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Theology accounting and public sector management

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ABSTRACT:

This study examined the influence of theology accounting on public sector management, investigating how theological principles, such as stewardship, justice, and divine accountability, can inform and enhance ethical leadership, financial decision-making, and governance in public institutions. It examined the integration of religious values into public financial management, with a focus on promoting transparency, equity, and accountability in budgeting, expenditure, and resource allocation. The study highlighted the potential of theology accounting to foster moral leadership and ensure that public resources are managed responsibly, prioritizing the common good over personal or political gain. It also addressed the challenges of incorporating theological ethics into public sector practices, particularly in diverse, pluralistic societies where secularism and policy neutrality are central tenets of governance. The research emphasized the importance of developing ethical leadership through training programs that integrate theological values, thereby nurturing leaders who are committed to fairness, justice, and the ethical use of public funds. Additionally, it proposed the establishment of ethical oversight mechanisms, such as independent advisory committees, to ensure that public financial management is aligned with both legal standards and moral imperatives. In all, the study demonstrated how theology accounting can strengthen public sector management by grounding it in deep ethical convictions, fostering sustainable development, and building public trust through transparent, responsible governance. The findings suggested that when moral values are embedded into public administration, it enhances the overall integrity and effectiveness of public institutions, benefiting society at large.

Keywords: Theology Accounting, Public Sector Management, Theological Principles, Stewardship, Justice, Divine Accountability

1.0 Introduction

The relationship between religion and governance has been a topic of scholarly debate for centuries, with varying perspectives on the role of theology in public life. Theology, as the systematic study of the nature of the divine and religious beliefs, has traditionally influenced moral and ethical frameworks that guide human behaviour (Harrington & Keenan, 2023). When applied to the realm of financial accountability and stewardship, theology gives rise to what is referred to as "Theology or Divine Accounting"—a concept rooted in moral stewardship, divine accountability, and the ethical management of resources (Quigley, 2021). According to Keddie (2022) and Quigley (2018), theology accounting emphasizes not merely the technical and procedural aspects of financial management, but also the spiritual and moral imperatives that underlie responsible stewardship.

In many societies, especially those with deeply rooted religious traditions, theological principles have historically shaped norms around honesty, integrity, and public service (Luka & Gofwan, 2025). Religious teachings, whether derived from Christianity, Islam, Judaism, or other faiths, often emphasize justice, stewardship, transparency, and accountability—values that align closely with the principles of good governance and sound public sector management. The concept of stewardship, particularly, emerges as a theological imperative requiring individuals in positions of power to manage resources not for personal gain, but for the collective good and in accordance with divine expectations.

In the context of public sector management, which involves the administration and oversight of government policies, resources, and institutions (Van Helden & Uddin, 2016), the influence of theological accounting can be significant. Public administrators are entrusted with the responsibility to allocate public resources in ways that promote the well-being of society (Holzer & Schwester, 2015). While modern public sector accounting frameworks focus on efficiency, transparency, and compliance with legal standards, they often lack a moral and ethical grounding that theology accounting can provide.

As societies grapple with issues such as corruption, mismanagement, and lack of accountability in the public sector, there is a growing interest in exploring how spiritual and moral frameworks might enhance governance practices (Christanti, Wibowo & Wijaya, 2023). In various countries, faith-based organizations have played an instrumental role in service delivery, demonstrating ethical financial practices that are both accountable and rooted in theological beliefs. This has raised questions about whether principles from theology accounting could be effectively integrated into broader public sector management practices to promote integrity, accountability, and ethical decision-making.

However, the integration of theological frameworks into public administration is not without its challenges. In secular states, the separation of religion and state affairs is a foundational principle that may limit the direct application of theological doctrines in public institutions. Additionally, the diversity of religious beliefs within pluralistic societies necessitates a subtle and inclusive approach that respects all faiths while still promoting universal ethical standards. Nonetheless, as governments worldwide seek innovative strategies to improve public sector performance and accountability, the exploration

of theology accounting as an influence on public sector management presents a promising area of study. This research seeks to contribute to this emerging discourse by examining how theological principles, when applied through accounting and financial stewardship frameworks, can influence and potentially enhance public sector management.

Despite advancements in public financial management systems, many public sector institutions continue to grapple with persistent challenges such as corruption, inefficiency, and lack of transparency (Akinsanmi, Adedokun, Nweze & Aniobi, 2022). These issues undermine public trust, reduce the effectiveness of public service delivery, and contribute to the misallocation of scarce resources. Conventional approaches to public sector management—while emphasizing legal compliance and procedural correctness—often fall short in addressing the deeper moral and ethical dimensions of governance. In many cases, public officials may follow accounting rules without necessarily embracing a sense of moral obligation or ethical responsibility (Oraka & Okegbe, 2015). This gap between technical compliance and ethical conviction has fueled a crisis of accountability in various government systems. While legal frameworks can punish wrongdoing, they may not always cultivate the kind of internalized moral compass that deters unethical behavior in the first place.

