

## **Challenges and Possible Solutions Faced by General Conference Auditors in the Southern Asia-Pacific Division of Seventh-day Adventists**

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### **Abstract**

**Aim/Purpose:** This study examined the challenges faced by General Conference Auditing Service (GCAS) auditors in the Southern Asia-Pacific Division (SSD) during financial audits. The objective was to identify key obstacles that hinder the efficiency and accuracy of audits, assess client compliance with financial regulations and international standards, and propose solutions. Given the essential role of financial audits in ensuring transparency, accountability, and regulatory compliance, it is crucial to understand these challenges and explore ways to improve auditing processes.

**Introduction/Background:** Auditing is a key component of financial governance, ensuring an organization's compliance with regulations and maintaining financial integrity. However, audits are often hindered by various operational, technological, and procedural difficulties. Auditors encounter issues such as inadequate documentation, outdated financial systems, and communication barriers that impede the ability to conduct thorough inspections. These challenges are particularly pronounced in regions with inconsistent financial management practices and regulatory adherence. This study explored the experiences of auditors in the Southern-Asia Pacific Division (SSD), highlighting recurring issues and suggesting strategies to enhance audit quality and efficiency.

**Methodology:** A qualitative research approach was used to gain an in-depth understanding of the challenges auditors face. Semi-structured interviews were conducted with ten General Conference Auditing Service auditors, focusing on three areas: background information, the financial audit process, and specific auditing challenges. The study examined client compliance, technological limitations, and external factors affecting audit effectiveness. This approach allowed for the collection of real-world experiences, providing valuable insights into audit processes in the SSD.

**Findings:** The study identified several critical challenges. One persistent issue was unresolved audit recommendations from previous years, leading to inefficiencies and repeated financial mismanagement. When past recommendations are not implemented, the same issues resurface in subsequent audits, making it difficult for auditors to provide accurate and efficient appraisals. Another significant challenge was the presence of insufficiently finance personnel in organizational clients. Many finance teams lacked the necessary expertise to maintain proper financial records and comply with audit standards, resulting in errors and inconsistencies that slowed down audit processes. Furthermore, incomplete documentation frequently hampered auditors' ability to conduct thorough evaluations, as missing financial records created gaps in financial reporting and compliance verification.

Technological limitations also played a significant role in complicating the audit process. Many organizations rely on outdated accounting systems that do not meet modern financial reporting requirements, making it difficult for auditors to locate data efficiently. Auditors also face difficulties due to inconsistent client financial practices, requiring them to navigate varying record-keeping and reporting methods. Communication barriers pose another challenge, especially in regions where English is not widely spoken. Language differences often lead to misunderstandings, making it harder for auditors to obtain accurate financial information. While cultural differences have a relatively small impact, they still influenced certain aspects of client interactions and audit engagements.

Despite these challenges, auditors demonstrated resilience by leveraging professional networks, adopting technological workarounds, and tailoring communication to suit their clients' environment.

**Contribution:** This study contributes to the broader understanding of the operational, technological, and cultural factors that influence global auditing practices. By identifying specific barriers to effective audits, it provides insights for auditors, financial professionals, and regulatory bodies seeking to improve audit quality and compliance. Strengthening internal controls, improving client training, and modernizing technology are critical steps to addressing these challenges. Implementing these recommendations can help organizations achieve greater financial transparency, regulatory compliance, and operational efficiency, ultimately enhancing financial governance in the region.

**Recommendations:** To enhance financial audits, the study recommends key strategies. First, finance personnel should receive comprehensive training to improve their knowledge of financial reporting and compliance, reducing errors and inefficiencies. Additionally, organizations should upgrade their accounting systems with modern financial software that meets international standards, ensuring that auditors can quickly access accurate data, simplifying the audit process. Addressing language barriers is also crucial—offering translation services, language training, or hiring bilingual staff could enhance auditor-client communication. Lastly, organizations must take corrective action on past audit recommendations to prevent recurring issues. Strengthening follow-up mechanisms would support long-term compliance and improve financial governance.

**Research Limitations:** This study had certain limitations. The small sample size of ten auditors restricts the generalizability of its findings. Additionally, the study focused specifically on the SSD region, meaning that the challenges identified may not fully represent auditing experiences in other areas. Another limitation was that the study primarily captured auditors' perspectives rather than insights from clients or regulatory bodies. Incorporating client viewpoints could provide a more comprehensive understanding of the factors influencing financial audits. Future research should address this gap by including a broader range of stakeholders.

