



The Reflection of the Adoption of IFRS 17 “Insurance Contracts” on the Procedures for Auditing Insurance Contracts in the Iraqi Environment

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Abstract:

IFRS 17 aims to provide a unified basis for accounting for all types of insurance contracts, including reinsurance contracts, in a manner that benefits both investors and insurance companies and enhances the ability of the financial statements of insurance companies for comparison between companies listed in financial markets around the world. According to this standard, insurance contracts are accounted for on the basis of the Asset-Liability Approach and the use of fair values that the standard requires updating regularly in order to provide more useful information to the users of financial statements, as a result of the failure of reporting requirements for insurance contracts in the Iraqi environment to provide adequate and honestly representative information about the result of the activity and the financial position as a result of the failure of the requirements of the unified accounting system for banks and insurance companies with regard to providing appropriate bases for recognition, measurement, presentation and disclosure of insurance contracts compared to IFRS 17. Consequently, the insurance contracts audit program prepared by the Federal Board of supreme audit is insufficient and lacks the necessary procedures, also, this program includes audit procedures for insurance companies only and does not include companies that deal in contracts of an insurance nature, as well as the absence of an integrated program or guide approved by private auditing companies and offices in the Iraqi environment for the purpose of auditing these contracts, which requires a statement of the importance of adopting the International Financial Reporting Standard IFRS 17 and its reflection on the audit procedures that auditors must adopt when auditing insurance contracts. The two researchers relied on the opinions of a sample of

academics and professionals specialized in this field by preparing a questionnaire that focused on the importance of adopting IFRS 17 and the reflection of adoption on the procedures for auditing these contracts in the Iraqi environment. The most prominent finding of the research is the need to adopt IFRS 17 because it provides clear and specific guidelines that help provide more useful information to users of financial statements in companies that deal in insurance contracts, as well as the impact of adopting this standard on the insurance contract audit procedures approved by the Federal Board of supreme audit and private auditing companies and offices in the Iraqi environment.

Keyword: Insurance Contracts, International Financial Reporting Standards (IFRS 17), Insurance Contract Auditing

1- Introduction:

The developments that the insurance sector has witnessed on the international level were reflected in the accounting fields in the companies that issue insurance contracts in terms of the foundations of recognition, measurement and disclosure, as well as the difference in accounting procedures for insurance contracts from the rest of the other sectors, where the International Accounting Standards Board (IASB) issued the IFRS 4 standard and the objective of issuing this standard was to find appropriate accounting methods for dealing with insurance contracts with regard to companies that issue those contracts. This standard has allowed these companies to use different accounting methods and treatments, which led to creating problems related to the comparability of accounting information related to insurance contracts. Accounting treatments differed from one country to another and from one company to another within the same country. This is what made the International Accounting Standards Board interested in issuing a new standard, IFRS 17, which will be in effect starting from 1/1/2023 and with the direction of professional institutions concerned with accounting in Iraq. Towards the adoption of the International Financial Reporting Accounting Standards (IFRSs/IAS)), there is a need to adopt the International Financial Reporting Standard IFRS 17 “Insurance Contracts” in Iraq in order to jointly The deficiencies in the unified accounting system for banks and insurance companies applied to insurance contracts in the Iraqi environment, and that the adoption of this standard leads to significant changes in the audits of insurance contracts in accordance with IFRS 17, because this standard does not only concern companies that issue insurance contracts, but includes companies which issue contracts of an insurance nature, as well as a statement of the impact of adopting IFRS 17 on auditors and their assistants and the procedures followed by them in the audit process, where the researcher relied on the opinions of a sample of academics and professionals specialized in this field through preparing a questionnaire in which he focused on the importance of adopting IFRS 17 and the reflection of the adoption of procedures for auditing these contracts in the Iraqi environment, relying on the main hypothesis that:

- There is a need for new or complementary audit procedures to audit procedures currently followed by auditors in Iraq about audit insurance contracts in consistency with the requirements of IFRS 17.

The research sample was represented by academics who work at accounting departments at Iraqi universities, as well as professionals working in the Federal Board of Supreme Audit and private audit offices and companies, they have the ability to read and understand the guidelines in international financial reporting standards from where thought and practice the operation.

2- The concept and importance of insurance contracts

Insurance is one of the important sectors on which advanced economies are based because of its effective role in protecting individuals from dangers that may affect their property or civil liability or themselves, especially in contributing to achieve economic and social growth, through financial resources that are employed in various aspects Investment, as well as its role in the stability of society (Zerman, 2015: 45).