Theology accounting offers a unique perspective by framing financial stewardship as a divine responsibility, where individuals are accountable not only to human institutions but also to a higher spiritual authority (McPhail & Cordery, 2019). It emphasizes internal motivation driven by conscience and spiritual values rather than mere fear of legal consequences. However, despite its potential, theology accounting remains largely underexplored in the context of public sector management. There is a limited body of research that examines how theological values can be systematically incorporated into public accounting systems and governance practices. Moreover, questions remain regarding the feasibility, appropriateness, and effectiveness of introducing theological principles into secular government frameworks, particularly in pluralistic societies. The lack of empirical evidence and theoretical models that connect theology accounting with public sector outcomes represents a significant gap in knowledge.

Thus, this study is driven by the problem of how public sector management can benefit from the integration of theological principles—specifically those rooted in accountability, integrity, and stewardship—without compromising secular values or alienating non-religious stakeholders. It seeks to critically analyze the influence of theology accounting on public sector management, identify both its potential and its limitations, and propose a framework for ethical governance that incorporates moral and spiritual accountability alongside legal compliance. The main objective of this study is to examine the influence of theology accounting on public sector management, with a focus on how theological principles can enhance ethical practices, accountability, and resource stewardship in government institutions.

2.1 Overview of Theology and Accounting

Theology and accounting, though seemingly unrelated disciplines, intersect significantly in their implications for ethical behavior, accountability, and the stewardship of resources. Theology is the study of the divine and religious beliefs, encompassing doctrines, moral teachings, and spiritual values (McPhail & Cordery, 2019). Accounting, on the other hand, is a systematic process of recording, analyzing, and reporting financial transactions (Maynard, 2017). At first glance, theology addresses spiritual concerns while accounting addresses financial matters. However, a deeper exploration reveals that both disciplines share a foundational concern with accountability, truth, and justice.

Luka and Gofwan (2025) argued that the concept of stewardship, central to many theological traditions, underpins responsible management of resources entrusted to an individual or institution. In Christian theology, for instance, individuals are considered stewards of God's creation and are expected to manage resources in a way that honors divine will. Similarly, Islamic teachings emphasize *Amanah* (trustworthiness) and *Hisab* (accountability), reinforcing the belief that individuals are morally accountable to God for how they handle resources (Ibrahim, 2015; El-Halaby & Hussainey, 2015). These spiritual perspectives promote a sense of responsibility that transcends legal compliance, emphasizing internal moral guidance. Accounting, traditionally viewed as a technical and objective process, has increasingly been recognized for its ethical and social dimensions (Jaijairam, 2017). Financial reporting and management are not value-neutral activities; they are influenced by the values and intentions of the individuals who create and use accounting information. When accounting is aligned with theological principles, it emphasizes transparency, fairness, and a deeper sense of accountability—not just to stakeholders or institutions, but to a higher spiritual authority.

The convergence of theology and accounting is particularly evident in contexts where faith-based organizations manage financial resources. These organizations often rely on theological teachings to guide financial practices, ensuring that funds are used in ways consistent with moral and ethical standards (Kambey, 2021). Even in secular contexts, the moral underpinnings of theology can provide a valuable framework for promoting integrity and ethical decision-making in accounting practices. Therefore, understanding the interface between theology and accounting provides a richer and more comprehensive perspective on financial management. It encourages accountants and financial managers to consider not only what is legally permissible but also what is morally right. This fusion of spiritual and financial stewardship lays the foundation for the emerging concept of theology accounting, particularly relevant in efforts to promote ethical governance in the public sector.

2.2 Concept of Theology Accounting

Theology accounting which is more popularly termed Divine Accounting is an emerging concept that seeks to integrate spiritual and moral principles derived from theology into accounting practices, especially within institutions that manage public or shared resources (Quigley, 2021). Unlike conventional accounting, which is primarily guided by legal, regulatory, and financial standards, theology accounting emphasizes ethical behavior, spiritual responsibility, and moral accountability to a higher authority. It represents a fusion of financial stewardship with theological ethics, providing a framework for managing resources based on principles of faith, integrity, and service (Keddie, 2022; Quigley, 2018).

