



Financial Village Management Predictors with Work Motivation as a Moderating Factor

Nurdian Susilowati*¹, Maya Diantari Mulyono¹, Amir Mahmud¹, Puji Novita Sari².

¹Universitas Negeri Semarang, Semarang, Indonesia

²Universitas Sebelas Maret, Surakarta, Indonesia

*Correspondence: nurdiansusilowati@mail.unnes.ac.id

ABSTRACT

This research aims to analyze the impact of village apparatus competence (VAC), organizational commitment (OC), and the whistleblowing system (WS) on village financial management (VF), with work motivation (WM) as a moderating variable. This research is quantitative and uses a causal approach. The populations of this research are village official in Sragi District, with a total sample of 112 respondents. The sampling technique used is purposive sampling. Data were analyzed using descriptive and moderation regression analysis (MRA) with the SmartPLS analysis tool. The research results show that village apparatus competence, organizational commitment, and the whistleblowing system have affects on village financial management. Work motivation can moderate and strengthen the relationship between organizational commitment and village financial management. Besides, it does not strengthen the relationship between whistleblowing on village financial management. This research makes a valuable contribution to the accounting field, particularly in the context of public sector organizations, by applying Stewardship theory. It applies the relationship of collaboration between the steward and the principal to accomplish the village's objectives. The originality of this research lies in the incorporating of a whistleblowing system and work motivation as the moderation factors.

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1. INTRODUCTION

Village finance is closely related to development, government, and society. Therefore, several important principles should be considered in village finance (Ramadhan and Arza, 2021). The village financial management process should consider the principles of transparency, accountability, participation, and budgetary. The village government's enforcement of village financial based on regulations from Minister of Home Affairs Regulation number 20, 2018, concerning management of village finance. After issuing Village Law No. 6 of 2014, the government regulation number 113 of 2014 concerning management guidelines because this regulation covers the village financial management process beginning from planning, implementation, administration, reporting to accountability (Thoyib et al., 2020). Based on data from the Pekalongan Regency Government, they received additional Village Funds (DD) from the Indonesian government for more than IDR 31 billion. The total village funds allocated to the Pekalongan Regency Government in 2019 were more than IDR 259 billion. The 2019 Village Fund (DD) budget increased by 14.1% compared to last year. In 2018, Village Funds reached more than IDR 227 billion, but in 2019, Pekalongan Regency received an additional budget of more than IDR 31 billion. The government allocated 400.1 trillion for village funds from 2015 up to 2021. Indonesia corruption community researchers stated that there were 592 corruption cases at the village level, with 729 suspects. As a result, the state lost IDR 433.8 billion (Nababan, 2023).

Public sector accounting research, such as village government organizations can apply Stewardship theory. Public sector organizations are oriented towards public services and do not aim to generate profit. This theory assumes that village officials are the stewards responsible for managing village finances, and the community is the principal who has the right to accept responsibility for managing village finances. Trust becomes the foundation of contractual relationship between stewards and principals, so they collaborate under predetermined organizational goals. To achieve these goals effectively, essential factors such as the competence or visibility of village apparatus, organizational commitment, and the implementation of a whistleblowing system significantly impact village financial management (Ardianti et al., 2022; Grazia et al., 2024; Hakim et al., 2022; Lahu, Dominika Apriliani, 2024; Muhrayani et al., 2021; Panatap, 2024; Umar et al., 2018; Yusuf and Syarif, 2018).

