



Alberta Enterprise Corporation Processes to Report on Value Generation

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Related Reports

- *Alberta Innovates Processes to Report on Value Generation—November 2021*, page 165
- [Processes to Manage the Student Class Size Initiative Followup—February 2020 Report](#)
- [Processes to Manage the Student Class Size Initiative—February 2018 Report](#)
- [Reporting Performance Results to Albertans Followup—August 2019 Report](#)
- [Results Analysis Reporting—July 2014 Report](#)

Appointed under *Alberta's Auditor General Act*, the Auditor General is the legislated auditor of every provincial ministry, department, and most provincial agencies, boards, commissions, and regulated funds. The audits conducted by the Office of the Auditor General report on how government is managing its responsibilities and the province's resources. Through our audit reports, we provide independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is spent properly and provides value.

Report Highlights

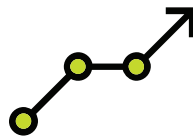


The mandate of the Alberta Enterprise Corporation (AEC) is to promote the development of knowledge-based industries and a venture capital industry in Alberta and to make venture capital available p. 151

Up to March 31, 2020,
the government
provided AEC

\$175M

million in funding for
venture capital investments,
and will provide AEC a
further \$175 million for
investment over the next
three years p. 151



Given the significance of the total investment of taxpayer money invested with AEC, it is important **AEC demonstrate to Albertans both the value generated by its activities and investments and how it is achieving its mandate**

p. 154



We found:

AEC has processes to measure, monitor and report whether its investment activities generate value in accordance with the *Alberta Enterprise Corporation Act*, but not all of these processes were effective and improvements can be made p. 157



We recommend:

AEC improve its performance reporting processes to measure, monitor and report value generation by:

- setting targets for the measures identified in the business plan
- monitoring and analyzing results compared to targets, comparative results and cost
- reporting, internally and externally, their analysis of the value it generated cost effectively, including lessons learned

p. 162



With clearly linked desired outcomes, measures and targeted planned results, AEC can better demonstrate to Albertans the value it generates from its activities in relation to what it set out to achieve p. 155

Management started the process of improving internal reporting to the board and developing targets linked to measures for future business plans in fiscal 2019-2020. p. 158

Summary

Established in 2008 under the *Alberta Enterprise Corporation Act*, the mandate of the Alberta Enterprise Corporation (AEC) is to promote the development of knowledge-based industries and a venture capital industry in Alberta and to make venture capital available to knowledge-based industries.

Venture capital is equity financing provided to companies that are in the early stages of their development. Obtaining financing can help fund operations, which over time improves the chance of success of these companies and contributes to strengthening and diversifying the provincial economy.

Up to March 31, 2020, the government provided AEC \$175 million in funding for venture capital investments, and will provide AEC a further \$175 million for investment over the next three years.

Given the significance of the total investment of taxpayer money invested with AEC, we examined AEC's processes on how it demonstrates to Albertans the value it has generated from its activities compared to what it set out to achieve under its legislated mandate.

We found AEC did have processes to measure, monitor and report whether its investment activities generate value in accordance with its mandate under the *Alberta Enterprise Corporation Act*, but not all these processes were effective, and improvements can be made.

While AEC reports to Albertans on activities and measures, it does not fully demonstrate to Albertans to what extent these activities generate value, how their results were achieved cost effectively, and lessons learned to help inform future venture capital investment.

AEC can improve its reporting of value generation by setting targets of what it expects to achieve and analyzing the results achieved to those planned results and to their cost. In doing so, it can better demonstrate the value its activities contribute to the provincial economy, and at the same time assist AEC management and the board of director's decision-making.

Management started the process of improving internal reporting to the board and developing targets linked to measures for future business plans in fiscal 2019–2020.

Background

AEC operations focus on:²⁹

1. investment in technology venture capital funds that finance early-stage, knowledge-based companies.
2. targeted initiatives to develop the venture capital ecosystem³⁰ and improve the networks connecting entrepreneurs, experienced management, and investors.