In essence, theology accounting is grounded in the concept of stewardship—a recurring theme across various religious traditions. In Christian theology, stewardship involves managing God's resources for His purposes, with the understanding that humans are caretakers rather than owners. In Islam, concepts such as *Amanah* (trust) and *Khilafah* (trusteeship) imply a divine mandate to act justly and responsibly with resources (Ibrahim, 2015; El-

Halaby & Hussainey, 2015). Judaism also teaches ethical financial conduct, emphasizing honesty and communal responsibility (Dorff, 2004). These religious doctrines share a common theme: individuals and institutions must be accountable not only to society but also to God.

Theology accounting takes these teachings and applies them to the systems and practices of financial management. It promotes transparency, discourages corruption, and demands a high level of ethical conduct (McPhail & Cordery, 2019). For example, a public official influenced by theological principles may go beyond regulatory compliance to ensure that public funds are used in a way that promotes social justice, reduces inequality, and reflects compassion and fairness. One of the distinctive features of theology accounting is its emphasis on *internal* accountability. While conventional accounting relies on external audits and regulatory checks, theology accounting calls for self-examination, conscience, and spiritual reflection. It cultivates a sense of moral obligation that can serve as a more powerful deterrent to unethical behavior than legal sanctions alone.

In practical terms, theology accounting can influence budgeting, expenditure planning, reporting, and auditing processes. It can inform the design of ethical guidelines for financial management in faith-based or public institutions, encourage value-driven leadership, and foster a culture of trust and integrity (McPhail & Cordery, 2019). Thus, theology accounting is intended to enhance them by adding a spiritual and ethical dimension. By embedding theological principles into financial management, theology accounting offers a transformative approach to fostering accountability, particularly in the public sector where moral lapses often undermine effective governance.

2.3 Public Sector Management: Concepts and Theories

Public sector management refers to the processes, strategies, and systems employed to administer and deliver public services through governmental and quasi-governmental institutions (Van Helden & Uddin, 2016). It encompasses a wide range of activities including planning, organizing, staffing, directing, budgeting, and controlling public resources. The primary goal of public sector management is to promote the public good by ensuring effective, efficient, and equitable service delivery while maintaining transparency and accountability.

Several theoretical frameworks underpin public sector management. The Bureaucratic Theory, advanced by Max Weber, emphasizes hierarchical structure, rule-based governance, and impersonal relationships (Byrkjeflot, 2018). It advocates for clearly defined roles and responsibilities, which help to maintain order and accountability in large administrative systems. However, critics argue that bureaucracy can be rigid and inefficient, leading to the development of alternative models.

New Public Management (NPM) emerged in the late 20th century as a response to the limitations of traditional bureaucracy (Zia & Khan, 2014). NPM introduces market-oriented reforms, such as privatization, performance measurement, and customer-service approaches, to increase efficiency and responsiveness in public services. It borrows heavily from private sector practices and emphasizes results over processes. While NPM has improved efficiency in some contexts, it has also been criticized for undermining equity and public accountability.

Public Value Theory, proposed by Mark Moore, shifts the focus from efficiency to creating value for citizens (Benington & Moore, 2010). It encourages public managers to engage with stakeholders, understand community needs, and align services with democratic values. This theory complements ethical and theological approaches by recognizing the moral responsibilities of public institutions.

More recently, Collaborative Governance and Good Governance models have gained traction (Bianchi, Nasi & Rivenbark, 2021). These emphasize participatory decision-making, transparency, and ethical leadership, aligning closely with theological principles of justice, fairness, and stewardship. Good governance, as defined by institutions like the United Nations and the World Bank, includes accountability, inclusiveness, responsiveness, and the rule of law (Johnston, 2006)—all of which resonate with moral and spiritual teachings found in theology. In essence, public sector management is not only a technical or administrative endeavor but also a normative and ethical practice. Theories and models of public management increasingly acknowledge the importance of values, trust, and accountability. This growing awareness creates a fertile ground for integrating theology accounting principles, especially in promoting ethical stewardship and moral governance within the public sector.

2.4 Intersection of Ethics, Religion, and Governance

The intersection of ethics, religion, and governance is a dynamic and complex area of inquiry, reflecting the role that moral values and spiritual beliefs play in shaping political behavior, institutional integrity, and public accountability. Ethics refers to the principles that govern right and wrong conduct, while religion provides a structured set of moral teachings and values grounded in spiritual beliefs. Governance, the process by which decisions are made and authority is exercised in public institutions, is significantly influenced by both ethical norms and, in many societies, religious values (Gangopadhyay, 2023; Noor, 2008).

Historically, religion has played a foundational role in the formation of ethical systems and political institutions (Afrilsah, 2024). In many ancient and medieval societies, religious authorities were the primary source of law and governance. Even in contemporary secular states, religious values continue to influence public expectations of ethical leadership, social justice, and community service. Concepts like justice, honesty, compassion, and accountability are central both to religious ethics and to good governance.

