



INSURANCE INDUSTRY COMPENSATION FUND HIT AND RUN SUB FUND

under the Ministry of Financial
Services and Good Governance



ANNUAL REPORT 2023

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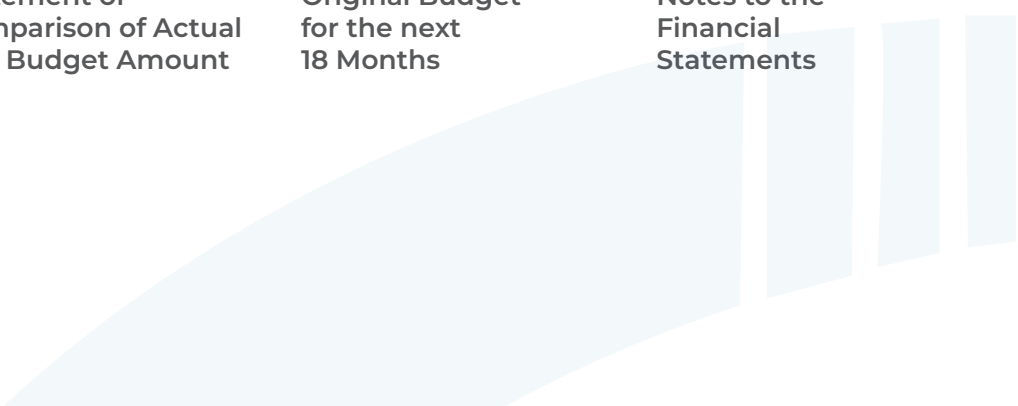
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CHAIRPERSON'S MESSAGE

At the Insurance Industry Compensation Fund (IICF), it has become a well settled practice in line with the principle of good corporate governance to report back to the nation of its achievements. We, once again proudly present our 2022-2023 records and goals which we have successfully achieved by way of this message, so as to keep the nation abreast of our contribution in the context of hit and run sub-fund.

Collaboration with stakeholders

With a view to reach out to a larger number of the victims of Hit and Run, our dedicated team used their best endeavours to conduct a series of research exercise to identify those who are eligible for the compensation. In this respect, we approached the office of the Commissioner of Police whose good office, I must say, is ever so helpful. We express our gratitude to the Commissioner of Police for having provided assistance through the Divisional Commanders across Mauritius and Rodrigues to trace out victims of hit and run. A number of consultation and preparatory sessions are undertaken on a regular basis. Without this exercise, there is a significant number of victims who would be left out as they are not aware of the existence of this sub-fund and they are not conversant on how to proceed with making a claim. This explains why we have to reach out to people.

Consultation Session with Hit and Run victims

Our team comprising of the Managing Committee led by me, the Technical Committee led by Me. Bishan Ramdenee and the Secretary Miss Maneesha Gokool, have put enormous amount of work and energy to carry out consultation sessions with our victims and to bring changes to the relevant laws so as to enable better compensatory package to the victims. In so doing, our legislation was amended to increase the prescription period for claiming compensation from 2 years to 5 years. Throughout the years, we noted that a number of victims were not able to claim their compensation within the two years period due to the fact that they were still recovering physically, emotionally

and psychologically from the trauma of the accident they had sustained. This is yet another example of our initiative to ensure that we reached out to victims. This amendment to the Insurance Act came into force as from August 2021.

Amendment to Legislation

In furtherance of the extension of the prescription limit to 5 years, another significant milestone was reached when the IICF made representation, which was accepted by Honourable Minister Mahen Kumar Seeruttun, to double the compensation figures for each and every category of personal injury endured by the victims. The Insurance (Industry Compensation Fund) Regulation 2015 has been amended consequently and we are thankful to the Minister and we also seize this opportunity to express our gratitude to the Minister of Finance, Economic Planning and Development, Honourable Padayachy for having incorporated the amendment in the Finance Bill. Victims of all categories of injuries will henceforth receive double compensation figures compared to previous years and in case of death resulting from hit and run accidents, the compensation will go up to a maximum of MUR 1.5 million.

I have the pleasure to announce that with our team we will continue to play a pivotal role economically and above all socially so that victims of hit and run can safely count on us

It is important for the public to know that since its operation in 2016, the IICF has received over 100 claims out of which 92 claims were eligible and MUR 11.6 million has been disbursed in terms of compensation. Management of Fund in order to manage its funds efficiently, the IICF has implemented the (IPSAS), pursuant to the Statutory Bodies (Accounts and Audits) Act and is currently under a transition period.



Me Kivisha
GOODAR
CHAIRPERSON

Cheque Remittance Ceremonies – Mauritius and Rodrigues

It has also become a tradition to value Hit and Run victims and the IICF has proudly organised its 4th consecutive cheque remittance ceremony in honour of the victims and their beneficiaries in November 2023. We have also conducted our first ever cheque remittance ceremony to recognise victims of Rodrigues.

Future Plan

We will engage into a national awareness campaign so that we become a household name and reach out to all vulnerable victims. We have already extended out appendages to Rodrigues where we will launch our first awareness campaign for the benefit of its public.

Vote of thanks - Acknowledgment

Over the years, the IICF has seen the parent Ministry and its stakeholders joining force for the good cause of compensating Hit and Run victims and I am sincerely obliged to all of them. I am foremost thankful to the Secretary for her remarkable work and Managing Committee Members for their dedication and trust upon my decisions. The Members and Chairperson of the Technical Committee's efforts are truly appreciated. The Ministry's and the Financial Services Commission's support are acknowledged. The genuine collaboration of the Mauritius Police Force and the Medical Superintendents of hospitals are highly commendable. The Insurers' Association of Mauritius and all the insurance companies across Mauritius are thanked for their supports and ensuring that contributions are duly credited into the Fund. I am really grateful to the Minister of Financial Services and Good Governance, Honourable Mahen Kumar Seeruttun for his unwavering support and conviction in IICF and for always putting the betterment of Hit and Run victims forward.


K. Goodar
Chairperson

FUND DATA

MANAGING COMMITTEE		Date of appointment	Date of termination
Me. Anas Moussa Ismael Rawat	Chairperson	05 July 2017	26 January 2021
<u>Managing Committee Members:</u>			
Mr Pradeo Buldee		28 July 2017	26 January 2021
Mr Louis Eric Salmine		28 July 2017	26 January 2021
Mr Mamode Raffic Elahee		05 July 2017	26 January 2021
Mr Ranjaysingh Koonbeeharry		17 November 2017	26 January 2021
Me. Kivisha Devi Goodar	Chairperson	26 January 2021	-
<u>Management Committee Members:</u>			
Mr Ashveen Sunnoo		26 January 2021	-
Mr Louis Eric Salmine		26 January 2021	-
Mr Dyanand Malaree		26 January 2021	-
Mrs Marie Estelle Apollon-Chadun		26 January 2021	-
<u>Technical Subcommittee Members:</u>	Chairperson		
Me. Bishan Ramdenee		14 June 2018	-
Mr Tedj Iswar Boodia		14 June 2018	-
Mr Parmessur Chummun		13 December 2018	05 March 2021
Mr Louis Dominique		05 March 2021	-
Miss Hazaghee Dorasami		05 March 2021	-
Miss Maneesha Gokool	Secretary	28 January 2019	-
Miss Raaniyah Beebee Bhunnoo	Secretary	30 May 2018	05 March 2021

FUND DATA

REGISTERED OFFICE

Insurance Industry Compensation Fund

Level 5
Shri Atal Bihari Vajpayee Tower
Landscape Mauritius
Ebene
Mauritius

BANKERS

Absa Bank Mauritius Limited

1st Floor, ABSA House
68-68A Cybercity
Ebene
Mauritius

MauBank Ltd

25 Bank Street,
Cybercity
Ebene
Mauritius

SBM Bank (Mauritius) Ltd

SBM Tower
1, Queen Elizabeth II Avenue
Port Louis
Mauritius

SBI (Mauritius) Ltd

Mind Space Building
Ebene

THE MAURITIUS COMMERCIAL BANK

Sir William Newton Street,
Port Louis



BOARD MEMBERS
PROFILE

Members of Managing Committee



Me Kivisha
GOODAR

CHAIRPERSON



Mr. Eric Louis
SALMINE

MEMBER



Mr. Dyanand
MALAREE

MEMBER



Mr. Ashveen
SUNNOO

MEMBER



Mrs. Marie Estelle
APOLLON-CHADUN

MEMBER

Members of Technical Committee



Me Bishan
RAMDENE

CHAIRPERSON



Mr. Tedj Iswar
BOODIA

MEMBER



Miss. Hazaghee
DORASAMI

MEMBER



Mr. Louis
DOMINIQUE

MEMBER



CORPORATE
GOVERNANCE
REPORT

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (18 months)

Preamble

The Insurance Industry Compensation Fund (IICF), set up by the Insurance Act 2005 is listed as a statutory body. The purpose of this institution is to deliver government's social program by compensating hit and run victims in Mauritius and Rodrigues, who otherwise would have no legal remedy or otherwise. This genre of institution is mirrored in other jurisdictions across the world.