**Future Research:** Building on this study's findings, future research could explore client perspectives on challenges they face during audits, as this may provide a more holistic understanding of audit processes. Additionally, further studies could assess the impact of emerging technologies such as artificial intelligence on financial auditing. These technologies can potentially streamline processes and improve accuracy. Longitudinal research is recommended to evaluate long-term effects of audit recommendations on financial compliance and operational efficiency. By tracking changes over several years, researchers can determine whether proposed solutions effectively address persistent audit challenges. This study lays a foundation for further research into improving audit practices and ensuring that financial audits contribute to transparency, accountability, and sound financial management in SSD and beyond.

**Keywords:** *Audit recommendations, implementation, internal control, Seventh-day Adventist*

## Introduction

Seventh-day Adventists are a global family of Christians who hold the Bible as their ultimate authority. The roots of Adventism can be traced back to the Second Great Awakening, a period of spiritual revival that swept the United States in the late 1700s and early 1800s. In 1863, the General Conference of Seventh-day Adventists was established for the purpose of sharing a deeper understanding of Scripture and preparing people for eternity with Christ (A Historic Look at the Seventh-day Adventist Church, 2023).

The General Conference of Seventh-day Adventists (SDA) is the worldwide coordinating body of the denomination. The SDA Church, like any other organization, needs an audit function to monitor financial activities and ensure that they adhere to church policies. The General Conference Auditing Service (GCAS) is the denomination's organizationally independent audit function that audits or

arranges for audits of all organizations worldwide. Furthermore, it reports on whether church entities have prepared financial statements in accordance with Generally Accepted Accounting Principles and complied with denominational policies (General Conference Auditing Service, 2023). GCAS provides audits for institutions owned by the Seventh-day Adventist Church, functioning much like an external auditing body since the auditors are not employees of the specific SDA institutions that they audit. This audit function is important because it gives a reasonable level of assurance that an organization's internal control, governance, and risk management procedures are working properly (Mitchell, 2022).

### ***Auditing Reinforces Accountability***

Auditing is an important function because financial statements are reviewed to ensure accuracy in reports (Girardin, 2023). The objective of an audit of financial statements is to enable the auditor to express an opinion as to whether the financial statements were prepared fairly in all material respects and in accordance with auditing standards (Adebayo, 2011). The primary goal of a financial audit is to verify and validate the financial operations and information reported by an organization's management. The result of this work is an opinion on the financial statements and a report to management. This benefits organizations in several ways, such as maintaining consistency, finding possible errors, and detecting and preventing fraud (Corporate Finance Institute, 2023). Auditors are vital because they validate an organization's financial statements from an objective and independent point-of-view. In addition, the auditing process is smoother when organizations cooperate with auditing teams, whether internal or external.

Accountability is an essential financial priority of the SDA church. A study by Howson et al. (2014) reported that the reasoning behind having GCAS conduct audits within the SDA denomination appears to have been driven by a desire to save money, stemming from a strong sense of stewardship and previous experience with the high costs of audits by non-denominational firms. This decision appears to have been influenced by the fact that the church must be accountable to its members regarding how their tithes and offerings are used in order to maintain credibility. Administrators need the protection of an independent audit, and constituents deserve assurance that financial resources have been managed in accordance with church policies. Furthermore, senior denominational organizations and third parties require affirmation that the financial statements on which decisions are based fairly present an entity's affairs. The ultimate advantage to the church of audits is that they create confidence, foster credibility, and offer assurance regarding the organization's risks and controls. That in turn encourages faithful stewardship and generosity (Korff, 2000; Kristensen et al., 2021). Since GCAS auditors are paid in accordance with denominational wage rates, this independent service is provided to the church at a cost that is significantly less than if it were purchased at market rates from auditors in public practice.

GCAS auditors conduct financial audits, examine tithe and offering records, and perform tests of policy compliance. They explain whether church organizations followed denominational rules and widely accepted accounting practices when preparing their financial statements. They also check each organization's financial records to see if the financial statements are fairly stated. When an audit is finished, a report is given to the organization's officers which should be shared with its operating board. According to Herzel (2010), there are six phases to an audit engagement; each of those phases has to be carefully completed to ensure that the final report accurately represents the facts regarding the entity's financial affairs.

