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Improving financial policy compliance and internal control at Adventist schools in Thailand: Recommendations from stakeholders

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Abstract

This research study examined concerns about financial policy compliance and internal control mentioned in General Conference Auditing Service audit reports at four Seventh-day Adventist schools in Thailand. It focused on how to resolve recurring violations of denominational financial policies and improve control of accounting and administrative functions. A total of 32 in-depth interviews of external and internal stakeholders were conducted to search for practical ways to deal with common compliance and internal control problems. External stakeholders were asked how to resolve policy compliance deficiencies, while internal stakeholders were invited to suggest practical ways to address internal control weaknesses. Raising policy compliance levels and strengthening internal control will better protect denominational assets from careless mistakes and fraud, and help administrators to make wise and timely financial decisions. A key finding was a need to share policy compliance and management letters with school boards and financial staff, respectively, to facilitate rapid resolution of problems. Local contexts should be considered when implementing policies and internal controls. Given significant variations in laws and customs, higher organizations should study how to thoughtfully apply good governance principles in local situations.

> *Raising compliance levels and strengthening internal control will better protect … assets from careless mistakes and fraud*

Introduction

The Seventh-day Adventist Church has a small presence in Thailand with only 60 churches and a membership of 16,077 out of a population of 66.8 million (Adventist Yearbook, 2022). *Its work is overseen by the Thailand Adventist Mission (TAM), which operates 11 primary and secondary schools; their approximate locations are shown in Figure 1.*

These schools employ *594 teachers with 5,267 students enrolled [S. Kiatyanyong (TAM Education Director), personal communication, 30 October 2021]*. Seven schools use Thai as the medium of teaching, while English is used in instruction at four others, which are called "international schools".

The financial records of only four out of these Adventist schools are audited by the General Conference Auditing Service (GCAS). Reasons for this partial coverage include the cost of a GCAS audit, and because GCAS-audited schools must utilize SunPlus, a relatively expensive accounting software package.

General Conference Auditing Service (GCAS)

The General Conference Auditing Service (GCAS) (n.d.) provides auditing services to Seventh-day Adventist organisations worldwide. Adventist secondary schools are strongly encouraged to be audited by GCAS yearly; such audits provide assurance regarding their compliance with denominational policies and internal control management. GCAS audit reports include the

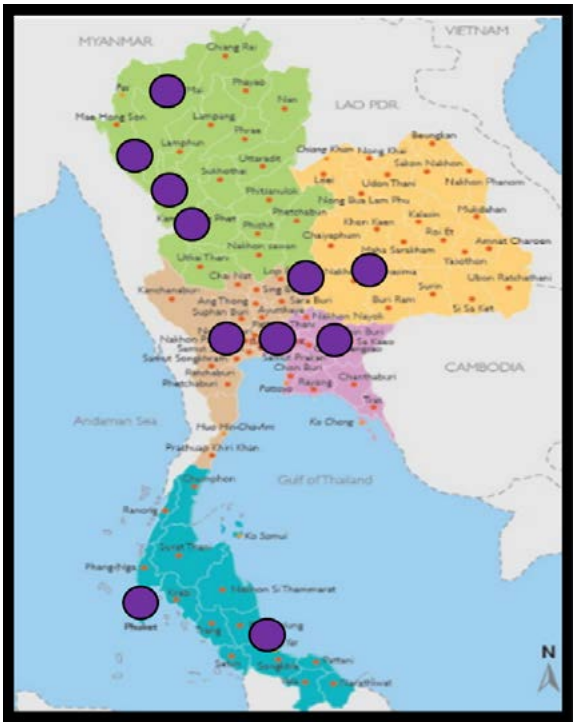


Figure 1: *Locations of 11 Adventist Schools in Thailand*

following components:

1. an opinion on the school's financial statements;
2. a policy compliance report; and
3. a management letter that assesses internal control systems.

GCAS has noted an increase of non-compliance with denominational policies in recent years (Adventist News Network, 2020). Its 2019 report listed 2,353 worldwide clients, 30% of which were educational institutions. The most frequent violations of financial policies are shown in Table 1.

The 2020 report mentioned that 80% of church organizations had violated at least one core policy of the General Conference Working Policy. In addition, the 2018 and 2017 reports showed that 79% and 83% of church organisations respectively were non-compliant with at least one core denominational financial policy (GCAS, n.d.).

