

# The Study of Structural and Managerial Design for the Regional Government Agencies of Cooperative Auditing Department

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## **Abstract**

The objectives of this qualitative study were to analyze the current missions, structures and models, and to design new structures and models for the regional agencies of the Cooperative Auditing Department (CAD) with reference to the existence of provincial government agencies under the management guideline of the Office of the Public Sector Development Commission as stated in Document No. NR 1200/W27, dated November 1, 2017, entitled "Development of Guidelines for Regional Government Agency Management." According to the findings, the CAD should reorganize its structure by replacing its central administration with the regional administration. The Bangkok Cooperative Auditing Office should be established and operated under the supervision of the director general of the CAD which is the feature of the central administration. For Cooperative Auditing Office 1-10, the main missions should focus on organizational governance and quality control, while the provincial cooperative auditing offices should be under the direct supervision of provincial governors, and divided into four divisions, including the division of general administration, the division of auditing, the division of accounting and financial development, and the division of accounting training and policy. The establishment is worthwhile in terms of internal organizational components, organizational stakeholders, service and operational innovation, and finance.

**Keywords:** Cooperative Auditing Department, Structural Design, Managerial Design, Regional Government Agency

## **Background and Significance of the Problem**

The Cooperative Auditing Department is the administrative agency responsible for the development of cooperatives, agriculturists and other people involved. As the department's strength lies in finance and accounting, cooperatives and agriculturists can produce a good set of accounts and financial statements according to the formats defined by law and submit it to the auditors for suggestions within the specified time, while the cooperative executives can use this information in to manage the organizations effectively. After the auditors give opinions on the submitted documents, all related information must be collected, analyzed and compiled into an annual report on cooperative economy and agriculturist groups in Thailand. The report is to be submitted to the National Cooperative Development Board (NCDB) and released to the public. In addition, the information in the report will be used to draw up the development plans for cooperative and agriculturist groups. To create the individual's financial and accounting strengths, the Cooperative Auditing Department places the main emphasis on providing services to agriculturists by helping them create their household income and expenditure accounts as well as their capital accounts, so that they can use the information obtained from these accounts to develop appropriate production plans and design their own ways of life by following the sufficiency economy philosophy. Since 2009, the structure of the Cooperative Auditing Department which has been responsible for these

missions has consisted of 2 administrative sections, including the central administration (department/division/center/group) and the regional administration (Cooperative Auditing Office 1-10 with provincial agencies as part of the administration team).

Recently, the Cooperative Auditing Department have found that the current structure of the central administration is not suitable for the operations of the provincial agencies in terms of the financial auditing of cooperatives and agriculturist groups, the development of financial and accounting strength of cooperatives and agriculturist groups and the dissemination of knowledge about managing individual financial accounts. These services must be fast, efficient and up to the standards in order to fulfill the needs of service users and to immediately solve their problems. In addition, the collaboration between related sectors or agencies in the area is required to minimize steps, complications and time in the operations; however, the decision-making authority is now centralized. According to the twelfth National Economic and Social Development Plan (2017-2021) and the draft of the 20-Year National Strategic Plan (2017-2036), the government administration places emphasis on the citizen-centric government to enhance transparency of administration, the open and connected government, as well as the smart and high-performance government. It also includes the distribution of duties and responsibilities appropriated to all central, regional and local government agencies.

In 2012, the Cooperative Auditing Department worked with the College of Graduate Study in Management, Khon Kaen University, to explore the management structures and guidelines of the Cooperative Auditing Department's regional agencies. The researchers collected opinions of service users at the Cooperative Auditing Department. The qualitative data was collected from the cooperatives (presidents, managers and auditors), the agriculturist groups, the community enterprise groups, and the agricultural volunteers (accounting instructors) to obtain their opinions on the current management structures and guidelines used by the Cooperative Auditing Department's regional agencies. In addition, the researchers also gathered opinions of the administrators in the Cooperative Auditing Department's provincial agencies and provincial governors with regards to the Cooperative Auditing Department's management structures and guidelines for regional agencies in the four pilot provinces, including Suphan Buri, Khon Kaen, Udon Thani and Surat Thani. The opinions were later summarized and used to find out which of these management models was most suitable for the management of the Cooperative Auditing Department's provincial agencies. The four management structural models were Model 1 Provincial offices in some provinces, Model 2 Provincial offices for province groups, Model 3 Provincial office in every province, and Model 4 Provincial offices in some provinces as well as for some province groups. According to the study, it was found that the most suitable model for the Cooperative Auditing Department was Model 3 which required a provincial office in every province (Patanathabutr, 2012).

From the study in 2012 and additional analysis of missions and changes in public management and administration, the Cooperative Auditing Department realized the importance and significance of reviewing the structures of the Cooperative Auditing Department's regional agencies in order to enhance the management efficiency of the Cooperative Auditing Department, so that the department would be able to serve the target users appropriately and equally as well as answers the existing needs, conforming to the policy on strengthening the cooperatives and agriculturist groups. As a result, it helped increase the national economic competitiveness, while the policy on creating financial discipline among Thai people became more concrete. Therefore, the Cooperative Auditing Department conducted this study on the management structures of its regional agencies and assign the College of Graduate Study in Management, Khon Kaen University, to be responsible for this research project since it had conducted the qualitative study on the most

suitable management model for the Cooperative Auditing Department and the results revealed that there should be a provincial office in every province. This study aimed to seek additional qualitative information which can be used as suggestions for future design and development of appropriate structures and models for a provincial regional agency which will be established in each province. In addition, the obtained information may include guidelines for management in all aspects and the worthiness of establishing one regional agency in every province. So, this study objectives were to analyze the current missions, structures and models of regional agencies of the Cooperative Auditing Department as well as the existing systems, operations and obstacles (of both central agencies and regional agencies) in the four pilot provinces in four regions, and to design new structures and models for the Cooperative Auditing Department's regional agencies and give suggestions with regard to the operational system and management in all aspects, including policy, procedures, evaluation, mastership and human resource management reasonably. Expected benefits and application to the Cooperative Auditing Department would receive the guidelines for restructuring and managing its regional agencies as well as suggestions on how to enhance the management systems.

