Walden University

College of Management and Technology

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Albert Rockson

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Walden University
2019

Abstract

Strategies for Preventing Financial Fraud in Church Organizations in Ghana

by

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MSc, UNESCO-IHE Institute for Water Education, 1998

BSc, Kwame Nkrumah University of Science and Technology, 1986

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

Financial fraud in church organizations is increasing rapidly, which can affect the reputation, donation appeal, future funding, and ability of church organizations to meet their planned organizational goals. The purpose of this multiple case study was to explore strategies for preventing financial fraud in church organizations. The conceptual framework for the study was Cressey's fraud triangle theory. Twenty participants who utilize strategies for preventing financial fraud in their organizations were purposively selected from 5 church organizations in Ghana. Data were collected through semistructured interviews and analysis of organizational financial policy documents. Interview data were transcribed, coded, and analyzed with Saldaña's coding guidelines. Data analysis followed recommendations from Yin, including examining the data, grouping data into categories, regrouping data in themes, interpreting the data, and producing empirically based findings that answered the central research question of the study. Three significant themes emerged from the data analysis: effective administration, good stewardship and accountability, and caliber of employees. Implementation of the findings may lead to positive social change by enhancing the donation appeal of church organizations, improving their finances, and enabling them to optimize their operations to benefit individuals, families, communities, and society.

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Dedication

I dedicate this study with its findings to my beloved wife, Charlotte, our handsome son, Albert, and beautiful daughter, Arabella, for their spiritual, emotional, moral, and financial support, love, and understanding during the whole period of the study. Through it all, with the ups and downs, frustrations and low moments, they stood by me and encouraged me to keep my focus on the finish line. I dedicate the study also to the cherished memory of my late father and mother, who passed on to eternity in the course of the study, for their encouragement and show of commitment to my general well-being as their only begotten son in whom they were well pleased. This dedication also goes to my wonderful siblings Lynda, Nana Ekua, and Felicia for their show of brotherly love toward me especially during our bereavement and period of sorrow when we lost both parents in the course of this study. Above all, to my Lord and Savior Jesus Christ be all the glory, honor and thanksgiving for His grace, goodness, mercies, favor, strength, wisdom, and insight that enabled me to begin and to finish this study.

Acknowledgments

I wish to acknowledge the diverse contributions, guidance, and support I received from faculty, fellow participants, academic advising, family and friends. My appreciation goes to Dr. Freda Turner (retired DBA program director), Dr. Al Endres (associate lead methodologist), Dr. Romuel Nafarrete (committee chairperson), Dr. Garth Daniels (second committee member), Dr. Richard Snyder (university research reviewer), and Dr. Carol-Anne Faint (second committee member) for their respective roles in getting me on track with the course requirements. I make special mention of Dr. Romuel Nafarrete for playing the critical role of a mentor very well. I thank all my fellow participants in the various courses throughout the semesters and academic years from beginning to completion for their very useful discussions, peer reviews, and suggestions. I commend the staff in academic advising for their help during the course. I am indebted to the leadership, gatekeepers, and participants in all the study organizations for their invaluable information and contribution to the success of this study. I thank all my pastor friends and colleagues who encouraged me and supported me with prayers. I am grateful to Lawyer Shadrach Arhin and Mr. Joseph Okyere (Antarctic Ltd.) for contributing their widow's mite. Above all, I thank the Almighty God for helping me to successfully complete this study. May He bless everyone who contributed in diverse ways to making this study a great success.

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Section 1: Foundation of the Study

Occupational fraud is increasingly becoming a problem in private and public organizations across nations (Okoye & Gbegi, 2013). Occupational or internal fraud is an individual using his or her occupation for personal enrichment through the deliberate misuse or misapplication of the organization's resources or assets (Association of Certified Fraud Examiners [ACFE], 2016). The most common form of occupational fraud is the theft of an organization's assets and cash (Krambia Kapardis & Papastergiou, 2016). The ACFE (2016) reported that asset misappropriation constitutes about 83% of all fraud cases reported to ACFE. Fraud can affect big or small, private or public, and for profit or not-for-profit organizations (Mat et al., 2013). However, fraud is common among employees of not-for-profit organizations that have not taken active steps to prevent fraud (Arif & Malekj, 2013). Organizations can proactively manage or effectively prevent fraud when they are able to identify the factors that promote fraud, and they understand why the fraud perpetrators commit fraud (Ruankaew, 2013). Relying on internal control systems is the primary solution for preventing occupational fraud (Gagliardi, 2014).

Background of the Problem

Although researchers have explored the factors that contribute to occupational fraud (Kassem & Higson, 2012; Orimoloye, Austin, & Keys, 2015), there has been little research on fraud in church organizations. As a result, there is limited understanding of management control mechanisms that may contribute to the effective stewardship of church resources. According to Jurado (2013), financial stewardship in the church is

essential for the church's credibility and sustainability. However, financial fraud in churches is on the increase globally (Wood & Wood, 2014) even though many perceive that church leaders have high moral values (Shaharuddin & Sulaiman, 2015). Although church organizations are not businesses, they operate like business organizations from the marketing, financial, operational and human resources perspectives (Seide, 2013). However, church organizations may not be applying business principles and practices in their operations. This may make church organizations vulnerable to occupational fraud that may negatively affect their reputation, donation appeal, future funding of their operations, and their ability to advance their missions to meet planned organizational goals (Greenlee, Fischer, Gordon, & Keating, 2007). Because there is a need to examine fraud in church organizations, I explored strategies for preventing financial fraud in church organizations in Ghana.

Problem Statement

Financial fraud in church organizations is increasing rapidly (Wood & Wood, 2014). Fifty billion dollars (or nearly 6%) of all funds contributed to church organizations globally were lost to fraud in 2015, with the amount expected to increase to $60 billion in 2025 (Johnson, Zurlo, & Hickman, 2015). The general business problem is that financial fraud suboptimizes church operations. The specific business problem is that some church leaders lack strategies for preventing financial fraud in their organizations.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies church leaders use to prevent financial fraud in their organizations. The targeted

population consisted of pastors/ministers, administrators, accountants, board members, and department leaders who utilize strategies for preventing financial fraud in five church organizations in Ghana. The study findings may contribute to positive social change by triggering some institutional changes in church organizations to enhance their donation appeal and future funding, which may then help them achieve their social initiatives.

Nature of the Study

I conducted a qualitative multiple case study to explore strategies for preventing financial fraud in church organizations. A qualitative research methodology is appropriate for iterative and expressive views on a phenomenon (Cottrell & Donaldson, 2013). Qualitative research methodology helps researchers to understand the experiences, perspectives, and thoughts of study participants. On the other hand, quantitative research methods involve the collection and analysis of numerical data. A quantitative research study is appropriate when generating and analyzing numerical data to explain a phenomenon (Labaree, 2013). Mixed research methods combine both qualitative and quantitative research approaches to study a phenomenon (Zohrabi, 2013). Because the purpose of this study was to explore strategies for preventing financial fraud in church organizations, I did not use a quantitative or mixed methods approach. I used a qualitative research method because it was more appropriate for addressing the research question.

In this study, I used a multiple case study design for the strategy of inquiry. A case study is appropriate when the purpose is to develop an understanding and real-world perspective of a complex social phenomenon such as organizational and managerial processes (Yin, 2014). A case study helps researchers to explore a phenomenon within a

context using multiple sources of data (Ketokivi & Choi, 2014). Other qualitative study designs include phenomenology, grounded theory, and ethnography (Christensen, Johnson, & Turner, 2014). A phenomenological study is appropriate for understanding the lived experiences of study participants, their meanings, and implications (Wilson, 2015). A grounded theory study is appropriate for generating theory from study data (Urquhart & Fernandez, 2013). An ethnographic study is appropriate for gaining a deeper understanding of the social interactions of people within the context of their cultural practices and traditions (Denscombe, 2014). The purpose of this study was to explore strategies for preventing fraud in church organizations. The purpose was not to understand the lived experiences of study participants, build theory, or study organizational culture as a primary focus. Therefore, a case study design was more appropriate than phenomenology, grounded theory, or ethnography.

Research Question

The central question in this research study was "What strategies do church leaders use to prevent financial fraud in their organizations?"

Interview Questions

1. What do you use to prevent financial fraud in your organization?

2. What are some of the barriers you experience when implementing a new fraud prevention strategy, and how do you address them?

3. How do you measure or otherwise assess the effectiveness of a strategy for preventing financial fraud in your organization?

4. In your experience, what was the most successful strategy that you implemented to prevent financial fraud and why?

5. What more can you add to enhance the understanding of the strategies church leaders use to prevent fraud in your organization?

Conceptual Framework

The conceptual framework for this qualitative case study was Cressey's (1953) fraud triangle theory. The key concepts of the fraud triangle theory are (a) motivation, (b) opportunity, and (c) rationalization. These three components must be present together for occupational fraud to occur (Ruankaew, 2013). Access to assets and financial information provides opportunity for employees to commit occupational fraud, but opportunity is the component over which business owners and managers have the most control (Glasbeek, 2014). Therefore, preventing or limiting opportunities for fraud is important for dealing with occupational fraud in organizations. The fraud triangle theory and its key concepts helped me to explain the most effective strategies church organizational leaders use to prevent or limit opportunities to commit financial fraud.

Operational Definitions

Affinity fraud: Affinity fraud refer to causing financial fraud by the reliance on common association and affiliations of insiders and relations (Perri & Brody, 2012).

Financial fraud: Financial fraud is the manipulation of the accounting and financial records to make a corporation appear more or less lucrative than it really appears (Apostolou & Apostolou, 2013).

Internal audit: An internal audit is an independent activity of assessing on behalf of the economic entity's management that involves examining the financial, accounting, and other kind of operations concerning the services as a whole (Petrascu & Tieanu, 2014).

Internal control: Internal control is a process affected by an organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goals or objectives (American Institute of Certified Public Accountants, 2003).

Internal financial controls: Internal financial controls are systems within a company that contain methods and procedures to produce effective operations, establish reliable financial reporting, avoid fraud and maintain compliance with regulations and laws (Prempeh, Twumasi, & Kyeremeh, 2015).

Occupational fraud: Occupational fraud is using an occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets (ACFE, 2016)

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are facts assumed to be true but not verifiable because they are outside the control of the researcher (Simon, 2011). Assumptions are necessary for developing arguments, generating evidence, and drawing conclusions in a research study (Nkwake, 2013). Assumptions also provide some basis for the selection of the methodology as well as the foci for theories in research studies (Nkwake, 2013).

I conducted the study based on the following assumptions. I assumed that it is possible for church leadership to prevent financial fraud in church organizations. I also assumed that the five study organizations I selected have strategies for preventing financial fraud. Another assumption I made was that the 20 participants I purposively selected were representative of the study population and that they would share their experiences on the occurrence and prevention of financial fraud in their organizations in an open and honest manner through the interviews. The final assumption I made was that the study findings would have internal and external validity with general applicability to other church organizations.

The findings of the study confirmed all the assumptions I made prior to the research. First, all the five study organizations have been successful in developing and implementing strategies for preventing financial fraud in their organizations. Second, all the participants willingly and enthusiastically shared their practical knowledge, and experiences on fraud prevention strategies in their organizations. The participants were forthright with information and eager to contribute to the knowledge base on the effective management of church funds. The practical knowledge on fraud prevention strategies and personal experiences shared by the participants across the five study organizations gave validity to the findings of the study and their applicability to other church organizations in Ghana.

Limitations

Limitations are potential weaknesses over which the researcher has no control (Simon, 2011). Sample size and selection, lack of available data, few or no research

studies on the topic, data collection measures, cultural and other biases are some research limitations (Connelly, 2013). Potential weaknesses can also result from the perceptions of study participants, and the researcher's inability to verify certain professed experiences or accounts of study participants during the study period. In this study, the individual worldviews, ethics, attitudes, and interests of study participants may have influenced their perceptions and the accounts they gave during the interviews. Another limitation is that the study may benefit the leadership of church organizations in particular and not necessarily nonprofit organizations in general. These limitations were acknowledged and addressed to help reduce biases (Haynes, 2015).

Delimitations

Delimitations are study characteristics that limit the scope and define the boundaries but will be under the control of the researcher (Simon, 2011). The focus of this study was the use of fraud prevention strategies in selected church organizations in Ghana. Delimiting factors included the adoption of a qualitative multiple case study to explore strategies church leaders use to prevent financial fraud in their organizations; the purposive selection of pastors, church administrators, church accountants, church board members, and church department leaders as study participants; and the use of semistructured interviews and documents to collect data.

<div align="center">

Significance of the Study

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Contribution to Business Practice

Internal control is an important function in both profit oriented and nonprofit oriented organizations (Dzomira, 2014). The findings from this study provide a guide and

resource for church organizational leaders to understand how they can prevent financial fraud or the embezzlement of church funds to optimize their operations.

Implications for Social Change

The study findings may make a positive social contribution by catalyzing institutional changes in church organizations to enhance their donation appeal and future funding, which may then help them achieve their social initiatives. Providing valuable insights and understanding of financial fraud prevention strategies might create greater awareness among church leadership and workers and lead to a positive change in attitudes and behaviors. These organizational changes may empower church leadership and workers to deter, prevent, and detect financial fraud in church organizations. The findings may also help the religious leadership of church organizations to adopt business and financial management practices as necessary tools for achieving organizational goals that benefit their members, members' families, and communities.

A Review of the Professional and Academic Literature

The purpose of this qualitative multiple case study was to explore strategies church leaders use to prevent financial fraud in their organizations. My study may contribute to existing literature on financial management in churches, including the strategies used by churches for preventing financial fraud. The conceptual framework for this qualitative case study was Cressey's (1953) fraud triangle theory, which has pressure (motivation), opportunity, and rationalization as key concepts. However, preventing or limiting opportunities for fraud in organizations is important for dealing with occupational fraud. The review of professional and academic literature provided a strong

basis and justification for conducting the study to address the central research question

"What strategies do church leaders use to prevent financial fraud in their organizations?"

The literature review covered over 170 peer-reviewed and other scholarly journal

articles, published doctoral dissertations and masters' theses, conference and seminar

presentations, books, and reports. Over 80% of the literature was published between 2013

and 2017. I organized the review under the following themes: (a) overview of

Christianity in Ghana, (b) church governance and leadership structure, (c) fraud theories,

(d) occupational fraud, (e) leadership role in fraud prevention, (f) fraud opportunities in

churches, and (g) minimizing fraud opportunities in churches. I used Google Scholar to

access literature from the Walden University Library databases, and other databases

including ProQuest, EBSCOhost, ScienceDirect, Emerald Management Journals, Sage

Journals, and Researchgate. In presenting the review of academic and professional

literature, I summarize, compare, contrast, and synthesize the findings of relevant studies

on financial fraud, and established the need for this study.

Overview of Christianity in Ghana

Religion plays a major role in the lives of Ghanaians with Christianity as the

dominant religion. Before the introduction of Christianity to Ghana, the indigenes

engaged in traditional African religious practices and other forms of spirituality. Various

authors have discussed aspects of Christianity in Ghana and the establishment of

Orthodox, Pentecostal, and charismatic Christian churches in Ghana (Akowuah, 2013;

Gifford, 2004; see also Kodua, as cited in Akowuah, 2013; Larbi, as cited in Akowuah,

2013; Leonard, as cited in Akowuah, 2013). The Europeans introduced Catholicism as an

orthodox Christian religion in Ghana when they first arrived in the country in the 15th century (Amanor, n.d.). The establishment of the Anglican Church, Presbyterian Church, and the Methodist Church followed in the 1800s. The Lutheran Church, Baptist Church, Adventist Church, and some Pentecostal churches followed in the 1950s, with the charismatic movement and churches springing up in the 1970s (Gifford, 2004).

Charismatic churches dominate the religious space in Ghana (Soothill, 2007), and charismatic Christianity in Ghana has become the most significant expression of Christianity (Amanor, n.d.; Gifford, 2004). Charismatic churches in Ghana can be put into categories. For example, two categories are (a) those who emphasize prosperity, abundant life, material or physical wellbeing of the believer and (b) those who emphasize deliverance from demonic oppression, marital problems, barrenness, poverty, and sickness (Larbi, as cited in Akowuah, 2013). Additionally, they can be put into these four categories: (a) those who emphasize faith, prosperity, health and wealth, and deliverance, (b) those who emphasize teachings, (c) those who emphasize miracles and healing, and (d) those who emphasize the prophetic (Gifford, 2004). Further narrowing the categories, the two groups for charismatic churches in Ghana are (a) those who emphasize prosperity, and (b) those who emphasize deliverance and healing (Akowuah, 2013).

A good governance and leadership structure can contribute to the effective management of organizations (Ozigbo & Orife, 2015; Razali & Arshad, 2014). Therefore, church organizations need governance structures that help churches to function and achieve their organizational goals (Avis, 2015). The next subsection is a

review of literature on church governance and leadership structures that churches operate to achieve their organizational goals.

Church Governance and Leadership Structure

Applying good corporate governance principles, structures, and mechanisms ensures the effective management of organizations (Ozigbo & Orife, 2015; Razali & Arshad, 2014). However, management culture and decisions can undermine a good governance system (Rubasundram, 2015). According to Avis (2015), every church organization needs a structure that helps with the exercise of authority and oversight of responsibility, policy development, and dispute resolution for the church to function and achieve its organizational goals. However, sometimes Christ is viewed as the source of authority in the church regardless of the governance and leadership structure (Hill, 2016).

The three main church governance structures are Episcopal polity, Presbyterian polity, and Congregational polity (Cornell, Johnson, & Schwartz, 2013). According to Cornell et al. (2013), and Hill (2016), Episcopal polity puts the highest authority in decision-making in a church in an institution or person operating at the international level who also delegates authority down to national, regional, and local institutions. Presbyterian polity puts the highest authority in decision-making in an institution or an elected body of elders operating at the national level who also delegate authority down to regional and local institutions. Congregational polity puts the final authority in decision-making primarily in the general membership of the local church with authority ascending to regional, national and international institutions. Even though good church governance and leadership structures can provide uncorrupted work environments and effective

management of church organizations, church organizations are prone to fraud with fraud opportunities abounding in churches (Ozigbo & Orife, 2015; Sgărdea, Şendroiu, & Sabău, 2013). The next section is a review of literature on fraud theories, occupational fraud, leadership role in fraud prevention, fraud opportunities in churches, and minimizing fraud opportunities in churches.