A literature review found no previous studies prior to Hamra and Namkote (2020) of financial policy violations and internal control in Adventist schools. Audit information is sensitive, and gaining access to it or reporting about it is not easily done. This study aimed to address this gap by looking for solutions that would improve financial policy compliance and internal control at Adventist schools in Thailand and beyond.

Table 1: Denominational Working Policy Compliance Concerns

No.	Frequency Violations Mentioned	Percent of Organisations
1	Regular Review of Financial Statements	34%
2	Effectively Functioning Audit Committees	32%
3	Adequate Insurance Coverage of Fixed Assets	31%
4	Prevention of Conflicts of Interest	31%
5	Service Records not Regularly Updated	14%
6	Operating Deficits	11%

Source: Adventist News Network, 2020

Internal control

Internal controls are tools that inspire employees to accomplish desirable goals (Oseifuah & Gyekye, 2013; Jahmani et al. (2014). Corns (1971, p. viii) aptly quipped that "Controls protect weak people from temptation, strong people from opportunity, and innocent people from suspicion." Sun (2016) noted that weak internal controls may lead to errors and result in poor management decisions. The goal of internal controls is to improve financial stability and increase stakeholder confidence in financial management (Verovska, 2014). Dimitrijevic et al. (2015) view internal control not as a single event, but as sequences of actions that compare results with organizational goals.

Internal controls consist of processes and policies that improve effectiveness, encourage accurate accounting, safeguard assets, and maintain rules and regulations (Ngwenya & Munyanyi, 2015; International Standards of Auditing, 2017). Organisations must constantly review their internal controls and make necessary adjustments to reduce the risk of fraud. Marais and Ostwalt (2016) found that weak internal controls led to commission of over 60% of fraud cases, while detailed internal controls play a vital role in good management decisions (Morales et al., 2014).

An internal control deficiency occurs when a control fails to prevent, detect, or correct misstatements in the financial statements. A weak internal control environment may create opportunities that lead to dishonest acts such as fraud, misappropriation, or stealing of a firm's property. Sometimes organisations overlook internal

> *Controls protect weak people from temptation, strong people from opportunity, and innocent people from suspicion.*

control weakness until a problem arises. For that reason, appropriate action to proactively comply with denominational policies and promptly resolve internal control deficiencies are vital preventive measures (Hamra & Namkote, 2020). Conscientious managers of Adventist schools should be attentive to the types of mistakes or fraud that might occur so that internal controls can be created or strengthened for these areas of concern.

Brief explanations of key study terms

A *Conflict of Interest* occurs when a director is in a position to influence a decision that allows him/her or a relative to receive an improper financial benefit or advantage (New York State School Boards Association, 2019). To prevent such problems, school managers and board members must sign an annual Conflict of Interest Declaration.

The *Financial Statement Review Committee* regularly monitors a school's financial statements to ensure that resources are used effectively and efficiently, and in ways consistent with financial policies and accounting standards (MIA, 2023).

Internal Control consists of mechanisms, rules, or procedures applied to ensure the reliability of financial and information and to prevent fraud. Internal control increases work effectiveness by improving the accuracy of financial reports (Kenton, 2023).

Policy Compliance is following rules, standards, and laws. Policies outline the goals that organizations wish to accomplish, and compliance ensures that employees understand and act in accordance with policies, laws, and procedures (Leisering, 2022).

A *School Board* maintains governance standards, monitors school operations, and reviews and evaluates policies, budgets/finances, and instructional/educational outcomes (Perry, 2019). School Board members are elected or appointed, and typically include Adventist leaders, school administrators, and parents.

> *"The study asked stakeholders to suggest ways to resolve the ongoing policy compliance and internal control problems identified"*

Research problem, research questions, and conceptual framework

The research problem was divided into two issues as follows:

1. Financial policy compliance violations in Adventist schools.
2. Internal control deficiencies: Accounting and Administrative Control Issues

This investigation built upon a previous study (Hamra & Namkote, 2020) which identified recurrent policy noncompliance issues and internal control weaknesses in GCAS audit reports for four Adventist schools in Thailand over a 3-year period.