## **Literature Review**

The Thai government administration was the management of a large organization that had a pattern or "Bureaucracy" management. It meant management was a division of work for classifying specialized in specific tasks, hierarchy of command to control by rules and regulations for ensuring the accuracy and clarity of the work, including the separation of personal issues as impersonality. The government was organized into 3 parts as follows: Part 1 central administration, it was the administration of the ministries in the central government; Part 2 regional administration, it was the administration to control supervises the administration of various agencies as branches or representatives of the ministry to work in the regional; and Part 3 local government administration, it oversaw and coordinated the administration of decentralized local government organizations or transfer the power to manage certain businesses, especially the local affairs should be self-operated by the local people. (Rangsiyokrit, 2003)

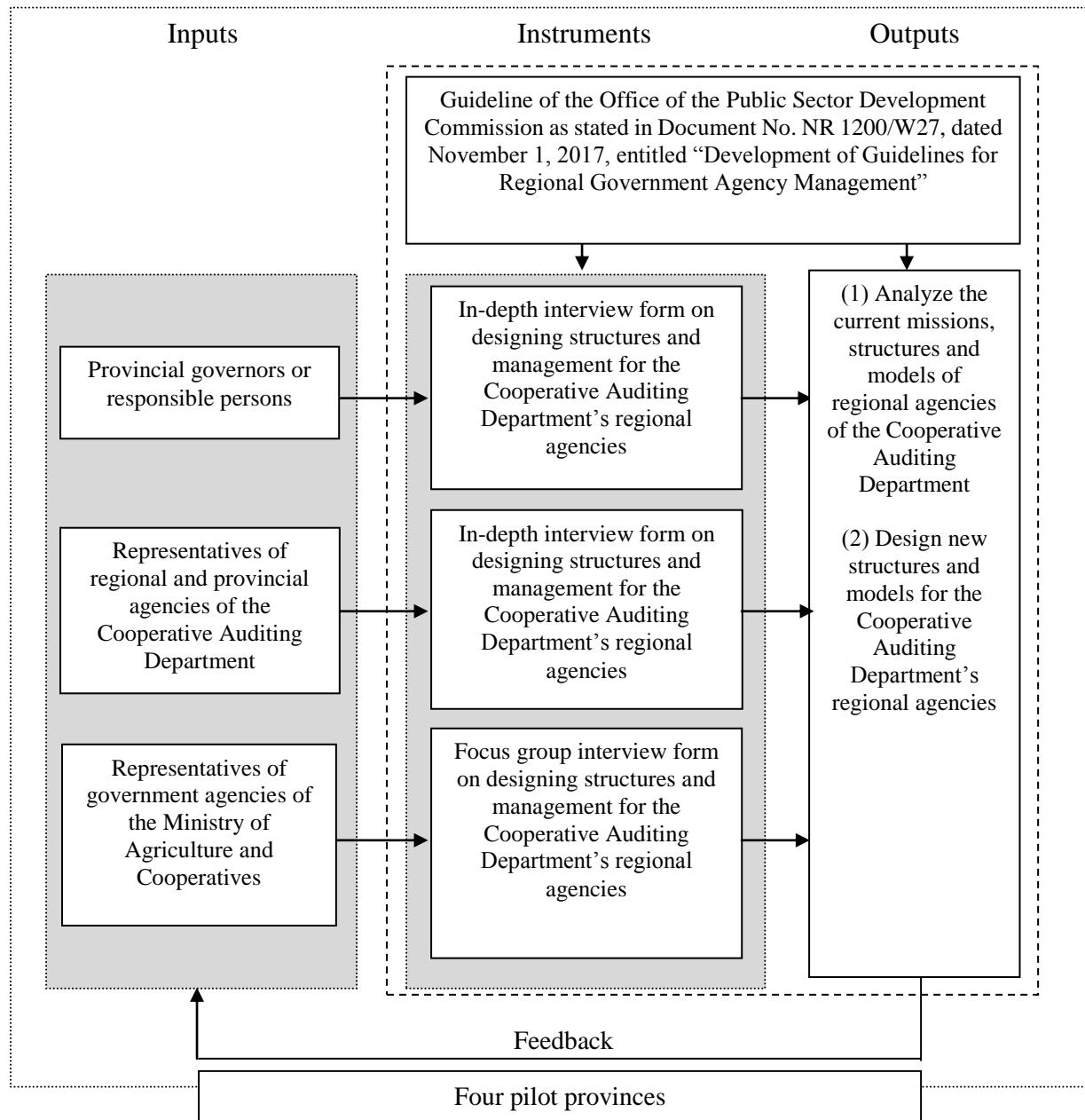
The structure of the Cooperative Auditing Department under the Ministry of Agriculture and Cooperatives has consisted of 2 administrative sections, including the central administration (department/division/center/group) and the regional administration (Cooperative Auditing Office 1-10 with provincial agencies as part of the administration team). This structure was not suitable for the operations of the provincial agencies which required a provincial administration office in every province same as the Department of Agricultural Extension which focused on the regional administration was governed by the principle of division of power. In case of the Department of Agricultural Extension, the central government divided the power of government into the region, which had the power to operate in the provincial government and area-oriented instead of the central government. Its decentralization was efficiency and effectively suit to the area depend on well preparing standard and determine regulation to support transferring task to issue for the servicing of the quality agricultural extension and development that would be bring benefits to the public in local. (Singsri, Yoopraseart, & Tangwiwat, 2015)