Fraud Theories

Every organization has the potential to experience fraud. However, to be able to manage or prevent fraud, organizational leaders must identify the risk factors that promote fraud. In addition, organizations must understand the perpetrators of fraud and why they commit fraud (Ruankaew, 2013; Shao, 2016; Thanasak, 2013). Various theorists have attempted to explain the causes of fraud based on different models for understanding fraud risk factors and for explaining why fraud occurs (Abdullahi & Mansor, 2015; Albrecht, Howe, & Romney, 1984; Dorminey, Fleming, Kranacher, & Riley, 2012; Kassem & Higson, 2012; Ruankaew, 2013; Wolfe & Hermanson, 2004). Although the various fraud theories offer some understanding of fraud, they are not universally applicable (Schuchter & Levi, 2013). The various fraud theories and models have evolved from the classic fraud triangle theory through the fraud diamond theory, fraud scale theory, fraud pentagon theory, to the new fraud triangle theory.

The Classic Fraud Triangle Theory

Cressey (1953) established the fraud triangle theory as an explanatory framework that establishes pressure, opportunity, and rationalization as the risk factors that contribute to fraud (see Figure 1). Cressey contended that financial need may lead to

perceived pressure whereas the perception of weak internal controls in an organization may provide opportunity for fraudulent conduct that may be justified through rationalization. Cressey posited that all the three risk factors needed to be present for fraud to occur.
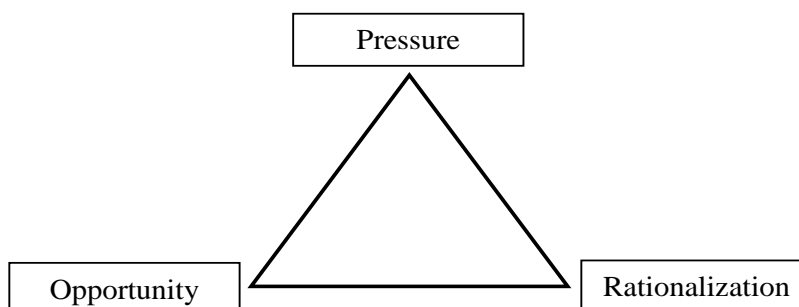
Figure 1. The classic fraud triangle.

Cressey's understanding of fraud has been supported by previous research (see Trout, 2014). However, Schuchter and Levi (2013) questioned why all the three risk factors should be present for fraud to occur, contending that the risk factors are influenced by the corporate culture of organizations. Regardless, professional associations have fundamentally used the fraud triangle theory in relation to individual morality (Morales, Gendron, & Guénin-Paracini (2014). Further, empirical literature on fraud has a strong focus on the fraud triangle (Trompeter, Carpenter, Desai, Jones, & Riley, 2013).

Perceived limitations of the classic fraud triangle theory. Some authors have highlighted limitations of Cressey's classic fraud triangle theory (Abdullahi & Mansor, 2015; Albrecht, Howe, & Romney, 1984; Crowe, 2010; Dorminey, Fleming, Kranacher, & Riley, 2012; Kassem & Higson, 2012; Ruankaew, 2013; Wolfe & Hermanson, 2004).

They have argued that Cressey's fraud triangle is not a comprehensive tool for deterring, preventing, and detecting fraud because it does not consider characteristics of potential perpetrators of fraud. For instance, Albrecht et al. (1984) observed that Cressey's fraud triangle does not consider an individual's personal integrity or code of ethics; a person's integrity can be observed in the decisions he or she takes and also in the decision-making process and must therefore be considered as one of the fraud risk factors. Wolfe and Hermanson (2004) also observed that Cressey's fraud triangle does not consider the capability of a fraudster (based on his or her position or function within an organization) to commit fraud. Anybody who can potentially commit fraud must have the skills and ability to commit fraud, lie effectively and consistently, and deal with stress (Wolfe & Hermanson, 2004). Further, Crowe (2010) expressed the view that arrogance (lack of conscience and the belief that internal controls do not apply to him or her), and competence (ability to not comply with internal controls, manipulate and take advantage of the system) are two important fraud risk factors but they are not accounted for in Cressey's fraud triangle. Finally, Dorminey et al. (2012) argued that Cressey's fraud triangle provides a limited perspective to understanding the fraud problem because the pressure and rationalization risk factors are difficult to observe. Following the perceived limitations of Cressey's fraud triangle, new fraud theories have emerged.

The Fraud Scale Theory

Albrecht et al. (1984) developed the fraud scale theory as an alternative to the classic fraud triangle theory. They identified pressure, opportunity, and personal integrity

as the risk factors of the fraud scale theory with personal integrity replacing the

rationalization risk factor in Cressey's fraud triangle (see Figure 2).
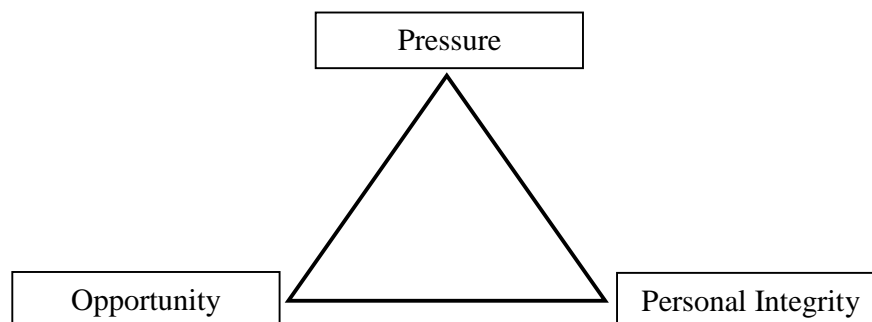
Figure 2. The fraud scale.

Personal integrity relates to an individual's personal code of ethical behavior that

is observable in their decisions and the decision-making process (Albrecht et al., 1984).

Fraud is a moral and ethical issue and a measure of an individual's integrity and

propensity to commit crime (Albrecht et al., 1984). Therefore, the personal integrity risk

factor can be a determinant of the likelihood that an individual will commit fraud

(Albrecht et al., 1984).

The Fraud Diamond Theory

Wolfe and Hermanson (2004) expanded the traditional fraud triangle theory by

Cressey into the fraud diamond theory by including capability as an additional fraud risk

factor (see Figure 3). They contended that even if Cressey's fraud risk factors of pressure,

opportunity, and rationalization exist, fraud can only occur when a potential perpetrator

has the capability (skills and ability) to commit fraud. Wolfe and Hermanson identified

four prerequisites that define the capability of an individual to commit fraud: (a) their

authoritative position or function in an organization; (b) their ability to identify,

understand and exploit weaknesses in the accounting and internal control systems of their organization; (c) their confidence in the fact that fraud committed will not be detected nor punished if detected; and (d) their ability to manage stress over time. The fraud diamond theory additionally includes individuals' intelligence or expertise, their ability to lie effectively and consistently as well as coerce others to co-offend with them or conceal fraud as part of their capability traits (Boyle, DeZoort, & Hermanson, 2015; Rubasundram, 2015).

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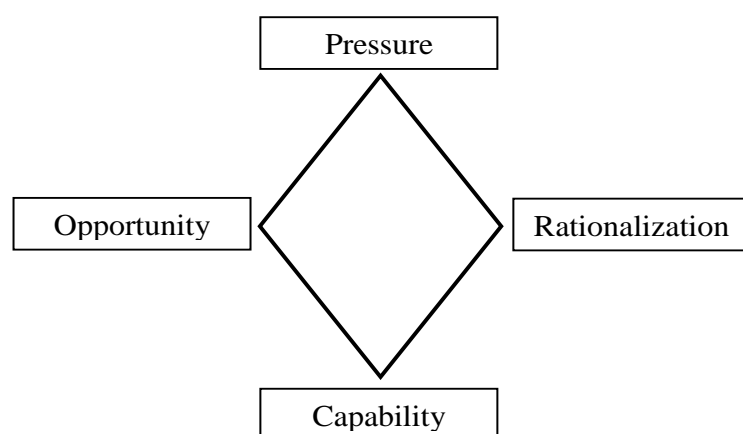
Figure 3. The fraud diamond.

The fraud diamond theory by Wolfe and Hermanson (2004) may not sufficiently address fraud prevention and detection. Gbegi and Adebisi (2013) argued that the *pressure* and *opportunity* risk factors in the fraud diamond theory cannot be observed, and the model does not take into account good corporate governance and national value system. Gbegi and Adebisi explained that transparency and accountability are important attributes of good corporate governance, whereas honesty, integrity, and good character are important components of a national value system. They considered also that personal

integrity as a component of a national value system should replace rationalization as a fraud risk factor in the fraud diamond theory by Wolfe and Hermanson.

The Fraud Pentagon Theory

Crowe (2010) developed the fraud pentagon theory as an improvement of Cressey's fraud triangle theory and Wolfe and Hermanson's fraud diamond theory with the inclusion of the personal ethics of a potential perpetrator of fraud (see Figure 4). In the fraud pentagon theory, Crowe considered the arrogance and competence of potential perpetrators of fraud as two important fraud risk factors. Arrogance or lack of conscience makes potential perpetrators of fraud believe that organizational rules or internal controls do not apply personally to them, which influences personal ethics (Crowe, 2010). Personal ethics are moral principles and rules that govern the actions of an individual, and they are a key fraud motivation (Sorunke, 2016). Further, competence gives potential perpetrators of fraud the ability to not comply with organizational rules or internal controls, manipulate the system, and take advantage of the system (Crowe, 2010).
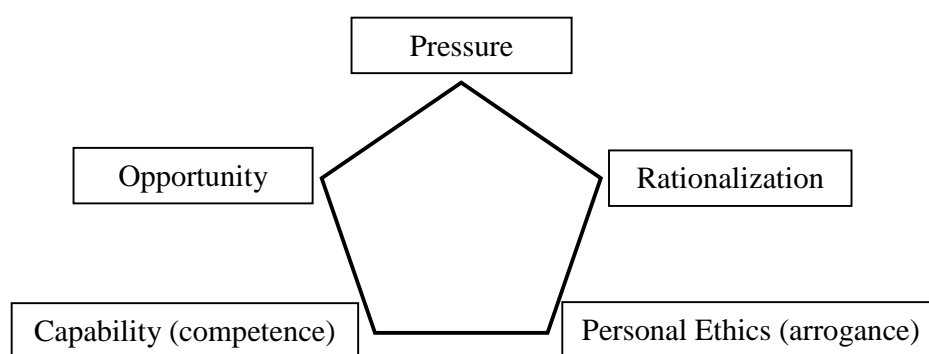
Figure 4. The fraud pentagon.

The New Fraud Triangle Theory

According to Kassem and Higson (2012), all the fraud theories by Albrecht et al. (1984), Crowe (2010), and Wolfe and Hermanson (2004) are an extension of Cressey's fraud triangle theory. However, in view of the perceived limitations of Cressey's fraud triangle, Kassem and Higson proposed the integration of all fraud theories into a new fraud triangle theory that has motivation, opportunity, integrity, and capabilities as fraud risk factors (see Figure 5). In this theory, the motivation risk factor is an expansion of Cressey's fraud triangle to include money, ideology, coercion, and ego (MICE). Ideology relates to the motivation for perpetrators to commit fraud to achieve some perceived greater benefits based on their beliefs. Coercion relates to the motivation for perpetrators to commit fraud as unwilling co-perpetrators but potential whistleblowers. Ego relates to the motivation for perpetrators to commit fraud to maintain their social status, reputation or position in their families or society. Kassem and Higson argued that the new fraud triangle theory is useful for effective fraud risk assessment because the theory takes into consideration all the fraud risk factors.

Figure 5. The new fraud triangle. (after Kassem & Higson, 2012)

Occupational Fraud

  The ACFE (2014) defined occupational fraud as "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets" (p. 6). Occupational fraud is a scheme in which an employee defrauds his or her employer for personal enrichment through the deliberate misappropriation of the employer's assets (Orimoloye, Austin, & Keys, 2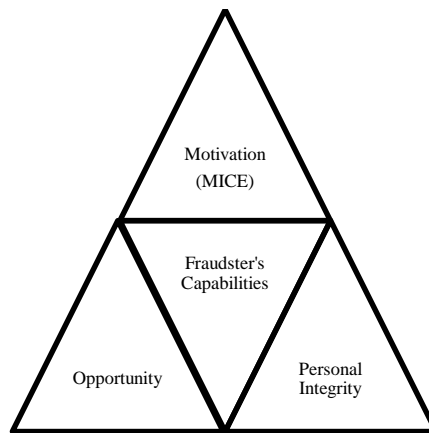015). Fraud is an act or course of deception, an intentional concealment, omission or perversion of truth to gain unlawful or unfair advantage; induce another to part with some valuable items or surrender a legal right, or; inflict injury in some manners (Kalubanga, Kakwezi, & Kayiize, 2013). Fraud is part of unethical behavior that occurs as a result of financial and nonfinancial factors that influence employees' intentions to commit fraud (Wicaksono, 2016). The ACFE report further classified fraud into asset misappropriation (embezzlement/cash theft, falsification of expense reports, and corporate check forgery), corruption (bribery, extortion, interested party transactions, conflicts of interest), and fraudulent financial statements (intentional falsification of financial statements). Asset misappropriation as the stealing or misuse of an organization's resources by an employee; corruption as the violation of an employee's duty to their employer to gain direct or indirect benefit; and financial statement fraud as the intentional misstatement or omission of material information in an organization's financial reports by an employee (Shanikat, Al-Farah, & Dorgham, 2014).

  The incidence of occupational fraud has been increasing across organizations and nations, and has been attracting global attention (Ogoun & Obara, 2013; Okoye & Gbegi,

2013). Occupational fraud involves predominately theft of cash and assets (Krambia

Kapardis & Papastergiou, 2016) and is commonplace among employees of not-for-profit

organizations that lack effective fraud prevention strategies (Arif & Malek, 2013). Even

though religious organizations are 'sacred' organizations with employees having high

moral values, poor accounting and internal control practices leading to financial

misappropriations have affected their credibility (Shaharuddin & Sulaiman, 2015).

Therefore, occupational fraud is best understood and addressed when leadership takes

into account offender motivations and demographics as well as the workplace

environment (Bonny, Goode, & Lacey, 2015).

Financial Fraud in Churches

Fraud schemes are not only commonplace in for-profit organizations, but they are

also common in not-for-profit organizations (Dzomira, 2014). Financial fraud is a major

problem in not-for-profit organizations with those lacking antifraud controls being the

most vulnerable (Alcott, 2012). From the analysis of 2,410 cases of occupational fraud

that occurred in 114 countries throughout the world, ACFE (as cited in Shao, 2016)

reported that two-thirds of all reported fraud cases came from for-profit organizations.

From a survey of 645 not-for-profit organizations in Australia and New Zealand,

Kummer, Singh, and Best (2015) concluded that not-for-profit organizations are even

more vulnerable to fraud. Churches are religious not-for-profit organizations that are

especially susceptible to affinity fraud through the exploitation of the trust that exists

within the religious community (Johnson, Zurlo, & Hickman, 2015). The lack of

accounting standards and regulations, and the issue of trust, are the major causes of fraud in churches (Gray & Villamarin, 2015).

Ahiabor and Mensah (2013) cautioned churches to be wary of financial management and mismanagement in their organizations. This is because financial stewardship in the church is essential for the credibility and sustainability of church organizations (Jurado, 2013). The absence of internal control systems results in incorrect and unreliable financial records, and loss of church funds (Tanui, 2016), but poor accounting and internal control practices result in financial misappropriations in religious organizations (Shaharuddin & Sulaiman, 2015). This makes financial management in churches an important and a necessary skill (Tanui, 2016). In a case study of charismatic churches in Ghana, Derby (2015) found that mismanagement of church funds is a major challenge faced by churches in achieving their financial obligations. Derby concluded that most charismatic churches lack sound administrative systems with effective internal control procedures. Fraud impairs efficiency, productivity, and innovation because it siphons away resources to nonconstructive activities, thus limiting an organization's ability to manage, grow, and succeed (Ghazali, Rahim, Ali, & Abidin, 2014).

Fraud affects organizations negatively (Ghazali et al., 2014) and, organizations that are victims of fraud suffer both financial and nonfinancial effects (Arif & Malek, 2013). Fraudulent activities in churches directly reduce resources available for the churches to achieve their mandates (Greenlee, Fischer, Gordon, & Keating, 2007). Based on their study of the demographics of global Christianity (traditions and movements), the income and giving of Christians around the world, and the dynamics of embezzlement,

Johnson, Zurlo, and Hickman (2015) estimated that $50 billion (or nearly 6% of all funds) contributed by Christians globally were lost to fraud in 2015. They added that the amount is expected to increase to $60 billion in 2025. Johnson et al. estimated the total income of Christians in a country from the number of Christians in the country multiplied by that country's per capita gross national income. They estimated the total giving of Christians in a country from both potential giving (10% of Christian income) and actual giving (1.9% of Christian income) by Christians in the country. An aggregate of these estimates is what informed Johnson et al. about the level of embezzlement of funds contributed by Christians globally. It is worth noting that Johnson et al. did not give the basis for comparing potential giving to actual giving in their study.

Fraud Offenders

According to the ACFE report (2016), employees committed 30% of fraud cases examined. Most perpetrators of fraud are usually long serving employees in positions of authority in victim organizations who are committing fraud for the first time (Arif & Malek, 2013). In a study on occupational fraud in not-for-profit organizations, Greenlee, Fischer, Gordon, and Keating (2007) observed that employees and managers of victim organizations were the offenders in all the reported cases they examined. Employees who are committed and model employees have the tendency to commit fraud in their organizations (Gagliardi, 2014; Wicaksono, 2016). In church organizations, treasurers are responsible for protecting and appropriating the tithes and offerings church members give. But they are the ones who perpetrate fraud because congregations respect their judgment and decisions, and therefore rarely question their actions nor scrutinize their

reports (Wood & Wood, 2014). Dellaportas (2013) observed in a study that professional accountants used their positions as professional accountants to commit fraud.