Village apparatus act as human resources in managing finances and should attain to have capabilities propped by an educational characteristic, frequently attend education, training, and have experience in the financial management. Village officials that are unable to implement accounting standards effectively, as they still rely on traditional approaches, indicates a lack of ability to uphold accountability and transparency in accordance with accounting standards (Safkaur, 2016). It is important to implement the accounting system. Several studies showed lest the skills of village apparaturs has significant impact on the management of village fund (Ardianti et al., 2022; Muhrayani et al., 2021; Umar et al., 2018). Furthermore, Sulismadi et al. (2017) highlight serious problems, such as inadequate human resource capacity, an insufficient number of village officials, and inadequacy understanding among village apparatus regarding their primary duties and functions. Research findings show that the competency and capability of village apparatus still needs to improve. The competency of village officials needs to be reviewed, considering the importance of human resource capacity in an organization. The capability of village apparatus does not create the accountability of village financial management because their skills are limited to technical tasks, such as compiling, numbering, storing transaction evidence, inputting account codes, and matching cash balances. In contrast, effective financial management requires the ability to determine appropriate activities and allocate village funds in accordance with regulations (Amelia et al., 2024).

The organizational commitment within an individual helps support the success of an organization. With high organizational commitment, the village head with the most elevated position in the village apparatus structure can increase the quality of financial report. Yusuf and Syarif (2018) stated that commitment to the organization shows robust belief and motivate for the organization's values and goals. It means that effective village financial management comes from the solid organizational commitment of village officials. However, Saputri and Muhsin (2019) found that despite village officials demonstrating good attitudes and behavior at work, they still view tardiness and leaving work late as normal and acceptable. This indicates a low commitment to adhering to regulations that should be followed.

The role of a whistleblowing is not only proxy in statement to prevent fraud but also establish of supervision. The servants fear committing fraudulence because this tract can be used by members so can monitor each other, and they fear being reported by another servant. Although various studies have highlighted the importance of a whistleblowing system in enhancing organizational transparency and accountability (Grazia et al., 2024; Lahu, 2024; Panatap, 2024). Apriana and Lestari (2024) stated that the whistleblowing does not avoid village fund fraud. Instead, a successful internal control system performs a primary part in discovering and avoiding suspicious activities, reducing the likelihood of fraud. This research employs work motivation as a moderating variable. The work motivation can build enthusiasm to achieve high performance and produce quality work (Kudri and Putra, 2024). This distinguishes the current research from previous studies, as it focuses on different determinant factors influencing village financial management and incorporates moderator of work motivation.

2. METHODS

This study is quantitative and uses a causal approach. It aims to explain facts about the object under study by analysing numerical data using test tools and statistical analysis to test predetermined hypotheses. The data collection method uses a questionnaire. The data that has been collected is then analyzed using descriptive and path analysis. The respondents are village officials in Sragi District, Pekalongan Regency, consisting of the head, secretary, treasurer, and Kasi/Kaur. The reasons why the village head, secretary, treasury, and kasi/kaur were selected as respondents are they have central role in village financial management, can access to financial information and data, and have impact on transparency and accountability. The sampling technique uses purposive sampling. The samples used in each village are seven people from each of the 16 villages, totally 112 village apparatus. The variables are management of village financial apparatus competency, organizational commitment, whistleblowing system, and work motivation.

Management of village finance is an action related to planning, implementation, administration, reporting, and responsibility. The indicators are by Hasnita (2019) specifically planning, implementation, administration, reporting, and accountability. Competency of village apparatus is the capability, knowledge, skills, and behavioral attitudes required in carrying out their responsibilities, so that a person can carry out their position professionally. The indicators by Hasnita (2019) are education, training, experience, knowledge, skills, and abilities.

Organizational commitment is an attitude in which an individual identifies themselves with the objective and hopes organization where he works, and tries to maintain membership in the organization to help achieve its objectives. The indicators are continuance commitment, affective commitment, and normative commitment (Yusuf and Syarif, 2018). A whistleblowing system is a system for disclosing violations, illegal serve or other acts that can prejudice the institutions. The measurement whistleblowing system comes from the National Committee for Governance Policy, including structural aspects, operational aspects and maintenance aspects

(Anggraeni, 2020). Next, work motivation is the drive to work within an organization or institution. The indicators by Hersberg (2001) are motivators (recognition, work itself, responsibility, and progress) and Hygiene (supervision techniques, salary, working conditions, policy, and company administration).

