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Issue Article

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# FACTORS THAT INFLUENCE THE VILLAGE FINANCIAL MANAGEMENT WITH APARATURE COMMITMENTS AS MODERATING VARIABLES

***Abstract***: *This study aims to examine the effect of implementing good governance, village autonomy, on the management of village fund finances with apparatus commitment as a moderating variable. The population of the study was all villages in Kempas, Indragiri Hilir Regency. This study involved 78 respondents as the sample selected using a purposive sampling method. This study employed quantitative methods in which the data were obtained through a questionnaire. The analytical method used in this study was multiple regression analysis and moderating regression analysis (MRA). The analytical instrument used in this study was SPSS version 23.0. The findings of the study indicate that (1) there was an effect of the application of good governance to the financial management of village funds; there was an autonomous influence on the financial management of village funds; (3) the commitment of the apparatus can moderate the relationship between the implementation of good governance and the financial management of village funds; and (4) the commitment of the apparatus can also moderate autonomy with the financial management of village funds.*

***Key words***: *Implementation of good governance, Village autonomy, The commitment of the apparatus, Financial management of village funds.*

***Language***: *English*

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**Introduction**

Village financial management is an activity that includes planning, implementation, administration, reporting, and accountability of village finances (Regulation of Ministry of Home Affairs No. 20 of 2018). From 2015 to 2019, the government has allocated a village fund budget of Rp 257 Trillion, with details of Rp. 20.67 trillion (2015), Rp. 46.98 trillion (2016), Rp. 60 trillion (2018), Rp 60 trillion (2019), ad Rp 70 trillion (2019). The village funds were given to all villages in Indonesia. The large number of village funds that have been allocated to villages, in its management, there are still many problems.

According to the review of the State Finance Accountability Committee (Indonesian: Badan Akuntabilitas Keuangan Negara or BAKN) of the People's Representative Council of the Republic of Indonesia on the results of the examination of the Audit Board of the Republic of Indonesia (Indonesian: Badan Pemeriksa Keuangan Republik Indonesia or BPK) on the development and supervision of village fund management in 2015 up to semester 1 of 2018 in 80 regencies, 5 cities, and 1,005 districts in 33 provincesthroughout Indonesia found problems in managing village funds, seen from the aspects of coaching and supervision, are as follows; There is no regulation on the stipulation of village government accounting standards and regulations on the implementation and guidance of village officials that are complete and up to date by higher regulations. The planning of village funds has not been done based on mapping and village needs, while the implementation of activities has not been fully following the priority scale of the use of funds. Seen from the aspect of supervision, it does not fully include evaluating the appropriateness of the Village fund with the priority scale of use and the lack of follow-up improvements in the monitoring report (The People's Representative Council of the Republic of Indonesia, 2019).

Similar problems were also found in Indragiri Hilir Regency, which based on the results of the inspection (Representative of Riau PBK, June 2017), for compliance with statutory provisions found that distribution of village funds, allocation of village funds, village financial assistance, and funds for tax and revenue sharing regional retribution to villages in Indragiri Hilir Regency was late accounted for. In connection with this issue, the BPK recommended that the Regent instruct the head of the BPMPD to postpone the disbursement of financial assistance of the village who neglected to submit accountability for village funds, ADD, village financial assistance, funds for tax revenue sharing, and regional retribution to villages that had not submitted accountability reports.

To overcome village financial management, good governance village is needed with 3 basic pillars that are interrelated with one another, namely transparency, participation, and accountability (Taufeni Taufik, 2009). Several studies on good governance had been conducted by Taufeni Taufik since2013. The results of the studies concluded that good governance has an effect on public sector performance and affecting the regional financial management on good governance (2017). Meanwhile, his study conducted in 2019 found that good governance can mediate the relationship between the implementation of the internal control system and the prevention of fraud.

Good governance studies on village fund management were also carried out by Maulina Agustiningsih (2020) as well as byKamilaus Konstanse Oki, and Damiana Mediantini Lafu (2018). They found that village fund management having a direct positive effect on good governance. Further study by Ni Wayan Rustiarini, 2016, found that there were still several weaknesses that could potentially lead to undirected village development. Planning and budgeting had not been fully adjusted to the needs of the community which enable the possibility to make village development ineffective, efficient, and economical.

