Tell it like it is

Summary of the public management letter for the commercial property sector

June 2011

NBA

Nederlandse
Beroepsorganisatie
van Accountants

NBA

The Royal NIVRA and NOvAA are set to merge, resulting in the establishment of a new organization, the NBA (Nederlandse Beroepsorganisatie van Accountants - The Netherlands Institute of Chartered Accountants). The NBA's membership comprises a broad, varied occupational group of over 20,000 professionals working in the public accountancy practice, at government agencies, as internal auditors or in organizational management. Integrity, objectivity, professional competence and due care, confidentiality and professional behaviour are fundamental principles for every accountant. The NBA assists accountants in fulfilling their crucial role in society, both today and in the future.

01 | Tell it like it is

The property sector is characterized in economic terms by high transactional values, an intransparent market, major financing risks, potentially high returns (or, alternatively, great losses), obscurity, subjectiveness in values and high cash flows. The sector is mainly finding itself in the limelight because of fraud cases and has been hit hard by the financial and economic crisis. The vacancy rate of offices has soared, and high vacancy levels are threatening to affect the retail sector too. This can be attributed to such aspects as The New World of Work, changes in tenants' requirements and demographic factors. Refinancing problems have arisen because existing financing conditions are now being perceived as tight. After all, the value of many property assets has dropped relative to the value that was attributed to them when the original loan was taken out. Many parties are dealing with high vacancy levels and refinancing problems. Valuations do not always uncover the scale of the problem. Finally, a factor that affects the sector to an increasing extent is sustainability.

In this public management letter, the Netherlands Institute of Chartered Accountants (NBA)[1] will address a number of issues for all or some segments of the property sector. The management letter was developed as part of the NBA's Sharing Knowledge programme, which uses the collective knowledge of accountants[2] to duly identify risks in public-interest sectors. Focus is on identifying administrative risks in finance and accounting. Although this focus does not always do justice to the many good initiatives and developments that have already been undertaken in the sector, the aim is to contribute to their progress. Based on material collected from the management letters and discussions with experts and stakeholders, six signals and recommendations have been formulated, which have been outlined below. This public management letter does not cover the entire property sector. For risk considerations, commercial properties (and the office market in particular) and their stakeholders have been selected as the topic of this document. Nevertheless, this public management letter should also be of interest to other segments of the property market and to all organizations and businesses that own real estate.

The central message is that stakeholders should not delay or wait for each other; on the contrary, they should join forces to make the sector transparent and address structural problems. With this, we endorse the need for initiatives such as the Dutch Ministry of Infrastructure and the Environment's action plan to reduce office vacancy levels[3]. There is a message for accountants too. The property sector is complex and experiencing pressure. This requires market and sector expertise, professional scepticism, cooperation with third parties, including surveyors, and unambiguous conclusions based on audits. They will also have to tell it like it is.

This brochure is a summary of the public management letter. The unabridged version (in Dutch) can be downloaded from **www.nivra.nl**.

[1] Chapter 4 has a list of acronyms.[2] Public accountants as well as internal auditors and accountants in business working in the property sector.
[3] Letter to the Lower House of the Dutch Parliament, 7 March 2011, 32 500-XII, no. 66.

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To executive boards of property companies
and other interested parties

Date	Subject	Our reference	Enclosures	Direct line
9 June 2011	Property sector	--	Six signals	+31 (0)20-3010302

Nederlandse
Beroepsorganisatie
van Accountants

NBA

Dear board members and interested parties,

The property sector and the office market in particular have been hit hard by the credit crunch and the economic crisis. Vacancy levels are soaring. Indications are increasing that the stock of retail properties will also be affected shortly. High vacancy levels, especially when of a structural nature, not only present problems to market players but also cause unwelcome effects for society. Fraud cases and tax scandals do not benefit the sector either.

High vacancy levels result in all manner of financing and refinancing issues that need to be considered by accountants. Accountants are also expected to contribute actively to the fraud-proofing of organizations. These developments have prompted the Netherlands Institute of Chartered Accountants (NBA) to draft a public management letter for the sector. This publication focuses on six signals. We have also included a number of practical recommendations for each signal that are meant to offer guidance. The sixth signal is targeted at accountants, our own members. We have defined the following signals:

1. Structural vacancy levels threaten the office market
2. Need for financing and refinancing is underestimated
3. More focus should be placed on good governance, internal control and fraud prevention
4. Valuation should gain in transparency
5. Non-sustainability leads to decline in value
6. Property business requires specialist accountants with professional scepticism

This public management letter is based on the knowledge of our members who work in the property sector. Several organizations, including sector associations and regulators have offered their comments to us in roundtable meetings and in writing. Their contribution is highly appreciated.