An insurance contract has been defined as “a contract under which one party (the issuer) bears significant insurance risks from another party (the policyholder), by promising to compensate the policyholder for an unpredictable future event (the insured event) that adversely affects the policyholder. Insurance Policy” (IFRS Foundation, 2017: 40).

In the field of determining the parties to the insurance contract, there are three parties to the contract, as follows (Al-Fatlawi, 2016: 5-6):

2-1 The insurer: It is the insurance company that bears compensation for the insurance policy holder in the event of insurance risks and in return it receives financial payments, which are insurance premiums.

2-2 The insured: the person or entity that concludes the insurance contract with the insurance company and obliges this person or that entity to pay the insurance premiums.

2-3 The beneficiary: the person or entity that will receive compensation in the event of insurance risks, and the insurance policy holder may be himself or a third party, as is the case in life insurance.

The importance of insurance can be summarized as follows (Mohammad, 2009: 15-16): -

- Compensation for material losses and damages resulting from the realization of the insured risks, which leads to preserving the capital through the payment of compensation and enabling the losing or insolvent company to regain its economic position.
- The use of funds for investment purposes, where insurance premiums are paid before losses occur, and this allows insurance companies to invest these funds until the process of paying the claims that are covered through the profits arising from the invested funds after subtracting the costs of insurance claims that may benefit the insured in the form of discounted premiums.
- Insurance has a social role in serving the environment and society in many areas, including insurance to protect those who need it most from the risks they are exposed to.

3- The importance of adopting the IFRS 17 standard and the requirements for its application

International insurance companies currently apply a variety of accounting solutions to address insurance contracts to report a key aspect of their business, and this may result in the accounting solutions being different between countries, making it difficult for investors and analysts to understand and compare insurance companies' results.

For those reasons mentioned above and others, IFRS 17 has been issued, which requires the company to measure insurance contracts using the fair value being updated (to be consistent with market information relevant to insurance contracts), which reflects the timing of cash flows and uncertainty in relation to insurance contracts, which is hoped to provide updated accounting information on the impact of insurance contracts about the financial position of companies that issue insurance contracts and their exposure to risks, and to report in a transparent manner about changes in the assets and liabilities of those companies, and IFRS 17 assumes that its application could lead to making financial reports for companies that Insurance contracts are issued more beneficial and transparent (IFRS Foundation, 2017: 4), and the scope of IFRS 17 standard includes the following (Dufrasne, 2020: 17):

- Insurance contracts issued by insurance companies and other companies that issue contracts of an insurance nature.
- Reinsurance contracts issued or maintained by insurance companies.
- Investment contracts that include optional participation features issued, provided that insurance companies or any company that issues insurance contracts also issues.

3-1 Separating the components of the insurance contract

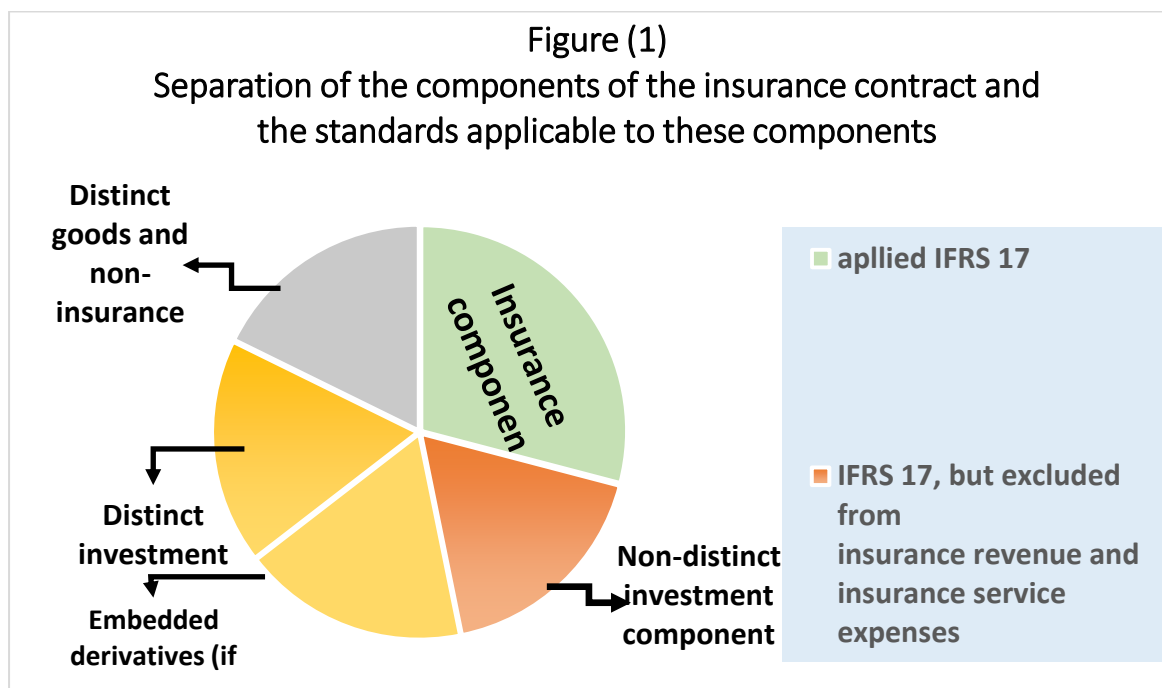
An insurance contract may contain one or more components that fall within the scope of another standard if the contracts are separate, an insurance contract may include an investment component or a service component, and the International Accounting Standards Board (ISAB) has provided provisions for determining when to count the non-insurance component as different from the main insurance contract, where the company should do the following (Deloitte, 2017: 2):

