

Exploring Cultural Dimensions: The Role of Information Systems and Governance in Managing Financial Risk and Performance in Thai Savings Cooperatives

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Abstract: This study examines how cultural values influence internal communication systems, governance, and the quality of information systems used in managing financial risks and performance within the Thai cooperative industry. It also examines the impact of cultural dimensions on the effectiveness of communication and governance structures, which influence the financial direction of Thai savings cooperatives. The study will bring about cultural knowledge by focusing on the contribution of local cultures to organizational resilience and performance within the economic environment. Within the context of strategic information flow and organizational transparency, this study proposes the communicational role of accounting information systems (AIS), internal audits, and corporate governance in cooperative financial institutions. The survey to gather data was distributed to 405 managers, and the analysis was conducted using structural equation modeling. The results indicate that AIS quality, enabled by internal audit processes and governance practices, is crucial for financial risk management and promotion of financial reporting integrity. Although the direct effects of internal audits and governance on performance had negative results, the mediating effect of risk control and information system quality showed positive results. These findings support the need for an integrated information ecosystem, clarity in communication processes, and digital accountability to enhance cooperative resilience. This study contributes to the understanding of how communication within an organization and information technology work together to promote financial ethics and sustainable performance.

Keywords: Accounting Information Systems, Strategic Communication, Internal Audit, Corporate Governance, Financial Risk, Reporting Quality, Cooperative Management, Thailand

1. INTRODUCTION

The saving cooperatives were financial institutions that played an important role in the economy of Thailand; they encouraged savings and

served on loans for members. However, the operations of saving cooperatives must encounter risks that might affect the total financial system. The cooperative auditor played an important role in suggesting to the cooperative executives about the financial indicator to reduce risk and prevent damage. The evaluation guidelines for the effective operation of saving cooperation should cover both financial and nonfinancial terms. The balanced Scorecard (BSC) is a guideline that determines the strategy and operation in an organization so that it is more effective (Benková et al., 2020). Using the BSC helped to follow the operation through four main dimensions: finance, customers, internal operation, and learning and development (Aryani & Setiawan, 2020). Financial reporting is an important factor in stakeholders' decisions because it is an important information source for analyzing the operation of the organization (Kaawaase et al., 2021). Financial reporting quality must be easy to understand, verify, and compare (Alsmady, 2022). Nevertheless, the qualitative report could reduce the risk of mistaken data and help users make accurate decisions (Setyaningsih et al., 2021). Risk is an important factor that affects saving cooperatives. It was necessary to systematically manage the risk of reducing negative effects. Total Quality Management (TQM) principles helped save cooperatives from operating effectively operate (Kannika & Nittaya, 2021). An important guideline of qualitative management includes financial governance, internal examination, and information system development to increase the effectiveness of following the operation. Internal examination is an important mechanical building reliance on the financial system of saving cooperatives (Saleem et al., 2019). The cooperative supervisory and audit committee should be independent and composed of financial experts to prevent conflicts of interest. In addition, good corporate governance helped reduce operational risk and increase transparency in management.

Savings cooperatives played an important role in Thailand's economy, but they had to encounter financial risk and management. Therefore, guidelines for risk management, internal examinations, and corporate governance are necessary. Moreover, the operational evaluation of the Balanced Scorecard and the qualitative financial report helped save cooperatives to operate effectively and sustainably. Based on the above data, the research was focused on the causal association of quality management on financial risk management, financial reporting quality, and the functioning of the equilibrium-based performance of saving

cooperatives in Thailand to comprehend the impact of financial risk management, reporting quality and the equilibrium-based performance, which led to the stakeholders being cautious in utilizing the information of the report to gain economic advantage. This influences future decision-making by the stakeholders.

1.1 Research Objectives

To test the causal relationship between quality management and financial risk management, financial reporting quality, and equilibrium-based performance of saving cooperatives in Thailand.

2. CONCEPTUAL RESEARCH

From a review of theories, the concept and related research can build conceptual research, as shown in Figure 1.

