

Chartered Accountants Ireland or CCAB-I material

Technical Alerts

TA 02/2018 - Illustrative auditor's report on the relevant elements of the Solvency and Financial Condition Report (SFCR) for periods beginning on or after 17 June 2016

April 2018

Representation and Technical Policy

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Introduction

Technical Release 13/2016 *Guidance for auditors of insurance undertakings in Ireland* ('TR 13/2016') gives guidance to auditors engaged to provide a reasonable assurance opinion in relation to the relevant elements of the Solvency and Financial Condition Report ('SFCR') of an insurance undertaking pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485 of 2015) ('the 2015 Regulations'). [Appendix 2¹](#) to that

Technical Release contains illustrative reasonable assurance reports for such engagements, performed in accordance with International Standards on Auditing ('ISAs') (UK and Ireland) for periods which commenced **before 17 June 2016**.

All references to the auditor's report in this Technical Alert are to the auditor's reasonable assurance opinion provided pursuant to Regulation 37 of the 2015 Regulations.

In June 2016, the Irish Auditing and Accounting Supervisory Authority ('IAASA') was given statutory responsibility for the adoption of the auditing framework in Ireland. Consequently, in January 2017 IAASA introduced the new auditing framework for statutory audits in Ireland called ISAs (Ireland), which replaced the Financial Reporting Council's framework known as ISAs (UK and Ireland). Therefore, for periods beginning **on or after 17 June 2016** the applicable auditing standards for the purposes of the audit of the relevant elements of the SFCR, required under Regulation 37 of the 2015 Regulations, are ISAs (Ireland) issued by IAASA.

This Technical Alert provides illustrative auditor's reports on the relevant elements of the SFCR, performed in accordance with ISAs (Ireland), for periods beginning **on or after 17 June 2016**. This Technical Alert should be read in conjunction with Section 3 of Technical Release 13/2016².

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Illustration 1 – solo entity using the standard formula: An auditor's report on relevant elements of the SFCR for the year ended [insert date] (life insurance undertaking) – such period beginning on or after 17 June 2016

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- The reporting period end is 31 December.
- The insurance entity is a solo insurance undertaking.
- The insurance entity is a life insurance undertaking.
- The auditor is responsible for the audit of the entity's statutory financial statements as well as of the relevant elements of the SFCR³.
- The audited entity has calculated the Solvency Capital Requirement using the standard formula.
- The auditor's report is submitted to the Central Bank of Ireland (the 'Central Bank') together with the relevant elements of the SFCR and other accompanying information which consists only of:
 - D.1 Assets;
 - D.2 Technical provisions;
 - D.3 Other liabilities;
 - D.4 Alternative methods for valuation;
 - D.5 Any other information;
 - E.1 Own funds;
 - E.2 Solvency Capital Requirement and Minimum Capital Requirement;

- E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement;
- E.6 Any other information.
- The financial information has been prepared by the management of the entity in accordance with the financial reporting provisions of the Solvency II Regulations to meet the requirements of the Central Bank. Management does not have a choice of financial reporting frameworks.
- The applicable financial reporting framework is a compliance framework designed to meet the financial information needs of specific users.
- The terms of the audit engagement reflect the description of directors' responsibility for the SFCR.
- The auditor has concluded an unmodified (i.e. "clean") opinion is appropriate based on the audit evidence obtained.
- The auditor is not required to include, and has otherwise decided not to communicate, key audit matters in accordance with ISA (Ireland) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, in the context of the audit of the relevant elements of the SFCR.
- The auditor's report is a private report addressed to the Central Bank of Ireland as required by Regulation 37 of the 2015 Regulations and by *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, and therefore is not published with the SFCR.
- Only those elements of the SFCR which the Central Bank has identified in Appendix 2 to *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures* are treated as 'other information' in accordance with the requirements of ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*. The auditor has nothing to report in respect of 'other information'.
- Those responsible for oversight of the SFCR differ from those responsible for the preparation of the SFCR.

N.B. There may be circumstances where the audit opinion covers the quantitative reporting templates of a solo insurance undertaking which form part of a Group SFCR. Where this is the case, this should be defined upfront.