Sincerely,

drs. Ruud Dekkers RA
Chairman of NIVRA

prof.dr. Martin Hoogendoorn RA
Member of the Identification Board

NIVRA en NOvAA gebruiken de merknaam NBA (Nederlandse Beroepsorganisatie van Accountants).
De wettelijke fusie van NIVRA en NOvAA tot NBA moet nog plaatsvinden.

02 | Six signals

Target group

This public management letter is addressed to investors and users involved in commercial properties, property developers, surveyors, financial institutions (banks) and accountants operating in the property sector. In auditing property companies, accountants focus mainly on the quality and design of the governance structure and control, and on valuation and financing issues. The question can be asked whether all potential problems are adequately covered in the reports issued by the accountant and during meetings with governance officers. By flagging a number of signals to executives of property companies and their accountants, this public management letter advocates a more intensive dialogue, more transparency and - where relevant - a more proactive approach in order to anticipate sector-wide problems. Issues such as transparency and valuation in particular are resurfacing all the time and form a common thread running through the signals.

The six signals

1. Structural vacancy levels threaten the office market

The property sector was not spared from the financial and economic crisis, the result being a growing stock of vacant office buildings. In addition to being cyclical, vacancy levels are increasingly showing structural features, which are only exacerbated by quantitative and qualitative changes in demand, for instance as a result of The New World of Work[4] and a decline in the working population. The retail market now faces structural vacancy levels too[5]. This requires a more robust foundation that can be created by a joining of forces of all parties involved and giving preference to sector interests over individual interests.

Over and above these sectoral issues, problems are arising at property companies themselves or at investors (pension funds, insurers, private investors) and financiers. Letting is a key aspect in the valuation of property assets. If an office building has been vacant for an extended period and there is little or no perspective of it being let, the value of that building will drop considerably. Executives and surveyors will have to ensure that vacancy levels are not assessed too optimistically and that the consequences of threatening vacancy are duly recognized. It is important that they are open and transparent about this process: tell it like it is.

But high vacancy levels have even broader implications. Structurally high vacancy levels lead to a public debate about reducing property development and new construction activities, leaving offices vacant after relocation, and the need for rezoning, conversion and demolition. At present, own interests (allocation of land, building more offices, relocation to new-builds, etc.) are still too much leading in the debate. Collaborative efforts between all parties involved and more transparency will bring about solutions that are acceptable to society. In addition to a

[4] FD Select, 25 March 2011. [5] Vastgoedmarkt, February 2010; Vastgoedjournaal, 17 May 2011

coordinating role by the government, it is imperative that all market players, including accountants and surveyors, should take a critical and proactive approach.

2. Need for financing and refinancing is underestimated

There are a number of financing and refinancing problems. According to the consulting agency in commercial property CBRE an amount of some EUR 900 billion needs to be refinanced in Europe in the next 3 years. In the period before the crisis, financing agreements were concluded that were appropriate to a period of economic growth and prosperity. Because of the crisis, increasing uncertainty about leasing office space, impairment losses on property assets, banks withdrawing and stricter requirements imposed by financiers, financing facilities have become more restricting. Refinancing non-revolving credit has become problematic in quite a few instances, which is increasingly leading to departures from agreed financing terms. Contracting parties are often not aware of these departures because there is no proper contract database that documents the details of agreements and covenants. The fact that agreements might be breached is also being underestimated. Obligations and risks are then monitored insufficiently or refinancing issues are being overly delayed.

It is crucial that these problems should be recognized timely and that solutions are sought in dialogue with financiers. Banks have become involved in spite of themselves. Over the course of the years, they have financed property companies such that their operations have become dependent on revolving external loans. Financiers have every interest in creating sound facilities and should also take responsibility in this respect.

3. More focus should be placed on good governance, internal control and fraud prevention

Unfortunately, there are many examples of scandals that have harmed the reputation of the property sector, including the sale of overpriced or underpriced properties in which process value was extracted from businesses, sometimes using ABC transactions. Other scandals involved non-arm's length payments and kick-backs in situations where powers were too broadly assigned, and oversight and internal controls were lax. Accountants have been criticized in this regard as well.

