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## INTERNAL CONTROLS IN THE TALMUD: THE JERUSALEM TEMPLE

*Abstract:* We examine the Hebrew Talmud's account of internal controls in the ancient Jerusalem Temple (c.823 B.C.E. to 70 C.E.) This far-reaching enterprise involved an extensive system of sacrificial offerings, management of three annual pilgrimages, a court system and maintenance of a priestly class. We outline the annual process of collecting half-shekel and other donations, withdrawals from the Temple treasury and the sale of libations. The Talmud describes numerous internal controls: donations were segregated according to their specific purposes and donation chests were shaped with small openings to prevent theft. When making withdrawals from the Temple treasury, the priest-treasurer was required to wear specific clothing to prevent misappropriation of assets. The Treasury chamber itself had seven seals, requiring the presence of seven different individuals, including the king, in order to open it. The process of selling libations and meal offerings required purchasing and then redeeming different tickets, which were specifically marked to prevent fraud. In explaining the reasoning for this tight system of internal controls, the Talmud reveals that an individual "shall be guiltless before G-D and before Israel" [Numbers 32: 22], so that a sound system of internal controls prevents both theft and any *suspicion* of theft, thus establishing the fiscal credibility of the Temple institution in the eyes of its congregants. Such an approach indicates that accounting did not represent a profane, secular vocation at odds with the Temple's mission. To the contrary, a system of accountability formed integral steps in the Temple's ritual processes.

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There are three crowns: the crown of learning, the crown of priesthood, and the crown of kingship, but the crown of a good name must be upon each of them [*Mishnah Pirkei Avos*, 4: 17].

## INTRODUCTION

As it discusses the operations of the ancient Jerusalem Temple (circa 823 B.C.E. to 70 C.E.), the Hebrew Talmud reveals a strict set of accountability mechanisms designed to safeguard assets. The Talmud describes a far-reaching institution overseeing an extensive system of offerings, three annual pilgrimages, a court system and a priestly class. The needs of this enterprise — supported almost entirely through voluntary donations — would have been extraordinary. The focus of this paper is to examine the nature of the internal controls documented in the Talmud.

Research about the relationship between accounting and religion can provide new insights into how organizations use accounting [Birnberg, Turopolec and Young, 1983] and how societal needs influence organizations' accounting [Hopwood, 1983; Hopwood and Miller, 1994, Puxty 1998]. Recent accounting research with respect to the Church of England [Laughlin, 1994], New England Quakers [Fuglister and Bloom, 1991], a 19th century U.S. religious commune [Flesher and Flesher, 1979], U.S. churches [Duncan, Flesher and Stocks, 1999], the Australian Church [Lightbody, 1999], Islamic religious organizations [Abdul-Rahman, 2000], the Iona Community of Scotland [Jacobs and Walker, 2001], the Salvation Army [Irvine, 2002], and Ancient Egypt [Ezzamel, 2002; Mattessich, 2002], suggests increased interest in the interface between accounting and religious institutions. The Hebrew Talmud has much to contribute to this growing body of research. Its description of the operations within the Jerusalem Temple demonstrates how a strong system of accounting internal controls could build and maintain the confidence of religious adherents. Moreover, such a system would have formed an integral part of ancient religious ritual.

Using techniques of traditional Talmudic scholarship, we identify many specific internal control processes discussed in the Jerusalem Talmud tractate named *Shekalim*. We also refer to related passages in other sections of the Talmud. These controls deal with a national system for collecting contributions, safeguarding the Temple treasury, and the sale of libations and meal offerings.

One would expect the Talmud to simply rebuke those who would commit theft — “Thou shalt not steal” Exodus, 20: 13; Deuteronomy, 5: 17]. Presumably, then, pious people commanded not to steal would be deemed trustworthy, so that any controls instituted within the Temple would be unnecessary and therefore minimal. However, we find the Talmud to be so concerned with preventing any suspicion of financial malfeasance, that controls are designed to prevent even any appearance of theft. Furthermore, the Talmud commends individual families who went to great lengths to avoid any suspicion that Temple-owned ingredients were misappropriated. The Talmud’s inclusion of these processes suggests that they would have been widely studied in their time, reinforcing public confidence in the Temple’s operations. We conclude with an unexpected insight: controls not only protect stakeholders’ property, but also protect the integrity and credibility of those entrusted with stakeholders’ property.