In a study on financial and nonfinancial factors that influence employees' intentions to commit fraud at the workplace, Wicaksono (2016) interviewed 154 purposively selected nonmedical employees of some hospitals in Yogyakarta, Indonesia. From the analysis of quantitative data relating to the possible correlation between religious faith and the intention to commit fraud, Wicaksono deduced that employees with high religious faith will not commit fraud. This deduction seemed to suggest that an offender's position of authority may not necessarily be used to commit fraud. Carland, Carland, and Carland (2001) used the slippery slope of fraud (see Figure 6) to refute Wicaksono's deduction that employees of high religious faith will not commit fraud. An employee of high religious faith is expected to be an honest person. However, perceived pressure and other factors can cause an honest employee to commit financial fraud (Carland et al.).
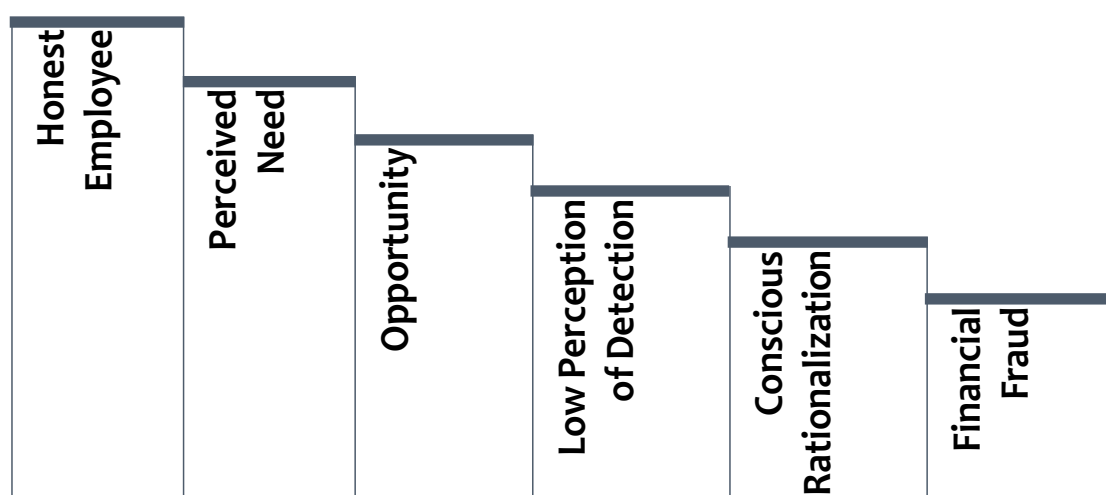

Figure 6. The slippery slope of fraud. (after Carland et al., 2001)

Steffensmeier, Schwartz, and Roche (2013) examined gender differences and the involvement of female employees in reported fraud cases. Steffensmeier et al. established that: (a) women were not typically major conspirators; (b) where women were involved, they played minor roles, and they made less profit than their male co-conspirators; (c) female involvement was through either a close personal relationship with a male co-conspirator or it was through a financial-gateway corporate position she occupied; (d) the majority of offenders were male employees with less than one in ten of them being female; and (e) all solo-executed frauds were by men. Some fraud offenders prefer to commit the offence with others (Free & Murphy, 2015) and a person who has low personal ethics but is motivated to commit fraud will commit the offence with others (Sorunke, 2016).

Leadership Role in Fraud Prevention

Leadership is required to develop a vision to provide direction for organizations, align employees with the vision, motivate and inspire the employees to take the necessary action(s) towards achieving the vision (Kotter, 2001). Leadership uses authority, vision and the ability to inspire others to achieve shared objectives (Jalal, 2017). The ability of leadership to motivate, communicate, and build teams is critical to the success of every human endeavor, including team effort at achieving set goals (Gilley, McMillan, & Gilley, 2009). Even though leadership has the ability to prevent unethical behavior by employees (Wicaksono, 2016), a strong organizational leadership is necessary for preventing fraud in organizations (Meinert, 2016). Some authors (Guillen, Mayo, & Korotov, 2015; Resick, Whitman, Weingarden, & Hiller, 2009) have argued that

leadership is the key to organizational success in contemporary times. Unfortunately, there seems to be very little research on church leadership even though *transformational leadership* (TFL) and *transactional leadership* (TSL) have been associated with successful church organizations.

Even though Burns (1978) originally espoused the TFL and TSL concepts, McKenna, Shelton, and Darling (2002) observed that TFL and TSL are necessary for the success of an organization. They added however that applying TFL or TSL is dependent on different situations and circumstances in an organization. TSL involves clear definitions of roles, incentives and rewards. Therefore, followers get to know what leadership expects of them to do and what the incentives, and rewards for them are when they complete their assigned tasks (Cherry, 2006). With TFL, a person takes charge of a situation and inspires or motivates others to achieve the organizational goal (Avolio et al., 2008). Whereas role modeling is used in TFL to enhance the morale and performance of followers, TSL is used to promote compliance through rewards and punishments (Odumeru & Ogbonna, 2013). Although formal management control systems are used in TSL to reduce the risk of financial fraud in organizations, both formal and informal management control systems are used in TFL.

Setting the Tone at the Top

Leadership has the moral duty and obligation to do the right thing to influence organizational culture through role modeling (Huhtala, Kangas, Lämsä, & Feldt, 2013). The notion of setting the tone at the top is characteristic of influential leadership that consistently espouses ethical values and appropriate behavior among employees of the

organization (Davis & Pesch, 2013). Therefore, setting the tone at the top is an important leadership function when it comes to preventing fraud in organizations. According to Morales, Gendron, and Guénin-Paracini (2014), leadership has to set the tone at the top, establish the culture, and design systems for preventing financial fraud in organizations. When leadership sets a strong tone at the top, it makes internal controls for preventing fraud very effective (Rubasundram, 2015). Therefore, a strong and honest leadership at the top that promotes ethical values and appropriate behavior in an organization effectively reduces the incidence of fraud in the organization (Davis & Pesch).

Corporate Governance

Strict adherence to the principles of good corporate governance is required for effective management of organizations (Ozigbo & Orife, 2015). Good corporate governance creates an uncorrupted work environment and a proactive attitude for preventing fraud in an organization (Sgărdea, Şendroiu, & Sabău, 2013; Halbouni, Obeid, & Garbou, 2016). In addition to good corporate governance, it is important to adopt strategies for preventing financial fraud in an organization (Bhasin, 2013). Based on a study of corporate governance structures and mechanisms, Razali and Arshad (2014) noted that good corporate governance reduces the incidence of fraud in organizations. On the other hand, management culture and decisions sometimes undermine good corporate governance that lead to the incidence of fraud in organizations (Rubasundram, 2015).

Ethical Standards

Codes of conduct and ethical standards are some of the mechanisms used for preventing fraud in organizations (Efiong, Inyang, & Joshua, 2016; Mat, Nazri, Fahmi,

Ismail, & Smith, 2013). A high integrity work environment, ethical culture, and core values are the main factors that help control the incidence of fraud in an organization (Sgărdea, Şendroiu, & Sabău, 2013). Ethical culture is associated with the ethical role of leadership. Therefore, leadership has the moral obligation to uphold ethical standards and promote a healthy organizational culture (Huhtala, Feldt, Hyvonen, & Mauno, 2013). Morales, Gendron, and Guénin-Paracini (2014) established from a study on fraud and morality that individuals are vectors of moral riskiness; therefore, their organizations must monitor and control them. Biaggi (2014) examined the ethical pitfalls that caused the Global Financial Crisis (GFC) in the United States and Europe in relation to the Seventh-Day Adventist Church and observed that: (a) when ethical pitfalls occur in the church, many stakeholders lose trust in the church and it negatively affects the achievement of organizational goals, and (b) when unethical behavior is punished, it reinforces the ethical culture of the organization with a renewed sense of responsibility in employees to abide by policies and codes of conduct. Ethical culture helps management to comply with organizational rules and regulations, and thus prevent the occurrence of fraud in organizations (Nijenhuis, 2016). When organizations establish religious values and spirituality among employees in the workplace, it helps to prevent fraud (Purnamasari & Amaliah, 2015).

Organizational Culture

Every organization develops and maintains a unique culture that defines guidelines and rules for employee behavior, which influences the way employees think and interact with one another (Carpenter et al., n.d.). Organizational culture is about an

organization's values, norms, and beliefs that guide the behaviors and conducts of employees (Khuong & Nhu, 2015). Leadership requires the ability to mobilize people and requisite resources to achieve a goal within a particular context or culture (Prosser, 2014). The founder of an organization creates and shapes the culture of the organization with his/her beliefs, values, and assumptions. However, over time, new employees recreate and reshape the organizational culture through their learning experiences, new beliefs, values, and assumptions (Schein, 2010). A good organizational culture can lead to a reduction in opportunities for employees to commit fraud (Wicaksono, 2016). Purnamasari and Amaliah (2015) examined religiosity and spirituality factors in the workplace and their relationship with fraud through the administration of a questionnaire in a survey of 30 investigative auditors from Indonesia's BPKP Agency in West Java Province. Purnamasari and Amaliah observed that religiosity and spirituality in the workplace had a positive and significant influence on fraud prevention. They concluded that spirituality in the workplace significantly strengthened the relationship between religiosity and fraud prevention.

Accountability

Dhanani and Connolly (2015) attributed the increasing calls for the accountability of nongovernmental organizations to reported high profile cases of financial fraud in such organizations. Accountability helps organizations to maintain credibility, the trust, confidence and financial support of donors on which the organizations depend for their continued existence (Sinclair, Hooper, & Ayoub, 2013). Financial accountability is a global management issue for organizations (Mwaura, 2013) and nongovernmental

organizations that apply financial standards in ensuring financial accountability attract more donor support for improved performance (Mwaura). By establishing policies and procedures for boards and managers to understand their fiduciary responsibilities, organizations ensure proper financial management and achievement of organizational goals.

Fraud Opportunities in Churches

The opportunity to commit fraud is common and very pronounced in churches. Ventura and Daniel (2010, cited in Mawanza, 2014) indicated that incentives, rationalization, and opportunities existed for fraud to occur in Christian churches despite the high moral and ethical values of church organizations. Some of the opportunities that motivated employees can exploit to commit fraud are discussed in the next sections.

Nonexistent or Weak Internal Controls

Opportunities for fraud occur in organizations with either non-existent internal controls (ACFE, 2016; Ghazali et al., 2014; Kassem & Higson, 2012); weak internal controls (Donelson, Ege, & McInnis, 2015; Dzomira, 2014; Low & Ang, 2013; Mat et al., 2013; Mawanza, 2014; Rubasundram, 2015); inadequate internal controls (ACFE, 2016; Shao, 2016); or ineffective internal controls (Ghazali et al., 2014; Kassem & Higson, 2012).

Poor Governance

Motivated employees exploit poor governance and control deficiencies in their organizations to commit fraud (Boyle, DeZoot, & Hermanson, 2015). Fraud opportunities exist in churches with (i) non-existent or inadequate financial management standards and

regulations (Cornell, Johnson, & Schwartz, 2013; Gray & Villamarin, 2015), (ii) weak boards of directors (Albrecht et al., 2010), (iii) complex transactions or organizational structures (Lister, 2007), and (iv) poor ethical cultures (Rubasundram, 2015).

Poor Management Practices

Fraud opportunities in organizations are created by poor management oversight responsibilities or the lack thereof (ACFE, 2016; Ghazali et al., 2014; Mat et al., 2013; Mawanza, 2014); poor financial management practices (Ghazali et al., 2014; Masrek, Mohamed, Daud, Arshad, & Omar, 2014; Shaharuddin & Sulaiman, 2015), and the violation of financial controls by management (Albrecht et al., 2010; Kassem & Higson, 2012). Lack of employee education on fraud (ACFE, 2016); failure of management to discipline fraud perpetrators (Albrecht et al., 2010); lack of independent audits (ACFE, 2016) and audit trails (Albrecht et al., 2010); and inadequate segregation of duties or the total lack of it (Cornell, Johnson, & Schwartz, 2013; Lister, 2007; Mat et al., 2013) also create fraud opportunities in organizations.

Positions of Authority, and Trustworthiness

Nonprofit organizations, including churches, rely on trust and volunteer support (Kummer, Singh, & Best, 2015). Trust drives opportunity and opportunity abounds in churches (Gray & Villamarin, 2015: Mawanza, 2014; Wood & Wood, 2014). Higher positions of authority held by individuals in their organizations can create opportunities for them to commit fraud (Laufer, 2011 cited in Shao, 2016; Mawanza, 2014). Such opportunities arise out of the skills and abilities of potential perpetrators in positions of authority and trust, and the perception that they are more trustworthy than other

employees in their organizations (Gagliardi, 2014). Technical skills, knowledge, and information give individuals the ability to violate their positions of trust and the opportunity to commit fraud (Mat et al., 2013). Dellaportas (2013) examined why accountants commit fraud, the degree to which they rely on their professional roles to do so, and the factors that influence them. He found that (i) the offenders used their positions as professional accountants to commit fraud when they came under financial pressure, (ii) the power of knowledge and the absence of proper business administration created opportunities for them to commit fraud, and (iii) the occupational positions of the accountants created opportunities and the capacity for them to commit fraud.

Financial fraud originated as affinity fraud with perpetrators taking advantage of the trust that develops naturally among members of a group with common interests to which the perpetrators belong. Trust, developed in a communal situation, can be the basis for building a momentum of trust that would enable the perpetrator of a fraud to extend the fraud into situations where different types of relationships exist (Blois & Ryan, 2013). Opportunities to commit fraud abound where there is (i) too much trust in an atmosphere of trust (Mat et al., 2013), (ii) a high level of trust and confidentiality (Cornell et al., 2013), (iii) misplaced trust (Dzomira, 2014), or (iv) abused trust (Wood & Wood, 2014).

Minimizing Fraud Opportunities in Churches

Organizations are prone to fraud, and fraud opportunities abound in churches. In order to prevent fraud, organizations must identify fraud factors, and also understand who commits fraud and why they do so (Ruankaew, 2013). Understanding fraud factors helps organizations to analyze how vulnerable they are to fraud, and how they can prevent

fraud from occurring by addressing the fraud factors (Prabowo, 2013; Ruankaew, 2013). Understanding employees and their work environment can help organizations to prevent fraud from occurring (Arif & Malek, 2013). It is the responsibility of both management and employees to prevent fraud in their organizations and that should be more important than to detect fraud after it has occurred (Mohamed, 2013). According to ACFE (2014), preventing fraud from occurring reduces the cost of fraud in organizations. Opportunity is the only fraud factor that organizational leadership can control. Therefore, minimizing fraud opportunities in organizations can prevent the incidence of fraud. Many authors have identified internal control systems and other mechanisms for minimizing fraud opportunities in organizations. These are discussed in the next section.

Internal Control Systems

Internal control systems are the primary fraud prevention mechanisms in organizations (Gagliardi, 2014). They are the embodiment of an organization's principles, values, norms, culture, standard operations and processes, as well as a measure of the effectiveness of management policies, procedures, and practices (Dzomira, 2014). A good internal control system reduces fraud risk because it reduces a potential fraudster's perceived opportunities and rationalization (Mat et al., 2013). There are preventive and detective internal controls. Preventive internal controls are proactive systems for minimizing fraud opportunities, and for preventing fraud from occurring. On the other hand, detective internal controls are reactive systems for discovering fraud after commission (Dzomira). There is a significant relationship between internal controls and fraud prevention in that internal controls are necessary safeguards against fraud (Ozigbo

& Orife, 2015). On one hand, internal controls may be effective for preventing fraud committed by employees not in leadership or positions of authority. On the other hand, internal controls may be ineffective for preventing fraud committed by employees in leadership or positions of authority (Nijenhuis, 2016). This is because employees in leadership or positions of authority are usually the ones with the propensity to violate organizational rules and regulations. An observation by Tanui (2016) corroborates the position of Ozigbo and Orife (2015) that there is a positive correlation between internal controls and financial management in churches.

A major objective of instituting internal controls is to minimize fraud opportunities in organizations. Internal controls enable organizations to minimize financial fraud (Inusah & Abdulai, 2015; Karmann, 2013), inefficiencies and the risk of fraud (Jurado, 2013). Shao (2016) emphasized that strong effective internal controls can minimize fraud opportunities in organizations. Another major objective of instituting internal controls is to promote operational efficiency through various mechanisms to prevent fraud (Ahiabor & Mensah, 2013; Kore, 2015; Maguire, 2014; Masrek, Mohamed, Daud, Arshad, & Omar, 2014; Prempeh, Twumasi, & Kyeremeh, 2015). Internal controls help organizations to (a) have effective and efficient operations (Ahiabor & Mensah, 2013; Prempeh et al., 2015); (b) ensure reliability of effective and efficient operations (Kore, 2015); (c) ensure that the financial reporting system of an organization is effective and efficient to prevent fraud (Masrek et al., 2014); and (d) achieve operational efficiency, and meet their goals and objectives (Inusah &Abdulai, 2015). Internal controls can promote compliance with laws and regulations in an organization (Jurado, 2013), and

support transparency, accountability and capacity building for effective operations in the organization (Maguire, 2014). Good internal controls generally promote the growth and productivity of an organization (Ozigbo & Orife, 2015) but in church organizations, internal controls affect the monitoring and appropriation of church funds (Ahiabor & Mensah, 2013). Strong internal controls can ensure effective financial management and fraud prevention in churches (Tanui, 2016).

Financial Management, Ethics and Fraud Training

Financial management training is one of the strategies for minimizing or preventing financial fraud in organizations (Aborbie, 2015). Other strategies that produce trustworthy employee behavior leading to fraud prevention are compliance procedures, codes of conduct, and ethics training (Hurley, Gillespie, Ferrin, & Dietz, 2013). Ethics training, compliance procedures, and other regulations strengthen internal controls and prevent fraud in organizations (Koller, Patterson, & Scalf, 2014), but the training of management and employees on fraud is necessary for fraud prevention in organizations (Albrecht, Holland, Malagueno, Dolan, & Tzafrir, 2015; Kramer, 2015). Inadequate training or the lack of anti-fraud training policies for employees increases fraud opportunities in organizations (Sabau, 2013). Kummer, Singh, and Best (2015) emphasized the need for organizations to train their management and employees on fraud and its prevention to create awareness among management and employees. Therefore, creating fraud awareness through training and ethical organizational culture reduces fraud opportunities in organizations (Kummer, Singh, & Best, 2015; Sabău, 2013) whereas . creating fraud awareness through training empowers management and employees to

prevent fraud in organizations (Abiola & Oyewole, 2013; Kramer, 2015; Shao, 2016). On the other hand, ethics training ensures ethical decision-making to prevent fraud in organizations (Verma, Mohapatra, & Lowstedt, 2016). According to Peltier-Rivest and Lanoue (2015), regular training on fraud and ethics is important for preventing fraud in organizations.