## **Literature Review**

### ***Challenges Faced by Auditors***

Auditors face certain challenges when auditing a client's financial statements. These challenges include incomplete documentation, unprepared clients, non-implementation of previous audit recommendations, policy compliance and internal control issues, and unqualified audit committee members, which may prolong the entire audit process.

### ***Incomplete Documentation***

The auditor should implement reasonable processes to safeguard audit documentation because it frequently contains confidential client information. Providing certain audit documents to a regulator or a lawfully designated representative may be required by law, regulation, or audit contract (PCAOB, 2023). Documentation is considered the backbone of an audit. It provides the basis for conclusions about the extent to which an audit's objectives were achieved (Jindal, 2022).

### ***Non-Implementation of Previous Audit Recommendations***

According to the Australian National Audit Office (2015), when audit recommendations are implemented, entity performance is enhanced. Realizing the full benefits of an audit depends largely on management's prompt adoption of audit recommendations. If implementation is not prompt and individual risks remain untreated, the audit's value is not achieved (Wadesango et al., 2017). Risks will continue to threaten an entity if management decides not to carry out audit recommendations (Daniel, 2014). According to D'Onza et al. (2015), when audit suggestions are not followed, management may misrepresent the organization and serious misstatements may go undetected (Newman et al., 2019). This is why organizations should promptly implement audit recommendations.

### ***Unprepared Clients***

Some organizations struggle to complete audit preparations on time, which creates a problem for the auditor because the client may not be ready for the audit (Kroll, 2020). It is also frustrating for an auditor to revisit an organization and find the same deficiencies and problems year after year. This creates tension between auditors and auditees, with organizations still facing needless risks and auditors feeling that their work is futile (Kroll, 2020).

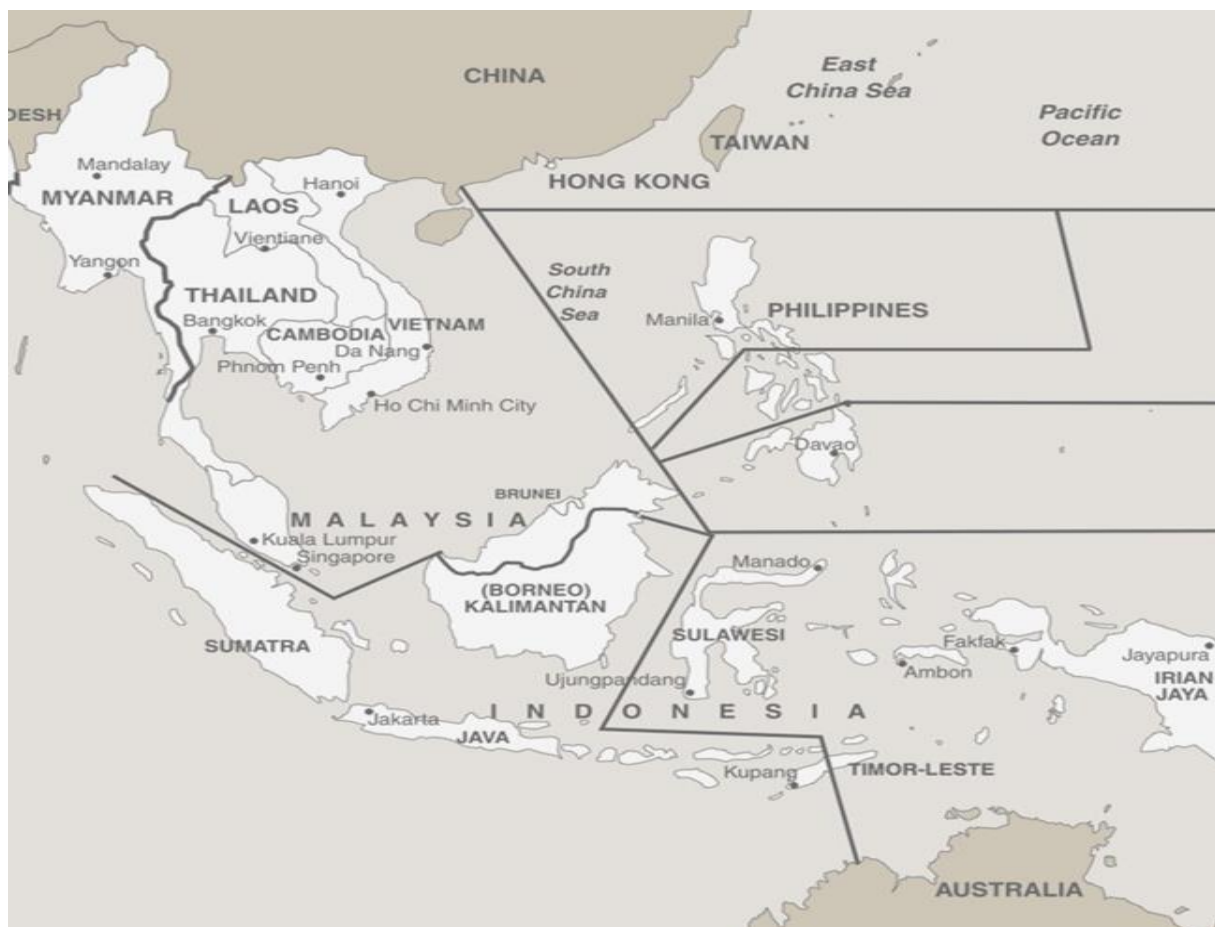
If a client is not ready for an audit, this may impact the final report. A client is responsible for preparing for an audit after being notified by the auditor. The key to reducing the stress of an audit and maximizing its benefits is effective communication and thorough preparation (Cradock, 2022). If a client is not ready for an audit, it may lead to inaccurate financial statements and errors in decision-making, potentially damaging the organization's reputation (RSM South Africa, 2023).

