

From Faith to Governance: A Systematic Literature Review of Church Financial Accountability and Transparency

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ABSTRACT

This study investigates financial accountability and transparency as central pillars of governance in church organizations through a systematic literature review (SLR) of empirical and conceptual studies published from 2015 to 2025. Focusing on stewardship, governance structures, internal control, and accounting standards, the review synthesizes 33 eligible studies identified using the PICO framework. The findings reveal recurring weaknesses in church governance, including inadequate internal controls, blind trust, limited financial literacy, and low adoption of digital reporting systems. This study contributes a governance-oriented framework that integrates theological, organizational, and technological dimensions, offering practical implications for strengthening accountability, enhancing transparency, and restoring public trust in church financial management.

INTRODUCTION

In recent years, religious institutions in Indonesia, acting as public organizations, have come under intense public scrutiny, particularly regarding financial management. The church, as a religious institution sheltering Christians in Indonesia, plays a crucial role in the social and spiritual life of the community. However, in practice, the church is not immune to various criticisms and demands. The majority of these are directed at its financial management processes, where the church is required to be open and implement accountability practices.

As a non-profit organization, the church possesses characteristics that differ from other organizations. These differences encompass asset ownership, organizational objectives, and the methods of acquiring and utilizing resources (Leiwakabessy et al., 2021). As a non-profit entity, the church relies on donations and offerings from the congregation to carry out various spiritual services, social activities, and physical development. However, amidst the high trust and dedication of the congregation, a concerning phenomenon has emerged: the prevalence of fraud and financial misappropriation in various church organizations worldwide¹. These cases not only cause significant financial losses but also erode the congregation's trust and damage the integrity of religious institutions that are supposed to be exemplars of transparency and accountability.

Global phenomena indicate that churches in various parts of the world are suffering significant losses due to fund embezzlement. The Center for the Study of Global Christianity estimates that Christian churches worldwide lost USD 59 billion due to embezzlement in 2022, an increase from USD 52.6 billion in 2020 (Grumbles, 2023). In Nigeria, 85% of Catholic dioceses reported losing church funds due to embezzlement in the last five years, with 11% reporting losses exceeding USD 500,000 (Luka & Gofwan, 2025). In Indonesia, fraud cases in church financial management show a similar and equally worrying trend. Pratama (2020) documented four major cases that occurred between 2016 and 2020. First, the corruption case regarding the construction funds of the Santa Maria Banneaux Parish Church in Papua, where Pius Namang and Agustinus Bala Duan were proven to have corrupted church construction funds amounting to Rp 128,033,650. Both perpetrators were sentenced to 16 years in prison (Moral Politik, 2016). Second, alleged irregularities in the construction grant funds for the Santo Yakobus Church in Mappi Regency, Papua. Of the budget ceiling (PAGU) of Rp 22 billion, fund absorption only reached Rp 6 billion, indicating a misappropriation of Rp 16 billion. This case was reported to the Corruption Eradication Commission (KPK). Third, alleged corruption of foundation funds worth Rp 6.1 billion involving Hotlan Butar-Butar and Reverend Kristi Wilson Sinurat from the Indonesian Methodist Church. This case was reported to the Regional Police (Tribun Medan, 2016). Fourth, the embezzlement of the GKI Serpong congregation's funds, South Tangerang, amounting to Rp 2.3 billion committed by Herry Susanto, the former general treasurer of the GKI Serpong congregation council.

Two other major cases occurring in the 2020-2025 period are the GBI CK7 and GMIM North Sulawesi cases. In the GBI CK7 case, tvOneNews (2024) revealed a flow of congregation funds exceeding Rp 100 billion to the Indosurya Cooperative, carried out without transparency, raising strong allegations of abuse of ecclesiastical mandate and misappropriation of offering funds. Meanwhile, the GMIM case demonstrated the involvement of local government officials and church leaders in the corruption of grant funds from 2020-2023. Investigations showed that the Chairman of the GMIM Synod, together with North Sulawesi Provincial Government officials, allegedly abused their authority in the budgeting and use of grant funds, causing state losses reaching Rp 8.9 billion (Mandey & Hardiyanto, 2025; Hestyawatie, 2025). Both cases indicate that religious institutions are not immune to corrupt practices, especially when financial relations between the church, public officials, and external actors are not strictly supervised. This situation also highlights the vulnerability of financial governance in religious institutions if not accompanied by strong accountability mechanisms.

Although cases of church financial fraud continue to emerge with increasing magnitude, systematic research on church financial accountability and transparency remains limited and scattered. Most research focuses on technical accounting aspects (application of accounting standards such as PSAK 45 or ISAK 35 in Indonesia), while research integrating theological, ethical, and practical dimensions in the context of church financial accountability is still rarely conducted. In Indonesia, several studies have been conducted to understand church financial accountability practices (Christanti et al., 2023; Kedoh & Sulindawati, 2022; Munte & Dongoran, 2019; Septianita Kaomaneng & Paul Elia Saerang, 2022), yet there is no comprehensive study synthesizing these research findings to provide a holistic understanding of best practices, challenges, and solutions in church financial management. At the international level, research on financial accountability in religious organizations is also still developing. Studies by Njobvu et al., (2020) in Zambia, Luka & Gofwan (2025) in Nigeria, and Jokakuu & Chalu, (2025) in Tanzania show that the challenges of church financial accountability are universal, crossing geographical and denominational boundaries.