The prevention of fraudulent acts starts with good governance and oversight. In the property sector too, these two aspects are prerequisites for adequate business operations and robust control, both now and going forward. Executives should be involved in relevant operational aspects, have knowledge of all layers of the property company, have high-level risk management, and exercise oversight of execution. The execution should also properly address executive involvement in transactions and fraud prevention so that duties and responsibilities can actually be discharged.

Sector associations and the Royal Dutch Notarial Association (KNB) have already recommended actions to reduce the risk of fraud and improve risk management. These involve hard controls such as the internal control framework of the Dutch Association of Institutional Property Investors (IVBN) or the transaction register proposed by the Association of Dutch Property Developers (NEPROM). But so-called soft controls, such as integrity codes, leading by example, envisaged culture and teamwork, have also become clear priorities.

4. Valuation should gain in transparency

The financial value of an office building is determined based on a snap-shot taken by experts such as surveyors. But the valuation of property assets is a complex exercise that involves many subjective factors. Some stakeholders commission a second or even a third valuation by surveyors other than the first if they are unhappy with the first valuation. The Royal Institution of Chartered Surveyors (RICS) announced that 35% of valuations in the Netherlands deviates more than 10% from subsequent sales values. The market is not particularly transparent and accredited standards issued by such bodies as the International Valuation Standards Council (IVSC) and the RICS are not yet being applied broadly. Surveyors would be well advised to apply these standards, although they are not perfect considering that they do not entirely match the fair value model propagated by the International Financial Reporting Standards (IFRS) and the standards issued by the Dutch Accounting Standards Board (RJ). It is better, however, to use a uniform model to look for solutions rather than working from different standards. Surveyors could further raise transparency by offering insight into the assumptions they use, e.g. by quantifying them and giving a sensitivity analysis: what would be the effect on the valuation, for instance, in the event of a departure of 10% from the applied assumption? Valuation methods should be geared to reality. The highly simplified rent capitalization method is not appropriate, for instance, when major uncertainties exist and/or cash flows are volatile. The Discounted Cash Flow (DCF) method would be more appropriate in such cases. Finally, the question arises whether the valuation profession should not be governed by a government-regulated licensing and quality system, including adequate compliance monitoring.

5. Non-sustainability leads to decline in value

Sustainability is a hot topic in the property sector. Property developers are increasingly concerned with aspects such as the environment, energy, quality of materials, quality of the build, and work satisfaction. Tenants (including government bodies) are starting to make demands. Expectations are that a lack of sustainability will become a devaluating factor. That is why businesses are well advised to include property sustainability considerations in their planning and decision-making processes. Sustainability certificates and energy performance labels are also emerging. For now, the question is whether certification is governed by adequate accuracy and quality requirements. As a result, certificates may be issued incorrectly, whether intentionally or not. Is the most sustainable building actually awarded the highest possible sustainability certificate? Certification in whatever form should be subject to quality requirements and compliance monitoring.

6. Property business requires specialist accountants with professional scepticism

Property is not something that any accountant can take care of as a sideline. A professional and sceptical audit requires knowledge and understanding of the property business, of the relevant risk exposures and of the environment in which the business operates. This is needed also to be able to understand and assess the work of any experts that were engaged, including surveyors. The accountant will have to duly recognize and acknowledge financing and refinancing issues, and the potential threat that they pose to a business's ability to continue as a going concern. The accountant will have to have an adequate understanding of the potential margins of valuation inaccuracy and any implications they may have for operations. The accountant should also promote more transparent reporting, which is why audit firms will have to encourage sector specialization. Accountants demand a lot from the sector, but – alternatively – the sector may also demand a lot from accountants. Accountants: tell it like it is!

03 | Recommendations

1. Provide understanding of the implications of high vacancy levels for valuations

For executives:

- Acknowledge vacancy problems duly and seek to resolve them. Do not make the threat of high vacancy levels an issue for your successors, but address it now.
- Take a clear stand in how existing properties and land available for development are valued. Define relevant parameters/risk indicators that can be used as bench-marks (e.g. assumptions about vacancy levels and about the period of vacancy, potential rent reductions, lease renewals, major repairs and maintenance, etc.).
- Be transparent in the annual report and elaborate on the parameters that were used in the valuation. Perform a sensitivity analysis and review the effect on equity and profit.
- Review the valuation of the property portfolio at least twice a year, so that current market conditions are duly included in the valuation of the property. The frequency of these reviews depends on the volatility of the market.
- Ask independent surveyors to be more transparent about the valuation process, giving executives and their accountants more guidance. The surveyor should report how they have applied the relevant parameters/risk indicators.

