The Theology of Internal Controls:
Reducing the Risk of Theft and Fraud in Your Ministry or Nonprofit

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Internal controls are the checks and balances put into place in businesses and organizations to lessen the chance of theft, fraud and misappropriation of funds. There is often hesitancy on the part of Christian leaders to implement an adequate system of financial controls because missionaries, pastors and Christian leaders have absorbed myths and beliefs about internal controls that are not congruent with scripture. They often do not understand that there is a theological basis for implementing these controls within a Christian workplace. Once these myths are examined in light of scripture, leaders can move forward with confidence and more effectively protect their colleagues and ministries. The following questions exhibit some of the more common myths and beliefs that leave ministries and organizations vulnerable.

**Common Myths**

**IF INTERNAL CONTROLS ARE EMPHASIZED, WILL IT NOT APPEAR AS THOUGH LEADERS CARE MORE ABOUT MONEY THAN PEOPLE?**

This is an excellent question raised by many in the Christian community. In America many people believe that money comes before people. If a company can increase earnings per share for stockholders, business units are bought and sold, plants are closed, jobs are eliminated and residual employees are relocated. Most companies do not care how this impacts the lives of employees, families or communities. The level of personal loyalty individuals have shown to a company is often given little or no consideration. Often the motive for implementing internal controls appears inseparable from an obsession with money and its supremacy over the value of people.

Most people working in the nonprofit sector choose to do so because they care more about helping people than accumulating wealth. As such, many Christian leaders erroneously believe that this primary motive is incongruent with implementing a good system of internal controls. Is this true? Or should the rationale for implementing good financial controls in a Christian ministry be different from that found in corporate America?

To gain perspective, it is essential to examine the bigger picture. What happens in a church, ministry or missionary endeavor when theft or fraud occurs? Those who have been through this excruciating experience attest to the fact that broken trust and the ensuing severed relationships take an immense toll on the ministry. When it happens in an overseas context, those who perpetrate these acts often have difficulty supporting their families or obtaining gainful employment in the future. It is highly likely that they will be unable to work in ministry again. There is a loss of face within the community and a cloud of suspicion can rest upon these individuals for the remainder of their lives.

If the fraud is widespread there can be substantial loss of trust with donors and constituency who faithfully give to the ministry. A large scandal can make it impossible to raise funds needed to continue the work.
Also, those who have not yet given their hearts to Christ are tempted to believe once again that Christians are hypocrites who cannot be trusted. Dishonor is brought upon the name of Christ. Those not deeply grounded in the faith fall away, disillusioned that Christians are not whom they appear to be.

If the financial loss was not extensive, over time money can be recouped or the ministry can find ways to work with fewer resources. However, it is the toll on human lives and the dishonor brought upon the name of Christ that are the greatest tragedies. If Christian leaders say they love God and treasure people, should they not do whatever is in their power to lessen the likelihood of this happening in their ministries and organizations?

**IS NOT MINISTRY MORE IMPORTANT THAN MONEY AND SECULAR FINANCIAL TRANSACTIONS?**

Many Christian leaders believe God is primarily concerned about spiritual endeavors such as evangelism, discipleship and church planting. Business and financial policies are seen as falling into the secular realm where God is surely less vested. Initially this rationale might seem logical. In an effort to categorize life into spiritual and unspiritual spheres, outreach and church growth would seem to be God’s superior concerns. Is this the rationale found in scripture? One of the most telling passages dealing with this issue can be found in Acts 5:1-16. Jesus had risen from the dead and as Peter began preaching to the multitudes, people started repenting and turning to the Lord. The Church was being born, people were being transformed and signs and wonders were plentiful. People were overcome by the love of God and they began selling their land and bringing the funds to the apostles to share with those in need.