A Systematic Literature Review (SLR) becomes highly relevant to fill this gap. By synthesizing findings from various empirical, conceptual, and practical studies, we can identify common patterns, best practices, and areas requiring special attention in efforts to improve the financial accountability and transparency of church organizations. Therefore, this research is conducted with the aim of analyzing the implementation of financial accountability and transparency in church organizations through a systematic review of global empirical literature and formulating an integrated governance framework that combines theological, organizational, and technological perspectives to strengthen the financial integrity of church institutions.

LITERATURE REVIEW

Stewardship Theory in the Context of Church Organizations

Stewardship theory (Davis et al., 1997) is a theoretical framework widely used to understand financial management in religious organizations. Unlike agency theory, which emphasizes conflicts of interest between principals and agents, stewardship theory assumes that organizational managers act as stewards who work consciously, wisely, and prioritize organizational interests over personal interests (Chrisman, 2019). In church organizations, stewardship is interpreted as responsible management of God's gifts whether time, wealth, or abilities (talents) to strengthen the relationship with God and others (Paranoan et al., 2023). The concept of stewardship has a strong biblical basis. The term *oikonomos* in the New Translation refers to household management, which is then linked to the arrangement of congregational life, including financial management (Christanti et al., 2023). The Bible also provides clear guidelines regarding financial accountability. For example, in 2 Corinthians 8:16-23, the Apostle Paul applied principles of transparency by involving several people in the management of funds for the Jerusalem congregation to maintain the integrity of that management (Luka & Gofwan, 2025).

Stewardship theory is well suited to the character of non profit organizations like churches, where the congregation is the primary owner of resources and church administrators fulfill the role of stewards ((Jokakuu & Chalu, 2025). This theory argues that formal control mechanisms, such as strict rules, monitoring systems, incentive based compensation, or layered procedures are no longer a primary need because it is assumed that individual and organizational goals are already aligned. However, this overly optimistic assumption has the potential to create vulnerabilities, particularly in the form of blind trust, which can open opportunities for financial misuse (Ahmar et al., 2024).

Accountability and Transparency in Church Organizations

Accountability is defined as the obligation of the party receiving a mandate (trustees) to provide an accountability report to the party granting the mandate (principal/donor), who has the right to demand an explanation for the use of those funds (Mardiasmo, 2004 in Suriana, 2021). In non profit organizations, accountability becomes a fundamental principle because funds are obtained from donors who do not expect financial profit but expect funds to be used according to the organization's mission (Ortega-Rodríguez et al., 2020). Torres and Pina (2003) distinguish accountability into several forms: vertical accountability (to higher authorities), horizontal (to equal stakeholders), and diagonal (to the general public).

Transparency, as a crucial element in accountability, refers to the organization's openness in providing financial and non-financial information to stakeholders. In the church, financial transparency has ethical and theological dimensions. Christanti et al., (2023) state that accountable and beneficial financial management reflects good managerial capability. Transparency encompasses not only systematic financial recording but also openness, trust, and benefits for the salvation and welfare of the community. Empirical evidence shows that transparency increases donor trust and organizational sustainability.

Panggabean & Panggabean, (2025) identified a significant influence of transparency and accountability on church financial performance. However, research by Nabitha et al., (2024) indicates that churches still face obstacles in implementing transparency due to limited reporting systems, lack of external oversight, and low accounting literacy among administrators.

Good Governance in Religious Organizations

The principles of good corporate governance formulated by the OECD encompass five main pillars: transparency, accountability, responsibility, independence, and fairness. Although initially designed for business organizations, these principles were subsequently adapted by non-profit organizations, including churches, by considering the unique characteristics of religious organizations (Malini & Yulistri, 2022). The implementation of good governance in churches can be realized through several mechanisms. First, a clear leadership structure with a separation of duties between the council/church board and the financial manager (treasurer). Second, an internal control system that includes transaction authorization, segregation of duties, adequate documentation, and periodic internal audits. Third, systematic financial reporting that follows applicable accounting standards. Fourth, external oversight mechanisms through independent audits or accountability to higher church authorities (Njobvu et al., 2020).