Regular Audits

Auditing is a useful tool in corporate governance for improving and adding value to the operations of an organization (Van Wyk, 2013) as well as for preventing fraud in an organization (Monisola, 2013; Petrascu & Tieanu, 2014; Trout, 2014). According to Ruth (2015), internal auditing is useful for reviewing the accounting, financial and other operations in organizations. Internal auditing ensures accountability and addresses the risk of the mismanagement of an organization's finances. Internal auditing helps organizational leaders to better manage their activities and add value to their operations (Petraşcu & Tieanu, 2014). Derby (2015) made a similar observation in a case study of selected charismatic churches in Ghana and recommended that charismatic churches should have regular audits of their accounts in order to realize their financial obligations.

Financial Management Policies and Procedures

Budgeting is a relevant financial management tool for organizations. A simple well-structured budgeting procedure contributes to the effective management of an organization's finances (Rene & Lemsi, 2016). When it comes to church finances, the implementation of policies and procedures to guide the conduct of key leaders would help prevent the incidence of financial fraud in church organizations (Wood & Wood,

2014). Derby (2015) shared a similar view when he observed from a case study that employing sound accounting management procedures, and preparing financial statements in accordance with accounting standards would enable charismatic churches to minimize fraud opportunities, and achieve their financial obligations. added that management review of internal controls, internal audits, external audits, and codes of conduct are effective for fraud prevention (Shanikat, Al-Farah, & Dorgham, 2014).

Effective Governance Systems

An effective governance system can create an uncorrupted work environment and a proactive attitude for fraud prevention (Sgărdea, Şendroiu, & Sabău, 2013). An effective corporate governance system contributes to fraud prevention (Halbouni, Obeid, & Garbou, 2016) by reducing the likelihood of fraud in organizations (Razali & Arshad, 2014). Derby (2015) examined the financing and investment decisions, and reward systems of five charismatic churches in Kumasi, Ghana and the challenges the churches face in achieving their financial obligations. Derby administered a structured questionnaire with a self-administered 5-point Likert scale on 40 respondents, including head pastors, other pastors, and church members. Derby found out that the study organizations lacked sound administrative systems while the head pastors exercised unlimited power and authority. Therefore, Derby admonished charismatic churches to adhere strictly to provisions in their church constitutions and empower church committees in the performance of their given roles in order to minimize fraud opportunities and achieve their financial obligations.

Professional Expertise

Churches as nonprofits rely on trust and volunteer support (Kummer, Singh, & Best, 2015). However, trust creates fraud opportunities in churches (Gray & Villamarin, 2015: Mawanza, 2014; Wood & Wood, 2014). Financial fraud occurs in churches because congregations tend to trust and respect pastors and treasurers such that they hardly question the decisions and actions of pastors and treasurers (Wood & Wood, 2014). The exploitation of trust makes churches susceptible to fraud (Johnson, Zurlo, & Hickman, 2015) whereas high levels of volunteer involvement could be a contributory factor to misappropriation of church funds (Gray & Villamarin, 2015). Derby (2015) observed from a study of the financial management systems of 5 charismatic churches in Kumasi, Ghana that the churches lacked effective internal control procedures but the head pastors exercised unlimited power and authority. Therefore, Derby recommended that charismatic churches should engage the services of qualified accounting professionals to handle church finances. Following a case study of corporate accounting scandal at Satyam Computer Services in India, Bhasin (2013) highlighted the need for organizations to engage skilled professionals who can identify, expose, and prevent structural weaknesses in the organizations in order to prevent fraud from occurring.

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Transition and Summary

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Section 1 of this study proposal highlighted the growing phenomenon of financial fraud in church organizations that raises questions about the effectiveness of internal controls with a focus on churches in Ghana. Various fraud theories have established pressure, opportunity, and rationalization as the fundamental factors that contribute to

fraud. However, the opportunity to commit financial fraud arises from weak internal controls or the lack of internal controls in an organization. The purpose of this case study was to explore strategies church leaders in Ghana use to prevent financial fraud in their organizations.

Section 2 highlights the project and therefore covers (i) the research method and design I used, (ii) the sources of data and how I collected, organized and processed the data, (iii) the study population and how I selected the study participants, and (iv) how I dealt with the issues of reliability and validity. In this section, I will discuss the use of the qualitative research method and a case study design as most appropriate for exploring strategies for preventing financial fraud in church organizations in Ghana. In addition, I will discuss the sampling of the study population in respect of the sample size, sampling strategy, and source sample. I will address possible ethical issue relating to the conduct of interviews to collect data from study participants, Finally, I will discuss data collection, organization, analysis, and application in view of the instruments and techniques used and how I ensured the reliability and validity of the study findings.

Section 2: The Project

Section 2 covers the research method and design I used. The section addresses my role as the researcher, the sources of data, and how I collected, organized, and processed the data. In addition, the section covers the study population and how I selected the study participants as well as how I ensured the reliability and validity of the research findings.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies church leaders use to prevent financial fraud in their organizations. The targeted population consisted of pastors, administrators, accountants, board members, and department leaders who utilize strategies for preventing financial fraud in five church organizations in Ghana. The study findings could contribute positively to social change by triggering some institutional changes in church organizations to enhance their donation appeal and future funding, which may then help them achieve their social initiatives.

Role of the Researcher

My role as a researcher in this study was that of a scholar practitioner who collected, organized, and interpreted the data and reported on the study findings. I carried out the research in the capacity of a participant and not as an expert in management or the phenomenon under study. My research was on strategies church leaders use to prevent financial fraud in their church organizations. My interest in the phenomenon was triggered by my personal observations and work experience as the administrator of my church some years ago. I conducted a qualitative multiple case study research to (a)

understand the experiences, perspectives, and thoughts of study participants on the phenomenon and (b) develop an understanding and real-world perspective of the phenomenon without any preconceptions and biases.

I collected data through individual interviews and document analysis. I selected the study participants through gatekeepers, developed a rapport with the participants to build trust, and had those willing to participate in the study to sign an informed consent form. I observed the protocols of the Belmont Report to maintain ethical standards throughout the conduct of the study. I ensured confidentiality, respect for study participants, and the mitigation of risks. However, there were no significant risks to participants because the study did not involve any vulnerable population and did not require any treatment of any kind.

I applied for approval from the institutional review board (IRB) to enable me conduct individual interviews with the study participant. I developed and used an interview protocol (see Appendix A) to ensure that I asked each participant the same set of questions and in the same order. I electronically recorded the individual interviews with the study participants after informing participants about the recording. I transcribed the audio recordings from the interviews into written information for analysis to identify themes and common threads for drawing conclusions and making recommendations, which is the first step in analyzing qualitative data (Bailey, 2008). Because accurate transcription is important in determining the accuracy and dependability of the data collected for analysis (Stuckey, 2014), I submitted the transcripts to the study participants for review. Review of transcripts by study participants helps validate transcripts, preserve

research ethics, authenticate the spoken responses during interviews, correct the language, and provide further clarifications to enhance the quality of transcripts, and research studies (Mero-Jaffe, 2011). However, the process of transcribing and submitting transcripts to study participants for review requires time and effort and raises some ethical research issues (Mero-Jaffe, 2011).

Researcher bias involves imposing personal beliefs, interests, distortions, and biases on the research process from data collection to data analysis and interpretation (Birt, Scott, Cavers, Campbell, & Walter, 2016). To reduce bias, I took some actions at the study design stage, data collection stage, and data analysis stage to help me reduce researcher bias (see Smith Noble, 2014). For instance, I submitted my open-ended interview questions to my academic supervisors to validate and ensure that they were appropriate for the study. I also pretested the interview questions in a pilot study. Further, I used an interview protocol to ensure that I asked study participants the same set of questions in the same order without any bias. With the permission of study participants, I audio recorded the interviews, transcribed the interview data, and submitted the transcript to the study participants to review for accuracy. Finally, I used member checking to confirm, substantiate, or validate my study findings. Member checking helps researchers to (a) assess their representation of participants' objectivity (Koelsch, 2013), (b) guard against biases and distortions to enhance the ethical dimension of qualitative research (Buchbinder, 2011), and (c) validate, verify, assess or explore the trustworthiness of qualitative results (Birt et al., 2016).

Participants

I purposively selected study organizations that could respond to the research question, and through gatekeepers I selected study participants who could help me understand the phenomenon to address the research question. In line with IRB requirements, I selected study participants over 18 years old who were mentally and emotionally sound, not disabled or in prison, and to whom I did not have to give any payments, compensation, reimbursement, or other gifts for their participation in the study. I considered their (a) professional backgrounds and roles in the study organizations, (b) occupational status and level of understanding of the topic, (c) accessibility and willingness to participate in the study, and (d) personal commitment to improving the financial management of their organizations.

The target population for this qualitative study consisted of pastors/ministers, administrators, accountants, board members, and department leaders who utilize strategies for preventing financial fraud in five church organizations in Ghana. Because occupational fraud is committed mostly by key employees of an organization (Shanikat, Al-Farah, & Dorgham, 2014), and church fraud is perpetrated mostly by treasurers (Wood & Wood, 2014), the target population was appropriate for this qualitative study. I worked closely with the management of the church organizations to purposively select 20 study participants from the target population. I made initial contacts with the study participants in person, through phone calls, and e-mails to introduce myself and the study objectives to them. I followed up with personal contacts, calls, or e-mails where appropriate to discuss with the study participants the interview process, confidentiality of

the data to be collected, and other ethical issues to have a meaningful and fruitful interaction with them. Study participants signed an informed consent form to indicate their voluntary participation in the study.

Research Method

Researchers use qualitative, quantitative, and mixed methods (Frels & Onwuegbuzie, 2013; Zohrabi, 2013). To address the research question "What strategies do church leaders use to prevent financial fraud in their organizations?" I conducted a qualitative study to explore strategies for preventing financial fraud in church organizations. A qualitative research method is appropriate for generating iterative and expressive views on a phenomenon with a focus on understanding the experiences, perspectives, and thoughts of study participants (Cottrell & Donaldson, 2013). Qualitative research is also useful for clarifying the thoughts and feelings of study participants and for interpreting participants' experiences of a phenomenon to explain human behavior (Austin & Sutton, 2014). Conversely, quantitative research methods involve the collection and analysis of numerical data to explain a phenomenon (Labaree, 2013), and mixed methods combine qualitative and quantitative research methods (Zohrabi, 2013). Therefore, because the purpose of this study was to explore strategies for preventing financial fraud in church organizations and not to offer statistical validation to the phenomenon, a qualitative method was more appropriate to use than quantitative and mixed methods.

Research Design

Case study, phenomenology, grounded theory, and ethnography are major qualitative research designs (Denscombe, 2014; Urquhart & Fernandez, 2013; Wilson, 2015; Yin, 2014). An ethnographic study is used to gain a deeper understanding of the social interactions of people within the context of their cultural practices and traditions (Denscombe, 2014), grounded theory is used to generate theory on a subject matter from study data (Urquhart & Fernandez, 2013), and phenomenology is used to develop an understanding of the lived experiences of study participants as well as their meanings and implications (Wilson, 2015). A case study is most appropriate when the purpose is to develop an understanding and a real-world perspective of a phenomenon (Yin, 2014).

The purpose of this study was to explore strategies for preventing fraud in church organizations. The purpose was not to summarize and understand lived experiences, build theory, or study organizational culture as a primary focus. Therefore, a case study design was most appropriate. Additionally, I collected data using open-ended questions (see Appendix B) in interviewing study participants. In a phenomenological study, the researcher collects data primarily through interviews, but this study required multiple sources of data. In an ethnographic study, the researcher focuses primarily on social interactions and cultural practices, which was not the focus of this study. In a grounded theory study, the researcher derives a theory from data collected, which was not the focus of this study. Therefore, a phenomenological study design, an ethnographic study design, or a grounded theory study design was not appropriate for this study.

Population and Sampling

Sampling is an important component of qualitative research design with a definition of the study population, sample size, sampling strategy, and source sample. The study population is the totality of persons from which cases may legitimately be sampled in an interview research study using a set of inclusion and/or exclusion criteria (Robinson, 2014). Occupational fraud is committed mostly by employees in authority in an organization (Shanikat, Al-Farah, & Dorgham, 2014), and church fraud is perpetrated mostly by treasurers (Wood & Wood, 2014). Therefore, the target population for this study consisted of pastors/ministers, administrators, accountants, board members, and department leaders who utilize strategies for preventing financial fraud in five church organizations in Ghana.

Epistemological and practical considerations determine the sample size in a qualitative research study (Robinson, 2014). Epistemological considerations relate to how researchers acquire knowledge and can validate the knowledge (Muin, Abedalaziz, Hussin, Mohamed, & Md Saad, 2014). An *idiographic* or a small sample size allows for an intensive analysis of each case and for individual cases to have a locatable voice within a study, whereas a *nomothetic* or a large sample size allows for the development and testing of a general theory in a study (Robinson, 2014). Because the purpose was not to develop or test a theory, I purposively selected a total sample size of 20 participants from the study population. Through gatekeepers, I purposively selected pastors/ministers, elders, accountants, internal auditors, and administrators in each of the study organizations. Once selected, I contacted the study participants through phone calls and

e-mails to brief them about the study objectives, my role as the researcher, what their

participation would entail, the interview settings, and ethical issues. Together with the

participants, I established when, where, and how to conduct the individual interviews at

their convenience. To ensure data saturation, I interpreted the responses the participants

provided during the interviews and submitted my interpretation of their responses to them

for confirmation. I then did some follow-ups with the participants until there was no new

data, insight, theme or coding but I had enough information to replicate the study.

<div align="center">**Ethical Research**</div>

After defining the study population, sample size, and sampling strategy, I sourced

the study participants from the study population. Because conducting interviews involved

interacting with the study participants, there was the need to address possible ethical

issues and challenges. As part of the requirements of Walden University, I submitted my

research proposal to the IRB requesting approval to conduct my doctoral research study.

The IRB approved this study on April 26, 2018 with approval number 04-26-18-0566118.

In line with its role as pointed out by some authors (Szanton, Taylor, & Terhaar, 2013;

Tsurukiri, Mishima, & Ohta, 2013), the IRB ensured that my research proposal was in

line with established research ethics, relevant laws, and institutional regulations and

practices.

Even though I purposively selected the study participants through gatekeepers,

participation in the study was voluntary with no rewards or compensation for study

participants. Notwithstanding the fact that participation in the study was voluntary, study

participants completed an informed consent form. The informed consent form contains

ethical research issues such as the risks and benefits of participation, confidentiality of given information, the right of withdrawal from the study, and any other information that will help the study participants reach an informed, consensual decision to participate in the study. In accordance with IRB requirements, I selected participants aged over 18 years old, mentally and emotionally sound, and not disabled or in prison. The participants were professionals I did not exercise any authority or supervisory role over, nor give any payments, compensation, reimbursement, free services, or other gifts to for their participation in the study. Other criteria I used for selecting participants were their professional backgrounds and respective roles in the study organizations, occupational status and level of understanding of the topic, accessibility and willingness to participate in the study, personal commitment to preventing financial fraud in their organizations, and the ability to influence a management buy-in of the research study. A study participant had the right to opt out of the study at any point in time during the process by presenting a written request to that effect. Once a participant opted out, any data collected from him/her would not be included in the study. I processed all other data and stored them under anonymity with protected passwords in secured electronic files in my personal computer. I backed up the data on a Universal Serial Bus (USB) external drive. I had the ethical responsibility to ensure confidentiality and the protection of the rights of the study participants. I destroyed all hard copies of the data shortly after the study was approved. However, I will delete all the electronic data five years after the approval.

Data Collection Instruments

The researcher is the primary data collection instrument in qualitative studies (Yin, 2014) in which the researcher uses interviews, observations, focus groups, biographical methods, analysis of documents, and open-ended questionnaires to collect data (Ritchie, Lewis, Nicholls, & Ormston, 2013; Zohrabi, 2013). In this study, I collected data by interviewing study participants using open-ended questions (Appendix B). Interviews can be structured, semistructured or unstructured depending on the research design with interview questions being closed in quantitative studies but open-ended in qualitative studies (Doody & Noonan, 2013). Having indepth interviews help researchers to understand the lived experiences of the people they interview and the meaning the interviewees make of their experiences (Seidman, 2013). The approval of the interview questions by my academic supervisors, as well as pretesting the interview questions in a pilot study contributed to establishing the validity and appropriateness of the interview questions. I used member checking of the study findings to enhance the reliability and validity of the data collection instrument. In addition to the interviews, I collected data through analysis of financial management policy documents of the study organizations. Ritchie, Lewis, Nicholls, and Ormston (2013) described *analysis of documents* as the study of existing documents of an organization in order to have a better understanding or meaning of their substantive content.

Data Collection Technique

In this study, I collected data by conducting a 30-60 minute semistructured interview with each study participant. In line with the observations by Doody and

Noonan (2013), the advantages of using this technique were that (a) I gained insight into the phenomenon under study, (b) I reduced researcher biases or errors, and (c) the study participants were able to describe their experiences regarding the phenomenon. On the other hand, the disadvantages of using this technique were that (a) it was time-consuming, (b) it was expensive to mobilize logistics including an audio recorder, and (c) it was susceptible to researcher biases. After the IRB approval, I pretested the interview questions in a pilot study with two senior managers in one of the study organizations. One major consideration for selecting the participants in the pilot study was their ability to influence a management buy-in of the study. The experience I gained from the pilot study helped me to become more effective in the main interviews.

Before conducting the interviews, I emailed the background and objectives of the study, as well as the interview questions (see Appendix B) to each potential study participant. Those who indicated their willingness to participate in the study signed an informed consent form that solicited their voluntary participation in the study. I then mutually agreed with each study participant on the location, date, and time for the individual interviews. As much as possible, I interviewed the study participants in person but where it was not possible or convenient for the study participants I interviewed them over the phone. I used an interview protocol (Appendix A) to ensure that I asked each study participant the same set of questions and in the same order, as noted by Peredaryenko and Krauss (2013). I audio recorded the interviews but I had the ethical obligation to inform the study participants about the recording. I transcribed the audio recordings into written information and emailed them to the study participants to review

them for the accuracy and dependability of the data collected, as noted by Stuckey (2014). In the view of Mero-Jaffe (2011), the review of the transcripts by the study participants will validate the transcripts, preserve research ethics, authenticate the spoken responses during the interview, correct the language, and provide further clarifications to enhance the quality of the transcripts, and the research study.