For financiers:

- Take cash flows rather than valuations as a yardstick for a borrower's ability to repay their debts.

For government bodies:

- Seek targeted solutions with an adequate balance between land policy and resolving the vacancy problem.
- Reward the transformation of vacant buildings, for instance by granting subsidies or tax facilities such as accelerated depreciation of redevelopment costs.
- Allow accelerated write-offs of vacant buildings; the property (WOZ) value of a building should be adjusted immediately as soon as it is vacated. Facilitate redevelopment by introducing a more relaxed licensing system; vacancy does not increase the livability of an area.

2. Monitor financing conditions and duly arrange for refinancing

For executives:

- Approach lenders at an early stage in order to resolve concrete or potential financing and refinancing issues.
- Assure that financing and refinancing agreements and interest refixing periods are formalized correctly and completely in a contract database and that this database is analyzed periodically so that executives know about the agreements that need to be monitored and about the obligations that the borrower has towards the bank. This is required also to adequately

disclose and recognize these obligations in the financial statements.

- Duly acknowledge that agreements might be breached and keep in mind the related effect on the sensitivity of the valuation outcomes.
- Periodically perform a stress test to map out the risks and effects of the current financing and interest refixing periods, and plan an approach to refinancing.
- Include transparent scenario analyses in the financial statements or the annual report.

For accountants:

- Be critical towards the financing agreements, financing periods and the feasibility of refinancing. Consider the effects on normal operations of higher future interest costs and reduced cash flows. Perform sufficient audit procedures to gain an understanding of the specific risks incurred by the business, financial statement risks from the perspective of users (e.g. potential investors) and the business's ability to continue as a going concern.
- Be critical towards the determination of the fair market value of the property portfolio and towards the effects of changes on that value; be critical towards sensitivities of value changes on the agreements, the valuation process and the selection of the external surveyor and any newly to be contracted funding.
- Interpret the forward-looking period broadly in assessing the business's ability to continue as a going concern by not just looking at a 12-month period after signing of the auditor's report, but considering this in the context of the refinancing effort within the current financing package.

For financiers:

- Take cash flows rather than valuations as a yardstick.
- Review the loan portfolio critically, but also offer constructive solutions.

3. Organize commitment, knowledge and oversight

For executives:

- Apply segregation of duties and use the four-eye principle to authorize transactions.
- Embed fraud prevention at every level; arrange for independent and expert oversight (e.g. an investing committee) with external experts and an expert independent compliance officer.
- Arrange for knowledge, quality and awareness in all layers of the organization and especially among officers in charge of compliance and oversight.
- Involve executives and non-executives in every stage of the property transaction by informing them duly, particularly in the preparatory stages; keep them posted of any risks and financial implications.
- Keep transparent records of the entire acquisition process in order to be able to evaluate internal controls and assess regulatory compliance.
- Arrange for a fraud prevention policy containing elements such as a code of conduct, due diligence reviews of buyers, vendors and intermediaries, and whistleblowing procedures.
- Arrange for the drawing up of a periodic statement of all planned property transactions.
- Arrange for adequate subsequent costing and analyze differences with preliminary costing.
- Consider behaviours, knowledge and culture separately.
- Ensure that risk management procedures are up to date and integrated into fraud prevention, the internal control structure and management reports.
- Include an anti-resale clause in contracts of purchase and sale, thereby ruling out/discouraging fraud.
- Record not only build-related costs but also include costs that are directly or indirectly related to the development in question, such as expenditures or allowances for entertainment, advisory opinions, acquiring development projects or tendering, claim rights, etc.

For accountants:

- Involve forensic experts in performing risk assessments and preparing the audit plan.
- Assess the internal control structure and the risk management framework against the system of standards and best practices.
- Arrange for adequate property knowledge in the team and particularly where the latest developments regarding fraud prevention, risk management and governance at property companies are concerned. See also signal 6.

