/or insignificant impact on the Corporation's reputation.

Likelihood Descriptions

		Description / Example
5	Almost Certain	The event is expected to occur in most circumstances.
4	Likely	The event will probably occur in most circumstances.
3	Possible	The event should occur at some time.
2	Unlikely	The event could occur at some time.
1	Rare	The event may occur only in exceptional circumstances.