Report of the independent auditor of [Company Name] ('the Company') to the Central Bank of Ireland pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015: Report on the audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

We have audited the following quantitative reporting templates prepared by the Company:

- [S.02.01.02, S.12.01.02, S.23.01.01, S.25.01.21, S.28.01.01, S.28.02.01] as at 31 December 20XX;

(the 'relevant elements of the Solvency and Financial Condition Report').

The relevant elements of the Solvency and Financial Condition Report have been prepared by the Company in accordance with the financial reporting provisions of the Solvency II Regulations. The Solvency II Regulations consist of:

- European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);
- European Commission Delegated Regulation (EU) 2015/35; and
- The European Commission Implementing Regulations designated as designated enactments in section 2(2A) of the Central Bank Act 1942, in particular Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

[and waivers, approvals and other supervisory determinations issued by the Central Bank of Ireland – insert description as appropriate].

In our opinion, the information in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 20XX is properly prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in Ireland, including the Irish Auditing and Accounting Supervisory Authority's (IAASA) *Ethical Standard for Auditors (Ireland)* as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to the ['Valuation for solvency purposes' and 'Capital Management'] sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared, by the Company, to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our report is intended solely for the Central Bank of Ireland and the Company in accordance with the terms of our engagement and should not be distributed to or used by parties other than the Central Bank of Ireland and the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is not appropriate; or
- the Directors have not disclosed in the Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Solvency and Financial Condition Report is authorised for issue.

Other information

The other information comprises the financial and non-financial information in the information accompanying the relevant elements of the Solvency and Financial Condition Report and consists only of:

- D.1 Assets;
- D.2 Technical provisions;
- D.3 Other liabilities;
- D.4 Alternative methods for valuation;
- D.5 Any other information;
- E.1 Own funds;
- E.2 Solvency Capital Requirement and Minimum Capital Requirement;
- E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement;
- E.6 Any other information.

The Directors are responsible for the other information. Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Solvency and Financial Condition Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or with our knowledge obtained in the course of the audit of the relevant elements of the Solvency and Financial Condition Report, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Solvency II Regulations.

In accordance with Regulation 57 of the European Union (Insurance and Reinsurance) Regulations 2015, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Solvency and Financial Condition Report and for the approval of the Solvency and Financial Condition Report.

The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations as applicable to the Company. All Directors are required to sign a Compliance Statement, as required under Section 25 of the Central Bank Act 1997, for submission with the annual quantitative reporting templates.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making or the judgement of users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report is located on IAASA's website at: http://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

Report on other legal and regulatory requirements

In accordance with paragraph 6 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, we are required to read the other information to identify material inconsistencies, if any, with information made available to us in the course of the audit of the relevant elements of the Solvency and Financial Condition Report and in the course of the audit of the statutory financial statements of the Company. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]

[Auditor address]

[Date]

Illustration 1A – solo entity using the standard formula: An auditor's report on relevant elements of the SFCR for the year ended [insert date] (non-life insurance undertaking) – such period beginning on or after 17 June 2016

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- The reporting period end is 31 December.
- The insurance entity is a solo insurance undertaking.
- The insurance entity is a non-life insurance undertaking.

