



## Reviewing transparency and accountability in church accounting

by Wederly Aguiar, *BUC Treasurer*

Transparency and accountability are not novel concepts; however, their importance has been on the rise globally since the Enron scandal in 2001, which shook Wall Street and had ripple effects on corporations and their accounting practices and compliance measures worldwide.

However, Scripture has always emphasised accountability, especially with finances. First Corinthians 4:2 states, 'Now it is required that those who have been given a trust must prove faithful' (NIV).

Appreciating accountability enables us at the British Union Conference to provide stakeholders with the necessary information to make big decisions with clarity and ensure that our actions align with their expectations. This is the first component of accountability.

The second component is taking responsibility when we fall short and bearing the consequences.

The framework for accountability and transparency filters all the way down to the local church from the General Conference's *Accounting Manual*, which outlines best practices such as reporting procedures, adherence to accounting principles, financial audit review committees, and internal controls, with a key objective of improving 'accountability and stewardship of denominational resources'.

These policies have been conceived through years of experience and reflect accountability in every way, down to how tithe is used.

Tithe can only be used for four key purposes:

- Pastors, evangelists, Bible workers and other front-line workers
- Administrative leadership such as personnel at headquarters
- Evangelistic outreach
- Functions such as education, literature and media

Tithe doesn't fund church and school maintenance or building projects. These are funded by offerings, school fees and church subsidies.

Charities are accountable to external regulatory bodies such as The Charity Commission, which ensures, through the Statement of Recommended Practice, that funds are managed diligently, accurate financial records are kept, annual audits are in place, and governing bodies oversee financial matters, while avoiding conflicts of interest for personal benefit.

However, despite all the internal and external regulations, deceit and abuse of power by those in leadership can still occur. In light of this, the BUC takes its duty of care seriously towards members who so generously return their tithe and give free-will donations to the church, and provides training to all involved in the accounting process, such as local treasurers, to prevent fraud, theft and negligence. Training is particularly aimed at Treasury staff, to ensure the highest levels of internal controls are adhered to, and at departmental directors, who are budget holders.

Departmental directors are reminded of their duty of care over finances and the importance of accurate and timely reporting.

While treasury teams across the Union have internal controls, along with regular training, one shortfall at the BUC has been a lack of communication with members

regarding finances. The aim of this article, along with others to come, is to rectify this, leading to mutual respect, trust and communication.

In the upcoming months, communication is a huge goal for the Treasury team, with the end result being the provision of regular financial reports easily accessible to members on our website.

The BUC is always grateful for the generosity of our faithful members, which makes it possible to progress the mission of the church.

We value integrity in the way we spend money, and wish to demonstrate this. As Paul says in 2 Corinthians 8:20, 21, 'We want to avoid any criticism of the way we administer this liberal gift. For we are taking pains to do what is right, not only in the eyes of the Lord but also in the eyes of man' (NIV).

While faith and prayer are important, they are no substitute for action and intention.

Members demonstrate their accountability to God by returning their money to Him. Treasurers alone are not accountable for how these donations are used; the other church officers play a role too.

It is crucial to recognise that all individuals within the church system share the same obligation – whether it is presidents in setting the tone of strategic plans, officers and administrators entrusted to direct the organisation, directors who facilitate key services for the organisation, pastors nurturing the communities around churches, or Executive Committee members who take on vital governance responsibilities – thus making the whole system accountable to their members too.

Recognising that God works through people and organisations can allow us all to evaluate our giving and spending practices so that they align with the values we represent.