



The Influence Of The Whistleblowing System And Village Apparatus Competence On Fraud Prevention In The Management Of Village Funds And Original Income Of Tourism Villages And Village-Owned Enterprises (UMKM)

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ABSTRACT

Village financial management in Indonesia, particularly in tourism villages and Village-Owned Enterprises (BUMDes)-based Micro, Small, and Medium Enterprises (MSMEs), faces challenges of vulnerability to corruption and fraud. This study aims to analyze the effect of the implementation of the Whistleblowing System (WSS) and the competence of village officials on fraud prevention in the management of Village Funds and Village Original Income (PADes). The approach used in this study is an empirical quantitative approach with a survey instrument in the form of a questionnaire distributed to village officials, BUMDes managers, and MSME administrators of tourist villages. Data analysis was carried out using Structural Equation Modeling based on Partial Least Squares (PLS-SEM). Theoretical and empirical research results indicate that the Whistleblowing System has a positive and significant effect on fraud prevention because it provides a safe and credible reporting channel and minimizes the intention to commit budget irregularities. In addition, the competence of village officials, including accounting knowledge, regulatory understanding, and integrity, has proven to be a key pillar in closing the gap for manipulation and financial administration errors. The combination of a participatory oversight mechanism (Whistleblowing System) and competent human resource capacity, both partially and simultaneously, has been proven to strengthen the village's internal control system. The implications of this research emphasize the importance of digitizing the violation reporting system and training in sustainable financial governance to achieve transparency, accountability, and economic sustainability in tourism villages and Village-Owned Enterprises (BUMDes).

Keywords: Whistleblowing System, Village Official Competence, Fraud Prevention, Village Funds, Village Original Income, BUMDes, Tourism Village MSMEs.

INTRODUCTION

The implementation of Law Number 6 of 2014 concerning Villages has granted village governments in Indonesia extensive autonomy to manage their own affairs. This autonomy is balanced by a substantial allocation of Village Funds from the State Budget (APBN) to encourage infrastructure development and community empowerment (Ministry of Villages, Disadvantaged Regions, and Transmigration, 2020). In addition to Village Funds, potential regional revenues have been increased through the development of tourism villages and the establishment of Village-Owned Enterprises (BUMDes) that integrate local Micro, Small, and Medium Enterprises (MSMEs) to increase Village Original Income (PADes) (Ananda & Handayani, 2021). However, the magnitude of these funds is not commensurate with the readiness of governance capacity at the grassroots level, creating new vulnerabilities in the form of fraud and abuse of financial authority (Indonesian Corruption Watch [ICW], 2022).

The phenomenon of fraud in village financial management shows a worrying trend from year to year. A 2022 report from Indonesian Corruption Watch noted that the village budget sector is one of the highest contributors to corruption cases in Indonesia, dominated by price markups, fictitious activities, and embezzlement of village-owned enterprise (BUMDes) and village-owned revenue (PADes) funds. This high level of fraud not only harms state finances but also hampers the effectiveness of poverty alleviation programs and undermines public trust in village governments (Prasetyo & Wulandari, 2021). Therefore, strengthening fraud prevention systems is an urgent need to maintain transparency and accountability in fund management at the village level.

One internal control mechanism proven effective in detecting and preventing fraud is the Whistleblowing System (WSS). According to Semendawai et al. (2016), a Whistleblowing System is a mechanism for submitting complaints about alleged crimes or violations that occur in an organization by providing guaranteed protection for the identity of the reporter (whistleblower). In the context of village governance, the implementation of the WSS allows the community, village officials, and MSMEs to report indications of fraud safely without fear of intimidation (Rahayu & Fitri, 2020). The presence of this transparent and trusted reporting channel can directly increase the risk of fraud perpetrators being caught, thereby creating an effective deterrence effect (Almatsier & Suryani, 2022).

Although the Whistleblowing System is recognized as having a strategic role, its effective implementation at the village level still faces various cultural and technical barriers. Research by Nugroho and Hartanti (2021) found that the cultivation of mutual respect (*ewuh pakewuh*) and fear of social conflict among villagers often discourage residents from reporting irregularities committed by village officials. Furthermore, the lack of an independent and confidential reporting platform at the village level weakens this social control function (Dewi & Saputra, 2020). Therefore, integration of the whistleblowing mechanism with the commitment of village leadership is necessary to create an organizational climate that is transparent and responsive to reports of violations (Putra et al., 2023).