3-1-1 Applying the International Financial Reporting Standard “IFRS 9 Financial Instruments” to determine whether an embedded financial derivative can be separated, and if there is an embedded financial derivative accounted for separately.

3-1-2 The investment component is separated from the host insurance contract, if this investment component is distinct and separable, then the company must apply IFRS 9 “Financial Instruments” to account for the separate investment component.

3-1-3 Separation of any promises to transfer distinct non-insurance goods or services to the insurance policyholder, and these promises are accounted for under the International Financial Reporting Standard IFRS 15 “Revenue from Contracts with Customers”.

Figure 1 below illustrates the criteria that apply to each of these components. IFRS 17 distinguishes between “distinguished” and “uncharacterized” components, as shown in the following sections:



The source prepared by the researchers based on:

KPMG, (2017), "First Impressions: IFRS 17 Insurance Contracts", 19.

3-2 Levels of aggregation of insurance contracts

IFRS 17 requires the company to group insurance contracts into portfolios, groups or pools for the purposes of recognizing, measuring, presenting and disclosing those contracts. Thus, they are expected to be included in the same portfolio if managed together, (McGeachin & Keren 2018:2), and require a minimum division of insurance contract groups as follows (EFRAG, 2018: 11):

3-2-1 A group of contracts that are considered onerous upon initial recognition.

3-2-2 A group of contracts that have no possibility of being burdensome at a later time.

3-2-3 The group of contracts remaining in the portfolio (the group of other contracts).

Onerous contracts “are contracts in which the unavoidable costs of fulfilling obligations exceed the economic benefits expected to be obtained from the contract” (Suh, 2018:1)

3-3 Recognition of insurance contracts

The company recognizes the group of insurance contracts it issues as of the following dates, whichever comes first (Scott, 2018:7):

A - The beginning of the period of coverage for the group of insurance contracts.

B- The date of the first payment due to the insurance policy holder in the group.

C- On the date of the group becoming an onerous group with regard to onerous contracts groups.

If there is no contractual due date, the first payment from the policyholder is due upon receipt, and the company is required to determine whether any contracts that constitute a group of onerous contracts to apply paragraph 16 of the Standard prior to the earlier dates indicated in paragraphs (A) and (B) if the facts and circumstances indicate the existence of this group.

3-4 : Basis for measuring insurance contracts according to IFRS 17

IFRS 17 aims to honestly measure and disclose all obligations of insurance companies arising from groups of insurance contracts.

3-4-1 The building block entrance or (the general model): It is the default entrance that is applied to most long-term insurance contracts, with the exception of some exceptions where other measurement entrances should be applied, which are the entrance to the allocation of premiums, or the entrance to the variable fees, and this entrance is based on four elements or building blocks in the initial measurement when measuring the obligations of insurance contracts, which are as shown below (Diest & Schilders, 2020:10):

- Future cash flows
- Discount rate
- Adjustment of risks related to non-financial risks
- Contractual service margin

3-4-2 Premiums allocation entrance: this entrance is used on short-term insurance contracts; where there is freedom to choose it, in addition, the entrance to allocate premiums can be used as an approximation of the entrance to the building blocks, provided that certain criteria are met. This entrance can be used on annual reinsurance contracts and group protection contracts (McWilliam & McKenzie, 2017:20):

3-4-3 Variable fee entrance: This entrance applies to insurance contracts with direct participation features as they create an obligation to pay an amount equal to the fair value of the implicit elements to the policyholder, minus the variable service fees. Therefore, these contracts provide investment-related services that are integrated with insurance coverage (IFRS) (Foundation, 2017: 18).