The *Alberta Enterprise Corporation Regulation* requires AEC to be a limited partner in its venture capital fund investments.³¹ The general partner of a venture capital fund is responsible for making the investment decisions regarding which companies to invest in within that fund. AEC selects which funds it will invest in, but as a limited partner, it does not decide which companies the fund will invest in. This includes investments in companies inside and outside of Alberta.

To March 31, 2020, AEC has invested \$138 million into 19 limited partnership funds, and committed to invest an additional \$50 million in these funds.

In September 2020, the government signed a transfer agreement to provide AEC a further \$175 million over three years for investment. AEC also uses these funds for administrative costs, which were \$1.8 million for 2019–2020.

²⁹ *Alberta Enterprise Annual Report 2019-20*, page 15.

³⁰ AEC defines the Venture Capital Ecosystem as the connectivity within Alberta's VC community that allows technology entrepreneurs to access the capital, operational expertise and industry networks needed to grow.

³¹ AEC invests in venture capital investment funds alongside other investors. These funds, each managed by a general partner, invests the capital received from their investors into early-stage developing companies.

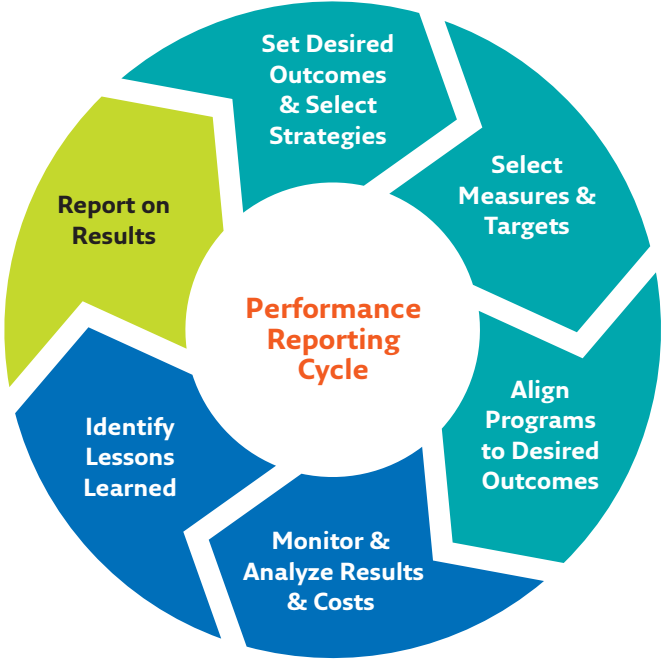
Performance measurement and assessment

Assessing performance and related desired outcomes is done through performance measures and associated targets, supported by a limited number of performance indicators.

Performance Reporting Cycle

Performance reporting is reporting on financial and non-financial performance compared with plans and targets. Organizations demonstrate their accountability for results achieved through their use of public resources in the context of fair and agreed on expectations. To demonstrate value for money for Albertans, all those who use public resources must:

- set desired outcomes and select strategies to achieve the outcomes
- select relevant performance measures and targets to achieve the desired outcomes
- align program objectives, measures and targets to achieving desired outcomes
- monitor and analyze the current results against the targets and the cost of achieving the results
- identify lessons learned of why the results were achieved
- report, internally and externally, analyzed results including lessons learned



About This Audit

Given the significance of the total investment of taxpayer money invested with AEC, it is important that AEC demonstrate both the value generated by its activities and investments to Albertans and how it is achieving its mandate.

We focused our audit on AEC's processes to define and measure value, select and monitor its investments, and subsequently report on the value generated from its investments.

Objective and Scope

Our audit objective was to assess the effectiveness of AEC's processes to define its desired results and to measure, monitor and report whether its venture capital investment activities generate value in accordance with its mandate under the *Alberta Enterprise Corporation Act*.

Our audit examined the period of April 1, 2018 to March 31, 2020, the last two complete fiscal years of AEC prior to the start of our audit.

Criteria

We used the following criteria to determine whether the audit objective was met.