### ***The Southern Asia-Pacific Division of Seventh-day Adventists***

The Southern Asia-Pacific Division (SSD) is one of thirteen regional organizations of the General Conference of the Seventh-day Adventist Church. It oversees the work of spreading the saving truths of the gospel in the Southeast Asian countries of Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Vietnam. Over 1.3 million Seventh-day Adventists worship in more than 7,000 churches in this territory, which has a population of over a billion. Almost 90 percent of its members live in Indonesia or the Philippines (Seventh-day Adventist Church, 2024).

The Adventist Church in the SSD operates 782 primary schools, 231 secondary schools, and 17 colleges and universities. It also operates 19 hospitals and 20 medical clinics. The SSD has 11 regional offices called Unions, and although Buddhism and Islam are the dominant religions within its territory, Christianity has made inroads in most SSD countries. One of the greatest challenges the SSD faces is how to share Jesus with the people in these countries in ways that they can understand and appreciate. The division is also home to the Adventist International Institute of Advanced Studies, which is a graduate degree institution serving the world church in Asia (Southern Asia-Pacific Division, 2018). Figure 1 below shows the SSD Region.

**Figure 1** Territory of Southern Asia-Pacific Division of Seventh-day Adventists



### Research Questions

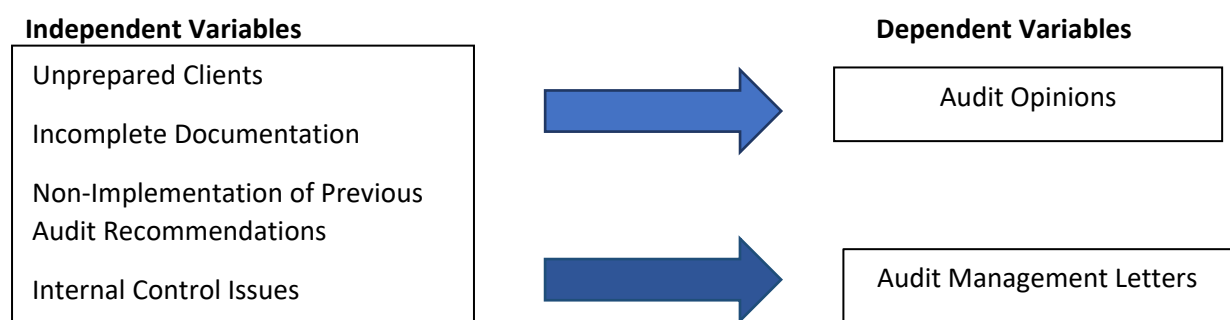
Three research questions addressing the major challenges faced by GCAS auditors in the Southern Asia-Pacific Division of Seventh-day Adventists during financial audits were explored, along with auditors' recommendations for addressing these issues.

1. What are the crucial challenges that GCAS auditors face during audits in the SSD?
2. To what extent do clients follow the recommendations from previous audit reports?
3. What potential solutions would help to resolve the major audit difficulties?

### Conceptual Framework

A summary of the anticipated problems and challenges faced by GCAS auditors is illustrated in the conceptual framework shown below.