Principle 1: Governance Structure

The IICF is governed by a Managing Committee which is presided over by a Chairperson. The Managing Committee is assisted by a Technical Committee and the Financial Services Commission assumes duties of accounts and finance of the IICF.

Managing Committee

For the financial year starting on 1st January 2022 and ending on 30 June 2023 (the 'Financial Year'), the Managing Committee of the IICF (the 'Managing Committee'), consisted of five members including the Chairperson in accordance with Regulation 4(1)(a) of the Insurance (Industry Compensation Fund) Regulations 2015 (the '2015 Regulations').

It is noted that the Managing Committee was reconstituted on the 26th of January 2021. The appointed Members were:

Me Kivisha Devi Goodar – appointed as Chairperson since 26th January 2021

Mr Ashveen Sunnoo – appointed as Member since 26th January 2021

Mr Dyanand Malaree – appointed as Member since 26th January 2021

Mrs Marie Estelle Elisabeth Appollon-Chadun – appointed as Member since 26th January 2021

Mr Eric Louis Salmine – reappointed as Member since 26th January 2021

The Managing Committee preceded the previous Managing Committee and the former Members were as follows:

Me Anas Moussa Ismael Rawat – Chairperson till 25th January 2021

Mr Mamode Raffic Elahee – Member till 25th January 2021

Mr Pradeo Buldee – Member till 25th January 2021

Mr Ranjaysingh Koonbeeharry – Member till 25th January 2021

Miss Maneesha Gokool was recruited as Secretary on 28th January 2019 and continues to occupy the Secretary post.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (18 months)

Role of the Managing Committee

The Managing Committee, being the main organ of IICF, shoulders numerous responsibilities. The duties of the MC, *inter alia*, is to approve strategic plans designed by the IICF and put them into practice. It has the obligation to discharge its social vision, that is promptly assessing claims of Hit and Run victims in Rodrigues and Mauritius and compensate them within the prescribed time delay. Furthermore, it has the obligation to diligently evaluate all the recommendations sent to the Committee before approval. The Insurance (Industry Compensation Fund) Regulation 2015 acts as a practice direction for the IICF as it englobes the sets of rules, protocols, code of practice and conduct and so forth.

On a yearly basis, the IICF prepares its targets in the form of a Performance Agreement which it has entered with its parent Ministry as per section 4A, Statutory Bodies (Accounts and Audit) Act. The *raison d'être* of this Performance Agreement is to ensure it delivers its social missions and objectives and also visions for national projects in close collaboration with its stakeholders such as Mauritius Police Force, etc. It also enlists a key performance indicator for IICF's target.

Being a Statutory Body under the Ministry of Financial Services and Good Governance, there is a permanent onus on IICF to observe the highest standard within the good governance sector, at all material times. The IICF also ensures that it is in compliance with all laws, regulations, rules, guidelines and protocols.

All the above is only achievable when a strict code of conduct is observed by the Chairperson, Members and Secretary. The moral and ethical conduct adopted by them are within the spirit and intendment of the Prevention of Corruption Act. Any iota of misrepresentation, fraud or corruption is detected at an early stage and this stringent approach is exercised at all material times.

Technical Committee

The Technical Committee provides assistance to the institution by considering many complex issues and forwarding their recommendations to the Managing Committee. It further acts as the Departmental Bid Committee (DBC) for procurement exercise in order to observe the fairness and transparency rule in the good governance sector.

Financial Services Commission

The Financial Services Commission (FSC) is mandated by law to carry out financial duties of IICF. It is responsible for collecting contributions for the Fund from insurance companies who, in return, charge a nominal fee from their insurance policy holders. It is also responsible for the daily monetary management of the IICF. The finance aspect of the IICF is wholly controlled by the FSC, the regulatory body, thus ensuring transparency, accountability and secure investment. All the investment is carried out in consultation with the FSC, who in return provides the IICF with an investment proposal. The proposal is then evaluated by the Technical Committee, which submits its recommendation to the Managing Committee. After due consideration and after analysing the risk implications, the MC gives its final approval to the FSC, once it is satisfied that the investment is risk free and guarantees return and capital.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (18 months)

Principle 2: The Structure of the Board and its Committees

The composition of IICF is as follows:

1. Managing Committee
2. Technical Committee
3. Finance and Accounts Department – FSC

It is important to note that IICF is a fairly young statutory body having been established in 2016.

The MC, being the cornerstone, is the decision maker of this institution. It is presided over by a Chairperson along with 4 Members. The Chairperson is a qualified practicing barrister, and the Members are professionals who act independently and impartially with an array of knowledge and experience. The appointment of the MC is made by the Minister as per section 4 of Insurance (Industry Compensation Fund) Regulation 2015. The MC acts independently from the parent Ministry as there are no government officials sitting in the Committee.

The TC provides technical support and expertise to the MC. The Chairperson is a qualified practicing barrister, and its 3 Members are experts in various areas such as law and order and finance and accounting. Section 9 of the Regulation 2015 enlists all the mandates of the TC.

The finance of the institution is overseen by the Finance and Accounts department of the Financial Services Commission, which is a regulatory body in Mauritius. It collects contributions attributable to the Fund through insurance companies. The FSC advises IICF on safe, non-risky and profitable investments thus ensuring transparency and accountability. The FSC is also responsible for the preparation of end of year financial statements. For transparency and good governance purposes, the audit exercise is carried out by an external and independent auditor.

Although the MC and TC Members are appointed on a part-time basis, an Office Secretary ensures the smooth functioning of the IICF on a permanent basis. The Office Secretary is responsible for:

1. administrative duties and the daily operation of the fund
2. liaising with Ministry
3. organize consultation sessions with stakeholders,
4. being the facilitating officer for Hit and Run victims
5. attending professional development skills workshops
6. attending courses/training to keep up to date with the new development in the financial services and good governance sector
7. ensuring IICF is compliant with relevant guidelines, regulations and law
8. act as corporate secretary to Committees and draft resolutions
9. put approved resolutions into execution.

Meeting of the Management Committee

Regulation 5(1) of the Insurance (Industry Compensation Fund) Regulations 2015, requires the Managing Committee to meet as often as is necessary but at least once every 3 months.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (18 months)

Principle 2: The Structure of the Board and its Committees (Cont'd)

Meeting of the Management Committee (Cont'd)

For the Financial Year 2022 & 2023, the Managing Committee has met on 21 occasions. The number of meetings attended by the Chairperson and members of the Managing Committee are set out in the table below:

Members of Managing Committee	Meetings attended (18 Months)
Me Kivisha Devi Goodar (Chairperson)	21
Mr Ashveen Sunnoo (Member)	19
Mr Dyanand Malaree (Member)	18
Mrs Marie Estelle Elisabeth Apollon-Chadun (Member)	16
Mr Eric Louis Salmine (Member)	17

Principle 3: Appointment of Chairperson and Members

Like most statutory bodies, the Chairperson and Members of the Managing Committee are appointed by the Minister of Financial Services and Good Governance in accordance to section 4 of Insurance (Industry Compensation Fund) Regulation 2015.

Principle 4: Chairperson & Members duties, remuneration and performance

The Chairperson in a statutory body is the epitome of ethics, integrity, morality, good conduct, strategy, knowledge, accountability and impartiality. He/She is observant of the job description for Chairperson published on the NCCG's website. At IICF, both Chairpersons of the Managing Committee and Technical Committee respectively, uphold the same values rigorously in every aspect. Any potential conflict of interest is detected at an early stage and necessary measures are taken to avoid them. Given that both Chairpersons are legally qualified, they do their utmost to diligently observe the provisions of the Prevention of Corruption Act in all Committees which they chair. So far, at the IICF, no conflict of interest has been detected by either Committee or elsewhere within the organization as per the IICF's Annual Reports.

The Chairpersons are also under a duty to ensure that Members as well perform with integrity and impartiality and contribute to the meeting based on their experience and wisdom to act in the best interest of IICF. They are also responsible for resolving any conflict within the institution in an effective and timely manner.

The MC's Chairperson is responsible to earmark national activities of IICF and work in collaboration with relevant stakeholders for the betterment and advancement of the institution. Together with the whole IICF team, she is under an obligation to bookmark the targeted number of Hit and Run claims to determine in order to discharge their social duties. She is also a signatory of the Performance Agreement, as mentioned in Principle 1 above entered with the parent Ministry and has the duty to ascertain that all targets are reached within the deadline.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (18 months)

Principle 4: Chairperson & Members duties, remuneration and performance (Cont'd)

As for investment worth of millions, it is computed and proposed by the FSC, a regulatory body itself. The current safe practice adopted by IICF is investing not more than 25% of its total assets in any commercial bank. This practice, however, is not mandatory when IICF invests in the Bank of Mauritius, thus at the same time helping the economy. In all aspects, the institution abstains from venturing in risky investments so as to avoid any possible liability.