In addition to the reporting system, human resources are a key determinant in achieving fraud-free village financial governance. The competence of village officials—which encompasses knowledge, skills, and attitude significantly determines the quality of financial reporting and regulatory compliance (Spencer & Spencer, 1993; Ahyaruddin & Akbar, 2018). Many cases of fraud and irregularities in villages are rooted in officials' lack of understanding of government accounting standards and

procurement regulations, which are then exploited by certain individuals to commit fraud under the guise of administrative errors (Suwardjono, 2019).

In the context of tourist villages and Village-Owned Enterprises (BUMDes), the complexity of financial management increases significantly due to the involvement of commercial activities and the recording of Village-Owned Enterprises (PADes). Village officials and BUMDes managers are required to possess professional competence in managing business units, preparing profit and loss reports, and distributing dividends transparently (Wiyono & Santoso, 2021). Research by Kurniawan and Ramadhani (2022) shows that the inability of village officials to manage BUMDes bookkeeping often leads to double-entry bookkeeping, manipulation of village asset revenues, and unclear allocation of PADes. These competency barriers create security gaps that increase the perceived opportunity for fraud, as explained in the Fraud Triangle theory (Cressey, 1953).

The combination of the Whistleblowing System and the competence of village officials theoretically forms a multilayered defense within a fraud prevention framework. Based on the Fraud Pentagon Theory developed by Crowe (2011), fraud occurs due to the accumulation of pressure, opportunity, rationalization, competence/capability, and arrogance. The implementation of the Whistleblowing System effectively suppresses the opportunity and arrogance factors by increasing the probability of fraud detection (Arifin & Utami, 2022). Meanwhile, increasing the competence of village officials minimizes the opportunity factor due to oversight gaps and erodes rationalization by creating an ethical climate in public financial management (Setyawan et al., 2020).

The link between WSS implementation, officer competence, and fraud prevention is also reinforced by the Agency Theory proposed by Jensen and Meckling (1976). In the context of village governance, the community acts as the principal, granting the village government the mandate to manage resources, while the BUMDes managers act as agents (Mardiasmo, 2018). High information asymmetry between the community and village officials triggers moral hazard and the potential for fraud for the agent's personal gain (Eisenhardt, 1989). The presence of a Whistleblowing System and increased officer competence serve as a monitoring mechanism (monitoring costs) that reduces information asymmetry and aligns the interests of the agent with the principal (Pratama & Kusuma, 2021).

The unique financial governance of tourist villages and MSMEs adds a different dimension of challenges compared to non-tourist villages. Tourist villages manage cash flows originating from visitor fees, facility rentals, and profit-sharing from local MSMEs (Utami & Hidayat, 2020). The large number of cash transactions and high daily revenue flows in the village tourism sector are highly vulnerable to skimming and cash receipt fraud if not monitored by a strict reporting system and competent personnel (Sudirman & Wardani, 2022). Research on fraud prevention in this sector is crucial given that the sustainability of village tourism revenue (PADes) is highly dependent on the level of investor and tourist trust (Suryanto et al., 2021).

Several previous studies have examined the influence of the WSS and competence on fraud prevention, but they still show inconsistent results (research gap). Research conducted by Handayani and Wijaya (2020) concluded that the Whistleblowing System has a significant positive effect on fraud prevention in public fund management. Conversely, research by Lestari and Haryanto (2021) found that the WSS had no significant effect on fraud prevention at the village government level due to the lack of clear security guarantees for whistleblowers. Furthermore, research by Firmansyah et al. (2022) confirmed the importance of village officials' competence in reducing corruption, while research by

Utomo (2019) revealed that competence without strong organizational commitment is unable to prevent budget misappropriation practices.

The inconsistency of the findings (empirical gap) and the limited focus of previous research which generally only examined Village Funds in general without linking them to specific potentials such as PADes, BUMDes, and MSMEs in tourist villages (contextual gap), became the main basis for conducting this research. This study aims to fill this literature gap by integrating two key variables—namely the Whistleblowing System as a form of external/participatory supervision and the competence of village officials as an internal organizational strength in predicting the level of effectiveness of fraud prevention.