**Figure 2** Conceptual Framework of Problems and Challenges Faced by GCAS Auditors



The conceptual framework shows how the dependent variables, which are audit opinions and audit management letters, may be affected by the independent variables, which are incomplete documentation, non-implementation of previous audit recommendations, and internal control issues.

## **Methodology**

### ***Research Approach***

A qualitative descriptive design was employed, using phenomenology to provide a clearer picture of the challenges that auditors face during the financial audit process. Granberg and Höglund (2011) suggested employing a qualitative research design because auditing is a service, and a quantitative research design may not capture all aspects, such as nonverbal communication. Furthermore, Silverman (2015) suggested that a qualitative research method is suitable when studying procedures and experiences.

### ***Population and Sample***

Interviews were requested with 10 out of the 21 auditors who work for GCAS in the Southern Asia-Pacific Division region. They were selected using a snowball sampling method, and had worked at GCAS from 2 months to 13 years. Interviewing nearly half of the total auditor population (10 out of 21) allowed for a strong representation of experiences, and data saturation was achieved, as no new themes emerged during the final interviews.

### ***Research Instrument***

The interview questions were designed to identify the challenges that auditors face and explore potential solutions. With input from three experienced researchers, the interview guide was developed and divided into three sections: background questions, questions related to the financial audit process, and in-depth questions. After reviewing the interview guide and data collection plan, permission and ethical approval for the study was granted by the Asia-Pacific International University Research Committee (AIU.RO.23 (2)/2023, 24 November 2023).

### ***Interview Process***

An informed consent form was signed by each participant, and online interviews were conducted via Zoom. The researcher assured the participants that all information recorded during the sessions was confidential and would only be used in the research study. Each interview lasted between 15 and 20 minutes; the interviews were recorded and important points transcribed. Notes taken during the interviews were safely stored and analyzed. This method provided a clear picture of the various challenges that impacted the audit financial process, and how auditors believed that they could be addressed. The interview questions are shown in Table 1 on the following page.

**Table 1** *Interview Question Protocol*

| Research Questions                                                                                                                                                                   | Interview Questions and Prompts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. What are the crucial challenges that GCAS auditors face during the audit process?                                                                                                 | 1. What difficulties and challenges, if any, have you encountered in conducting audits Southern Asia-Pacific Division during the past three years?<br>2. Which of these have occurred the most frequently? Are the most important?<br>3. What (if any) common internal control issues have you encountered?<br>4. How long have you been working for GCAS, and what interested you in auditing work?<br>5. What are some things that you like about auditing work? That you dislike?<br>6. Does GCAS provide ongoing training? How often?                                                                                                              |
| 2. a. To what extent do the clients comply with the regulations and international standards?<br>b. To what extent do clients follow the recommendations from previous audit reports? | 7. What techniques, processes and methods do you use to obtain reliable audit evidence?<br>8. How would you describe the level of adherence to accounting standards in the organizations you audit? What problems, if any, have you encountered?<br>9. How do you assess risk?<br>10. How do you detect the existence of related party transactions?<br>11. Roughly what percent of your audit opinions are: <ul style="list-style-type: none"> <li>• Unqualified                      • Adverse</li> <li>• Qualified                         • Disclaimer</li> </ul> 12. What is the level of compliance with core denominational financial policies? |
| 3. What potential solutions would help to resolve the major audit difficulties?                                                                                                      | 13. What recommendations or possible solutions would be helpful in addressing these difficulties and challenges?<br>14. What impact, if any, has COVID-19 had on your audits? Does that impact still exist?<br>15. How has your time working as an auditor been overall?<br>16. Is there anything else related to your auditing work that has been left out?                                                                                                                                                                                                                                                                                           |

### Findings/Results

The key themes that emerged from the data analysis were related to the challenges faced by GCAS auditors, including insufficient implementation of previous audit recommendations, insufficiently trained accountants, incomplete documentation, technological limitations, and language and cultural barriers. These themes were interconnected, and the analysis revealed that a lack of implementation had a significant impact on the overall auditing process. These themes and the number of participants who mentioned each one are shown in Table 2.

