

# The effect of human resources competency, individual morality and the control environment on village government accountability in managing village fund allocation in Kupang Tengah District, Kupang District

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## Abstract

**Purpose:** The purpose of this research is to analyze the influence of human resource competence, individual morality, and the control environment on the accountability of the village government in managing the allocation of village funds.

**Method:** The Sampling technique was non-probability sampling using *the purposive sampling method*. The sample in this study consisted of village officials in seven villages in Central Kupang District, Kupang Regency, with a total of 35 people. Data were collected using a Likert scale. This study used a descriptive and quantitative approach. Multiple linear regression was used to test the hypothesis using the *Statistical Package for the Social Sciences (SPSS)* version 25.

**Results:** The results partially show that human resource competence affects the accountability of village governments in managing village fund allocations, individual morality affects the accountability of village governments in managing the allocation of village funds, and the control environment affects the village government's accountability in managing village fund allocations. Simultaneously, the magnitude of the influence of human resource competence, individual morality, and the control environment on the accountability of the village government in managing village fund allocations was 66.2. This means that competence in human resources, individual morality, and a good control environment can increase the accountability of the village government in managing the allocation of village funds in Kupang Tengah District, Kupang Regency.

**Keywords:** *HR Competency, Individual Morality, Village Government Control Environment and Accountability*

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## 1. Introduction

A village is a level of government that is directly related to the community. Currently, the strategy and direction of village development policies cannot be separated from the president's vision and mission through President Joko Widodo's Nawacita Program, which is committed to developing Indonesia by strengthening regions within the framework of the Unitary State of the Republic of Indonesia (NKRI). RI Law No. 6 of 2014 concerning villages has positioned the village as the spearhead of the development and improvement of community welfare by providing adequate authority and funding

sources so that they can manage their potential to improve the community's economy. software ([www.djpk.kemenkeu.com](http://www.djpk.kemenkeu.com)).

RI Government Regulation No. 47 of 2015 Article 1, Village Fund Allocation (VFA), is the balancing fund received by districts/cities in the district/city APBD after deducting the Special Allocation Fund (DAK). The distribution of VFA in each village is different because VFA distribution is based on the population, poverty rate, village area, and the level of difficulty of the village. The use of VFA accounts for 30% of the operational costs of running the village government and 70% for physical development and empowering village communities (Widiyarta, Herawati, Ak, & Atmadja, 2017). Village funds and VFA are sources of village income, whose accountability includes public financial accountability. Currently, public financial accountability is prone to potential fraud; therefore, in terms of accountability for village funds and village fund allocations, it does not rule out *fraud* (Rahimah, Murni, & Lysandra, 2018). In providing this VFA, the village is obliged to be accountable for management results in the form of a village financial accountability report. This report consists of accountability reports for revenues and expenditures in the form of a general cash book of receipts and expenses and other valid revenue books, as well as for expenses to deposit proof of VAT/PPH to the state treasury (Article 17 PerMendagri No. 113 of 2007).

The Central Kupang District Kupang Regency is one of the sub-districts with seven villages and one sub-district that has received VFA. table 1.1 shows the VFA targets and realizations in Central Kupang District from 2017 to 2019.

Table 1. Total and Realization of VFA in Central Kupang District

Tahun	Jumlah VFA (Rp)	Realisasi (Rp)	Persentase (%)
2017	2.587.098.000	2.587.098.000	100
2018	2.510.180.000	2.507.086.118	99,9
2019	2.735.408.000	2.732.155.553	99,9

Source: Head Office of Central Kupang, 2020 (data processed)

Table 1 shows that the VFA increased every year. The provision of village funds stimulates the independence of village communities in carrying out development in their area. Accountable village financial management is financial management accounts for the success or failure of the organization's implementation in achieving the targets that have been applied for previous periods, which are carried out periodically, and there is a need for a good control system to oversee the management of VFA funds. The large amount of VFA management has an impact on village officials implementing accountability in VFA management. **AAD** recipients in the Kupang district have been using the Village Financial System (SisKeuDes) since 2017. The SisKeuDes is a system that makes it easier for village governments in the planning process to report.