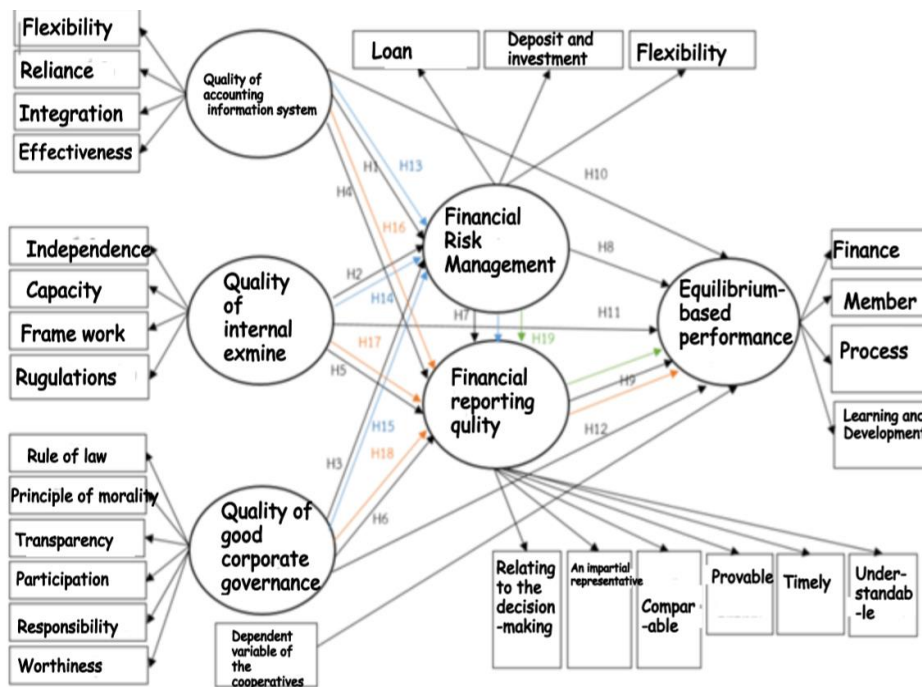


Figure 1: The Model of the Causal Relationship of Quality Management

3. RELATED WORKS

Research related to quality management, in terms of the accounting information system, internal examination, and corporate governance, affects financial risk management. Accounting information systems play an important role in risk management and are effective in the operation of an

organization. Mini researchers have shown that the quality of the accounting information system directly affects the capacity of organizational management, so that it can be effective and efficient (Astuty et al., 2022). A system that lacks quality may lead to improper decision-making, which affects performance. Applying a high-quality accounting information system could effectively help organizations in financial risk management, especially liquidity management and bankruptcy prevention (Ahmad, 2022). The capacity for indication and accurate risk evaluation helped reduce uncertainty and increase the organization's financial stability. Internal examination is an important mechanism that helps risk management become more effective. It oversees the examination and evaluation of an organization's operational process (Saleem et al., 2019). The Institute of Internal Auditors of Thailand emphasized internal auditors' independence, which significantly affected the quality of financial risk management (Hameed & Ghafoor, 2022). They found that the quality of the internal examination relates to the capacity of risk management in terms of stability and the loans of the organization (Wahyudin et al., 2021). Therefore, to continuously develop an internal examination mechanism, it is necessary for the organization to reduce risk and increase financial security. Good corporate governance plays an important role in determining the framework of financial risk management that corresponds to the strategies and risk levels that the organization could accept (Moridu, 2023). The important mechanism of corporate governance helps build transparency and reduce the probability of default (Nugroho, 2021). Empirical evidence shows that qualitative corporate governance helps reduce financial risk such as market volatility, default, and liquidity constraints (Trinh et al., 2015). It also helped encourage shareholder and stakeholder confidence, especially during the financial crisis (Honey et al., 2019). Thus, researcher developed the following hypotheses:

H1: The accounting information systems of saving cooperatives in Thailand are directly and positively influenced by quality management.

H2: The quality of internal examination has a positive and direct impact on savings cooperatives financial management in Thailand.

H3: Quality management as a part of good corporate governance directly and positively influences financial management of saving cooperatives in Thailand.

Financial reports are an important element of corporate economic communication for stakeholders such as investors and creditors. The main objective was to allow the data to reflect the reality of the organization

during each economic condition. The presented data would be useful for users when they are of high quality, which means reliable data, comparability, and understandability (Han & Maharani, 2022). The accounting information system is the significant factor that impacts the quality of financial reporting system. Several research have demonstrated that employing the accounting information system effectively can enhance the financial reporting quality. This is achieved through accurate data integration and processing, and complete representation of data. A good accounting information system helps reduce data inaccuracy, prevents data misuse, and encourages accurate economic decision making (Puspitawati & Dewi Anggadini, 2019). Good corporate governance is an important factor that helps increase financial reporting quality. Research indicates that committee experts' opinion and extensive internal examination have a substantial impact with financial reporting quality (Kaawaase et al., 2021). Effective internal examination helped ensure that the financial data were correct and reliant, reduced the risk of financial fraud, and encouraged the organization's transparency (Nguyen et al., 2023). On the other hand, operating strategies based on effective corporate governance helped to overcome data imbalance, thereby increasing the confidence of the stakeholders. Nevertheless, the stakeholder theory proposes that executives should make decisions by considering all stakeholders' benefits, not only stockholders. Therefore, good corporate governance is an important mechanism that helps increase financial reports by controlling and following the organization's activities (Ahmed, 2020). Many studies have shown that effective corporate governance helps build transparency and reduces an organization's financial risk (Setiyawati et al., 2020). Financial reporting quality is influenced by an effective accounting information system, corporate governance, and internal examination quality. An organization with an effective accounting information system, together with a mechanism of good corporate governance, would significantly improve financial reporting quality, which encourages confidence and increases the capacity for stakeholders' decision-making. Thus, we developed the following hypotheses:

H4: The accounting information system as a factor of quality management positively affects the quality of financial reporting of savings cooperatives in Thailand.