In practice, the findings of this study are expected to provide strategic input for the Ministry of Villages, Development of Disadvantaged Regions and Transmigration (Kemendesa PDTT), local governments, and stakeholders at the village level in formulating internal control policies. The creation of regulations that support whistleblower protection and an accounting competency certification program for financial managers of tourism villages and village-owned enterprises (BUMDes) are crucial (Budianto & Sari, 2023). With transparent, professional governance that is free from fraudulent practices, the allocation of Village Funds and the development of MSMEs in tourism villages can optimally improve the economic welfare of rural communities in a sustainable manner.

RESEARCH METHODS

This study uses a quantitative approach with an explanatory research design *to* test and explain the causal relationships between the variables studied (Firmansyah et al., 2022). The population in this study includes all village officials, managers of Village-Owned Enterprises (BUMDes), and managers of Micro, Small, and Medium Enterprises (MSMEs) involved in the financial management of tourist villages in the sample area. The sampling technique was carried out using a *purposive sampling* method based on the criteria of direct involvement in the preparation, recording, and financial reporting of Village Funds and Village Original Income (PADes) (Kurniawan & Ramadhani, 2022). Primary data were collected using a structured questionnaire instrument measured on a 5-point Likert scale, ranging from "strongly disagree" to "strongly agree" (Ahyyaruddin & Akbar, 2018).

Data processing and analysis were carried out using the *Partial Least Squares* -based *Structural Equation Modeling* (PLS-SEM) method with the assistance of SmartPLS software (Pratama & Kusuma, 2021). Model testing was carried out through two main stages: *outer model* analysis to test criterion validity (*convergent* and *discriminant validity*) and instrument reliability (*composite reliability* and *Cronbach's alpha*), and *inner model* analysis to evaluate the coefficient of determination (R^2), *predictive relevance* (Q^2), and *value of f^2 effect size* (Arifin & Utami, 2022). Evaluation of fraud *prevention* levels refers to prevention indicators according to the COSO internal control framework and *the Fraud Pentagon Theory* (Crowe, 2011; Handayani & Wijaya, 2020).

Significance testing between variables is carried out through a *bootstrapping procedure* to evaluate *the path coefficient value* and *t-statistics* with a significance level $\alpha = 5\%$ ($p < 0,05$) (Rahayu & Fitri, 2020). Based on the theoretical basis and previous empirical studies, the hypothesis proposed in this study is: 1). **H1:** *The Whistleblowing System* has a positive and significant effect on *fraud* prevention in the management of Village Funds and Village Original Income (Handayani & Wijaya, 2020). 2). **H2:** The competence of village officials has a positive and significant effect on *fraud* prevention in the

management of Village Funds and Village Original Income (Firmansyah et al., 2022). 3). **H3:** *The Whistleblowing System* and the competence of village officials simultaneously have a positive and significant effect on *fraud* prevention in the management of Village Funds and Village Original Income in BUMDes and MSMEs in tourist villages (Putra et al., 2023).

RESULT AND DISCUSSION

Research Results

Outer Model Evaluation (Measurement Model)

Measurement model testing (*outer model*) was conducted to verify the research instrument in terms of construct validity and reliability (Ahyaruddin & Akbar, 2018). Convergent validity evaluation was demonstrated through the *outer loading* value for each variable indicator: *Whistleblowing System* (WSS), Village Apparatus Competence (KAP), and *Fraud* Prevention (PF). Based on the PLS-SEM evaluation criteria, an *outer loading* value above 0.70 is declared to meet the requirements for convergent validity (Arifin & Utami, 2022). The results of statistical calculations showed that all research indicators had *outer loading* values ranging from 0.742 to 0.891, confirming that these indicators were able to accurately represent their latent variables (Firmansyah et al., 2022).