AEC should have performance reporting processes to:

- define its measurable desired results and interim targets and an investment program to achieve them
- ensure desired results and investment program aligns with government priorities within its mandate
- monitor its investments' achievement of targets and objectives
- evaluate its results, incorporating lessons learned to improve its activities and value for money achievements
- report (internally and externally) the value for money generated directly by its investments

We developed our criteria for this audit based on:

- the entity's responsibilities and applicable legislation
- our office's Results Management and Analysis Reference Guide, July 2014
- the *Chartered Professional Accountants of Canada's Accounting Standards Board Framework for Reporting Performance Measures*, December 2018
- Alberta Treasury Board and Finance's *Measuring Performance: A Reference Guide*, December 2015

Management and the Audit Committee of AEC acknowledged the suitability of the audit criteria on December 3, 2020.

What We Examined

To conduct our audit, we:

- examined documents, including board materials, to understand the organization's systems and processes for measuring, monitoring and reporting on its results
- interviewed staff and management to understand their roles, responsibilities and accountabilities, and to understand relevant business processes
- examined documentation and data related to investment decision-making, monitoring, and reporting for investment performance in relation to AEC's objectives
- examined processes and related documents related to the internal and external reporting of the value generated by AEC's activities
- examined feedback processes and documents used to evaluate ongoing activities results of investments, and performance reporting

We conducted our fieldwork from December 2020 to January 2021. We completed our audit on June 11, 2021.

Conclusion

Based on our audit criteria, we conclude AEC did have processes to measure, monitor and report whether its investment activities generate value in accordance with the *Alberta Enterprise Corporation Act*, but not all of these processes were effective and improvements can be made.



Why This Conclusion Matters to Albertans

With clearly linked desired outcomes, measures and targeted planned results, AEC can better demonstrate to Albertans the value it generates from its activities in relation to what it set out to achieve.

Summary of Recommendations

RECOMMENDATION:

Improve processes to measure, monitor and report value generated by investment and ecosystem activities

We recommend that Alberta Enterprise Corporation improve its performance reporting processes to measure, monitor and report value generation by:

- setting targets for the measures identified in its business plan
- monitoring and analyzing results compared to targets, comparative results and cost
- reporting, internally and externally, their analysis of the value it generated cost effectively, including lessons learned

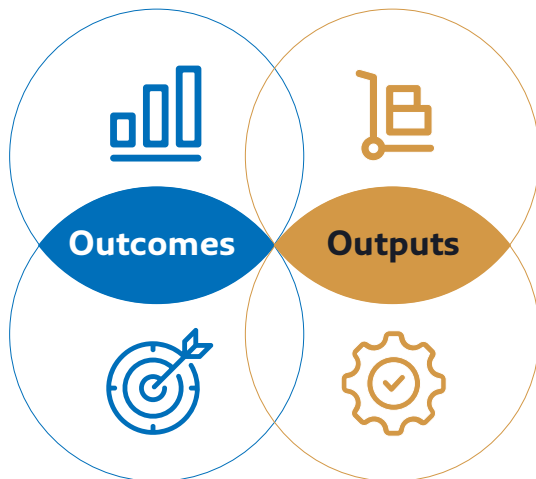
Detailed Findings and Recommendations

Measuring Value

Context

As part of its funding agreement with the Department of Jobs, Economy and Innovation, AEC is required to identify measures and targets for its outcomes and activities.

Overall, organizations should have a business planning process identifying the short and long-term outcomes needed to achieve the organization’s mandate, along with activities and strategies to help it achieve these outcomes.



Outcomes are the results an organization tries to achieve based on its goals

Outputs are the goods and services an organization actually delivers to achieve outcomes and show “how much” or “how many”

Performance measures quantify what management examines to assess the achievement of its desired results. To be effective, measures need to be relevant, comparable and reliable. Targets for these measures specify what the organization wants to achieve and by when. Performance measures and targets should be time-bound and should specify an amount or level of performance. For instance, a measure of increasing jobs in Alberta companies may have a target of 1,500 jobs by the end of a fiscal year.