Moreover, a study by Dasmi Husin, 2016, in 10 villages in Lhokseumawe and North Aceh found that some villages did not record and report the use of village funds due to the complex procedures and lack of understanding of the applicable regulations, which were per accounting standards. Justita Dura, 2016, also found that the accountability of financial management of village fund allocation, village policies, and village institutions jointly influence on community welfare.

A study conducted by Astri Juanita Makalalag, Grace B Nangoi, and Herman Karamoy, 2017, found that accountability for village fund management in villages in the South Kotamobagu sub-district, Kotamobagu City, and has been carried out based on the principles of transparency, accountability, and participation. They have carried out the reporting and accountability under the mechanism based on the provisions although there were still negligence of village officials and the technical manager of the activities. Management resource competence is still a major obstacle that requires government assistance. To increase accountability in the management of village funds, guidance, training, supervision, and evaluation on an ongoing basis to village officials are needed.

The principle of village regulation in Law No. 6 of 2014 is subsidiarity, namely the determination of local scale authority and local decision making for benefit of the community to enable the village to be independent. Village independence is a process carried out by the village government to carry out an activity to meet their needs with their abilities. The original autonomy granted to the village government means that the authority of the village government to regulate and manage the interests of the local community is based on the origin and socio-cultural values that exist in the local community. However, it should be organized in a prospective modern administration. Research related to village autonomy conducted by Hanura Siti (2015) in Baruta Lestari Village, Sangia Wambalu Sub-District, Southeast Sulawesi, found that village autonomy affected the management of the village fund. Meanwhile, a study conducted by Aziz (2016) concluded that village financial management was not effective for the inadequate capacity and capability of the village government and the active involvement of the community with village autonomy.

It takes dedication from the village organization to solve the problem of managing village funds. According to Luthans (1992 in EdySutrisno, 2007), commitment is a deep desire to be a leader of a community, a high business will for the organization, certain conviction, and recognition of the organization's values and goals. Concerning organizational commitment, Mayer and Allen (1990 in Edy Sutrisno, 2007) identified three different themes in defining commitment. Those three themes were an affective commitment to the organization (affective commitment), commitment as a cost that must be borne if leaving the organization (continuance commitment), and commitment as a kind of obligation to remain in the organization (normative commitment). The results of the study conducted by Kalimah (2017) show that commitment influences the successfulimplementation of the Village fund. Meanwhile, research conducted by AT Atmadja (2018) showed that local government commitment does not significantly influence the success of village fund management. In contrast, Safrizal (2018) finds that commitment influences village financial management.Windi (2020) argues that organizational commitment can mediate the relationship between compensation and work environment on the performance of budget managers. Febri Yulisa, et al (2020) found that organizational commitment cannot moderate the relationship between the government's internal control system and regional financial accountability.

The research problem formulation is whether the implementation of good governance and village autonomy affects the financial management of village funds. Besides, the commitment of the apparatus can moderate the relationship between good governance, village autonomy, and the financial management of village funds. Thus, the objective of this study is to empirically examine the effect of implementing good governance, village autonomy on the management of village funds as well as to test empirically the commitment of the apparatus in moderating the relationship between good governance and village autonomy with the financial management of village funds.

## Literature Review

### Agency Theory

Theories that explain the relationship between principals and agents are economic theory, decision theory, sociology, and organizational theory. Principal-agents theory analyzes the contractual arrangement between two or more individuals, groups, or organizations. A party (principal) makes a contract, both implicitly and explicitly with another party (agent) to enable the agent acting/doing work as desired by the principal (in this case the delegation of authority occurs). Contractual relations in the village refer to Law No. 6 of 2014. In article 34 of that law, it is stated that the village head is directly elected by the villagers. Article 26 of Law No. 6 of 2014 adds that the village head is tasked with organizing village governance, carrying out village development, fostering village communities, and empowering village communities. Furthermore, in article 27, it is stated, in carrying out the duties, authorities, rights, and obligations, the village head obliged to submit a report on the administration of the village government at the end of the fiscal year and the end of the term of office to the Regent/Mayor. Article 27 paragraph c and d states that the village head is obliged to provide a written report on government administration to the village consultative body and provide and/or disseminate information on governance to the village community at the end of each fiscal year. Village heads that do not carry out the obligations referred to in article 26 paragraph 4 and article 27 are subjected to administrative sanctions similar to verbal or written warnings.