The study asked stakeholders to suggest ways to resolve the ongoing policy compliance and internal control problems identified in the GCAS audit reports. External stakeholders included School Board members, TAM leaders, and GCAS auditors, while internal stakeholders included school principals, business managers, and finance office staff. It aimed to better understand the causes of such problems, while searching for solutions that would increase policy compliance and improve internal control.

Research questions

Two research questions asked for suggestions from School Board members, TAM officers, school administrators, auditors, finance officers, and other stakeholders.

1. What practical solutions/suggested actions are recommended by stakeholders to increase compliance with financial policies at SDA schools in Thailand?
2. What practical solutions/suggested actions are recommended by stakeholders to strengthen internal control at SDA schools in Thailand?

It was hoped that interviews with external and internal stakeholders would uncover suggestions that would help school managers to understand internal control and make necessary adjustments to reduce potential fraud or noncompliance.

Conceptual framework

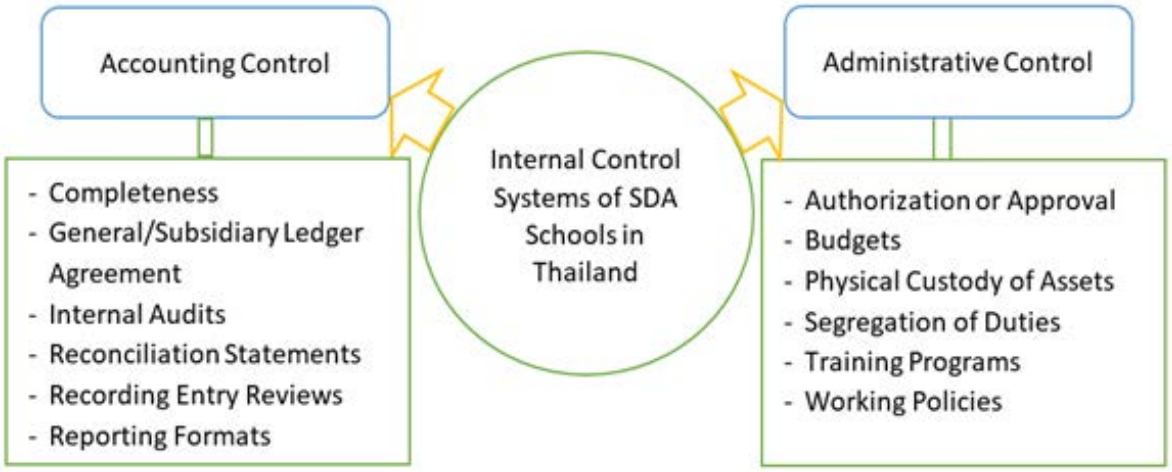
The research model represents two main parts of internal control systems: accounting controls and administrative controls. These are divided into sub-factors as shown in Figure 2.

The research model divided internal control systems into two areas based on issues mentioned in audit management letters. Though fraud cannot be completely eliminated, internal controls can significantly decrease fraud risk. The conceptual framework demonstrates the importance of strong internal control systems in providing an effective guide to compliance with denominational policies.

Methodology

A qualitative descriptive design was employed, using content analysis of GCAS audit reports to gain a clear view of policy compliance and internal control issues.

Annual policy compliance reports and internal control management letters issued to the four Adventist schools for the 2016 to 2018 school years were examined. This data was supplemented with



Source: Adapted from Aguolu (2004), Kenyon & Tilton (2006); Hamra & Namkote (2020)

Table 2: *Brief Profile of Selected Seventh-day Adventist Schools in Thailand*

School	Enrolment	Finance Office Employees	Years of Operation	Language of Instruction
School A	< 1,000	5	< 40	Thai
School B	< 1,200	8	< 70	English
School C	< 200	3	< 10	English
School D	< 400	4	< 80	Thai

Source: Hamra & Namkote, 2020

> *Most policy compliance problems involved governance issues related to supervisory work of external stakeholders*

32 in-depth interviews of stakeholders regarding specific policy compliance issues and internal control weaknesses. Two interview guides were developed, with one set of questions for external stakeholders and a second set for school insiders. Principal decision makers on school boards and in finance offices with first-hand knowledge of these matters were purposively selected, with 11 external and 21 internal stakeholders interviewed. Table 2 shows brief profiles of these schools.