- The auditor is responsible for the audit of the entity's statutory financial statements as well as of the relevant elements of the SFCR⁴.
- The audited entity has calculated the Solvency Capital Requirement using the standard formula.
- The auditor's report is submitted to the Central Bank together with the relevant elements of the SFCR and other accompanying information which consists only of:
 - D.1 Assets;
 - D.2 Technical provisions;
 - D.3 Other liabilities;
 - D.4 Alternative methods for valuation;
 - D.5 Any other information;
 - E.1 Own funds;
 - E.2 Solvency Capital Requirement and Minimum Capital Requirement;
 - E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement;
 - E.6 Any other information.
- The financial information has been prepared by the management of the entity in accordance with the financial reporting provisions of the Solvency II Regulations to meet the requirements of the Central Bank. Management does not have a choice of financial reporting frameworks.
- The applicable financial reporting framework is a compliance framework designed to meet the financial information needs of specific users.
- The terms of the audit engagement reflect the description of directors' responsibility for the SFCR.
- The auditor has concluded an unmodified (i.e. "clean") opinion is appropriate based on the audit evidence obtained.
- The auditor is not required to include, and has otherwise decided not to communicate, key audit matters in accordance with ISA (Ireland) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, in the context of the audit of the relevant elements of the SFCR.
- The auditor's report is a private report addressed to the Central Bank of Ireland as required by Regulation 37 of the 2015 Regulations and by *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, and therefore is not published with the SFCR.
- Only those elements of the SFCR which the Central Bank has identified in Appendix 2 to *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures* are treated as 'other information' in accordance with the requirements of ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*. The auditor has nothing to report in respect of 'other information'.
- Those responsible for oversight of the SFCR differ from those responsible for the preparation of the SFCR.

N.B. There may be circumstances where the audit opinion covers the quantitative reporting templates of a solo insurance undertaking which form part of a Group SFCR. Where this is the case, this should be defined upfront.

Report of the independent auditor of [Company Name] ('the Company') to the Central Bank of Ireland pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015: Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

We have audited the following quantitative reporting templates prepared by the Company:

- [S.02.01.02, S.17.01.02, S.23.01.01, S.25.01.21, S.28.01.01, S.28.02.01] as at 31 December 20XX;

and

- [S.19.01.21] for the year ended 31 December 20XX

(the 'relevant elements of the Solvency and Financial Condition Report').

The relevant elements of the Solvency and Financial Condition Report have been prepared by the Company in accordance with the financial reporting provisions of the Solvency II Regulations. The Solvency II Regulations consist of:

- European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);
- European Commission Delegated Regulation (EU) 2015/35; and

- The European Commission Implementing Regulations designated as designated enactments in section 2(2A) of the Central Bank Act 1942, in particular Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

[and waivers, approvals and other supervisory determinations issued by the Central Bank of Ireland – insert description as appropriate].

In our opinion, the information in the relevant elements of the Solvency and Financial Condition Report of the Company as at and for the year ended 31 December 20XX is properly prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in Ireland, including the Irish Auditing and Accounting Supervisory Authority's (IAASA) *Ethical Standard for Auditors (Ireland)* as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Quantitative reporting template S.19.01.21 contains corresponding information on non-life insurance claims for a 10 year look-back period commencing [insert date] for gross claims paid and gross discounted and undiscounted best estimate claims provisions. The information subject to audit included in these forms is only that included in Co170 titled "In Current Year" in the "Gross Claims Paid" section of the form and the information included in Co360 titled "Year end (discounted data)" in the "Gross Undiscounted Best Estimates Claims Provisions" section of the form.

All other information contained on these forms is corresponding information as defined in ISA (Ireland) 710, *Comparative Information – Corresponding Figures and Comparative Financial Statements* ('ISA (Ireland) 710'). On the introduction of the requirement for an audit of the relevant elements of the Solvency and Financial Condition Report, the Central Bank of Ireland limited the audit procedures required by ISA (Ireland) 710 on the look-back period to years ending on or after 31 December 2014 and, therefore, no audit procedures have been performed on the corresponding information included on quantitative reporting template S.19.01.21 for years ended prior to 31 December 2014.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to the ['Valuation for solvency purposes' and 'Capital Management'] sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared, by the Company, to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our report is intended solely for the Central Bank of Ireland and the Company in accordance with the terms of our engagement and should not be distributed to or used by parties other than the Central Bank of Ireland and the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is not appropriate; or
- the Directors have not disclosed in the Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at

least twelve months from the date when the Solvency and Financial Condition Report is authorised for issue.

Other information

The other information comprises the financial and non-financial information in the information accompanying the relevant elements of the Solvency and Financial Condition Report and consists only of:

- D.1 Assets;
- D.2 Technical provisions;
- D.3 Other liabilities;
- D.4 Alternative methods for valuation;
- D.5 Any other information;
- E.1 Own funds;
- E.2 Solvency Capital Requirement and Minimum Capital Requirement;
- E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement;
- E.6 Any other information.