Ethics in governance ensures that public officials act in the public interest, avoid conflicts of interest, and use public resources responsibly (Kamraj, 2025). Religion enhances these ethical standards by instilling a sense of spiritual accountability—where individuals are answerable not only to their constituents or legal systems, but also to a higher divine authority (Afrilsah, 2024). This dual accountability can be a powerful motivator for ethical behavior, especially in environments where legal enforcement mechanisms are weak or compromised. However, in pluralistic and secular societies, privileging one religion over others can lead to exclusion, discrimination, and conflict. Therefore, while religious values can contribute to a shared ethical foundation, governance must remain inclusive and respectful of diverse beliefs.

Nonetheless, the positive influence of religion on governance is evident in numerous contexts. Faith-based organizations often model ethical leadership, transparency, and community-centered service delivery (Christanti, Wibowo & Wijaya, 2023). In countries where corruption and mismanagement are rampant, appeals to religious values have sometimes succeeded in mobilizing reforms and fostering public trust. The convergence of ethics, religion, and governance thus offers a rich framework for rethinking accountability and leadership in the public sector. By integrating theological ethics—such

as the idea of stewardship, the sanctity of truth, and service to others—into governance systems, public institutions can enhance their legitimacy, build trust, and better serve the common good.

3.0 Theoretical Framework

3.1 Theological Ethical Theories

Theological ethical theories are systems of moral thought rooted in religious doctrines and the belief in a divine moral order. Unlike secular ethical theories, which rely on reason, social contracts, or consequential outcomes, theological ethics derive their authority from sacred texts, religious traditions, and the perceived will of a divine being. These theories form the moral foundation for how adherents of various faiths perceive right and wrong, influencing individual behavior and institutional norms—including those in governance and financial management.

One of the most influential theological ethical theories is Divine Command Theory, which asserts that moral obligations are grounded in the commands of God (Jakobsen, 2023). According to this view, actions are right if they align with God's will and wrong if they violate divine instruction. This theory is found in many religious traditions, including Christianity, Islam, and Judaism, where scriptures serve as the ultimate moral guide. In the context of public sector management, Divine Command Theory encourages leaders to act justly, truthfully, and compassionately, motivated by obedience to a higher authority rather than personal or political gain.

Another important concept is Natural Law Theory, particularly prominent in Christian theological tradition through the writings of thinkers like Thomas Aquinas (Hittinger, 2020). Natural Law posits that God's moral order is accessible through reason and is embedded in the nature of human beings. It promotes the idea that ethical governance involves the pursuit of common good, justice, and human dignity—principles that are not only divine in origin but also universally knowable.

Islamic ethics, rooted in the Qur'an and Hadith, emphasize justice (*adl*), trustworthiness (*amanah*), and accountability (*hisab*) (Bhat, 2024). These values are not merely idealistic but are central to governance and financial stewardship in Islamic thought. Similar moral expectations are found in Jewish ethical teachings, where integrity in business and communal responsibility are stressed. Theological ethical theories provide a framework that strengthens internal moral motivation. Unlike external legal constraints, theological ethics cultivate personal virtue, promoting behaviors such as honesty, humility, and a commitment to the public good. When applied to public administration and accounting, these theories foster a governance culture rooted in service, sacrifice, and righteousness. Thus, theological ethical theories are not only relevant for personal conduct but also serve as guiding principles for ethical leadership and institutional integrity in public sector management.

3.2 Stewardship Theory

Stewardship Theory is a governance and management theory that emphasizes the responsible management of resources entrusted to individuals or institutions (Keay, 2017). In contrast to agency theory—which assumes individuals are self-interested and require monitoring (Nworie & Obi, 2024)—stewardship theory assumes that stewards are intrinsically motivated to act in the best interests of their principals. This theory finds strong resonance with theological principles, particularly in religious teachings that define humans as caretakers of divine resources.

Rooted in religious traditions, stewardship is seen as a moral and spiritual duty. In Christianity, for instance, humans are considered stewards of God's creation, accountable for how they manage time, talents, and resources. Biblical passages such as Luke 16:10 ("Whoever can be trusted with very little can also be trusted with much") underscore the expectation of faithful and trustworthy management. In Islam, the concept of *Khilafah* (vicegerency) similarly entrusts humanity with the responsibility of caring for the Earth and managing its resources justly (Alvi, Cheema & Rafiq, 2024).