In addition to the transcript review, I used member checking to verify the trustworthiness and validity of the data collected. Member checking is a dialogue between a researcher and a study participant to confirm, substantiate, or verify the credibility of the researcher's interpretation of the study findings (Birt, Scott, Cavers, Campbell, & Walter, 2016; Buchbinder, 2011; Koelsch, 2013). Data saturation enhances the validity of the study findings when there is no new information, no new coding, no new themes, and when the study can be replicated (Fusch & Ness, 2015). Therefore, , I did some follow-ups after the interviews to obtain in-depth information from study participants until there were no new information, codes, and themes. In addition to the interviews, I analyzed the financial management policy documents and guidelines of the study organizations. The use of these datasets ensured methodological triangulation, reduced biases, and authenticated the responses from the study participants (Anney, 2014). Their use also enhanced the reliability of the study findings in line with the observation by Yin (2014).

Data Organization Technique

I collected data by interviewing study participants in person using open-ended questions (see Appendix B). I coded the interview data and stored it using labels that kept

participant identities confidential, and protected passwords in secured electronic files in my personal computer. A code represents and captures the primary content and essence of qualitative research data (Saldana, 2013), and coding helps researchers to conceptually identify and classify qualitative data into major themes (Talanquer, 2014). In addition, coding ensures the confidentiality and privacy of study participants (Gibson, Benson, & Brand, 2013). I grouped the most important codes into categories or themes and dropped the less important ones. I labeled the categories and decided which ones were the most important and how they related to each other. I backed up the coded data for each study participant on a USB external drive. I processed and stored the interview data under anonymity with protected passwords in secured electronic files in my personal computer. This was to ensure confidentiality as well as protect the privacy of the study participants for five years after the approval of the study.

Data Analysis

As indicated in earlier sections of this study, I collected data through individual interviews and analysis of the study organizations' financial management policy documents. The use of these datasets ensured methodological triangulation which helps researchers to reduce biases (Anney, 2014) and authenticate the responses from study participants. According to Talanquer (2014), a researcher can organize data into categories using codes before or during data analysis. I used Saldana's (2013) guidelines to manually code the interview data. I created codes for relevant actions, activities, concepts, and phrases in the data. Guided by Yin's (2014) approach to data analysis, I examined the data, grouped them into categories, regrouped them in themes, interpreted

the data, and produced empirically based findings that answered the central research question of the study. I used QDA Miner Lite® v2.0.5, a computer assisted qualitative data analysis software (CAQDAS), to facilitate the data analysis. The QDA Miner Lite® software helped me to electronically organize, process, store, and manage the data.

Reliability and Validity

The reliability and validity of the findings, conclusions, and recommendations of a research study are important. Researchers would not be able to satisfactorily draw conclusions, formulate theories, or generalize their research outcomes without the agreement of independent and replicable observations (Thatcher, 2010). If a measurement is not reliable it cannot be valid, if a method is not reliable it can also not be valid. Therefore, I used purposive sampling to select study participants, properly crosschecked and documented information/data, and managed distractions and biases (as suggested by Price & Lau, 2013). The alternatives or equivalents of reliability and validity in qualitative research are dependability, credibility, transferability and confirmability (Cook, Sorensen, Hersh, Berger, & Wilkinson, 2013; Cope, 2014; Lincoln & Guba, 1985). Whereas dependability relates to the reliability of qualitative research, credibility, transferability, and confirmability relate to the validity of qualitative research.

Reliability

A major requirement for a research study is the reliability of the data and the research findings. Reliability is the extent to which an experiment or test yields the same result on repeated trials (Thatcher, 2010). Reliability is a measure of how consistent, dependable, and reliable the research findings are from the methodology and instruments

of measurement used. Grossoehme (2014), Consistency is the essence of the reliability of qualitative research (Grossoehme, 2014; Leung, 2015; Noble & Smith, 2015). The consistency in data collection, analysis, and interpretation as well as in the research findings by both the original and independent researchers is a reflection of the internal reliability of the study. On the other hand, the replicability of the research study by an independent researcher to obtain similar findings as the original study is a reflection of the external reliability of the study (Zohrabi, 2013). Peer review is an important part of the quality control mechanism used to determine what can be published and what cannot be published (Voight & Hoogenboom, 2012).

Interviews are a primary source of data in qualitative research. Audio recording and transcribing interviews are a way of establishing reliability of the data collected (Silverman, 2013). Audio recording of interviews helps ensure the accuracy of data collected (Doody & Noonan, 2013). However, researchers must observe standard procedures for transcribing interviews in order to prevent and eliminate errors and not compromise the reliability of the data collected (Glaser & Laudel, 2013). Accurate recording and proper documentation of field notes and data collected are necessary for establishing the reliability of the research study (Doody & Noonan, 2013; Price & Lau, 2013). The reliability of a study can be enhanced through the research design, piloting the study beforehand, and revising it before using it in the main study (Brown, 2015). After the IRB approval, I pretested the interview questions in a pilot study with two senior managers in one of the study organizations. The experience I gained from the pilot study helped me to become more effective in the main interviews. Therefore, to enhance the

reliability of this study, I used purposive sampling to select the study participants, audio recorded the interviews I conducted, transcribed the information gathered, and sent the transcripts to study participants to review for accuracy and dependability as noted by Stuckey (2014). The review of interview transcripts by study participants validates the transcripts, preserves research ethics, authenticates the spoken responses during the interview, corrects the language, and provides further clarifications to enhance the quality of the transcripts, and the research study (Mero-Jaffe, 2011). In addition to the transcript review, I used member checking to verify the trustworthiness and validity of the data collected.

Validity

Validity is the extent to which any measuring instrument measures what it is intended to measure (Thatcher, 2010) or a measure of the appropriateness of the instruments of measurement, methodology and data collected (Leung, 2015). Therefore, the use of appropriate methodology ensures the validity of a research study (Keeley, Al-Janabi, Lorgelly, & Coast, 2013). Validity is also a measure of how trustworthy, useable, and acceptable the research is from data collection to analysis and interpretation (Zohrabi, 2013) or the integrity of the research methodology and the accuracy of the research data, and findings (Noble and Smith, 2015). The extent to which the researcher observes and conducts the measurements defines the internal validity of the study. On the other hand, the applicability of research findings to other contexts defines the external validity of the study (Zohrabi, 2013). Cope (2014), and Lincoln and Guba (1985) related

the rigor of qualitative research to the *credibility*, *transferability*, and *confirmability* of study findings.

Credibility involves establishing that the research findings are credible or believable from the perspective of the study participants. A researcher can use data collection procedures, member checking, and data triangulation to ensure credibility of a study (Newman & Covrig, 2013). I ensured credibility of the study findings by employing methodological triangulation and member checking until there was data saturation with no new information, themes, or concepts.

Transferability is the degree to which findings of a research study can be generalized or transferred to other contexts or settings. Because of the small size of study participants in qualitative case studies, the findings are not generally transferable (Stake, 1995). However, readers are able to determine the transferability of the findings when they gain a deeper understanding from a detailed description of the phenomenon under study. (Erlingsson & Brysiewicz, 2013). In that regard, I gave a detailed description of the phenomenon, and properly defined the context of the study.

Confirmability is the extent to which others can confirm or corroborate the findings of a research study. I ensured confirmability by using multiple datasets as prescribed by Houghton, Casey, Shaw, and Murphy (2013), and the QDA Miner Lite® software for objective data analysis, coding, and theme selection. In line with the views of Boesch, Schwaninger, Weber, and Scholz (2013), I did post-interview follow-ups with study participants to ensure that the study findings reflected their lived experiences.

Transition and Summary

In this qualitative multiple case study, I explored strategies for preventing financial fraud in church organizations in Ghana. Section 2 of this study highlighted the research method and design I used, the sources of data and how I collected, organized and processed the data. In addition, Section 2 covered the study population and how I selected the study participants as well as how I dealt with the issues of reliability and validity.

Section 3 will cover the study findings and how I presented the findings, how the findings can be applied to professional practice, as well as how the findings can contribute to positive social change. In addition, I will make some recommendations for action and future research based on identifiable gaps to enhance existing knowledge and understanding of financial fraud in church organizations and strategies for preventing the phenomenon.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative multiple case study was to explore strategies church leaders use to prevent financial fraud in their organizations. The aim was to (a) understand the experiences and perspectives of participants on the phenomenon; and (b) develop an understanding and real-world perspective of the phenomenon without any preconceptions and biases. I collected data through 20 individual interviews with pastors/ministers, elders, accountants, internal auditors, and administrators and analysis of the financial management documents from five church organizations. I identified participants in each study organization with the alphanumeric codes A1-A4, B1-B4, C1-C4, D1-D4, and E1-E4.

This section covers the findings of the study in relation to strategies church leaders use in preventing financial fraud in their organizations and whether my findings support the findings of other peer-reviewed studies from the literature review. I also relate my findings to Cressey's (1953) fraud triangle theory and explain why this study is significant for improving church business practices as well as the implications for institutional change in church organizations. I provide some recommendations on how the findings can be disseminated and possible areas for further research. Finally, I end with my personal reflections on this doctoral study.

Presentation of the Findings

The central research question that guided this study was "What strategies do church leaders use to prevent financial fraud in their organizations?" I conducted

semistructured interviews using open-ended questions (see Appendix B) in participants'

offices and church premises at mutually agreed upon dates and times. All the participants

were enthusiastic, articulate, and engaging during the interviews. I transcribed the

interview responses and submitted the transcripts to participants to either confirm or

make the necessary revisions to reflect their responses to the interview questions. I used

member checking to ensure the accuracy of the interview data and the transcription, and

then imported the transcripts (data) into QDA Miner Lite® software for analysis. I

extracted significant information from the data and assigned codes to them. Where

necessary, I modified or merged similar codes in line with the findings. I used a sorting

strategy to group the codes into categories based on possible relationships among them.

Finally, I generated a theme for the codes in each category. Table 1 provides the initial

coding schema based on the participants' responses to the interview questions. Tables 2-4

provide the respective themes for the codes in each category.

Table 1

Initial Coding Schema

No.	Code	Frequency	Participants
1	Accounting and financial management policies	42	19
2	Documentation of financial records	41	15
3	Authorization and approvals	37	16
4	Regular review of the system	32	15
5	Accountability	26	14
6	Governance, leadership, and management structures	25	14
7	Procurement guidelines and processes	23	14
8	Employee competence	15	11
9	Education and training of employees	12	9
10	Annual budget and financial plan	10	8
11	Application of sanctions	10	7
12	Segregation of duties	8	8
13	Rotation of offering counters	5	5
14	Blowing the whistle	5	4
15	Physical controls	3	3

Three significant themes emerged from the analysis of the interview data: (a) effective administration, (b) good stewardship and accountability, and (c) caliber of employees. The themes reflect the different categories of the fraud prevention strategies the participants mentioned in their interview responses. In the following narratives, I will describe the three major themes and how they address the research question. Where appropriate, I will provide direct quotes by participants to support the import of the themes from their personal perspectives. I will also discuss whether the study findings support the findings of other peer-reviewed studies from the literature review and how the study findings relate to Cressey's (1953) fraud triangle theory.

Theme 1: Effective Administration

Theme 1 emerged as the most significant theme from the participants' responses to Interview Questions 1, 4, and 5 (see Appendix B). The effective administration of a church organization requires requisite structures, systems, and processes to achieve organizational goals. In Table 2 are the foremost strategies the study organizations use for effective financial administration to prevent financial fraud.

Table 2

Theme 1: Effective Administration

No.	Code	Frequency
1	Accounting and financial management policies	42
2	Authorizations and approvals	37
3	Governance, leadership, and management structures	25
4	Procurement guidelines and processes	23

Between 70% and 95% of the participants ($n = 20$) frequently mentioned strategies coded under this theme as significant for preventing financial fraud in their

church organizations. The dominant codes included *accounting and financial management policies; authorizations and approvals; governance, leadership and management structures; and procurement guidelines and processes*. Looking at Cressey's (1953) fraud triangle theory, opportunity is the only component of the fraud triangle that leadership can control (Glasbeek, 2014). Limiting opportunities for fraud is important for preventing financial fraud in organizations. All the four dominant codes under this theme are linked to the conceptual framework because they help minimize fraud opportunities in church organizations.

Accounting and financial management policies. Almost all the participants (19 out of 20) confirmed through their responses to the Interview Questions 1 and 4 that their church organizations have accounting and financial management policies. The participants described the policies as a guide for financial management at all levels in their church organizations from the local church to the national headquarters. Some participants added that the policies prescribe fiduciary responsibilities (responsibilities for positions of trust) and accountability for financial management in their church organizations. Other participants mentioned that the policies define the authority levels in their church organizations with respect to who could have access to check books, value books, receipt books, and payment vouchers. For example, Participant A1 stated:

If you look at our financial policy, everything in it is to prevent fraud. The financial policy spells out the authority levels and everything, who and who qualify to sign checks, who have the right to keep check books, who have the

right to keep receipt books, who have the right to sign payment vouchers. Who

have access to those things, we call it value books. Everything is spelt out.

Participant A2 added, "The financial management policy prescribes responsibilities and

demands accountability for all financial transactions of the church." Participants D1 and

E2 made the similar statement of "The financial policies guide financial transactions at

all levels of the church from the local church to the headquarters."

The participants from one church organization indicated that apart from the

accounting and financial management policies, their organization provides every

minister, pastor, or officer with a handbook to guide them in their financial transactions.

The handbook serves as a code of conduct for the ministers, pastors, and officers to

complement the accounting and financial management policies of their church

organization. Participant A1 confirmed, "Apart from the financial policy, we also have

what we call the Ministers' Handbook with so many policies, dos and don'ts for

ministers, including financial management."

All the participants generally asserted that the implementation of accounting and

financial management policies contributes to preventing financial fraud in their church

organizations. Financial management policies and procedures help leadership to

understand their fiduciary responsibility of properly managing organizational funds to

achieve organizational goals (Mwaura, 2013). This is supported by Wood and Wood

(2014), who stated that implementing policies and procedures to guide the conduct of key

leaders prevents the incidence of financial fraud in churches. Therefore, accounting and

financial management policies limit fraud opportunities in church organizations. All the

strategies mentioned by the participants during the interviews are also captured in the financial policy documents for the five organizations. Appendix C gives an outline of the accounting and financial policies of the five study organizations.

Authorizations and approvals. Eighty percent of the participants (16 out of 20) mentioned authorizations and approvals as significant for preventing financial fraud in their church organizations. The participants explained that the strategies under this code relate to the financial authority levels in their church organizations from the local churches to the national headquarters. Some participants indicated that the strategy involves a chain of commands in processing requests and checks for payments. Participant D3 had this to say:

> The order of authorization is that any payments or anything that concerns money, either outflow or inflow, must first go through the Audit Department for them to do their checks before it moves to the Finance Director and maybe to the Executive Council for final authorization. Another thing is the way the chain of command also goes here, because it is not easy getting money. When you come here and you have written for money, the process and commands you go through before authorization and signature, I think is also helping to prevent financial fraud.

Other participants mentioned that the strategy involves giving approval for major capital expenditures, petty cash requisitions, and other expenditures before making payments. Most of the participants mentioned *authorized and principal signatories* to the

bank accounts of their church organizations as another important component of the fraud prevention strategy. Participant C1 mentioned:

> We authorize that all checks should be signed by two signatories. We do that at the local level, area level, district level and at the headquarters. No one person or individual can sign a check in the church. At the local level, it is the minister in-charge and the Chairman of the Finance Committee who sign.

According to some participants, no financial transaction can take place in their church organizations without the express approval of the authorized signatories. This assertion by the participants supports the findings by Wordofa (2017) that all transactions require authorization and approval by an appropriate responsible person. The participants explained that there are two categories of authorized signatories to the bank accounts of their church organizations. They added that each category has two authorized signatories and any one of them can sign; however, the pastor/minister always signs as the principal signatory. Participant B2 submitted:

> We have signatories to the various accounts. The signatories have been categorized. We have category A and category B and so two to sign one from each category. So two people cannot condone and connive to sign something that is not approved.

Through a system of authorizations and approvals, the leadership of the study organizations can limit fraud opportunities in support of the observation by Glasbeek (2014) that opportunity is the only component of Cressey's fraud triangle that leadership can control. From the review of the accounting and financial management policy

documents of the five study organizations, I noted that a system of authorizations and approvals in each of the church organizations has been defined and captured in their policy documents.

Governance, leadership and management structures. Seventy percent of the participants (14 out of 20) mentioned that the established structures for governance, leadership, and management of their church organizations are important for preventing financial fraud. Properly established governance, leadership, and management structures can limit fraud opportunities and prevent financial fraud. The participants referred to specific structures with well-defined supervisory controls, reporting systems, and processes as part of the corporate governance of their church organizations. These structures included boards of trustees, local church councils, compliance offices, internal audit departments, monitoring and evaluation departments, project committees, finance committees, and purchasing/procurement committees. Table 3 gives an overview of the administrative levels and financial management structures in the study organizations. The local assemblies, national headquarters, and intermediary institutional arrangements on area, district, and regional basis constitute the administrative levels of the church organizations. The local assemblies are the collection points for church finances, including contributions and offerings, and that is where the controls begin.

Table 3

Administrative Levels and Financial Management Structures

Administrative Levels and Financial Management Structures				
Study Organization A	Study Organization B	Study Organization C	Study Organization D	Study Organization E
4 administrative levels	5 administrative levels	4 administrative levels	4 administrative levels	5 administrative levels
National financial board	Finance committee	Board of trustees	Executive Presbytery	National Executive Council
Financial committee	Internal audit department	Financial committee	Local church board	Local council
Audit, monitoring, and evaluation department	Cash management team	Audit department	Compliance office	Management team
Procurement committee	Seed management team	Money counting team	Financial committee	Financial committee
Policy monitoring team		Project committee	Internal audit department	Project committee
Tithe monitoring team			Audit committee	Purchasing committee
				Internal audit department

All these structures help the leadership of the study organizations to limit fraud

opportunities as espoused by Glasbeek (2014) that leadership can only control the

opportunity component of Cressey's fraud triangle. According to Participant A1:

Everything that we are doing, as far as my office is concerned, is to prevent fraud.