Internal Control and Fraud Prevention

Internal control is a set of mechanisms, rules, and procedures used by an organization to maintain the reliability of financial information, improve accountability, and prevent fraud (Njobvu et al., 2020). One of the main principles of internal control is the segregation of duties, which aims to prevent fraud. Luka & Gofwan (2025) explain that segregation of duties involves dividing three essential functions among different people: transaction recording, transaction authorization, and asset custody⁶⁴. This approach builds a system of checks and balances that supports effective internal control. Segregation of duties, the competence of accounting personnel, and attitudes toward the importance of internal control significantly influence the effectiveness of church financial control (Ahmar et al., 2024)

However, the implementation of internal control in churches is often hindered by cultural and theological factors. Many congregants believe that church servants, as volunteers, are unlikely to commit fraud, so increasing accounting knowledge is considered unimportant (Wibowo & Kristanto, 2018). Christanti et al. (2023) also found that churches are generally managed by volunteers without accounting backgrounds, and this blind trust becomes the primary cause of weak internal controls. Grumbles (2023) reported that a Villanova University survey showed 85% of participating Catholic dioceses experienced fund losses due to embezzlement in the last five years, while only 3% of parishes conducted annual internal audits, and 21% rarely or never did so⁷⁰.

METHODOLOGY

This study employs a Systematic Literature Review (SLR) method to rigorously examine accountability and transparency practices in church financial management. The SLR approach was selected for its ability to systematically and reproducibly identify, evaluate, and integrate all relevant research, thereby yielding more robust conclusions compared to traditional narrative reviews (Ortega-Rodríguez et al., 2020). This study utilizes a postmodernist paradigm as the epistemological framework for analyzing the collected literature. In the context of church organizations, this paradigm enables the researcher to understand how accountability practices are not merely technical applications of accounting standards but are also intricately linked to theological values, power structures within the church, and the construction of diverse meanings across various denominational and geographical contexts. The PICO framework was utilized to formulate the research focus, encompassing population, intervention, comparison/context, and outcome, as shown in the following table.

Table 1. PICO Framework

Component	Description
Population	Church organizations and religious institutions across various denominational backgrounds (Catholic, Protestant, Evangelical, etc.) and geographic contexts
Intervention	Financial accountability and transparency practices, including the implementation of accounting standards, internal control systems, governance mechanisms, financial reporting procedures, audit processes (internal and external), and the adoption of technology for financial management.
Comparison	Comparative analysis across denominational contexts, geographic regions, churches with and without formal accountability systems, and traditional versus technology-based financial management approaches.
Outcomes	Identification of theoretical frameworks underlying church financial accountability, factors influencing accountability practices, best practices in financial governance, implementation challenges and barriers, fraud prevention strategies, the impact of technology on financial transparency, and governance frameworks suitable for the context.

Source: processed by author (2025)

The literature search strategy involved a comprehensive search on academic databases, specifically Scopus and Google Scholar, to ensure a broad and relevant coverage of literature. The search strategy employed boolean operators and controlled vocabulary to maximize the relevance and completeness of search results. Search keywords were developed iteratively through trial searches and refined based on the results obtained. The final search keywords used were¹:

("church finance" OR "religious financial management") AND
 ("accountability" OR "transparency" OR "financial reporting") AND
 ("faith-based" OR "Christian organization" OR "religious governance")

Search keywords were adapted for each database according to their respective syntax requirements. Additional manual searches were conducted by reviewing the reference lists of included studies (*backward citation tracking*) and identifying studies citing key articles (*forward citation tracking*) using Google Scholar. The search timeframe was set between 2015 and 2025, and only English and Indonesia language articles were included to maintain consistency in scientific terminology. Inclusion and exclusion criteria were established to ensure data relevance and quality, as presented in the following table.