Stewardship theory challenges the view that managers and public servants act solely in their own interests. Instead, it assumes that when empowered and trusted, individuals will act as stewards who align their goals with those of the broader organization or community (Luka & Gofwan, 2025). This is particularly relevant in the public sector, where officials manage public resources that belong not to them, but to the citizenry. When public officials embrace the role of stewards, their decisions reflect not just legal compliance, but also moral accountability.

In public financial management, stewardship theory encourages long-term thinking, ethical budgeting, and the fair distribution of resources. It promotes transparency and discourages short-term gains that come at the expense of public trust. Stewardship also requires that leaders be models of ethical behavior, promoting a culture of responsibility and accountability across institutions (Keay, 2017). Integrating stewardship theory into public sector management shifts the emphasis from control and compliance to trust, empowerment, and moral responsibility. It aligns well with theology accounting, which also highlights spiritual accountability and ethical financial behavior. By framing public officials as stewards, this theory inspires a more values-driven approach to governance—one that prioritizes service over self-interest and public good over personal advantage.

3.3 Public Accountability and Transparency

Public accountability and transparency are fundamental principles of good governance, ensuring that government actions are subject to oversight, that decisions are made openly, and that officials are held responsible for their performance (Jashari & Pepaj, 2018). These principles build public trust, reduce corruption, and promote efficient service delivery. At their core, accountability and transparency are not only administrative requirements but also ethical imperatives that reflect respect for democratic values and human dignity.

Public accountability refers to the obligation of public officials and institutions to explain and justify their actions and decisions to stakeholders (Zumofen, 2016)—primarily the citizens they serve. It involves mechanisms such as audits, performance reviews, and public reporting. Accountability ensures that officials use public resources for their intended purposes and that any abuse of power is identified and addressed. In a democratic society, this accountability is both vertical (to the public through elections and public scrutiny) and horizontal (through checks and balances among institutions).

Transparency, on the other hand, involves making information freely accessible and understandable (Fox, 2007). It allows citizens to see how decisions are made, how public funds are spent, and how services are delivered. Transparency enables meaningful participation, informed decision-making, and the early detection of irregularities. It is a preventative tool against corruption and mismanagement, encouraging openness and reducing the opportunity for unethical conduct.

Theologically, accountability and transparency are also spiritual principles. In many religious traditions, individuals are seen as being accountable not only to their communities but also to God. For example, in Islam, the concept of *Hisab* (accountability before God) reinforces the idea that every action, including financial dealings, will be judged. Christianity also teaches that individuals will give account of their stewardship before God (Romans 14:12). These spiritual views promote internalized responsibility and ethical behavior that goes beyond legal compliance.

When integrated into public sector management, these religious and ethical concepts enhance the effectiveness of accountability mechanisms. They foster a culture where public officials act not only to meet external requirements but also from a deep sense of moral duty. Combining procedural transparency with theological values leads to a governance model rooted in integrity, service, and justice. Thus, public accountability and transparency are both practical tools and moral imperatives. Their integration with spiritual principles—through frameworks like theology accounting—can significantly strengthen governance and public trust.

3.4 Integration of Faith and Fiscal Responsibility

The integration of faith and fiscal responsibility is an approach to financial management that aligns religious or spiritual values with principles of accountability, efficiency, and ethical stewardship of resources (Kambey, 2021). It recognizes that managing financial resources—whether in personal, institutional, or governmental contexts—is not merely a technical activity, but also a moral and spiritual obligation. Faith traditions across the world stress the importance of honesty, fairness, and justice in financial dealings. In Christianity, teachings about stewardship emphasize that all resources ultimately belong to God and must be used wisely and for the benefit of others. The parable of the talents (Matthew 25:14–30) illustrates the expectation that resources must be multiplied and managed responsibly. In Islam, fiscal responsibility is emphasized through concepts such as *Zakat* (almsgiving), *Amanah* (trust), and strict prohibitions against fraud and wastefulness (*Israf*). Similarly, Jewish teachings stress ethical conduct in business and the importance of community-oriented economic behavior.

In public sector management, fiscal responsibility means ensuring that government revenues are spent efficiently, transparently, and in ways that promote social equity and long-term development (Sawyer, 2019). Integrating faith into fiscal responsibility brings an additional layer of ethical motivation to this task. It encourages decision-makers to consider not only economic outcomes but also moral implications—such as whether budget allocations reduce poverty, promote justice, or uplift the vulnerable.