Behind the success of using village funds in Central Kupang District, there are also weaknesses that affect the management of village funds. First, the aspect of human resources, which includes a lack of ready-to-manage village finances, weakness/lack of science and technology authorities, and low levels of education. Second, regulatory and institutional aspects include the condition of the community (a consumerist society) that affects humans/managers, making it easy to misuse village funds.

Several researchers have conducted studies on the control environment for village fund management, including Nisak and Kurniawan (2013), who state that the control environment affects the accountability of village funds both simultaneously and partially. Atmadja and Saputra (2017) also conducted research on the prevention of village financial management irregularities and the results showed that the competence of the apparatus and the internal control system had an effect on the accountability of village financial management. Widiyarta et al. (2017) found that the competence of the apparatus and the internal control system affect accountability in managing village funds.

The control environment will run well if it is supported by a good personal attitude and culture or what is often called morality. The higher the individual's morality, the more attention the individual pays to broader and universal interests, rather than the interests of his organization alone, let alone the interests of his individual. The higher the morality of an individual, the more he tries to avoid cheating (Udayani & Sari, 2017). A good control environment can bring an entity or organization to the success and achievement of its objectives because the control environment is a measure of the success of an entity or organization. In addition, the control environment runs well if it is supported by good individual attitudes and culture, or what is known as morality (Laksmi, 2019).

Rahimah et al. (2018) found that the control environment and individual morality affect the accountability of village fund management. Wonar, Falah, and Pangayow (2018) found that the competence of an apparatus has an effect on accountability. The research objectives were as follows: 1) to analyze the effect of human resource competence on village government accountability in managing village fund allocations. 2) To analyze the effect of individual morality on village governments' accountability in managing village fund allocation. 3) Analyze the influence of the control environment on the accountability of the village government in managing village fund allocations. 4) Analyze the influence of human resource competence, individual morality, and the control environment on the accountability of the village government in managing village fund allocations.

## **2. Literature review**

### **2.1 Agency Theory**

Jensen and Meckling (1976) agency theory is a contract between managers (*agents*) and owners (*principals*). This contextual relationship can work well if the owner delegates decision-making authority to managers. Agency relationships are the *principals* that mandate other parties, namely *agents*, to carry out all activities on behalf of the *principals* in their capacity as decision makers. In Indonesia's local government, agency theory has been put into practice. In public sector organizations, *principals* are the people and agents are the government; in this case, the village head and other village officials (Widagdo et al. 2016).

Agency theory posits that the village government, namely, the village head and other village officials as *agents* for the village community (*principals*), will act with full awareness of their own interests. In this study, the contractual relationship in question is the delegation of the authority of the head of the village apparatus to carry out financial management responsibly to the government, which has made Permendagri Number 20 of 2018 regarding Village Financial Management, and is an extension of the village community as a mandate to carry out tasks.

Based on agency theory, village government management must be supervised to ensure that village fund management is carried out in full compliance with Permendagri Number 20 of 2018 concerning Village Financial Management. Village financial management must be based on transparency, accountability, and participation. Accountability is the obligation of the trustee/agent/village head and officials to provide accountability, present, report, and disclose all activities that are their responsibility to the *principals* who have the right and authority to command this accountability. In short, the village head and his apparatus must be accountable for resource management and the implementation of the policies entrusted to the reporting entity to achieve periodic objectives.

### **2.2 Government Accountability**

Mardiasmo (2009) states that accountability is the obligation of the trustee to provide accountability, present and disclose all of its activities, and activities that are their responsibility to the *principal* who has the right and authority to hold this accountable. Accountability was 3 (three) types, based on Mohamad et al. (2004):

1. Financial accountability includes financial reports consisting of income/revenue, storage, and expenditure.

2. Benefit accountability is accountability that includes the results related to the achievement of objectives in accordance with procedures, and the most important aspect of achieving these goals is effectiveness.
3. Procedural accountability is related to the importance of implementing procedures by considering ethical principles, morality, and legal certainty.

