



Brussels, 18 November 2015

MESSAGE TO ALL ACCREDITED AUDITORS  
MESSAGE 2015-14

Dear Colleague,

Concerns: Involvement of the statutory auditor during the Solvency II preparatory phase

Representatives of the Insurance Working Party recently met with representatives of the Bank to reflect on the performance by the statutory auditors of the agreed-upon procedures regarding the 31 December 2014 Solvency II returns (preparatory phase) and to discuss the way forward and more particularly the involvement of the auditors regarding the 30 September 2015 (end of the preparatory phase) and 31 December 2015 Solvency II returns.

Debriefing on the 31 December 2014 involvement

The Bank informed us that:

- the involvement of the auditors was considered very useful and
- the reports in general provided a clear description of the factual findings of the auditors.

Involvement regarding the 30 September 2015 Solvency II returns

The Bank confirmed that the auditors are requested to perform agreed-upon procedures regarding the 30 September 2015 Solvency II returns and to report factual findings. The Bank confirmed that the auditors should primarily focus on:

- the follow up of the findings identified in their report regarding the 31 December 2014 Solvency II returns
- areas not previously covered in sufficient detail as of 31 December 2014 due to, for instance, the lack of readiness of the company in a particular area, insufficient supporting documentation, ...

The Insurance Working Party has recently updated the Solvency II working programs on the basis of past working experience. A copy of the updated programs is appended to this message.



As far as the reports are concerned the Bank suggested the auditors to summarize all findings and recommendations in an excel type spreadsheet indicating for each finding and recommendation, by way of example, the following information:

- the degree of importance (high, medium, low)
- management's reaction
- the actions to remedy the situation
- tentative deadline to implement the actions.

Findings and recommendations should be dealt with in sufficient detail in order to allow the Bank to make its own assessment of the importance of the finding and the appropriateness of the recommendations.

It is also important that the auditors clearly explain in their report on which basis the scope was set within the context of what has been agreed with the Bank as explained above.

The reports have to be transmitted to the Bank within 10 weeks after the end of the quarter (16 weeks for groups) on the basis that insurance and reinsurance companies have to transmit the returns within 8 weeks after the end of the quarter (14 weeks for groups). Auditors should inform the Bank immediately in case the timing for the submission of the report cannot be complied with.

Involvement regarding the 31 December 2015 Solvency II returns

We reflected on the involvement of the auditors on the Solvency II returns subsequent to 30 September 2015 and prior to 30 June 2016. Circular NBB\_2014\_02 does not deal with the involvement of the statutory auditors subsequent to the preparatory phase.

The Bank will continue its reflection on this subject and will come back to us in due course.

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In case you have any questions concerning the content of this message please do not hesitate to contact me or Karel Tanghe, Chairman of the Insurance Working Party.

Jean-François Hubin,  
Chairman

A handwritten signature in blue ink, consisting of a large, stylized 'J' and 'H' that loops around each other. The signature is positioned above the printed name and title.



Appendix: Updated working programs