Measures and targets provide management with information for decision-making that may impact achievement of outcomes and assessment of performance. Any outcomes, strategies, activities, performance measures and targets need to align with the organization’s mandate, as collectively in the organization’s business plan they demonstrate how the organization plans to generate value from its operating activities.

In preparing the business plan, the organization should consider lessons learned from previous results achieved in relation to what they set out to achieve and where adjustments to activities and strategies are required.

Criteria

AEC should have processes to:

- define its measurable desired results and interim targets and an investment program to achieve them
- ensure desired results and its investment program aligns with government priorities within its mandate

Our findings

Key findings

- AEC has defined, but not fully linked, its organizational desired results, activities, strategies and performance measures in its business plan.
- Targets were not set for most performance measures in AEC's business plan.
- Management started the process of developing targets linked to measures for future business plans in fiscal 2019–2020.
- AEC's investment program aligns with its mandate.

AEC has defined, but not fully linked, its organizational desired results, activities, strategies and performance measures in its business plan

On an annual basis, management prepares a business plan, approved by the board of directors and the Minister of Jobs, Economy and Innovation (through the department), which is aligned to AEC's mandate. AEC does not make its business plan public. AEC does include elements of its unpublished business plan in its year-end public annual report.

AEC's mandate is to generate value for Albertans by promoting the development of knowledge-based industries and Alberta's venture capital industry. It also generates value by providing venture capital to knowledge-based industries.

We found AEC applied its business planning process for the preparation of its 2018–2019 and 2019–2020 business plans, and that both plans were approved by the board and minister. We also found documentation of management aligning its chosen desired outcomes to its mandate when preparing its annual business plan.

AEC identified two long-term desired outcomes in its 2019–2020 business plan:

1. a thriving and self-sustaining venture capital industry in Alberta
2. return to the province its initial investment capital plus an appropriate rate of return

As part of its business planning process, management identified eight intermediate goals to achieve its outcome of a thriving self-sustaining venture capital industry in Alberta. Half of these intermediate goals focused on investments, and the other half focused on ecosystem development. These goals were documented in the approved business plan, including:

- attracting external investment capital to Alberta
- improved access to capital for Alberta knowledge-based companies
- stimulated investment in knowledge-based industries to diversify and strengthen Alberta's economy
- addressing gaps in Alberta's Venture Capital investment ecosystem

We found examples of planned activities or strategies identified by management during the business planning process that were included in the business plan and linked to AEC's goals.

Management identified and included a number of performance measures to achieve its desired outcome for a thriving and self-sustaining venture capital industry. These include:

- ratio of AEC's invested capital to syndicate partners' capital invested in Alberta companies within its portfolio
- number of Alberta company employees in AEC's funds
- number of companies in Alberta in its portfolio that have received investment
- number of funds AEC has invested in with an active presence in Alberta

Management measures its outcome to return invested capital with an appropriate rate of return, by the total value of paid-in-capital (TVPI). TVPI is the total fair value of the venture capital funds AEC is invested in, plus the value of any cash distributions received to date, compared to the total cost of capital paid into the funds, including management fees.

Several AEC measures including TVPI, employment in invested companies and syndicate partners' capital invested were comparable to other similar public sector organizations investing in venture capital in other jurisdictions.

While management identified measures related to both of AEC's outcomes, we found these measures were not clearly linked to a strategy and related activities during the business planning process, and in the 2019–2020 business plan. We also found that management developed internal documentation of data sources and methodology for its measures. However, we did not see data sources and methodology reported to stakeholders in the business plan or annual report. This information is important as it makes it clear how the measures were developed and applied, and to support the integrity and reliability of the corporation's performance reporting.

Targets were not set for most performance measures in AEC's business plan

We found management did not establish targets for most of the measures included in the business plan. If a target cannot be established, management should explain why it is unable to do so. As a result, it is unclear whether all strategies and outcomes are being measured with a planned result for management to later analyze results and assess performance.

Management did set two stand-alone targets in its business plan to invest AEC's remaining capital and to sponsor specific events during the year. However, only one of these targets was clearly linked to a specific goal or measure in the business plan.