Public accountability is the obligation of the *agent* to provide accountability, present, report, and disclose all activities that are their responsibility to the principals who have the right and authority to hold this accountable (Mardiasmo, 2009). Government agencies' accountability can only explain and answer activities that are described and carried out in accordance with the vision, mission, and policy direction (Mohamad et al., 2004).

### **2.3 Village Financial Management**

Adisasmita (2011) argues that, Management is not just carrying out an activity, but is a series of activities that include management functions, such as planning, implementing, and monitoring to achieve goals effectively and efficiently. In implementing Village Fund Accountability, the management of Village Funds starts from the planning, implementation, reporting, and accountability stages, guided by Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Financial Management.

### **2.4 Human Resource Competence**

Wibowo (2007) Human resource (HR) competence is the ability to carry out or perform a job or task based on skills and knowledge and is supported by the work attitude demanded by the job. Thus, competence shows skills or knowledge characterized by professionalism in a particular field as the most important thing, and as superior in that field. HR competencies are defined as skills, abilities, and authority if taken literally. Etymologically, HR competence is defined as the dimension of the behavior of a person who has skills, knowledge, and good behavior in him to do a job. HR competence is the capacity of individuals, institutions, or systems to carry out their functions and responsibilities effectively and efficiently to achieve the stated goals. HR competencies are needed to deal with organizational demands in the form of rapid change, complex problems, and an uncertain future (Sutrisno, 2019).

Several aspects of the concept of HR competencies include

1. Knowledge (*Knowledge*), is the awareness of learning according to company needs. For example, an employee knows how to effectively and efficiently identify learning and how to perform good learning according to existing needs in the company.
2. Understanding (*Understanding*) owned by individuals in understanding the conditions and characteristics of the job effectively and efficiently. For example, an employee carrying out learning must have a good understanding of the characteristics and conditions effectively and efficiently.
3. Ability (*skills*) of individuals to perform tasks and jobs. For example, employees may choose work methods that are considered more effective and efficient.
4. Value (*Value*) is a standard of behavior that is believed to be psychologically linked in a person. For example, the standard of behavior of employees in carrying out their duties (honesty, openness, and democracy).
5. Attitude (*attitude*) is an emotion (happy-not happy, like-dislike) or a reaction to external stimuli. For example, reactions to economic crises, feelings about salary increases, etc..
6. Interest (*Interest*) is a person's tendency to do something. For example, performing a task (Sutrisno, 2019).

### **2.5 Individual Morality**

Kohlberg's (1995) theory of moral development. This theory posits that moral reasoning is the foundation of ethical behavior. The stages of moral development are a measure of a person's moral height, based on the development of moral reasoning. Kohlberg's research is based on a moral dilemma case in which differences in individual behavior are observed when dealing with the same moral problem. There are three stages of moral development: pre-conventional, *conventional*, and *post-*

*conventional* (Kohlberg, 1995). Morality refers to a way of life or habit. Moral (*morale*) is the spirit or inner motivation of a person to do something. Morals are based on certain values that a certain person or organization believes to be good or bad, so they can distinguish what is appropriate and what is not. Moral in a general sense places more emphasis on special individual characteristics or traits outside of obedience to regulations (Uman, 2010). According to Uman (2010), the values that can become moral behavior are: 1) the value of honesty, 2) the value of responsibility, 3) the value of discipline, 4) the value of justice, and 5) the value of cooperation.

## **2.6 Control Environment**

Permendagri Number 60 of 2008 concerning the internal control environment, namely, an integral process of actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations ”.