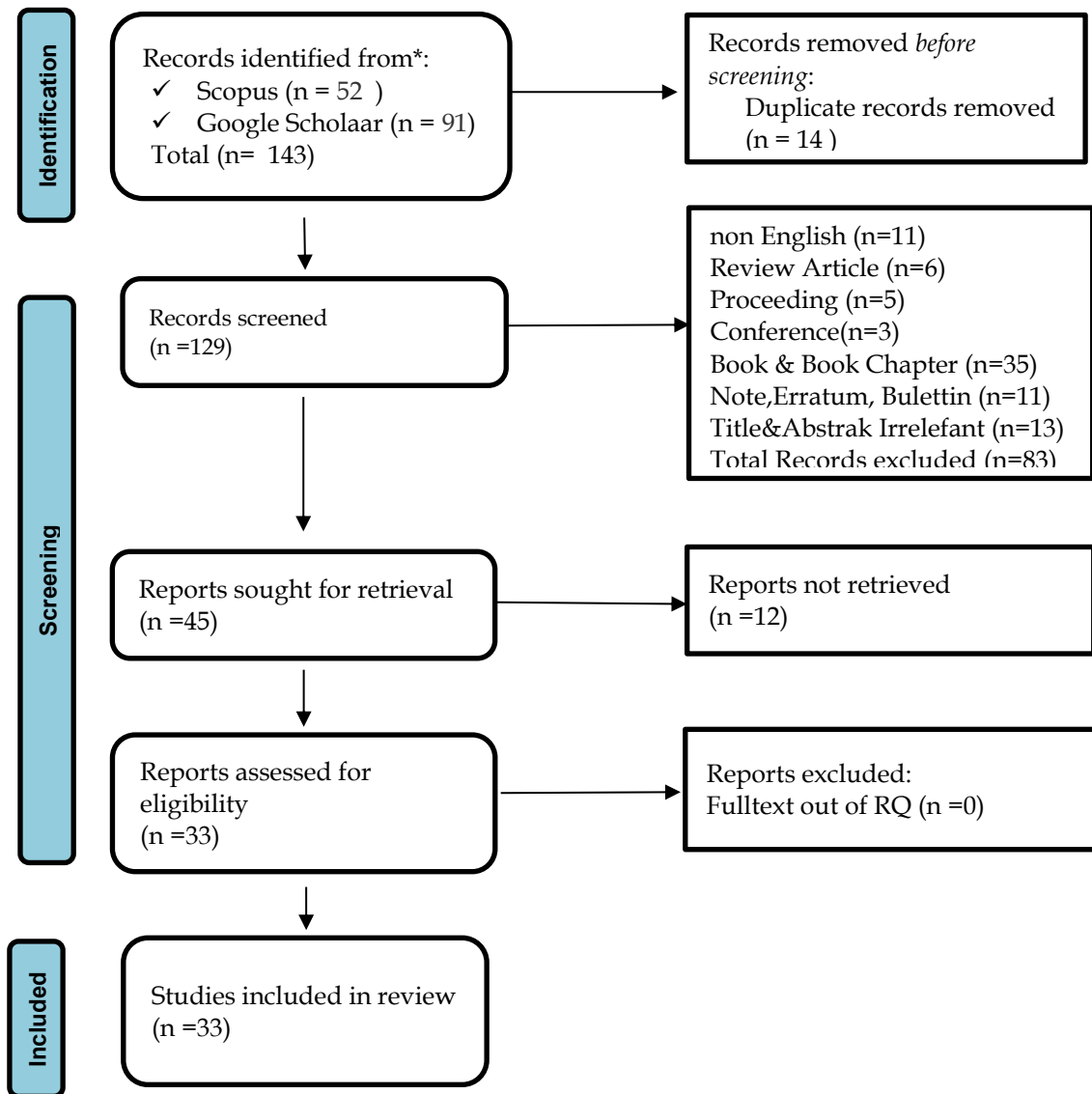
Table 2. Inclusion and Exclusion Criteria

Criteria	Inclusion	Exclusion
Type of Publication	Peer-reviewed journal articles	Conference proceedings, theses, dissertations, research reports, church bulletins
Publication Period	2015–2025	Before 2015
Language	English and Indonesia	Non-English
Topic Relevance	Studies focusing on church/religious financial management; studies discussing accountability, transparency, governance, implementation of accounting standards; internal control; fraud prevention; stewardship practices	Studies focusing solely on secular nonprofit organizations; studies with no reference to religious contexts; religious institutions other than churches; purely theological discussions without financial management dimensions
Accessibility	Full text available in PDF format	Abstract-only or inaccessible full text

Source: processed by author (2025)

Article selection followed the PRISMA stages, which include identification, screening, eligibility assessment, and final inclusion. Each stage was systematically recorded in a PRISMA flow diagram to maintain transparency and avoid selection bias (Page et al., 2021). The PRISMA flow diagram documenting the selection process is presented in Figure 1.

Figure 1. Prism Flowchart



Source: processed by author (2025)

Data analysis was conducted through several stages. First, the codification stage, where each document was read thoroughly and main themes were identified. Second, the categorization stage, where emerging themes were grouped into broader theoretical categories, such as theoretical foundations, factors affecting accountability, governance mechanisms, implementation challenges, and policy implications. Third, the synthesis stage, where findings from various studies were integrated to identify consistent patterns, contradictions, and research gaps.

RESEARCH RESULT

This study identified and analyzed 33 studies that met the research inclusion criteria. These studies encompass various geographical contexts, church denominations, and research topics related to church financial accountability and transparency. This section presents the characteristics of the

articles, their distribution by publication year, country, research topic, and a synthesis of the main findings.

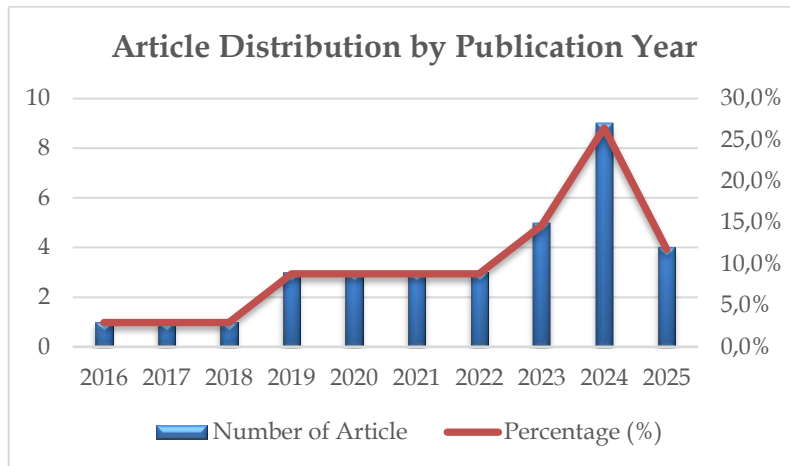


Figure 2. Article Distribution by Publication Year
 Source: processed by author (2025)