Permission was received from school boards to analyze schools' GCAS policy compliance and internal control reports for three fiscal years. Since audit reports are sensitive documents, the schools were not identified by name. The small population provided an opportunity to listen carefully to participants' experiences with policy compliance and internal control issues.

The researchers scrutinised interviewee responses to see if common patterns and themes were present (Braun et al., 2022; Terry et al., 2017). Most policy compliance problems involved governance issues related to supervisory work of external stakeholders (TAM and school boards).

A similar approach was used with internal control problems; what remedial actions did internal stakeholders (administrators/finance office personnel) recommend to deal with internal control weaknesses? What "best practices" might be adopted by other schools to prevent similar problems?

Results of study

Policy compliance challenges and solutions – Views of external stakeholders

Interviews with 11 external stakeholders revealed that all participants knew of the GCAS policy compliance deficiencies even if serving for less than five years. Table 3 lists the six most common recurring policy compliance problems mentioned at three or more schools during the study period. Each challenge was discussed by an average of five out of 11 external stakeholders via the in-depth interviews. External stakeholders proposed solutions to these common policy compliance problems as shown below.

> *Lower salaries (per church policy) make it difficult to retain talented teachers, so many SDA schools offer larger-than-authorised tuition subsidies*

1. *Excessive medical assistance*: In Thailand, a doctor's prescription is not needed to buy many medications. If a patient sees a doctor at a hospital, however, the medicine must be purchased from the hospital pharmacy at a higher price, which helps cover the cost of doctor visits. Thus, many employees prefer to purchase lower-cost medicines, especially prescription refills, from a pharmacy, which reduces medical expenses for both employees and schools. Some Thai SDA schools have routinely reimbursed such expenses when employees provide receipts and prescription details.
2. *Excessive tuition assistance*: SDA educational benefits cover 60% of tuition and fees for employees' children. Since salaries are lower than market rates, many families struggle to pay their 40% share, especially at International (English-medium) schools. Ironically, some employee families reluctantly send their own children to non-Adventist schools because of the high tuition costs. Lower salaries (per church policy) make it difficult to retain talented teachers, so many SDA schools offer larger-than-authorised tuition subsidies (85–100%) to their employees' children. This non-cash benefit may be viewed as a lesser policy violation than abandoning the denominational salary scale.
3. *Inadequate fixed asset insurance*: Church policy requires full replacement value insurance for buildings and equipment, even if fully depreciated. SDA organisations are urged to purchase insurance from Adventist Risk Management (ARM) (n.d.) rather than from local firms. ARM insurance requires extensive documentation of assets; an employee does not visit the site, as local insurance firms do. ARM coverage is costlier and requires online communication in English rather than in person interaction in Thai. Since the Thai government does not require building insurance, school managers may not see the importance of insuring older

Table 3: *Recurring policy compliance challenges and possible solutions*

	Denominational Policy Violation	Problem Area/Rationale	Strategy	Possible Solution
1	Excessive Medical Assistance	Cheaper over-the-counter medications available	Policy Change Considered	• Allow prescription refills to be purchased from pharmacies
2	Excessive Child Tuition Assistance	To retain teachers/staff in lieu of market-level salaries	Policy Change Request (TAM to Consider)	• Allow a higher level of tuition assistance (> 60%), or scholarship program
3	Inadequate Fixed Asset Insurance	Local insurance cheaper/ easier to claim than ARM	Increase Policy Compliance (Local Firms)	• Allow purchase of local insurance (residual vs replacement value), especially for equipment coverage
4	Regular Review of Financial Statements	Insufficient reviews (admin. committee = 9, board = 4); reviews not recorded in minutes	Increase Policy Compliance	• First item on agenda of regular administrative/board meetings • Review previous statement if current month is not available
5	Unsigned Conflict of Interest Statements	Lack of understanding of need/ importance; good Thai translation needed	Increase Policy Compliance	• Agenda item for first admin. or board meeting each year • TAM prepare standardised Thai translation including rationale
6	Vacation Policy Variances (2 schools)	Differences in government vs church regulations	Policy Exemption Considered (TAM)	• Allow Thai SDA schools to follow government vacation policies

or fully depreciated buildings. In Thailand, buildings are insured according to residual market value. For example, if a brand new building would cost 10 million Baht, but its current market value was 5 million Baht, then insurance coverage would be 5 million Baht [V. Chulkasate (Srikrung Insurance broker), personal communication, 6 February 2022]. This may be done to help prevent insurance fraud.