H13: The accounting information systems as quality management have an indirect positive impact on financial reporting quality via financial risk management.

H 5: The Quality management, as the quality management of the internal examine, directly and positively impacts the quality of financial reporting of Thai saving cooperatives.

H14: The indirect and positive impact of quality management with respect to internal examinations on financial reporting quality is found in the financial risk management.

H6: Good corporate governance does affect the quality of financial reporting of saving cooperatives in Thailand directly and positively in terms of quality management.

H15: Good corporate governance as a form of quality management has a positive and indirect impact on the quality of financial reporting by way of financial risk management.

Financial risk management is an important factor for highly competitive markets. This has encouraged a reliance on financial data. This is an important basis for stakeholders' decision-making. The financial report reflected economic value, including the ability to forecast the financial condition and performance in the future (Irwandi, 2020) corresponding to the representative theory explaining the relationship between managers and members providing capital to saving cooperatives. The risk of litigation and member protection is an important issue to be considered because the financial report must reflect correct and fair data so that saving cooperatives can operate and provide capital effectively. Financial risk management must be continuously developed to correspond to the financial reporting standards determined to disclose data for transparency and reduce inaccurate data (Metlej et al., 2021). This study finds that financial risk management positively affects financial reporting quality. The problem of ineffective risk management could affect the profit and the organization's internal management, especially when there are improper risk evaluation and insufficient policy (Ugah, 2020). Effective risk management could reduce the risk of loan and debt default or loan default, thereby improve loan quality and reduce the non-performing loan (NPL) ratio. Simultaneously, it increases the risk of stability, which might affect the capacity of an organization to make profits by increasing financial capital and reducing net interest income (NII). Saving cooperatives could reduce the risk of competition and market demand by organizing an effective business plan, together with risk management in terms of exchange rate and debt default, to reduce financial loss (Gill et al., 2018). The results of (Keben & Maina, 2018) found that financial risk management positively affects an organization's performance. Therefore,

the following hypothesis was developed:

H7: The accounting information system of financial risk management directly and positively affects the quality of financial reporting of the seven companies in Thailand.

H8: The accounting information system influence on financial risk management is positive and direct on the quality of financial reporting.

H19: The financial risk of management affects the equilibrium-based performance indirectly and positively by financial reporting quality.

H9: The audit and quality of financial reporting has a direct and positive effect on the equilibrium-based performance of the savings cooperatives in Thailand.

According to the study of (Alsyifa et al., 2023), accounting information systems significantly contribute in controlling and managing a company's economy and finance of a company (Saleh & Al-Nimer, 2022). Furthermore, the quality of the system also had a definite influence on performance and could measure the result in many dimensions, follow the standard of risk reduction, and increase value (Rehman et al., 2021). In addition, the Independence Auditor Committee has provided increased evidence of governance and risk management (Enekwe et al., 2020). It positively affects organizational performance and can effectively prevent fraud (Sawalqa et al., 2021). However, the evaluation of internal examination quality has some limitations. They then attempted to develop an indicator that was more accurate. Good corporate governance plays an imperative role in preventing damages to cooperatives. This is attributed to a significant factor that affects transparency and members' benefits (Trinh et al., 2015). An effective mechanism of governance could reduce the capital of the organization and build a balance between executives' and stockholders' benefits (Alabdullah et al., 2022). Other researchers have established that the quality of corporate governance is positively correlated with performance, more so the transparency on the four indicators of the balanced scorecard (Nyathi, 2022). The quality of the accounting information system directly affects the quality of financial reporting. The organization enabled us to present financial data correctly, reduce imbalanced data, and increase transparency (Irwandi, 2020). In addition, an effective internal examination could increase the accuracy of financial reports and help stakeholders make appropriate decisions properly (Kaawaase et al., 2021). Effective corporate governance can increase liquidity in subsequent and controlling operations. This affects financial reporting quality (Setiyawati et al., 2020); in particular, operations based on

the principle of transparency providing accounting data could support management effectively (Ahmad, 2022). Furthermore, the quality of financial reporting has a positive influence on the economic decision-making of users and promotes the overall organizational performance. In this way, the present research suggests the following hypothesis:

H10: The saving cooperatives in Thailand are directly and positively impacted by quality management in regard to the accounting information system on the equilibrium-based performance.

H16: The accounting information system has an indirect and positive impact on the equilibrium-based performance based on the quality of the financial reporting because of quality management.

H11: The quality management of internal examination positively impacts the performance of the savings cooperative in Thailand through the equilibrium.

H17: The indirect positive impact of quality management in terms of internal examinations is on the equilibrium-based performance in terms of financial reporting quality.