The conceptual framework for regional government administration consisted of 4 basics concepts were; (1) principles of public administration and principles of good governance focusing on the size of the organization, the value of using administrative resources, the efficiency and the effectiveness of the government, and also the management was based on the people-oriented. Importantly, the application of good governance principle should focus and concern continuously and seriously (Rodcotha, 2013), (2) principles of legal relationships

between central administration and regional administration showing the provincial government was considered a representative in the performance of the duties of the ministry and its department to suit the local people and people within the province as well as having legal relationships with local government organizations and people in the province. The influencing by close controlling of the central administration effected to undermining the philosophy of self-reliance and self-governing vice versa (Apisong & Chaimontritansin, 2015), (3) the strategic relationship between the central administration and the regional administration in term of central administration would be the strategic unit for developing policies and directing development goals, including the guidelines, criteria, measures and supervision to meet the requirements. On the other hand, the regional administration would be based on government policies and plans implementing within the province to be concrete, including coordinating to assist local administrative organizations, people and communities in response to national strategies and address specific issues of the area. The 20-year strategy (2017-2036) of the Ministry of Agriculture and Cooperatives aimed to address weaknesses and strengthen the strengths of agricultural development in the long run to achieve vision "Farmers are Stable, Wealthy Agribusiness, and Sustainable Agricultural Resources". So, each provincial had to concentrate on strengthens farmers and farmers' institutions, improve productivity and upgrade agricultural standards, enhance agricultural competitiveness through technology and innovation, sustainable and sustainable management of agricultural and environmental resources, and develop a governmental management system (The Ministry of Agriculture and Cooperatives, 2017), and (4) principles of network administration strengthening in the creation of a network or strategic alliances in all sectors to take part in the operation. Integrated administration was the management of all units that work in a strategic focus. It was a multi-agency work with the expertise and expertise of each department under the same goals and objectives of the same strategy by sharing ideas, working together using shared resources to achieve the strategy and goal of the work together. It contributed to saving enhance the efficiency and effectiveness of operations. In addition, the participation of the private sector and the public sector were in working with the government in the network (Office of the Public Sector Development Commission, 2018).

### **Research Framework**

In this study, there were three inputs, including provincial governors or responsible persons, representatives of regional and provincial agencies of the Cooperative Auditing Department and representatives of government agencies of the Ministry of Agriculture and Cooperatives in the four pilot provinces. The researchers studied the theories, concepts and research related to organizational structure and regional public administrative management with reference to the existence of a provincial office in every province under the management guideline of the Office of the Public Sector Development Commission as stated in Document No. NR 1200/W27, dated November 1, 2017, entitled "Development of Guidelines for Regional Government Agency Management" in order to analyze the documents and collect opinions related to the analysis of missions, structures and models of regional agencies of the Cooperative Auditing Department and to design new structures and models for the Cooperative Auditing Department's regional agencies, as illustrated in Figure 1.



**Figure 1:** Research framework

## Research Methodology

The scope of the research, data sources, research instruments and validation, and data collection and analysis were as follows:

### Scope of the Research

**Scope of content** - This study analyzed the current missions, structures and models of regional agencies of the Cooperative Auditing Department under the management guideline of the Office of the Public Sector Development Commission as stated in Document No. NR 1200/W27, dated November 1, 2017, entitled "Development of Guidelines for Regional Government Agency Management". This is also a study that followed the study of management structures and guidelines of the Cooperative Auditing Department's regional agencies conducted in 2012.

**Scope of study area** - The study was conducted in the four pilot provinces, one province in each region, as specified by the Cooperative Auditing Department. The four provinces were

Saraburi in the central region, Khon Kaen in the northeastern region, Chumphon in the southern region and Sukhothai in the northern region.

Scope of population - The population in this study consisted of at least one provincial governor or responsible person and at least two representatives of regional and provincial agencies of the Cooperative Auditing Department. In addition, a focus group interview was conducted with at least fifteen representatives of government agencies of the Ministry of Agriculture and Cooperatives at least once in each province.

Scope of time - The duration of the study was 90 days, between March 29 - June 26, 2018.

### **Data Sources**

Secondary source - The literature review covered (1) information related to structures and management of the Cooperative Auditing Department's agencies, (2) concepts and theories related to the designing of structures and management of regional agencies and (3) studies on the designing of structures and management of regional agencies.

Primary source - This information was collected from the samples who were representatives of related sectors. The samples provided in-depth opinions and information on the issues addressed in the draft of related concepts and theories, so that the obtained information was in-depth and specific (Nappakesorn, 2005). The purposive sampling was used to select four pilot provinces, one province in each region, and the pilot provinces were Saraburi in the central region, Khon Kaen in the northeastern region, Chumphon in the southern region and Sukhothai in the northern region. The researchers collected the opinions from three sample groups, including (1) one provincial governor or responsible person, (2) two representatives of regional and provincial agencies and (3) at least fifteen representatives of government agencies of the Ministry of Agriculture and Cooperatives.

### **Research Instruments and Validation**

The research instruments were three interview forms on the designing of structures and management of the Cooperative Auditing Department's regional agencies. The interview forms were used to interview the provincial governors or responsible persons, the representatives of regional and provincial agencies and the representatives of government agencies of the Ministry of Agriculture and Cooperatives in the pilot provinces. The interview details are presented in Appendix B. To ensure the quality of research instruments, the interview forms were content validated by experts or stakeholders related to the Cooperative Auditing Department and scholars in the fields of management. The forms were examined, criticized and adjusted accordingly until the index of consistency (IOC) was between 0.5-1 (Arreerard, 2016).