4. *Regular review of financial statements*: Respondents indicated that time pressures and board meeting schedules were the main reasons for infrequent reviews of financial statements. However, simply adding this as a standard item to board agendas and minutes would likely resolve this problem.
5. *Unsigned conflict of interest forms*: Some school board members didn't understand why they should sign conflict of interest declarations. Since this practice was unfamiliar for Thai stakeholders, the document should be translated into Thai, with the rationale for these declarations clearly explained and any questions answered. Signing them should become a routine matter at the start of a new school year.
6. *Vacation policy variances*: Teachers in Thailand receive longer vacations during school holidays than the 2 weeks given to new SDA employees. A two-week holiday is granted in April, and another two weeks is given between semesters in October. Teachers usually do not need to work during semester breaks. Should complying with the government educational calendar be seen as a violation of denominational policy?

Internal control challenges and solutions – Views of internal stakeholders

Interviews with 21 internal stakeholders revealed that they were aware of schools' internal control challenges, even if serving for less than five years. Table 4 lists eight common recurring internal control issues mentioned in audit letters at three or more schools and by multiple interviewees. They explained the reasons behind these problems, and their suggested solutions are shown below.

1. *Allowance for doubtful accounts is insufficient*: Some school administrators believed that all receivables were collectible, and so no allowance for doubtful accounts was allocated to reduce operating expenses. Some were unfamiliar with International Financial Reporting Standards (IFRS) that require expenses and revenue to be reported in the same accounting period. Some stakeholders found tolerating repeated rebukes from auditors more acceptable than changing their work habits.
2. *Allowance for severance pay is insufficient/ not reviewed*: Some schools considered severance pay to be a minor issue; if finances were tight or the balance seemed adequate, this was not reviewed. Some participants seemed unfamiliar with this requirement even when they had many employees over 50 years old. Since severance fund management is not taught in some accounting courses, staff may not know how to calculate such entries, which may explain why entries were not made.
3. *Cash position wrongly calculated*: Most errors involved including non-current entrance/damage deposits in operating capital and liquidity calculations. Most schools struggle to reach target levels, and may include non-current funds in their totals.
4. *Departmental income/expense over-reported*: Accounting principles were not understood by some administrators; some accountants did not know how to remove inter-departmental transactions from institutional totals. This was a recurring issue at all four Adventist schools, although some amounts were not material.
5. *Equipment general/subsidiary ledger discrepancies*: This was part of a larger problem with infrequent reconciliations; it occurred when items were purchased but not recorded in the system. Some schools also lacked policy guidelines for the purchase, disposal, and capitalization of equipment. They also lacked a system to accurately track their equipment, which may have then been moved without proper authorization.
6. *Physical/recorded inventory values difference*: Schools lacked sufficient personnel to regularly check their inventory; some purchases were improperly recorded.
7. *Journal vouchers, bank and other reconciliation reports not reviewed*: Some schools had only a few transactions with other institutions each year, and so they may have forgotten or neglected to prepare reports on a periodic basis.
8. *Receivables and/or payables misstated*: A common problem was to show a net value for student accounts receivable, rather than separating out student credit balances and showing them as a payable.

"Some stakeholders found tolerating repeated rebukes from auditors more acceptable than changing their work habits."

