

Accountability and Transparency of Christian Ministries in Korea

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1. What is the key factor for Christian Ministries' growth?

In last century, Korea has faced very unique historical events. The country was colonized by Japan, and soon after the end of the World War Two, the Korean peninsula went through a devastating civil war that caused countless casualties in addition to the total collapse of the nation's economy.

However, despite losing everything and becoming one of the poorest countries in the world, South Korea went through a dramatic economic transformation within the last sixty years to become the tenth largest economy in the world.

Christianity in Korea shares a very similar history. One hundred years ago, the gospel came to this dark and hopeless country. Through all of the persecutions and criticism, Christianity in South Korea has survived and has become very influential. South Korea is the second largest country that dispatches missionaries.

Currently, identical to the Korean economy, Korean churches have entered into a stagnant period. As society and social values evolved, the development of culture and the diversification of the society that followed resulted in a decreased growth rate of Korean churches.

Nonetheless, separate from macro social changes, there is another factor that has caused the decline of Korean churches' social influence and growth: credibility.

2. The credibility/trustworthiness of a church is the most fundamental base of the church and also the purpose of its existence. The church's loss of credibility will cause the collapse of the church.

Recently, Korean churches and other mission organizations have faced several financial scandals. Although, many Korean churches are ethical, given that churches utilize outdated accounting and financial systems, churches are easily exposed to financial malpractices. It is possible that these scandals are in fact true but the likelihood of the occurrence of financial corruption is not limited to Korean churches. The problem is that, regardless of whether it was intentional or not, when these scandals occurred, it resulted in a very negative impact to the entire Korean church.

Korean churches need to realize the urgency of this matter and prepare preventative measures. If churches solely rely on old and outdated customs, these churches will lose their credibility not only from within but also from the outside walls of the church. Losing credibility and trustworthiness will become the biggest obstacle in achieving our great mission, which is to spread the gospel and expand God's Kingdom.

3. Healthiness, Truthfulness, and Transparency.

While the concept of accountability can be easily explained in western culture, it is not as easy to transpose in Korean culture. An explanation of the detailed components of accountability will help reveal the relationship between accountability and credibility. There are three components that first need to be defined in order to understand the meaning accountability: healthiness, trustfulness, and transparency.

Transparency means clear. However, when this simple term is used in a relation to the accounting and finance of an organization, the term is reinterpreted to take on a much more important meaning. However, one thing to keep in mind is that having transparent finances does not necessarily mean that the organization is trustworthy. Transparency is one of the minimum requirements to be fulfilled in order to enhance the credibility of an organization.

Healthiness refers to the cash flow capacity of a church: whether money is appropriated on a planned budget in accordance with the priorities predetermined by church members. Simply put, healthiness can be translated as,

"are we using the money as planned?"

Trustfulness refers to whether all cash transactions are honestly and truthfully recorded.

In the application of these three concepts to church accounting, healthiness is associated with budget and settlement process, trustfulness with an audit process, and transparency with a compilation and releasing of financial statements.

It may be argued that accountability is established once the meaning of these three concepts are clearly defined and layered out. In South Korea, healthiness and trustfulness are commonly used under the notion of transparency.

4. An effort to secure transparency in South Korea.

In consideration of the aforementioned above, there are the three provisional plans that can be used to enhance the quality of transparency within Korean churches: modification of internal regulations, full support and interest from the leaders, and the establishment of legal/professional certification authority.

Modification of internal controls

It is extremely important to set unbiased internal controls to measure the transparency and the trustfulness of an organizations. There are still many Korean churches that do not have applicable internal accounting regulations. As the regulations associated with the expenses of traveling, committee, and regular business are not clearly defined, there is a high probability that each transaction will occur arbitrarily.

Support and interest from church leaders

Even if internal church controls and accounting regulations are properly established, such rules and regulations are ineffective if the leaders of the church show no support and interest for financial transparency. The support and interest of leaders is critical especially in churches.

Establishment of legal/professional certification authority

In the case of the United States, the Evangelical Council for Financial Accountability, ("ECFA"), which was founded over 30 years ago, actively supports its nearly 2,000 Christian ministries in an effort to manage their respective accountable and transparent finances. Similar to ECFA, the Christian Council for Financial Transparency Korea ("CCFK") was officially founded in June 2015 with the purpose of fully supporting church and mission groups' financial transparency.

There are many churches with the desire to operate clean finances, but they are unfamiliar with how to manage church finances. CCFK will play a critical role in developing Korean churches' financial transparency by providing professional knowledge towards financial education, consultation, and certifications.

What is the most important issue that Korean churches need to resolve? The answer is the trust restoration of Korean churches. The importance of trust restoration does not resonate from public pressure but is important because trust is the most fundamental base of the church's identity.

Although, church is a place where the children of God congregate, it is also a legal entity in the world. Churches need to stop relying on past customs and practices and take on our responsibility of leading the world by implementing and utilizing accounting and financial management systems in order to sustain financial transparency. Churches in Korea need to realize that they are obligated to take on this important mission and declare that today will be the beginning of the restoration of the churches' financial transparency.