So we have controls that we set in and then we have a whole audit, monitoring

and evaluation department that also helps management in preventing fraud.

Participant A2 stated:

The controls came in first by putting in structures and the structures have to do

with what we call financial committees at the districts and areas. It became a rule

of thumb that every local assembly, every district and every area must have a

financial committee. They serve directly under the national financial board.

Participants A1 and A2 further commented:

> The procurement committee oversees the processes for preselection, approval,
>
> payment and purchases from suppliers within the church's database of suppliers.
>
> The procurement committee facilitates the procurement process for purchases
>
> from vendors in our church's database.

On governance, Participant D3 had this to say:

> Compliance is a problem and poor corporate governance contributes to non-
>
> compliance. A compliance office has been set up at the national and some
>
> regional levels to ensure compliance at the local churches through to the national
>
> headquarters. It is an independent department reporting directly to the Executive
>
> Presbytery of the church.

Other participants shared their knowledge on aspects of governance in their

church organizations that ensure good financial management. According to Participant

D2, "The local church is governed by the pastor and a board." Participant C1 said, "A

board of trustees approves all capital expenditures at the national level" On their part,

Participants E1 and E4 stated, "The local council meets to consider financial matters of

the church. The local council serves as clearance for capital expenditure within a given

threshold."

These responses are supported by previous research. For instance, in a study of

corporate governance structures and mechanisms, Razali and Arshad (2014) expressed

the view that good corporate governance reduces the incidence of fraud in organizations. For all the five study organizations, their governance, leadership, and management structures, including supervisory controls and reporting lines, have also been captured in their financial management policy documents.

Procurement guidelines and processes. Seventy percent of the participants (14 out of 20) referred to procurement guidelines and processes as an important strategy for preventing financial fraud in their church organizations. These guidelines and processes help their church organizations to ensure value for money in all their procurements and purchases. Participant B2 stated:

We have an organizational structure in place. It tells us the reporting system. So when you are raising any requisition or any voucher, it tells you the process you must pass through. We have in place a procurement form and so whatever you are buying, you must fill out the form. First of all, you must pick three invoices and compare them to ensure value for money, and when one is selected then you fill out the form. The procurement form has a lot details. First, you have to state the purpose and the department requesting for the item. Then it comes to the Finance Department. Finance will indicate if the item has been budgeted for before it goes back for approval. The process is such that by the time it gets to the approval level, if there are any queries it will be stopped. If there are any inflated values, it will be detected.

Participant E1 stated:

For procurement and purchases, they make the requisition and take it to the

Treasurer. The Treasurer will verify and then bring it to me for approval. They

will write the voucher, the treasurer will sign and I will sign. We are the two

signatories. In the absence of the Treasurer, the Secretary will sign.

Some of the participants mentioned that their church organizations have

established databases of suppliers from whom direct purchases are made using specific

guidelines to ensure value for money. Participant A1 confirmed with the statement:

The Audit Department pre-audits all planned transactions based on procurement

processes. Specific guidelines are given for purchases from suppliers within the

church's database of suppliers. Where there is no supplier of a particular item,

before selecting a supplier from outside the church's database with reasons. A

procurement committee oversees the processes for preselection, authorization,

approval, payment and purchases.

A participant indicated that the issue of procurements and purchases presents a

good opportunity for financial fraud in church organizations. Therefore, the leadership is

able to control fraud opportunities (Glasbeek, 2014) and prevent financial fraud by

providing procurement guidelines and processes for all purchases in their church

organizations. Participant A2 elaborated:

When it comes to project execution, the strategy is yielding results. At first, we

were using contractors and consultants. Now we do not use them anymore. We

use the Monitoring and Evaluation Department. Some of the projects we

definitely have to bring in contractors but it is in phases, so we have what we call

"Labour only". So you the contractor all that you are doing is to bring your workers to come and work. We buy our cement, it means that we are going to buy from the factory. When it comes to roofing, we just go to those who roof, you the contractor roofing is not part of your work. When it comes to electricals, we look for an electrical engineer and we go and procure the items for them ourselves. And you cannot waste our materials because we supervise 24/7. The church provides standards and costs of every item used for all projects.

The participant emphasized that an important aspect of this strategy is vigilance on the part of management and employees. The participant clarified that vigilance involves taking steps to verify all invoices before making payments, as well as physically inspecting all purchased items. According to Participant A4:

One of the strategies is vigilance on the part of employees and management by cross-checking invoices before payments are made. Sometimes, somebody can bring an invoice but we can in turn call the person or go back to the service provider to verify and make sure the right thing is being done. We use the minimum of three invoices but sometimes we go beyond that and ask for four invoices.

In reviewing the financial management policy documents of the five study organizations, I observed that the church organizations have made adequate provision for procurement and purchasing policies, procedures, processes, and methods in their policy documents. Table 4 shows the outlines of the procurement and purchasing policies of the study organizations.

Table 4

Procurement Policy Outline for Study Organizations A-E

Study Organization	Procurement Policy Outline
A	• Purpose and Objective
	• Components of the Purchasing System
	• Signature
	• Purchasing Section
	• Purchasing Committee
	• Procedures
	a. General
	b. Purchasing Budget
	c. Financial Authority Limits for Purchases
	• Request for Purchases
B	• Purpose
	• Policy Statement
	• Responsibilities and Authority
	• Contracting Officer
	• Procurement Plan
	• Procurement Procedures
	• Register of Suppliers and Contractors
	• Qualification of Tenderers
	• Record of Procurement Meetings
	• Procurement Methods and Approval Thresholds
	• Assessing Quotations
	• Approving and Accepting Quotations
	• Tender Process Approval
	• Tender Evaluation Panel
	• Call for Tenders
	• Submission of Tenders
	• Opening of Tenders
	• Assessing Tenders
	• Approving and Accepting Tenders
	• Call for Expression of Interest – Consultants
	• Establishing Supplier Arrangements
	• Sole Sourcing or Direct Negotiation
	• Purchase Order and Works Order
	• Cancellation of a Purchase Order
	• Delivery of Goods
	• Payment for Goods
	• Store Procedures
C	• Policies
	• Procedures
	a. Capital Acquisitions
	b. Supplies, Services, and Other Invoices
	c. Invoice Payment Procedures

(table continues)

D	• Principles of Procurement
	• Procurement Process
	• Procurement Methods
	• Competitive Tendering
	• Single Source
	• Request for Quotations
	• Procurement Process (Goods valued below GH₵ 5000)
	• Procurement Process (Goods valued above GH₵ 5000)
	• Procurement Process (Goods valued above GH₵ 5000 and Proprietary in Nature)
	• Delivery of Items
	• Procurement Process for Services a. Policy
	• Procurement Process
	• Purchases and Stores Accounting
	• Purpose

	• Procedure
	    a. Summary of System for Purchases
	    b. Receipt of Goods Purchased

	• Stores Procedures
	• Receipts of Materials
	• Issue of Materials
	• Stocktaking Method
	• Principles of Stocktaking
	• Stock Counting Records
	• Stock Counting
E	• Purchasing Policy
	• Purchasing Committee
	• Composition
	• Financial Authority Limits for Purchases
	• Payment Procedure
	• Remittances to Headquarters
	• Submission of Returns to Headquarters

Theme 2: Good Stewardship and Accountability

Theme 2 was the second most significant theme from study participants'
responses to Interview Questions 1, 4, and 5 (see Appendix B). Leadership of the study
organizations hold individuals who handle their financial resources responsible and
accountable to prevent financial fraud. In Table 5 are the strategies the study
organizations use to ensure responsible financial management and accountability.

Table 5

Theme 2: Good Stewardship and Accountability

No.	Code	Frequency
1	Documentation of financial records	41
2	Regular review of the system	32
3	Accountability	26

Under this theme, 70%-75% of the participants ($n = 20$) frequently mentioned
strategies that I have coded as *documentation of financial records, regular review of the
system, and accountability*. Cressey's fraud triangle theory with motivation, opportunity,
and rationalization as the key components provided the conceptual framework for this
study. Since leadership can only control the opportunity component of Cressey's fraud
triangle (Glasbeek, 2014), any strategy that limits fraud opportunities is important for
preventing financial fraud in organizations. Therefore, all the three dominant codes under
this theme are linked to the conceptual framework because they limit fraud opportunities
in the study organizations.

Documentation of financial records. Seventy-five percent of the participants (15
out of 20) indicated that keeping records of all financial transactions is very important for
preventing financial fraud in church organizations. The participants explained that

documentation of financial records helps their church organizations to reconcile income receipts and bank deposits. All the study organizations have clear policy guidelines on documentation of financial records in their financial management policy documents (see Appendix C) even though it is not succinctly spelt out by one study organization. From the responses of the participants, I could deduce three main strategies for documenting financial records in church organizations. The first strategy is to receipt all cash/check payments and donations. Participant A4 said, "All cash are receipted immediately." Participant C2 mentioned, "All donations, tithes and special offerings are recorded and receipted." Participant D2 stated, "Receipts are given for all payments." The second strategy is to register financial records in value books. Participants A1 and A2 made the similar statement, "At the local assembly, money counters count the offering and enter the records in a daily offering book." On their part, Participants B1, B4, and D2 said, "Check receipts, cash receipts, and incomes are recorded in the cash/check analysis book." Participant E2 mentioned, "Offerings and all incomes are recorded in books of account, including cash books, ledgers, and journals." The third strategy is to keep electronic financial records. In line with this, Participant C4 said, "There is automated receipting for all financial transactions at the headquarters." Participant E1 noted, "The Quick Books™ software is used to record incomes, generate receipts, and compute the figures to reconcile with the records."

The participants mentioned that their church organizations give receipts for every cash/check payment and donation. They pointed out that the receipt books have serial numbers recorded in the value books register and only one receipt book is used at a

particular time. In addition to receipts, the participants mentioned that their church

organizations record every income in books of accounts for analysis. They record (a)

offerings in daily offering books or weekly financial sheets, (b) checks in cash/check

registers, (c) cash in cash analysis books/sheets, (d) all incomes in collection journals, (e)

revenues in revenue analysis sheets, (f) tithes in tithe record books or weekly record

sheets, and (g) payment receipts with their serial numbers in cash books. The participants

added that in all of this, authorized persons sign and countersign the financial records.

Participants from one church organization pointed out that the pastor and financial

secretary of each local church sign the financial records as the authorized persons in the

presence of their management team. Some participants indicated that their church

organizations use accounting software for recording all their financial transactions. Some

participants mentioned that their church organizations use the accounting tally software

for recording all payments and receipts. Other participants mentioned that their church

organizations use the Quick Books™ software for recording various categories of

incomes and cash/check payments. However, in all of this, the participants expressed

their confidence in the fact that the electronic financial records are secure because the

software operation allows limited access with no possibility for changes to be made to

any entries. The responses from the participants support the findings by Tanui (2016) that

the absence of internal control systems and poor accounting practices results in poor

financial records, and financial fraud. On the other hand, the responses from the

participants also support the observation by Glasbeek (2014) that leadership can control

the opportunity component of Cressey's fraud triangle. Therefore, recording and

documenting financial transactions limits fraud opportunities and prevents financial fraud in the study organizations.

Regular review of the system. Seventy-five percent of the participants (15 out of 20) indicated that the constant monitoring of the systems and regularly reviewing them make it difficult for people to take undue advantage and commit fraud in their church organizations. The participants made references to various issues and areas of their church organization that are regularly reviewed to prevent fraud and ensure operational efficiency. Some participants mentioned that there is periodic review of the financial policies, procedures and management practices after assessing their effectiveness over time. Participant A1 explained, "From time to time, we review the system and see where the red flags are so that we can close those red flags to make it difficult for people to perpetrate that crime." Participant A3 responded, "The church periodically, 1-3 years, reviews its financial policy document after assessing the effectiveness of the policies in preventing fraud."

Other participants mentioned that there is regular stocktaking of all financial records, including daily offering sheets, receipt books, and payment vouchers, to assess the risks of fraud in their church organizations. According to Participant A3, "We take stock of all existing church financial record books, such as, daily offerings, receipt books and payment vouchers, to assess the risk of fraud at the local or district levels of the church." Other significant issues and areas that some participants mentioned are the regular review of management reports, financial reports, and audited accounts of their church organizations. The participants indicated that there is also the periodic

(monthly/annual) internal and/or independent external auditing of incomes and expenditures, and financial transactions to ensure compliance with accounting and financial management policies and procedures. Findings by Monisola (2013), Petrascu and Tieanu (2014), Trout (2014), and Ruth (2015) supported the response from the participants that auditing is useful for reviewing the accounting, financial and other operations in their church organizations to prevent financial fraud. Most of the participants added that their church organizations conduct annual assessments of the performances and stewardships of their pastors/ministers as part of their promotion processes. The participants concluded that regular reviews of the system help their leadership to identify and address the risks of fraud with a resultant positive effect on operational efficiency. I observed that regular reviews of the system, especially through periodic auditing, feature prominently in the accounting and financial management policy documents of the study organizations.

Accountability. Seventy-five percent of the participants (15 out of 20) acknowledged that accounting for the financial resources of their church organizations to various stakeholders helps to limit the opportunities for financial fraud in their church organizations. Sinclair et al. (2013) and Mwaura (2013) underscored the importance of leadership exercising fiduciary responsibility for financial accountability in their organizations to ensure proper financial management, and also maintain the trust and financial support of their donors. Jurado (2013) concurred by observing that financial stewardship in church organizations is important for their credibility and sustainability. The most significant issues raised under this code by the participants were the counting of

the offerings, the levels of accountability, who accounts for what and to whom, and how often accountability is done in their church organizations. The participants indicated variously that the offerings received from the congregations on Sundays and other worship days are counted by different groups of people in their church organizations. According to some participants, there are instances when select groups of ordinary members of their church organizations count the offerings on rotational basis for given periods of time. Various participants mentioned that there are other instances when the counting is done by stewards, cash teams, group leaders, and the Finance Committees in their church organizations at different times. In all of this, siblings or same family members are not allowed to participate in the counting of the offerings. The participants added that counting of the offerings is done in an open and transparent manner but under strict supervision and security in the stewards' offices, vestries, and other designated places in their church organizations.

Most participants indicated that there are clear reporting lines and levels of accountability for incomes, including tithes and offerings, and expenditures in their church organizations. They specified that there is accountability within each local assembly as well as at each administrative level of their church organizations from the local assembly level to the national headquarters level. All the church organizations use different administrative structures and systems; however, they use the same approach to accountability. For instance, in one of the church organizations, the local churches account to their districts while the districts account to their regions and the regions account to the national headquarters. A similar arrangement exists in all the other church

organizations where there is accountability from the local church level through the administrative hierarchy of the church organizations to the national level. Participant E2 mentioned:

> The local churches are the collection points. They account to their districts every month. The districts account to the regions and the regions account to the national. The local churches account to their districts every month. There is quarterly reporting at the district level and annual reporting at the national level.

From the responses of some participants, ministers/pastors, financial secretaries, treasurers, accountants, elders, and other officers of their church organizations are the custodians of church funds and therefore held responsible and accountable at various administrative levels. For instance, at the local church level, financial secretaries, treasurers, stewards or appointed officers account to the pastors, local church councils/boards, management teams, other leaders, and the congregations on their offerings. Participants A1, A2, and C2 commented, "Offerings collected are announced to the congregation every week."

Pastors/ministers also account to their leaders and congregations on the spiritual life, social life, and finances of their local churches. According to the participants, all that takes place weekly, monthly, biannually or annually depending on the financial policies of their church organizations. Some participants mentioned that at higher administrative levels of their church organizations, pastors/ministers report monthly, quarterly, or annually on spiritual growth, development projects, and church finances (including their audited accounts which is done annually) in accordance with their financial policies.

Participant A2 submitted, "There is something we call periodic budgeting and financial reporting. This is a requirement for every district every half year."

Theme 3: Caliber of Employees

Theme 3 emerged as the third most significant theme from the participants' responses to Interview Questions 1, 4 and 5 (see Appendix B). In Table 6 are the strategies the study organizations use to ensure that the employees they engage are skilled and trained.

Table 6

Theme 3: Caliber of Employees

No.	Code	Frequency
1	Employee competence	15
2	Education and training of employees	12

The conceptual framework for this study was Cressey's fraud triangle theory with motivation, opportunity, and rationalization as its key components. However, opportunity is the only component of the fraud triangle that leadership can control (Glasbeek, 2014). Therefore, engaging qualified and competent accounting personnel as well as training staff and creating awareness on fraud issues will help limit fraud opportunities in church organizations, and prevent financial fraud.

Employee competence. Fifty-five percent of the participants (11 out of 20) mentioned strategies that are associated with this code in relation to the qualifications, integrity and moral competences of accounting staff, leaders and officers of church organizations. For participants in one church organization, the foremost strategy for preventing financial fraud in their church organization is getting the right people to work

in the church. They mentioned that even though trust is important in church organizations, what is key to preventing financial fraud are the competences, professionalism, morality, and integrity of employees at all levels. The participants emphasized the need for church organizations to have committed and dedicated men, and women of integrity who would ensure that the right things are done and they are done right. Participant A1 submitted:

> The first thing we do is the human resource, the people we engage. Trust is important but when it comes to accountability, trust does not come in so we can make sure that we get the right people. So in employing people to work in the church, we try to make sure that we get it right, at least the right person. If you don't have morals, the system will flush you out. Before taking you to come and work as elders and deacons, you must pass the integrity test. You must be trustworthy for management to entrust church funds into your hands. So the first strategy is the human beings, basically, the way we recruit our human resource is number one.