Arens et al. (2012) stated that the internal control environment is a policy and procedure designed for management to ensure that the goals and objectives of the company have been achieved. Internal controls are formed based on these policies and procedures. The objectives of the internal control environment are 1) organizational efficiency and effectiveness, 2) reliability of financial reports, and 3) compliance with laws and regulations. (Arens, et al (2012). There are five elements of internal control that should be owned by the organization in accordance with Government Regulation No. 60 of 2008:

1. Environmental Control is the foundation for all other components of internal control, including discipline and structure.
2. Estimate Risk, is an assessment of an entity's risk for financial reporting purposes, which is the identification, analysis and management of risks relevant to the preparation of financial statements that are presented fairly in accordance with generally accepted accounting principles in Indonesia
3. Activities 3.activities are policies and procedures help ensure that the necessary actions have been implemented to deal with risks in the achievement of the entity's objectives
4. Information and communication is an information system relevant to financial reporting purposes, which includes an accounting system consisting of methods and records developed to record, process, and maintain data. summarizes and reports on the entity's transactions (including events and circumstances) and holds accountability for the assets, liabilities, and equity concerned.
5. Monitoring is the process of determining the quality of the internal control performance at all times. Monitoring includes determining the design and operation of controls in a timely manner and taking corrective action.

Based on the conceptual and previous research results, the first hypothesis was as follows:

H1: HR competence affects village governments' accountability in managing village fund allocations. HR competencies include skills, knowledge, and good behavior in themselves to do a job. Competence is needed to face organizational demands in the form of rapid change, complex problems, and an uncertain future (Sutrisno, 2019). Atmadja and Saputra (2017) stated that HR competence affects the accountability of village governments in managing VFA. Human resources Apparatuses who have competence in financial management will have more potential for fraud prevention and good financial management to avoid harm to the community. This is supported by the research of Widaryati, Herawati and Atmadja which state that apparatus competence, organizational culture, Wistleblowing and the internal control environment affect fraud prevention and VFA management. Atmadja and Saputra (2017) tested the competence of officials and the internal control environment in fraud prevention in the accountability of managing VFA.

**H2: Individual morality affects village governments' accountability in managing village fund allocations.**

Morality refers to a way of life or habit. Moral or morality is based on certain values that a certain person or organization believes to be good or bad so that they can distinguish which ones are appropriate to do. In a general sense, morals emphasize the character or characteristics of a special individual

outside of obedience to regulations (Umam, 2010). The results of research by Rahimah et al. (2018) show that individual morale affects the accountability of VFA management in preventing fraud. The better the individual morality, the lower the level of cheating, and the better the accountability of VFA management can run well. This is supported by Wijayanti and Nashruah (2019)'s research, which states that individual morality affects the accountability of VFA management and fraud prevention.

**H3: The control environment affects village governments' accountability in managing the allocation of village funds.**

The internal control environment includes a variety of policies, practices, and procedures implemented by institutions/companies to safeguard assets, ensure the accuracy and reliability of accounting information records, promote efficiency in company operations, and measure compliance with policies and procedures set by management (Permatasari, Kurrohman, & Kartika, 2017). Nisak and Kurniawan (2013) stated that the internal control environment affects fraud prevention by increasing VFA management accountability. Internal control is the first step in preventing a fraud from increasing accountability. These results are the same as those of Atmadja and Saputra (2017).

**H4: HR competence, individual morality, and the control environment affect the accountability of village governments in managing village fund allocations.**

The competency dimension of the behavior of a person with skills, knowledge, and good behavior in him to do a job (Sutrisno, 2019). The higher the competence of human resources possessed by government officials through an increase in the internal control environment, the impact on improving the quality of regional government financial reports, and the prevention of fraud. Atmadja and Saputra (2017), in their research suggest that village financial management and the results show that the competence of human resources and the internal control environment affects fraud prevention and increases the accountability of VFA managers. Widiyarta et al. (2017) found that the competence of human resources and the internal control environment prevented fraud and increased the accountability of VFA managers.