This study used questionnaires to collection the data with short answers. This type of questionnaire is a closed questionnaire, with the answers provided so that respondents have to choose. Considering previous research, this study measures each respondent's answer using a five-point Likert scale. It is important to test the instruments to verify the validity and reliability. The validity data measures by using Validity of Discriminant and Average Variance Extracted (AVE) with the expected AVE value > 0.5 (Wijaya, 2019). Reliability tests are execute to verify sensibility and provision of the questionnaires in measuring the construct. It can be done by calculating the value composite reliability must be greater than 0.7 (Ghozali and Latan, 2015).

There are two types of data analysis techniques; descriptive and path analysis. Based on Sugiyono (2015) the descriptive analysis is method to analyze data by presenting without the intention of making generalizations. Path analysis is used to analyze the relationships between one variable and another variable. The outer model is carried out by looking at the loading factor, AVE, Cross Loading, Cronbach's Alpha, and Composite Reliability values. Evaluation of the structural is the next stage after evaluating the model. This study implemented several tests to test the hypothesized relationship; they are the coefficient of determination, prediction relevance, effect size, and hypothesis testing.

3. RESULTS AND DISCUSSION

The **Table 1** shows the characteristics of age, gender, educational background, and a job in an institution. Based on reseach, the village officials in Sragi District, Pekalongan Regency is dominated by officials as shown by the total of male respondents was 95 people or 85% of the total respondents. Then, the majority of participants in this research consisted of village officials more than 50 years, namely 41 people, or 37%. Most respondents' last education was SMA/SMK/MA graduates, namely 71 people or 63%. Furthermore, totalling 50 individuals or 45%, held service roles

Table 1. Characteristics of respondents

Characteristics	Information	Number of Respondents	Percentage
Sex	Man	95 people	85%
	Woman	17 people	15%
Life (years)	21-30	12 people	11%
	31-40	20 people	18%
	41-50	39 people	35%
	>50	41 people	37%
Education Background	Diploma /Bachelor	30 people	27%
	Senior High School	71 people	63%
	Junior High School	11 people	10%
Status	Village head	one person	1%
	Village chief	43 people	38%
	village secretary	17 people	15%
	Head of the social section	50 people	45%
	Village Treasurer	one people	1%

After identifying the characteristics, the data processed using the SEM PLS method with SmartPLS 3.0 tool. Hypothesis testing can be carried out if the data used has been tested for

validity and reliability. Data can be said has validity if the loading factor value is >0.7 . The convergent validity factor loading test is in Table 2 below.