The Directors are responsible for the other information. Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Solvency and Financial Condition Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or with our knowledge obtained in the course of the audit of the relevant elements of the Solvency and Financial Condition Report, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Solvency II Regulations.

In accordance with Regulation 57 of the European Union (Insurance and Reinsurance) Regulations 2015, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Solvency and Financial Condition Report and for the approval of the Solvency and Financial Condition Report.

The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations as applicable to the Company. All Directors are required to sign a Compliance Statement, as required under Section 25 of the Central Bank Act 1997, for submission with the annual quantitative reporting templates.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making or the judgement of users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report is located on IAASA's website at: http://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

Report on other legal and regulatory requirements

In accordance with paragraph 6 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, we are required to read the other information to identify material inconsistencies, if any, with information made available to us in the course of the audit of the relevant elements of the Solvency and Financial Condition Report and in the course of the audit of the statutory financial statements of the Company. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]

[Auditor address]

[Date]

Illustration 2 – solo entity using the partial or full internal model: An auditor's report on relevant elements of the SFCR for the year ended [insert date] (life insurance undertaking) – such period beginning on or after 17 June 2016

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- The reporting period end is 31 December.
- The insurance entity is a solo insurance undertaking.
- The insurance entity is a life insurance undertaking.
- The auditor is responsible for the audit of the entity's statutory financial statements as well as of the relevant elements of the SFCR⁵.
- The audited entity has calculated the Solvency Capital Requirement ('SCR') using the partial or full internal model method.
- The auditor's report is submitted to the Central Bank together with the relevant elements of the SFCR and other accompanying information which consists only of:
 - D.1 Assets;
 - D.2 Technical provisions;
 - D.3 Other liabilities;
 - D.4 Alternative methods for valuation;
 - D.5 Any other information;
 - E.1 Own funds.
- The risk margin and any other quantitative elements of the SFCR that relate to or are dependent upon the SCR are all out of scope of the audit.
- The financial information has been prepared by the management of the entity in accordance with the financial reporting provisions of the Solvency II Regulations to meet the requirements of the Central Bank. Management does not have a choice of financial reporting frameworks.
- The applicable financial reporting framework is a compliance framework designed to meet the financial information needs of specific users.
- The terms of the audit engagement reflect the description of directors' responsibility for the SFCR.
- The auditor has concluded an unmodified (i.e. "clean") opinion is appropriate based on the audit evidence obtained.
- The auditor is not required to include, and has otherwise decided not to communicate, key audit matters in accordance with ISA (Ireland) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, in the context of the audit of the relevant elements of the SFCR.
- The auditor's report is a private report addressed to the Central Bank of Ireland as required by Regulation 37 of the 2015 Regulations and by *The Central Bank's*

Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures, and therefore is not published with the SFCR.

- Only those elements of the SFCR which the Central Bank has identified in Appendix 2 to *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures* are treated as 'other information' in accordance with the requirements of ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*. The auditor has nothing to report in respect of 'other information'.

- Those responsible for oversight of the SFCR differ from those responsible for the preparation of the SFCR.

N.B. There may be circumstances where the audit opinion covers the quantitative reporting template of a solo insurance undertaking which form part of a Group SFCR. Where this is the case, this should be defined upfront.

Report of the independent auditor of [Company Name] ('the Company') to the Central Bank of Ireland pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015: Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

We have audited the following quantitative reporting templates prepared by the Company:

- [S.02.01.02, S.12.01.02, S.23.01.01] as at 31 December 20XX;

(the 'forms subject to audit').

We are not required to audit, nor have we audited and as a consequence do not express an opinion on, any information contained within the forms subject to audit set out above which are calculated using an approved internal or partial internal model.

Therefore, the following items as contained in the forms subject to audit are excluded from the scope of our opinion:

- [S.02.01.02: cells R0550, R0590, R0640, R0680, R0720]

- [S.12.01.02: cells R0100, R0130]

- [S.23.01.01: cells R0580, R0600, R0620, R0640, R0740]

The forms subject to audit, excluding those items identified above as outside the scope of our opinion, are hereafter defined as the 'relevant elements of the Solvency and Financial Condition Report'.