In 2018, the minister set targets for two AEC measures related to the amount of AEC investment in Alberta entities. One of these targets, the cumulative value of venture capital invested in Alberta businesses by AEC's funds and other external (syndicate) investors was incorporated in the Ministry's 2018–2019 and 2019–2020 business plans. The other target was internally communicated to AEC in 2018. AEC management told us that department management developed the targets from information provided by AEC. We found AEC management and the board did report results for measures³² related to these targets but did not include the department-developed targets in AEC's business plan, or fiscal 2018–2019 and 2019–2020 annual reports.

Management started the process of developing targets linked to measures for future business plans in fiscal 2019–2020

Starting in fiscal 2019–2020, AEC took steps to improve its performance measurement process by developing a new set of measures, or key performance indicators (KPIs).³³ Management identified these KPIs by comparing their measures to similar organizations in other jurisdictions, and discussions with AEC's board. AEC's process under development at the time of our audit included documenting links between their KPIs, and the outcomes and KPI data source and methodology information.

AEC began presenting the KPIs and targets to the board in 2019–2020, but the KPIs, along with their targets, were not yet approved by the board, nor incorporated into AEC's 2020–2021 business plan. AEC did incorporate the KPIs along with targets in their 2021–2022 business plan.

³² AEC reported one of these measures in its annual report, and one of the measures was reported internally to its board.

³³ AEC defines KPIs as a subset of their measures that provide specific insight regarding progress in achieving the strategic objectives of the organization.

AEC's investment program aligns with its mandate

When identifying venture capital funds to invest in, AEC requires the funds to maintain an Alberta presence, to use commercially reasonable efforts to identify and make investments in early-stage companies actively operating in Alberta, and to host and participate in venture capital focused events in Alberta.

In our examination of AEC's process to select investments, we noted that management aligned its investment program to its mandate. We found management prepared due diligence³⁴ documentation, board materials and board minutes relating to the selection of investments.

The due diligence documentation and reporting to the board connected AEC's outcomes and strategies and the investment opportunity being evaluated. Considerations included:

- the types of opportunities that the fund intends to target
- the fund's approach regarding syndication with other investors
- how Alberta deal flow is relevant to the strategy of the fund
- the fund manager's track record of investing in Alberta to date
- how fund staff located in Alberta will contribute to the success of the fund
- how the fund will help Alberta's start-up ecosystem and support Alberta technology companies

Management also tracks a number of measures related to each of its investments. This information is provided at both a portfolio level and at an individual investment level.

Examples of measures include the number of Alberta investments, the dollars invested in the funds' Alberta investments, and fund distributions received by AEC.

We found evidence of management tracking this information and reporting it to the board quarterly.

Monitoring and analysis of added value

Context

Performance measurement includes a process to monitor and analyze results. An analysis and evaluation of results should include the factors that impacted the results.³⁵

Evaluating results achieved, and why they were above or below targets, along with comparative results is fundamental to learning whether AEC's strategies and activities are working as intended. Understanding these differences and trends enables management to make adjustments to future activities and strategies. By understanding why the differences exist, management is better equipped to achieve the desired results.

Criteria

AEC should have a process to:

- monitor its investments' achievement of targets and objectives
- evaluate its results, incorporating lessons learned to improve its activities and value for money achievements

Our findings

Key findings

- AEC monitored investment fund performance to objectives, but not targets.
- Monitoring did not include a documented analysis, including lessons learned, of results achieved compared to targets, comparative results or costs.

³⁴ Investment fund due diligence is a process undertaken by AEC to assess whether a prospective investment fund meets AEC's requirements prior to investing.

³⁵ *Government of Alberta Ministry Annual Report Standards 2019-20*, Page 19.

AEC monitored investment fund performance to objectives, but not targets

AEC monitors its portfolio investments through:

- regular contact with fund managers of venture capital funds it invests in
- reviewing quarterly reporting from its funds

As part of each venture capital fund agreement, fund managers are required to provide information to AEC to facilitate monitoring investments against AEC's objectives.