Table 2. Loading factor

Item	Village Financial Management	Village Apparatus Competence	Organizational Commitment	Whistleblowing System	Work motivation
VF1	0,713	0,351	0,407	-0,070	0,028
VF 2	0,784	0,401	0,260	-0,067	-0,125
VF 3	0,816	0,254	0,326	0,047	-0,193
VF 4	0,758	0,235	0,479	-0,084	-0,019
VF 5	0,807	0,218	0,403	-0,155	-0,087
VF 6	0,705	0,274	0,581	-0,123	0,028
VF 7	0,773	0,247	0,557	-0,101	0,018
VF 8	0,740	0,192	0,385	-0,142	-0,031
VF 9	0,703	0,446	0,463	-0,048	-0,092
VF 10	0,684	0,483	0,324	-0,210	-0,048
VF 11	0,686	0,445	0,398	-0,119	-0,065
VF 12	0,734	0,486	0,370	-0,157	-0,084
VF 13	0,721	0,463	0,291	-0,184	0,046
VF 14	0,733	0,446	0,403	-0,203	0,057
VF 15	0,728	0,325	0,313	-0,210	-0,066
VF 16	0,667	0,341	0,313	-0,190	-0,132
VAC 1	0,065	0,720	-0,156	0,415	0,049
VAC 2	0,311	0,804	0,026	0,229	0,172
VAC 3	0,328	0,789	-0,027	0,332	0,124
VAC 4	0,209	0,755	0,085	0,268	0,153
VAC 5	0,116	0,794	-0,026	0,517	0,073
VAC 6	0,158	0,780	-0,069	0,470	0,043
VAC 7	0,006	0,755	-0,141	0,377	0,050
VAC 8	0,123	0,699	-0,174	0,468	0,111
VAC 9	0,096	0,716	-0,047	0,379	0,052
VAC 10	0,167	0,600	0,029	0,403	0,059
VAC 11	0,255	0,719	-0,003	0,308	0,131
VAC 12	0,285	0,608	0,101	0,392	0,066
OC 1	0,112	-0,107	0,649	0,202	0,100
OC 2	0,252	0,019	0,665	0,245	0,270
OC 3	0,132	-0,038	0,821	0,457	0,084
OC 4	0,213	-0,060	0,850	0,462	0,220
OC 5	0,231	-0,034	0,708	0,274	0,273
OC 6	0,119	-0,130	0,822	0,423	0,027
WS 1	0,219	0,096	-0,024	0,924	-0,067
WS 2	0,239	0,109	0,022	0,708	0,006
WS 3	0,196	-0,005	-0,055	0,875	-0,039
WS 4	0,195	0,071	-0,029	0,824	-0,005
WS 5	0,281	0,134	-0,016	0,824	0,006
WS 6	0,222	0,132	0,016	0,777	-0,011
WS 7	0,225	0,150	-0,093	0,836	-0,020
WS 8	0,092	0,154	-0,026	0,852	-0,061
WM 1	-0,067	-0,174	-0,119	-0,078	0,824
WM 2	-0,152	-0,101	-0,152	-0,142	0,848
WM 3	-0,051	-0,037	-0,165	-0,092	0,733
WM 4	0,002	0,085	-0,058	-0,007	0,757
WM 5	0,049	0,065	-0,090	0,040	0,881
WM 6	-0,051	-0,054	-0,179	0,027	0,814
WM 7	-0,093	0,013	-0,169	-0,042	0,858
WM 8	0,009	-0,003	-0,072	0,063	0,824
WM 9	0,013	-0,060	-0,150	-0,037	0,803
WM 10	0,046	0,027	-0,063	0,206	0,808
WM 11	-0,026	-0,038	-0,021	0,000	0,870
WM 12	-0,160	-0,078	-0,205	-0,064	0,798
WM 13	0,026	-0,077	-0,090	-0,009	0,827
WM 14	-0,133	-0,096	-0,164	-0,096	0,817
WM 15	-0,017	-0,062	-0,091	-0,051	0,841
WM 16	-0,118	-0,007	-0,156	-0,011	0,784

Based on Table 2, each indicator in this study is declared valid because the average loading factor value is greater than 0.7 and meets convergent validity. Furthermore, the AVE value is greater than 0.5 then the data is declared convergently valid.

Furthermore, the data is considered reliable if it satisfies the criteria of a composite reliability value greater than 0.6 and a Cronbach's Alpha value exceeding 0.6. The Table 3 below present the AVE, composite reliability and Cronbach's Alpha values

Table 3. Composite Reliability, AVE, and Cronbach's Alpha

Variable	Composite Reliability	Average Variance Extracted (AVE)	Cronbach's Alpha
Village Financial Management	0,950	0,541	0,943
Village Apparatus Competence	0,932	0,534	0,921
Organizational Commitment	0,888	0,573	0,853
Whistleblowing System	0,946	0,688	0,946
Work motivation	0,970	0,670	0,968

Based on Table 3 above the data were valid and reliable. Thus, analyzing the data to the hypothesis testing stage. Hypothesis testing in this research is performed to prove whether the given hypothesis can be accepted or decline. This test uses bootstrapping by looking at the values of path coefficients, t-statistics, and p-values. The hypothesis is accepted if the t-statistics value is more than 1.96 or the p-value is smaller than alpha 0.05. The results of hypothesis testing are in Table 4 below.