Figure 2 shows the distribution of the 33 articles based on their year of publication. Temporal analysis indicates an increasing trend in research publications regarding church financial accountability, particularly in the period from 2015 to 2025. Based on Figure 2, the year 2024 shows the highest number of publications, with 9 articles (26.5%), followed by the periods of 2023 and 2025, each with 5 articles (14.7%). Furthermore, there were 3 articles published between 2019 and 2022, and 1 article each year from 2016 to 2018. This upward trend indicates growing academic attention to the issue of church financial accountability, especially in the post-COVID-19 pandemic era, which has driven digitalization and transparency in the financial management of religious organizations.

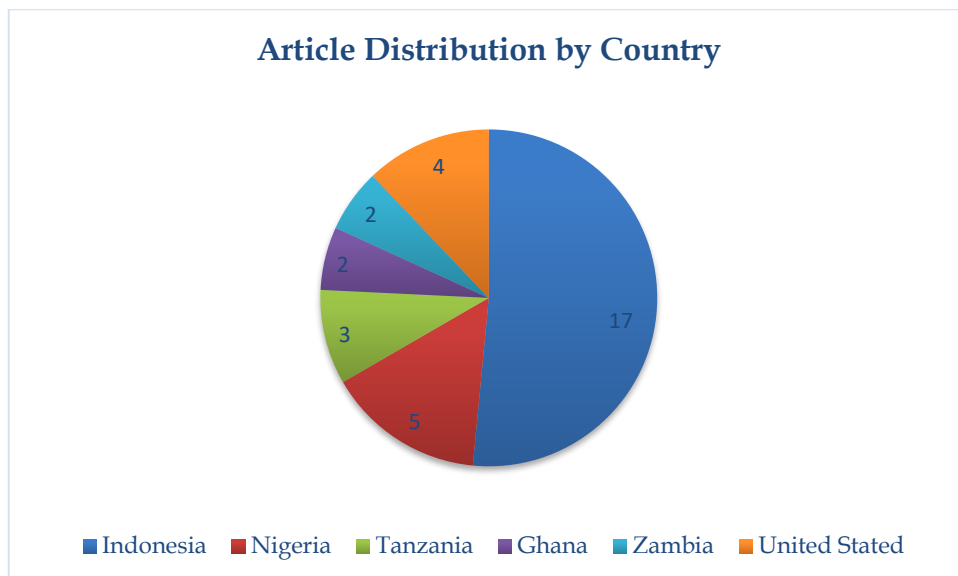


Figure 3. Article Distribution by Country
 Source: processed by author (2025)

Figure 3 displays the geographical distribution of the 33 analyzed articles. This distribution reflects research context diversity and enables comparative analysis across countries. Indonesia dominates with 17 articles (50%), reflecting increasing academic attention to church financial accountability in the Indonesian context, particularly regarding PSAK 45 and ISAK 35 implementation. Nigeria ranks second with 5 articles (15,2%), followed by the United States with 4 articles (12,1%), Tanzania with 3 articles (9.1%), and Ghana and Zambia with 2 articles each (6.1%). This distribution demonstrates that church financial accountability research is a globally relevant issue in both developing and developed countries.

The 33 synthesized articles share a common focus on accountability and transparency in church financial management. However, they can be grouped into several subtopics that represent the main findings and significant areas of inquiry, including accountability, overall financial transparency in churches, the implementation of accounting standards, internal audit and internal control, tax exemption and fraud, and issues related to tithing and fundraising.

Table 3. Article Distribution by Research Sub Topic

Research Sub Topic	Number of Articles	Authors
Accountability, Transparency, and Participation	12	(Christanti et al., 2023; Kedoh & Sulindawati, 2022; Nabitha et al., 2024; Panggabean & Panggabean, 2025; Panggolong et al., 2025; Paranoan et al., 2023; Sari & Tahirs, 2024)
Implementation of Accounting Standards	7	(Doaly et al., 2025; Jokakuu & Chalu, 2025; Lomi Ga et al., 2021; Purba et al., 2022)
Internal Control and Internal Audit	5	(Peninah et al., 2016; Pratama, 2020; Septianita Kaomaneng & Paul Elia Saerang, 2022)
Tax Exemption and Fraud	6	(Akins & Ntroductio, 2020; Aprill & Mayer, 2024; Barnett, 2017; Benavides, 2016; Grumbles, 2023)
Tithes & Fundraising	3	(Brunson, 2019; K. J. et al., 2024; Oyishoma, 2025)
Total	33	-

This literature review highlights that the primary focus of the related research lies heavily on aspects of governance, compliance, and ethics, which is demonstrated by the clear dominance of the topic Accountability, Transparency, and Participation (36.4% of the total 33 articles). This high figure indicates a strong academic concern regarding how institutions manage their funds openly and involve stakeholders, which is fundamental to public trust. In alignment with this governance focus, the research also places significant emphasis on operational compliance, where the topics of Implementation of Accounting

Standards (24.2%) and Internal Control and Internal Audit (15.2%) collectively account for over one-third of the studies, reflecting academic efforts to ensure reliable financial reporting and effective oversight mechanisms within the organizations.