A couple by the name of Ananias and Sapphira decided they would do likewise; however, instead of turning over all the proceeds from the sale, they held back some for their own benefit. First Ananias came to Peter, pretending he was bringing the full proceeds of the sale. According to Acts 5:3-6,

> Peter asked, “Ananias, why has Satan filled your heart to lie to the Holy Spirit and to keep back some of the price of the land? While it remained unsold, did it not remain your own? And after it was sold, was it not under your control? Why is it that you have conceived this deed in your heart? You have not lied to men but to God.” And as he heard these words, Ananias fell down and breathed his last; and great fear came upon all who heard it. The young men got up and covered him up, and after carrying him out, they buried him.

As the passage continues, the same fate befalls Sapphira. After she lied to Peter about this financial matter, God struck her dead as well.

Was there ever a time in history where God was more excited about the growth of the Church than in these initial days after Christ's crucifixion and resurrection? At last, his Church was being established...
on earth. This Church would be his hands and feet. Yet despite the magnitude of the ministry, God abhorred dishonesty in this financial transaction. If God felt that strongly about financial impropriety at such a critical time in the life of the Church, is it logical to believe that two thousand years later contemporary ministry is of greater value than honesty and integrity in the financial realm? God did not want his Church polluted by fraud, impropriety and dishonesty then, and he does not want it to happen now. Effective and life-changing ministry does not negate or diminish the need for financial integrity. It seeks to ensure it.

**ARE NOT LEADERS SUPPOSED TO TRUST BROTHERS AND SISTERS IN CHRIST?**

This is perhaps the biggest obstacle faced by Christian leaders around the world. They feel if they implement a tight system of internal controls, they are conveying to their colleagues that they do not “trust” them. Although many scriptures say to trust God, does the whole of scripture support an unquestioning trust in humanity and a removal of accountability?

Quite the contrary, scripture seems to perpetually exhort believers to understand the fallen nature of humans, resist the constant pull to sin and forgive others when they fall short. First John 1:8-10 says,

> If we say that we have no sin, we are deceiving ourselves and the truth is not in us. If we confess our sins, he is faithful and righteous to forgive us our sins and to cleanse us from all unrighteousness. If we say that we have not sinned, we make him a liar and his word is not in us.

One of the foundational elements of a Christian worldview is that human beings are fallen creatures. Apart from God's intervening grace, all humans are capable of incredible sin and depravity. People often resemble icebergs. Only a small portion of the soul and psyche are visible to others. No one completely knows the weaknesses and besetting sins of brothers and sisters in Christ. There will likely be financial pressures and strains on colleagues at various periods of which a leader is completely unaware. First Corinthians 10:12-13 says,

> Therefore let him who thinks he stands take heed lest he fall. No temptation has overtaken you but such as is common to man; and God is faithful, who will not allow you to be tempted beyond what you are able, but with the temptation will provide the way of escape also, that you may be able to endure it.

Anyone who has an honest and mature heart before God knows that apart from God's intervening grace, he or she is capable of extraordinary evil given the right set of circumstances. To foster and encourage another belief system within the workplace is unhealthy and incongruent with scripture.

**IS NOT ACCOUNTABILITY JUST AN AMERICAN OR WESTERN CONCEPT?**

Scripture indicates that God is the author of accountability. From the time he placed Adam and Eve
in the Garden of Eden, he held them accountable for their decisions and actions. How they managed the resources and responsibilities for which they were entrusted brought grave repercussions. Human experience bears constant witness to that accountability. God has not changed.

Whether it is the parable of the talents in Matthew 25:14-30 or the story of Lazarus in Luke 16:19-31, one thing is indisputable: God will hold all human beings accountable. Although Christian leaders often cringe at the idea of holding people accountable for financial transactions, it is critical to remember that this is nothing in comparison to God's plan of accountability. Jesus said in Matthew 5:21-22,

> You have heard that the ancients were told, “You shall not commit murder” and “Whoever commits murder shall be liable to the court.” But I say to you that everyone who is angry with his brother shall be guilty before the court; and whoever shall say to his brother, “You good for nothing,” shall be guilty before the supreme court; and whoever shall say, “You fool,” shall be guilty enough to go into the fiery hell.