4- Insurance Contract Audit Procedures

The audit procedures reflect the practices or behavior that the auditor should perform to achieve and implement his activity. In other words, the audit procedures are a means through which the auditor performs his task (Al-Nasan, 2018: 29). The audit procedures are defined as “a set of reliable procedures to determine the responsibilities and requirements for planning and conducting the audit process and report the results, and the person responsible for the procedures of the audit process is the head of the audit process” (Arteret et al, 2013:49), and that the insurance sector occupies a very important position among financial services around the world, where insurance affects the lives of all individuals its fields, and individuals and companies resort to insurance to manage various risks, and the expansion of the scope of insurance highlights the increasing importance of insurance for both individuals and companies, so an appropriate assessment of what insurance is and what it can do to help individuals or companies is necessary (Basu, 2009: 254). It was found that among the most important means and methods that support the performance of the insurance sector is the audit, which plays an important role in instilling confidence in this sector, as well as its independence, efficiency and extent of its

commitment to implementing International Auditing Standards (ISA) and the selection of auditors who have experience and competence to ensure the proper conduct of the audit work, which leads to the continued success of the insurance sector in achieving its goals, as well as the rest of the society segments and other goals that are affected by the level of financial strength of the insurance contracts (Jawad and Ahmed, 2020: 404-405). The procedures for auditing insurance contracts are as follows:

4-1 Studying the nature of the company that issues insurance contracts:

This is by understanding the legal and regulatory framework applied in this company, knowing the environment in which it operates, and ascertaining the scope of the duties and responsibilities of the auditor towards these laws, because insurance companies are exposed to risks of material misrepresentation as a result of the unique accounting estimates used in them (Basu, 2009: 261).

4-2 Studying and evaluating the internal control of the company that issues insurance contracts:

The understanding of internal control helps the auditor in dealing with the estimated risks of misrepresentations that may occur in the financial transactions of the company and thus limit these actions, and the auditor should obtain an understanding of the regulatory controls of this company that prevent fraud such as determining the levels of authorization and approval of the contracting employees working to settle the obligations Insurance contracts towards others (AICPA, 2018:211). In addition to the fact that the existence of effective internal control over insurance contracts guarantees the company's management and the supervisory bodies authorized to supervise such type of companies to achieve many goals and can be summarized as follows (Sami and Ahmed, 2018:30):

- Protection of insurance activity resources from extravagance, embezzlement and inefficiency in management.
- Ensure the accuracy of the accounting data in a way that allows it to be relied upon in assessing the solvency of insurance companies.
- Ensure compliance with the policy set by the company's management.
- Evaluate the performance of each of the sectors and divisions of insurance activity in the company.

4-3 Procedures for auditing issues related to insurance contracts

4-3-1 Procedures for auditing underwriting in insurance contracts:

The process of auditing the subscription is a very important process, and the most important procedures for auditing the subscription can be summarized as follows (Mohammed, 2018: 80):

- Verify that pricing schedules are set by the company that issues insurance contracts.
- Verify the processes of calculating the amounts of insurance contracts on the basis of the pricing specified for these contracts.
- Verify the process of recording the insurance contract amounts correctly in the accounting records assigned to them.
- Verify the process of registering canceled insurance contracts within the canceled insurance contract documents record.

4-3-2 Verification of claims for insurance contracts:

In order to ascertain and verify insurance claims, the auditor does the following (Al-Ameen, 2014: 80):

- Ensure that there is a permit for the disaster covered by the insurance contracts for which the insurance contract was issued and the insurance premium collected.
- Ensure the inventory of claims, taking into account that they are fully evaluated according to the available information, and the audit process is sufficiently repeated.
- Ensure that the beneficiary of compensation from the insurance contract is accurately identified, and it is necessary to provide evidence and justifications for the amounts that have been paid.

