Inspection Findings: Insurance Industry

Examples of inspection findings

+ Deficiencies in assessment of the key controls and systems relevant to the audit
+ Confirmation of data integrity and completeness and accuracy for reserving purposes frequently causes issues if responsibility is shared between auditor and actuaries
+ Outstanding claims and IBNR reserves often not considered as a significant risk without justification and therefore not adequately covered by audit procedures
+ Insufficient disaggregation of classes of business that leads to significant proportion of insurance premiums not tested

“ Adequate understanding of the business and testing of IT systems is key for insurance audits. Professional skepticism is essential when dealing with assumptions for reserving purpose and actuarial reports”