Participant C3 made the submission, "Ministers, elders and other leaders are key custodians of church funds. They must all be people of high integrity and moral character." Findings by Bhasin (2013) highlighted the need for organizations to engage skilled professionals who can identify, expose, and prevent financial fraud in their organizations. Derby (2015) reiterated the need for church organizations to engage qualified accounting professionals to handle their church finances. According to some participants, their church organizations recruit qualified accountants to manage church

funds, qualified accounting personnel with Higher National Diploma as their minimum educational qualification, and employees with high financial integrity and moral character. In particular, Participant D3 stated:

> Not employing the right people will lead to a lot of fraud and error in the system. It is a very big contributory factor not recruiting the right people at the right positions to do the work. Here at the headquarters, in the Accounts Department, we will not accept anybody who does not have accounting background. At least, our minimum qualification here is HND. So if we get people who know what they are doing, I think these things would be minimized.

The participants acknowledged also that rigorous employee recruitment processes with background checks are part of the strategies for preventing financial fraud in their church organizations. The participants reiterated the importance of trust in church operations but emphasized the need to screen all prospective employees and conduct background checks on them to ascertain their integrity, and moral competences. Though a cogent point by the participants, findings by Carland et al. (2001) indicated that perceived pressure and other factors can still cause an honest and morally competent employee to commit financial fraud.

Education and training of employees. Forty-five percent of the participants (9 out of 20) identified education and training of key employees, and creating awareness on fraud among employees as important strategies for preventing fraud in their church organizations. Studies by various authors (Abiola & Oyewole, 2013; Aborbie, 2015; Albrecht et al., 2015; Kramer, 2015; Kummer et al., 2015; Sabău, 2013; Shao, 2016)

have established that educating, training and creating awareness on fraud empower management and employees, reduce fraud opportunities, and prevent fraud in organizations. The responses of the participants addressed the issues of why the need for the education and training of employees, what the education and training involve, and who receives the education and training in their church organizations. The participants pointed out that educating and creating awareness to sensitize employees, and key stakeholders precede the introduction of any new internal controls in their church organizations. Participant A1 said, "Education precedes the introduction of new internal controls. It ensures that officers fully understand the church's financial management and controls." Participant A3 stated:

> We are creating awareness and training staff on fraud prevention strategies. Financial seminars are periodically organized at the district and area levels of the church to train financial secretaries, clerks, and accounts officers on fraud prevention policies of the church.

According to the participants, key stakeholders who receive fraud education and training in their church organizations include pastors/ministers, financial secretaries, accounting personnel, employees, volunteers, leaders, and other officers. Some areas of training the participants mentioned include codes of conduct, financial management, internal/financial controls, fraud prevention, how to keep cashbooks and, budget preparation and approval processes. Some participants indicated that there is regular and continuous fraud education and training in their church organizations. I did not find any anti-fraud training policies in the financial management policy documents of all the five

study organizations. However, in the policy document of Study Organization B, it is stated, "Before allowing one to handle church finances, an orientation program must be conducted for the person to uphold integrity and trustworthiness as stated in 1 Timothy 3:2-4 and Titus 1:7."

Implementation Barriers

All the participants acknowledged that the introduction of any new financial controls or fraud prevention strategies in their church organizations encounters some implementation barriers. Table 7 shows the participants' responses to Interview Question 2 (see Appendix B).

Table 7

Implementation Barriers

No.	Code	Frequency	Participants
1	Resistance and noncompliance	20	15
2	Nonenforcement of strategies	6	5
3	Management override	4	4
4	Incompetent personnel	2	2
5	Poor congregational attitude	1	1
6	Nonactive involvement of ministers in financial management	1	1
7	Nature of church environment	1	1
8	Poor conditions of service	1	1
9	Nonverification of purchased items	1	1
10	Dealing with implementation challenges	1	1
11	Conflict of interest	1	1
12	Lack of understanding	1	1
13	Geographical location of churches	1	1
14	Poor corporate governance	1	1
15	Poor background of leaders	1	1
16	Work overload of limited personnel	1	1
17	Annual transfer of ministers	1	1

Seventy-five percent of the participants (15 out of 20) mentioned *resistance and noncompliance by employees* as the major barrier to the effective implementation of fraud prevention strategies in their church organizations. Some participants cited *non-*

enforcement of strategies and *management overrides* as significant implementation barriers.

Resistance and noncompliance by employees. According to the participants, some employees resist the introduction of new financial controls because (a) they do not want change, they want to maintain the status quo, (b) the new introductions will not favor them, (c) they do not understand the new strategies and why they are being introduced, or (d) they want to protect their personal parochial interests. The participants added that some employees don't cooperate with the leadership of their church organizations by not complying with laid-down procedures for implementing any new fraud prevention strategies. The participants indicated that the leadership in their church organizations addresses these challenges by (a) holding broad consultations with stakeholders on the need for any new strategies, (b) continuously educating employees on organizational policies and the need for them to own any new strategies, and (c) applying sanctions for noncompliance as a deterrent where necessary. Participants from one church organization pointed out that their leadership sometimes develops leaflets with relevant information on the new strategies for employees as part of the education drive. Participant C1 confirmed by stating:

> The review of old financial practices to introduce new policies is met with resistance to change. Broad consultations with all stakeholders are done to educate them on the new introductions. Teething problems are addressed along the line through continuous education on the policies. Leaflets are developed for the education before preparing the policy manual.

Nonenforcement of strategies. Some participants mentioned that the non-enforcement of financial controls by leadership is a significant barrier to fraud prevention in their church organizations. This happens because leadership does not actively pursue their organizational policies and fraud prevention strategies. The participants attributed this occurrence to the fact that volunteers primarily run church operations and the fact also that in the church environment sanctions are rarely applied. Participant B2 explained by stating:

> One of the major barriers is the nature of the organization. It is a church and in a church environment, you are supposed to trust everybody. So it is really difficult to enforce the strategies even among employees. Sometimes when you make payments and you are demanding receipts, it becomes difficult because of the environment. People think that because of the church environment you need to trust them. There is also lack of top management involvement. Sometimes when these things are reported, they take it lightly and I think it is because of the church environment. They are careful to pick the issues and discuss them because normally names come up but they want to protect the image of the organization.

Management overrides. Some participants asserted that management overrides constitute another significant barrier to fraud prevention in their church organizations. The participants referred to management overrides as the situation where top leadership sanctions financial transactions under certificates of urgency without recourse to laid-down procedures. According to the participants, management overrides include the

situation where some individuals work outside the procurement process but get executive authorization for procurement. Participant B2 explained:

> There are certain transactions that are described as urgent without going through the process. Sometimes they are loaded because people take advantage of the fact that they are urgent and pass some things through. Sometimes, you are allowed to check the process. Other times, you are not allowed to check the process, they think that you are delaying payment and the work.

However, the participants noted that the leadership of their church organizations is able to address the issue of management overrides when employees raise concerns and bring them up for discussion.

Effectiveness of the Fraud Prevention Strategies

Interview question 3 (Appendix B) elicited responses from the participants on how the leadership of their church organizations is able to determine the effectiveness of the fraud prevention strategies in their church organizations. Table 8 lists what the leadership of the church organizations uses to determine the effectiveness of the fraud prevention strategies. The most significant ways by which the leadership of the church organizations determines the effectiveness of their fraud prevention strategies are the conduct of annual audits, indications of an increase in the financial strength of their church organizations, and monitoring and evaluation.

Table 8

Determining Effectiveness of Fraud Prevention Strategies

No.	Code	Frequency	Participants
1	Annual audits	14	12
2	Increased financial strength	11	8
3	Monitoring and evaluation	5	3
4	Questionnaire administration	2	2
5	Budget screening and approvals	1	1
6	Empirical research on issues	1	1
7	Employee feedback	1	1
8	Finance staff performance appraisals	1	1
9	Improvement in financial management	1	1
10	Assessment of minsters' stewardship	1	1
11	Actual and budgeted tithes and offerings	1	1
12	Optimized operations	1	1
13	Compliance with reporting timelines	1	1
14	Prompt payments of ministers' emoluments	1	1

The conduct of annual audits. According to some participants, a measure of the

effectiveness of any fraud prevention strategies in their church organizations is when all

stakeholders have a general understanding of the strategies, adopt and fully comply with

the strategies. The participants mentioned that the conduct of annual audits at various

administrative levels of their church organizations aims at reviewing the financial system

to assess the full adoption and implementation of the accounting and financial

management policies. The participants observed that the conduct of annual audits and the

follow-up recommendations in the audit reports help the leadership of their church

organizations to improve on their church operations. Participant AI stated, "Annual audits

are conducted at all local assemblies and in all other church institutions to assess

compliance and effectiveness of financial policies. The Audit Department works with

management to enhance the value of the church." Participant A4 added, "The

effectiveness of a strategy is measured by the general understanding of the strategy and

its adoption by all. When we do audit of the financial system, we check for full adoption of the strategy and its implementation."

Increase in the financial strength of church organizations. Some participants indicated that the level of implementation of fraud prevention strategies and the results achieved could be a measure of the effectiveness of the fraud prevention strategies in their church organizations. The participants mentioned some indicators that inform the leadership of their church organizations about the effectiveness of their fraud prevention strategies. For instance, their measure of effectiveness is when their church organizations record (a) improved cash flows at the end of every financial year, (b) reduced expenditures, (c) increased incomes, (d) improvements in financial effectiveness/efficiency, (e) reserve funds for future emergencies, and (f) excess funds for investments. Participant C1 pointed out, "The headquarters has been strengthened financially. It is presently able to build up reserves for the future and undertake investments with excess funds." Participant E3 mentioned, "Cash flow at the end of every financial year informs the leadership about the effectiveness of a new strategy." Participant E4 added, "The effectiveness of a strategy reflects in the annual inflows and expenditures compared to historical and expected figures."

Monitoring and evaluation. Some participants expressed the view that monitoring the implementation of fraud prevention strategies at the various administrative levels of their church organizations helps to determine the effectiveness or otherwise of the strategies. The participants indicated that the monitoring covers different aspects and activities of their church organizations. They cited financial policies, project

execution, structures, systems, processes and the conduct of leaders at the local church level as some areas that the monitoring covers. In explaining further, Participant A2 said:

> The periodic budgeting and financial reporting brought in the establishment of the audit, monitoring and evaluation department who go round periodically to ensure that the policies and structures are working. When the monitoring team comes around, they check the value books to make sure all incomes are recorded and properly accounted for.

Participant A4 stated, "We do constant monitoring of the systems we have in place and regularly review them so that people do not become conversant with them and take undue advantage of them." Participant A1 indicated:

> We have the monitoring team. The monitoring is not only of projects. We monitor the policies as well. The monitoring team goes down there and looks at how the policies are being implemented. Where there are variations, they report and then we present it to management and make recommendations for something to be done about it. So, the monitoring team, we have the one that monitors the policies and the one that monitors the projects. At the districts, we have what we call the tithe monitoring team. They monitor the tithe, which is the major income of the church organization.

A participant in one church organization indicated that sometimes the monitoring team can just go to a church, fellowship with them and after church reveal their identity and ask to count the day's offering without any prior notice.

The Most Effective Fraud Prevention Strategies

In their responses to the Interview Question 4 (see Appendix B), the participants

mentioned what they considered as the most effective strategies for preventing financial

fraud in their church organizations. In Table 9, I provide the list of all the strategies

mentioned by the participants as the most effective in their church organizations.

Table 9

Most Effective Prevention Strategies

No.	Code	Frequency	Participants
1	Accounting and financial management policies	5	4
2	Authorization and approvals	4	4
3	Meeting financial obligation to ministers	4	4
4	Documentation of financial records	2	2
5	Use of accounting software	1	1
6	Ministers' involvement in financial management	1	1
7	Banking before disbursement	1	1
8	Procurement guidelines and processes	1	1
9	Accountability	1	1

All the participants submitted that the fraud prevention strategies instituted by the

leadership of their church organizations have largely been effective. However, the

strategies that the participants frequently mentioned in their responses to the interview

question 4 were *accounting and financial management policies, authorizations and

controls,* and *meeting the financial obligations to ministers*. According to participants

A1-A4, part of their church organization's accounting and financial management policy

documents is a handbook for pastors/ministers. The handbook is a code of conduct that

contains ministerial welfare practices that guide pastors/ministers on how to manage

church funds. Participants B1-B4 and D1-D4 mentioned that the authorizations and

controls strategy in their church organizations prohibits one individual alone from

accessing certain places in their church organizations where there is cash. At least two individuals must always access such places at any given time. For participants C1-C4 and E1-E4, meeting the financial obligations to pastors/ministers in their church organizations is an important intervention that takes off any perceived financial pressure from the pastors/ministers. This strategy involves the prompt payment of the emoluments of the pastors/ministers, meeting any emergency situations, appropriating superannuation funds for retiring pastors/ministers, and providing improved welfare packages (including Medicare) for pastors/ministers.

<div align="center">**Applications to Professional Practice**</div>

The central research question that guided this qualitative multiple case study was *What strategies do church leaders use to prevent financial fraud in their organizations?* Three significant themes representing different categories of fraud prevention strategies in the study organizations that emerged from the study were (a) effective administration, (b) good stewardship and accountability, and (c) caliber of employees. The findings of the study confirm the findings of other peer-reviewed studies in literature and can therefore be replicated in other church organizations. First, the findings provide the leadership of a church organization with strategies that can effectively be used to prevent financial fraud. This addresses the specific business problem where some church leaders lack strategies for preventing financial fraud in their church organizations. Second, the findings constitute a body of knowledge with practical applications that can serve as a guide and resource material for fraud prevention in a church organization. This can help a church organization to limit fraud opportunities and optimize church operations to

achieve organizational goals. According to Seide (2013), church organizations are not businesses and yet they operate like business organizations from the marketing, financial, operational, and human resources perspectives. Therefore, the findings of the study can help a church organization to adopt a businesslike approach to financial management practices as necessary tools for achieving organizational goals.

The effective administration of a church organization requires requisite structures, systems, and processes to achieve organizational goals. For fraud prevention, there is the need for a church organization to have (a) accounting and financial management policies; (b) a system of authorizations and approvals; (c) good corporate governance, leadership, and management structures; and (d) procurement guidelines and processes. Individuals who handle the financial resources of a church organization, in any way, ought to be held responsible and accountable. This requires a system that helps individuals to record and document every financial transaction they handle, as well as helps a church organization to regularly review its financial policies, and operations. Finally, it is critical for a church organization to have the right caliber of employees (skilled professionals) to effectively manage its financial resources. It requires the leadership to adopt a rigorous system for preselecting, interviewing, and conducting background checks on prospective employees. For a successful introduction, buy-in, and implementation of any new fraud prevention strategy in a church organization, leadership has to hold broad consultations with employees to establish why there is the need for any new strategy.

Implications for Social Change

The findings of the study provide experience-based information on financial fraud prevention in church organizations that can help the leadership of any church organization to understand and have a real-world perspective of financial fraud. The findings may create or increase awareness among the leadership and employees of a church organization regarding financial fraud and strategies for limiting fraud opportunities. The awareness may lead to a positive change in attitudes and behaviors of both the leadership and employees towards the effective management of the financial resources of a church organization. Ultimately, the findings of the study can trigger some institutional changes that may cause the leadership of a church organization to adopt a businesslike approach to administering the church to enhance its donation appeal and financial sustainability. An improvement in the donation appeal and finances of a church organization can help optimize its operations to achieve organizational goals, including its social intervention, action and development programs.

Recommendations for Action

The findings of the study can serve as a useful guide and resource material for the leadership of church organizations in Ghana on how they can effectively prevent financial fraud in order to optimize their church operations. The findings support Arif and Malek (2013) in their assertion that both leadership and employees are responsible for preventing financial fraud in organizations. According to Meinert (2016), strong organizational leadership is necessary for preventing fraud in organizations. Glasbeek (2014) stated that opportunity is the only component of Cressey's fraud triangle that

leadership can control. The findings of the study are linked to the conceptual framework because they are strategies that help minimize fraud opportunities in church organizations. Therefore, the leadership of church organizations must approach the management of church funds with the single purpose of limiting fraud opportunities in order to optimize church operations. The leadership of every church organization ought to establish requisite structures, systems, and processes for (a) the effective administration of the church organization, (b) accountability for the financial resources of the church organization, and (c) the recruitment of skilled professionals for managing the financial resources of the church organization, all aimed at preventing financial fraud.