Table 4. Result of hypothesis test

	Hypothesis	t Statistics	p-Values
H1	VAC -> VF	6,028	0,000
H2	OC -> VF	5,614	0,000
H3	WS -> VF	2,266	0,024
H4	VAC - WM -> VF	2,086	0,037
H5	OC - WM-> VF	2,915	0,046
H6	WS - WM -> VF	0,247	0,805

Based on Table 4, the path coefficient values show that work motivation does not moderate the relationship whistleblowing system and village financial management.

3.1. Village Apparatus Competence and Village Financial Management

According to the results of hypothesis testing and data analysis, the findings indicate that the competence of village officials affects village financial management. As the competence of village officials improves, so does the quality of village financial management. This results of this research align with the stewardship theory by [Donaldson and Davis \(1991\)](#). This theory explains that government officials, as managers, have a role in achieving organizational goals. A village government that has competent officials will facilitate good governance because it can manage the organization so that the performance of the village government will be viewed favorably by the community and local government so that competent officials can have an impact on accountable and transparent ([Hasanah et al., 2020](#)). Not only that, the ability to adopt the Village Financial System (Siskeudes) has become an integral part of achieving effective village financial management ([Hariwibowo and Kurniawan, 2024](#)).

The findings of this research are in line with study conducted by [Hasnita \(2019\)](#), [Cahyani et al. \(2022\)](#), [Karim et al. \(2020\)](#), and [Noholo \(2021\)](#). The competency of village officials is excellent

because they have the background of village officials regarding their knowledge, skills, and attitudes. Village officials in Sragi District, Pekalongan Regency, already have knowledge, skills, and attitudes that form the foundation for performing their duties as village officials. However, in terms of skills, they still require training to produce more optimal results. With excellent competence possessed by village officials, village financial management will be realized well (Rakhmat, 2018).

Village officials who have high capability will be obtained to manage village funds well. The educational background influences the high level of competence of village officials. Competency is also established beyond training organized by the regional and central government to train village apparatus in executive budget. By means of this effort, the competence of village officials will improve, thereby impacting the accountability of village fund management. Likewise, if the competency in managing village funds is good, so the responsibility also be good, as evidenced by clean accountability reports reporting the truth and being able to provide information to the community. Financial management is a form of accountability for all activities that have been carried out. The competence of village officials in Sragi District, Pekalongan Regency, plays a key role in achieving optimal financial management, as their skills are considered exceptional.

3.2. Organizational Commitment and Village Financial Magament

According to the results of hypothesis testing and data analysis, the findings show an influence of organizational commitment on village financial management. So, the better organizational commitment, the improved village financial management will be. Apparatus with strong organizational commitment will take responsibility for all activities within the organization to improve public services. This aligns with the stewardship theory by Donaldson and Davis (1991), which suggests that village fund management officials should demonstrate high commitment to the organization in fulfilling their duties to serve the community (Sarah et al., 2020).

Organizational commitment influences village financial management (Kalorbobir et al., 2021; Pratolo and Fadilah, 2022; Savitri et al., 2020). The Rulyanti et al. (2017) examined the determinant of commitment on village financial showed that organizational commitment positively influences financial management. It illustrates that effective village financial management comes from high organizational commitment from village officials.

This research also reveals that village officials have diverse educational backgrounds. One financial officer stated that jobs as village officials in the financial department should be for those with an academic background in accounting to make it easier to understand financial management and prepare financial statements. Several previous studies by Karim et al. (2020) emphasized that the readiness of village governments is essential for effectively managing village funds. One important thing is commitment. The existence of organizational commitment can support village management to implement the program well. The government successfully manages village funds accountable as a manifestation of commitment.