### Village Financial Management

Regulation of Ministry of Home Affairs No. 113 of 2014 defines village financial management as an activity consisting of planning, implementation, administration, reporting, and accountability of village finances. The principle of village financial management is carried out openly (transparently) by involving community participation, accountably, orderly, and in a disciplined manner. Village financial management is planned based on the vision, mission, and objectives, as well as programs that will be implemented in the village based on the plans for village-level development of the year concerned. Article 24 concerning implementation explains that (1) all village revenues and expenditures in the context of exercising village authority are carried out through the village cash account; (2) specifically, villages that do not yet have banking services in their area will be regulated by the Regency/ Municipal Government; (3) all village revenues and expenditures as referred to in paragraph (1) should be supported by complete and valid evidence. Article 35 explains at the financial administration stage, the village treasurer is obliged to keep records of each receipt and expenditure as well as close the books at the end of the month in an orderly manner and be held accountable for money through accountability reports which are submitted monthly to the village head. In article 37, the Village Head submits a report on the implementation of the Village Funds to the Regent/Mayor in the form of the first-semester report and year-end semester report. The first-semester report is in the form of the Village Funds realization report, submitted no later than the end of July of the current year. Article 38 explains the end of the year semester report submitted no later than the end of January of the following year. The village head submits the accountability report on the implementation of the Village Funds to the Regent/Mayor at the end of the fiscal year consisting of income, expenditure, and financing determined by village regulations.

### Good Governance

According to LAN & BPKP (2000: 6-8), the word good in the term good governance has two meanings: (1) values that uphold the wishes or desires of the people that can enhance people's ability to achieve national goals, independence, sustainable development, and social justice; and (2) aspects relating to the functions/tasks of the appropriate government in carrying out the achievement of these objectives. Therefore, it can be concluded that the form of good governance is the implementation of a solid and responsible as well as efficient and effective state government by maintaining the synergetic constructive interaction between the state, the private sector, and the community. The World Bank defines good governance as implementing solid and responsible development management in line with the principles of democracy and efficient markets by avoiding misallocation of investment funds, preventing corruption both politically and administratively, conducting budgetary discipline, and creating a legal and political framework for growing activities entrepreneurship. Meanwhile, UNDP defines good governance as a synergic and constructive relationship between the state, private sector, and society. Good governance in the management of village funds was realized based on the principles of transparency, participation, and accountability (Taufeni Taufik, 2009).

**Village Autonomy**

Village autonomy is genuine and complete autonomy which is not a given from the government. As a legal community unit that has an original arrangement based on privileges, villages can carry out legal actions both public and civil law, possess wealth and property and can be prosecuted as well as sue before the court (Haw. Widjaja, 2010). Article 1 of Indonesian Law No. 6 of 2014 relating to villages states that villages are a legal community unit with territorial boundaries allowed to administer and manage governmental affairs, local community interests based on community initiatives, original rights, and/or recognized traditional rights protected in the Republic of Indonesia system of government. The village government is the village head assisted by the village apparatus as an organizer of the village government. The village consultative body is an institution that carries out government functions whose members are representatives of the village population-based on regional representation and are democratically determined. Indicators of autonomy are village institutions and village authority.

**Apparatus Commitment**

According to Luthans (1992 in Edy Sutrisno, 2007) commitment is a deep desire to be a member in a group, a high business will for the organization, some conviction, and acceptance of the values and goals of the organization. Commitment can also be defined as assurances and commitments arising both directly and indirectly from the continuation of the exchange partnership (Gunlanch, 1995). Concerning organizational commitment, Mayer and Allen (1990 in Edy Sutrisno, 2007) identified three different themes in defining commitment. Those three themes are commitment as an affective commitment to the organization (affective commitment), commitment as a cost that must be borne if leaving the organization (continuance commitment), and commitment as a kind go obligation to remain in the organization (normative commitment).