### **Data Collection and Analysis**

In this qualitative research, the researchers collected data from provincial governors or responsible persons, representatives of regional and provincial agencies of the Cooperative Auditing Department and representatives of government agencies of the Ministry of Agriculture and Cooperatives in the four pilot provinces. The Cooperative Auditing Department served as a coordinator responsible for making appointments and issuing letters regarding the interviews or meetings of samples in the four pilot provinces for data collection.

Qualitative research: in-depth interview - The first two groups of samples were the provincial governors or responsible persons and the representatives of regional and provincial cooperative auditing offices. The in-depth interviews provided empirical data in actual contexts. Each interviewee gave the information individually (Sotanasathien, 2012). The information given during the interview could be opinions, feelings and direct experiences of the interviewee (Lichtman, 2013) toward the analysis of missions, structures and models of regional agencies of the Cooperative Auditing Department as well as the existing systems, operations and obstacles. The interview also covered the designing of new structure and

management for the Cooperative Auditing Department's regional agencies based on related theories and concepts.

Qualitative research: focus group interview - The third sample group was the representatives of government agencies of the Ministry of Agriculture and Cooperatives in the four pilot provinces. The focus group interview provided empirical data in actual contexts. The interviewees gave the information in groups (Sotanasathien, 2012). Small group discussions between the samples and researchers on the specified topics were systematically set up (Prasithrathsint & Sukkasame, 2004) to collect in-depth information with regard to the interviewees' thoughts, background and reasons presented during the discussion )Desai & Potter, 2006( in order to gather details about the missions, structures and models of regional agencies of the Cooperative Auditing Department, the existing systems, operations and obstacles, as well as the designing of new structure and management for regional agencies. The information obtained from the in-depth interview was connected with the information retrieved from the focus group interview in order to achieve acceptable qualitative data (Morgan, 1997) which was later used as the core of the designing of new structure and management for the Cooperative Auditing Department's regional agencies.

## **Research Findings and Discussions**

The research results were as follows:

1. Results of the analysis of current missions, structures and models of regional agencies of the Cooperative Auditing Department

1.1 From the in-depth interviews with the target groups, including provincial governors or responsible persons, representatives of regional and provincial agencies and representatives of government agencies of the Ministry of Agriculture and Cooperatives in the four pilot provinces, the results were divided into two parts, namely the missions of the Cooperative Auditing Department and the structural change of the Cooperative Auditing Department from central administration to regional administration.

(1) The missions of the Cooperative Auditing Department could not be carried out by any other sectors or organizations in the province (or the region) and none of the existing sectors or organizations in the province or the region was willing to be responsible for or capable of completing these three main missions, including the financial auditing of cooperatives and agriculturist groups, the development of financial and accounting strength of cooperatives and agriculturist groups and the dissemination of knowledge about managing individual financial accounts.

(2) The samples strongly agreed on the restructuring of the Cooperative Auditing Department, changing from the central public administration to the regional public administration due to the following reasons such as to respond to the National Strategic Plan and the government policy on promoting the cooperative system as the foundation of local economy which is the major driving force of national economy, leading to stability, prosperity and sustainability as guided by the sufficiency economy philosophy; to bring about operational integration at the policy level, the planning level and at the regional budget level under the supervision of the provincial governor; to enhance the efficiency of the public administration as a result of promoting the head of provincial cooperative auditing office to the deputy cooperative registrar, minimizing steps, complications and time in the service operations; to actively improve the regional accounting operation to reach the standards under the supervision of the Cooperative Auditing Office 1-10; and to retain high-performance personnel in the operation of the Cooperative Auditing Department. Due to the promotion of the head of provincial cooperative auditing office to the director with complete authority, there is an increasing opportunity for the personnel to advance in the civil servant positions, which will help motivate the personnel to dedicate themselves to government work.

(3) To adjust the structure of the Cooperative Auditing Department to establish regional public administration. The adjustment is worthwhile since it will benefit the service users, the government sectors and the country, leading to stability, prosperity and sustainability.

(4) Determine the missions of the Cooperative Auditing Office 1-10 and the provincial cooperative auditing offices under the new structure as follows:

Roles and Missions at the Regional Level (Cooperative Auditing Office 1-10) should be changed to supervise and monitor the quality of both private and public auditors' work in auditing accounts of cooperatives and agriculturist groups according to the general auditing standards; to study and analyze the economic conditions of the cooperatives and agriculturist groups in order to develop overall policy and plans for regional administration; to study and analyze business risk and issue financial warning announcements concerning the cooperatives and agriculturist groups at the regional level; to study and analyze financial problems and internal control affecting the cooperative systems as well as provide the provincial cooperative auditing office with suggestions to solve problems; to audit the accounts of extra-large cooperatives or problematic cooperatives and give suggestions concerning cooperative auditing to the provincial cooperative auditing office; to analyze and follow up the government's major projects; to promote and disseminate information and technology related to accounting and auditing to auditors and improve the performance of cooperative auditors; to pass on the financial and accounting knowledge and accounting technology to all personnel in the cooperatives and agriculturist groups; to serve as the assistant to the inspector general of the Ministry of Agriculture and Cooperatives; to appoint auditors to the cooperatives and agriculturist groups; and to work with or support the operations of related sectors or as assigned.

Roles and Missions at the Provincial Level (Provincial Cooperative Auditing Office) should focus on audit the accounts of cooperatives and agriculturist groups according to the law, regulations, restrictions and general auditing standards; draw up appropriate accounting formats and systems of the cooperatives and agriculturist groups and give financial and accounting suggestions to the cooperatives and agriculturist groups based on their business; study and analyze the economic conditions of the cooperatives and agriculturist groups in order to develop overall policy and plans for the cooperatives and agriculturist groups; pass on the accounting knowledge to occupational groups, community enterprises, target groups of the royal projects, agriculturists and interested people; examine the government's major projects carried out under the government's policy as assigned, the provincial plans and warnings; and work with or support the operations of related sectors or as assigned.