### THE ORIGINS OF THE TALMUD

The Talmud consists of oral teachings passed down through generations of ancient scholars. Jewish tradition holds that many of these teachings were received by Moses at Mount Sinai, while others were collected through the ages. In the 3rd century C.E., Rabbi Yehudah haNassi classified these teachings into the *Mishnah*, which consists of 63 tractates (“*masechtos*”) that were organized into six orders (“*sedarim*”).<sup>1</sup> To respect the custom that talmudic law should be transmitted orally, from teacher to student, the *Mishnah* included only highly concise summaries of basic principles, all written in Hebrew. To provide more intensive explanations for the *Mishnah*, later generations of scholars redacted two different versions of the Talmud:

- 1 Beginning in the 3rd century C.E., Rabbi Yochanan and his disciples redacted the Jerusalem Talmud (“*Talmud Yerushalmi*”) in Tiberius, near the Sea of Galilee;<sup>2</sup> and

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<sup>1</sup>The following two complete English translations of the *Mishnah*, with commentaries, are available: Blackman (1963) and Kehati (1994). Furthermore, many tractates of a new translation/commentary are now available, published by Artscroll/Mesorah Publications of Brooklyn.

<sup>2</sup>Jerusalem Publications of Brooklyn, NY, has translated certain tractates of the Jerusalem Talmud to English, including *Shekalim*, cited in this paper.

- 2 In the 6th century, Rabbi Ashi edited the Babylonian Talmud ("*Talmud Bavli*" in Babylon, in modern-day Iraq).<sup>3</sup>

Neither version of the Talmud was completed, each omitting several tractates of the *Mishnah*. For example, the Jerusalem Talmud, but not the Babylonian Talmud, explains the *Mishnah* to the tractate *Shekalim* (as cited in this paper). In response to traditions that Talmudic Law should be learned orally from a teacher, the two versions of the Talmud were written in an extremely concise and cryptic form of ancient Aramaic-Hebrew. Critical words and phrases were often omitted and other terminology was intentionally made to seem ambiguous, so that it would be impossible for the prospective student to simply read a passage of Talmud and understand it without help from a teacher.

In this article, we outline certain Temple operations and illustrate notable examples of internal controls over them, as described in the Talmud and related commentaries.

### INTERNAL CONTROL

Internal control is defined as "a process — effected by an entity's board of directors, management, and other personnel — designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with laws and regulations." [Auditing Standards Board, SAS 55 and 78].<sup>4</sup> As such, modern internal control objectives provide a framework for helping achieve substantive integrity in meeting these objectives, as well as those corollary to them, such as protection of the entity's assets. Modern organizations employing internal controls benefit not only from greater assurance that their substantive objectives will be met, but also from the appearance of credibility afforded them by the existence of internal controls, conditions necessary for raising capital from outside investors [Auditing Standards

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<sup>3</sup> A complete English translation of the Babylonian Talmud is available from Soncino Press, Brooklyn, NY. Many tractates of two new translation/commentaries are available: published by Artscroll/Mesorah Publications, of Brooklyn, NY, and Random House, NY (Adin Steinsaltz, editor).

<sup>4</sup> For purposes of internal control definitions used, we describe Generally Accepted Auditing Standards, governing the practices of independent certified public accountants in the United States.

Board, SAS 1]. This appearance of credibility appears to have been of primary concern in the Jerusalem Temple.

Prior accounting research describes numerous cases of accounting functions in the ancient world. Hird [1975] hypothesizes that as individuals in prehistoric societies learned to specialize, they needed to develop some notion of cost in order to trade different specialist products. The woodcutter and hunter could establish how many logs of wood were equivalent in value to one animal carcass. Therefore, as Swanson [1984] asserts, accounting may have preceded counting and mathematics. The development of coins created the need for bookkeepers to maintain transaction records.

Stevelnick [1985] offers an analysis of ancient accounting records found in Egypt and Iraq. Similar records are examined in greater detail by Garbutt [1984], Mattessich [2002] and Ezzamel [2002]. Costouros [1978] describes an intricate system of auditors in ancient Greece. Afosa [1985] documents the accounting records kept by the Ashanti tribes in 16th and 17th century Ghana. Hagerman [1980] cites scriptural passages which suggested the need for financial accounting, managerial accounting and internal controls. Mann [1984] quotes Talmudic passages regarding income tax policies in ancient Hebrew law. In this paper, we seek to augment this body of research. We document the integration of "secular" or "profane" controls into "sacred" ritual, and we identify the importance attached to reputation effects in an ancient religious institution.