**Research Method**

**Research Design**

This study was a quantitative study that employed a causal association research design. According to Sugiono (2017), the causal association method is used to examine specific populations or samples by collecting data using research instruments and analyzing quantitative/statistical data to describe and test the causal hypothesis. Thus, there were independent variables in this study which were the implementation of good governance and village autonomy (influencing variables). The dependent variable was the financial management of village funds (influenced). Meanwhile, the moderating variables were the commitment of the village apparatus, a variable that is strengthening or weakening the relationship between the independent and dependent variables.

**Population and Sample**

In a quantitative study, the population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiono, 2017). Meanwhile, the sample is part of the population. In this study, a population of 10 villages as recipients of village funds in Kempas Indragiri Hilir sub-districts namely the villages of Sungai Rabit, Danau Pulau Indah, Sungai Gantang, Karya Tani, Kempas Jaya, Kerta Jaya, Kulim Jaya, Pekan Tua, Rumbai Jaya, and Sungai Ara. The sampling method was in the form of purposive sampling, a sampling technique with certain considerations (Sugiyono, 2017).

**Data Analysis Method**

This study employed a moderating regression analysis (MRA) method with IBM SPSS version 23 for it used moderating variable that influence (strengthen and weaken) the relationship between independent and dependent variables).

**Verification Analysis**

Verification analysis according to Sugiyono (2017) is a study aimed at testing theory and research that might produce new scientific information or the status of a hypothesis in the form of a conclusion whether a hypothesis is accepted or rejected. The statistical testing steps used in this study were as follows:

**Classical Assumption Test**

According to Suteja and Gunardi (2013:39), the linear regression model has several basic assumptions that are required to be met to produce a good estimate or known as the Best Linear Unbiased Estimator (BLUE). In estimating linear equations using the Ordinary Least Square (OLS) method, the basic assumptions of OLS are necessary to be met which include no symptoms of normality, multicollinearity, heteroscedasticity, and autocorrelation.

**Normality Test**

The normality test is used to test whether the distribution of the dependent variable for each value of a certain independent variable is normally distributed or not in a linear regression model. This assumption is shown by the error value normally distributed. A good regression model is a regression model that has a normal distribution or close to normal. Thus, it is worth doing a statistical test. According to Singgih Santoso (2012:393), the basis for decision making can be based on the following probabilities (Asymptotic Significance):

If the probability is > 0.05, then the distribution and regression model is normal.

If the probability is < 0.05, then the distribution and regression model are not normal.

**Autocorrelation Test**

Autocorrelation test aims to test whether the linear regression model is correlated between the errors of the intruder in the period t with the error of the intruder in the period t-1 (previous period). If there is a correlation, then there is a problem called autocorrelation. Accordingly, a good regression model is a regression that is free from autocorrelation (Singgih Santoso 2012:241). In the procedure of detecting autocorrelation problems, the Durbin-Waston quantity can be used.

**Multicollinearity Test**

Multicollinearity Test aims at checking whether a correlation between independent variables was observed in the regression model. There should be no correlation between a good regression model and in independent variables. The presence or absence of multicollinearity in the regression model can be detected from (1) the tolerance value and its opponents, and (2) Variance Inflation Factor (VIF). The cutoff value commonly used to show the presence of multicollinearity is the Tolerance ≤ 0.10 or equal to VIF ≥10. A good regression model does not have multicollinearity problems, let alone a correlation between the independent variables (Singgih Santoso, 2012:250).

**Heteroscedasticity Test**

The heteroscedasticity situation will cause the estimation of the regression coefficients to be inefficient and the estimated results can be less or exceed than they should. Thus, for the regression coefficients not to be misleading, the situation of heteroscedasticity is required to be removed from the regression model. To test the presence or absence of heteroscedasticity, the rank spearman test was used by tolerating the independent variable on the absolute value of the residual regression results. If the correlation coefficient between the independent variables and the absolute value of the residual is significant, the conclusion is heteroscedasticity (the variant of the residuals is not homogenous).