4. Be transparent in the valuation

For surveyors:

- Be complete in the valuation report, and specify and quantify all risks.
- List all relevant benchmark transactions where possible, including both rentals and initial yields. Where these are available only to a limited extent or not at all, a transparent approach using different bench-

marks needs to be taken.
- Assure that independence is guaranteed and issue a related statement.
- Specify and document all relevant assumptions; the assumptions need to be reasonable and their reasonableness should be borne out in the documentation.
- Specify explicitly how maintenance costs, vacancy levels and overdue maintenance have been incorporated into the valuation.
- Specify how provided incentives (e.g. rent reductions) have been approached and describe them in the valuation report.
- Request a letter of representation from the executive board that all relevant information needed to perform a valuation has been received.
- Use the DCF method if cash flows are unstable.
- Specify whether property assets have been valued in accordance with the standards issued by IVSC and whether the valuation principles are compatible with Dutch Accounting Standard 213 and with International Accounting Standard (IAS) 40.
- Include a brief paragraph describing the valuation principles of such organizations as RICS, the Real Estate Council of the Netherlands (ROZ) and IVSC, and establish whether they are compatible with IAS 40/ Dutch Accounting Standard 213; focus specifically on rent reductions, ground rent, vacancy levels, property transfer tax, overdue maintenance, etc.
- Provide a valuation report that uses the fair value model of Dutch Accounting Standard 213/IAS 40, including every disclosure dictated by these standards.
- Finish valuations by giving an estimated point rating, but specify any margins of inaccuracy.

For executives:
- Be fully transparent in providing information to surveyors and accountants about rent reductions and other supplemental agreements with tenants.
- Only engage surveyors who have the required expertise in the area or country where the property is located. They need to have a good reputation and be independent. Do not accept any desktop valuations.

For government bodies:
- Consider designating a professional association to certify surveyors, issue binding rules of professional conduct and take corrective action by imposing disciplinary measures in the event of abuses.

For accountants:
- Assess with expertise whether reliance can be placed on the surveyor's work by checking assumptions and principles against similar transactions (both rentals and initial yield), including assessment of the valuation models used. See signal 6 for more details.

5. Give more priority to sustainability

For executives:
- Integrate sustainability and sustainability targets into the portfolio and the corporate strategy.
- Introduce energy performance labels and specify what investments are needed if a property is awarded a low score.
- Implement sustainability reporting.

For government bodies and consultants:
- Arrange for a sound standard, which comes with adequate controls, for energy performance labels and sustainability certificates.

6. Arrange for sector knowledge and professional scepticism among accountants

For accountants and boards of audit firms:
- Structure the firm by sectors in order to encourage specialization and professional scepticism, thereby raising the quality of audits.
- Put together course programmes, including continuing education (CE) requirements, and specify them by property knowledge, valuation doctrines and knowledge of audits of property companies.
- Set up a property competence centre that arranges for expertise, training and distribution of knowledge, but also for analyses of market developments and transposition of relevant risks; if this is not available in-house, source it externally.
- Recruit property valuation specialists to add expertise to audit teams, allowing them to review audit plans, risk assessments, external valuations and assumptions and standards used in these valuations.
- Discuss planned procedures as well as the outcome of procedures with the surveyor so that the expectations of the surveyor and the accountant are better matched.
- Discuss the outcome of valuations described in draft and final reports, and analyze any differences.
- Incorporate existing fraud prevention plans into the audit and assess their quality.
- Consider integrity issues and codes of conduct (soft controls), and incorporate the assessment of these soft

controls into the audit programme as a matter of course.
- Involve forensic experts in audits where appropriate.
- Facilitate knowledge-sharing at the firm and pay attention to integrity and behaviours.
- Encourage the publication of clear reports. Tell it like it is. State messages clearly and also cover soft aspects such as integrity, quality, knowledge and behaviours.

04 | Comments and epilogue

Comments from stakeholders

Five stakeholders in the sector were requested to respond; their comments have been included in their entirety in the Dutch public management letter. What follows is a brief summary.

IVBN (the Dutch Association of Institutional Property Investors) has indicated that it recognizes and endorses the signals. They do emphasize, however, that the commercial property market consists of various subsegments where different actors operate. For this reason, the Association believes that the recommendations would be more effective if they addressed the respective actors much more explicitly. After all, there will be differences in recommendations for a small private investor with limited office space some of which is vacant, for a limited partnership whose vacancy level is at 30%, or for an institutional investor with a vacancy rate of 8%. In the IVBN's opinion, an accountant's duties are different for each of these different actors too.