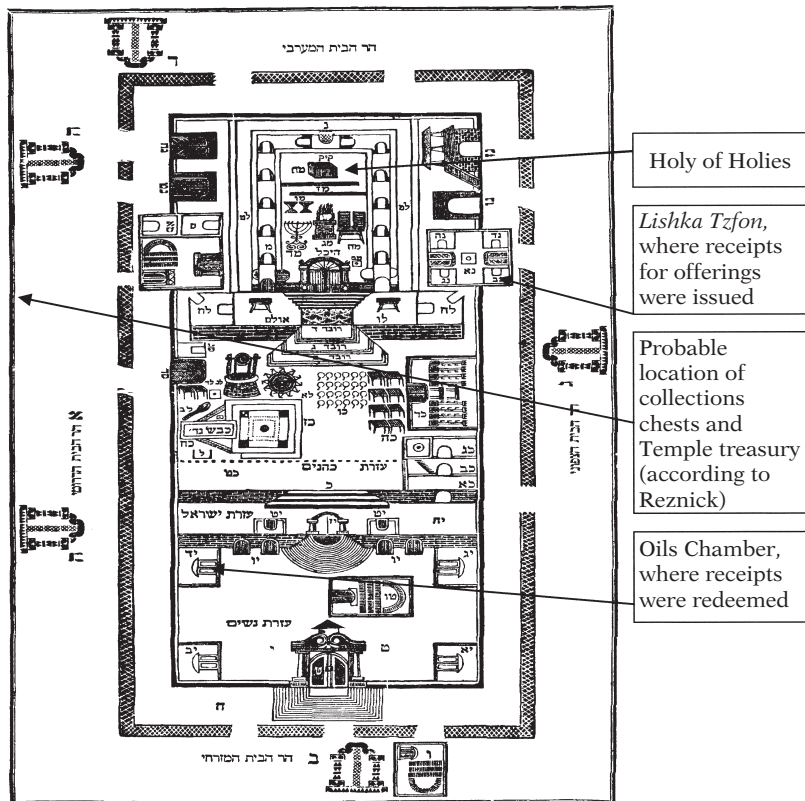
## INTERNAL CONTROLS IN THE JERUSALEM TEMPLES

According to traditional Talmudic sources, the Israelites constructed the Tabernacle as a center for their program of offerings, one year after they had left Egypt (1309 B.C.E.). This Tabernacle, a tent made of wood, metals, tapestries and hides, was disassembled, moved, and reassembled numerous times as the Israelites migrated through the desert to the Holy Land. In 830 B.C.E., to permanently replace the Tabernacle, Solomon began construction of the First Temple in Jerusalem [Reznick, 1994, p. 195]. According to biblical accounts, its construction was a tremendous undertaking, requiring the services of 10,000 woodcutters in Lebanon, 80,000 stonemasons, 70,000 porters moving building materials to the site, and 3,300 supervisors [I Kings, 5: 29]. By 823 B.C.E., the First Temple was completed and formed a religious, social and judicial center for the Israelite nation. Authorities forbade offerings to be made in any other

location, and all Israelites were required to make three annual pilgrimages to the Temple. Furthermore, the Great Sanhedrin, a national court handling religious and civil matters, met in the Temple complex.

In 420 B.C.E., armies of the Babylonian Emperor Nebuchadnezzar destroyed the First Temple. Following the Babylonian exile, the Second Temple was completed in 346 B.C.E. This was similar to the First, but lacked the Ark of the Covenant, which could not be located. In 16 B.C.E., Herod enlarged and rebuilt the Second Temple, which was destroyed by armies of the Roman General Titus in 70 CE. Figure 1 provides a floorplan of the Second Temple, as recorded in the Babylonian

**FIGURE 1**  
**Floor Plan of the Second Jerusalem Temple<sup>5</sup>**



<sup>5</sup> According to Babylonian Talmud Tractate *Midos*, From *Talmud Bavli* (Jerusalem, Israel: Telman). English annotations by the authors.







*Collections of Half-Shekel Donations*: The book of Exodus commands every adult male Israelite to contribute exactly one-half Shekel each year to the Tabernacle [30: 12]. These moneys would be used to fund communal offerings.<sup>7</sup> The Jerusalem Talmud tractate "*Shekalim*" (literally "shekels") explains how these coins were collected, how they were accounted for, and other aspects of the Temple's administration. The beginning of the tractate states that on the first day of the final month of the year, called *Adar*, announcements would inform the people that the annual collection of half-shekel coins was about to commence [p. 2a].<sup>8</sup>

The Jerusalem Talmud then proceeds to dissect this statement. It first asks why the announcement was made on the first day of *Adar*, answering that this announcement would give people one month to contribute before the moneys would be expended from the Temple treasury, on the first day of *Nissan*, the first month.<sup>9</sup> These collections would then fund all public offerings to be made in the next year, beginning in the month of *Nissan*. The Talmud derives that the Temple's fiscal year begins on the first day of *Nissan* by citing a scriptural passage from Exodus: "And it was in the first month of the second year on the first of the month, that the Sanctuary was erected" [Exodus, 40: 17].

If the Sanctuary was erected on the first day of the first month, the Talmud reasons, then this must be the beginning of the Temple's fiscal year.

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<sup>7</sup>Talmudic commentaries differ on the actual weight of a half-shekel coin. Goldwurm [2000, p. 161] derives that a half-shekel would weigh either the equivalent of 160 or 192 barley grains, which would translate to 0.256 or 0.215 troy ounces.