3.3. Whistleblowing System and Village Financial Magament

According to the results of hypothesis testing and data analysis, the research results show the influence of the Whistleblowing System on village financial management. The test results indicate that the whistleblowing system has a significant negative impact on exposing fraud cases in village financial management, meaning that the presence of such a system helps reduce incidents of fraud in village financial management.

It views the stewardship theory proposed by [Donaldson and Davis \(1991\)](#), according to the role of the community as principal and the village government as steward. The village government has a considerable impact on the management of village finances. The village government should be able to account for village financial management to the people. Implementing a whistleblowing System can prevent fraud in village financial management ([Zhafira et al., 2022](#)). Through this whistleblowing system as a forum for uncovering and reporting fraudulent acts that occur within agencies, the village government, as a steward, will be able to be more responsible for its duties in managing village finances. The presence of a whistleblowing system will elicit a positive response to related parties in the company to reveal known acts of fraud. The implementation of this whistleblowing system become early warning system for fraud. Early

The findings of this research align with the results of the previous study ([Baki and Ismatullah, 2021](#); [Hariawan et al., 2020](#); [Laksmi, 2020](#); [Wahyudi et al., 2019](#)), which revealed that the whistleblowing system affects village financial management. The whistleblowing system detects fraud that cannot be seen directly. With earlier detection through a whistleblowing system mechanism, follow-up and handling can be carried out more quickly before it escalates into a more significant case of fraud in village financial management and involves more individuals in the agency.

3.4. Village Apparatus Competence, Work Motivation and Village Financial Magament

Motivation can influence regional financial management performance and requires competence ([Ladapase, 2019](#)). Motivation provides employees with particular enthusiasm to complete work and achieve organizational effectiveness. Employees with high motivation will be able to carry out their duties effectively and efficiently. With strong motivation, Village Government officials can carry out their duties well, even with high competence. High motivation will encourage officials to work, mobilize all their abilities, and utilize existing resources to achieve maximum performance in managing village finances. The motivation includes three types, such as the need to reach achievement, affiliation, and power. This research indicates that work motivation enhances the village officials' competence/skills in managing village finances. The findings suggest that the higher the work motivation of a village official within an organization, the greater their competence, which in turn positively impacts their performance in managing village finances.

According to the stewardship theory proposed by [Donaldson and Davis \(1991\)](#), the assumptions of stewardship theory show that everyone can maintain their attitudes and actions, implying that in performing their responsibilities, the government should act following applicable regulations in stewardship theory because it has been assessed as being able to work to achieve service and dedication ([Rahayu et al., 2023](#)). The responsibility of village officials for managing village finances is obligatory; therefore, the high motivation of village officials produces good output results so that problems that might arise in government will be more easily overcome, one of which is high work motivation; village officials have better village financial performance. Conversely, if the motivation of village officials is low, it will result in less-than-optimal financial management performance.

Apparatus competency is a personal characteristic that allows an individual to perform at a high level. These personal traits encompass attributes such as personality, motives, values, attitudes, knowledge, and skills; then. These personalities will affect their result in achievement. Apparatus competency is a main factor, considering that capability is an internal factor that manifests in performance. Thus, managing village funds requires the skills of the managers so that the village government is accountable for managing village finances under

the trust and mandate given to it. Being responsible means managing finances properly and transparently, without misusing them (Hardiningsih et al., 2020).

3.5. Organizational Commitment, Work Motivation, and Village Financial Management

Growing motivation for village officials can be obtained through fulfilling the desires and needs, which are the reasons and goals of their work. Fulfilling the needs of village officials will trigger the birth of passion and enthusiasm for work, which can influence their performance in line with the agency's expectations. Thus, motivation is a process that begins with a desire or impulse that directs a person, whether physiological or psychological or the presence of a need that drives a person's behavior, or the desire to achieve a goal, or in the form of a particular reward (Firmansyah et al., 2021).