As regards to the remuneration of the Chairperson and Members, they are determined by the Minister himself, as per section 4 (1)(b) and the formers have no involvement in it.

The fees paid to the Chairperson and members of the Managing Committee are provided in the following table:

Members	Fees for the Financial Year (MUR)
Me Anas Moussa Ismael Rawat (Chairperson of the Managing Committee till 25 th January 2021)	1,182
Mr Mamode Raffic Elahee (Member of the Managing Committee till 25 th January 2021)	788
Mr Pradeo Buldee (Member of the Managing Committee till 25 th January 2021)	788
Mr Ranjaysingh Koonbeeharry (Member of the Managing Committee till 25 th January 2021)	788
Me Kivisha Devi Goodar (Chairperson of the Managing Committee since 26 th January 2021)	576, 520
Mr Ashveen Sunnoo (Member of the Managing Committee since 26 th January 2021)	380, 437
Mr Dyanand Malaree (Member of the Managing Committee since 26 th January 2021)	380, 437
Mrs Marie Estelle Elisabeth Apollon-Chadun (Member of the Managing Committee since 26 th January 2021)	381, 225
Mr Eric Louis Salmine (Re-appointed as Member of the Managing Committee on 26 th January 2021)	386, 302

Principle 5: Risk Management and internal control

Notwithstanding the fact that IICF is a newly created statutory body, it fosters high standards in terms of internal control, risk management and any type of mitigation of liabilities at every stage and procedure. For instance, the main area where major risk is involved is investment.

In a similar vein, when assessing claims from victims of Hit and Run, a rigorous exercise is carried out to seek genuine and proper documentations from the victims, the Mauritius Police Force and hospitals. This practice allows the IICF to scrutinize them and be sure on 'balance of probabilities' to approve payment for compensation. It also eliminates any risk of granting compensation to illegible victims.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (18 months)

Principle 6: Reporting with integrity

Submissions on deadline is considered very seriously within the IICF. Preparation, publication and deadline of Annual Reports are fully detailed in section 21 of Insurance (Industry Compensation Fund) Regulation 2015 and the IICF abide to it in a sacrosanct manner.

Principle 7: Audit

The IICF's finance and accounts are prepared by the FSC and the annual audit exercise is carried out by an independent and qualified auditor who is appointed by the Minister. This process guarantees fairness and transparency.

Principle 8: Relationship with shareholder (Ministry) and stakeholders

The IICF endeavours in forging a professional relationship with both the Ministry of Financial Services and Good Governance and its list of stakeholders/collaborators in Mauritius and Rodrigues listed below:

1. Mauritius Police Force
2. Hospitals- Ministry of Health and Wellness
3. Financial Services Commission
4. Insurance companies
5. Insurers' Association of Mauritius
6. Citizen Advice Bureau and so forth.

The main objective of the above collaboration is for the betterment and to promote the awareness of the compensations given by IICF to Hit and Run victims. The IICF carries out consultation sessions with the above on a regular basis. The IICF is often invited to their shareholders'/stakeholders' events and vice-versa.

Third Party

The terms and conditions of the appointment of the members of the Managing Committee are determined by the Minister of Financial Services and Good Governance. No conflict of interest or related party transaction was reported.

MANAGEMENT REPORT

1ST JANUARY 2022 – 30TH JUNE 2023 (TRANSITION PERIOD OF IMPLEMENTING IPSAS)



Synopsis

The Insurance Industry Compensation Fund, operating under the aegis of Ministry of Financial Services and Good Governance, has been created by section 88 until section 92 of the Insurance Act 2005. The Fund is divided into 2 sub funds: (1) Insolvency Sub Fund and (2) Hit and Run Sub Fund. The Hit and Run Sub Fund has been operational since 2016 and its aims and objectives are mainly to provide financial assistance to victims of Hit and Run accidents who have suffered personal injury.

The IICF is presided over by a Managing Committee who takes all decisions of the Fund. A Technical Committee is in place to assist the Managing Committee and the FSC is responsible for the accounts and finance department. The Managing Committee has met 21 times during the reporting period.



Accounts and Finance

The Finance and Accounts of IICF is overviewed and prepared by the Financial Services Commission. Prior to the legislative amendments brought to the Statutory (Accounts and Audit) Act 1972, the IICF was preparing its accounts in compliance with IFRS. The financial year was for a period of 12 months ending on 31st December.

However, after the amendments has been made, the accounts are now being prepared on the International Public Sector Accounting Standards (IPSAS) basis issued by IFAC as per section 6A (3) (a) of the 1972 Act. The Financial year ending has also been shifted to 30 June to match the financial year ending as per IPSAS.

The IICF has adopted this accounting policy and thus, it is currently under a transition period to fully implement it and therefore accounts are being prepared for a period of 18 months for this purpose, that is 1st January 2022 to 30th June 2023.



Contributions

The contribution attributable to the Fund is from vehicle insurance policy holders who pay a prescribed nominal fee via their respective insurance companies. For this financial period, there has been a significant increase in the contribution due to the facts that there has been a parallel increase in the subscription of vehicle insurance policies.

From 1st January 2016 until 30th June 2023, the total amount in the Fund stood at MUR 289,631,755. It comprised of both contributions from insurance companies and interests accrued in investments.

The total amount of revenue received from insurance companies for the year 2023 is at MUR 67,520,585.

Total funds as at 31 December 2021 stood at MUR 226,656,533. The surplus for the 18-month period is MUR 62,975,222. Thus, total fund as at 30 June 2023 is MUR 289,631,755.

MANAGEMENT REPORT

1ST JANUARY 2022 – 30TH JUNE 2023 (TRANSITION PERIOD OF IMPLEMENTING IPSAS)



Expenses

In terms of the IICF's expenditures, as per the governing Insurance (Industry Compensation Fund) Regulation 2015, the forecast expenses is capped at 10% of the total assets. As at date the IICF has reached only 8.10%, hence staying within the limit margin and observing diligence and accountability while spending.



Investment

The FSC is delegated to manage the assets of IICF and draft investment proposals for its benefit. For the financial year 1st January 2022 – 30 June 2023, the investment policy of investing "not more than 25% of its total assets in commercial banks" was duly respected. As there was an increase in the repo rate, new quotes were sought and most of the investments were redeemed to re-invest at better rates thus yielding higher returns. The FSC is responsible for collecting contributions from insurance companies, managing IICF's account and suggesting investment proposals to the Managing Committee. The interest income for year 2023 totaled up at MUR 4,475,342.

Investment Distribution 30 June 2023

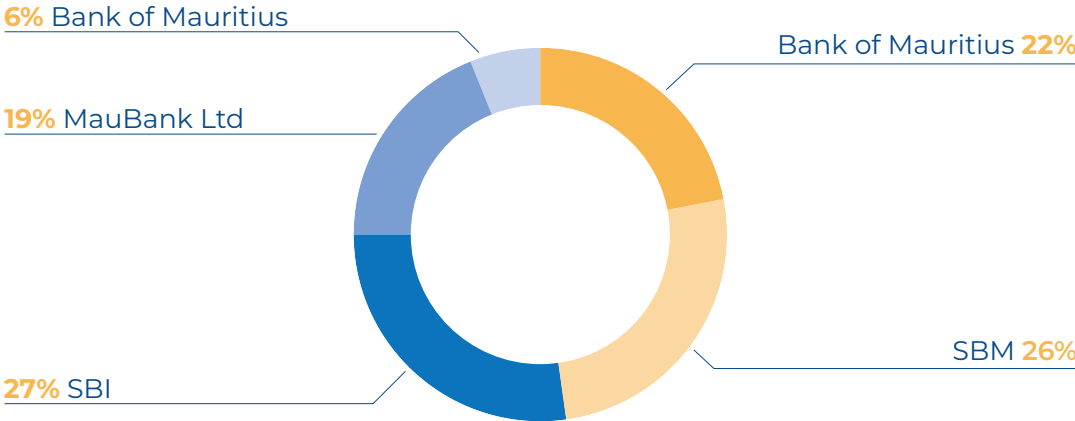


Figure 1 The Investment distribution for the reporting period



Claims

There has been an increase in number of claims following the work session carried out in collaboration with the Office of Commissioner of Police and Divisional Commanders across the island. Furthermore, Hit and Run cases from Rodrigues are being dealt with, as the vehicle insurance policy holders in Rodrigues also contribute to the Fund.

During the year under review, the IICF received 33 claims of Hit and Run, out of which 5 claims were considered as successful while the others were still in progress. The total amount disbursed for the payment of compensation to 9 beneficiaries (including 2021 & 2022) amounts to Rs 875,000. As from 2016 until present date, the IICF has disbursed around MUR 8,566,999 Million to victims of Hit and Run accidents.