H12: The balance-based performance of saving cooperatives in Thailand has a direct and positive relationship with quality management as good corporate governance.

H18: Good corporate governance in terms of quality management has indirect and positive equilibrium-based quality performance via financial reporting.

4. METHODOLOGY

4.1 Research Plan

4.1.1 Population and Sample Group

The population of this study was 1,373 savings cooperatives in Thailand. The sample group in this study included cooperatives in Thailand. This study used 405 manager cooperatives. The researcher searched for data from the website of the saving cooperatives, the department of cooperatives promotion, and the cooperatives audit department, excluding the medium- and small-sized cooperatives that might not have the data during these studies. According to the cooperative auditing department, there were 14 medium-and two small-sized saving cooperatives.

The sample group used statistical analysis of the structural equation to determine a sample size of 10 to 20 times the observable variables. Twenty-seven variables were identified in this study; 27 variables were observed. A

suitable and sufficient sample size should be at least $10 \times 27 = 270$ – $20 \times 27 = 540$ samples. Therefore, the researcher used a sample size of 15 from the 27 observable variables. Therefore, the sample size of this research must not be less than the sample size for 405 saving cooperatives by calculating from $15 \times 27 = 405$, which was divided into the special large size of saving cooperatives, the very large size of saving cooperatives, and the large size of saving cooperatives.

4.1.2 Tools

Questionnaires were used in this study. It was a tool for collecting data consisting of respondents' data, including gender, age, educational level, work experience, size of saving cooperatives, opinion on the quality of the accounting information system, quality of internal examination of the quality of good corporate governance, and financial risk management if financial reporting quality the equilibrium-based performance and suggestion. The researcher used a Likert rating scale to ask for opinions. However, the scores obtained from each item were calculated for the average of each factor, so that the results could be applied to the evaluation principle measuring the level of opinion on an interval scale divided into five levels. They were considered by the average according to the principal as follows:

The average between 4.50 to 5.00 is the highest level of the opinion

The average between 3.50 to 4.49 is the high level of the opinion

The average between 2.50 to 3.49 is the medium level of the opinion

The average between 1.50 to 2.49 the low level of the opinion

The average between 1.00 to 1.49 is the lowest level of the opinion

The researcher tested confidence by trying out the questionnaires with a sample group of 30 people that was not the target of the research. The confidence value of the questionnaire was measured using Cronbach's alpha coefficients. The confidence value of the observable variable in the questionnaire was 0.82, which was greater than 0.70, enabling data collection.

4.2 Data Collection

Data were collected from the questionnaires. The researcher completed the questionnaires through an online system with Google form and through email, and through the post office sent to the sample group, which was determined and cooperated until the data were complete, were analyzed, and the results were concluded.

4.3 Data Analysis

1. Dutch analysis by using descriptive statistics composing of:

Frequency and percentage, the responders' general information were gender, age, educational level, work experience, and size of saving cooperatives.

Mean and standard deviation measured the level data on the accounting information system, internal examination, and financial risk of management of saving cooperatives in Thailand.

2. The research hypothesis was tested using structural equation modeling (SME) by confirmatory factor analysis (CFA) and tested the relationship between the observable variables for all 27 variables, six Laten variables, and one dependent variable. Quality of the accounting information system, internal examination quality, quality of good corporate governance, financial risk of management, financial reporting quality, and equilibrium-based performance.

5. RESULTS

The researcher examined the structural equation modeling developed from the concept and theory to see if they were in harmony with the imperative data and considered the model's relationship path. The analysis details of the influence of the value between the independent and dependent variables can be explained as follows (Figures 2 and 3):

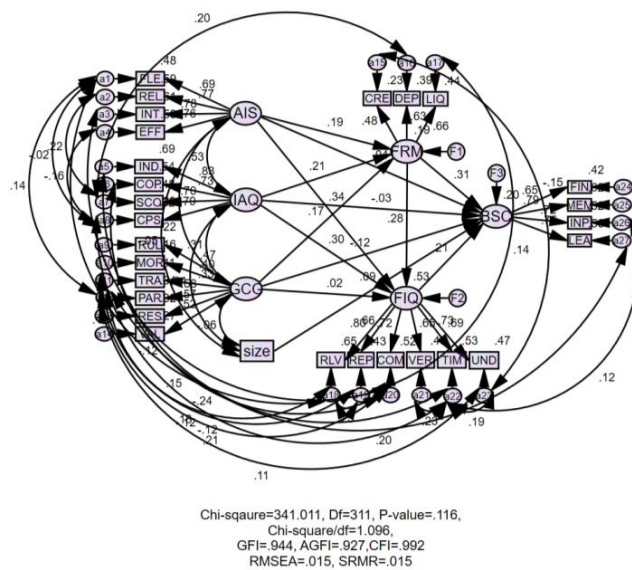


Figure 2: The Influence Variable Through Full Mediation Effect.
Remark: The Value Displayed Within the Latent Variable is the Prediction Coefficient. (R^2)