<sup>8</sup>Unless otherwise indicated, we paraphrase the concise Talmudic passages. All translations are by the authors. To give the reader a taste of the Talmud's style, here is a more literal translation of the above-cited passage: "On the first of *Adar* they announce on the shekels" [p. 2a]. In citing Talmudic passages, we use the name of the Talmud tractate, followed by the page number, as published in the traditionally-used "Vilna" edition. In situations where the name of the tractate is already provided the text, we provide only the page number. When citing *Mishnah* passages, we provide the chapter and sentence numbers, separated by a colon.

<sup>9</sup>Today, in traditional Jewish congregations, the Sabbath preceding (or falling on) the first of the month of *Adar* is called "Sabbath *Shekalim*". On that date, Exodus 30:11-16 and II Kings 11:17-12:17 are publicly chanted. Two weeks later, in commemoration of the ancient *shekalim* collections, congregants donate one-half unit of the modern-day currency designated for the upkeep of the synagogue.

The Talmud describes the collection process in detail. On the 15th of *Adar*, Temple messengers would arrive in the towns of ancient Israel, to collect donations and change different types of currencies. According to Maimonides, the messengers were to “ask softly” for the half-shekel, but had no authority to coerce people to pay. On the 25th of *Adar*, according to the *Mishnah*, the messengers sat near the Temple Mount, and were permitted to seize collateral from people who still had not paid.<sup>10</sup> However, they could not seize collateral from women, slaves, minors under the age of 20, or members of the priestly class. For women, slaves and minors, the half-shekel donations were optional. While priests were legally obligated to pay, they were not coerced because of the voluntary services they provided to the Temple [p. 3b].

Procedures were in place in case the half-shekels were lost or stolen while in the possession of the Temple messengers. The messenger was required to swear a three-fold oath that (1) he was not negligent, (2) the objects were not in his possession and (3) he had not personally used them [p. 5a]. Taking such an oath would have been a serious matter because its violation would profane the Third Commandment — “You shall not take the name of the L-rd your G-D in vain” [Exodus 20: 7 and Deuteronomy 5: 11].<sup>11</sup> Prior to the counting of the Shekels on the first of *Adar* (see below), the messenger would take an oath in the presence of the townspeople, who would then be required to donate half-shekels for a second time. However, after the first of *Adar*, once the half-shekels had been counted, then the lost or stolen half-shekels were considered to belong to the Temple. The messenger would take his oath in the presence of the Temple Treasurer, and the Temple would have to absorb the loss [p. 5a].

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<sup>10</sup>This raises the question: were half-shekel donations voluntary or mandatory? For Israelite males older than 20 years of age, they were mandatory. However, these half-shekel donations probably represented only a small fraction of the resources necessary to maintain an extensive system of communal offerings and to support the priestly classes. Israelites were also required to contribute *t'ruma* (tithes) from a percentage of crops grown, first fruits, certain first-born animals, and other assets to the priestly class. However, the Temple also relied on private donations in the form of crops, precious metals, coins, land, or other assets.

<sup>11</sup>In Jewish Law, spelling out a Divine name adds sanctity to the document onto which it is written, requiring that the document not be used or disposed of disrespectfully. Accordingly, we use the commonly-used convention of abridging these names with hyphens.

The messenger could choose to shirk from an oath by contributing the lost currency without any admission of guilt.

If the missing half-shekels were subsequently found or recovered, then they were forwarded to the Temple. Any donations made in their stead were also kept by the Temple and, the *Mishnah* explains, their donors were not given any type of “credit” toward future donations [p. 5a] because funds originally designated for offerings in one year could not be used for offerings in a subsequent year [*Yoma*, 13a].

In the Temple Mount, there were 13 chests, described as “horns” [*Shekalim* 15b], labeled for different purposes and arranged in a circle.<sup>12</sup> These chests were labeled for:

- 1 “New” shekels (donations for the current year’s collection of shekels).
- 2 “Old” shekels (donations owed from previous years).
- 3 Nests (to be spent on dove offerings).
- 4 Young Pigeon burnt offerings.
- 5 Wood (to be used for fire on the altar).
- 6 Frankincense (to be used toward the incense).
- 7 Gold for the utensils.
- 8 Remainder of sin offering.
- 9 Remainder of the guilt offering.
- 10 Remainder of bird offerings.
- 11 Remainder of nazirites’ offerings.
- 12 Remainder of lepers’ offerings.
- 13 “Donative” offerings (general contributions for offerings to be made when the altar was unoccupied) [Goldwurm, 2000, p. 116].

Chests 8 through 13 were used to collect surpluses earned by the Temple from the sale of different types of offerings.<sup>13</sup>

Like modern collection boxes, each chest was angled to be narrow on top and wide at the bottom, creating physical controls to prevent theft.