NEPROM (the Association of Dutch Property Developers) fully endorses the NBA's central message that stakeholders should not delay or wait for each other; on the contrary, this is the time that they should enter into a dialogue with each other to make the sector more transparent and address structural problems. In the Association's opinion, good governance is the most important aspect because it puts the accountant centre stage. Where audits are concerned, the Association draws special attention to integrity and codes of conduct, but also to the reliability of the transaction register. NEPROM wholeheartedly agrees with the recommendation to accountants to tell it like it is, also covering aspects such as integrity, quality, knowledge and behaviours. The Association calls upon accountants to share the knowledge and experience they have gained from audits with regard to good governance, integrity and fraud prevention.

AFM (the Netherlands Authority for the Financial Market) has said that the Management Letter clearly outlines the key problems in the sector. In terms of content, the Authority added that they set great store by linking up the standards for surveyors to the fair value model of IFRS and the Dutch Accounting Standards.

Stichting VastgoedCert (the Dutch quality register of property surveyors and estate agents) has indicated that the sector is undergoing a major professionalization process and that courses have already improved considerably. They emphasized that, in addition to the RICS certification system, a sound certification system (VastgoedCert) is in place in the Netherlands and that many surveyors are certified under this register. This certification is reserved to highly educated and high-quality surveyors so that clients have a good understanding of the quality of the surveyor. In addressing valuations, the public management letter does not mention that, similar to accountants, surveyors also have an important social responsibility. For this reason, a surveyor's independent position should be guaranteed more robustly. In addition, surveyors and accountants should work in close collaboration and respect each other's position and expertise. Accountants should not be checking surveyors' work, but agree on sound terms for their collaboration. This will raise the quality of the work of both the surveyor and the accountant. A protocol stipulating terms for their collaboration would be an extremely useful tool in this regard.

DNB (the Dutch Central Bank) does not regulate the property sector, but is indirectly involved because many institutions it does regulate, such as pension funds, investment institutions, insurance companies and banks, own property or provide financing using property assets as collateral. With regard to the fourth signal about being transparent in performing valuations, they stress that standards and rules of professional conduct should be strictly adhered to in order to increase the consistency of valuation outcomes. They call upon executives of property companies to review whether the ex-ante procedures for valuation processes might be tightened. These would include valuation methods that are more in keeping with the reporting requirements in force and more detailed explanations of assumptions and principles used.

Epilogue by NBA

Discussions with stakeholders and written comments have shown that the identified risks in the commercial property sector are recognized and acknowledged. Improvements have been introduced or are being prepared in many areas, including good governance, corporate culture and integrity, internal control, fraud prevention, recording of property transactions and risk management. Although these are good developments that will increasingly manifest themselves, they also require tenacity. The comments rightly draw accountants' attention to distinguishing between different actors and between subsegments of investments, to actually reviewing so-called soft controls in property companies, and to better matching valuation standards to financial reporting requirements. Additionally, we would call upon our members to continue to share their knowledge and experience gained during audits in the commercial property sector with stakeholders.

Acronyms used

AFM	:	Netherlands Authority for the Financial Markets
DCF	:	Discounted Cash Flow
DNB	:	Dutch Central Bank
IAS	:	International Accounting Standards
IFRS	:	International Financial Reporting Standards
IVBN	:	Dutch Association of Institutional Property Investors
IVSC	:	International Valuation Standards Committee
KNB	:	Royal Dutch Notarial Association
NEPROM	:	Association of Dutch Property Developers
RICS	:	Royal Institution of Chartered Surveyors
RJ	:	Dutch Accounting Standards Board
ROZ/IPD	:	ROZ (Dutch Real Estate Council) Property Index/Investment Property Databank

Colophon

Sharing Knowledge in the property sector

In this public management letter, the NBA presents six signals (and recommendations) to stakeholders and parties interested in the property sector. The property sector is the fourth subject that NBA's Identification Board has selected for the Sharing Knowledge policy programme. A working group of independent external accountants of commercial property companies has collected and discussed anonymized findings and opinions. They have involved other accountants and consulted with stakeholders. The Identification Board placed the signals into their social context. Sector associations and regulators have been found willing to respond to the public management letter in writing. The project was coordinated by the Sharing Knowledge Programme Team.

More information

A public management letter is one of the types of publication as part of the Sharing Knowledge policy programme. The NBA has previously published two public management letters on Insurances (June 2010) and Healthcare (November 2010), and an open letter for the Pensions Sector (February 2011). All publications are public and intended for a broad readership. For more information on the contents of this public management letter, please contact drs. R.H.M. Schouten RA RE RO on + 31 (0)20 - 301 03 18 or via r.schouten@nba.nl. For more information on the Sharing Knowledge programme, please log on to the NBA website (www.nba.nl).

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