



## **SEGREGATED INSURANCE FUND OF THE CAYMAN ISLANDS**

---

**Report to those charged with governance on the 2023 audit**

**April 2024**

*To help the public service  
spend wisely*

# TABLE OF CONTENTS

---

<b>Introduction .....</b>	<b>4</b>
<b>Auditor’s responsibilities in relation to the audit .....</b>	<b>4</b>
Auditor’s responsibility under International Standards on Auditing.....	4
Responsibilities of management and those charged with governance.....	5
Other information in documents containing audited financial statements.....	5
<b>Conduct, approach and overall scope of the audit .....</b>	<b>5</b>
<b>Audit report, adjustments and management representations .....</b>	<b>5</b>
<b>Significant findings from the audit.....</b>	<b>6</b>
Significant accounting practices .....	6
Management’s judgments and accounting estimates.....	6
Going concern doubts.....	6
Material weaknesses in internal control .....	6
Fraud or illegal acts.....	6
Significant difficulties encountered during the course of our audit.....	7
Disagreements with management.....	7
Any other significant matters .....	7
<b>Acknowledgements .....</b>	<b>7</b>

# REPORT TO THOSE CHARGED WITH GOVERNANCE

---

## INTRODUCTION

1. We have completed our audit of the 31 December 2023 financial statements of the Segregated Insurance Fund of the Cayman Islands (“the Fund”). International Standards on Auditing (ISAs) require that we communicate certain matters to those charged with governance of the Fund in sufficient time to enable appropriate action. The matters we are required to communicate under ISAs include:
  - auditor’s responsibilities in relation to the audit
  - the overall scope and approach to the audit, including any expected limitations, or additional requirements
  - relationships that may bear on our independence, and the integrity and objectivity of our staff
  - expected modifications to the audit report
  - significant findings from our audit
2. This report sets out for the consideration of those charged with governance those matters arising from the audit of the financial statements for the year ended 31 December 2023 that we consider are worthy of drawing to your attention.
3. This report has been prepared for the sole use of those charged with governance and we accept no responsibility for its use by a third party. Under the Freedom of Information Act (2021 Revision) it is the policy of the Office of the Auditor General to release all final reports proactively through our website: [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky).

## AUDITOR’S RESPONSIBILITIES IN RELATION TO THE AUDIT

### AUDITOR’S RESPONSIBILITY UNDER INTERNATIONAL STANDARDS ON AUDITING

4. ISAs require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters and this report includes only those matters of interest which came to our attention as a result of the performance of our audit.

---

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

5. Management's responsibilities are detailed in the engagement letter to which this engagement was subject. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

---

## OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

6. While we have no responsibility to perform any work on other information, including forward looking statements, containing audited financial statements, we will read the other information contained in the Fund's annual report, if one is prepared, to consider whether such information is materially inconsistent with information appearing in the financial statements or our knowledge of the operations of the Fund. We have not reviewed any other documents containing the Fund's audited financial statements.

---

## CONDUCT, APPROACH AND OVERALL SCOPE OF THE AUDIT

7. Information on the integrity and objectivity of the Office of the Auditor General and audit staff, and the nature and scope of the audit, were outlined in the Engagement Letter presented to the Superintendent of Health Insurance dated 13 September 2023, and follow the requirements of the ISAs. We are not aware of any impairment to our independence as auditors.

---

## AUDIT REPORT, ADJUSTMENTS AND MANAGEMENT REPRESENTATIONS

8. We have issued an unmodified auditor's report on the 2023 financial statements.
9. There were no corrected or uncorrected audit misstatements arising from the audit.
10. As part of the completion of our audit we seek written representations from management on aspects of the accounts and judgements and estimates made. Management provided us with written representations dated 22 April 2024 in respect of our financial statement audit.

## **SIGNIFICANT FINDINGS FROM THE AUDIT**

### **SIGNIFICANT ACCOUNTING PRACTICES**

11. We are responsible for providing our views about qualitative aspects of the Fund's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. Generally accepted accounting principles provide for the Fund to make accounting estimates and judgments about accounting policies and financial statement disclosures. We are not aware of any areas where the significant accounting practices have changed from previous year or are not consistent with general industry practice. In addition, we are not aware of any new or controversial accounting practices reflected in the Fund's financial statements.

### **MANAGEMENT'S JUDGMENTS AND ACCOUNTING ESTIMATES**

12. There were no matters which required management to make significant judgments or which required significant estimates.

### **GOING CONCERN DOUBTS**

13. As a result of our audit, we did not become aware of any material uncertainties related to events and conditions that may cast significant doubt on the Fund's ability to continue as a going concern.

### **MATERIAL WEAKNESSES IN INTERNAL CONTROL**

14. We have not identified significant matters relating to internal controls as part of our audit.

### **FRAUD OR ILLEGAL ACTS**

15. Applicable auditing standards recognize that the primary responsibility for the prevention and detection of fraud and compliance with applicable acts and regulations rests with both those charged with governance of the entity and with management. It is important that management, with the oversight of those charged with governance; place a strong emphasis on fraud prevention, and fraud deterrence. They are also responsible for establishing and maintaining controls pertaining to the entity's objective of preparing financial statements that are presented fairly, in all material respects, in accordance with the applicable financial reporting framework and managing risks that may give rise to material misstatements in those financial statements. In exercising oversight responsibility, those charged with governance should consider the potential for management override of controls or other inappropriate influence over the financial reporting process.
16. As auditors, in planning and performing the audit, we are required to reduce audit risk to an acceptably low level, including the risk of undetected misstatements in the financial statements due to fraud. However, we cannot obtain absolute assurance that material misstatements in the

financial statements will be detected because of such factors as the use of judgment, the use of testing, the inherent limitations of internal control and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

17. No fraud or illegal acts came to our attention as a result of our audit.

---

**SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE COURSE OF OUR AUDIT**

18. No serious difficulties were encountered in the performance of our audit.

---

**DISAGREEMENTS WITH MANAGEMENT**

19. We have had no disagreements with management resulting from our audit.

---

**ANY OTHER SIGNIFICANT MATTERS**

20. No other significant matters were raised during the audit.

---

**ACKNOWLEDGEMENTS**

21. We would like to express our thanks to the Fund's staff for their help and assistance during the audit of this period's financial statements. This enabled us to provide an audit report within the agreed timetable.

Yours sincerely,



Sue Winspear, CPFA  
Auditor General