The *Mishnah* prescribes how to handle coins found between the chests:

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<sup>12</sup>These chests were most likely in a chamber outside of the Temple itself, but within the Temple Mount complex [Reznick, 1994, p. 72]. We contacted Reznick, who felt that the chests and the Temple treasury were located in a courtyard north of the Temple, within the Temple Mount complex. See Figures 1 and 2.

<sup>13</sup>The *Mishnah* specifically names only chests 1 through 7. Chests 8 through 13 are enumerated in Maimonides’ commentary to the *Mishnah*.

If coins are found between the new shekels chest and donative offering chest and they are closer to the new shekels chests, they should be placed into the new shekels chests. If they are closer to the donative offering chests, they should be placed into the donative offering chests. If they are equidistant between the two, they should be placed into the donative offering chests. If coins are found between the wood chest and the frankincense chest . . . The general rule is that we decide where to place fallen coins based on proximity. However, in a case of equidistance between two chests, we decide for stringency [where, in the above order, donative offerings are most stringent and new shekels are least stringent] [p. 19a].

*Withdrawals from the Temple Treasury:* Coins were withdrawn from the Temple treasury three times a year, two weeks before each of the three major festivals: *Pesach* (the early spring festival Passover), *Atzeret* (the late spring holiday Pentecost) and *Chag* (the autumn festival of Tabernacles) [p. 7b].<sup>14</sup> Such withdrawals were made under very tight controls. According to the *Mishnah*, the priest-treasurer withdrew three chests, individually labeled with the first three letters of the Hebrew alphabet, in sequence. This priest-treasurer could not wear a hemmed garment, shoes, sandals, phylacteries traditionally worn on the arm and head, an amulet, or any other garment that could conceal coins [p. 8a]. As the Talmud explains, these controls protect the reputation of the priest-treasurer. If he one day became poor, it would not be suspected that his poverty resulted from divine retribution for stealing from the treasury. On the other hand, if he became

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<sup>14</sup>The Talmud does not state where the Treasury was located. Perhaps secrecy over its location was maintained as a control over theft. However, it is also possible that the locations of chambers outside the Temple, but within the Temple Mount, were insufficiently important to be included in the Talmud. According to Reznick, the Temple treasury was most likely located in a courtyard north of the Temple, within the Temple Mount complex [telephone interview]. See Figures 1 and 2. Josephus records that Pompey entered the Holy of Holies, “which no one was permitted to enter but the high priest, and saw what it contained . . . sacred money totaling 2,000 talents” [1959, p. 47]. This suggests that some Treasury monies may have been kept in the Holy of Holies. However, the Holy of Holies could not have also served as the Treasury Chamber referred to in the Talmud because the treasurer would have been forbidden to enter it. Rather, surpluses may have been stored in the Holy of Holies, either on a permanent basis or for safekeeping during the Roman siege.

wealthy, people would not suspect that his wealth came from the Treasury.

The Talmud goes on to provide scriptural sources for this principle of avoiding acts that might create suspicion [p. 9a]: “You shall be clean before G-D and before Israel” [Numbers, 32: 22]. “Find favor and good understanding in the eyes of G-D and man” [Proverbs, 3: 4].

The first quote includes “Israel,” and the second includes “man” in order to emphasize that people must not only satisfy an all-knowing G-D, but also must satisfy “the eyes of man,” who may suspect the priest-treasurer, or, for that matter, any person with fiduciary responsibilities, of wrongdoing, even mistakenly. On the same folio page, the Jerusalem Talmud again cites these verses adding a third verse, from Joshua: “L-rd Almighty G-D, He knows, and Israel shall know, if in rebellion, or if in transgression against the L-rd . . . Let the L-rd himself demand reparation” [Joshua, 22: 22].

The Jerusalem Talmud then recalls that Gamliel Zuga asked Rabbi Yosi ben Rabbi Bun, which verse is the most relevant of them all? He answered him, “and you will be guiltless before G-D and before Israel” [Numbers, 32: 22] [p. 9a]. Rabbi Sirilio, cited in Rabbi Yaakov Shulman’s translation/commentary, explains that the quotation from Numbers, “and you will be guiltless before G-D and before Israel” best supports this principle because it refers to financial transactions, while the quotation from Joshua refers to idolatry, and the verse in Proverbs is a general admonition [Shulman, 1998, p. 9a(3)].

In reference to the responsibilities of a charity collector, the Babylonian Talmud cites this same scriptural verse from Numbers. If a charity collector collected an excess of funds, but had no poor recipients to whom to distribute the funds, what should he do with rust-prone copper coins? He must change them for silver coins, but may not do so with his own money. Similarly, if a communal meal for the poor had left-over food, the meal’s supervisor must sell the excess food to others, and not to himself. This is because the scripture states: “And you should be clean before G-D and before Israel” [Numbers, 32: 22] [*P’sachim*, 13a]. One could suspect that the charity collector or meal supervisor personally profits from communal acts of goodwill. As in the prior examples cited from the Jerusalem Talmud, the ancient law demands that individuals with fiduciary responsibilities maintain an appearance of propriety.