5- Reporting and auditing insurance contracts in the Iraqi environment**5-1 Reporting of insurance contracts in the Iraqi environment**

The Iraqi insurance companies are used to prove the accounting treatments for insurance contracts (the unified accounting system for banks and insurance companies), and the use of the accounting cycle of this system in terms of keeping daily records, assistant professor and general ledger, as well as documents of exchanging permissions and documents of receiving permissions, as well as the operations of recording the income of insurance contracts from the premiums received, and expenses related to insurance operations. The system also sets special accounts for the production centers of insurance companies in order to provide more detailed data for the accounts of the production centers for all insurance portfolios, where all revenues and expenses for each type of insurance and according to each production center are included, as well as the administrative and general expenses that are assigned to the production centers according to specific conditions, and then the results of each portfolio are disclosed during the fiscal year so that their total matches the total results in the financial statements. Table (1) below shows the accounts of the production centers of Iraqi insurance companies according to the unified accounting system for banks and insurance companies.

Table (1)

Private accounts for production centers of Iraqi insurance companies

Account name	Directory No.
Marine insurance accounts	5
Non-marine insurance accounts	6
life insurance accounts	7
Incoming insurance accounts	8
Other activities accounts	9

Source: Prepared by the researchers based on the unified accounting system for banks and insurance companies.

The system recognizes revenues by recording these revenues on the basis of their entitlement, that is, it recognizes insurance premium revenues when they become due. In addition, compensation and other expenses related to insurance contracts are recognized when they become due, regardless of the date of their

performance according to this system, as the system conforms to the prevailing concepts in accounting reality for insurance in terms of the time of issuance of the insurance contract and recognizing the income from insurance contracts according to the premiums owed by the insured, as well as recognizing the accrued compensation as expenses when it is realized.

As for disclosure, the accounting system for banks and insurance companies requires the disclosure of the amounts of cash inflows from the premiums received within the insurance contract portfolio, as well as the disclosure of losses and profits of insurance operations by comparing the realized revenues and expenses incurred at the end of the fiscal year, and the system requires disclosure of financial risks resulting from fluctuations in currency exchange rates within the account of the technical reserves of the insurance contract portfolio.

5-2 Procedures for auditing insurance contracts in the Iraqi environment

The process of auditing insurance contracts in the Iraqi environment was addressed by the Federal Financial Supervision Bureau through the insurance contracts audit program issued by the Bureau, where a series of procedures were developed that the auditor must perform, and these procedures were divided into general procedures related to studying the nature of the company and the activity that it undertakes and reviewing the organizational structure of the company in order to reach an adequate understanding of the nature of the company's activity, the procedures for auditing the final financial statements of insurance contracts, as well as the procedures for auditing the technical activity that is required to be followed in auditing the processes of issuing insurance policies, and studying the insurance activity represented by (underwriting, pricing, compensation, reinsurance), procedures for auditing paid compensation and procedures for auditing reinsurance contracts. The researchers believe that the procedures for auditing insurance contracts dealt with by the audit program prepared by the Federal Financial Supervision Bureau is a program that concerns only insurance companies and reinsurance companies. It does not concern companies that issue contracts of an insurance nature, and that this program did not address the internal control audit procedures for insurance contracts and specifying risks that are a basis for creating a vision for the auditor when auditing insurance contracts.

With regard to the manuals and programs issued by the Iraqi auditing companies and offices, they did not contain these programs or any procedures for auditing insurance contracts.

6- Presenting and analyzing the results of the questionnaire and testing the research hypotheses:

Table (2) below shows the demographic information for the vocabulary of the research sample, which were included in the list of the questionnaire

Table (2)
The demographic information for the vocabulary of the research sample

Sequence	Properties demographic	Category	Number	Percentage
1	Scientific qualification	PhD and equivalent	45	%37.50
		Master's and equivalent	62	%51.67
		Bachelor	13	%10.83
		Other		%0.00
Total			120	%100
2	Specialization	Academic	75	%62.50
		professional	45	%37.50
Total			120	%100
3	The scientific Title	Teacher Assistant	25	%20.83
		Teacher	10	8.33%
		Assistant Professor	20	16.67%
		Professor	15	12.50%
		Chartered Accountant	37	%30.83
	Other	13	%10.83	
Total			120	%100
4	Years of service	5 or less	29	%24.17
		6-10 years	11	% 9.17
		11-15 years	25	%20.83
		16-20 years	15	%12.50
		20 or more	40	%33.33
Total			120	%100

Source: Prepared by the researchers based on the results of statistical analysis

It is clear from the results of Table (2) above that the majority of respondents to the results of the questionnaire with practical qualifications hold a master's and its equivalent. Also, most of them are from academic specialization, who hold the title of chartered accountant and have long experience in their field of work.