1.2 The analysis results of the Cooperative Auditing Department's mission based on the management guideline of the Office of the Public Sector Development Commission as stated in Document No. NR 1200/W27, dated November 1, 2017, entitled "Development of Guidelines for Regional Government Agency Management" were divided into two parts, including analyzing whether each mission is required in the public operation, and analyzing whether the required mission needs the establishment of regional and provincial divisions or sectors under the central public administration.

(1) The three main missions were auditing accounts of cooperatives and agriculturist groups, developing financial and accounting strength of cooperatives and agriculturist groups, and personal accounting training. After analyzing whether these missions were needed in the public operation prescribed by the Office of the Public Sector Development Commission, it was found that these missions were still required, and the practices were not carried out elsewhere. These missions were considered the main responsibilities which could not be assigned to other regional or local agencies, and the establishment of other government sectors would not help. The operations must be done by this government sector. In short, the three main missions of the Cooperative Auditing Department were still needed and must be

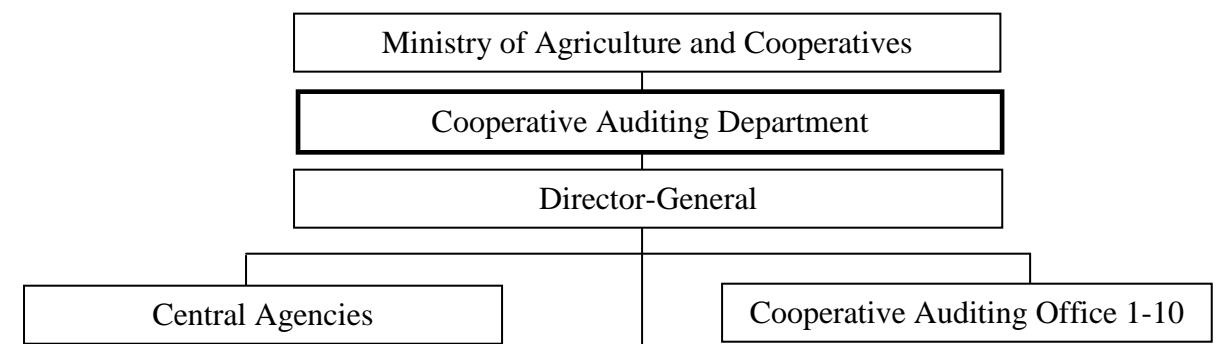
carried out by this government sector.

(2) According to the analysis of the missions of the Cooperative Auditing Department, the missions were worth the administrative resources and they needed to continue on implementing. They were neither in line with nor related to research, academic development, academic services, advanced techniques and specialized professions that aimed to serve or benefit the whole country. There were ten provincial public offices in the regions focusing on accomplishing these missions by maintaining, enforcing and approving the laws and regulations. The offices promoted and disseminate related knowledge to the people; however, no public services were offered. These missions could not be transferred or assigned to other public sectors and they answered the needs of the people. The amount of work was adequate for the currently responsible public sector. To conclude, the missions of the Cooperative Auditing Department were in line with the criteria for establishing regional public agencies since its missions did not overlap with other agencies' in the region.

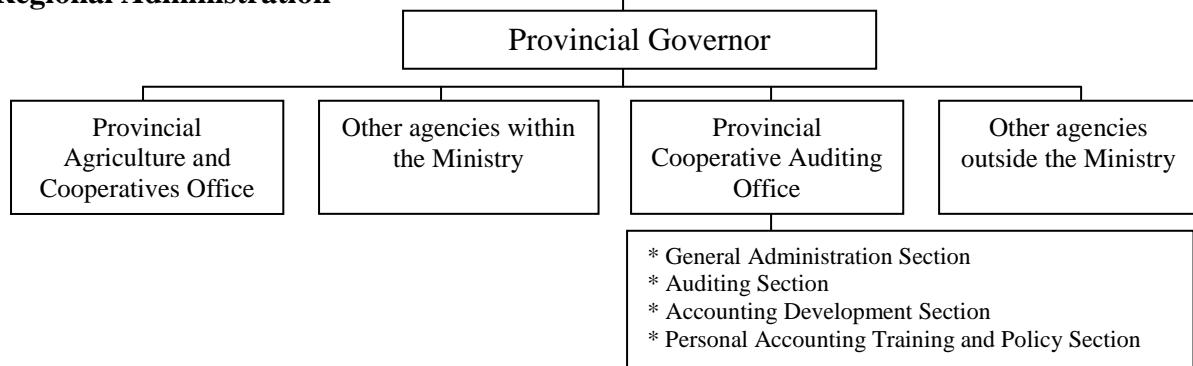
2. Results of the analysis of the restructuring and redesigning of the Cooperative Auditing Department's regional agencies and suggestions on operations, administrative systems in all aspects, including policy, procedures, evaluation, mastership and human resource management

2.1 As for the suggestions, the adjusted structure and model of the Cooperative Auditing Department's regional agencies is illustrated in Figure 2.

## Central Administration



## Regional Administration



**Figure 2:** Structure and Model of The Cooperative Auditing Department's Regional agencies

The roles and responsibilities of the Bangkok Cooperative Auditing Office, the Cooperative Auditing Office 1-10 and the provincial cooperative auditing offices can be explained as follows:

In Bangkok, the Cooperative Auditing Department should establish Bangkok Cooperative

Auditing Office which is operated under the supervision of the director general of the Cooperative Auditing Department which is the feature of the central administration. This is because the public administrative system used in Bangkok is different from the systems used in other provinces; however, it should possess the same internal sectors as other provincial cooperative auditing offices.