MANAGEMENT REPORT

1ST JANUARY 2022 – 30TH JUNE 2023 (TRANSITION PERIOD OF IMPLEMENTING IPSAS)

And as at 30 June 2023, 25 claims were pending while awaiting police and medical records.



Achievement and Activities

Awareness Sessions

In terms of awareness campaign, several interviews were given in newspapers, television and radio. The IICF's website is in place to provide information and services.



Performance Agreement

The Performance Agreement signed with the Ministry of Financial Services and Good Governance, as per the Statutory (Accounts and Audit) Act, was also achieved successfully as a team.

MANAGEMENT REPORT

1ST JANUARY 2022 – 30TH JUNE 2023 (TRANSITION PERIOD OF IMPLEMENTING IPSAS)



Amendment to Legislations

Another commendable aspect came in the form of amendments to IICF's current legislation. To begin with, the prescription limit which allowed a victim of Hit and Run to register a claim at the IICF has been extended from 2 years to 5 years to enable victims.

The compensation threshold allocated to victims has been doubled for every category of personal injury and in case of death, the victim's beneficiary will be entitled to MUR 1.5 million as announced in Budget speech 2023/24.



Cheque Remittance Ceremony

Our annual Cheque Remittance was another highlight during the reporting period, and it witnessed the compensation of 9 Hit and Run victims in a total amount of Rs 875, 000. More claims are still being received and they are under process.

More major campaign awareness is in the pipeline with the parent Ministry and all the Stakeholders to revolutionize the assistance provided by IICF. Additionally, the IICF is organizing a Cheque Remittance ceremony in Rodrigues to compensate Hit and Run victims in Rodrigues.



Third Party Collaboration

Consultation/work sessions are often carried out with the Ministry and stakeholders. Foremost, the IICF often carry out work consultation sessions with the Ministry in relation to amendment of our legislation in order to improve our services and adapt to the requirement of Hit and Run victims.

Work sessions were carried out with our stakeholder, the Mauritius Police Force and its representatives to devise a plan to reach out to almost all victims of Hit and Run in Mauritius and Rodrigues. These activities have helped to bridge the gap between the IICF and victims and resulted in more compensation claims.

Professional relationships have also been enhanced with another stakeholder; the hospitals across Mauritius and Rodrigues operating under the aegis of Ministry of Health and Wellness. Most of them have waived the administration fee when applying for medical record for Hit and Run victims.

Consultation sessions will be held with the insurance companies across the island and Insurer's Association of Mauritius to activate the insolvency sub-fund, another sub-fund falling under the purview of IICF.

The IICF invited all its stakeholders to its Cheque Remittance Ceremony and the IICF was also invited to the events of other stakeholders; the Insurance Association of Mauritius and National Human Rights Commission to strengthen our collaboration.

MANAGEMENT REPORT

1ST JANUARY 2022 – 30TH JUNE 2023 (TRANSITION PERIOD OF IMPLEMENTING IPSAS)



Due Diligence, Conflict of Interest and Good Governance

The IICF adopts a very strict policy when applying due diligence, code of conduct and good governance in all departments of the institution. It takes the compliance feature seriously.

First and foremost, the principles of legislations and Regulations are adhered with in a very serious manner. The rationale of the Prevention from Corruption Act is observed in all activities, procurement and Committees. Potential conflict of interest is detected at an early stage and all necessary steps are taken to avoid them. And also, every minor purchase is carried out through a procurement exercise and the Departmental Bid Committee ensures this responsibility, in order to show transparency and accountability.



Due Diligence, Conflict of Interest and Good Governance (Cont'd)

Furthermore, the National Code of Corporate Governance is implemented, where applicable, and all 8 principles regarding statutory bodies are executed.

There is an internal risk policy in place. It affects both the financial risk and the risks involved when determining claims for Hit and Run. As for the financial risk, it concerns mainly investments. Investment proposals are prepared by the Financial Services Commission, the regulatory body. It adopts a policy of not investing more than 25% of total assets in commercial bank. It also abstains from venturing into risky investments. Most of the investments is in Fixed Deposit and Treasury bills in the Bank of Mauritius.

As for Hit and Run claims determination, a practice is in place to ensure that all documents from the police stations and hospitals are fully obtained so that the Technical and Managing Committees can make a proper and just determination on balance of probabilities to pay compensation out to the victim. Any risk or uncertainty cropping up are fully mitigated by the support of documents.



Statement of Compliance Report

During the financial year from 1st January 2022 until 30 June 2023, the Secretary confirms that the Insurance Industry Compensation Fund has complied with the requirements of the National Code of Corporate Governance for Mauritius (2016) in all material aspects.

Miss Maneesha Gokool

Secretary

WORK SESSION WITH THE MAURITIUS POLICE FORCE



IICF CHEQUE REMITTANCE CEREMONY 2023



IICF CHEQUE REMITTANCE CEREMONY 2023



CHEQUE REMITTANCE AND WORK SESSION FOR HIT AND RUN BENEFICIARIES IN RODRIGUES



IICF CHEQUE REMITTANCE CEREMONY 2022



IICF CHEQUE REMITTANCE CEREMONY 2023



CONSULTATION SESSION WITH HIT AND RUN VICTIMS



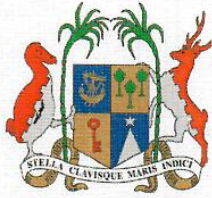


INDEPENDENT
AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE MANAGING COMMITTEE OF THE INSURANCE INDUSTRY COMPENSATION FUND

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Insurance Industry Compensation Fund, which comprise the statement of financial position as at 30 June 2023 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Insurance Industry Compensation Fund as at 30 June 2023, and of its financial performance and cash flows for the period then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Insurance Industry Compensation Fund in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Insurance Industry Compensation Fund, but does not include the financial statements and my auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Insurance Industry Compensation Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Insurance Industry Compensation Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, 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 economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Insurance Industry Compensation Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Insurance Industry Compensation Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Insurance Industry Compensation Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Insurance Industry Compensation Fund's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Managing Committee whether:

- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Insurance Industry Compensation Fund has been applying its resources and carrying out its operations economically, efficiently and effectively; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Insurance Industry Compensation Fund has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to Insurance Industry Compensation Fund.

Based on my examination of the records of Insurance Industry Compensation Fund, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) Insurance Industry Compensation Fund has not applied its resources and carried out its operations economically, efficiently and effectively.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



DR D. PALIGADU
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

26 April 2024



FINANCIAL **STATEMENT**

FOR THE 18 MONTHS ENDED 30 JUNE 2023

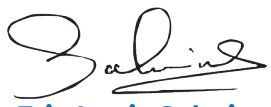
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 June 2023	Reclassified Year Ended 31 Dec 2021
		Rs.	Rs.
ASSETS			
Current Assets			
Cash and cash equivalents	10	30,161,794	34,745,045
Bank deposits	12	183,597,026	39,962,321
Assets held to maturity	11	73,505,641	149,558,563
Receivables	9	7,015,041	4,200,772
		294,279,502	228,466,701
Non-Current Assets			
Property, plant and equipment	8(a)	169,622	102,122
Intangible assets	8(b)	25,636	1,417
		195,258	103,539
TOTAL ASSETS		294,474,760	228,570,240
LIABILITIES			
Current Liabilities			
Payables	13	3,786,282	1,913,707
TOTAL LIABILITIES		3,786,282	1,913,707
NET ASSETS/EQUITY		290,688,478	226,656,533
Represented by			
Reserves and Liabilities			
General Fund		290,688,478	226,656,533
		290,688,478	226,656,533

These financial statements have been approved for issue by the Managing Committee on 31 January 2024 and signed on its behalf by:


Kivisha Goodar
 Chairperson


Eric Louis Salmine
 Member


Ashveen Sunnoo
 Member

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE


FOR THE 18 MONTHS ENDED 30 JUNE 2023

	Notes	18 months ended 30 June 2023	Reclassified Year Ended 31 Dec 2021
		Rs.	Rs.
RECEIPTS			
Income from exchange transactions	14	5,556,450	1,754,130
Income from non-exchange transactions	14.1	67,520,587	43,357,227
		73,077,037	45,111,357
CLAIMS			
Claims recognised during the period / year	13.1	2,900,000	1,650,000
OPERATING EXPENSES			
Staff Costs	15	779,041	505,301
Managing Committee and Subcommittee fees		2,769,260	1,777,840
Administrative expenses	16	2,118,726	935,638
Provision for credit losses	9,11,12	372,272	24,741
Depreciation and amortisation	8(a),8(b)	105,793	100,158
		6,145,092	3,343,678
SURPLUS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD / YEAR			
		64,031,945	40,117,679

Approved by the Managing Committee of the Fund on 31 January 2024

Signed on their behalf


Kivisha Goodar
 Chairperson


Eric Louis Salmine
 Member


Ashveen Sunnoo
 Member

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE 18 MONTHS ENDED 30 JUNE 2023

	Notes	18 months ended 30 June 2023	Re-Classified Year Ended 31 Dec 2021
		Rs.	Rs.
Receipts			
Contribution from insurance companies		66,832,883	43,358,181
Interest		3,418,901	2,977,463
		70,251,784	46,335,644
Payments			
Claims		875,000	925,000
Staff costs		716,719	401,468
Managing Committee fees		2,769,260	1,777,840
Administrative expenses		2,333,473	910,908
		6,694,452	4,015,216
Net cash flows from operating activities		63,557,332	42,320,428
Cash flow from investing activities			
Term deposits held to maturity		(144,000,100)	20,000,000
Maturity of investment in treasury bills		76,057,029	(49,271,167)
Acquisition of property and equipment		(197,512)	-
		(68,140,583)	(29,271,167)
Net cash used in investing activities		(68,140,583)	(29,271,167)
Net (decrease)/increase in cash and cash equivalents		(4,583,251)	13,049,260
Cash and cash equivalent beginning of period/year		34,745,045	21,695,784
Cash and cash equivalent beginning of period/year		30,161,794	34,745,044

Cash and Cash Equivalents

Cash and Cash equivalents comprise of cash in hand and cash balances with bank.