### **3. Research method**

#### **3.1 Research Objects**

Therefore, the objects of research are several village officials who manage village fund allocation (VFA) in the Central Kupang District, Kupang Regency.

#### **3.2 Population and Sample**

##### **3.2.1 Population**

The population in this study comprised seven villages in Central Kupang District, Kupang Regency (Penfui Village, Timur, Mata Air Village, Noelbaki Village, Tanah Merah Village, Oebelo Village, Oelnasi Village, and other villages). Oelpuah), with 35 village officials and the community.

##### **3.2.2 Samples**

In this study, a purposive sampling method was used, which is sampling based on certain criteria or with certain judgments (Sugiyono, 2018). There were five respondents to be researched, including the village head, village treasurer, village secretary, and head of affairs (kaur) for each village, and the community. Thus, the sample size in this study was 35 respondents obtained from seven villages, with four village financial management representatives represented by each village and one village community represented in each village.

#### **3.3 Data Collection Data**

collection in this study used both primary and secondary data. Primary data are in the form of data collected by sending questionnaires directly to respondents, while secondary data are in the form of data collected through various sources in the form of research journals and mass media related to the research title to be used as a library.

### 3.4 Multiple Linear Regression Analysis

Hypothesis testing of the effect of the independent variable on the dependent variable was carried out using multiple linear regression analysis. Regression analysis is used to predict the effect of more than one independent variable on one dependent variable, either partially or simultaneously (Latan & Temalagi, 2013). The formula for testing the effect of the independent variable on the dependent variable is

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

Note:

Y : Village government accountability in managing VFA

$\alpha$  : Constant

X1 : Human Resource Competence

X2 : Individual Morality

X3 : Control environment

$\beta_1$ - $\beta_3$  : Multiple regression coefficient

e : error term

## 4. Results and discussions

### 4.1 Research Results

#### 4.1.1 Validity

The test shows the extent to which the variables actually measure what should be measured. The research questionnaire is valid if the instrument can measure the value of the variable under study (Sugiyono, 2018). A validity test was conducted to determine the feasibility of the items in the questionnaire. Testing the validity in this study using the *Pearson Correlation* obtained, if the significance value is below 0.05, the data obtained are valid (Baker, 2002).

The results of the 10 question items ( $r_{count} > r_{tabel}$ ), where the r table with respondents (n) of 35 people has an r tabel value of 0.3494 ( $(n-2): 35-2 = 0.3494$ ) based on a significance value of 0.05, which means that the variable items X1 (HR competencies) above are valid numbers. The above data also show that the items in variable X1 can be categorized as good because they are above the value of 0.4.

The results of the 10 question items in X2 have a value of  $r_{count} > r_{tabel}$ , where the r table with 35 respondents (n) has a r tabel value of 0.3494 ( $(n-2): 35-2 = 0.3494$ ) based on a significance value of 0.05, which means that the item variable X2 (Individual Morality) above is valid. The above data also show that the items in variable X2 can be categorized as good because they are above the value of 0.4.

The results of the 11 question items in X3 have a value of  $r_{count} > r_{tabel}$ , where the r table with respondents (n) of 35 people has a value of 0.3494 ( $(n-2): 35-2 = 0.3494$ ) based on a significance value of 0.05, which means that the variable items X3 (Control Environment) above are valid data. The data above also show that the items in variable X3 can be categorized as good because they are above 0.4.

The results of 10 question items in Y have a value of  $r_{count} > r_{tabel}$ , where the r table with 35 respondents (n) has a value of 0.3494 ( $(n-2): 35-2 = 0.3494$ ), which means that the question items in variable Y (Village Government Accountability) above are valid data. The above data also show that the items in variable Y can be categorized as good because they are above 0.4.

#### 4.1.2 Reliability Test

Tests to measure the variables used are free of errors and show consistent results, showing the extent to which measurements can be trusted (P. Sugiyono, 2015). The results of the reliability test with SPSS produced *Cronbach's alpha*. An instrument is said to be reliable if the *Cronbach's alpha* more than 0.70 (Barker, 2002).