This integration can manifest in several ways. Faith-based budgeting frameworks might prioritize funding for social welfare, education, and healthcare over military or luxury expenditures. Ethical investment policies could be guided by religious values, avoiding ventures associated with harm, exploitation, or environmental degradation. Public officials, guided by spiritual beliefs, may embrace higher standards of accountability and self-restraint in the use of public funds. Challenges exist, particularly in pluralistic and secular societies, where integrating faith into public financial management must respect religious diversity and avoid favoritism. However, core ethical principles—such as honesty, equity, and responsibility—are often shared across faiths and can be universally applied. In essence, the integration of faith and fiscal responsibility aims to restore a sense of purpose and ethics to financial management. It transforms fiscal discipline from a compliance exercise into a moral commitment, reinforcing public trust and promoting governance that reflects both technical proficiency and spiritual integrity.

4.0 Theology Accounting and Public Accountability

4.1 Theological Principles in Budgeting and Expenditure

Theological principles offer a robust moral framework for budgeting and expenditure, emphasizing justice, equity, compassion, and accountability. In faith traditions, budgeting is not merely a technical allocation of resources, but a moral act—a reflection of values and priorities that shape societal well-being. These principles guide both individuals and institutions in managing resources in ways that honor God, serve humanity, and promote the common good (Luka & Gofwan, 2025).

From a Christian perspective, the principle of stewardship is central (Rixon, Rois & Faseruk, 2014). All resources are seen as belonging to God, with humans acting as caretakers. Budgeting, then, becomes an act of stewardship—allocating resources not for personal enrichment or political gain, but for purposes aligned with God's will, such as poverty alleviation, education, and health. Proverbs 3:9 urges, "Honor the Lord with your wealth," signaling that budgeting must reflect spiritual values. Expenditures that exploit, oppress, or waste resources are therefore morally unacceptable.

In Islam, budgeting is influenced by principles like *Adl* (justice), *Amanah* (trust), and *Maslahah* (public interest). These concepts promote fairness, discourage extravagance, and emphasize the needs of the community. Public budgeting must prioritize equity and avoid *Israf* (wastefulness) and *Riba* (usury). Islamic teachings encourage the allocation of funds to support the less fortunate, maintain infrastructure, and promote societal harmony, as seen in the mandated practice of *Zakat* (obligatory almsgiving). Judaism emphasizes *tzedakah* (righteousness and charity) and communal responsibility (Friedman & Krausz, 2024). Budgeting in a Jewish ethical context must reflect concern for the vulnerable and the pursuit of justice. Faithful financial planning is not neutral; it actively seeks to uphold moral obligations.

Theological budgeting is also forward-looking, concerned with sustainability and intergenerational equity. It considers whether current expenditures will preserve or deplete resources for future generations, aligning with the biblical mandate to "leave the land in rest" and the Qur'anic emphasis on moderation. In public administration, integrating these theological principles means prioritizing expenditures that enhance human dignity, promote peace, and build inclusive societies. Budget transparency, participatory planning, and ethical audits can serve as practical tools to ensure that

theological principles guide fiscal decisions. Ultimately, theological principles in budgeting call for integrity, justice, and compassion in resource allocation—transforming financial management from a bureaucratic task into a moral and spiritual responsibility.

4.2 Moral Stewardship in Resource Allocation

Moral stewardship in resource allocation is rooted in the ethical and theological understanding that resources—whether natural, financial, or human—are entrusted to individuals or institutions by a higher power or by society, and must be managed with integrity, responsibility, and compassion. This concept transcends the technicalities of budget distribution, placing ethical obligations at the core of financial decision-making, especially in public sector governance. In Christian theology, moral stewardship stems from the belief that “the Earth is the Lord’s” (Psalm 24:1), and that humans are stewards of God’s creation. Consequently, the allocation of resources is not a right, but a sacred duty. This view encourages public administrators to consider whether their decisions reflect care for the vulnerable, sustainable development, and the equitable distribution of wealth. The parable of the talents (Matthew 25:14–30) illustrates the importance of using entrusted resources wisely, productively, and in service to others.

Islamic ethics emphasize *Khilafah* (trusteeship) and *Amanah* (trust), which charge individuals with acting justly and responsibly with whatever has been placed in their care. In public finance, this entails allocating resources to promote justice (*Adl*), meet basic human needs, and prevent hoarding or misuse of wealth. The Qur’an condemns extravagance and wastefulness (*Israf*), instructing leaders to act with balance and foresight in financial decisions.

Moral stewardship requires public officials to act as guardians of the public trust, not owners of public resources. This mindset shifts the focus from political expediency or personal gain to the long-term well-being of society. In practical terms, this involves fair and transparent budgeting processes, needs-based resource distribution, and accountability mechanisms that ensure resources are used for their intended purpose. Additionally, stewardship must be inclusive—considering the voices and needs of marginalized communities and future generations. Theological stewardship aligns closely with sustainable development goals, which promote intergenerational justice and environmental responsibility.