6-1 Adoption of IFRS 17 "Insurance Contracts"

The researchers reached a set of general statistics, which are represented by the arithmetic mean, standard deviation and coefficient of variation for the questions of the first axis, which are related to the adoption of the International Financial Reporting Standard IFRS 17 "Insurance Contracts" and the areas of deficiencies in the unified accounting system for banks and insurance companies related to insurance contracts, as Table (3) shows ratios, frequencies, mean, standard deviation, and coefficient of variation for each question of the first axis, as follows:

Table (3)
Ratios, frequencies, mean, standard deviation, and coefficient of variation for the first axis (Adoption of IFRS 17 “Insurance Contracts”)

Coefficient of variation	ST. deviation	Mean	Don't totally agree		Do not Agree		Neutral		Agree		Totally Agree		Questions
			%	F	%	F	%	F	%	F	%	F	
13.78	0.561	4.07	0	0	0	0	12.5	15	68.3	82	19.2	23	Q1
13.76	0.556	4.04	0	0	0	0	13.3	16	69.2	83	17.5	21	Q2
25.00	0.945	3.78	0	0	10.8	13	25.0	30	39.2	47	25.0	30	Q3
19.09	0.733	3.84	0	0	0.8	1	33.3	40	46.7	56	19.2	23	Q4
16.61	0.661	3.98	0	0	0	0	22.5	27	56.7	68	20.8	25	Q5
18.12	0.712	3.93	0	0	2.5	3	16.7	26	56.7	68	19.2	23	Q6
21.01	0.771	3.67	0	0	11.7	14	16.7	20	65.0	78	6.7	8	Q7
18.04	0.727	4.03	0	0	5.8	7	7.5	9	65.0	78	21.7	26	Q8
23.03	0.859	3.73	2.5	3	6.7	8	19.2	23	59.2	71	12.5	15	Q9
18.91	0.749	3.96	0	0	2.5	3	22.5	27	51.7	62	23.3	28	Q10
23.18	0.897	3.87	2.5	3	4.2	5	20.0	24	50.8	61	22.5	27	Q11
24.12	0.907	3.76	0.8	1	9.2	11	23.3	28	46.7	56	20.0	24	Q12
23.88	0.898	3.76	0	0	11.7	14	20.0	24	49.2	59	19.2	23	Q13
18.04	0.673	3.73	0	0	0.8	1	37.5	45	50.0	60	11.7	14	Q14
21.43	0.842	3.93	0.8	1	6.7	8	14.2	17	55.8	67	22.5	27	Q15
14.54	0.586	4.03	0	0	2.5	3	8.3	10	73.3	88	15.8	19	Q16
14.34	0.542	3.78	0	0	2.5	3	20.8	25	73.3	88	3.3	4	Q17
20.20	0.818	4.05	0	0	4.2	5	18.3	22	45.8	55	31.7	38	Q18
19.28	0.746	3.88	The total of the mean, deviation, and coefficient of variation										

Source: Prepared by researchers based on program outputs. SPSS. V.26

Through the above table (3), it is clear that the total mean for this axis is 3.88, which is greater than the standard average of (3), with a standard deviation of 0.746 and a coefficient of variation of 19.28%, that is, 76% of the sample members agree on the importance of adopting the International Financial Reporting Standard IFRS 17.

6-2 Reflection of the adoption of IFRS 17 on procedures for auditing insurance contracts in the Iraqi environment

The researchers reached a set of general statistics that are represented by the arithmetic mean, standard deviation and coefficient of variation for the questions of the second axis, which are related to the procedures for auditing insurance contracts. Table (4) shows the ratios, frequencies, arithmetic means, standard deviation and coefficient of variation for each question of the second axis, as follows:

Table (4)

Ratios, frequencies, arithmetic means, standard deviation and coefficient of variation for the second axis (insurance contracts audit procedures)