This includes quarterly reporting. During its monitoring process, management reviews the fund manager reporting, calculates and compiles financial and non-financial measures consistent with the measures included in the AEC business plan, then reports their analysis to AEC's board.

We found evidence of management compiling information from fund managers to regularly monitor fund results to provide information to the board each quarter. Monitoring of fund results did not compare to a current year planned result. For example, management examined the number of people employed at Alberta companies included in portfolio funds, but there was no planned result to compare against.

Monitoring did not include a documented analysis, including lessons learned, of results achieved compared to targets, comparative results or costs

As management did not establish targets for each investment, management's results analysis process focused on quantitative output results of the funds. Monitoring lacked a documented analysis of fund performance compared to what AEC expected to achieve at the time of decision to invest during its investment due diligence analysis and how these initial expectations may have changed over time. This type of information provides lessons learned to management for future operating and planning decisions, and whether results achieved were generating expected levels of value compared to the funds invested. Management told us it analyzes results achieved for measures compared to prior year comparative results, costs and fund expectations, but this analysis was not documented.

Management does use other investment performance information to inform their investment selection processes. For example, AEC performs deal flow studies every few years. AEC's deal flow studies provide information on Alberta's venture capital industry including the number of technology companies and what region and sector they are in, as well as the funding stage amongst other information. We found management uses these studies to help inform its investment decisions by selecting funds aligned with the study results.

AEC management told us that a discussion of strengths, weaknesses, opportunities and threats (SWOT) included in their business plan incorporated lessons learned from analyzing investment results. We saw evidence that management incorporated results achieved into their SWOT, but this did not include a documented analysis of results compared to targets, comparative results or costs.

We also found AEC management uses information gathered from its monitoring process to identify improvements in how it monitors its funds and in setting the contractual terms of future venture capital fund agreements.

Reporting value generated

Context

An important element of accountability is reporting results to stakeholders. Reporting results provides clear and comprehensive information to stakeholders about whether desired outcomes and planned results specified in the business plan were achieved, what value was generated for the money spent, lessons learned and what changes should be made to business plans in the future.

Management should report back on the measures and targets from its business plan to its board regularly. AEC should also report annually in AEC's public annual report as part of a discussion and analysis of its results. This should include a variance analysis discussion that includes reasons and factors that caused differences from targeted and historical results.

Criteria

AEC should have processes to:

- measure and report (internally or externally) the value for money generated directly by its investment

Our findings

Key findings

- AEC's internal and external reporting did not include an analysis of actual results to planned results and the resulting lessons learned.
- Management started to develop enhanced reporting to the board in fiscal 2019–2020.

AEC's internal and external reporting did not include an analysis of actual results to planned results and the resulting lessons learned

Internal reporting

We found evidence that management executed its internal reporting process quarterly and provided the board with a quarterly information package that includes financial results, investment results, individual fund results, investment and ecosystem activities, investment portfolio measures and other relevant information, such as administrative costs and cost of investments.

The information package did not provide the board with prior quarter comparison information on AEC investment portfolio level measures with the exception of the AEC's TVPI measure. Management did, however, provide prior quarter comparison data for each fund's investments.

As expected, given our findings of management's monitoring process, we found quarterly information reported to the board included quantitative results, but lacked an analysis of portfolio performance compared to what AEC expected to achieve. AEC management told us detailed verbal discussions are held with the board about specific financial statement line items, budgeted costs versus actual costs and fund performance from prior quarters, but these discussions, as well as the lessons learned from the analysis, are not documented.

Given the long-term nature of the funds AEC invests in, documented analysis and resulting discussion is important at a management and board level. As members of the board and management change over time, this documented analysis provides a historical path of the analysis, lessons learned and decisions related to funds and potentially assist in making future decisions and assessing value generated.

External reporting

As AEC does not make its business plan public, AEC's annual report is the only public document that communicates to Albertans how AEC measures its performance for the year.

It is important this report provide Albertans sufficient information to allow them to assess how well AEC is fulfilling its mandate. Albertans should know how lessons learned from the prior year impacted how AEC conducted its current year operations, including why or how factors within and outside AEC's control contributed to the results achieved, and how AEC plans to learn from the current result or trends.