**Table 2** *Themes of the Study*

| Theme                              | No. of Participants |
|------------------------------------|---------------------|
| Lack of Implementation             | 6                   |
| Untrained Accountants              | 3                   |
| Incomplete Documentation           | 4                   |
| Technological Limitations          | 3                   |
| Language and Culture               | 4                   |
| Recommendations from GCAS Auditors | 10                  |

### ***Failure to Implement Previous Recommendations***

Auditors expressed growing frustration over clients' repeated failure to act on audit recommendations, citing a lack of accountability and insufficient engagement from senior leadership. This lack of follow-through often leads to recurring issues, draining time and resources, and ultimately reducing the effectiveness of the audit process. As one auditor put it,

It seems like our clients do not care about the recommendations, and it's frustrating because they are not reprimanded. It is also a waste of resources because they are not taking any action; therefore, it becomes repetitive for me as an auditor.

Another highlighted the crucial role of leadership in implementing audit findings:

It would be beneficial for senior management to take a more active role in addressing issues. During our exit meetings after an audit, we present our findings, but if management isn't genuinely interested in resolving these problems, they often remain unaddressed. Therefore, it's crucial for senior management to lead the effort in tackling these findings.

### ***Accountants Lack Sufficient Training or Experience***

A significant challenge identified by auditors was the presence of accountants with insufficient training, whose limited knowledge often resulted in frequent errors in financial statements. These inaccuracies made the audit process more time-consuming and complex. High staff turnover among accounting personnel further exacerbated this issue, resulting in inconsistent financial practices and a failure to implement proper procedures. In addition, incomplete or disorganized documentation frequently delayed audit fieldwork and, in some cases, led to scope limitations, resulting in qualified audit opinions or even disclaimers.

One auditor described the impact of poor training as follows. "When the client is unsure of what they're doing; it becomes more difficult for the auditor to explain things or obtain the necessary documents." Another added,

Most or some of the audit clients' accountants are not adequately trained to perform the accounting work, resulting in numerous errors in their financial statements. This may be the main challenge we face. As auditors, we have many aspects to check and adjustments to propose because the accountants lack sufficient knowledge in accounting.

### ***Incomplete Documentation***

Incomplete or improperly prepared documentation was often a primary factor that led to the issuance of a disclaimer opinion. All the participants had issued disclaimer opinions. One participant mentioned that when clients fail to submit all required documents, such as financial statements, bank reconciliations, and bank statements, this is a major problem that leads to a difficult audit process.

In addition, all the participants stated that they rely on complete and accurate documentation to obtain sufficient evidence for verifying financial transactions and processes. Incomplete records hinder auditors from drawing reliable conclusions and cause delays in reporting. When clients fail to provide necessary supporting documents, this prevents auditors from performing essential procedures to verify financial information. One participant emphasized that if clients cooperated by providing these documents promptly, this issue would be significantly reduced.

### ***Technological Limitations***

Technological limitations, such as outdated accounting systems and inadequate IT infrastructure, also impacted audit processes. Auditors noted that modernized systems would improve efficiency and reduce errors.

One of the participants mentioned how the technological limitations affect their line of work:

One of the challenges we face is technological limitations, meaning the organization isn't using the most up-to-date Internet infrastructure or software. For example, the accounting system may be outdated, which creates a significant issue, especially in terms of auditing. It's much more efficient

when the system is designed not only to be user-friendly for those who have been working with it for years but also accessible and intuitive for auditors. This would make it easier for newcomers, like ourselves, to quickly adapt to the system and ensure smoother audit processes.

## **Language**

Furthermore, language barriers, particularly in international audits, were highlighted as minor but noteworthy obstacles, sometimes affecting communication and understanding between auditors and clients. Participants described the challenges of working across the diverse regions within the Southern Asia-Pacific Division, where audits take place in countries with distinct languages and cultural norms. While English is the primary language used during engagements, it is not widely spoken or understood in some areas, creating communication gaps that hinder audit efficiency. To navigate these issues, auditors often relied on tools like Google Translate to interpret documents and communicate with clients; however, these tools have limitations, and inaccuracies in translation could lead to misunderstandings, misinterpretation of critical information, and delays. One participant explained,

Language barriers can be a challenge here in Asia, as there are many different languages, and in some areas, few people are fluent in English. Another factor is the cultural differences. However, it's worth noting that, as Adventists, all the clients I've worked with have been respectful and accommodating.

This added complexity required auditors to invest extra time and effort to ensure clear communication and accurate data collection, affecting the overall effectiveness of the audit process.

## **Culture**

Cultural differences were also identified as influencing the audit process, though their impact was generally seen as less significant than that of language barriers. Participants noted that variations in professional etiquette, communication styles, and attitudes toward authority could present subtle challenges in establishing rapport and encouraging client cooperation. These cultural nuances may shape how auditors are perceived and how their recommendations are received, potentially affecting the overall success of the audit engagement.