**Moderating Regression Analysis**

The data in this study were analyzed using a Moderating Regression Analysis, expressed in two forms of the equation below:

Equation (1) $SM = a0 + b1X1b2X2 + \varepsilon$

Equation (2) $SM = a0 + b1X1 + b2X2 + b3X4 + b4X4 + b5X5 + \varepsilon$

**Hypothesis Testing**

The hypothesis testing design was used to determine the correlation between the two variables studied. The stages in the design of this hypothesis testing began with the determination of the null hypothesis (Ho) and the alternative hypothesis (Ha), the selection of statistical tests, the calculation of statistical values, and the determination of a significant level. The detailed steps were explained as follows:

- T-test Statistical Significance (Partial Hypothesis Test)
  T-test was used to test the significant level of influence of partially independent variables on the dependent variable. T-test was carried out by comparing between t-count and the t-table. T-count can be seen from the results of data processing, coefficient.
- Coefficient of Determination
  The coefficient of determination was done to find out how much influence the independent variables have on the dependent variable. The coefficient of determination can be seen the magnitude of the effect both simultaneously and partially. The coefficient of determination can simultaneously be seen from R2.

**Findings and Discussions**

**Conclusions**

The descriptive statistical results in this study were presented below:

**Table I. Descriptive Statistics Results**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Y | 78 | 29.00 | 50.00 | 39.0641 | 4.69136 |
| X1 | 78 | 101.00 | 146.00 | 125.2564 | 9.31893 |
| X2 | 78 | 25.00 | 50.00 | 38.0897 | 5.32377 |
| M | 78 | 14.00 | 30.00 | 23.2949 | 3.92828 |
| Valid N (listwise) | 78 | | | | |

*Data source: processed in 2019*

**Classic Assumption Test Results**

**Data Normality Test Results**

The results of the normality testing are visualized in Figure 1

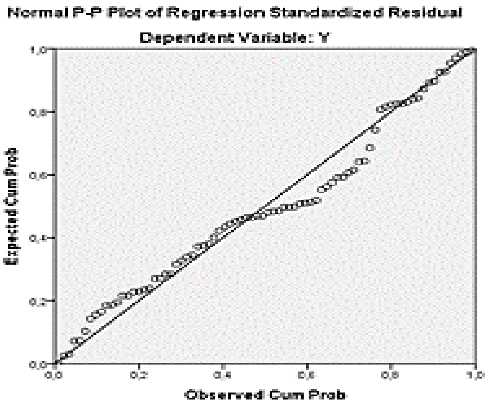


**Figure 1**. **Data Normality Test Result**

Based on Figure 1, it appears that the data were spread around and followed diagonal lines. Thus, it can be interpreted that the regression model meets normal assumptions.

**Multicollinearity Test Results**

The cut-off value commonly used to indicate multicollinearity was tolerance < 0.10 or equal to a VIF >10 (Ghozali, 2016).

**Table 2. Multicollinearity Test Results**

| Model | Collinearity Statistics | |
|---|---|---|
| | Tolerance | VIF |
| X1 ( good governance ) | .948 | 1.054 |
| X2 ( village autonomy ) | .677 | 1.478 |
| M (commitment of village apparatus) | .695 | 1.440 |

a. Dependent Variable: Y; Village financial management

*Data source: processed in 2019*

Seen from Table 2 above, obtained VIF for all independent variables <10 and tolerance >0.10. It is concluded that the regression model is free from multicollinearity.

