

# 2024 Risk Appetite Statements

Approved by the Algonquin College Board of Governors

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## 2024 Risk Appetite Statements

### Introduction

Algonquin College (“Algonquin” or “the College”) recognizes that some degree of risk must be taken in order to achieve the stated mission of transforming hopes and dreams into lifelong success and to accomplish the 2022-2025 Strategic Plan. With this mindset, the College works to employ sound risk management principles when prioritizing and managing risks.

As part of the Enterprise Risk Management (“ERM”) framework, Algonquin College has documented the type and amount of risk, at a broad level, that it is willing to accept while pursuing the achievement of the mission, vision, and values. The Risk Appetite Statements are meant to provide high-level guidance on the amount of risk the College is willing to accept, dependent on risk topic and context. The following risk appetite statements reflect the College’s desired level of risk taking and should be interpreted as guidance for future decisions relating to achieving the 2022-2025 Strategic Plan.

### General Risk Appetite Statement

Algonquin has a **moderate appetite for risk**. Guided by the 2022-2025 Strategic Plan, the College applies a balanced approach to risk – recognizing that risk avoidance may result in inefficiencies, stifle innovation, and limit the ability to capitalize on opportunities, while arbitrary risk-taking may lead to adverse impacts on learners, employees, reputation, and financial performance. Dependent on the topic and context, the College’s appetite for risk varies; however, what will be consistent is the approach that Algonquin will take to ensure its risk-taking is reasoned and well-managed, leading us towards positive outcomes.

### Risk Appetite Statements for 6 Key Areas

Following are Algonquin’s summarized appetite statements for managing risk and pursuit of opportunity.

#### Learner Experience

Algonquin strives for flexibility, accommodation, and innovation as it serves learners and works to maximize the learner experience. Recognizing that every learner has different needs, goals, expectations and life circumstances, the College strives to be learner-driven and serve each learner on an individual level. Meeting learners “where they are” is a key differentiator for the College.

- Recognizing that the College will continuously seek to advance learner inclusivity and improvement to learner satisfaction, Algonquin has a **high appetite for risks that enhance learner experience**, without negatively impacting the College’s reputation or financial health.
- Recognizing the increasingly important role that international learners play in the College environment and success, Algonquin has a **high appetite to pursue opportunities that strengthen international learner experience**, providing that opportunities do not negatively impact domestic learner experience, employee engagement, or the College’s financial health.

## Employee Experience

Algonquin College recognizes that having highly engaged and knowledgeable employees is key to realizing its mission, now and into the future. To achieve this, Algonquin College is willing to take thoughtful risks to improve employee retention and support recruitment activities.

- Recognizing that delivering excellence to learners and employees requires talented and committed employees, Algonquin College has a **moderate to high appetite to pursue innovative opportunities that advance its ability to successfully retain and recruit employees**, provided there is a positive impact on the College's long-term financial performance.
- Algonquin College has a **high appetite to pursue initiatives that could positively impact the College's ability to provide an inclusive, diverse, equitable, and accessible work environment**.

## Academic Excellence

As a learner driven institution, Algonquin College will continue to advance the quality of its academic programs, capture the learner's voice and act on opportunities to deliver academic excellence.

- Recognizing that it must continue to innovate and evolve to meet the needs of learners and remain competitive, Algonquin College has a **low appetite for risk related to investments in underperforming programs and activities** and a **moderate appetite for risk associated with program development and program mix management**, provided there is alignment with labour market demand, and positive impacts to reputation, employee experience, and financial performance.
- Recognizing the importance of experiential learning to learners and their future employers, Algonquin has a **high appetite to pursue opportunities that advance industry and community partnerships** provided that opportunities improve learner satisfaction, have a positive impact on the College's competitive reputation, and deliver an equal balance of benefits to the College and external stakeholders.

## Innovation and Technological Advancement

Considering the current competitive environment, the increasing role of technology, and learner and employee expectations, the Algonquin College will continue to look for innovative and efficient ways to deliver services and embrace technology.

- Algonquin College has a **moderate appetite to pursue opportunities that improve the efficiency of internal administrative processes**, provided there is an enhancement to learner experience or employee engagement.

- Algonquin has a **high appetite to pursue technological advancements that enhance curriculum delivery, learner experience, and the delivery of services** provided that advancements do not increase risk to data security or have an adverse impact on the College's financial health.

## Financial Health

Algonquin College will be prudent with its financial resources in the fulfillment of its mission. Algonquin College will seek to maintain financial sustainability utilizing a holistic approach that includes effective internal controls, capital investments, revenue generation, and cost containment. Though Algonquin College may not be able to control external factors that may affect its financial resources, it will work as best it can to make risk-based decisions to mitigate potential impacts while also capitalizing on opportunities.

- Recognizing an increasing need to fund the long-term strategic growth, Algonquin College has a **moderate appetite to pursue risks related to investments**, provided that risks pursued are unlikely to negatively impact financial health.
- Algonquin College has a **high appetite to pursue new revenue generating opportunities** provided that opportunities increase the College's financial sustainability and produce a net financial contribution without negatively impacting learner experience or employee engagement.
- Algonquin College has a **high appetite to pursue donation opportunities** provided that the opportunities do not negatively impact the College's reputation in the community.

## Reputation

Algonquin College has grown and fostered its reputation as an education innovator that puts learners first and understands this is a key aspect to achieving its mission and strategic priorities. As such, Algonquin College will do its utmost to manage reputational risks in a manner that is mission-focused and in accordance with its values.

- Recognizing the important role that international learners will play in Algonquin College's future success, there is a **high appetite to pursue opportunities that are likely to improve Algonquin College's reputation with international learners and the international community**, provided it does not negatively impact its reputation with domestic learners, the domestic community or industry partners.
- Algonquin College has a **high appetite to pursue opportunities that would protect and enhance its reputation with learners, employees, alumni, the community, and industry stakeholders**, provided that opportunities do not negatively impact Algonquin College's academic priorities, strategic objectives, or financial performance.