Cash and Cash equivalents included in the Cash Flow Statement comprise the following Statement of Financial Position amounts:

	Notes	18 months ended 30 June 2023	Re-Classified Year Ended 31 Dec 2021
Cash in hand and balances with bank		30,161,794	34,745,044

Approved by the Managing Committee of the Fund on 31 January 2024

Signed on their behalf


Kivisha Goodar
 Chairperson


Eric Louis Salmine
 Member


Ashveen Sunnoo
 Member

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE 18 MONTHS ENDED 30 JUNE 2023


Reconciliation of Net Cash Flows from Operating Activities to Surplus

Notes	18 months ended 30 June 2023	Re-Classified Year Ended 31 Dec 2021
	Rs.	Rs.
Cash flow from operating activities		
Surplus for the period/year	64,031,945	40,112,615
Non-cash movements		
Depreciation and amortisation	105,793	100,158
Provision for credit loss	368,165	19,009
Provision for claims	2,025,000	725,000
(Increase)/decrease in receivables	(687,704)	954
Increase/(decrease) in payables	(152,425)	128,563
Interest income	(5,552,343)	(1,743,334)
Interest received	3,418,901	2,977,463
Net cash flows from operating activities	63,557,332	42,320,427

Approved by the Managing Committee of the Fund on 31 January 2024

Signed on their behalf


Kivisha Goodar
 Chairperson


Eric Louis Salmine
 Member


Ashveen Sunnoo
 Member

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE 18 MONTHS ENDED 30 JUNE 2023

	Notes	IICF	TOTAL
		Rs.	Rs.
At 01 January 2022		226,656,533	226,656,533
Surplus for the period		64,031,945	64,031,945
At 30 June 2023		290,688,478	290,688,478
At 01 January 2021		186,538,854	186,538,854
Surplus for the year		40,117,679	40,117,679
At 31 December 2021		226,656,533	226,656,533

Approved by the Managing Committee of the Fund on 31 January 2024

Signed on their behalf



Kivisha Goodar
Chairperson



Eric Louis Salmine
Member



Ashveen Sunnoo
Member

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

RECONCILIATION REQUIRED AS PER IPSAS 33

FOR THE 18 MONTHS ENDED 30 JUNE 2023

As at / for the period ended 31 December 2021

	Net Assets/ Equity	Surplus/ Deficit
	Rs.	Rs.
As previously reported under IFRS	226,656,533	40,117,679
Adjustment upon adoption of IPSAS	-	-
As reinstated upon adoption of IPSAS	226,656,533	40,117,679

Approved by the Managing Committee of the Fund on 31 January 2024

Signed on their behalf



Kivisha Goodar
Chairperson



Eric Louis Salmine
Member



Ashveen Sunnoo
Member

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

STATEMENT OF COMPARISON OF ACTUAL AND BUDGET AMOUNT

FOR THE 18 MONTHS ENDED 30 JUNE 2023

	Explanation for Variances	Actual	Original Budget	Variances
		18 months ended 30 June 2023	18 months ended 30 June 2023	18 months ended 30 June 2023
		Rs.	Rs.	Rs.
RECEIPTS				
Income from exchange transactions	1(i)	5,556,450	2,500,000	3,056,450
Income from non exchange transactions	1(ii)	67,520,587	63,000,000	4,520,587
		73,077,037	65,500,000	7,577,037
CLAIMS				
Claims recognised during the period		2,900,000	3,000,000	100,000
OPERATING EXPENSES				
Staff Costs	2.	779,041	619,271	(159,770)
Managing Committee Fees	3.	2,769,260	2,430,000	(339,260)
Administrative expenses	4.	2,118,726	3,492,500	1,373,774
Provision for credit losses		372,272	-	(372,272)
Depreciation and amortisation		105,793	69,872	(35,921)
		6,145,092	6,611,643	466,551
SURPLUS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD		64,031,945	55,888,357	8,143,588

Explanation for Variances:

1. Income from Exchange Transactions (Refer to note 14 & 14.1 of Financial Statement)

Income forecasted was in line with contributions received for the previous year. However, contributions received were higher which indicate an increase in the number of vehicles of the road (policy holders).

2. Staff Costs (Refer to note 15 of Financial Statement)

An amount of Rs 163,769 was incurred over and above the budgeted amount due to the fact that staff salary had been revised. Furthermore, additional interns were recruited during that period.

The accounting policies on pages 36 to 46 and the notes on pages 47 to 66 form an integral part of these financial statements.

STATEMENT OF COMPARISON OF ACTUAL AND BUDGET AMOUNT

FOR THE 18 MONTHS ENDED 30 JUNE 2023

3. Managing Committee Fees

Managing Committee Fees has been revised as per the Circular Note No. 54 issued by the Ministry of Public Service, Administrative and Institutional Reforms dated 21 December 2022, thus, causing difference in fees of the managing committee.

4. Administrative Expenses (Refer to **note 16** of Financial Statement)

An amount of Rs 3,492,500 had been budgeted for the 18 months ended 30 June 2023 as the IICF was about to shift from SICOM Tower to one of the rental site of Landscape Mauritius which is more expensive. However, the shift from SICOM Tower to Landscape Mauritius did not materialise during the year.

Approved by the Managing Committee of the Fund on 31 January 2024

Signed on their behalf



Kivisha Goodar
Chairperson



Eric Louis Salmine
Member



Ashveen Sunnoo
Member

ORIGINAL BUDGET FOR THE NEXT 18 MONTHS

PERIOD 1 January 2022 to 30 June 2023

Forecast Expenses

	Notes	Amount	Total Amount
		Rs.	Rs.
Utilities	1		157,500
Printing Postage and Stationery	2		90,000
FSC Administrative and Management Fee			750,000
Staff Costs	3		619,271
Chairperson and Committees Member fee	4		2,430,000
Audit fee			100,000
Rent of Building			2,200,000
Bank Charges			12,000
Event Costs	5		55,000
Office Expenses	6		98,000
Advertisement	7		30,000
Total Expenses			6,541,771
Payment for Hit and Run Cases			3,000,000
Capital Expenditure	8		125,000
Total Expenditure			9,666,771
Income			
Contribution Receivable Insurance Companies		63,000,000	
Interest Income		2,500,000	65,500,000
Surplus			55,833,229

Notes to Estimates

1 Utilities	18,000
Water	72,000
Electricity	67,500
Telephone and Internet Services	157,500
2 Postage Printing and Stationery	50,000
Printing of Annual Report	20,000
Banners and Brochures	20,000
Stationery	90,000

ORIGINAL BUDGET FOR THE NEXT 18 MONTHS

PERIOD 1 January 2022 to 30 June 2023

3a Staff Cost Existing

Basic Salary	342,000
Increments	9,000
Bonus	19,000
Travelling	30,600
Pension contribution	30,780
SCSB	15,390
Refund of Annual Sick Leaves	13,500
Telephone	9,000
Passage Benefits	1
	469,271

3b Recruitments

	150,000
Total	619,271

4 Chairperson and Committee Members fee

Chairperson MC fee	540,000
Chairperson TC fee	180,000
Four Members MC Fee	1,440,000
Three Members TC Fee	270,000
	2,430,000

5 Event Cost

Hire of Auditorium	25,000
Catering services	20,000
Flowers	5,000
Shields	5,000
	55,000

6 Office Expenses

Refreshments	20,000
Staff Welfare	50,000
Repairs and Maintenance Equipment	10,000
Rent of Tea and Coffee Machine	18,000
	98,000

ORIGINAL BUDGET FOR THE NEXT 18 MONTHS

PERIOD 1 January 2022 to 30 June 2023

Notes to Estimates (Cont'd)

7 Advertisement

New Recruitments & Others	30,000
Increments	<u><u>30,000</u></u>

8 Capital Expenditures

Laptop	40,000
Software, Licences & other equipment	75,000
Micro oven and mess room equipment	10,000
	<u><u>125,000</u></u>

9 Depreciation

Laptop		20,000
Software, Licences & other equipment	New Assets	37,500
Micro oven and mess room equipment		3,000
Existing Assets	Existing	<u>9,372</u>
		<u><u>69,872</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. PRINCIPAL ACTIVITIES

Reporting Entity

The Insurance Industry Compensation Fund (IICF) is a Statutory Body under the Ministry of Financial Services and Good Governance. As per Section 88 (2) of the Insurance Act, the Compensation Fund may be organised in different sub-funds designed to provide for compensation in respect of different classes of policies or parts of classes of policies.