On the other hand, issues related to risk and legal compliance also garner considerable attention, represented by the category Tax Exemption and Fraud with 18.2% of the articles. This suggests that the risks of financial misconduct and tax compliance are critical subjects in the research domain. Meanwhile, the more specific topic concerning primary revenue sources, Tithes & Fundraising, only contributes 6.1%. Overall, the four largest research categories make up 94% of the total, confirming that the main thrust of research in this field is maintaining organizational integrity through robust accountability, strict adherence to accounting standards, and the mitigation of fraud and taxation risks.

DISCUSSION

Theoretical Landscape of Church Financial Management

Analysis of 33 articles reveals that stewardship theory and agency theory constitute the dominant theoretical frameworks used to understand financial accountability practices in church organizations. The analysis of the 33 documents indicates that stewardship theory is the most prominent theoretical foundation in studies of church financial management, appearing in 26 of the 33 studies (78%). This dominance is understandable as the theory resonates strongly with theological values regarding responsible stewardship. Stewardship Theory emphasizes the theological dimension of resource management as an entrustment from God, where church managers act as 'stewards' responsible for the trust given. This perspective aligns with biblical teachings on stewardship, particularly in Luke 16:10-12 which emphasizes faithfulness in managing entrusted resources. However, from a postmodern perspective, this dominance can also be read as a form of narrative hegemony that potentially oversimplifies the diversity, tensions, and contradictions inherent in empirical practice. Stewardship theory, with its optimistic assumption of altruistic managerial behavior, potentially legitimizes governance structures with minimal oversight based on trust (Chrisman, 2019).

Conversely, Agency Theory acknowledges the potential for conflicts of interest between managers (agents) and congregations (principals), especially when information asymmetry occurs. Agency theory appears in 12 studies (36%), primarily in the context of discussing conflicts of interest and the need to establish adequate monitoring mechanisms. Some studies utilize both theories complementarily, acknowledging that in organizational reality, altruistic motivations (stewardship) and self-interest (agency) can operate simultaneously. Kedoh & Sulindawati (2022) and Kaomaneng & Saerang (2022) demonstrate that in church contexts, information asymmetry can create vulnerability to financial misuse despite strong spiritual values. The tension between trust rooted in spiritual values and the need for verification mechanisms grounded in modern accountability principles becomes a unique characteristic of church governance.

Other research also employs institutional theory to explain resistance to changes in accountability practices. Jokakuu & Chalu, (2025) identified that the church as an institution possesses an institutional logic distinct from business organizations, where the sacralization of leadership and blind trust can hinder the adoption of modern governance practices. This phenomenon is consistent with findings by Malini & Yulistri (2022) in the context of the Batak Karo Protestant Church (GBKP), showing that changes in accountability systems require an approach sensitive to deeply rooted cultural and theological values. A postmodern approach emphasizes that these three theories need not be positioned as a dichotomy, but rather as theoretical constructions that each have utility in specific contexts. Therefore, the more relevant question is not which theory is the most correct.

Accounting Standards Implementation in Church Organizations

Implementation of modern accounting standards, particularly PSAK 45 (Financial Reporting for Non-Profit Entities) and ISAK 35 (Presentation of Financial Statements for Non-Profit Oriented Entities), faces significant practical challenges. Of 8 articles focusing on this topic, findings show that only 24,2% of churches studied have implemented accounting standards according to regulation. Lomi Ga et al. (2021), (Purba et al., (2022), and Jokakuu & Chalu, (2025) identified three main categories of implementation barriers. First, technical competence barriers, where churches experience a shortage of human resources with adequate understanding of accounting standards. Second, epistemological and cultural barriers, where respondents show resistance to the formalization of financial reporting, which is perceived as the secularization of church practices or a reduction of the spiritual dimension in financial management.

Third, structural and resource barriers; small and medium-sized churches, especially in rural areas, face limited financial resources to adopt standard compliant accounting systems. Interestingly, Jokakuu and Chalu's (2025) study found that church planting stages significantly influence accounting standards adoption levels. Churches in cultivating and reaping stages show higher compliance levels compared to churches in surveying and preparing stages, indicating that organizational maturity and operational complexity drive accountability system formalization.