In what context is the verse “And you should be clean before G-D and before Israel” written? When the Israelites were wan-

dering in the desert, the Israelite tribes of Reuben and Gad approached Moses, asking to settle in Gilead, a territory already conquered east of the Jordan River, instead of the Land of Israel proper. Moses, however, expressed concern that the tribes would subsequently avoid fighting alongside their brethren to conquer the Land. Therefore, he required that the two tribes settle in Gilead only after they helped conquer the entire Land of Israel. Only then could they be “clean before G-D and before man”. In this sense, the verse directs one to behave in a manner “beyond reproach” by the standards of both G-D and society. How could Reuben and Gad reassure the Israelite tribes that they would not abandon their battles to conquer the Land? By refusing to settle in their territory until the entire Land was conquered. Similarly, how could the priest-treasurer reassure the public that Temple assets were not misappropriated? By observing a strict system of internal controls. The following proverb in the *Mishnah* tractate “*Pirkei Avos*,” refers to a similar principle: “[Rabbi Chanina ben Dosa] used to say: He who is pleasing to his fellows is pleasing also to G-D; and he who is displeasing to his fellows is displeasing also to G-D” [3: 13].

The Jerusalem Talmud notes additional controls over the priest-treasurer’s withdrawals, explaining that withdrawals should not be made by a “*kovetz*,” defined as a curly-haired person. Before he could perform the withdrawal, his hair would have to be untangled to make it more difficult to hide coins, a physical control to safeguard assets. Alternatively, Maimonides, in his authoritative redaction of the Talmud called the *Mishnah Torah*, states that a *kovetz* is a poor person who, in order to avoid suspicion of fraud given his arguably greater temptation to steal, should not perform the withdrawals. Such controversies are common in Talmudic literature, and reflect the diversity of knowledge transmitted through many generations of oral teachings.

In order that he could not store coins in his mouth, the priest-treasurer making the withdrawal was required to talk during the whole withdrawal process — another physical control over assets. Alternatively, the Jerusalem Talmud suggests that they could have filled his mouth with water. However, this would have prevented him from reciting a necessary blessing. Rabbi Yaakov Wehl, in his 20th Century commentary *Ikva Aharon on Shekalim*, indicates another possible way of preventing theft: one or more witnesses might accompany the priest-treasurer, an independent check on the performance. This he rejects, however, reasoning that if the witness became poor,

people might suspect that his poverty was divine retribution for stealing from the Treasury, or for assisting in the priest-treasurer's fraud. Therefore, witnesses were never allowed into the Treasury chamber [Shulman, 1998, 9a(2)].

In its organizational structure, the Temple emphasized the sharing of responsibilities and segregation of controls. For example, at any given time at least three treasurers and seven supervisors were appointed over the Treasury. In general, the Talmud tells us, any fiduciary responsibilities were assigned jointly to at least two people [p. 14b].

*Other Physical Controls over the Treasury:* As an example of these tight controls, the Jerusalem Talmud explains the process for opening and sealing the treasury chamber. When sealing the chamber, the treasurer would affix his seal. Then, the trustee, the controller, the high priest, and the king would each affix their seals. When opening the chamber, the king, the high priest, the controller, the trustee and the treasurer would each examine his seal to make sure that it had not been tampered with, and then open it [p. 14b].

*A Budget:* Furthermore, the Talmud provides a budget detailing how the Temple's collections should be expended. First, daily offerings were purchased followed by additional offerings (with libations), the Omer offering, the two loaves (offered in the Pentecost festival), the twelve loaves (placed in the Holy of Holies every Sabbath), and all public offerings. Guards hired by the Temple to watch over its fields of crops were also paid for their services [p. 9b]. Furthermore, the red heifer (with other supplies necessary for its preparation) and the scapegoat offered on the Day of Atonement (*Yom Kippur*) were paid for. Any remaining funds were used to pay for a ramp for transporting the red heifer, a ramp for the scapegoat, supplies necessary for offering the scapegoat, maintaining canals running under the Temple, city walls and towers maintenance, and other needs of the City of Jerusalem [p. 10b]. Any remaining surplus was spent on wines, oils and fine flours to be resold by the Temple for use in offerings, at a profit. In the Talmud Rabbi Akiva disagrees, stating that the Temple did not invest its own money or that of the poor [p. 11a]. Rather, any remaining moneys were spent on gold sheets to plate the Ark in the Holy of Holies [p. 12a].

One scholar cited in the Talmud, Abba Shaul, argues that the High Priest himself, not the Temple, paid for the ramp used to transport the red heifer [p. 10b]. Abba Shaul's argument indi-



cates that there was an awareness of an entity concept — certain costs fell within the jurisdiction of the Temple, while others did not. Maintenance of community property in Jerusalem was considered to be, in part, the responsibility of the Temple. However other expenditures, including possibly the red heifer's ramp, were the responsibility of others.

