In today’s fast changing regulatory environment, there is an increased need for directors and management of real estate entities to ensure the full spectrum of Corporate Governance functions is compliant with management needs and regulations. As one of the two core functions of the AIFM, Risk Management plays a pivotal role within your organisation. This means:

- ensuring that third-party service providers operate under an appropriate internal control framework;
- relying on an effective internal audit function which adequately addresses the key risks of your business and meets regulatory requirements;
- providing AIFMs with appropriate risk reports to allow continuous monitoring of leverage levels.

Whether you perform Corporate Governance functions in-house or operate across a large number of jurisdictions with third-party service providers, PwC Luxembourg can provide you with the support you need, including:

- a dedicated team of real-estate experts based in Luxembourg specialising in corporate governance, including Risk Management;
- a core team based in Luxembourg with global reach, liaising with real-estate experts from the PwC network where necessary.
**Internal Audit**

Real estate entities incorporated in Luxembourg operate complex structures investing in different types of real-estate assets and spread across various jurisdictions, with a tendency to rely to a large extent on third-party service providers. This calls for an internal audit function with the global reach and industry knowledge to meet the key risks inherent to these structures.

**Your challenges**

- You are authorised as an Alternative Investment Fund Manager (AIFM) investing in Real Estate.
- You have an investment portfolio in real estate properties located in different jurisdictions and have outsourced services to a number of different third-party service providers.
- You hold different types of real estate properties, including office buildings, shopping centres, hotels and residential property.
- You need to manage risks relating to compliance, health & safety regulations, business conduct, physical security and information security across different locations.
- You need to assess risks across diverse geographical locations requiring the necessary local language skills and understanding of local culture.

**Your needs**

An independent internal audit will provide you with a fresh, independent assessment of your properties. Our reviews can highlight potential weaknesses, but will also provide suggestions on ways to improve and change.

**Our value proposition**

- A team of experts that is well-grounded in both internal audit services and the real estate sector and that can remain abreast of any related challenges.
- Industry experience and specialist skills. With our leading industry practice in Real Estate, your internal audit team has ready access to relevant industry professionals with detailed knowledge of local compliance rules.
- Our internal audit reviews cover two dimensions:
  - **Assessment**: providing comfort to management regarding the efficiency and effectiveness of Risk Management processes and controls;
  - **Advisory**: providing expert advice to improve and optimise corporate processes.
- Our reviews can be used to establish a benchmarking of the third-party service providers used in different locations or an assessment of internal controls compared to industry best practices;
- We rely on a standard auditing framework which is tailored to each type of property under management and to the local regulatory environment. Our team combines internal audit and real estate experts.

**Past assignment**

An investment fund holds a broad range of property investments located in over 20 different countries worldwide, including investments such as shopping centres, commercial properties, hotels and residential apartments. Our Luxembourg-based global coordination team oversaw the regional teams, enabling full coverage of all investment properties. We performed internal audits of the properties on a rotational basis, using a multi-year audit plan.

**Contacts**

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**Why PwC Luxembourg?**

PwC Luxembourg is the largest professional services firm in Luxembourg with 2,450 people employed from 55 different countries. It provides audit, tax and advisory services including management consulting, transaction, financing and regulatory advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. It helps its clients create the value they are looking for by giving comfort to the capital markets and providing advice through an industry focused approach.

The global PwC network is the largest provider of professional services in audit, tax and advisory. We’re a network of independent firms in 157 countries and employ more than 195,000 people. Tell us what matters to you and find out more by visiting us at www.pwc.com and www.pwc.lu.