Dynamics of Financial Transparency and Accountability

Accountability and transparency are key focuses in church financial management. Christanti et al., (2023) found that churches implementing high transparency practices achieved a congregation satisfaction level 27% higher than churches with low transparency. Panggabean & Panggabean (2025)) further showed that transparency, financial accountability, and congregation loyalty partially and simultaneously have a significant effect on donation intention. Most literature views transparency as the disclosure of information, assuming it always brings positive impacts. Recent studies show that digital technology holds great potential for enhancing transparency and accountability in church financial management. Oyishoma (2025) found that DIGC utilizes a centralized digital system and digital payments as part of its stewardship mechanism. Deniswara et al. (2023) also highlighted how technology adoption can improve church organizational performance. However, postmodern analysis suggests

that transparency is not a neutral concept but is laden with power dynamics. For instance, in the case of DIGC, despite having a strong internal accountability system, the level of transparency to the broader congregation remains limited and relies more on pastoral declarations than on regularly published reports. This condition reveals a gap between internal accountability and public openness, where financial information becomes knowledge managed by the organizational elite.

Christanti et al. (2023) identified several factors influencing the intention to disclose information, including moral obligation, transparency attitude, demographic variables (age, education, gender), and organizational factors (church assets, length of service)⁴⁹. The finding that moral obligation significantly influences transparency attitude and disclosure intention highlights the importance of internalizing transparency values, rather than merely complying with external rules. Several studies also confirm that transparency practices are not always easy or straightforward. Purba et al. (2022) showed that the St. Maria Immaculata Catholic Church Station indeed shares simple financial reports via WhatsApp every month. However, there are no standard guidelines regarding the delivery of these reports, and no website or social media is available to store church archives, making it impossible for the congregation to access information flexibly. These findings highlight that although disclosure occurs, aspects of accessibility and understandability of information remain challenges. Transparency relates not only to whether information is provided but also to whether it can be accessed, understood, and utilized by the intended stakeholders.

The synthesis of this research also reveals a paradox of accountability in the church context. On one hand, the congregation desires transparency in church financial management. On the other hand, there is a phenomenon of *blind trust* or unreserved trust in church leaders, rooted in the sacralization of spiritual leadership. Kedoh and Sulindawati (2022), in their research at GKPB Kasih Karunia Sambangan, found that although the congregation was aware of unclarity in financial reporting, they were often reluctant to question it due to their trust in God, who would provide wisdom to the church's financial managers. This phenomenon creates vulnerability to misuse, as confirmed by the findings of (Grumbles, 2023; Smith, 2018) regarding the prevalence of fraud in religious organizations.

An equally significant finding is the growing discussion regarding transcendental accountability or spiritual accountability in eight studies. This concept goes beyond horizontal accountability to stakeholders and vertical accountability to organizational authorities by adding the dimension of accountability to God. From a postmodern perspective, this phenomenon shows that secular accountability frameworks are not fully capable of explaining the complexity of faith-based organizations. Transcendental accountability functions as a higher-level principle that can be used to justify or critique specific financial practices, depending on how the principle is interpreted and articulated.

Internal Control as Fraud Prevention Mechanism

The literature review presents concerning findings regarding the high prevalence of fraud in church organizations. Churches in the United States face a systemic financial fraud crisis facilitated by excessive tax exemption privileges and weak oversight mechanisms. Churches enjoy automatic tax-exempt status without formal application, exemption from filing annual financial reports (Form 990), and strict protection against IRS audits that has effectively halted all church audits since the *Living Word* case (Barnett, 2017; Tucker, 2021). These regulatory loopholes have triggered the phenomenon of masquerading churches where organizations change their status to church solely to avoid transparency, even with assistance from specialized consulting services (Tucker, 2021; Grumbles, 2023). The combination of tax exemption privileges, absence of mandatory oversight, and underfunded IRS enforcement creates conditions where churches which should exemplify integrity have become the most vulnerable entities to fraud and abuse.

Studies on audit and internal control in church organizations demonstrate a strong causal link between weak audit functions and a high prevalence of fraud. Audits, which are intended to serve as detective and preventive mechanisms, often fail to function effectively. Kaomaneng & Saerang (2022) found that 73% of churches experience resistance from treasurers or financial leaders because audits are perceived as a form of distrust toward spiritual authority, thereby creating structural vulnerability to misuse. The absence of external audits, coupled with internal audit dysfunction, results in a perfect environment for abuse, where the components of the fraud triangle (pressure, opportunity, rationalization) operate with minimal constraints (Tucker, 2021; Grumbles, 2023). Pratama (2020) emphasizes that audit readiness requires three pillars of auditability: adequate internal control, standardized processes, and competent personnel. These three elements establish a system of checks and balances that mitigates opportunities for fraud. Internal and external audits serve as inseparable foundations for accountable and transparent church governance. Kaomaneng & Saerang (2022) highlights the four main roles of internal auditors as advisors, overseers, general examiners, and special examiners which function simultaneously to prevent and detect fraud, ensure the reliability of financial reports, and safeguard church assets. Similarly, Grumbles (2023) emphasizes that the lack of transparency, reporting obligations, and audit mechanisms makes the church the entity most vulnerable to fraud; therefore, audits must be understood not merely as administrative compliance, but as an expression of horizontal accountability to the congregation that complements vertical accountability to God.

