

EVANGELICAL ALLIANCE IRELAND

Guideline No. 4 Transparency

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1.0 Introduction

Transparency is a characteristic of governments, companies, organisations, charities, churches and individuals that are open to the clear disclosure of information, rules, plans, processes and actions. Transparency is biblical and many churchgoers want their churches to be more transparent and accountable.

The law of the land requires disclosure of certain information and it is important for churches and organisations to be aware of their responsibilities under law. (See also Guidelines: 2, 3 and 5.) Financial and managerial disclosure is an accepted, expected and required form of accountability in society but for Christ-centred organisations, there should be an even higher standard of openness.

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. 2 Cor. 8:21 NIV

Meaningful transparency is crucial to the vibrancy and health of any church. It is also the mark of a well-governed and mature organisation committed to adopting and maintaining best practices.

2.0 Measures to cultivate an atmosphere of transparency

While this guideline does not dictate how trustee/directors comply with the following recommendations it is important that undue obstacles are not applied to prevent full disclosure of financial reports. Full disclosure could mean, for instance, putting all financial accounts on the website. Failing that, a procedure should be put in place whereby applicants can gain access to the information. The following measures will help to cultivate the desired atmosphere of transparency in a church or Christian organisation:

- 2.1 Maintaining all financial records effectively, up-to-date and available for inspection when required.



- 2.2 Producing cash accounts monthly ,which are then approved by a third party. (trustee/director)
- 2.3 Completing financial reports and an annual audit by an independent accounting firm and ensuring that the results, along with any recommendations, are fully disclosed to the members. All salaries and church-paid expenses should be disclosed.
- 2.4 Holding a financial review meeting at least annually to discuss financial matters and budgeting with the whole church / organisation.
- 2.5 Making available to members information on how specific or restricted gifts are accounted for.
- 2.6 Ensuring all financial budgeting and information on expenditure for specific projects is readily available to members.
- 2.7 For Churches that reclaim tax from Revenue: preserving the donor records and related certificates, on a confidential and private basis, for a period of six years, as evidence for a possible audit.
- 2.8 Ensuring information produced on the website is accurate and reflects the views of members.
- 2.9 Informing members how the church or organisation is governed and where responsibility lies for decision making.
- 2.10 Ensuring every member has access to the constitution and by-laws of the church / organisation.

3.0 Additional measures to increase transparency

The following are additional measures which churches may consider taking to increase their level of transparency.

- Sign up to, and follow, the Statement of Guiding Principles for Fundraising on the ICTR website (see Guideline 05).
- Implement a policy and procedure, which address the security aspects of any personal data held by the church to ensure compliance with Data Protection legislation.

4.0 Transparency versus confidentiality

There will always be a tension between transparency and confidentiality. Embedded within the duty of loyalty is the element of confidentiality. This is especially true for Board-level discussions. Generally, trustee/directors should not disclose sensitive information outside of the board. If this element of confidentiality is lost, the board will not be able to have free and frank discussions. Confidentiality, though, needs to be balanced against the principle of transparency which engenders goodwill among the church / organisation's members and supporters.