4.3 Transparency and Divine Accountability

Transparency and divine accountability together form a powerful framework for ethical governance, especially in public financial management (Christanti, Wibowo & Wijaya, 2023). While transparency is often viewed through a procedural lens—requiring openness in decision-making, clear documentation, and public access to information—divine accountability adds a spiritual dimension that anchors transparency in moral conviction and ultimate responsibility before a higher power.

Transparency in governance entails that public officials operate openly and communicate clearly about their use of power and public resources (Jashari & Pepaj, 2018). It involves publishing budgets, audit reports, procurement processes, and performance outcomes, allowing citizens and oversight bodies to monitor and evaluate government actions. Transparency builds trust, deters corruption, and improves the quality of decision-making by enabling informed participation and scrutiny.

However, transparency can be superficial if driven solely by regulatory requirements. This is where divine accountability becomes essential. In theological contexts, individuals are believed to be answerable not just to human authorities but to God. This belief fosters an internalized ethic that motivates individuals to act with honesty and integrity even when external oversight is limited or absent.

In Christianity, the idea of divine accountability is expressed in scriptures such as Romans 14:12: “So then, each of us will give an account of ourselves to God.” This implies that public servants must make decisions with the awareness that they are ultimately accountable to a higher authority. In Islam, *Hisab* (accountability) reinforces a similar belief: that every action, including financial decisions, will be judged by God. This belief acts as a moral compass, compelling leaders to act ethically, transparently, and justly.

When public officials operate with this dual awareness—legal transparency and spiritual accountability—they are less likely to misuse their positions. They recognize that secrecy, deception, and corruption are not only legal violations but also moral failings. Divine accountability thus strengthens institutional transparency by cultivating leaders with integrity, humility, and a sense of service (Luka & Gofwan, 2025). Moreover, this framework has practical implications. It promotes ethical audits, value-driven budgeting, and participatory governance structures that reflect respect for both the citizenry and divine moral law. Institutions shaped by such principles can more effectively deliver justice, equity, and sustainable development.

5.0 Implications for Public Sector Reform

5.1 Ethical Leadership Development

Ethical leadership development is central to transforming public sector management, particularly within the framework of theology accounting (O’Connor & Myers, 2018). It involves cultivating leaders whose decision-making is rooted not only in technical competence but also in moral integrity, spiritual accountability, and a commitment to the common good. Theology accounting—grounded in values such as stewardship, justice, and service—offers a rich foundation for shaping ethical leadership in governance.

Ethical leadership is more than avoiding corruption; it embodies a proactive pursuit of justice, transparency, and fairness in public administration (O’Connor & Myers, 2018). In a theological context, leaders are seen as stewards of resources entrusted to them by God and the public. This stewardship is deeply moral, calling for humility, service-oriented governance, and accountability not only to institutions but to a higher moral authority. Developing ethical leaders involves several key dimensions. First is character formation. Theological education and ethical training can instill virtues such as honesty, courage, compassion, and self-discipline. Religious narratives and scriptures often present leadership as a sacred trust (e.g., Moses, Muhammad, or Nehemiah), emphasizing humility, servant leadership, and righteousness—qualities sorely needed in contemporary public service.

Second, ethical leadership development requires institutional support and role modeling. Public institutions should embed ethical leadership frameworks in recruitment, training, and performance evaluation. Mentoring programs that pair young administrators with morally grounded leaders can reinforce values in practice. Faith-based ethics workshops and value-centered leadership seminars can also play a role in aligning spiritual values with professional expectations (Kambey, 2021).

Third, decision-making frameworks must incorporate moral reasoning. Leaders should be trained to assess policy decisions not only through a legal or economic lens but also from an ethical and theological perspective. This can guide them to resist unethical pressures and prioritize equity, justice, and service delivery. Moreover, accountability structures rooted in theology can reinforce ethical conduct. The belief that one is answerable to God fosters intrinsic motivation for honesty and justice. When leaders believe that every act will be judged—either spiritually or historically—they are more likely to act with integrity even in the absence of external oversight.

5.2 Integrating Moral Values in Public Financial Management

Integrating moral values in public financial management (PFM) is essential for ensuring that the collection, allocation, and expenditure of public funds align with principles of fairness, accountability, and the public good (Lekubu & Sibanda, 2021). Theology accounting contributes significantly to this integration by embedding spiritual and ethical values—such as stewardship, justice, and compassion—into fiscal decision-making processes. It transforms PFM from a technical function into a moral enterprise.

Public financial management encompasses budget preparation, revenue collection, expenditure control, procurement, and financial reporting (Cheruiyot, 2018). When guided solely by economic or political considerations, PFM can fall prey to inefficiencies, favoritism, and corruption. By contrast, integrating moral values ensures that every financial action is evaluated through a lens of integrity, equity, and responsibility to both society and God.