AEC's funding agreement with the department requires AEC to report results achieved in relation to expected outcomes, strategies, measures and targets outlined in the business plan. The funding agreement also requires AEC to provide data sources and methodology information for its measures, as well as targets for measures.

AEC's 2019 and 2020 annual report includes descriptions of activities and initiatives linked to outcomes undertaken by AEC during the year. However, details of how the activities contributed to achieving desired outcomes and the lessons learned were limited, as AEC had no planned targets for reported measures, nor did it provide analysis relative to prior year comparative results.

AEC reports a number of performance measures in its annual report; however, the annual report did not include targets for the measures. A prominent measure is the total amount of funding provided to Alberta companies by AEC through its investments funds and other external (syndicate) investors. In fiscal 2020, the cumulative funding received by Alberta companies in which AEC also invests is \$563 million.³⁶ AEC reports that the ratio of this total investment compared to what AEC has funded is about 4:1. It is unclear from the annual report how this ratio has met, or not met, AEC's management, board and external stakeholder expectations.

While not reported publicly, management reports internally to the board each quarter on the amount of government funding provided to AEC that was invested in Alberta companies through venture capital funds in which AEC participates. Many venture capital funds in which AEC participates also invest in developing companies in other jurisdictions. As AEC is a limited partner in its funds, there is a risk the general partner may invest a disproportionately high amount into non-Alberta companies from what AEC contributed to the funds (\$138 million as at March 31, 2020). In 2018, the minister focused on this measure, and provided AEC management an expected target to achieve of 1:1.³⁷ Using the information reported above on the 4:1 ratio, one can roughly calculate the dollars invested into Alberta companies compared to the amount AEC has invested.

We did not observe a formal mechanism used by AEC to report back to the minister on this target. However, we also observed this type of measure was not included in the annual reporting of organizations similar to AEC in other jurisdictions.

Management has started to develop enhanced reporting to the board in fiscal 2019–2020

During our audit, management was developing a process to provide enhanced results analysis and historical comparative data to the board on a regular basis. Starting in fiscal 2019–2020 management began presenting results to the board relative to the KPIs and targets it was developing for the board. As part of its June 2020 board package, management presented historical one- and five-year comparison information. The board is providing feedback to management on the processes under development, and what information would be effective for the board's oversight when finalizing those processes.

RECOMMENDATION:

Improve processes to measure, monitor and report value generated by investment and ecosystem activities

We recommend that Alberta Enterprise Corporation improve its performance reporting processes to measure, monitor and report value generation by :

- setting targets for the measures identified in its business plan
- monitoring and analyzing results compared to targets, comparative results and cost
- reporting, internally and externally, their analysis of the value it generated cost effectively, including lessons learned

Consequences of not taking action

Albertans should know what the venture capital investments made by AEC in Alberta companies are expected to achieve, why those expectations are reasonable, and what has been achieved relative to those expectations. With this information, AEC can better demonstrate whether its activities are generating value by achieving desired results under AEC's legislative mandate.

³⁶ AEC Annual Report, 2019–2020, page 4.

³⁷ In 2019, AEC management and the board were considering adopting this target within its KPIs currently under development.

Audit Responsibilities and Quality Assurance Statement

Management of Alberta Enterprise Corporation (AEC) is responsible for the stewardship of its corporate assets and ensuring the entities within its group create value for Albertans.

Our responsibility is to express an independent conclusion on whether AEC has effective processes to measure, monitor and report on whether its investment activities generate value in accordance with government priorities within the *Alberta Enterprise Corporation Act*.

We conducted our audit in accordance with Canadian Standard on Assurance Engagements 3001 issued by the Auditing and Assurance Standards Board (Canada). The Office of the Auditor General applies Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. The office complies with the independence and other ethical requirements of the Chartered Professional Accountants of Alberta Rules of Professional Conduct, which are founded on fundamental principles of integrity and due care, objectivity, professional competence, confidentiality and professional behaviour.



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