For Cooperative Auditing Office 1-10, the missions should be adjusted to supervise and monitor the quality of both private and public auditors' work in auditing accounts of cooperatives and agriculturist groups according to the general auditing standards; to study and analyze the economic conditions of the cooperatives and agriculturist groups in order to develop overall policy and plans for regional administration; to study and analyze business risk and issue financial warning announcements concerning the cooperatives and agriculturist groups at the regional level; to study and analyze financial problems and internal control affecting the cooperative systems as well as provide the provincial cooperative auditing office with suggestions to solve problems; to audit the accounts of extra-large cooperatives or problematic cooperatives and give suggestions concerning cooperative auditing to the provincial cooperative auditing office; to analyze and follow up the government's major projects; to promote and disseminate information and technology related to accounting and auditing to auditors and improve the performance of cooperative auditors; to pass on the financial and accounting knowledge and accounting technology to all personnel in the cooperatives and agriculturist groups; to serve as the assistant to the inspector general of the Ministry of Agriculture and Cooperatives; to appoint auditors to the cooperatives and agriculturist groups; and to work with or support the operations of related sectors or as assigned.

For provincial cooperative auditing offices, the missions should be adjusted to audit the accounts of cooperatives and agriculturist groups according to the law, regulations, restrictions and general auditing standards; to draw up appropriate accounting formats and systems of the cooperatives and agriculturist groups and give financial and accounting suggestions to the cooperatives and agriculturist groups based on their business; to study and analyze the economic conditions of the cooperatives and agriculturist groups in order to develop financial policy for the cooperatives and agriculturist groups; to pass on the accounting knowledge to occupational groups, community enterprises, target groups of the royal projects, agriculturists and interested people; to examine the government's major projects carried out under the government's policy as assigned, the provincial plans and warnings; and to work with or support the operations of related sectors or as assigned.

The four sections of the provincial cooperative auditing office should be assigned the roles and responsibilities as follows:

(1) General Administration Section should work on formulate provincial development plans which conform to the strategies and needs of the service users at the provincial level, the provincial group level and the national level; develop operational plans in response to the province's and the department's products and budgets; create information technology plans in response to the goals and budgets stated in the province's and the department's model schemes; facilitate, support and follow up the completion of tasks according to the province's and the department's plans and projects; conduct public relations work and disseminate activities, knowledge advancement and products of the province and the department; handle complaints and observe regulations related to legal acts and agreements in terms of both civil and criminal matters as well as administrative complaints and other complaints under the supervision of the department; and carry out work in general affairs, supplies section and human resources department.

(2) Auditing Section should work on provide auditing services for the cooperatives and agriculturist groups in the province as stated in cooperative laws, regulations and general

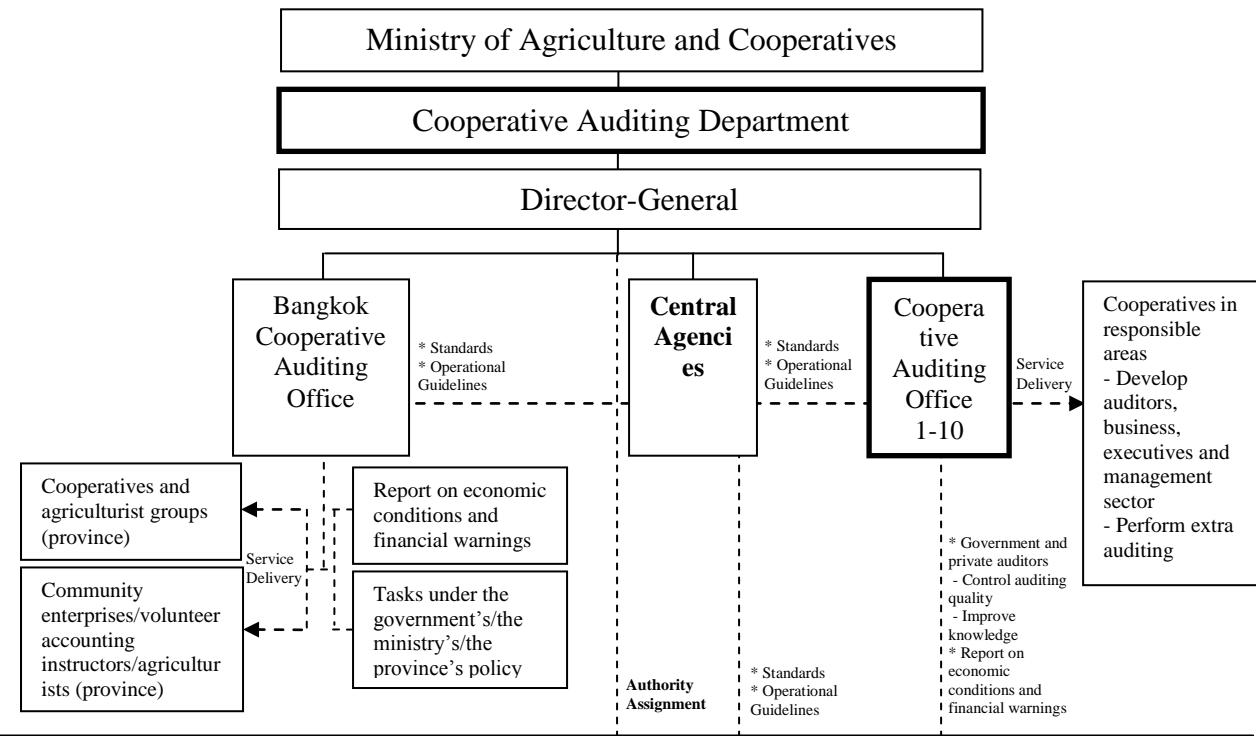
auditing standards as the auditing results can be used to improve the management efficiency which will benefit all members; analyze and review auditing reports, financial statements and audit working papers of the cooperatives and agriculturist groups; provide auditing results to the cooperatives/agriculturist groups and cooperative registrars/provincial governors; attend major meetings to address remarks in the auditing results; monitor the cooperatives with private auditors and give suggestions to private auditors in the province; order and supervise the operations of cooperatives and agriculturist groups in solving financial and accounting problems; and give recommendations and suggestions on the use of financial and accounting information to benefit the operations of cooperatives and agriculturist groups