The reliability test of the Village Government Accountability variable as Y in the table of processed SPSS 25 results shows that the data for the X3 variable is reliable because the *Cronbach's alpha value* is greater than the limit value, namely *Cronbach's alpha* is 0.880, while the limit value is 0.60.

This shows that the variables used in this study were reliable. This means that all respondents' answers were consistent in answering statement items that measure each variable, including HR competence, individual morality and control environment, and village government accountability.

#### 4.2 Multiple Linear Regression Analysis

Analysis was used to predict the effect of more than one independent variable on one dependent variable, either partially or simultaneously (Barker, 2002).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	20,944	12,092		1,732	,006
	T_Komp.SDM	,669	,038	,251	3,126	,000
	T_Moral.Indivi	,359	,049	,207	2,580	,001
	T_Ling.Peng.	,211	,051	,199	2,220	,003

Source: Data processed by SPSS 25 (2020)

The formula for testing the effect of the independent variable on the dependent variable is

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

$$Y = 20,944 + 0.669X_1 + 0.359X_2 + 0.211X_3 + e$$

The interpretation of the results above is

1. The  $\alpha$  value of 20,944 is a constant or state when the Village Government Accountability variable (Y) has not been influenced by other variables, namely the HR Competency variable (X1), the individual morality variables (X2 variable), and the controlling environment variable as (X3).
2. The value of  $\beta_1X_1$  (regression coefficient value X1) is 0.669, indicating that the HR Competency variable (X1) has a positive influence on the Village Government Accountability variable (Y), which means that every increase in one HR Competency variable will affect the village government accountability by 0.669, with the assumption that other variables are not examined in this study.
3. The value of  $\beta_2X_2$  (regression coefficient value X2) is 0.359, indicating that the Individual Morality variable (X2) has a positive influence on the Village Government Accountability variable (Y), which means that every increase in one individual Morality variable will affect the accountability of the village government by 0.359, with the assumption that other variables are not examined in this study.
4. The value of  $\beta_3X_3$  (regression coefficient value X3) is 0.211, indicating that the control environment variable (X3) has a positive influence on the Village Government Accountability variable (Y), which means that every increase in one control environment variable will affect the village government accountability by 0.211, with the assumption that other variables are not examined in this study.

### 4.3 Hypothesis

#### 4.3.1 Test T

The t-test aims to determine the effect of one independent variable on the dependent variable individually. If the resulting significance value is  $P < 0.05$  or  $t_{count} > t_{table}$ , it can be concluded that the independent variable has a significant effect on the dependent variable (Barker, 2002).

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	20,944	12,092		1,732	,006
	T_Komp. SDM	,669	,038	,251	3,126	,000
	T_Moral. Individual	,359	,049	,207	2,580	,001
	T_Lingkungan Peng	,211	,051	,199	2,220	,003

#### 4.3.2 T-Test Result (Partial)

Table 2. T-Test

No	Variable	T-count	T-table	Value a	Sig Score
1	HR Competence (X1)	3,126	2.04841	0.05	,000
2	Individual morality (X2)	2,580	2.04841	0.05	,001
3	Control environment (X3)	2,220	2.04841	0.05	,003

Based on the table above, the T test results show that the significance value of HR Competence as variable X1 on Village Government Accountability as variable Y is 0.00 less than 0.05, and the t-count value is greater than the t-table value, meaning that there is an influence of HR Competence (X1) on Village Government Accountability (Y). In the X2 variable, Individual Morality, also has a significant effect on the Village Government Accountability, namely the Y variable. While the X3 variable, namely the Control Environment, is also the same as the X1 and X2 variables, namely X3 also has a significant relationship to the Y variable, namely Village Government Accountability, the table above has showed

that all the significant value of the variables X1, X2, X3, and even less than 0.05 (a value) and the value t count the three variables X is greater than t-table, meaning that each variable X to variable Y. significant effect