He also said in Matthew 12:36, “But I tell you that every careless word that people speak, they shall give an accounting for it in the day of judgment.”

Upon death all human beings will stand before God and give an account for their lives. No detail will be too trivial. The story of the sheep and the goats in Matthew 25:31-46 is one of many passages that illustrate the certainty of this event. Christian leaders are not helping people prepare for this impending reality by shirking accountability in the financial realm. Internal controls are just one reminder within the workplace that a much deeper level of accountability is awaiting each person some day.

**How Should a Christian Leader Respond?**

**DO NOT PROCRASTINATE.**

Do not say there is no time to implement tight financial controls. If you are a busy missionary, pastor or Christian leader, welcome to the club. In the Christian nonprofit world virtually everyone is understaffed, overworked and under-resourced. A busy leader does not have time to lose a seasoned employee or colleague to fraud. There is no time to handle government inquiries and investigations aroused by impropriety; there is no margin for the countless hours that will need to be devoted to damage control with donors if fraud arises. Quit making excuses! Take action today to institute a thorough process of financial controls and accountability.

**SET THE TONE AND EXPLAIN THE RATIONALE FOR THE NEW SYSTEM OF ACCOUNTABILITY.**

It is critical that managers, administrators and colleagues understand the reason for the change. Explain that it is impossible to keep people from sinning. However, it is the responsibility of a Christian
leader to create a healthy and accountable workplace that removes stumbling blocks and substantially reduces temptation for colleagues. Jesus taught his disciples to pray in Matthew 6:13, “And do not lead us into temptation, but deliver us from evil.” God does not want Christian workplaces that lead others into unnecessary temptation. Many people take care to not put their marriages in tempting situations. Care is also taken to protect friends and loved ones. Take time to explain to colleagues that if pastors, missionaries or Christian leaders say they love and value colleagues, it is critical to provide a workplace that is as safe as possible for the souls entrusted to the ministry.

**APPLY THE CONTROLS FAIRLY AND CONSISTENTLY THROUGHOUT ALL LEVELS OF THE ORGANIZATION.**

God did not say that employees were fallen creatures but that managers and leaders are immune from sin. He also did not say in his word that nationals are corrupt but expatriate colleagues and missionaries are exempt from sinning. Falling short is part of the human condition irrespective of a person’s age, race, social or economic status or educational background. To foster care, trust and harmony within a Christian workplace it is necessary for accountability to be carried out effectively and consistently throughout all levels of the organization. If theft and fraud occur at higher levels within an organization, they will likely create more extensive damage to the ministry. Require all people, irrespective of status within the organization, to be accountable.

**FOSTER A CHRISTIAN WORLDVIEW AS OPPOSED TO NAIVETY WITHIN THE ORGANIZATION.**

When Jesus sent people into ministry he said, “Behold, I send you out as sheep in the midst of wolves; so be shrewd as serpents and innocent as doves” (Matt. 10:16). Naivety is not a virtue; God expects leaders to be able to manage the paradox of that statement. He expects his workers to be wise about the sinful capacity of mankind, while maintaining innocence and purity in ministry. One does not negate the other. Sin happens; fraud happens. People stumble and fall. Do not foster naivety, inadvertently leaving your ministry more vulnerable.

**Conclusion**

God will hold leaders accountable for what happens within their organizations and ministries. Something far greater than monetary reserves or physical assets have been entrusted to leaders of Christian organizations. The health of Christ’s Church, the honor of his name and the well-being of souls far supercede the value of money and physical property. Nonetheless, it is with these seemingly earthly and less spiritual assets such as money and property that God measures faithfulness and determines if someone will be entrusted with greater riches. Jesus says in Luke 16:11, “Therefore if you have not been faithful in the use of unrighteous wealth, who will entrust the true riches to you?” May Christian leaders fulfill their God given responsibility and prove faithful with all the treasures entrusted to them.
Source
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