The relevant elements of the Solvency and Financial Condition Report have been prepared by the Company in accordance with the financial reporting provisions of the Solvency II Regulations. The Solvency II Regulations consist of:

- European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);

- European Commission Delegated Regulation (EU) 2015/35; and

- The European Commission Implementing Regulations designated as designated enactments in section 2(2A) of the Central Bank Act 1942, in particular Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

[and waivers, approvals and other supervisory determinations issued by the Central Bank of Ireland – insert description as appropriate].

In our opinion, the information in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 20XX is properly prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in Ireland, including the Irish Auditing and Accounting Supervisory Authority's (IAASA) *Ethical Standard for Auditors (Ireland)* as applied to public interest entities, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to the ['Valuation for solvency purposes' and 'Capital Management'] sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared, by the Company, to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our report is intended solely for the Central Bank of Ireland and the Company in accordance with the terms of our engagement and should not be distributed to or used by parties other than the Central Bank of Ireland and the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is not appropriate; or
- the Directors have not disclosed in the Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Solvency and Financial Condition Report is authorised for issue.

Other information

The other information comprises the financial and non-financial information in the information accompanying the relevant elements of the Solvency and Financial Condition Report and consists only of:

- D.1 Assets;
- D.2 Technical provisions;
- D.3 Other liabilities;
- D.4 Alternative methods for valuation;
- D.5 Any other information;
- E.1 Own funds.

The Directors are responsible for the other information. Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Solvency and Financial Condition Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or with our knowledge obtained in the course of the audit of the relevant elements of the Solvency and Financial Condition Report, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Solvency II Regulations.

In accordance with Regulation 57 of the European Union (Insurance and Reinsurance) Regulations 2015, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Solvency and Financial Condition Report and for the approval of the Solvency and Financial Condition Report.

The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations as applicable to the Company. All Directors are required to sign a Compliance Statement, as required under Section 25 of the Central Bank Act 1997, for submission with the annual quantitative reporting templates.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making or the judgement of users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report is located on IAASA's website at: http://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

Report on other legal and regulatory requirements

In accordance with paragraph 6 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, we are required to read the other information to identify material inconsistencies, if any, with information made available to us in the course of the audit of the relevant elements of the Solvency and Financial Condition Report and in the course of the audit of the statutory financial statements of the Company. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]

[Auditor address]

[Date]

Illustration 2A – solo entity using the partial or full internal model: An auditor's report on relevant elements of the SFCR for the year ended [insert date] (non-life insurance undertaking) – such period beginning on or after 17 June 2016

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- The reporting period end is 31 December.
- The insurance entity is a solo insurance undertaking.
- The insurance entity is a non-life insurance undertaking.
- The auditor is responsible for the audit of the entity's statutory financial statements as well as of the relevant elements of the SFCR⁶.
- The audited entity has calculated the Solvency Capital Requirement ('SCR') using the partial or full internal model method.
- The auditor's report is submitted to the Central Bank together with the relevant elements of the SFCR and other accompanying information which consists only of:
 - D.1 Assets;
 - D.2 Technical provisions;
 - D.3 Other liabilities;
 - D.4 Alternative methods for valuation;
 - D.5 Any other information;
 - E.1 Own funds.
- The risk margin and any other quantitative elements of the SFCR that relate to or are dependent upon the SCR are all out of scope of the audit.

