

COMP POLICY GOVERNANCE CONTROL STANDARDS

ACCOUNTABILITY

God cares more about it than we do.

By Dan Busby

ACCOUNTABILITY – it's a word that engenders strong feelings. The obligation or willingness to accept the responsibility embodied in accountability is embraced by many, misunderstood by some and feared by a few.

But how do we know whether people accept responsibility or, in other words, truly submit to accountability? Are we accountable to ourselves (self-accountability), or accountable to someone else in a verifiable way? Verifiable accountability and self-accountability differ greatly.

When someone says they are accountable to themselves, it reminds me of New Year's resolutions that are often broken within hours of the start of the new year. The landscape of Christ-centered ministries is littered with examples of ministries that were accountable to themselves and now no longer operate, or exist at only a fraction of what they were at one time.

Listen to how hollow self-accountability rings when the CEO of General Motors, Mary T. Barra, alluded to it in a hearing on Capitol Hill. When questioned on why it took so long to recall cars with faulty ignition switches, Barra said, "We will hold ourselves fully accountable..."

If self-accountability by General Motors to General Motors were a valid concept, the recall of faulty cars would have occurred much earlier. Instead, there was a 10-year delay in recalling millions of vehicles, resulting in paying expensive fines – all as a result of self-accountability.

Contrast self-accountability with verifiable accountability. The latter isn't just a sound concept; it is a theme that runs through the Scriptures. This is why my colleague Dr. Gary Hoag says, "God cares more about accountability than we do."

As an example of Jesus' keen interest in this topic, he tells the story about investing funds in Matthew 25:14–30. The crux of the parable is verifiable accountability.

Jesus set the verifiable accountability example when he sent out the disciples two-by-two (Mark 6), the 72 (Luke 10), and others together who were involved in the early church mission (Acts).

In 1 Corinthians 4:2, we read these words: "Now it is required that those who have been given a trust must prove faithful." Proving faithful requires verifiable accountability!

As ministry grew exponentially, we see continued attentiveness to verifiable accountability in the Apostle Paul's letters.

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For example, Paul instructed those he mentored to follow in his steps. He urged leaders to exhibit character that was “*above reproach*” and “*blameless*” (1 Tim. 3:1–13; Titus 1:6–11).

When Christ-centered ministries do not demonstrate verifiable accountability, they risk doing what is right in their own eyes, as the Israelites did (Judges 17:6).

In his early years, David, king of Israel, sought the counsel of wise and godly men. When his authority grew, he began to operate as the supreme ruler of Israel instead of God’s servant and then troubles mounted when he went down the road of self-accountability (2 Sam. 11).

Because people form impressions of ministry by looking at outward appearances, the pattern for accountability of Christ-centered ministries and its leaders lies in biblical accountability — in the spirit of truth and love, holding each other to high standards in our individual journeys of faith and ministry service.

“Strong patterns of verifiable accountability keeps the ‘wolves’ at bay,” says ECFA board member Michael Batts. He continues, “Sadly, there is an element of society that revels when bad things happen in churches and ministries. This element of society looks for ‘cracks in the armor’ of churches and

ministries to try to ruin their reputation. Maintaining appropriate accountability greatly reduces the risk of such damage. Furthermore, when a high-profile financial scandal occurs in the church and ministry realm, it increases scrutiny by government regulators and increases the likelihood of additional burdensome legislation or regulation.”

The Commission on Accountability and Policy for Religious Organizations, a national group of nonprofit leaders convened by ECFA at the request of U.S. Sen. Charles Grassley (R-Iowa), extensively addressed the accountability topic in its 2012 report. The Commission noted:

- Churches and ministries should verifiably demonstrate their commitment to proper oversight and accountability.
- The methods for achieving and verifiably demonstrating accountability may vary.
- Givers, volunteers and other stakeholders of churches and ministries should take advantage of opportunities to inform themselves about the organization’s affairs and its measures for ensuring proper oversight and accountability.

When one thinks of verifiable accountability, it is natural to focus on finance-related issues. But verifiable accountability starts with a ministry's governance — carried out by the ministry's top leader and its governing board.