The concept of stewardship is pivotal. Rooted in religious traditions, stewardship teaches that all resources belong to God, and humans are caretakers accountable for their use. In the public sector, this means managing finances not for personal or political benefit but to serve the community justly (Matala-Banda, 2023). Budgets should reflect societal priorities like education, healthcare, and poverty alleviation, especially for the most vulnerable.

Justice and equity, as moral imperatives, demand that public resources be distributed fairly across regions and demographics. Faith traditions emphasize caring for the poor, marginalized, and oppressed. Therefore, moral integration in PFM calls for proactive budgeting toward inclusive development, gender equity, and social safety nets. Transparency and honesty are also core theological values. Sacred texts from Christianity, Islam, and Judaism all condemn deceit and corruption. A morally grounded PFM system requires open budget processes, participatory planning, and accessible financial reports. These tools allow the public to hold officials accountable and ensure that funds are used appropriately.

Moreover, integrating moral values enhances public trust and legitimacy. Citizens are more likely to comply with tax policies and support government initiatives when they believe resources are managed ethically. This creates a positive feedback loop that strengthens state-citizen relations and improves governance outcomes. Finally, training public officials in both financial competence and ethical reasoning is key (Christanti, Wibowo & Wijaya, 2023). Incorporating theology-informed ethics into civil service curricula can nurture a generation of morally conscious financial managers. Thus, theology accounting provides a value-based framework for public financial management that honors both societal needs and spiritual responsibilities. It ensures that public finance becomes a tool for justice, compassion, and service, not merely economic control.

6.0 Conclusion

This study has examined the influence of theology accounting on public sector management, highlighting the vital role that spiritual and moral principles can play in shaping ethical, transparent, and accountable governance. Theology accounting, rooted in faith-based concepts such as stewardship, justice, and divine accountability, offers a unique lens through which public financial management and leadership practices can be evaluated and improved. Far from being a purely doctrinal exercise, theology accounting provides a framework for aligning financial decisions with higher ethical standards and the common good.

Incorporating theological ethics into public administration contributes to the development of moral leadership, fosters a culture of service, and enhances public trust. It elevates financial management beyond technical compliance, demanding that public funds be managed with fairness, compassion, and a sense of responsibility to both citizens and a higher authority. The study explored how principles like transparency, stewardship, and moral responsibility can inform budgeting, expenditure, and resource allocation in ways that promote equity and sustainability.

However, the research also acknowledged challenges, including the risks of misusing theology for political ends or failing to uphold secularism in diverse societies. Therefore, it is essential that theology-inspired values be applied in inclusive, non-sectarian ways that respect religious diversity and maintain policy neutrality. In conclusion, theology accounting has the potential to enrich public sector management by grounding it in deeply held ethical convictions. It calls for leaders and institutions to view governance not merely as a technical task but as a moral calling. When moral values are embedded in financial and administrative processes, public institutions become more just, transparent, and accountable—ultimately leading to more equitable and sustainable development outcomes for all.

We recommend the following:

- 1) **Integrating Theological Ethics into Public Sector Leadership Training and Development:** To fully leverage the moral and ethical advantages of theology accounting in public sector management, it is recommended that public sector leadership training programs incorporate theological ethics and values-based decision-making. This can be achieved through curriculum reforms in public administration and governance training programs, where concepts like stewardship, justice, and moral accountability are emphasized. By equipping public servants with a strong foundation in ethical leadership drawn from theological principles, governments can nurture a generation of leaders who prioritize fairness, integrity, and social responsibility in their decision-making. Ethical training should also be continuous, integrated into professional development initiatives, and tailored to address the complex

ethical dilemmas faced by public sector managers. This approach would cultivate a culture of service-oriented leadership and enhance moral accountability in governance.

2) Establishing Ethical Oversight Mechanisms for Public Financial Management: It is critical to implement robust ethical oversight mechanisms in public financial management to ensure that theology-inspired ethical principles, such as transparency, equity, and justice, are consistently applied. This can be achieved through the creation of independent ethics boards or advisory committees within government agencies, tasked with reviewing public budgeting, expenditure, and procurement processes. These bodies should include a diverse range of experts, including ethicists, theologians, financial analysts, and community representatives, to ensure that public funds are used in accordance with both legal requirements and moral considerations. Additionally, public financial processes should be made more transparent through the use of open data platforms, enabling citizens to monitor and hold officials accountable. By institutionalizing ethical oversight, governments can enhance the integrity of public financial management and reinforce public trust in the accountability and transparency of public institutions.

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