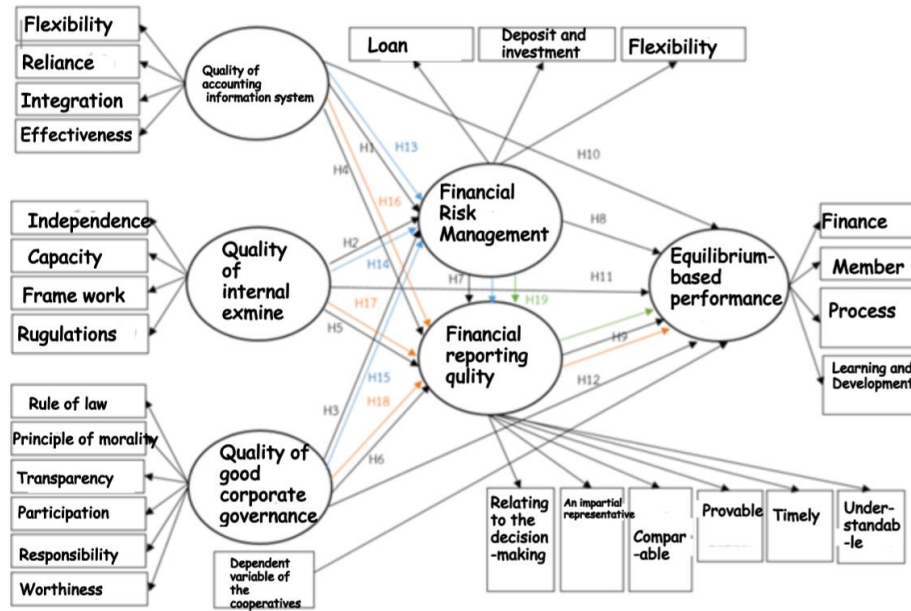


Figure 3: Shows the Influence of Coefficients and Hypothesis Testing Through Bootstrapping

Table 1: The Result of the Hypothesis Test

	Research Hypothesis	Direct Effect	Indirect Effect	Total Effect	Result
H1	AIS -> FRM	0.19*		0.19*	Accept
H2	IAQ -> FRM	0.21*		0.21*	Accept
H3	GCG -> FRM	0.17*		0.17*	Accept
H4	AIS -> FIQ	0.34**		0.34**	Accept
H5	IAQ -> FIQ	0.31**		0.31**	Accept
H6	GCG -> FIQ	0.02		0.02	Accept
H7	FRM -> FIQ	0.28**		0.28**	Accept
H8	FRM -> BSC	0.31**		0.31**	Accept
H9	FIQ -> BSC	0.21*		0.21*	Accept
H10	AIS -> BSC	0.05		0.05	Accept
H11	IAQ -> BSC	-0.03		-0.03	Deny
H12	GCG -> BSC	-0.12		-0.12	Deny
H13	AIS -> FRM -> FIQ	0.34**	0.05	0.39**	Accept
H14	IAQ -> FRM -> FIQ	0.31**	0.06	0.37**	Accept
H15	GCG -> FRM -> FIQ	0.02	0.05	0.07	Accept
H16	AIS -> FIQ -> BSC	0.05	0.14**	0.19**	Accept
H17	IAQ -> FIQ -> BSC	-0.03	0.14**	0.11	Accept
H18	GCG -> FIQ -> BSC	-0.12	0.07	-0.05	Accept
H19	FRM -> FIQ -> BSC	0.31**	0.06	0.37**	Accept

Remark: *Mean the Statistical Significance of the Level of 0.05 ($p \leq 0.05$)