## **Recommendations from GCAS Auditors**

All participants offered recommendations to help improve the audit process for both auditors and clients. A recurring concern was that many clients failed to act on audit recommendations, often resulting in repeated issues and, in some cases, disclaimers of opinion. Several auditors noted that engagements became repetitive due to clients' ongoing lack of implementation. Participants emphasized that senior management should take a more proactive role in addressing audit findings after the exit meeting, as doing so could enhance the efficiency and effectiveness of future audits, reduce recurring issues, and foster stronger auditor-client relationships.

Another key recommendation was the need for targeted training for accountants, as many of the errors identified during audits were attributed to a lack of knowledge or skills. Auditors also pointed out that such errors can influence the final audit opinion. To improve accuracy and consistency, participants recommended that all finance personnel receive adequate training—not only in general accounting principles but also in the use of the SunPlus accounting system, which is widely used across the region.

## **Discussion**

### ***Significance of Study Results***

The findings of this study provide valuable insights into the key challenges that auditors have faced when conducting financial audits in the Southern Asia-Pacific Division. These challenges, which include a lack of implementation of audit recommendations, insufficiently trained accountants, incomplete documentation, technological limitations, and language barriers, have significant implications for the overall efficiency and effectiveness of the audit process. By identifying these barriers, this study

contributes to a broader understanding of systemic issues in financial auditing and highlights the need for targeted interventions to improve audit practices and compliance with international standards.

One of the most critical implications of this study is the impact of not implementing audit recommendations. When previous audit findings are not addressed in a timely manner, the audit process becomes inefficient, leading to repeated findings and wasted resources. This issue not only affects the credibility of audits, but also raises concerns about an organization's commitment to internal controls and financial integrity. The study reinforced the importance of accountability mechanisms within organizations to ensure that audit recommendations are followed. Additionally, the study highlights the significance of proper training for accountants and financial personnel. The prevalence of errors due to inadequate training indicates a need for continuous professional development programs. This is particularly relevant in an era where financial regulations and accounting standards are constantly evolving. Strengthening financial literacy among accounting staff can mitigate errors and enhance the reliability of financial reporting. Technological limitations also emerged as a significant barrier to efficient audits. Outdated accounting systems and unreliable Internet connectivity create unnecessary delays and increase the risk of errors. Standardizing and upgrading accounting systems could significantly enhance audit efficiency and ensure that financial data is accurate and easily accessible.

Finally, the study shed light on the impact of language barriers and cultural differences, which, although not universally experienced by all participants, still present notable challenges in certain audit engagements. Addressing these challenges through better communication tools and training programs can improve auditor-client interactions and overall audit effectiveness.

### ***Comparison of Findings with Previous Studies***

The findings of this study were aligned with and expanded upon previous research in the field of audit challenges and compliance. A key area of agreement was the impact of not implementing audit recommendations. A study by Daniel (2014) emphasized that unresolved risks persist when organizations fail to act on audit findings. Similarly, Hamra and Namkote (2020) highlighted that the failure to implement recommendations led to inefficiencies and diminished trust in financial oversight. This study reinforced these conclusions by demonstrating that auditors frequently encounter the same issues due to management's lack of accountability. Moreover, this study's findings supported Wadesango et al. (2017), who argued that non-implementation undermines the value of audits. The current findings confirmed that when audit recommendations are ignored, the effectiveness of the audit process is significantly compromised, often resulting in repeated audit opinions with disclaimers due to unresolved risks.

One notable addition to existing literature is this study's emphasis on insufficiently trained accountants, and the direct effect on audit efficiency. While previous research has revealed knowledge gaps in financial reporting, this study suggests that the issue may be more widespread than realized. Frequent errors in financial records, improper application of accounting principles, and a general lack of compliance with standards suggest a pressing need for enhanced training programs. The findings expand upon prior studies by illustrating that auditors not only face documentation issues, but also must often compensate for clients' inadequate financial knowledge.

The study also brings new insights regarding the role of technological limitations in the audit process. While Hamra and Namkote (2020) and Chulkasate and Hamra (2023) acknowledged the need for better compliance mechanisms, they did not focus extensively on the technological factors affecting audit efficiency. This study provides detailed accounts from auditors struggling with outdated accounting systems, system incompatibility issues, and unreliable digital infrastructure, all of which create significant obstacles to effective auditing.