**Heteroscedasticity Test Results**

Following are the results of heteroscedasticity testing, as shown in Figure 2:

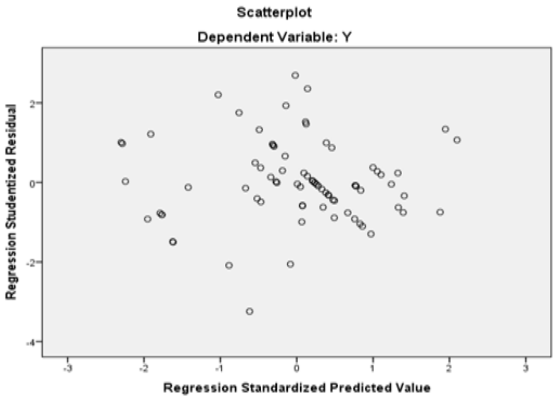


**Figure 2. Heteroscedasticity Test Results**

Figure 2 above visualizes the points spread above and below the number 0 on the Y-axis. It can be concluded that heteroscedasticity does not occur in the regression model.

**Discussions**

First Hypothesis Testing Results

The results of the first hypothesis test are presented in table 3 below.

**Table 3. First Hypothesis Testing Results**

| Independent Variable | Beta | $t_{count}$ | $t_{table}$ | Sig | Description |
|---|---|---|---|---|---|
| Implementation of Good Governance (X1) | 0.074 | 2.157 | 1.994 | 0.005 | $H_1$ accepted |

Dependent variable: Y (financial management of village funds)

*Data source: processed in 2019*

Table 3 above showed that tcount (2.157) ttable (1.994) and Sig. (0.005) < (0.05). This shows that Howas rejected and H1was accepted. Thus, the results of this study accepted the first hypothesis which states that good governance affects the financial management of village funds. This means that the better the good governance, the better the village financial management. The results of this study are by the principle of financial management of village funds in article 2 of Regulation of Ministry of Home Affairs No. 20 of 2018 which states that village financial management is managed based on the principles of transparency, accountability, and participation and are carried out in an orderly and budgetary discipline manner.

This also in line with Kartika's study (2012) which consider the community participation influences financial management of village funds in term of not only the planning, implementation, and supervision, but also, more importantly, is community awareness to be involved in developing villages for this could be a solution to advance village development. However, the results of Tumbel's study (2016) showed that in terms of the use and management of village funds, there is still minimal associated with community involvement or participation. Transparency for village financial management cannot properly provide open, honest, and broad information to the community about the administration of the village government. In the existing transparency is there only the fulfillment of obligations. Therefore, it is difficult for the community to know, provide input, evaluate, and assess the course of financial management of village funds.

The results of this study are in line with Sangki's study (2017) that there is no openness/transparency regarding the budget managed by the village government in the implementation of the budget. Thus, the general public does not know in detail about the village budget. Moreover, this transparency process does not bring a positive impact on existing governance and the openness of the government in making policies unknown to the public. A study by Atmaja (2016) also concludes that the public cannot yet access financial information for the village government has not provided administrative and information access. However, the study by Isniatul Khilmiayah (2016) showed that financial implementation is transparent. This shows that the more transparent the financial management and financial reporting, the more the financial management of village funds as a whole will improve.

The findings of this study are in line with the study by Gayatri (2017) that showed that accountability affects the financial management of village funds. However, the findings were in contrast with the results of a study conducted by Siti Ainul

(2017) where the accountability of financial management of village funds had not gone well due to the lacking Human Resources implementation team in making administrative reports. Therefore, more guidance and supervision from the regional government was needed.

**Second Hypothesis Testing Results**

The results of the second hypothesis test can be seen in Table 4 below.

**Table 4. Second Hypothesis Testing Results**

| Independent Variable | Beta | $t_{count}$ | $t_{table}$ | Sig | Description |
|---|---|---|---|---|---|
| Village Autonomy (X2) | 0.777 | 11.442 | 1.994 | 0.005 | $H_1$ accepted |

Dependent variable: Y (financial management of village funds)

*Data source: processed in 2019*

Table 4 above shows that tcount (11.442) ttable (1.994) and Sig. (0.005) < (0.05). This indicates that Ho was rejected and H1 was accepted. Therefore, the results of this study accept the second hypothesis which states that village autonomy affects the financial management of village funds.

Village autonomy is an authority of the village head and village apparatus to manage their households independently to increase the prosperity of the village community. The findings of this study state that village autonomy can affect the financial management of village funds. This means that village autonomy gives authority to the village head and village apparatus to manage their finances to increase the prosperity of the people in the village.