- The financial information has been prepared by the management of the entity in accordance with the financial reporting provisions of the Solvency II Regulations to meet the requirements of the Central Bank. Management does not have a choice of financial reporting frameworks.
- The applicable financial reporting framework is a compliance framework designed to meet the financial information needs of specific users.
- The terms of the audit engagement reflect the description of directors' responsibility for the SFCR.
- The auditor has concluded an unmodified (i.e. "clean") opinion is appropriate based on the audit evidence obtained.
- The auditor is not required to include, and has otherwise decided not to communicate, key audit matters in accordance with ISA (Ireland) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, in the context of the audit of the relevant elements of the SFCR.
- The auditor's report is a private report addressed to the Central Bank of Ireland as required by Regulation 37 of the 2015 Regulations and by *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, and therefore is not published with the SFCR.
- Only those elements of the SFCR which the Central Bank has identified in Appendix 2 to *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures* are treated as 'other information' in accordance with the requirements of ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*. The auditor has nothing to report in respect of 'other information'.
- Those responsible for oversight of the SFCR differ from those responsible for the preparation of the SFCR.

N.B. There may be circumstances where the audit opinion covers the quantitative reporting templates of a solo insurance undertaking which form part of a Group SFCR. Where this is the case, this should be defined upfront.

Report of the independent auditor of [Company Name] ('the Company') to the Central Bank of Ireland pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015: Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

We have audited the following quantitative reporting templates prepared by the Company:

- [S.02.01.02, S.17.01.02, S.23.01.01] as at 31 December 20XX; and
- [S.19.01.21] for the year ended 31 December 20XX

(the 'forms subject to audit').

We are not required to audit, nor have we audited and as a consequence do not express an opinion on, any information contained within the forms subject to audit set out above which are calculated using an approved internal or partial internal model.

Therefore, the following items as contained in the forms subject to audit are excluded from the scope of our opinion:

- [S.02.01.02: cells R0550, R0590, R0640, R0680, R0720]
- [S.17.01.02: cells R0280, R0310]
- [S.23.01.01: cells R0580, R0600, R0620, R0640, R0740]

The forms subject to audit, excluding those items identified above as outside the scope of our opinion, are hereafter defined as the 'relevant elements of the Solvency and Financial Condition Report'.

The relevant elements of the Solvency and Financial Condition Report have been prepared by the Company in accordance with the financial reporting provisions of the Solvency II Regulations. The Solvency II Regulations consist of:

- European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);
- European Commission Delegated Regulation (EU) 2015/35; and
- The European Commission Implementing Regulations designated as designated enactments in section 2(2A) of the Central Bank Act 1942, in particular Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

[and waivers, approvals and other supervisory determinations issued by the Central Bank of Ireland – insert description as appropriate].

In our opinion, the information in the relevant elements of the Solvency and Financial Condition Report of the Company as at and for the year ended 31 December 20XX is properly prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in Ireland, including the Irish Auditing and Accounting Supervisory Authority's (IAASA) *Ethical Standard for Auditors (Ireland)* as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Quantitative reporting template S.19.01.21 contains corresponding information on non-life insurance claims for a 10 year look-back period commencing [insert date] for gross claims paid and gross discounted and undiscounted best estimate claims provisions. The information subject to audit included in these forms is only that included in C0170 titled "In Current Year" in the "Gross Claims Paid" section of the form and the information included in C0360 titled "Year end (discounted data)" in the "Gross Undiscounted Best Estimates Claims Provisions" section of the form.

All other information contained on these forms is corresponding information as defined in ISA (Ireland) 710, *Comparative Information – Corresponding Figures and Comparative Financial Statements* (ISA (Ireland) 710'). On the introduction of the requirement for an audit of the relevant elements of the Solvency and Financial Condition Report, the Central Bank of Ireland limited the audit procedures required by ISA (Ireland) 710 on the look-back period to years ending on or after 31 December 2014 and, therefore, no audit procedures have been performed on the corresponding information included on quantitative reporting template S.19.01.21 for years ended prior to 31 December 2014.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to the ['Valuation for solvency purposes' and 'Capital Management'] sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared, by the Company, to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our report is intended solely for the Central Bank of Ireland and the Company in accordance with the terms of our engagement and should not be distributed to or used by parties other than the Central Bank of Ireland and the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is not appropriate; or
- the Directors have not disclosed in the Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Solvency and Financial Condition Report is authorised for issue.

Other information

The other information comprises the financial and non-financial information in the information accompanying the relevant elements of the Solvency and Financial Condition Report and consists only of:

- D.1 Assets;
- D.2 Technical provisions;
- D.3 Other liabilities;
- D.4 Alternative methods for valuation;
- D.5 Any other information;
- E.1 Own funds.