This study also highlighted language barriers as a challenge, a factor that has not been widely explored in previous research. While Hamra and Namkote (2020) examined compliance issues, they did not address how communication barriers impact audit effectiveness in international settings. This

study builds upon their work by demonstrating how language limitations can delay audits, lead to misinterpretations, and necessitate additional resources to bridge communication gaps.

Another key contribution of this research is its reflection on auditors' personal experiences, and how their long-term involvement in audit engagements influences their perspectives. Unlike prior studies that mainly focused on procedural inefficiencies, this study also considered the human aspect of auditing, particularly how auditors' experiences evolve over time. Participants highlighted how frequent travel, initially perceived as exciting, eventually became a challenge as they sought work-life balance. This perspective is rarely addressed in traditional audit literature, but is essential for understanding auditor retention and job satisfaction. Furthermore, the study is aligned with recent governance initiatives highlighted by the Adventist News Network and the Adventist Review (2020). These initiatives emphasize the importance of compliance with governance frameworks to enhance operational efficiency. This study supported these findings by demonstrating that improved governance and compliance policies can help mitigate systemic challenges, such as recurring audit findings and ineffective financial management.

Finally, the study expanded on the recommendations proposed by Chulkasate and Hamra (2023), who suggested that policy violations should be systematically monitored by organizational boards. The current study reinforces this recommendation by illustrating that accountability structures are essential for ensuring that audit recommendations are acted upon promptly.

## **Recommendations/Implications**

### ***Theoretical Contribution and/ or Implications of Study***

This study contributes valuable insights into how operational, technical, and cultural factors influence the auditing process, particularly within the Southern Asia-Pacific Division of Seventh-day Adventists. Its findings underscore the interconnectedness of these factors and their collective impact on audit efficiency and outcomes. Specifically, the study highlights the following issues.

### ***The Importance of Internal Controls***

The findings emphasize the need for robust internal control mechanisms within organizations. Strengthening these controls not only improves compliance with audit recommendations, but also prevents unintentional errors and reduces fraud, thus reducing risk and enhancing financial reporting accuracy.

### ***The Role of Technology in Modern Auditing***

By identifying technological limitations as a key challenge, this study sheds light on the critical need for modernized accounting systems. Theoretical advancements can focus on integrating emerging technologies, such as artificial intelligence (AI), to automate and improve auditing processes, setting a foundation for future research.

### ***Cultural and Linguistic Sensitivity in Global Audits***

The study contributes to a growing body of research on the impact of cultural diversity in professional environments. It underscores the importance of cultural awareness and linguistic adaptability in audit engagements, offering a basis for training and development initiatives tailored to international auditors.

## **Limitations and Suggestions for Future Studies**

### ***Sample Size and Geographical Scope***

The study was based on the experiences of ten GCAS auditors, which may not fully capture the diversity of challenges faced across the entire Southern Asia-Pacific Division. A larger sample size could provide a more comprehensive understanding of the issues. While the focus was on the Southern Asia-Pacific Division, its findings may not be directly applicable to other regions with different cultural,

economic, and operational contexts. Further research in other divisions or global comparisons would be necessary to generalize the results.

### **Subjectivity**

Although measures were taken to minimize researcher bias, the interpretation of participants' responses may be somewhat subjective. Similarly, participants' views may reflect their personal experiences rather than an objective assessment of the challenges, potentially influencing the findings. By acknowledging these limitations, the study provides a framework for refining future research efforts to build on these initial insights.

### **Conclusions**

The purpose of this study was to examine the challenges faced by GCAS auditors in the Southern Asia-Pacific Division of Seventh-day Adventists during audits, and to ask participants how these issues could be successfully addressed. Through semi-structured interviews with ten GCAS auditors, the study identified several key challenges impacting the audit process. The major findings revealed that a lack of implementation of previous audit recommendations significantly affects audit effectiveness, often leading to repetitive findings and inefficiencies. Additionally, insufficiently trained accountants and incomplete documentation were identified as major obstacles, contributing to errors and delays. Technological limitations, such as outdated accounting systems and unreliable Internet connectivity, further hindered the efficiency of audits. Language barriers and cultural differences also emerged as challenges, though their impact varied across different engagements. Overall, the findings highlight systemic issues that affect audit quality and compliance, underscoring the need for improved governance, stronger accountability measures, and investments in training and technology to enhance audit processes.

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