A corrupt social environment also influences the practices of religious organizations. Luka and Gofwan (2025) noted that pervasive corruption in Nigeria weakens the moral authority of Faith-Based Organizations (FBOs) and hampers financial transparency. Political intervention for personal gain further alters accountability dynamics, asserting that churches operate within a socio-political structure that is not neutral. This research also confirms the corruption

case involving church grant funds that occurred in Indonesia, particularly at the GMIM Synod in Manado.

For fraud prevention, most research suggests the implementation of best practices including: (1) implementation of strong internal controls with clear segregation of duties, (2) periodic internal and external audits by independent parties, (3) transparent and comprehensive financial reporting, (4) continuous training for financial managers, and (5) the formation of a finance committee involving key stakeholders (Ahmar et al., 2024; Peninah et al., 2016)

Integrative Framework for Church Financial Accountability

Based on a comprehensive synthesis of 33 relevant literature studies, this research proposes an Integrative Framework for Church Financial Accountability. This framework uniquely combines the spiritual dimension with professional best practices, establishing a holistic model. The framework is composed of five mutually reinforcing key pillars:

1. Solid Theological Foundation

Financial accountability must be rooted in a deep theological understanding of stewardship as a task and trust derived from God (cite/reference 74). Fundamental values such as honesty, integrity, and transparency do not only function as managerial principles, but must also be internalized as moral imperatives and spiritual mandates.

2. Adequate Systems and Governance Structures

This pillar emphasizes the importance of establishing strong internal controls, segregation of duties, check and balance mechanisms, and periodic audits. Governance structures must be designed with functional clarity, strictly defining roles and responsibilities among all managing entities.

3. Human Resources Competence and Capacity

Strengthening the capabilities of financial managers is achieved through continuous training that covers both technical accounting aspects and understanding of relevant regulations. The selection of financial managers requires a balanced consideration between staunch spiritual commitment and proven professional competence.

4. Transparency and Stakeholder Engagement

Financial reporting must be presented as comprehensive, understandable, and easily accessible to all stakeholders, especially the congregation. Congregation participation in governance processes needs to be facilitated through structured and inclusive mechanisms.

5. Appropriate Technology Adaptation

The utilization of information technology (IT) can significantly increase the efficiency, accuracy, and level of transparency in financial management. However, technology adoption must be strategically aligned with the capacity, readiness, and specific needs of each church.

CONCLUSIONS AND RECOMMENDATIONS

This systematic literature review emphatically confirms that church financial accountability and transparency are global issues requiring critical attention. Findings reveal a significant gap between the ideal standards of financial management and actual practices in the field, a pattern consistent across various regions. This issue is compounded by increasing cases of fund misuse, fundamental weaknesses in reporting systems, and minimal accounting literacy. Furthermore, non-technical factors such as blind trust in church leaders and organizational culture substantially weaken internal controls and elevate the risk of fraud.

In response to these global challenges, this research proposes the Integrative Framework for Church Financial Accountability, which unites the spiritual dimension with professional best practices. Although the implementation of non-profit accounting standards (such as ISAK 35) and the application of audits are proven to improve reporting quality, their effectiveness heavily depends on the simultaneous implementation of the five pillars proposed by the framework. These pillars, ranging from a solid theological foundation to appropriate technology adaptation, assert that true accountability is a spiritual imperative that must be operationalized through robust governance, adequate human resource competence, and active transparency mechanisms. Digital technology, in particular, proves to be a crucial enhancer in strengthening monitoring and building congregational trust. Implicitly, this model offers a comprehensive blueprint for church practitioners to enhance integrity, rebuild congregational trust, and ensure the efficient use of resources toward the fulfillment of the church's mission. By integrating faith and managerial function, this framework addresses the root problems identified in the literature.

ADVANCED RESEARCH

This study has three main methodological limitations that must be noted. First, as a Systematic Literature Review (SLR), this analysis relies entirely on secondary data, limiting the ability to verify actual field conditions or capture informal dynamics. Second, the inclusion criteria limiting languages (English and Indonesian) and databases (Scopus and Google Scholar) potentially introduce selection bias, overlooking important literature from local theological journals or other languages. Third, the dominance of case studies from Indonesia, Nigeria, and the United States in the sample limits the generalizability of the Integrative Framework's findings to church contexts with different governance structures. To validate the proposed Integrative Framework and enrich the literature on church governance, future research is recommended to focus on the following agenda:

1. **Empirical Testing of the Framework:** Conducting field research to test the empirical validity of the proposed Integrative Framework, specifically how the interaction between theological values and formal controls affects church financial accountability practices.
2. **Cross-Denominational Comparative Analysis:** Taking a comparative approach to assess the effectiveness of internal controls across various

church denominations to understand how differences in governance structures affect financial decision-making patterns.

3. Exploration of Financial Technology's Role: Investigating in depth the impact of adopting financial technology (Fintech), such as digital offerings via QR codes or church applications on increasing fund management transparency and changes in congregational donation behavior.

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