The Directors are responsible for the other information. Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Solvency and Financial Condition Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or with our knowledge obtained in the course of the audit of the relevant elements of the Solvency and Financial Condition Report, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Solvency II Regulations.

In accordance with Regulation 57 of the European Union (Insurance and Reinsurance) Regulations 2015, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Solvency and Financial Condition Report and for the approval of the Solvency and Financial Condition Report.

The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations as applicable to the Company. All Directors are required to sign a Compliance Statement, as required under Section 25 of the Central Bank Act 1997, for submission with the annual quantitative reporting templates.

Auditor's responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making or the judgement of users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the relevant elements of the Solvency and Financial Condition Report is located on IAASA's website at: http://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

Report on other legal and regulatory requirements

In accordance with paragraph 6 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, we are required to read the other information to identify material inconsistencies, if any, with information made available to us in the course of the audit of the relevant elements of the Solvency and Financial Condition Report and in the course of the audit of the statutory financial statements of the Company. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]

[Auditor address]

[Date]

Illustration 3 – group insurance undertaking using the standard formula: An auditor's report on relevant elements of the SFCR for the year ended [insert date] – such period beginning on or after 17 June 2016

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- The reporting period end is 31 December.
- The insurance entity is a group insurance undertaking.
- The auditor is responsible for the audit of the entity's statutory financial statements as well as of the relevant elements of the Group SFCR².
- The audited entity has calculated the Solvency Capital Requirement using the standard formula.
- The auditor's report is submitted to the Central Bank together with the relevant elements of the Group SFCR and other accompanying information which consists only of:
 - E.1 Own funds;
 - E.2 Solvency Capital Requirement;
 - E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement;
 - E.6 Any other information.
- The financial information has been prepared by the management of the entity in accordance with the financial reporting provisions of the Solvency II Regulations to meet the requirements of the Central Bank. Management does not have a choice of financial reporting frameworks.
- The applicable financial reporting framework is a compliance framework designed to meet the financial information needs of specific users.
- The terms of the audit engagement reflect the description of directors' responsibility for the Group SFCR.
- The auditor has concluded an unmodified (i.e. "clean") opinion is appropriate based on the audit evidence obtained.
- The auditor is not required to include, and has otherwise decided not to communicate, key audit matters in accordance with ISA (Ireland) 701, *Communicating Key Audit Matters in the Independent Auditor's Report*, in the context of the audit of the relevant elements of the Group SFCR.
- The auditor's report is a private report addressed to the Central Bank of Ireland as required by Regulation 37 of the 2015 Regulations and by *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, and therefore is not published with the Group SFCR.
- Only those elements of the Group SFCR which the Central Bank has identified in Appendix 2 to *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures* are treated as 'other information' in accordance with the requirements of ISA (Ireland) 720, *The Auditor's Responsibilities Relating to Other Information*. The auditor has nothing to report in respect of 'other information'.
- Those responsible for oversight of the Group SFCR differ from those responsible for the preparation of the Group Solvency and Financial Condition Report.

Report of the independent auditor of [Company Name] ('the Company') to the Central Bank of Ireland pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015: Report on the audit of the relevant elements of the Group Solvency and Financial Condition Report

Opinion

We have audited the following quantitative reporting templates prepared by the Company as at 31 December 20XX:

- [S.23.01.22, S.25.01.22]

(the 'relevant elements of the Group Solvency and Financial Condition Report').

The relevant elements of the Group Solvency and Financial Condition Report have been prepared by the Company in accordance with the financial reporting provisions of the Solvency II Regulations. The Solvency II Regulations consist of:

- European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);
- European Commission Delegated Regulation (EU) 2015/35; and
- The European Commission Implementing Regulations designated as designated enactments in section 2(2A) of the Central Bank Act 1942, in particular Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the Solvency and Financial Condition Report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

[and waivers, approvals and other supervisory determinations issued by the Central Bank of Ireland – insert description as appropriate].