Coefficient of variation	ST. deviation	Mean	Don't totally agree		Do not Agree		Neutral		Agree		Totally Agree		Questions
			%	F	%	F	%	F	%	F	%	F	
19.60	0.788	4.02	0	0	5.0	6	15.0	18	53.3	64	26.7	32	Q19
19.72	0.775	3.93	0	0	4.2	5	20.8	25	52.5	63	22.5	27	Q20
17.89	0.696	3.89	0	0	3.3	4	20.0	24	60.8	73	15.8	19	Q21
20.15	0.814	4.04	2.5	3	0.8	1	13.3	16	56.7	68	26.7	32	Q22
19.02	0.755	3.97	0	0	3.3	4	15.8	21	55.8	67	22.5	27	Q23
30.14	1.061	3.52	3.3	4	15.8	19	24.2	29	39.2	47	17.5	21	Q24
25.82	1.007	3.90	1.7	2	8.3	10	20.8	25	36.7	44	32.5	39	Q25
26.71	0.943	3.53	0	0	13.3	16	21.7	26	55.0	66	10.0	12	Q26
21.84	0.856	3.92	0	0	9.2	11	13.3	16	54.2	65	23.3	28	Q27
21.19	0.801	3.78	0	0	9.2	11	17.5	21	59.2	71	14.2	17	Q28
26.35	0.975	3.70	4.2	5	6.7	8	21.7	26	50.0	60	17.5	21	Q29
25.81	0.99	3.60	3.3	4	12.5	15	13.3	16	62.5	75	8.3	10	Q30
21.05	0.802	3.81	0	0	8.3	10	18.3	22	57.5	69	15.8	19	Q31
22.93	0.917	4.00	0	0	10.0	12	11.7	14	46.7	56	31.7	38	Q32
21.69	0.794	3.66	0	0	5.8	7	36.7	44	43.3	52	14.2	17	Q33
28.61	1.067	3.73	0	0	19.2	23	15.8	19	37.5	45	27.5	33	Q34
31.90	1.13	3.52	6.7	8	14.2	17	15.8	19	47.5	57	15.8	19	Q35
25.65	0.990	3.86	3.3	4	6.7	8	16.7	20	47.5	57	25.8	31	Q36
23.53	0.894	3.80	The total of the mean, deviation, and coefficient of variation										

Through the table (4) above, it is clear that the total mean for this axis is 3.80, which is greater than the standard average of (3), with a standard deviation of 0.894 and a coefficient of variation of 23.53%, that is, members of the sample agree with a percentage of 77.6%, on the existence of a reflection of the adoption of IFRS 17 on the procedures for auditing insurance contracts in the Iraqi environment.

In the field of testing the research hypotheses, two researchers verified the assumption of the normal distribution of the data, as they depended on calculating the values of (kurtosis and skewness) for all research variables, as the data approach the normal distribution if the kurtosis and skewness values all fall within the standard limit ± 1.96 , which confirms the normal distribution of the data. Table (5) below shows the test results for the research variables.

Table (5)

Normal distribution test for the sample data

Variables	Kurhosis	Skewness
Adoption of IFRS 17 "Insurance Contracts"	-0.371	-0.046
The reflection of the adoption of IFRS 17 "insurance contracts" on the procedures for auditing insurance contracts in the Iraqi environment	-0.481	-0.139

Source: Prepared by the researchers based on program outputs. SPSS. V.26

Table (5) above shows that the kurtosis and skewness values are all within the standard limit ± 1.96 , which confirms the normal distribution of the data.

The researcher tested the impact of IFRS 17 standard on insurance contract audit procedures, as this path was calculated by means of linear regression analysis, shown in the following table (6):

Table (6)

Impact of the adoption of IFRS 17 on insurance contract audit procedures

Nature of relationship	sig	F	T	Regression coefficient)impact β (α	R^2
df	0.000	30.434	5.517	0.601	1.498	0.587

Source: Prepared by the researchers based on program outputs. SPSS. V.26

It is evident from Table (6) above that:

- There is a significant effect of the IFRS 17 adoption variable in the insurance contract audit procedures, the calculated T value for the effect is greater than its tabular counterpart of 2.326 at the 0.01 level.
- (The) increase by one unit in IFRS 17 increases insurance contract audit procedures by 0.601.
- 58.7% of changes in insurance contract audit procedures are due to the adoption of IFRS 17.

• Table (6) also shows through the tests carried out by the researchers that the calculated F value of (30.434) is greater than its tabular theory of (6.63) at a level of significance of 0.01 and this indicates the significance of the value of F and this confirms the realization of the main research hypothesis that (there is a need for new or complementary audit procedures to the audit procedures currently used by auditors in Iraq regarding auditing insurance contracts in line with the requirements of IFRS 17).

7- Conclusion:

7-1 IFRS 17 is an important step towards adjusting the accounting procedures related to insurance contracts because it has identified ways to treat insurance contracts, reinsurance contracts and investment contracts with optional participation features according to their types, which helps reduce alternatives to accounting treatments in countries that apply international financial reporting standards IFRSs.