#### 4.3.3 Test FF

The aim is to determine whether all independent variables included in the regression model have a simultaneous influence on the dependent variable. If the resulting significance value of the FP test is <0.05 or by comparing the F statistical> F table, it can be concluded that all independent variables simultaneously have a significant effect on the dependent variable autocorrelation (Baker, 2002). Thus, the regression model is appropriate or feasible.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	46,271	3	15,424	8,056	,001 <sup>b</sup>
	Residual	306,901	25	12,276		
	Total	353,172	28			

a. Dependent Variable: T\_AkunPendes

b. Predictors: (Constant), T\_Lingkungan Pengendalian, T\_Moral.Indivi, T\_Komp.SDM

To show that the HR Competency (X1), Individual Morality (X2), and Control Environment (X3) variables simultaneously influence Basic Government Accountability, the f-count value must be greater than the f-table value and the significance value must be less than 0.05. . The f-table value of 32 respondents is 2,930 (k; nk), while the f-count value is 8,056, then based on the table above the significance value is less than 0.05, meaning that the variables of HR Competence (X1), Individual Morality (X2), and Environment Control (X3) has a simultaneous effect on Basic Government Accountability (Y).

#### 4.4 Test of the coefficient of determination coefficient of determination

shows the extent to which the independent variable explains the dependent variable. In evaluating the regression model, the adjusted R<sup>2</sup> is used, where the value can increase and decrease if one independent variable is VFAed to the model. The *adjusted R<sup>2</sup> value* can be negative although the desired value must be positive. If the adjusted R<sup>2</sup> value is negative in the regression test, then the value is considered zero (Barker, 2002).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,891 <sup>a</sup>	,678	,662	2,762

a. Predictors: (Constant), T\_Ling. Pengendalian, T\_Moral.Indivi, T\_Komp.SDM

Based on the results of the above process, it was found that the coefficient value of R Square (R<sup>2</sup>) was 0.662 or 66.2%. So it can be concluded that the magnitude of the influence of each variable X be it X1, X2, and X3 on Y is 66.2%, and the remaining 33.8% is influenced by other variables outside of this research model. It is hoped that further research will be related to organizational culture and expected *whistleblowing*. This is because organizational culture and *whistleblowing* play an important role in the accountability of the village government for village financial management.

#### 4.5 Discussion of Research Results

##### 4.5.1 Effect of HR Competence on Village Government Accountability in Managing Village Fund Allocation

Based on the results of testing the first hypothesis (H<sub>1</sub>), it is known that the competence of human resources influences the accountability of village governments in village financial management in the Kupang District, Central Kupang Regency. Competence of human resources in the village government

is one of the keys to producing quality financial reports. Village financial reports are prepared and presented by the HR; therefore, competent village officials are needed. HR competence in Central Kupang District is very good because it has adequate human resources for managing village finances. A good understanding of accounting by village officials causes the village government's accountability in managing finances to be very professional, so that there is no potential for fund irregularities.

The results of this study are consistent with those of Atmadja and Saputra (2017) and Wonar et al. (2018), who state that the competence of the apparatus (HR) has a significant influence on the accountability of village governments in managing village finances.

#### 4.5.2 *The Effect of Individual Morality on Village Government Accountability in managing Village Fund Allocation*

Based on the results of testing the second hypothesis (H2), it is known that individual morality influences the accountability of the village government in managing village fund allocations in Central Kupang District. Based on interviews with several village officials, efforts to cultivate the individual morality of village officials are carried out by providing guidance to village officials, for example, in terms of honesty, patience, gratitude, cultivation, and experience of Pancasila values both while serving as village officials and in their daily activities. The results of this study prove that, in VFAition to human resource competence and internal control, individual morality is also an important factor in the accountability of village governments in managing village funds (Forozandeh, 2021; Suharto & Yuliansyah, 2023).

