



ORGANIZATIONAL ISSUES OF INTERNAL AUDIT SERVICE IN INSURANCE ORGANIZATIONS

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Abstract. The article describes organizational issues in the organization of internal audit service in insurance organizations. In this, an opinion was given about the goals, tasks and importance of introducing internal audit in insurance organizations. Also, the principles of organizing the audit of documents collected by the auditor in the organization of the internal audit service in insurance organizations are also emphasized.

In the organization of the internal audit service in insurance organizations, emphasis is also placed on audit activities.

Keywords. Internal audit, international standard, corporate management, internal control, consulting, information, monitoring, international division of labor.

Introduction.

In the conditions of the current digitized and innovative economy, the most basic and important aspect of the socio-economic development of the countries of the world is the increasing integration and globalization of the national economy, and on this basis further development of the country's economy, strengthening of competition in the international arena, strengthening of each country's position in the international division of labor and serves to form a better way of life.

However, it should be emphasized here that integration into the world economy and globalization, along with positive aspects, also have certain contradictory aspects. In particular, such situations as the uneven progress of economic development in different countries, the growing gap between the countries of the world in terms of socio-economic development, environmental threats, and sharp differences in population changes in different countries hinder the sustainable development of the world economy as a whole system. Also, another characteristic aspect of these processes is that socio-economic shocks occurring in one country of the world will inevitably affect other countries as well.

Nevertheless, every country tries to develop its economy in the first place in order to create a good way of life and take its place in the world market.

Thus, in order for every organization to work in an innovative state, they must have a functional structure within the framework of regulatory requirements.

Organization of internal audit service in insurance organizations is primarily regulation of the market of insurance and audit services.

The purpose of organizing an internal audit service in insurance organizations is, first of all, to choose the most optimal option of the corporate management system, to ensure that the accounting system is properly organized, that the tax calculations are made correctly and, of course, to protect the interests of the owners.

In fact, it is natural to ask why insurance organizations need to organize an internal audit

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service! In addition to the above points, by organizing an internal audit service in insurance organizations, it is understood the process of organizing an effective volume of work by bringing to light many of the existing but not practically used internal capabilities of the enterprise, and in order to fulfill these tasks, employees approach their work with responsibility. In general, the list of tasks performed by the internal audit service can be made more extensive, and in a generalized case we give the following:

1. The internal audit service organized in insurance organizations is, first of all, to provide the supervisory board with reliable information, to develop recommendations of measures to improve insurance activities..
2. In insurance organizations, it is necessary to monitor the ways of immediate elimination of deficiencies identified as a result of internal audit.
3. In order for the insurance organizations to operate without defects, it is necessary to provide practical assistance and, if necessary, study the forecast data of the insurance organization for the following years and give a prospective opinion.
4. Based on the specific characteristics of insurance organizations, it is necessary to analyze the composition of customers, to sell products in a complex manner at low prices, and to control cases of strict adherence to the requirements for the formation of reserves. Of course, if necessary for this, they can also take surveys from customers as evidence.

Internal audits in insurance organizations cannot be carried out without planning. It should be said that organizing an internal audit every quarter gives an opportunity to eliminate minor shortcomings.

If the insurance organization will have branches and divisions, it must take into account the characteristics of this network when organizing an internal audit. And, of course, in the planning section of the internal audit, it is necessary to include the issues of checking their activities.

The process of organizing an internal audit in an insurance organization will be appropriate if it is carried out by applying national and international standards, using more international standards.

It is possible to continue the organizational issues of the internal audit service in insurance organizations.

Analysis of the literature on the subject.

Many of our economists have conducted their scientific activities on the organization of internal audit services in enterprises and organizations, in particular:

According to B.A. Hasanov, internal audit consists of checking the integrity of the company's assets, conducting an audit of business operations, developing methods and measures that ensure compliance with the accounting policy, and a coordination plan.[1]

According to H.N. Musaev, internal audit is the verification of the activities of enterprises by independent auditors based on the order of interested parties and giving reasonable conclusions. [2]

Z.T.Mamatov said that internal audit evaluates the management activities of firms, companies, etc. as an independent expert. They present the results of analysis, evaluation, information about the activity of the organization they check, their recommendations and advice to the parent company that performs the management.[3]