7-2 The requirements of the unified accounting system for banks and insurance companies regarding the conditions of recognition, measurement, presentation and disclosure of insurance contracts do not agree with the requirements of IFRS 17 in terms of the terms of recognition, measurement, presentation and disclosure of insurance contracts.

7-3 The accounting system does not require the separation of non-insurance components such as the investment component or the undertaking component of transferring goods and services to the insurance policy holder. Also, there is no method for measuring insurance contracts in the system, and there are no requirements regarding the presentation of the assets and liabilities of insurance contracts in the statement of financial position and the statement of financial position income separately.

7-4 There is a relative agreement by academics and professionals that there is a reflection of the adoption of IFRS17 on the procedures for auditing insurance contracts currently followed by the auditors, as it turns out that there is a need for new audit procedures in Iraq regarding auditing insurance contracts in line with the requirements of IFRS 17.

8- Recommendations

8-1 It is necessary for the institutions concerned with accounting and auditing to prepare workshop courses for the applied aspects of implementing IFRS 17 in the Iraqi environment and to overcome the difficulties that accountants face in this, as well as adopting detailed programs to audit the results of the application of IFRS 17 in the Iraqi environment in the short term.

8-2 Designing a comprehensive guide for auditing insurance contracts in the Iraqi environment that helps auditors working in the Federal Board of Supreme Audit and private audit offices to obtain reasonable assurance of the truthfulness and fairness of what the financial statements present in companies that deal of insurance contracts.

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انعكاس تبني IFRS 17 "عقود التأمين" على إجراءات تدقيق عقود التأمين في البيئة العراقية

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المستخلص:

يهدف IFRS 17 إلى توفير أساس موحد للمحاسبة عن جميع أنواع عقود التأمين بما في ذلك عقود إعادة التأمين بالشكل الذي يعود بالفائدة لكل من المستثمرين وشركات التأمين ويعزز من قابلية القوائم المالية لشركات التأمين على المقارنة بين الشركات المدرجة في الأسواق المالية حول العالم، ووفقاً لهذا المعيار يتم المحاسبة عن عقود التأمين على أساس مدخل الأصل- الالتزام (Asset-Liability Approach) واستخدام القيم العادلة التي يشترط المعيار تحديثها بانتظام بما يؤدي إلى تقديم معلومات أكثر فائدة لمستخدمي القوائم المالية، ونتيجة لقصور متطلبات الإبلاغ عن عقود التأمين في البيئة العراقية عن توفير معلومات ملائمة وممثلة بصدق عن نتيجة النشاط والمركز المالي نتيجة لقصور متطلبات النظام المحاسبي الموحد للمصارف وشركات التأمين فيما يتعلق بتوفير الأسس المناسبة للاعتراف والقياس والعرض والإفصاح عن عقود التأمين مقارنة IFRS 17، وبالتالي قصور برنامج تدقيق عقود التأمين المعد من قبل ديوان الرقابة المالية الاتحادي وافتقاره إلى الإجراءات اللازمة، وكذلك فإن هذا البرنامج يشمل على إجراءات تدقيق تخص شركات التأمين فقط ولا يشمل الشركات التي تتعامل بعقود ذات طبيعة تأمينية، وكذلك عدم وجود برنامج أو دليل متكامل معتمد من قبل شركات ومكاتب التدقيق الخاصة في البيئة العراقية لغرض تدقيق هذه العقود، مما يتطلب بيان أهمية تبني معيار الإبلاغ المالي الدولي IFRS 17 وانعكاسه على إجراءات التدقيق التي يجب ان يعتمدها المدققين عند تدقيق عقود التأمين، واعتمد الباحثان على اراء عينة من الاكاديميين والمهنيين المتخصصين في هذا المجال من خلال اعداد استبيان ركز فيه على أهمية تبني IFRS 17 وبيان انعكاس التبني على إجراءات تدقيق هذه العقود في البيئة العراقية، وأبرز ما توصل اليه البحث هو ضرورة تبني IFRS 17 لما يوفره من إرشادات واضحة ومحدد تساعد على تقديم معلومات أكثر فائدة لمستخدمي القوائم المالية للشركات التي تتعامل بعقود التأمين، فضلاً عن تأثير تبني هذا المعيار في إجراءات تدقيق عقود التأمين المعتمدة من قبل ديوان الرقابة المالية الاتحادي وشركات ومكاتب التدقيق الخاصة في البيئة العراقية.

المصطلحات الرئيسية للبحث: عقود التأمين، معيار الإبلاغ المالي الدولي (IFRS 17)، تدقيق عقود التأمين

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