In our opinion, the information in the relevant elements of the Group Solvency and Financial Condition Report as at 31 December 20XX is properly prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the relevant elements of the Group Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the relevant elements of the Group Solvency and Financial Condition Report in Ireland, including the Irish Auditing and Accounting Supervisory Authority's (IAASA) *Ethical Standard for Auditors (Ireland)* as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to the ['Valuation for solvency purposes' and 'Capital Management'] sections of the Group Solvency and Financial Condition Report, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared, by the Company, to assist the Company in complying with the financial reporting provisions of the Solvency II Regulations. As a result, the Group Solvency and Financial Condition Report may not be suitable for another purpose. Our report is intended solely for the Central Bank of Ireland and the Company in accordance with the terms of our engagement and should not be distributed to or used by parties other than the Central Bank of Ireland and the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is not appropriate; or
- the Directors have not disclosed in the Group Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Group Solvency and Financial Condition Report is authorised for issue.

Other information

The other information comprises the financial and non-financial information in the information accompanying the relevant elements of the Group Solvency and Financial Condition Report and consists only of:

- E.1 Own funds;
- E.2 Solvency Capital Requirement;
- E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement;
- E.6 Any other information.

The Directors are responsible for the other information. Our opinion on the relevant elements of the Group Solvency and Financial Condition Report does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Group Solvency and Financial Condition Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the relevant elements of the Group Solvency and Financial Condition Report, or with our knowledge obtained in the course of the audit of the relevant elements of the Group Solvency and Financial Condition Report, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Group Solvency and Financial Condition Report or a material misstatement of the other Information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Solvency II Regulations.

In accordance with Regulation 57 of the European Union (Insurance and Reinsurance) Regulations 2015, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the Group Solvency and Financial Condition Report and for the approval of the Group Solvency and Financial Condition Report.

The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of a Group Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors should be satisfied that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the Solvency II Regulations as applicable to the Company. [All Directors are required to sign a Compliance Statement, as required under Section 25 of the Central Bank Act 1997, for submission with the annual quantitative reporting templates.⁸]

Auditor's responsibilities for the audit of the relevant elements of the Group Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group Solvency and Financial Condition Report are prepared, in all material respects, in accordance with the financial reporting provisions of the Solvency II Regulations.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision-making or the judgement of users taken on the basis of the Group Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the relevant elements of the Group Solvency and Financial Condition Report is located on IAASA's website

at: http://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

Report on other legal and regulatory requirements

In accordance with paragraph 6 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, we are required to read the other information to identify material inconsistencies, if any, with information made available to us in the course of the audit of the relevant elements of the Group Solvency and Financial Condition Report and in the course of the audit of the statutory financial statements of the Company. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]

[Auditor address]

[Date]

1 Appendix 2 of Technical Release 13/2016 was revised in May 2017 by Technical Alert 01/2017 *Revision to Technical Release 13/2016 : Illustrative Auditor's Report on the relevant elements of the Solvency and Financial Condition Report (SFCR)*

2 The guidance in Section 3 of Technical Release 13/2016 refers to the old auditing framework, ISAs (UK and Ireland). Readers should be cognisant that the appropriate auditing framework for the audit of the relevant elements of the SFCR for periods beginning **on or after 17 June 2016** is the ISAs (Ireland).

3 In accordance with paragraph 11 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, the incumbent statutory auditor undertakes the audit of the relevant elements of the SFCR.

4 In accordance with paragraph 11 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, the incumbent statutory auditor undertakes the audit of the relevant elements of the SFCR.

5 In accordance with paragraph 11 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, the incumbent statutory auditor undertakes the audit of the relevant elements of the SFCR.

6 In accordance with paragraph 11 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, the incumbent statutory auditor undertakes the audit of the relevant elements of the SFCR.

7 In accordance with paragraph 11 of *The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures*, the incumbent statutory auditor undertakes the audit of the relevant elements of the SFCR.

8 In cases where the group is a holding company that is not a regulated entity this sentence should be removed. Directors' certification requirements apply to insurance and reinsurance undertakings only.