(3) Accounting Development Section should work on provide account set-up services appropriate to the business of cooperatives and agriculturist groups in the province; offer accounting software and system installation services to cooperatives and agriculturist groups; operate services and promote the use of accounting software and system among cooperatives and agriculturist groups; solve problems related to accounting software and system for cooperatives and agriculturist groups; encourage cooperatives and agriculturist groups to adopt the use of accounting software and system; provide cooperatives and agriculturist groups with internal control systems appropriate to their business; promote the installation of the Cooperative Financial Surveillance and Warning System: Set Standard-CFSAW: ss; and collect and evaluate financial information of cooperatives and agriculturist groups and compile it into a report on financial and economic conditions of the province along with financial warning information.

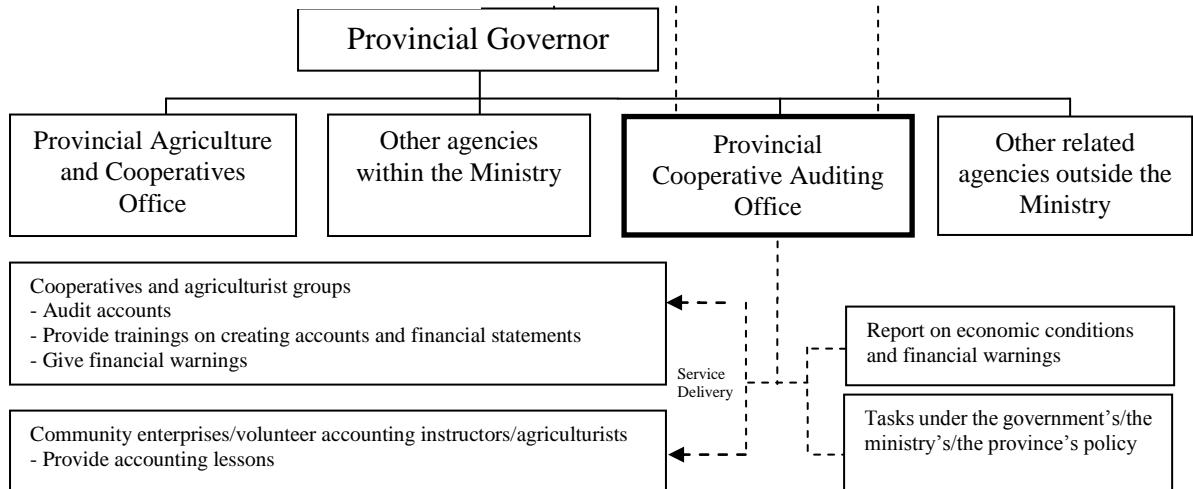
(4) Personal Accounting Training and Policy Section should work on gather agricultural volunteers and personnel in the network and develop their accounting skills in order to become instructors who teach members of cooperatives and agriculturist groups, occupational groups, community enterprises, target groups of the royal projects, agriculturists and interested people in the province to create household accounts and capital accounts; pass on the knowledge to members of cooperatives and agriculturist groups, occupational groups, community enterprises, target groups of the royal projects, agriculturists and interested people in the province and encourage them to create and manage financial accounts; support and motivate occupational groups, community enterprises, target groups of the royal projects, agriculturists and interested people in the province to create and manage financial accounts; promote the dissemination of knowledge about household accounts and capital accounts; and promote the development of financial and accounting management efficiency.

2.2 The suggested operational system and management in all aspects, including policy, procedures, evaluation, mastership and human resource management can be seen in Figure 3.

## Central Administration



## Regional Administration



**Figure 3:** Management System

Central Administration - The Cooperative Auditing Department is under the supervision of the Ministry of Agriculture and Cooperatives in which the director-general of the Cooperative Auditing Department is the highest authority, responsible for giving out direct orders to the central agencies, Cooperative Auditing Office 1-10 and Bangkok Cooperative Auditing Office, which collaborate and work to the same standards and follow the same operational guidelines. Meanwhile, the director general of the Cooperative Auditing Department assigns full authority to the provincial governor who will then make direct orders to the provincial cooperative auditing office to achieve maximum benefit at the regional level. The central agency is responsible for monitoring the standards and practices at all provincial cooperative auditing offices. The Cooperative Auditing Office 1-10 control the operational quality of

provincial cooperative auditing offices, especially the quality of auditing, government and private auditor trainings and reports on economic conditions and financial warnings. In addition, the Cooperative Auditing Office 1-10 provide the cooperatives in their responsible areas with development programs for auditors, executives, management team and additional auditing. The Bangkok Cooperative Auditing Office provides the cooperatives and agriculturist groups with auditing services, trainings on accounting and financial statements, and financial warnings. The Bangkok Cooperative Auditing Office is also responsible for offering services to community enterprises, volunteer accounting instructors and agriculturists concerning accounting trainings, reports on economic conditions and financial warnings as well as performing the tasks under the government's, the ministry's and the province's policy.