Some participants alluded to the fact that the nature of the church environment sometimes makes it difficult for the leadership to hold individuals responsible and accountable. The leadership should introduce new accounting and financial management policies, enforce compliance with the policies, engage skilled professionals to manage the financial resources of the church organization, demand accountability, and apply sanctions without fear or favor where necessary. In Figures 7 to 12, I provide details of key actions leadership can take or cause others to take to limit fraud opportunities in a local church assembly. Leadership at all administrative levels of church organizations, including the headquarters, can take similar actions.
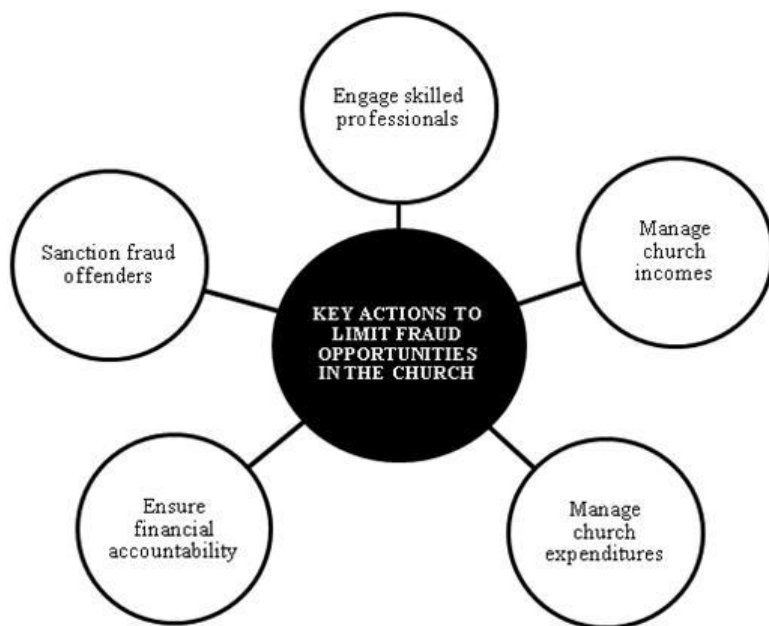
Figure 7. Key actions for limiting fraud opportunities in a local church assembly.
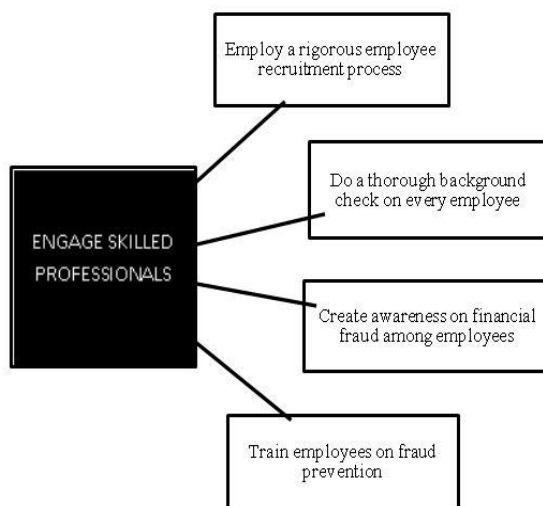
Figure 8. Key actions for engaging skilled professionals in a local assembly.
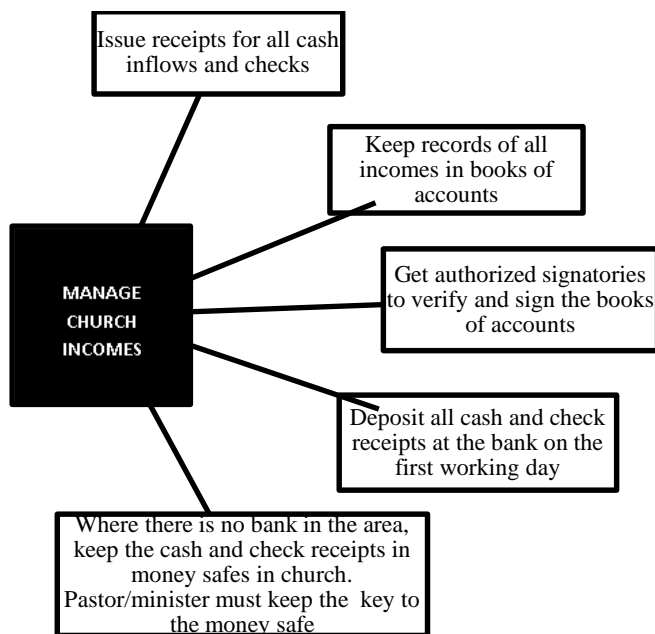
Figure 9. Key actions for managing church incomes in a local assembly.
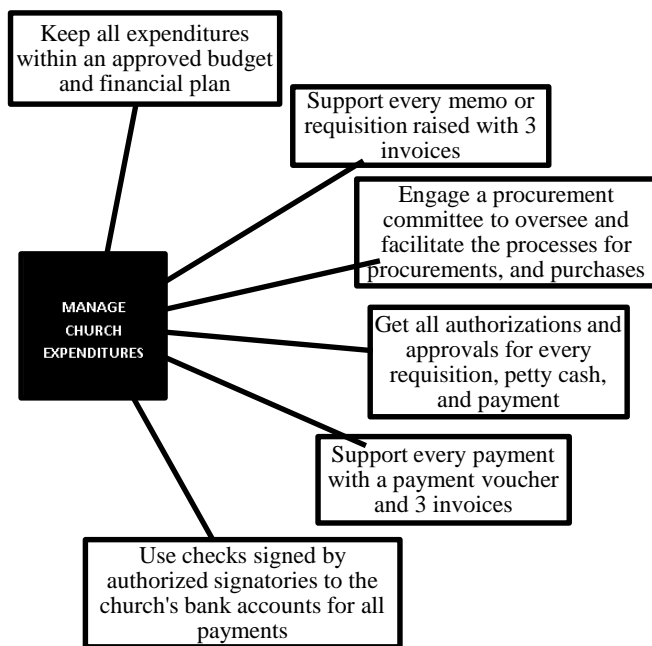
Figure 10. Key actions for managing church expenditures in a local assembly.
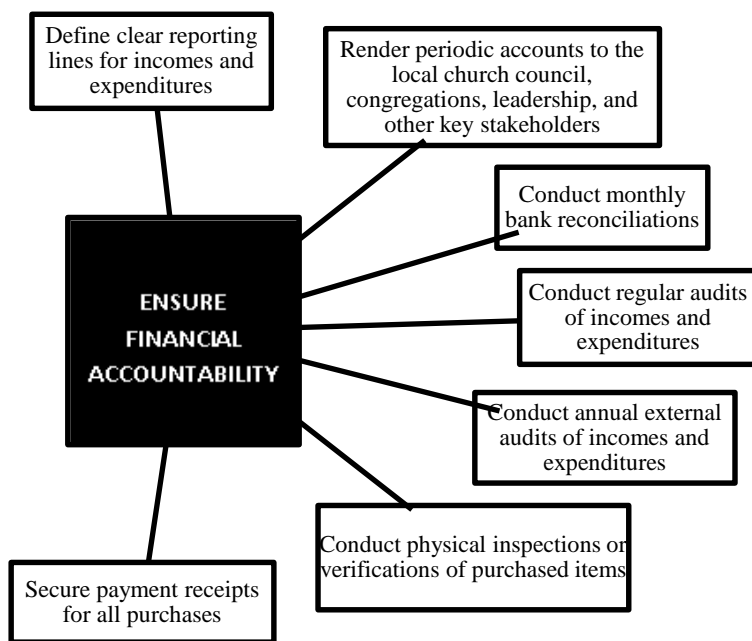
Figure 11. Key actions for ensuring financial accountability in a local assembly.
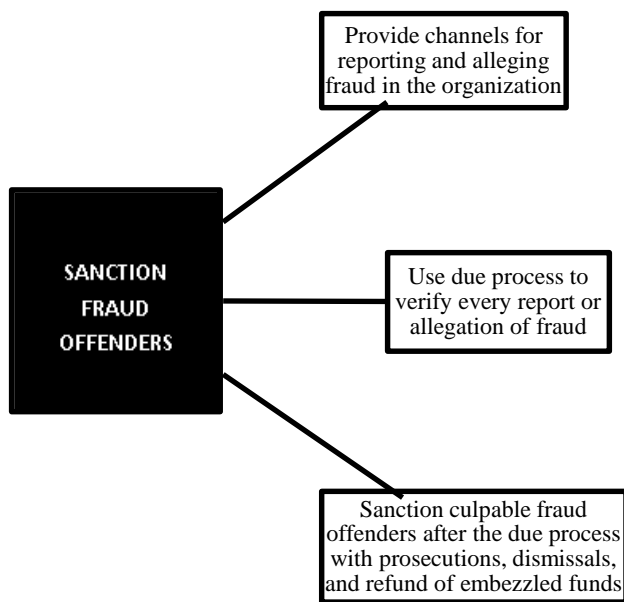
Figure 12. Key actions for sanctioning fraud offenders in a local assembly.

On their part, employees are expected to uphold high professional conduct and ethical standards, and to fully comply with organizational policies. However, it is the responsibility of the leadership to help the employees understand the policies and their expected impacts when implemented. The leadership should use workshops, seminars, and some printed materials to create the necessary awareness, and educate the employees. The findings of the study will be useful to church organizations in Ghana and so I will endeavor to widely disseminate the findings. I will provide each study organization and participant with a one- to two-page summary of the findings. I will collaborate with the major Pentecostal and Neo-Pentecostal church organizations in Ghana to organize seminars to disseminate the findings to members of their national associations. Finally, I will organize open invitation conferences for church leaders and key officers in selected cities in Ghana to present and discuss the findings of the study.

Recommendations for Further Research

The findings of the study may benefit church organizations in Ghana. Three significant themes representing different categories of fraud prevention strategies emerged from the study. It will be worthwhile to conduct further research on some specific strategies that church leaders can use to significantly prevent financial fraud in their church organizations in Ghana. Almost all the participants mentioned that the accounting and financial management policies of their church organizations are significant for preventing fraud. However, none of the five study organizations has any provision for antifraud training for employees in their accounting and financial management policy document. According to Sabau (2013), the lack of antifraud training

policies for employees increases fraud opportunities in an organization. Therefore, it may be worthwhile to conduct a quantitative study to assess the financial savings to a church organization when it implements an antifraud training policy for employees. The critical factors to consider in the study will be the income and expenditure levels before and after the introduction of the antifraud training policy.

Even though 70% of the participants mentioned that the established governance, leadership, and management structures of their church organizations are important for preventing fraud, they could not give a definite answer to a follow-up question on whether there is a correlation between the governance polity of a church organization and financial fraud prevention. In the view of Halbouni, Obeid, and Garbou (2016), an effective corporate governance system contributes to fraud prevention. I therefore recommend the conduct of further research to support or not support the observation by Halbouni et al.

Reflections

I am a trained scientist with varied professional backgrounds and work experiences including church administration. According to Seide (2013), church organizations are not businesses, but they operate just like business organizations from the marketing, financial, operational and human resources perspectives. Therefore, I decided to pursue a doctorate degree in Business Administration with a major in Leadership at Walden University with the aim of acquiring requisite knowledge and skills in best business practices for application to my work in church administration.

The program has been a very difficult and frustrating endeavor for me in a number of ways. The most difficult experience has been balancing my job, school, church, family life, and social life every day at this point in my life. Obviously, I have had to sacrifice my social life, and aspects of my family life, to be able to cope with the academic work. The state of my national economy, among other things beyond my control, upset the planned duration and my budget for the program. Under the circumstances, I have spent more time and more funds on the program beyond what was originally planned. On a related issue, I observed that Walden University has enrolled a teeming number of online doctoral students from West and East Africa. To reduce the financial burden on the students attending residencies in Europe and the USA, Walden University should consider running residencies in Accra, Lagos, or Nairobi.

Through the study, I have received useful knowledge, insight, and understanding of the phenomenon of financial fraud and prevention strategies in church organizations. I purposively selected 20 participants from five church organizations in Ghana for the study. The processes leading to the conduct of the individual interviews to collect data for the study have not been as straightforward as they seemed from the beginning. I encountered delays in getting the gatekeepers of the study organizations to recommend potential participants for me to select from. There were delays also in getting potential participants who were willing to participate in the study to formally consent to it. Further delays came up in getting the participants to provide their preferred dates and times for the individual interviews. I encountered more delays with the member checking of the interview transcripts. All these delays stemmed from the fact that the gatekeepers and

participants are leaders and officers of the study organizations with very busy work schedules.

Another area of difficulty was data analysis. I had originally planned to use the NVivo software to analyze the interview data. Unfortunately, Walden did not provide the NVivo software and I could not afford to buy the software for my study. Looking for other software for qualitative data analysis caused some delays but I eventually settled on the QDA Miner Lite® software.

The brighter side of my experiences during the study includes the intellectual and emotional support I received from the Walden University community, faculty, mentors, and fellow participants. Even though the DBA program of study is online without any physical engagement with faculty, mentors, and fellow participants, we cultivated friendship and showed mutual respect, encouragement and support for each other from the beginning to the end of the program. The other benefit is the exposure I have received through my interactions with the gatekeepers and participants from five different church organizations in Ghana. I have received useful insight into financial management in the church organizations and the efforts the leadership is making to secure the church funds in order to optimize church operations. This confirms my perception before the study that the five church organizations I had selected for the study have strategies for preventing financial fraud. Finally, pursuing the DBA program and conducting the study on fraud prevention strategies in church organizations in Ghana has been an interesting academic pursuit for me.

Conclusion

The central research question that guided the study was *What strategies do church leaders use to prevent financial fraud in their organizations?* The general business problem is that financial fraud suboptimizes church operations, and the specific business problem is that some church leaders lack strategies for preventing financial fraud in their organizations. The purpose of this study was to explore strategies for preventing financial fraud in church organizations. I used Cressey's (1953) fraud triangle theory as the conceptual framework. I conducted a multiple case study of five church organizations in Ghana to help me understand the phenomenon in its real-world context. Three significant themes emerged from the study including (a) effective administration, (b) good stewardship and accountability, and (c) caliber of employees. Each theme represented a set of financial fraud prevention strategies. The findings of the study may trigger some institutional changes in church organizations to enhance their donation appeal and financial sustainability. The findings can serve as a useful guide and resource material for church leaders. The findings may bring about greater awareness among church leaders and workers that can result in a positive change in attitudes and behaviors. Finally, it is the responsibility of both the leadership and workers to prevent fraud in their church organizations (Arif & Malek, 2013).

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Appendix A: Interview Protocol

Introduction

Good day Sir/Madam, and thank you for making yourself available for this interview. I am Albert Rockson, a doctoral student in Business Administration at Walden University. My research is on *Strategies for Preventing Financial Fraud in Church Organizations in Ghana*. Earlier, I contacted you through phone calls and emails to brief you on the background and objectives of the study, my role as the researcher, and what your participation in the study will entail.

Duration of the Interview

This interview involves five open-ended questions and will last approximately 30-60 minutes.

Confidentiality of Participant's Responses

To maintain ethical standards in line with the protocols of the Belmont Report, I will mask your identity and ensure confidentiality of your responses in the study report.

Audio Recording of the Interview

With your permission, I will audio record this interview using an electronic recording device. This will help the researcher to accurately capture every detail of the interaction with a focus on the participant's responses.

Informed Consent

Earlier, I mailed to you an *informed consent form* as part of a process to help you take an informed decision to participate in the study. If you have not signed the *informed consent form*, kindly do so before we can proceed with the interview.

Interview Questions

Earlier, I mailed to you five open-ended interview questions. Kindly share your experiences on financial fraud occurrence and prevention in an open and honest manner. There are no right or wrong responses.

1. What strategies do you use to prevent financial fraud in your organization?

2. What are some of the barriers you experience when implementing a new fraud prevention strategy, and how do you address them?

3. How do you measure or otherwise assess the effectiveness of a strategy for preventing financial fraud in your organization?

4. In your experience, what was the most successful strategy that you implemented to prevent financial fraud and why?

5. What more can you add to enhance the understanding of the strategies church leaders use to prevent fraud in your organization?

Follow Up Discussions

Thank you for participating in the interview. The researcher will transcribe the interview responses. The researcher requests for participant's permission to have follow-up discussions to ensure the accuracy, validity, and reliability of the interview transcript.

Appendix B: Interview Questions

1. What strategies do you use to prevent financial fraud in your organization?

2. What are some of the barriers you experience when implementing a new fraud prevention strategy, and how do you address them?

3. How do you measure or otherwise assess the effectiveness of a strategy for preventing financial fraud in your organization?

4. In your experience, what was the most successful strategy that you implemented to prevent financial fraud and why?

5. What more can you add to enhance the understanding of the strategies church leaders use to prevent fraud in your organization?

Appendix C: Outline of Financial Policies of Study Organizations

Church Organization A

ACCOUNTS DESCRIPTION
1. Office Cash
   1.1 Petty Cash
   1.2 Cash at Bank
   1.3 Cash in Transit
2. Short Term Investments
3. Accounts Receivable
4. Prepayments
5. Inventory
6. Long Term Investments
7. Property and Equipment
8. Accumulated Depreciation
9. Accounts Payable
10. Pension and Severance
11. Assets Replacement Fund
12. Inter Church Accounts
    12.1 Head Office Current Account
    12.2 Regional/Area Current Account
    12.3 District Current Account
    12.4 Missions Current Account
    12.5 Income Surplus
    12.6 Accumulated Fund
13. Income Statement
    13.1 Total Proceeds
    13.2 Tithes and Offerings
    13.3 Conventions
    13.4 Movement Offering
14. Investment Income
15. Ministerial Expenses
    15.1 Internal
    15.2 External (Missionary)
16. Administration
17. General Expenses

CASH AND BANK ACCOUNTS
1. Cash Account
2. Bank Accounts
3. Securities Account
4. Signature/ Access Requirements
5. Headquarters Account
6. Main Account

DEPRECIATION POLICY
ASSET REPLACEMENT FUND
VEHICLES FUND
ACCRUALS
GRATUITY AND SEVERANCE
PENSION
INTER CHURCH ACCOUNTS
AUDIT ADJUSTMENT
ANNUAL BUDGET AND GUIDELINES FOR PREPARATION
INCOME
1.   Tithes and Offerings
2.   Tithing Procedure
      2.1   Local Assembly Level
           2.1.1   Tithe Counters
      2.2   District Level
      2.3   Area Level
      2.4   National Level

DEPARTMENTAL EXPENSES
1.   Direct Expenses
2.   Ration Allocation

CAPITAL INVESTMENT POLICY
1.   Purpose and Objective
2.   Monitoring

FEASIBILITY STUDIES
1.   Project and Evaluation
2.   External Reports
      2.1   External Auditors Reports
      2.2   Feasibility Consultants Reports

APPROVAL REQUIREMENT
1.   Head Office
2.   Mission/Area/District

COMPUTER AND FILES CONTROL MEASURES
1.   File Control
2.   Hardware Control
3.   Software Control
4.   Input Control
5.   Data Transmission Control
PURCHASING POLICY
1.   Purpose and Objective

Church Organization B

Church Organization C

Church Organization D

OVERVIEW

2.   Principles of Operating a Bank account
3.   Procedure for Opening Bank Account
4.   Signatories
        4.1   National
        4.2   Regional
        4.3   District
        4.4   Local Church
5.   Recommended Accounts
6.   Types of Recommended Accounts to Open
7.   Assessing a Bank Facility
8.   Stakeholders/Financial Personnel and their Responsibilities

BUDGETING PROCESS
1.   Main Budget Policies
2.   Budget Preparation and Procedure
        2.1   National Office
        2.2   Regional Office
        2.3   District Office
        2.4   Local Church
3.   Budget Management
4.   National Office
        4.1   Capital Expenditure
        4.2   Excess Expenditure
        4.3   Variations from Approved Budget
        4.4   Commitments in Advance of Budgetary Approval
        4.5   Monitoring and Progress Report
        4.6   Annual Performance Report
5.   Regional and District Office
6.   Local Church

AUDITS
1.   Internal Audit
        1.1   Statutory Mandate
        1.2   Constitutional Mandate
        1.3   Roles and Responsibilities of Internal Audit
        1.4   Scope of Internal Audit
        1.5   Appointment of Internal Auditor
        1.6   Pre-Audit of Financial Statements
        1.7   Internal Audit Cycle/Period
        1.8   Authority/ Reporting Structure of Internal Audit
2.   External Audit
        2.1   Scope of the External Audit
        2.2   Qualifications of External Auditor

RISK MANAGEMENT AND PROCUREMENT

Church Organization E