*Controls over Sales of Libations and Meal Offerings:* As outlined in Numbers [15: 2-10], certain Temple ceremonies required wine libations and meal offerings made of flour and oil. According to the *Mishnah* and Jerusalem Talmud, a complex system of internal controls was instituted to sell and distribute items.

Four types of receipts for the purchase of libations or meal offerings were available, each inscribed with one of the following words: "calf," "male," "kid" or "sinner". Each receipt would entitle its purchaser to the necessary libations or meal offerings required for different ceremonies.

First, the *Mishnah* tells us, a person in need of a libation would pay Yochanan, the receipts administrator, and receive a receipt. Yochanan (or one of his predecessors or successors) could be found in the Receipts Chamber (called *Mizrach Tzfon b'Vais haMoked* — See Figures 1 and 2). The person in need of libation would then walk to Achiyah, the libations administrator, submit his receipt, and receive the appropriate libation or meal offering. Achiyah would have been located in the Oils Chamber (called *Lishkas Bais haShemanim* — See Figures 1 and 2). Separation of functional duties of transaction authorization from execution was thus achieved. At the end of the day, Yochanan and Achiyah would meet and count the receipts and coins collected. The *Mishnah* literally states that the Temple would have the "upper hand". If there were more coins than receipts, the Temple kept the excess. If, however, there was a shortage of coins, Yochanan would have to pay the deficiency out of pocket [p. 15a].

Furthermore, there was a procedure in place in case of a lost receipt. Each evening, the administrators would count the coins and receipts. If, corresponding to a claim, there was a difference between the coins and receipts, Achiya would provide the claimants with a libation or meal offering. If there was no corresponding difference, the claimant would receive nothing, thus achieving "protection of assets" in the spirit of goodwill.

The Jerusalem Talmud explains that, in order to prevent fraud, each receipt was inscribed with the day of the week, the name of the week, the month, *and* the name of the priestly

rotation on duty that week.<sup>15</sup> The Talmud explains that, because of the low probability of the weekday, week, month and priestly rotation, the Temple officers were not concerned that a person could subsequently use an old receipt to purchase libations or meal offerings [p. 15a].

### PROTECTION OF ESSENTIAL INGREDIENTS

As commanded in Leviticus [24: 5-6], 12 loaves of bread (“the showbreads”), requiring specific expertise in baking, were placed on the table in the Temple each week. Furthermore, Exodus [30: 34-38] prescribes the burning of a uniquely-mixed incense, which could not be appropriated for non-Temple use. It was deemed essential that these activities be strictly controlled.

The *Mishnah* assigns responsibility for baking showbreads to the Garmu family, and the preparation of the incense to the Avitnas family. Each family practiced certain stringencies to make sure that others could not suspect them of misappropriating Temple-owned ingredients. The Jerusalem Talmud praises the Garmu family, responsible for the Showbreads, because at home they would not bake with the type of light-colored flour used by the Temple, so that people should not say that they ate from the ingredients owned by the Temple [p. 14a]. In order to avoid suspicion that they misappropriated the showbread flour, the Garmu family used a different-colored flour when baking bread for themselves. In this way suspicions were allayed.

Similarly, the Jerusalem Talmud praises the Avitnas family, which was responsible for the preparation of the incense. The women of this family did not wear any type of perfume. Furthermore, when a woman married into this family, she would agree, in writing, as a condition of marriage, not to wear perfume, so that people should not say that members of the Avitnas family perfume themselves with the precious ingredients designated for the Temple incense [p. 14a].

### IMPLICATIONS FOR RESEARCH IN ACCOUNTING AND RELIGION

Initially, we expected the Talmud to deem Temple managers G-D-fearing and trustworthy, requiring minimal internal control processes over them. However, we found the Talmud to teach

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<sup>15</sup> Priests were reservists, divided into 24 watches by family, who would each serve for one weekly period during each 24 week cycle.

that a tight system of internal controls will protect the integrity and reputation of the pious, building the integrity of the institutions for which they are responsible. Similar conflicts between control and trust can be illustrated by financial management in the modern Church of Australia, as described by Lightbody [1999]. Lightbody identifies two strategies of guardian behavior — “storing” and “shielding” — through which religious leaders set aside and protect funds for their own pet jurisdictional uses. Such strategies may explain why controls must exist over trustworthy, pious individuals. Goal incongruence may encourage such individuals to focus on their own provinces, even at a cost to the institution as a whole. The Talmud alludes to religious institutions’ problems in allocating scarce resources by providing a list of spending priorities, and describing the system of charity collection boxes to be found inside the Temple courtyard.