The Hit & Run Sub-fund was set up in January 2016, according to section 88 (1) (b) to provide for the payment of compensation to persons suffering from personal injury in road traffic accidents where the tortfeasor or the vehicle which caused the injury is untraceable. The funds of the Fund arise from contributions by policyholders of motor vehicle insurances, in line with the Insurance (Industry Compensation Fund) Regulations 2015.

On the other hand, Regulation in line with section 88(1)(a), with respect to the Insolvency Sub-Fund are yet to be promulgated.

The Fund is managed by a Managing Committee presided by a Chairperson. A Technical Sub-Committee comprising of experts in various fields assists the Managing Committee. Additionally, a permanent staff was recruited in January 2019 for secretarial and administrative support. The Financial Services Commission (FSC) is mandated to provide administrative support to the Fund.

The address of its registered office and place of business is at the Level 5, Shri Atal Bihari Vajpayee Tower, Landscape Mauritius, Ebene

2. ADOPTION OF NEW AND REVISED INTERNATIONAL STANDARDS

Standards adopted in the Current Period

The IICF has adopted the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standard Board (IPSASB) as from period of 18 months ended 30 June 2023 in line with amendments made in the Statutory Bodies (Accounts and Audit Act).

The Financial Statements of the current and previous reporting periods are not entirely comparable as the previous Financial Statements were prepared in compliance with the International Financial Reporting Standards (IFRS).

In line with the provisions of IPSAS 33, the Managing Committee of the Fund have elected to present comparatives with respect to first time adoption of accrual basis IPSAS. To this effect, a reconciliation statement in line with paragraph 142 IPSAS 33 has been presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

2. ADOPTION OF NEW AND REVISED INTERNATIONAL STANDARDS (CONT'D)

IPSAS issued but not yet effective

Certain new standards and improvements to existing standards have been published that are mandatory for the accounting periods beginning on or after 1 January 2022 or later periods, but which have not been early adopted. These new standards and improvements are either not relevant to the IICF's operations or are not expected to have a material effect on the accounting policies and disclosures and hence have not been early adopted.

IPSAS 42 Social Benefits (effective date of January 1, 2023)

IPSAS 42. Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk.

IPSAS 43 Leases (effective date of January 1, 2025)

IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13. Leases.

IPSAS 44 Non-current assets held for sale and discontinued operations (effective date of January 1, 2025)

IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:

- Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
- Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

3. RECONCILIATION OF BALANCES AND FINANCIAL PERFORMANCE

(i) Reconciliation of balances of Net Assets/Equity

The Net Assets/Equity reported for the year ended 31st December 2021 as per IFRS was Rs 226,656,533. The same amount remains as Net Assets/Equity as at 31st December 2021 as per IPSAS accounting basis. Therefore, no reconciliation of IFRS to IPSAS for Net Assets/Equity balance is required.

(ii) Reconciliation of Surplus/Deficit

The surplus for the year ended 31st December 2021 as per IFRS was Rs 40,117,679. The same amount remains as at 31st December 2021 as per IPSAS accounting basis. Therefore, no reconciliation of IFRS to IPSAS for surplus/deficit is required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

3. RECONCILIATION OF BALANCES AND FINANCIAL PERFORMANCE (CONT'D)

(iii) Opening statement of financial position

The opening statement of financial position at the date of adoption of accrual basis IPSAS on 01 January 2022 as per IPSAS 33 was same as at 31st December 2021 as per IPSAS accounting basis. Therefore, it has not been presented separately in the statement of financial position.

(iv) Cash and cash equivalents

Cash and Cash equivalents included bank deposits for period ending 31 December 2021. For the period ending 30 June 2023, the bank deposits were accounted separately in the statement of financial position.

4. ACCOUNTING POLICIES

The principal accounting policies adopted by the IICF are as follows:-

(i) Reporting Period

The reporting period for these Financial Statements is for the eighteen months ended 30 June 2023.

(ii) Authorisation date

These audited financial statements were authorized for issue on 31st January 2024 by the Managing Committee of the IICF.

(iii) Basis for preparation

The Financial Statements have been prepared on a historical cost basis.

Comparative figures have been amended to conform to changes in presentations or in accounting policies in the current period, where necessary. The Financial Statements for the period ended 30 June 2023 is for eighteen months compared to the financial statements for the period ended 31 December 2021 which is for twelve months.

The cash flow statement has been prepared on the direct method basis.

The financial statements are presented in Mauritian rupees (MUR) and all values rounded to the nearest rupee.

(iv) Statement of Compliance

The Financial Statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

4. ACCOUNTING POLICIES (CONT'D)

(v) Basis of Budget Preparation

The annual budget figures are included at paragraph 3(ii) which gives a comparison of actual and budget amount for the IICF. The IICF is a self-financing and accounting body. The statement of comparison of budget and actual amounts are prepared on accruals basis. The budget covers the financial period 1 January 2022 to 30 June 2023.

(vi) Cash and Cash equivalents

Cash and cash equivalents comprise of cash in hand and cash balances with banks which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(vii) Receivables

This includes trade and other receivables which are recognized as assets, when payment for goods or services have been made in advance of obtaining a right to access those goods or services.

(viii) Investment in Financial Assets

Financial assets refers to cash, equity, and instrument of another entity or a contract to receive cash at a future date. The IICF evaluate the extent to which it retains the risks and rewards of the ownership of the financial assets.

The financial asset is recognised in the Statement of Financial Position of the IICF as the latter has become party to the contractual provision of the financial asset.

The financial asset is held within a management model whose objective is to hold the Financial Assets in order to collect contractual cash flows in terms of interest. The IICF has invested its fund amounting to Rs. 256,025,666 as at 30 June 2023 compared to Rs. 189,520,884 as at 31 December 2021.

(ix) Property, plant and equipment

(a) Measurement on initial recognition

Property, plant and equipment are stated at cost, and net of accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant part of property, plant and equipment are required to be replaced at intervals, the IICF recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All assets having a unit cost of Rs 2,000 or above, are to be capitalised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

4. ACCOUNTING POLICIES (CONT'D)

(ix) Property, plant and equipment (Cont'd)

(b) Depreciation/amortisation

Depreciation/amortisation is charged so as to write off the cost of assets per annum over their estimated useful lives using the straight line method as follows:-

Furniture	20%
Computer Equipment	33.33%
Office Equipment	20%
ComputerSoftware	33.33% (Amortisation)

Depreciation/amortisation is prorated in the year of acquisition and in the year of disposal.

(c) Derecognition

Property, Plant and Equipment and/or any significant part of an asset are derecognized upon disposal or when no future economic benefits or service potential is expected from its continuous use. Any gain or loss arising on de-recognition of the asset, is included in the surplus or deficit when the asset or part of the asset is derecognized.

(x) Intangible Assets

Intangible assets are initially recorded at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The useful life of the intangible asset is assessed as finite. The intangible asset of the IICF is computer software which is amortised using straight-line method over their useful lives. The estimated useful life of the intangible asset is 3 years. All assets having a unit cost of Rs 2,000 or greater, are to be capitalised in the financial statements.

(xi) Impairment of assets

The Fund assesses at each reporting date, whether there is any indication that an asset has been impaired. If any such indication exists, the Fund estimates the recoverable service amount of the asset and calculates any impairment amount.

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Where the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount, and the resulting impairment loss is recognized immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortization) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

4. ACCOUNTING POLICIES (CONT'D)

(xi) Impairment of assets (Cont'd)

An impairment loss recognized in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognized.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss for an asset is recognized immediately in surplus or deficit. After a reversal of an impairment loss is recognized, the depreciation (amortization) charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

For the period, management is of the opinion that there is no impairment.

(xii) Payables

This includes trade and other payables which are stated at their nominal amount.

(xiii) Contribution from insurance companies.