Regional Administration - The director-general of the Cooperative Auditing Department authorizes the provincial governors to have full authority to supervise the operation and management of the provincial cooperative offices. The main mission of the provincial cooperative auditing offices is to accomplish the Cooperative Auditing Department's missions. The offices the cooperatives and agriculturist groups with auditing services, trainings on accounting and financial statements, and financial warnings. They are also responsible for offering services to community enterprises, volunteer accounting instructors and agriculturists concerning accounting trainings, reports on economic conditions and financial warnings as well as performing the tasks under the government's, the ministry's and the province's policy. At the same time, the provincial cooperative auditing office has to work with the Provincial Agriculture and Cooperatives Office and other provincial agencies within and outside the Ministry of Agriculture and Cooperatives to achieve the best outcomes for the cooperatives, agriculturist groups, local people, government sectors and the country. This management system is in line with the study of Singsri, Yoopraseart & Tangwiwat (2015) which found that the decentralization was efficiency and effectively suit to the area-oriented depend on well preparing standard and determine regulation to support transferring task to issue for the quality service development of the department bringing benefits to the public in local.

2.3 In terms of the worthiness, the establishment of the Cooperative Auditing Department's regional agencies is worth the investment in four ways.

(1) Regarding the internal component of the organization, the adjustment the organizational structure only requires existing limited resources which will be used to achieve the highest benefit by effectively managing human resources, operational procedures and organizational structure. Personnel with specialized knowledge and skills as well as ethics will be in the positions where they truly understand their roles and responsibilities with mutual objectives in reaching the organizational goals. This is in line with the study conducted by Patanathabutr (2012) which stated that the management of Cooperative Auditing Department's regional agencies had to pay attention to the internal components of the organization, in terms of administration, supervision, promotion and operation according to the department's missions. Similarly, Arpawuttipun (2011) found that the competency development of bureaucratic systems in the Cooperative Auditing Department had to conform to the department's missions, visions and organizational culture. This restructuring of the Cooperative Auditing Department is, therefore, considered worthwhile.

(2) Concerning the stakeholders, namely provincial governors or responsible persons, representatives of regional and provincial agencies of the Cooperative Auditing Department and representatives of government agencies of the Ministry of Agriculture and Cooperatives in each province, the missions and practices currently conducted by the Cooperative Auditing Department with regard to auditing accounts of cooperatives and agriculturist groups, developing financial and accounting strength of cooperatives and agriculturist groups and

disseminating knowledge about managing individual financial accounts are still needed and they do not overlap with the missions and practices currently carried out by other agencies at the provincial level. These roles and responsibilities can neither be transferred nor assigned to other regional or local agencies, and the establishment of other government sectors would not help. The operations must be done by this government sector.

With regards to the opinions on the structure of the Cooperative Auditing Department's regional agencies under the supervision of provincial governors, the stakeholders agree that the structuring is strongly appropriate since it responses to the National Strategic Plan and the government policy on promoting the cooperative system as the foundation of local economy which is the major driving force of national economy, leading to stability, prosperity and sustainability as guided by the sufficiency economy philosophy. It is the operational integration at the policy level, the planning level and at the regional budget level under the supervision of the provincial governor, leading to the efficiency enhancement of the public administration as the result of promoting the head of provincial cooperative auditing office to the deputy cooperative registrar, minimizing steps, complications and time in the service operations. It is considered an active improvement of the regional accounting operation to reach the standards under the supervision of the Cooperative Auditing Office 1-10, responsible for ensuring the operational quality of provincial cooperative auditing offices, especially the quality of auditing, and retaining high-performance personnel in the operation of the Cooperative Auditing Department by promoting the head of provincial cooperative auditing office to the director with complete authority. Therefore, there is an increasing opportunity for the personnel to advance in the civil servant positions, which will help motivate the personnel to dedicate themselves to government work.

The restructuring of the Cooperative Auditing Department to adopt the regional public administration is worthwhile since it will benefit the service users, the government sectors and the country, leading to stability, prosperity and sustainability. This is in line with the study of Rattanasanwong (2013) which found that Thai Bureaucracy needs structural reformations and co-operation between governmental departments in the same direction and the study of Rukhamate (2010) which found that the restructuring of operational management is done in response to changes in the contexts and it needs to be approved by the organization's stakeholders.

(3) In terms of operational and service innovations, the restructuring of the organization is considered an innovation created to creatively improve the structure, model, operational system and services. This active improvement conforms to the strategic plan of the Cooperative Auditing Department, aiming to offer services and exchange knowledge concerning the efficiency and effectiveness of the operations of cooperatives and agriculturist groups at the regional level. As mentioned in the study of Premchuen (2016), the government agencies that exchange knowledge with service users and other agencies tended to possess the ability to offer additional innovation services, leading in the dramatic improvement in quality of operation and management, the increase in competitiveness and the strong long-term relationship between the government sectors and the people.

(4) Regarding the financial worthiness, the new framework requires the establishment of the Bangkok Cooperative Auditing Office and 76 provincial cooperative auditing offices without requesting additional personnel and the expenses have already been included in the annual budget; therefore, no additional budget is needed. The adjustment has taken the budget issues, the efficiency and the worthiness of the investment into account in order to gain the highest benefit from the use of existing human resources and budget of the Cooperative Auditing Department. In one previous study, Saengprasert and Sansook (2015) also found that success in the operation had positive effects on the operational quality.

## Recommendations

From this study, there are recommendations for both the cooperative Auditing Department and future studies as follows:

1. Recommendations for the Cooperative Auditing Department. All administrators and stakeholders of the Cooperative Auditing Department should together push forward the restructuring of the regional agencies to include provincial administration which will benefit the service users, the public sectors and the country.
2. Recommendations for Future Studies. Further studies should be conducted after the restructuring of the Cooperative Auditing Department in order to collect both qualitative and quantitative evaluation results in terms of its efficiency and effectiveness.

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