Table 4: *Recurring Internal Control Weaknesses and Possible Solutions*

	Internal Control Problem	School's Rationale	Possible Solution
1	Allowance for Doubtful Accounts – Insufficient	Claim that all student accts. are collectible to reduce expenses	• Explain need to comply with IFRS • Qualified opinion for repeated non-compliance
2	Allowance for Severance Pay – Insufficient or Not Reviewed	Staff taught how to calculate severance allowance; trying to reduce expenses	• Explain need to comply with IFRS • Administrators request auditors to teach staff how to make entries • Qualified opinion for non-compliance
3	Cash Position Wrongly Calculated	Non-current deposits/funds listed as part of liquid assets	• Explain need to comply with IFRS • Administrators request auditors to teach staff how to make entries
4	Departmental Income/ Expenses Over-reported	Inter-dept. transactions not removed from year-end financial statements	• Explain need to comply with IFRS • Administrators request auditors to teach staff how to make entries
5	Equipment Ledger Discrepancies (General/Sub.)	Physical checks not conducted/ledgers reconciled; lack of staff	• Use student/intern help to conduct during summers • Install software to reduce errors
6	Inventory Value Discrepancies (Ledger vs Physical Count)	Physical checks not regularly conducted; lack of staff	• Use student/intern help to conduct during summers
7	Reconciliation Reports/ Vouchers Not Reviewed	Inadequate grasp of need to do this; lack of staff	• Explain need to comply with IFRS • Qualified opinion for repeated non-compliance
8	Receivables and/or Payables Misstated	Staff taught to adjust receivables/ payables	• Administrators request auditors to teach staff how to make entries

Rather than ignoring audit violations, managers could carefully document these issues and propose alternative solutions.

Discussion and recommendations

Denominational financial policy violations

Study findings revealed that many recurring policy violations were related to governance issues handled by school boards. Two basic strategies mentioned in Table 3 underlie suggested ways to improve compliance performance, both of which rely upon direction from Mission leaders and board members.

The first strategy is for policy violation items to be placed on board agendas, with improvement reports periodically monitored and approved. Compliance reports may be filed away and forgotten after an audit. However, these issues should be shared with boards so that improvement plans may be prepared and carried out. For instance, a Thai version of the Conflict of Interest Declaration could be briefly explained to board members at their first meeting, and then signed by stakeholders. Reviewing the financial statements could be an automatic item at board meetings and recorded in the minutes. Such initiatives are not difficult, time consuming, nor costly to implement; they just require increased organization and effort.

The second strategy addresses policy compliance challenges common to all SDA schools in Thailand. Differing local practices regarding medicine purchases, tuition assistance, fixed asset insurance coverage, and school vacations have made it difficult for managers to comply with some worldwide policies. Rather than ignoring audit violations, managers could carefully document these issues and propose alternative solutions. Mission leaders could review these suggestions, and if deemed advisable, the Mission could submit policy change/exemption requests through proper channels to higher-level organizations. Could reimbursement of medicine refills be authorized without a doctor's visit? Could educational subsidies be raised in some situations, and less costly local insurance policies be permitted, especially for older buildings?

Table 5: *Stakeholder recommendations to strengthen financial policy compliance*

Change Agent	Proposed Recommendation
School Boards	• Board members sign conflict of interest statement at first meeting • Travel allowances provided for board members when needed • School boards meet quarterly; an online option for some meetings • Plans to implement GCAS recommendations reviewed/approved by boards, with progress reports/ annual summary of accomplishments
TAM Treasurer/ Education Director	• Recruit school board members with financial management expertise • Draft orientation guidelines (Thai & English) for new school officers and treasurers that outline duties, responsibilities, and core policies • Study costs/benefits of buying building/equipment insurance with ARM or a reputable local firm; combined purchases may lead to lower rates • For excessive medical/tuition assistance and vacation policies, TAM leaders to consider recommending policy change/exemption requests for submission to higher bodies through proper channels

Stakeholders also made a number of recommendations to strengthen policy compliance in general; these are shown in Table 5.

Recurring internal control weaknesses

Many SDA work cultures are based on trust, and employees are assumed to be honest individuals. Even when mistakes or violations occur, a redemptive approach is often employed, with no serious penalties for offenses. Since few controls are in place, internal control deficiencies tend to recur even though resolving them is not difficult; a lack of initiative to fix systems/processes may be attributable to this culture. If properly explained, however, most employees cooperate with efforts to increase accountability. In an imperfect world where temptations abound, safeguards should be established to prevent errors or intentional manipulation of financial records or assets.

Four basic approaches (Table 4) were suggested to strengthen internal control in schools; these involve school administrators, TAM leaders, and GCAS auditors. The first is taking a proactive approach to educating administrators about the need to follow accounting principles even if they seem inconvenient. Relevant issues include doubtful accounts, severance allowances, and inter-departmental transactions. No cash expense is required to comply with such guidelines. If schools have good success in collecting their receivables, then an aging accounts receivable analysis may justify a smaller allowance for doubtful accounts.