The IICF Hit and Run Sub-fund generates its contribution from domestic insurance companies who, in turn, charge their motor vehicles insurance policy holders a nominal fee as prescribed in the first Schedule of the IICF Regulations 2015. Contributions are recognized in the period which they are related to. For instance, contribution pertaining to the month of June 2023 received in July 2023 are recorded as contribution for period June 2023 itself. Same is then accounted as contribution receivables in our financial statement. Contributions consist of both annual and non-annual policies.

(xiv) Staff costs- employee benefits

Short-term employee benefits

Short-term employee benefits are benefits which are expected to be settled wholly before twelve months after the reporting period in which the employee renders the related service. The short-term employee benefits of the IICF consist of salaries, salary compensation, overtime, travelling and transport, end of year bonus, pension contributions and refund sick leaves.

Short-term employee benefits are expensed in the period the employee renders the service and a liability is recognized in respect of amount not paid at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

4. ACCOUNTING POLICIES (CONT'D)

(xv) Post-Employment Benefits

(a) Benefit and Contribution Plan

No pension plan has yet been set up for the sole staff of the IICF. However, a provision has been made in the accounts with respect to pension and funds will be remitted to pension plan once established. Additionally, the IICF contributes monthly with respect to Contribution Sociale Generalise (CSG) for its staff.

(b) National Saving Fund

Contributions to Mauritius Revenue Authority (MRA) for National Saving Fund (NSF) are expensed to the statement of financial performance in the period in which they fall due.

(xvi) Leases

The Fund occupied office space at SICOM Tower, Ebene for the 18 months period and paid total rental of Rs 613,169. The lease constituted a temporary arrangement for rental of office premises and was therefore accounted as rental expenses in the Statement of Financial Performance.

The IICF does not have any assets held under finance lease. Leases where substantially all risks and rewards of ownership remain with the lessor are classified as operating leases. Payments of rent made under operating leases are charged in the Statement of Financial Performance on a straight line basis over the term of the lease.

(xvii) Expenses

Expenses are recognised in the period to which they relate and when services are rendered.

(xviii) Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When Fund expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

5. KEY ASSUMPTIONS AND JUDGEMENTS

The preparation of IICF's financial statements in accordance with IPSAS requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(i) Judgements

In the process of applying the accounting policies, Management has made judgments, which have the most significant effect on the amount recognised in these Financial Statements. Provisions were raised and Management determined an estimate based on the information available.

(ii) Estimates and Assumptions

The key assumptions concerning in future and other key services of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are based on parameters available when the Financial Statements were prepared.

6. FINANCIAL RISK MANAGEMENT

The IICF is exposed to a variety of financial risk:

(i) Interest rate risk

The IICF interest rate risk may arise from payables. This risk is the fair value or future cash flow of a financial instrument which fluctuates because of changes in market interest rate.

(ii) Liquidity risk

Liquidity risk is the risk of not being able to meet its obligations as they fall due. The IICF approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the IICF reputation. The IICF ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecast.

(iii) Credit risk

Credit risk is the risk of financial loss to the IICF if contribution from insurance company is reduced.

Credit risk is managed on accounts receivable balances. Management does not expect any losses from non-performance. The specific control and mitigating measures are made by the close supervision from the Financial Services Commission.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Fair value measurement

The carrying amounts of financial assets and liabilities are included at their fair value due to the short-term nature of the balances involved.

7. GOING CONCERN

The IICF is a going concern.

8. (a) PROPERTY, PLANT AND EQUIPMENT

	FURNITURE	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	TOTAL
	Rs.	Rs.	Rs.	Rs.
COST				
At 1 Jan 2022	233,610	133,293	2,499	369,402
Purchases	17,490	50,160	92,947	160,597
At 30 June 2023	251,100	183,453	95,446	529,999
DEPRECIATION				
At 1 Jan 2022	136,274	129,590	1,416	267,280
Charge for the period	70,375	20,423	2,299	93,097
At 30 June 2023	206,649	150,013	3,715	360,377
NET BOOK VALUE				
At 30 June 2023	44,451	33,440	91,731	169,622
COST				
At 1 Jan 2021	233,610	133,293	2,499	369,402
At 31 Dec 2021	233,610	133,293	2,499	369,402
DEPRECIATION				
At 1 Jan 2021	89,552	85,160	916	175,628
Charge for the year	46,722	44,430	500	91,652
At 31 Dec 2021	136,274	129,590	1,416	267,280
NET BOOK VALUE				
At 31 Dec 2021	97,336	3,703	1,083	102,122

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

8. (b) INTANGIBLE ASSETS

	COMPUTER SOFTWARE	TOTAL
	Rs.	Rs.
COST		
At 1 Jan 2022	25,514	25,514
Purchases	36,915	36,915
At 30 June 2023	62,429	62,429
AMORTISATION		
At 1 Jan 2022	24,096	24,096
Charge for the period	12,697	12,697
At 30 June 2023	36,793	36,793
NET BOOK VALUE		
At 30 June 2023	25,636	25,636
COST		
At 1 Jan 2021	25,514	25,514
At 31 Dec 2021	25,514	25,514
AMORTISATION		
At 1 Jan 2021	15,592	15,592
Charge for the year	8,505	8,505
At 31 Dec 2021	24,096	24,096
NET BOOK VALUE		
At 31 Dec 2021	1,417	1,417

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

9. RECEIVABLES

	30 June 2023	31 December 2021
	Rs.	Rs.
Contributions receivable	4,770,399	4,082,695
Accrued interest	2,292,346	158,904
Expected credit loss	(47,704)	(40,827)
	7,015,041	4,200,772

10. CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2021
	Rs.	Rs.
Cash at bank	30,152,374	34,733,856
Cash in hand	9,420	11,189
	30,161,794	34,745,045

11. ASSETS HELD TO MATURITY

	30 June 2023	31 December 2021
	Rs.	Rs.
Within 1 year		
Treasury Notes / Bonds	75,000,000	150,000,000
Discount / (Premium) on Treasury Notes / Bonds	(1,463,853)	(406,824)
Provision for credit loss	(30,506)	(34,613)
	73,505,641	149,558,563

12. BANK DEPOSITS

	30 June 2023	31 December 2021
	Rs.	Rs.
Mauritian Rupee	184,000,100	40,000,000
Provision for credit loss	(403,074)	(37,679)
	183,597,026	39,962,321

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

13. PAYABLES

	30 June 2023	31 December 2021
	Rs.	Rs.
Audit fees accrued	125,000	109,480
FSC administrative and management fees	250,000	500,000
Utilities Bills	7,145	22,000
Accruals	28,392	28,392
Professional fee - others	-	3,834
Provision for pension contribution	162,322	100,000
Rental	38,422	-
	611,281	763,706
Provision for claims	3,175,001	1,150,001
	3,786,282	1,913,707

13.1 PROVISION FOR CLAIMS

	30 June 2023	31 December 2021
	Rs.	Rs.
Death claim	1,400,000	700,000
Disability claim	1,775,001	450,001
	3,175,001	1,150,001

The provision for claims has been made based on requirements of the Insurance Act 2005. As at 30 June 2023, the claims were made but not yet approved by the Managing Committee.

	30 June 2023	31 December 2021
	Rs.	Rs.
Movements of claims have been as follows:		
Balance as at start of year	1,150,001	425,001
New claims recognised during the year	4,400,000	1,650,000
Claims paid during the year	(875,000)	(925,000)
Claims rejected during the year	(1,500,000)	-
Balance as at end of year	3,175,001	1,150,001

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

13.1 PROVISION FOR CLAIMS (CONT'D)

	30 June 2023	31 December 2021
	Rs.	Rs.
Claims movements during the year		
New claims recognised during the year	4,400,000	1,650,000
Claims rejected during the year	(1,500,000)	-
	2,900,000	1,650,000
Claims paid during the year	(875,000)	(925,000)
Increase in Provision	2,025,000	725,000

14. INCOME FROM EXCHANGE TRANSACTIONS

	30 June 2023	31 December 2021
	Rs.	Rs.
Interest income	5,552,343	1,743,334
Gain on reversal of credit loss	4,107	10,796
	5,556,450	1,754,130

14.1 INCOME FROM NON EXCHANGE TRANSACTIONS

	30 June 2023	31 December 2021
	Rs.	Rs.
Contribution from Insurance Companies	67,520,587	43,357,227
	67,520,587	43,357,227

14.2 INTEREST INCOME

	30 June 2023	31 December 2021
	Rs.	Rs.
Interest on late payment	-	5,343
Treasury Bills	1,415,796	1,307,767
Term Deposits	4,136,547	430,224
	5,552,343	1,743,334

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

15. STAFF COSTS

	30 June 2023	31 December 2021
	Rs.	Rs.
Basic Salary	400,531	253,161
Government Compensation	36,540	18,720
Travelling	59,926	15,840
Allowance	13,320	10,000
Sick leave paid	20,089	9,380
Stipend to interns	121,735	8,450
Pension Provision	62,322	100,000
CSG, NSF and Levy	44,142	80,982
Staff Welfare	20,436	8,768
	779,041	505,301

16. OFFICE AND ADMINISTRATIVE EXPENSES

	30 June 2023	31 December 2021
	Rs.	Rs.
Events	338,728	106,895
Promotion expenses	-	38,870
Printing, postages and stationeries	97,507	64,917
Bank charges	39,148	16,915
Audit fees	127,520	109,480
Cleaning	-	1,397
Meetings	16,708	11,874
Utility Bills	94,175	52,925
Rental	613,169	-
Telephone, Internet and Fax Ch	41,771	32,365
FSC administrative and management fees	750,000	500,000
	2,118,726	935,638

Note: The following items were regrouped under General office expenses (Rs 45,636) in the Annual Report for 2021:

Cleaning-Rs 1,397, **Meetings**-Rs11,874 & **Telephone, Internet and Fax Ch**-Rs 32,365

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

17. INSURANCE INDUSTRY COMPENSATION FUND

	30 June 2023	31 December 2021
	Rs.	Rs.
Balance at start		
Movement for the year	226,656,534	186,538,855
Balance at end	64,031,945	40,117,679
	290,688,479	226,656,534

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Overview

The Fund has exposure to the following risks from its use of financial instruments:

Liquidity risk
 Compliance risk
 Political, economic and social risk

Risk management framework

The Managing Committee has overall responsibility for the establishment and oversight of the Company's risk management framework.