How do churches and ministries measure up in 2016 on the verifiable accountability index? Many are doing excellent in this arena — but in the words of Paul, we must “do so more and more...” (1 Thess. 4:10) There will always be outliers, but we must do our part to reduce the number in that category and demonstrate that we endeavor to prepare stewards and the ministries they serve to give an account to God.

Let me share a few faces of accountability in 2016:

1. Growing number of exemplar churches and ministries.

Most of the larger, Christ-centered ministries in the U.S. — more than 2,000 — are accredited by ECFA and committed to ECFA's rigorous standards, and more than 30 of the 100 largest churches in the U.S. are ECFA members. There is a growing desire to achieve accreditation as the number of ECFA members has grown over 50 percent in the last eight years. This is a most encouraging sign.

2. Using the services of independent CPAs.

One of the primary reasons more churches and ministries are not ECFA-accredited is that the organizations are too small or have not chosen to have their annual financial statements audited, reviewed or compiled by an independent CPA. The CPA expense is viewed as a significant barrier for many. Still, many more churches and ministries should step up and engage CPA services for their financial statements because the gain of increased trust far outweighs the expense. Smaller organizations that are interested in ECFA

membership may pursue having financial statements reviewed or compiled until a full audit is appropriate.


3. Performing internal audits.

A handful of larger churches and ministries have staff dedicated to performing internal audits in addition to using external auditors. These organizations are at the top of the class. This leaves most of the 300,000–400,000 churches in the U.S. without any internal or external audit work and tens of thousands of ministries in the same category. Internal audit work is one of the most neglected steps churches and ministries can take to ensure verifiable accountability.

Trusted ministries welcome verifiable accountability. It is what Jesus taught the disciples, and it remains the model for fruitful ministry today. God is more interested in accountability than we are because he knows our hearts.

Verifiable accountability starts and ends with a heart of accountability towards God! ●

DAN BUSBY is the president of ECFA, an organization that accredits Christ-centered ministries in the areas of governance, financial management and stewardship/fundraising. ECFA's seal enhances trust of givers. ECFA accredits more than 2,000 nonprofits and churches. These organizations have annual revenue in excess of \$25 billion. *Nonprofit Times* named Busby as one of the 50 Most Powerful Nonprofit Leaders from 2010 to 2015. (ecfa.org)

 Want to learn more? Don't miss the 1.5 hour workshop “Nonprofit Ethics for Christian Leaders” co-led by **DAN BUSBY** at The Outcomes Conference: CLA Dallas 2016, April 19–21. (OutcomesConference.org)

Why Aren't Churches and Ministries More Accountable?

- **Lack of dedication to learning opportunities.** Attending and participating in the annual Christian Leadership Alliance conference, and other conferences, for more than 30 years, it is my observation that churches and ministries that place a priority on accountability have a voracious appetite for learning. They send their teams to these conferences each year.
- **Fear of accountability.** We like being held accountable because we like to be recognized for what we do well. Yet, we are afraid to be held accountable because of the possibility of “failure.”
- **We often do not know how to hold people accountable.** Some think because we are doing the Lord's work, it is not appropriate to hold others accountable because it appears we are questioning their integrity.
- **Accountability can be an ego buster.** Accountability can be a big roadblock to a leader's ego. Faced with accountability, a leader may not be able to irresponsibly forge ahead with personal agendas.
- **Accountability takes time and hard work.** It takes time and hard work to be accountable, whether it is preparing reports for our board, filing reports for the government, or providing information to givers and other constituents.
- **Accountability costs money.** Time is money, so the additional time required for accountability costs money. However, in the long run, accountability can save multiples of the initial investment.
- **Accountability isn't “ministry.”** You have heard it over and over. Shall we spend money on ministry programs or accountability? Too often, “program” wins in this debate. Actually, it isn't either/or — we need to drive both ministry programs AND accountability.

SEVEN STANDARDS OF RESPONSIBLE STEWARDSHIP

Unless leaders have a heart for accountability, churches and ministries are simply “checking boxes” in trying to be accountable. A unifying trait of ECFA members is a commitment to the Seven Standards of Responsible Stewardship (ecfa.org/content/standards).