**Mean the Statistical Significance of the Level of 0.01 ($p \leq 0.01$)

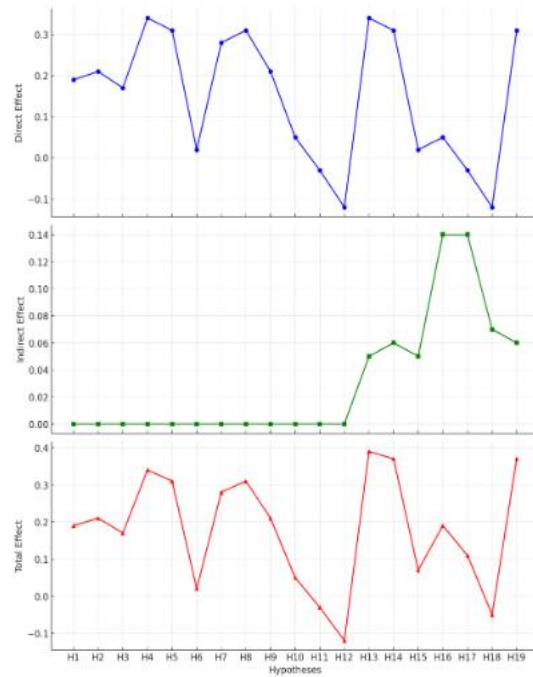


Figure 4: Direct, Indirect, and Total Effects for Each Hypothesis

Figure 4 indicates the relative outcomes of the direct, indirect, and total effects of the 19 research hypotheses proposed by the structural equation modeling study. Hypotheses H1 to H12 have only direct effects, indicating simple relationships between variables with no mediating factors (Table 1). H4 (AIS \rightarrow FIQ) and H5 (IAQ \rightarrow FIQ), among others, showed relatively high values of direct effects, suggesting strong direct associations. Hypotheses H13 to H19 introduced the concept of indirect effects through the mediating variables FRM and FIQ. The green bars visually represent these mediating variables, with the total effects (red bars) generally being much larger than the direct effects, especially in hypotheses involving mediation, such as H13 (AIS \rightarrow FRM \rightarrow FIQ) and H19 (FRM \rightarrow FIQ \rightarrow BSC), where the overall impact is more significant. In H11 (IAQ \rightarrow BSC) and H12 (GCG \rightarrow BSC), negative values indicate direct negative influences, with indirect effects providing compensatory or mitigating effects. The results provide a detailed analysis of the type and level of each hypothesis examined, helping interpret the complex relationships between audit information systems, internal audit quality, governance, financial reporting systems, and balanced scorecard outcomes.

6. DISCUSSION

This research was based on objective and research hypotheses. The

outcomes of this research contribute to important findings and discussion. Based on a test of causality between the quality management and financial risk management, financial reporting quality, and equilibrium-based performance of saving cooperatives in Thailand, the data indicated that the quality of the accounting information system (Astuty et al., 2022) helped the system adjust itself to economic change and the demand for saving cooperatives flexibly. Reliance makes data more accurate and reduces mistakes and risks associated with inaccurate decisions. The integration provided data from every department in the saving cooperatives that were completely connected. These factors affect the comprehensive risk analysis. According to the effectiveness, the effective information system might affect the effectiveness of general performance. It helped data be ready to use (Ahmad, 2022), reduced the delay in responding to urgent situations. This was an important factor in encouraging financial risk management of saving cooperatives. According to the quality of internal examination (Saleem et al., 2019), auditors' capacity to analyze and evaluate data helped the examination be more effective. It can accurately indicate risks and mistakes. The precise scope of work helped examine all sides and reduced the risk of neglecting important data. Following the principle of the savings cooperative registrar helped guarantee the operation of saving cooperatives corresponding to the rules of law and determined standards (Ahmad, 2022) which built members' and stakeholders' confidence (Wahyudin et al., 2021). This made saving cooperatives enable the effective and stable management of financial risk in the long term, causing a reliance on saving cooperatives and operation sustainably in the future. The quality of good corporate governance (Moridu, 2023) contributes to a significant part in the effective financial risk management of saving cooperatives and building confidence that the operation under the frame of laws could reduce the risk of breaking the laws, making the operation data easier to approach, which caused the members' confidence. Member participation in decision-making helped exchange various opinions. As a result, the process of decision making can be effectively streamlined (Ahmad, 2022). This made every party learn the effect of decision-making and helped them effectively use the source (Honey et al., 2019). Therefore, qualitative corporate governance helped strengthen financial risk management and made saving cooperatives enable stable and sustainable growth.

In terms of quality and reporting based on the accounting and information system as reported by Han & Maharani, (Han & Maharani,

2022), it helped in increasing financial reporting quality, resulting in financial reporting being correct, timely, and precisely reflecting the financial status of saving cooperatives. At the same time, quality issues in the system resulted in the financial reports being less reliant, corresponding to the research of (Mulyani et al., 2021; Puspitawati & Dewi Anggadini, 2019). This makes executives make effective decisions. The quality of the internal examination of auditors' independence helps the examination operate transparently and openly (Ahmed, 2020). This was intended to rely on the reported data. Auditors' capacity to analyze data enabled us to clarify problems and mistakes correctly. The precise framework of the work helped the examination to cover all aspects. Furthermore, following the rules of the registrar helped build confidence in the correctness under the law and the standard of saving cooperatives. When the internal examination was of good quality, the financial report was considered correct, accurate, and reliable. This is an important basis for business-making decisions using correct data. It built financial stability in the long term and increased members' and stakeholders' confidence, which was a concrete consequence. Internal examination quality has an indirect and positive influence on financial reporting quality through financial risk management (Budiandru, 2024). The internal examination, having good quality, helped financial control work effectively and transparently and reduced the risk of mistakes or corruption occurring during financial operations. Effective internal examination helped the financial data be correct, complete, and reliable (Marsa et al., 2022). This resulted in the financial reports being transparent and reliant on building financial stability and sustainability to save cooperatives. This made stakeholders confident about financial operations and could confidently make decisions. The quality of good corporate governance (Kaawaase et al., 2021) contribute to an imperative role in effectively streamlining in reporting quality and saving cooperatives. The rule of law building the precise frame of the operation helped reduce the risk of mistakes and corruption. Financial data are more accurate and build confidence in management. Member participation helped the decision-making process to become more careful and transparent. It urged executives to realize the results of their decision-making. This resulted in a financial report of reliable and transparent quality, which helped build members' confidence.