Liquidity risk

Liquidity risk with regard to outflow is limited to the payment of claims to victims of hit and run cases. The expected outflows are matched with the corresponding call deposits at the bank. The surplus, based on decisions of the Managing Committee, is invested with maturity profiles as at 30 June 2023.

The table belows shows the Fund's financial assets and liabilities into the relevant maturity groupings based on the remaining period at the reporting to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cashflows and excludes prepaid expenses but includes prepayments where cash is expected to be received in future.

	Maturity		Total Cash Flows	Total Carrying amount
	Less than 12 months	More than 12 months		
	Rs.	Rs.	Rs.	Rs.
Financial assets				
Receivables	7,015,041	-	7,015,041	7,015,041
Cash and bank balances	30,161,794	-	30,161,794	30,161,794
Bank deposits	184,000,100	-	184,000,100	184,000,100
	221,176,935	-	221,176,935	221,176,935

The Committee monitors the adequacy of cash inflows in terms of the budget estimates at all times.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONT'D)

Compliance Risk

Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands, and enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

Political, economic and social risk

Political, economic and social factors, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the value of the Fund's assets.

Credit risk

In the normal course of business, the Fund is exposed to the credit risk from accounts receivable and transactions with banking institutions. The carrying amounts of these balances represent the maximum credit risk that the Fund is exposed to. Any prepayments are excluded for the purpose of

- (a) with regards to accounts receivables, credit risk is limited as the Fund is governed by the rules made under the Insurance Act 2005, and fees are charged in terms of the legislation based on the category of vehicles; and
- (b) for transactions with banking institutions, it holds bank balances and short term deposits with the Barclays Bank Mauritius Ltd and MauBank Ltd. As such the Fund mitigates the risks related to bank balances and deposits by keeping its funds in a wide spread of banks of a certain level of repute. The Managing Committee assesses and only invests in banks with high credit rating.

The Managing Committee carries out periodic assessment of its receivables to identify events or changes in circumstances that lead to impairment of these receivables. Based on the assessment, the Managing Committee is of view that the assets have not suffered from impairment. The ageing analysis of these receivables are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

18.1 FEES AND CONTRIBUTION RECEIVABLES

	Stage 1	Total
	Rs	Rs
Fees and Contribution	7,062,745	7,062,745
Total Gross Carrying amount	7,062,745	7,062,745

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	Stage 1	Total
	Rs	Rs
Gross carrying amount as at 01 Jan 2022	4,241,599	4,241,599
New assets originated or purchased	-	-
At 30 June 2023	4,241,599	4,241,599
ECL allowance as at 01 Jan 2022	40,836	40,836
New assets originated or purchased	6,877	6,877
At 30 June 2023	47,713	47,713

Assets at amortised cost

	Stage 1	Total
	Rs	Rs
Treasury Bills	73,536,147	73,536,147
Total Gross Carrying amount	73,536,147	73,536,147

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	Stage 1	Total
	Rs	Rs
Gross carrying amount as at 01 Jan 2022	149,593,176	149,593,176
New assets originated or purchased	135,991,494	135,991,494
Payments and assets derecognised (excluding write offs)	(213,125,524)	(213,125,524)
At 30 June 2023	72,459,146	72,459,146
ECL allowance as at 01 Jan 2022	34,613	34,613
New assets originated or purchased	(4,107)	(4,107)
At 30 June 2023	30,506	30,506

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

18.2 ASSETS AT AMORTISED COST

	Stage 1	Total
	Rs	Rs
Bank Deposits	184,000,100	184,000,100
Total Gross Carrying amount	184,000,100	184,000,100

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

	Stage 1	Total
	Rs	Rs
Gross carrying amount as at 01 Jan 2022	40,000,000	40,000,000
New assets originated or purchased	344,500,000	344,500,000
Payments and assets derecognised (excluding write offs)	(205,999,900)	(205,999,900)
At 30 June 2023	178,500,100	178,500,100
ECL allowance as at 01 Jan 2022	37,679	37,679
New assets originated or purchased	365,395	365,395
At 30 June 2023	403,074	403,074

19. FEES AND INTEREST RECEIVABLE

	30 June 2023	31 December 2021
	Rs.	Rs.
Up to 3 months	4,770,399	4,083,649
	4,770,399	4,083,649

20. ACCRUED INTEREST

Accrued interest was raised in accordance with the terms of the contracts for the respective financial instruments. None of the amounts was considered to be past due and no impairments were required.

21. CURRENCY AND EXCHANGE RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund's exposure to the risk of changes in foreign exchange rates is null since the Fund's operating activities (when revenue or expense is denominated in MUR) and holding bank deposits which are denominated in MUR itself.

The Fund receives contribution in MUR. Consequently, the Fund is therefore not exposed to foreign currency and exchange risk

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

22. INTEREST RATE RISK

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with specific financial assets whose interest rates periodically change as per market rate.

23. RELATED PARTY TRANSACTIONS

Related Parties are individual and Companies where the related party or the authority has the ability directly or individually to control the other party or exercise significant influence over the other party in making financial and operating decision. All transactions undertaken with related parties are at commercial terms and condition.

Fees to Key Managerial Persons

From 1st January 2022 to 30 June 2023

Name of Key Management Personnel	Designation	30 June 2023	31 December 2021
		Rs	Rs
Mr Anas Moussa Ismaël	Ex-Chairperson of Managing Committee	1,182	20,565
Mr Mamode Raffic Elahee	Ex-Member of Managing Committee	788	13,710
Mr Pradeo Buldee	Ex-Member of Managing Committee	788	13,710
Mr Ranjaysingh Koonbeeharry	Ex-Member of Managing Committee	788	13,710
Mr Eric Louis Salmine	Member of Managing Committee	386,302	209,100
Mrs Kivisha Devi Goodar-Rutnah	Chairperson of Managing Committee	576,520	285,435
Mr Ashveen Sunnoo	Member of Managing Committee	380,437	190,290
Mr Dyanand Malaree	Member of Managing Committee	380,437	190,290
Mrs Marie Estelle Elisabeth Appollon-Chadun	Member of Managing Committee	381,225	190,290
TOTAL		2,108,468	1,127,100

Discounted Cash Flow at a discount rate that reflects market prime lending rate at end of the reporting year.

The estimated fair value would increase if the discount rate decreases

For those financial assets not carried at fair value, management estimates carrying amount to approximate fair value.

24. EVENTS AFTER THE REPORTING PERIOD

There have been no other material events after Statement of Financial Position date which would require disclosures in or adjustments in the financial statement for the period ended 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED 30 JUNE 2023

25. CONTINGENT LIABILITIES

At 30 June 2023, there were no contingent liabilities.

26. REPORTING CURRENCY

The financial statements have been prepared in Mauritian rupees.

27. CAPITAL COMMITMENT

There were no capital commitments at the end of the reporting date.

28. COVID-19 PANDEMIC

The World Health Organization declared on March 11, 2020 the outbreak of a strain of the COVID-19 virus as a pandemic, which has affected the world economy, including Mauritius, leading to volatility in financial markets. The Fund has evaluated impact of this pandemic on its operations. Based on internal and external sources of information, at the time of finalisation of accounts for the financial year 2022/2023 and based thereon and keeping in view current indicators of future economic conditions, there is no significant impact on the financial statements for 2022/2023 and accordingly accounts have been prepared on a going concern basis. The actual impact of COVID-19 may differ from the estimated amount as at the date of approval of the financial statements. The Fund will continue to closely monitor any material changes to economic conditions in future.



INSURANCE INDUSTRY COMPENSATION FUND

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