According to R.D. Dosmurodov, internal audit checks the activities of the enterprises where they work. However, as a rule, they are part of the board of directors. This form of control appeared



in the United States in the 30s of the 20th century, and later spread to Western Europe and Japan. [4]

K. B. Akhmedjanov said that internal audit is an independent system that helps economic entities to achieve the goals set on the basis of an acceptable approach to risk management, control and corporate governance, and provides objective guarantees and advice aimed at increasing the efficiency of financial and economic activities. [5]

Prof. Romena Sulce, Prof. A.Z. Avlokulov, Ph.D. N.Sh.Abdievalar, says that internal audit is a multi-functional audit, at the same time it is considered the right hand of the company's management, it is engaged in checking the calculations of the internal audit service, preventing fraud and errors, and analyzing the data of the organization's internal control system. emphasizes. [6]

According to A.N. Toraev, internal audit is an activity organized to regularly and independently assess the reliability and efficiency of risk management, internal control systems, including corporate governance practices based on generally accepted international and national standards in the field of internal control. [7]

M.A. According to Abduraimova, the necessity and advantage of improving the internal audit activity for the management system in insurance organizations is explained by the following:

- reliable source for external audit;
- guarantee of constant compliance with legislation;
- the involvement of highly qualified specialists in the organization's divisions through internal audit;
- the fact that it is a system that helps to encourage the introduction of advanced technologies and work methods.[8]

The definition provided by the Institute of Internal Auditors is as follows: Internal audit is an independent, objective assurance and consulting activity designed to improve the organization's activities. It helps an organization achieve its goals by taking a systematic, disciplined approach to managing risks, evaluating management processes, and improving performance. [9]

Research methodology

In relation to the organizational issues of the internal audit service in insurance organizations, it is worth saying that first of all, by analyzing the issues related to the organization of the internal audit service in insurance organizations, better operation of the service sector, an effective contribution to the growth of the country's economy, and optimization of relations with clients and creating comfort for them serves as.

Issues of organization of internal audit service in insurance organizations, in order to effectively establish internal audit service in insurance organizations, first of all, it is necessary to refer to international standards and implement directions of organization, to implement ongoing economic reforms, to achieve modern economic development, to gain a place in the world community and serves to increase the scope of work such as competitive production, service, and presentation of products to the world practice in the field of industry.

It is appropriate to use a large number of analytical methods to reveal the organizational issues of the organization of internal audit service in insurance organizations. In particular, by using comparison, analysis, trend analysis, vertical analysis, first of all, the importance of internal audit service for insurance organizations is revealed.

Analytical methods used in revealing the organizational issues of the organization of internal audit service in insurance organizations certainly reveal the essence of the scientific article and serve

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to increase its quality.

Analysis and discussion of results

At the heart of the reforms being carried out across our country today, of course, is the development of the industry and the creation of wide opportunities for the population.

In order to effectively organize internal audit processes in all aspects and to achieve the resulting efficiency, the audit procedures used by internal auditors are of course considered important. These audit procedures can also be used in external audits, but in our opinion, the composition of authoring actions used for internal audits should be extensive and numerous, so that the auditor can achieve the most optimal result of the audit at the maximum level. In order to achieve results in the process of internal audit inspection, it is necessary to carry out internal audit operations and control operations at the same time. In addition, the methods of internal audit are also important, and it will be possible to achieve much higher results through this. We should focus on the following internal audit methods:

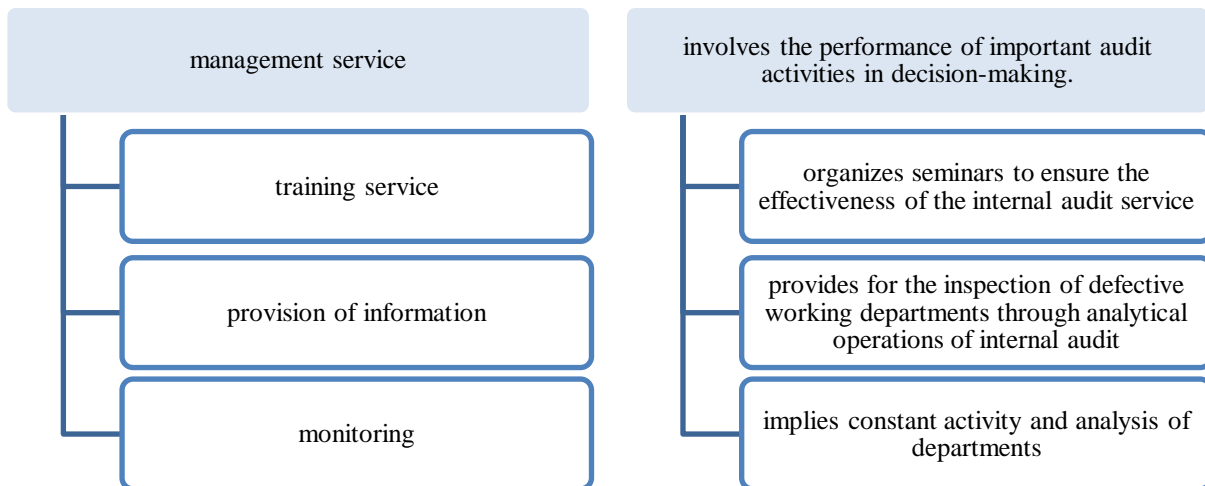


Figure 1. Internal audit methods tetralemma.¹

In the course of the audit, the verification using internal audit methods or control actions implies that there must be quality control.

- The quality of the audit depends on the fact that the auditor is provided with all the information necessary to define the purpose of the audit, draw up an audit plan, collect audit evidence and apply audit procedures in agreement with the audited enterprise. The principles of quality control of internal auditing are regulated by IAS No. 220 entitled “Control of the quality of work in auditing” and consist of the following:

- «During the period from the initial stage to the final stage of the internal audit, control of the quality of the recommendations presented in the audit report from the assessment of the internal control system of the client's activities;

- Timely development of methodological support for high-quality organization of internal audit, i.e. correct formulation of importance level, audit risk and selection in the audit process;

- As a result of using the results of quality control, it becomes possible to develop new normative and methodological documents». [10]

¹ Developed by the author as a result of scientific research

In addition, a well-established internal audit service indicates a well-established corporate governance system. Internal audit service activity in a competitive environment is an important and important issue, and an assessment tool is created to determine its effectiveness. It is not possible to make a general evaluation of the internal audit service of the company based on the mistake made in one department or branch in the company. It is important to take into account the economic losses that occur as a result of this process, taking into account that there will always be errors and shortcomings. In order for the internal audit service to function effectively, it must now identify and assess emerging problems.

In addition, the existence of an internal audit is necessary mainly for private property managers. The reason is that they are directly interested in the system of work in the insurance organization. Through this, they place their capital in the international market based on short or long term plans.

In particular, the regulations of the largest stock exchanges require the presence of an internal audit in the company and create the necessary conditions for entering the stock market.

In general, the role and importance of internal audit in the insurance organization is gaining importance.

Internal audit should assess the following issues and make appropriate recommendations when organizing a cooperative management system for the public administration of the internal audit department:

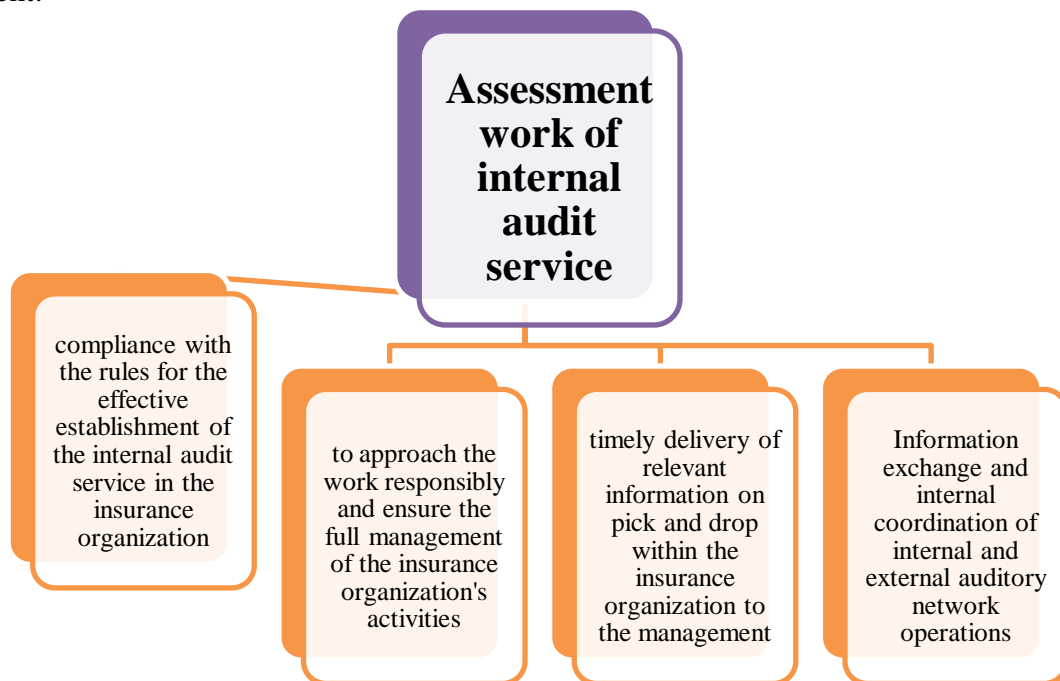


Figure 2. Evaluation of the internal audit service.²

In determining the effectiveness of the internal audit according to the COSO model, the following elemental assessment is carried out:

² Developed by the author as a result of scientific research.



- *Organizational environment* - refers to the main component of internal organization and includes principles such as leadership, organizational structure, delegation of authority and accountability.

- *Risk assessment* – involves identifying and analyzing the relevant internal and external picklap affecting the insurance organization's achievement of its objectives, and performing a basis to determine how best to manage this risk.

- *control instrument* - ensure that the organization takes the necessary measures against the identified risks.

- *Information and communication* - ensures that internal and external information is determined, collected and submitted in the appropriate form and time frame so that employees can fulfill their duties.

- *Monitoring* - includes continuous or periodic monitoring and assessment of the quality of the internal nasopharyngeal system.

Based on the above points, it can be said that the internal audit service analyzes the report of the insurance organization, determines the direction of future development and helps the management to make decisions. In addition, the balanced indicator system for evaluating the internal audit service's activity reflects a clearly organized process aimed at measuring the costs and results related to the activity of the internal audit service, as well as evaluating the impact of these results on the results of the company's activities. The results of comprehensive performance evaluation are the final indicators of the main problems of internal audit and control work and allow for timely correction of identified deviations.

Conclusions and suggestions

It is known that internal audit is an activity aimed at improving the activities of insurance organizations and providing advice. Therefore, the internal audit service is considered a systematic method of internal control and corporate management, and serves as a problem-solving tool for the development of the insurance organization.

The following conclusions and suggestions were made regarding the organization of internal audit service in insurance organizations:

1. Based on the position of the internal audit service in insurance organizations, special attention should be paid to the organizational issues of the organization of the internal audit service, and for this, first of all, it is necessary to carry out consistent work on the system of training the employees of the internal audit service.

2. In order to ensure a high level of the corporate management system in insurance organizations, the internal audit service is of great importance. For this, it is required to establish an internal audit service in all organizations.

3. Expanding the scope of the internal audit service for the purpose of applying public accounting in insurance organizations, including the appointment of an auditor who has the ability to analyze the public accounting of financial reports and the financial report prepared in this way, as well as an auditor who is familiar with other types of analysis and provides advice on financial management, the national accounting system Acocida provides the possibility to transfer the financial report of the accounting report to the public account.

4. The method of evaluating the internal audit activity offered in the joint-stock company will help to determine the level of professional competence and the level of professional competence of

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the internal audit service and to organize the work of the internal audit service employee in accordance with the professional and ethical requirements.

5. Checks the level of organization of corporate management in insurance organizations and the effectiveness of decisions made by corporate management bodies, compliance with the legal rights and interests of its participants, and ensures that it is conducted on the basis of legal documents, develops recommendations on it, which leads to the improvement of the management system. This is the independence of the internal audit service. But now there are some partial deficiencies regarding the corporate governance system and their compliance with the principles. A number of practical works are being carried out to eliminate them, but they are still not fully formed. For this purpose, we present the following proposals for improving the organization of internal audit in the corporate management of joint-stock companies:

- In order to ensure the independence of the internal audit, it is necessary to ensure that it is not dependent on the executive body and achieve this in practice;
- Internal audit must continuously disclose the results of its audits, which ensures that shareholders receive information;
- It is necessary to develop and implement internal auditing standards and ethical requirements of internal auditors.

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