Financial risk management in saving cooperatives is important for developing the quality of financial reporting quality (Ugah, 2020). Risk

management helps to screen potential borrowers, reduce the risk of bad debt, and make accurate forecasts of interest income. Risk management makes decisions regarding investment safety and builds suitable returns. Simultaneously, this prevents the risk of improper investment. Effective management enables immediate response to member withdrawals. This helps to build confidence in financial stability. Risk management on every side not only helped the financial data be correct and reliant (Metlej et al., 2021) but also built the members' confidence in the operation of the cooperatives, which resulted in the financial report effectively reflecting the reality of the overall financial status (Keben & Maina, 2018). Recent research has demonstrated that financial risk management has a direct and a positive impact on financial outcomes (Alsmady, 2022). Risk management on the other side also played a significant part in cooperative sustainable operations more reliant not only for time being but also in the long term. The quality of financial reports having the quality (Irwandi, 2020) helped encourage accurate and effective decision making that built reliance and transparency in the cooperatives (Mulyani et al., 2021; Setyaningsih et al., 2021), increased members' participation, and helped in effective source management. The reliant data helped reduce the risk of mistaken management (Alsmady, 2022). This resulted in the operations being balanced in terms of finance, sustainability, and long-term continuous development.

The AIS system quality (Saleh & Al-Nimer, 2022), effectively helped to collect and analyze financial data effectively. The data were correct and reliable (Alsyifa et al., 2023). It was important for financial decision-making to be fast and accurate, and it could reduce the error from the data record, which increased transparency and built the confidence of the members. In addition to (Setyaningsih et al., 2021), approaching correct and timely data is very important for planning and effectively managing the source of cooperatives. A good information system will help build a good performance and sustainability in the future. In the overview (Vărzaru, 2022), investment in the qualitative AIS was very imperative in supporting effective management and building a good result for the operation of cooperatives. The quality issues of internal examination contributed to a negative impact on the equilibrium-based performance of saving cooperatives in Thailand. The cooperatives should determine the precise internal examination frame and cover all dimensions of the operation so that they can identify risks and mistakes as soon as possible. This has made

financial management stable and effective (Berhe et al., 2016). Financial data must be available, and the examination process must be precise and transparent to members and stakeholders. Transparency helps build confidence in cooperatives (Ritonga & Afriyenti, 2023). This makes members reliant on executive management. The internal examination should not be performed only once, but there must be continuous evaluation and revision so that they can improve and develop the financial process to be up-to-date and respond to the new risks that might occur. Qualitative internal examination has an indirect and positive influence on the equilibrium-based performance of cooperatives (Kaawaase et al., 2021). Effective internal examination helps financial management be transparent and accurate, reducing the risk of mistakes and corruption (Mulyani et al., 2021). This makes the financial data used for decision-making reliant (Nguyen et al., 2023). This resulted in the financial operations of cooperatives. Lack of good corporate governance in saving cooperatives (Fenny et al., 2023) also contributed to an effect on the execution, such as delayed decision-making, lack of flexibility, and increased burden of complying with strict regulations. This might make cooperatives unable to respond to business changes quickly and might lose the opportunity to develop and compete in the market. Increasing the burden of complying with strict regulations and a careful examination process might delay the operation, lack flexibility, and make timely development and business adjustment impossible (Kafidipe et al., 2021). Therefore, it affects the competitive capacity and goals of cooperatives. Good governance can increase transparency. Meanwhile, it might increase the workload and lead to delayed decision-making, lack flexibility, and make cooperatives unable to deal with changes in the market quickly. This may have a negative effect on the operational effectiveness. Effective corporate governance contributes to an indirect and an explicit influence on the equilibrium-based performance of cooperatives by building transparency and corrections in financial reports (Setiyawati et al., 2020).