A second approach encourages managers to invite auditors to teach finance office staff how internal control may be improved. An auditor's main duty is to express an opinion on the financial statements, not to spell out how accounting work needs to be done. But since policy compliance/ internal control reports are part of GCAS's mandate, the same adjusting entries may be needed year after year. If auditors were invited to teach staff how to prepare problem entries (e.g. severance allowance calculations, elimination of inter-departmental transactions, proper reporting of cash, receivables/ payables, etc.), the number of future adjusting entries could be substantially reduced. However, protocol demands that such help be requested by school managers.

A third suggestion is that if staffing shortages make it difficult to conduct regular physical checks of equipment or inventories, greater use may be made of high school student workers or interns. Since the school financial year ends during the summer, this work could be done with temporary workers during school breaks at a modest cost. One author assisted with this work as a high school student, and accounting students have helped to set up equipment ledgers during school breaks.

A fourth and final way to strengthen internal control would be to consider tougher enforcement measures for repeated non-compliance with audit recommendations. If control weaknesses affect multiple operations, a qualified audit opinion may be appropriate, especially if a defiant attitude is shown toward measures that increase transparency and accountability. Several general recommendations to strengthen internal control were also made, and are shown in Table 6.

Some internal control issues from previous audit reports have been successfully resolved, as evidenced in interviewee responses and recent GCAS audit reports for two schools. These include regular reviews of bank reconciliations, more frequent cash deposits, and better control of cash.

If auditors were invited to teach staff how to prepare problem entries … future adjusting entries could be substantially reduced. … protocol demands that such help be requested by school managers.

Table 6: *Stakeholder recommendations to strengthen internal control*

Change Agent	Proposed Recommendation
School Management	• Prioritise work on most important policy compliance and internal control items first to protect organisational resources • Assign English translators during audit meetings with finance office staff to facilitate a wider understanding of problems and auditor recommendations/suggestions • Ask auditors to teach finance staff how to make difficult entries (e.g. severance allowance, remove inter-departmental transactions, etc.)
TAM Treasurer/ Education Director	• Discuss policy compliance issues/solutions at TAM educational leadership meetings • Advise administrators how to implement audit recommendations • TAM to create a LINE App Chat group in Thai as a support team for Adventist school treasurers to facilitate discussion of policy compliance and internal control issues

This shows that the schools are trying to improve their internal control systems to increase the effectiveness and efficiency of their work.

Using an internal control framework to assess work systems may help schools to identify problems faster, so that timely efforts are made to prevent, spot, and remedy small errors or possible misuse/fraud. Though risks cannot be completely eliminated, knowing that internal controls are in place can significantly decrease fraud risk. A strong internal control system provides an effective wall of protection for all parties.

> *A key finding was the need for policy compliance letters to be shared with school boards so that progress in addressing problems may be periodically reviewed*

Conclusion

This study found that financial policy challenges commonly experienced at four Adventist schools in Thailand were similar to those mentioned in GCAS worldwide reports. The recurring nature of many violations and internal control deficiencies raises concern as to why progress in resolving them has been elusive. While internal control weaknesses are less serious than policy violations, if uncorrected they may eventually result in unintentional errors, allow misuse of resources, or lead to outright fraud.

A key finding was the need for policy compliance letters to be shared with school boards so that progress in addressing problems may be periodically reviewed, with a goal of reducing future violations. Management letters should be shared with financial staff to facilitate discussion and rapid resolution of issues. Administrators should be educated about the need to comply with accounting principles. They may invite auditors to teach staff how to make problematic accounting entries if expertise is lacking.

Since denominational policies were developed in Western settings, an important consideration is the advisability of using a single "one-size-fits-all" approach to policy and internal control issues, irrespective of local contexts. Given significant variations in laws, customs, and practices, higher organizations should study how management principles may be thoughtfully, but more flexibly, applied given these differences.

The successful resolution of some recurring issues in several Thai schools gives hope for progress in this area. Future studies might look for schools with exemplary policy compliance or internal control, and share approaches/best practices that have led to their success. They might also investigate how a more flexible approach to church policy application in different settings might improve compliance. How could important financial management principles be maintained while giving careful consideration to local laws, customs, and practices? Future studies may use advanced methodologies or be extended to larger populations in other countries.

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