The results of this analysis are in line with Kohlberg's (1971) concept of moral reasoning, which states that moral reasoning knowledge can be used to determine individuals' tendency to take certain actions, especially those related to ethical dilemmas, based on the results of their moral reasoning. In addition, it emphasizes the importance of paying attention to moral awareness to understand how ethical decisions are made and the ethical reasons why someone makes certain decisions.

Furthermore, morality is a person's behavior that is considered good if their consciousness creates right and wrong. Moral behavior is also an important factor that triggers *fraud*. The results of this study are in line with the research of Rahimah et al. (2018), which shows that the higher the level of moral reasoning, the higher the level of truth. Conversely, the lower the level of moral reasoning, the more likely it is to deviate from funds. A high level of moral reasoning can prevent the misuse of funds in an organization (Moradi & Beigi, 2020; Pramono & Nopritama, 2020).

#### 4.5.3 *Influence of the Control Environment on Village Government Accountability in Managing Village Funds*

Based on the results of testing the third hypothesis (H3), it is known that the control environment influences the village government's accountability in managing village funds in Central Kupang District. The results of this study are relevant to *agency theory*, where the control environment is needed to monitor the behavior of *agents* (village officials) in managing village funds to prevent actions to enrich themselves and by engaging in corruption, which ultimately compromises the interests of the *principal* (community). The results of testing and interviews with the village head indicated that the perception of village officials in the Central Kupang District was good because efforts to increase the accountability of the village government in managing village funds were carried out by rotating positions according to orders from the local government and village assistants to monitor the management of their respective activities.

The results of this study are consistent with those reported by Nisak and Kurniawan (2013), Atmadja and Saputra (2017), and Widiyarta et al. (2017) state that internal control has a significant effect on preventing *fraud* in village financial management.

#### 4.5.4 The Influence of HR Competence, Individual Morality and Control Environment on Village Government Accountability in Managing Village Funds

Based on the results of testing the fourth hypothesis (H4), it is known that the competence of human resources, individual morality, and the control environment influence the accountability of the village government in managing village funds in Central Kupang District. Realizing a good village financial report is not easy; it can be seen from the lack of capability possessed by village officials. However, this can be overcome by increasing the competence of human resources, morality, and environmental control. The results of this study indicate that the village government's efforts to improve the competence of human resources, morality, and the control environment simultaneously affect its accountability of the village government in managing village funds.

## 5. Conclusion

### 5.1 Conclusion

1. HR Competency Accountability affects the village government in managing funds in Kupang Tengah village in the district, District Kaupang. Adequate human resource competence in terms of quantity and quality will increase the accountability of the budget realization report at the village financial level so that all accountability can be carried out properly and avoid all acts of misuse of village funds.
2. Individual morality affects the village government's accountability in managing village funds in Central Kupang District, Kupang Regency. Individual morality must also be considered because morality is also an important variable in increasing the accountability of the village government in managing village funds. Someone with high moral reasoning will be able to prevent the misuse of funds and obey the rules in accordance with ethical principles.
3. The control environment affects the village government's accountability in managing village funds in Central Kupang District, Kupang Regency. The control environment must be implemented in an institution to minimize the misuse of funds and increase the accountability of the village government in managing village funds.
4. Human resource competence, individual morality, and the control environment simultaneously affect the accountability of the village government in managing village funds in Central Kupang District, Kupang Regency.

### 5.2 Suggestions

#### 1. For Research Objects

The village government in Central Kupang District, Kupang Regency is able to build self-reliance and self-help for the community to be more professional in running the government. The village government is able to take advantage of HR competencies from village wars in terms of village financial management, especially regarding planning, implementation, administration, reporting, and accountability, to avoid misuse of village funds and increase the accountability of village governments in managing village funds.

#### 2. For Further Research

The next researcher is expected to expand the research object used, for example, in other institutions. Further researchers are also expected to identify other variables that are thought to affect the accountability of village governments in managing village funds, and can use this type of qualitative research.

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