These findings are in line with the study of Hanura (2015) that village autonomy influences the management of the village budget including village funds therein. In contrast, a study by Aziz (2016) stated that village autonomy did not affect village financial management.

**Third Hypothesis Testing Results**

The results of the third hypothesis test can be seen in Table 5 below.

**Table 5. Third hypothesis Testing Results**

| Hypothesis | Beta | $t_{count}$ | $t_{table}$ | Sig | Description |
|---|---|---|---|---|---|
| Effect of the Implementation good governance on the financial management of village funds with the commitment of village apparatus as a moderating variable | 0.819 | 12.452 | 1.994 | 0.005 | $H_1$ accepted |

Dependent variable: Y (financial management of village funds)

*Data source: processed in 2019*

Table 5 presents that tcount (12.452),ttable(1.994) and Sig.(0.005) < (0.05). This shows that Ho was rejected while H1 was accepted. Thus, the results of this study accepted the third hypothesis which states that the commitment of the village apparatus can moderate the relationship between good governance and financial management of village funds.

The commitment of the village apparatus is the commitment of the village apparatus to carry out their duties and responsibilities based on expertise, knowledge, and a good attitude. This study found that the better the commitment of the village apparatus, accordingly it can strengthen the relationship of good governance with the financial management of village funds. In this case, it is expected that the village head and village apparatus as well as the community in the village carry out the financial management of village funds utilizing transparency by involving the community in every activity and program carried out to develop the village.As a result of transparency, community participation will arise. Thus, the village head and village apparatus are obliged to be able to account for all activities and programs to the community.

The results of this study are in line with Kartika's study (2012) which states that community participation influences the financial management of village funds. However, it was not in line with Tumbel's study (2016) which stated that the use and management of village funds were still minimal about community participation.

**Fourth Hypothesis Testing Results**

The results of the fourth hypothesis test can be seen in Table 6 below.

**Table 5. Fourthhypothesis Testing Results**

| **Hypothesis** | **Beta** | **$t_{count}$** | **$t_{table}$** | **Sig** | **Description** |
|---|---|---|---|---|---|
| The effect of village autonomy on the financial management of village funds with the commitment of village apparatus as a moderating variable | 0.819 | 12.452 | 1.994 | 0.005 | $H_1$ accepted |

Dependent variable: Y (financial management of village funds)

*Data source: processed in 2019*

Table 6 describes that tcount(12.452) ttable (1.994) and Sig. (0.005) < (0.05). This shows that Ho was rejected and H1 was accepted. Thus, the results of this study accept the fourth hypothesis which states that the commitment of the village apparatus can moderate the relationship between village autonomy and financial management of village funds. This means that the stronger the commitment of the village apparatus can strengthen the relationship between village autonomy and the financial management of village funds.

High commitment from the village head and village apparatus in managing village development programs and activities following their expertise or authority can strengthen the financial management of village funds, which results in increased village development and community welfare. The findings of this study are in line with the study of Kamaliah (2017) which states that commitment has a bearing on the successful implementation of village fund allocation. Meanwhile, Atmadja's study (2018) was not in line with this study for that study showed that the commitment of the local government did not affect the success of village budget management.

**Conclusions And Recommendations**

**Conclusions**

1. There is an influence of the implementation of good governance on the financial management of village funds.

2. There is an influence of village autonomy on the financial management of village funds,

3. Commitments to the village apparatus canmoderate the relationship between the implementation of good governance and the financial management of the village fund.

**Recommendations**

This study was limited to the object of the study which was only in villages in Kempas sub-district, Indragiri Hilir Regency. Therefore, it did not provide a clear picture of the financial management of village funds. Thus, more studies were needed in other villages in Indonesia. This study studied the variables of good governance, village autonomy on the village financial management, and the commitment of the village apparatus as a moderating variable. For this reason, other variables are needed to improve village financial management such as the use of accounting information systems, government internal control systems, human resources competencies, and others.

**Conflict of Interest**

The authors declare no conflict of interest with this research paper.

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