Good governance helps manage financial risk effectively (Kaawaase et al., 2021). The correct financial data made financial decision making accurate. affected the financial operations of cooperatives (Ahmad, 2022; Irwandi, 2020), reduced the risk of corruption or mistakes from management, and helped the work of cooperatives stabilize in the long term. According to the quality of the AIS (Saleh & Al-Nimer, 2022), the qualitative system helped collect and analyze financial data effectively. The data are correct and reliable (Alsyifa et al., 2023). It was important for

financial decision-making to be fast and accurate, and it could reduce the error from the data record, which increased transparency and built confidence from the members. Besides (Setyaningsih et al., 2021), approaching the correct and timely data was very important for planning and effectively managing the source of cooperatives. A good information system will help build a good performance and sustainability in the future. in overview (Vărzaru, 2022), investment in a qualitative AIS is very important for supporting effective management and building good results for cooperative operations. The quality of internal examinations has a direct and negative influence on the equilibrium-based performance of saving cooperatives in Thailand. The cooperatives should determine the precise internal examination frame and cover all the dimensions of the operation so that they can identify the risk and mistake as soon as possible. It was so technological that financial management was stable and effective (Berhe et al., 2016). Financial data must be available, and the examination process must be precise and transparent to members and stakeholders. Transparency helps build confidence in cooperatives (Ritonga & Afriyenti, 2023). This makes members reliant on executive management. The internal examination should not be done only once, but there must be continuous evaluation and revision so that they can improve and develop the financial process to be up-to-date and respond to the new risks that might occur. Qualitative internal examination has an indirect and positive influence on the equilibrium-based performance of cooperatives by supporting quality of the financial reporting systems (Kaawaase et al., 2021).

Effective internal examination helps financial management be transparent and accurate, reducing the risk of mistakes and corruption (Mulyani et al., 2021). This makes the financial data used for decision-making reliant (Nguyen et al., 2023). This resulted in the financial operations of cooperatives. Lack of good corporate governance in saving cooperatives (Fenny et al., 2023) may result in negative impact on the outcomes such as delayed decision-making, lack of flexibility, and increased burden of complying with strict regulations. This might cause the cooperative car to not respond to business changes quickly and lose the opportunity to develop and compete in the market. Increasing the burden of complying with strict regulations and a careful examination process might delay the operation, lack flexibility, and make timely development and business adjustment impossible (Bahtiar et al., 2021). Therefore, it affects the competitive capacity and girls of cooperatives. Good governance can increase transparency. Meanwhile, it might increase the

workload and make the decision-making delay, lack flexibility, and prevent the cooperatives from dealing with the change in the market quickly. This may have a negative effect on the operational effectiveness. Effective implementation of corporate governance leads to a positive influence on the equilibrium-based performance of cooperatives by building transparency and correctness in financial reports (Setiyawati et al., 2020). Good governance helps manage financial risk effectively (Kaawaase et al., 2021). accurate financial data that made financial decision-making. affected the financial operations of cooperatives (Ahmad, 2022; Irwandi, 2020), reduced the risk of corruption or mistakes from management, and helped the work of cooperatives stabilize for a prolonged period.

The research results suggest that executives could use the evaluation of equilibrium-based performance to enhance the capacity of personnel and management, leading to higher operational effectiveness. This would enable executives to utilize research data in planning, policy-making, and decision-making for effective management. The governing bodies of organizations such as the Department of Cooperative Promotion, the Cooperative Auditing Department, and the League of Thailand could apply the research findings to support and enhance the skills of practitioners in saving cooperatives, thereby increasing the effectiveness of systematic operations and forecasting the improvement of employee expertise and overall competency.

7. SUGGESTIONS FOR FURTHER RESEARCH

1. Further research should study other causal factors of equilibrium-based performance, such as internal controls, to ensure more comprehensive coverage.

2. Further research should expand the research framework to include two types of cooperatives beyond saving cooperatives. This provides multiple sample groups for comparing data among different cooperatives, revealing the factors influencing financial risk management, financial reporting quality, and equilibrium-based performance in various contexts.

8. CONCLUSION

This study examines the interlinkages among internal communication architecture, governance systems, and information systems excellence in

terms of financial risk management, reporting, and savings cooperatives. The results support the importance of cultural values in developing these internal processes, outlining that a fit between local cultural norms and organizational procedures promotes the integrity and resilience of financial activity. The identification of the significance of cultural dimensions in the research also demonstrates how similar beliefs and practices among the cooperative sector contribute to the good functioning of communication and governance structures. This cultural lens not only enhances the standard of Accounting Information Systems and internal audits, but it also enhances the corporate governance structures, which eventually result in superior financial performance. Notably, the study outcomes demonstrated that, while the immediate impact of internal audits and governance on overall performance may initially appear negative, their mediating effects on risk control and information system quality lead to positive outcomes. The findings emphasize the essential role of effective governance and robust internal audit processes in mitigating financial risks and upholding financial reporting integrity. This study emphasizes the need for a comprehensive information ecosystem, clear communication processes, and digital accountability to enhance decision-making and operational efficiency in savings cooperatives. The insights provided by this study offer valuable guidance to cooperative managers and policymakers, advocating balanced reporting, transparent governance practices, and strategic communication to strengthen the operational framework of savings cooperatives. By prioritizing quality management practices and fostering a culture of accountability, these institutions can navigate financial complexities more effectively and make significant contributions to the Thai economy. Future research could delve deeper into the specific mechanisms through which governance practices enhance the financial health and performance of savings organizations, enabling them to thrive in the competitive landscape of financial institutions.

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