Recent studies by Ezzamel [2002] and Irvine [2002] explore later religious institutions’ role in redistributing wealth. Within the Talmudic tradition, land holdings were linked with wealth. After Joshua’s conquest, all tribes received land except for Levi [Joshua, 13: 14]. As part of the tribe of Levi, the priestly class did not receive any land holdings. Therefore, many sacrificial offerings were designated for the priestly class, and required donations of crops and animals were designated for the Levites. As such, landholders supported the Levites, the priestly class, and, in as much as the Levites and priests served the Temple, landholders also supported the Temple’s operations. However, the half-shekel donations described earlier were designated specifically for the Temple’s operations.

To further redistribute wealth, agriculturalists were required to make portions of their fields available for harvesting by the poor, a system described in the Talmud tractates *Pe’ah* and *D’mai* and illustrated in the book of Ruth [2: 2]. Furthermore, the jubilee year, declared every 50th year, permitted each family to regain ownership over the land holdings that it claimed in the time of Joshua alleviating many wealth imbalances.

In his study about the Church of England during the late 20th century, Laughlin [1988] discusses how religion seeks to distinguish the sacred from the profane, so that sacred institutions establish themselves as strongholds against the profane. The Talmud makes similar distinctions. For example, Talmudic law distinguishes individuals by both birthright and ritual purity. In order to enter the Temple, individuals must be ritually

pure, being required to avoid contact with leprosy, menses and the dead for a period of time, and then immersing in a ritual pool. Furthermore, descendants of the Biblical Aaron and Levi have special privileges and responsibilities within Temple rituals. Certain crops and livestock were also designated for the Temple's operations and were forbidden to be used otherwise. Even certain ideas, such as those rooted in idolatry, were considered to be so anathema to the prevalent philosophy that they would have no role to play in the functioning of the Temple or the prevailing court system. Accordingly, because ideas of accountability were not explicitly commanded by Scripture, one might assume that they would be deemed profane or idolatrous, and unworthy of practice within the Temple's precincts. To the contrary, the Talmud's extended discussion of internal controls indicates that systems of accountability formed an integral portion of the Temple's rituals. There was no separation between secular accounting processes and sacred service, so much so that actions that might raise suspicion of theft could have been deemed akin to theft itself. Furthermore, judging from the fragmentary nature of the Talmud's redaction, it is probable that the tight physical controls described in the Talmud represented only a small fraction of the controls in place over the Temple's operations.

## CONCLUSION

In this study we have explored internal controls over the collection of half-shekel donations, withdrawals from the Temple treasury, entry to the Treasury, the sale and distribution of libations and meal offerings, and the protection of ingredients essential for religious purposes as described in the Jerusalem Talmud. One would expect the Talmud to admonish its students against theft, but not to implement minimal controls over a priestly class deemed pious and trustworthy. To the contrary, the Talmud describes what appears to have been a tight system of physical and operational controls. Since the *Mishnah* and Jerusalem Talmud are written redactions of teachings passed down through generations of scholars, and studied during the times of the Jerusalem Temple, we can presume that these teachings would have increased peoples' confidence in the workings of their central religious organization, providing assurance that donations were expended appropriately.

During our research, we found no mention of record keeping. This does not necessarily indicate that no record keeping

took place. For example, in *The Jewish War*, historian Josephus records specific amounts taken from the Temple treasury:

Pompey and his staff went into the Sanctuary . . . and saw what it contained . . . sacred money totaling 2,000 talents [p. 47].

For the campaign against the Parthians, Crassus removed all the gold from the Sanctuary in Jerusalem, including the 2,000 talents Pompey had not touched [p. 51].

As the survivors fled in terror the [Roman] soldiers swooped on the unguarded treasury of God and carried off about four hundred talents; what they did not steal Sabinus collected [p. 125].

However, if Temple records were unavailable to Josephus, he would have received these counts from the Romans. Furthermore, it is possible that Talmudic material explaining such record keeping practices may have been lost over the millennia. However, its apparent omission suggests that record keeping and reporting was of low priority.<sup>16</sup> While the Talmud tells us how donations should have been spent, it is possible that no reporting mechanism existed — or was deemed necessary — to describe how donations were actually spent.

Most surprising, however, in the course of this research, is our finding that piety may have compelled fiduciaries to accept stronger, rather than weaker controls over their actions. The tendency may be to trust the religious person, on the presumption that a G-D-fearing person will not steal. To the contrary, the Talmud teaches that tight internal controls protect the integrity and reputation of the pious, and of the institutions for which they are responsible.

In this study, we have explored one of many links between Jewish tradition and accountability. Other studies may lead to interesting insights into the interface between religion and accounting in historical contexts. These include Talmudic systems of taxation, computation of tithes, explicit accounting records in the Bible, and philosophies of individual accountability before the Divine.

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<sup>16</sup>Financial record keeping was possible given the careful calendar records mentioned elsewhere in the Talmud.

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