Motivation influences the performance of village financial management. If there is an insufficiency responsibility of village officials for the obligations and tasks they are assigned, a lack of organizational commitment of village officials will emerge. Then, a gap in composition or diversity of individual characteristics among village officials makes it challenging to align perceptions regarding management and work methods to remain on track and references under superior policies (Kindangen et al., 2022), resulting in less than optimal performance of community rolling village apparatus, resulting in problems and difficulties in overcoming them—village financial management.

The motivation can develop sense of belonging and individual recognition in organisations. So, the village officials can work and increase their performance (Robbins and Judge, 2018). Providing the right motivation supported by a good ability level can encourage employees to perform their duties well to achieve optimal performance. Good achievement can be determined by increasing ability and good work motivation (Firmansyah et al., 2021). Next, work motivation can strengthen organizational commitment to management. This research concluded that the higher the work motivation a village official has in an agency, the greater the commitment that village officials have towards the agency, thereby influencing their performance in managing the finance of villages.

According to stewardship theory by Donaldson and Davis (1991), where the Village Government is an institution that provides excellent service, trust, and public interest. Work commitment does not just appear in village officials; there are several influencing factors (Iznillah et al., 2018). The work motivation factor is a driving force that includes encouragement, reasons, and will that arise within a person, which causes him to do something. For example, an employee who receives a salary reward per his educational qualifications will increase his work commitment.

3.6. Whistleblowing System, Work Motivation, and Village Financial Management

There is new insight that work motivation did not strengthen the impact of the whistleblowing system on village financial management. The hypothesis test results show that work motivation cannot strengthen the Whistleblowing System. These results follow the situation in the Sragi District, Pekalongan Regency; work motivation has little effect because the implementation of the whistleblowing system has been running well. The better the whistleblowing system is, the more employees feel monitored at work, reducing their willingness to report.

Based on the results of hypothesis testing and data discussion, the research showed that work motivation could not strengthen the whistleblowing system for the management of

village fund. The results of this research concluded that work motivation does not moderate the relationship between whistleblowing system and village financial management.

In accordance with the stewardship theory by Donaldson and Davis (1991), the village government plays an essential role in managing finances and responsible to the community. Implementing a whistleblowing system prevents fraud in managing village finances (Zhafira et al., 2022). Whistleblowing also helps organize village financial management optimally as a control tool and is related to government policy. However, in implementing the Whistleblowing System, the village apparatus of Sragi District, Pekalongan Regency, has maximized its implementation so that the village apparatus does not need more motivation to encourage the effectiveness of the Whistleblowing System in achieving successful management of in accord with the initial research conducted by Adnyani and Hutnaleontina (2022) whistleblowing has been running optimally to minimize the occurrence of fraud. Motivation theory explains that a person's drive to behave comes from themselves. Therefore, it is essential to raise awareness about reporting fraudulent activities, particularly corruption in village finances. Rahimah et al. (2018) explained that a good environment can create positive behavior and support control in preventing fraud.

4. CONCLUSION

The village officials' competence influences management of village financial. As the competence of apparatus improves, village financial management also enhances. Furthermore, organizational commitment impacts village financial management. Thus, the better the organizational commitment will be followed by enhanced the management of village fund. The third hypothesis indicates that the Whistleblowing System controls village financial management. Thus, the presence of a whistleblowing system will decrease instances of fraud in village financial management.

Based on the moderating variable test shows that work motivation can strengthen the capability and competence of village apparatus in organizing village finances. Thus, that work motivation will increase the competence of village officials in managing village finances. The fifth hypothesis shows that work motivation can strengthen organizational commitment to village financial management. Thus, work motivation will increase organizational commitment. The sixth hypothesis shows that work motivation cannot strengthen the whistleblowing system for the carry out of village fund. Next, work motivation will not improve the whistleblowing system in village financial management.

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