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Issues of Improving the Audit of Insurance Organizations

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Abstract: Today our country is gradually transitioning to a market economy. One of the main factors that determine the effective functioning of a market economy and the level of its development are the forms of infrastructure. Insurance is one of the integral components of the infrastructure of a market economy. The experience of developed countries shows that the insurance industry is one of the sectors that ensure the smooth development of the economy. In addition, insurance is viewed as one of the strategically important links for the development of the economy, the accumulation of significant investment capital and its attraction to the economy.

Keywords: infrastructure, developed countries, financial and economic activities, National Audit Standard, financial sanctions, insurance companies.

Introduction

With this in mind, our country attaches great importance to the development of the insurance industry. The development of the insurance business is directly related to the correct organization of accounting and auditing. An insurer's financial downturn affects the interests of many insurers. Therefore, the main direction of accounting and audit of insurance activities is to ensure the financial stability of the insurance company, the compliance of financial and economic activities with the current legislation, as well as the correctness of financial accounting of activities. Insurance companies are the main link in modern society, ensuring the efficiency of entrepreneurial activities of all legal entities and individuals operating in society. Insurance companies help coordinate the socio-economic situation in the community. The audit helps to ensure the sustainable development of insurance companies.

According to Article 10 of the Law of the Republic of Uzbekistan "On Auditing Activities", insurance companies must undergo a mandatory annual audit.

If insurance companies do not carry out a mandatory check on time or refuse to carry it out, then the State Tax Committee of the Republic of Uzbekistan in a timely manner in relation to business entities that did not conduct a mandatory check. Take measures and ensure the introduction of financial sanctions against business entities and their officials who refuse to carry out a mandatory inspection.

The Main Part

Proper audit planning is important when auditing insurance companies. In accordance with the requirements of article 3 of the Law of the Republic of Uzbekistan "On audit activity" "Audit planning" and national audit standards No. 3 "Audit planning", it is advisable to plan the audit as follows, depending on the nature. activity was.

When developing a master plan for the audit of insurance companies in accordance with the requirements of the National Audit Standard of the Republic of Uzbekistan No. 3 "Audit Planning", the auditor should take into account the following:

- A) activities of the audited legal entity
- B) accounting and internal control system
- C) risk
- G) the nature of the activity and the amount of work to be done
- D) direction of work performed, monitoring and verification of implementation
- E) other aspects

After planning the audit, a working group is formed, consisting of the staff of the audit firm and external experts.

During the audit, auditors and involved experts draw up documents in accordance with the plan in the form established by a special standard, and timely prepare working reports based on the results of the audit. Performance information and audit evidence will be provided in paper and electronic form.

The analysis of the test results is drawn up in the following order:

- The general state of the accounting policies adopted by the client
- Correct accounting for individual departments and accounts
- compliance with tax laws
- The financial condition of the client
- Preparation of an audit report and an audit opinion

Issued in accordance with the requirements of the Auditing Standards of the Republic of Uzbekistan No. 70 - "Auditor's report and auditor's report on financial statements" and the internal economic standard "Drawing up a report on audit results". The audit report is reflected in working papers based on the findings and recommendations of the auditors for each section of the audit program.

According to the Law of the Republic of Uzbekistan "On Accounting", at the end of the year, the insurers' reports are audited, their reliability is confirmed by the auditor, and on the basis of this information, the activities of insurers are assessed. Publishes the accounting report only after the issue has been created.

An insurance company audit examines general issues specific to legal entities in various sectors of the economy, as well as special operations specific to insurance companies.

Common issues include inspections of the property, plant and equipment, inventory and intangible assets, as well as compliance with labour laws and payroll, cash settlement, accounts receivable and payable and other transactions.

The control of these transactions and insurers' accounts is practically indistinguishable from similar inspections of business entities in other areas of activity since in both cases the inspection is carried out based on the same regulatory documents.

The specifics of the audit of insurance companies is determined by the specifics of insurance operations (based on special legislation on insurance), accounting, reporting procedure, determination of financial results and differences in tax payments.

Based on the specifics of the insured, the auditor considers the procedure for maintaining accounting in insurance companies in accordance with the law, drawing up insurance contracts, accounting for insurance premiums, insurance (reserve) reserves accounts. The procedures for keeping books and insurance coverage and their reflection in the financial statements are checked, while the issues of insurance transactions are studied, taxation is monitored and opinions are given.

An audit of an insurance company begins with a certificate of registration and state registration.

During the audit, the auditor must determine whether all founders contributed their shares to the authorized capital in a timely manner, accurately and fully in accordance with the law.

The auditor should consider the following:

- full formation of the authorized capital;
- The founding documents indicate the actual contributions of the founders.
- Compliance by the founders of the statutory deadlines for making contributions to the authorized capital.

When considering the formation of the authorized capital, it is necessary to take into account the organizational and legal form of the audited enterprise. Insurance companies must notify the supervisory authority of any changes to the articles of association. Failure to do so could lead to a violation of insurance law and the imposition of sanctions on the insurer. Auditors should warn company management about the consequences of violating insurance rules.

The activities of insurance companies are very different from those of other companies. Therefore, their activities are licensed. A license is issued to an insurer to carry out insurance activities in the field of life insurance or general insurance. Insurance is one of the activities that can be considered only with a special permit (license). Therefore, in the audit process, much attention is paid to licensing issues.

If the license is temporary, its validity period will be determined. In this case, the auditor must ensure that the license has not expired during the audit period.

During the audit, it is important to check the content and execution of insurance contracts. In such cases, the compliance of the concluded contracts with the requirements of the current legislation, insurance legislation and insurance rules is determined.

First of all, the names of insurance contracts and types of insurance listed in the annexe to the license must be agreed. If the name of the contract does not correspond to any of the types of insurance, then the auditor can indicate that the insurance company has violated insurance legislation.

It is also necessary to compare the insurance conditions of a specific contract with the insurance rules approved by the insurance supervisory authority. If the insurance contract is concluded outside the scope of licensing rules and tariffs, it is recognized by the auditor as invalid.

Results and conclusion

Usually, the basis for concluding an insurance contract is a written application from the policyholder. Therefore, at the next stage of the audit, it is necessary to check whether the insured person has a document or other document that is the basis for concluding an insurance contract. In their practice, insurance companies usually use standard contracts, i.e. the text of the agreement is prepared in advance, and space is left to clarify certain conditions. However, reviews show that in many cases some of these gaps in contracts are not filled or crossed out. Such negligence may lead to the recognition of the contract as unsigned since in this case no agreement on the essential terms of the contract will be reached.

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