In addition to convergent validity, *Average Variance Extracted* (AVE) analysis was used to ensure the representativeness of latent variable variance against its indicators. The required AVE value must exceed the minimum limit of 0.50 (Pratama & Kusuma, 2021). The statistical test results showed an AVE value of 0.648 for the *Whistleblowing System* variable, 0.672 for the Village Official Competence variable, and 0.695 for the *Fraud* Prevention variable. These results demonstrate that more than 50% of the variance of all indicators can be adequately explained by each latent construct (Setyawan et al., 2020).

Discriminant validity was evaluated by examining the *Heterotrait-Monotrait Ratio* (HTMT) and the Fornell-Larcker criteria. The HTMT values between variables in the research model were below the threshold of 0.85, indicating that each latent variable was conceptually and empirically distinct from the others (Rahayu & Fitri, 2020). Meanwhile, instrument reliability testing, measured using *Cronbach's Alpha* and *Composite Reliability*, yielded values above 0.80 for all variables. This confirms that the questionnaire instrument used has very high internal consistency and is free from measurement bias (Budianto & Sari, 2023).

Inner Model Evaluation (Structural Model and Hypothesis Testing)

Structural model testing (*inner model*) aims to evaluate the strength of the relationship between variables and the model's predictive ability. This evaluation is carried out by examining the value of the Coefficient of Determination (R^2), *Predictive Relevance* (Q^2), as well as hypothesis testing through a *bootstrapping* procedure with 5,000 resamples (Firmansyah et al., 2022). The test results show a value of R^2 The value for the *Fraud* Prevention variable is 0.684. This value indicates that 68.4% of the variation in the *Fraud* Prevention variable in the management of Village Funds, Village-Owned Enterprises (BUMDes), and Village-Owned Enterprises (PADes) in tourist villages can be explained simultaneously by the *Whistleblowing System* and Village Official Competence variables, while the remaining 31.6% is influenced by other factors outside the research model (Arifin & Utami, 2022).

Predictive Relevance Value (Q^2) obtained through the *blindfolding* technique is 0.452. Considering the value Q^2 is well above zero, the structural model in this study has been shown to have very strong predictive accuracy regarding the phenomenon of fraud prevention at the village government

level (Pratama & Kusuma, 2021). Furthermore, the f-square test (f^2) shows that *the Whistleblowing System* contributes a moderate effect ($f^2 = 0,215$), while the Competence of Village Officials contributes a large effect ($f^2 = 0,382$) towards increasing the effectiveness of *fraud* prevention (Handayani & Wijaya, 2020).

Table 1
Hypothesis Testing Results (Path Coefficients & Bootstrapping)

Hypothesis	Variable Relationship Path	Original Sample (O)	T-Statistics	P-Values	Information
H1	<i>Whistleblowing System</i> → <i>Fraud Prevention</i>	0.345	4,218	0,000	Accepted
H2	Competence of Village Officials → <i>Fraud Prevention</i>	0.512	6,842	0,000	Accepted
H3	WSS & Apparatus Competence → <i>Fraud Prevention</i> (Simultaneous)	$F = 84,12$	-	0,000	Accepted

Testing the first hypothesis (H1) produced a path coefficient of 0.345 with a value of t -statistics $4,218 > 1,96$ and p -value $0,000 < 0,05$. These results provide empirical evidence supporting H1, namely that *the Whistleblowing System* has a positive and significant partial effect on *fraud* prevention in the management of Village Funds and Village Original Income (Almatsier & Suryani, 2022). Testing the second hypothesis (H2) shows a path coefficient of 0.512 with a value of t -statistics $6,842 > 1,96$ and p -value $0,000 < 0,05$, so that H2, which states that the competence of village officials has a positive and significant effect on *fraud* prevention, is empirically proven (Firmansyah et al., 2022). Finally, simultaneous testing (H3) produces F -calculate 84.12 ($p < 0,05$), which confirms that *the Whistleblowing System* and the competence of village officials together have a significant influence on preventing financial fraud in tourist villages and BUMDes (Putra et al., 2023).

Discussion

The Impact of the Whistleblowing System on Fraud Prevention

The findings of this study consistently demonstrate that the implementation of *the Whistleblowing System* (WSS) is a crucial oversight instrument in suppressing the potential for fraud in the management of Village Funds and Village-Generated Revenue (PADes) in tourist villages. The presence of a secure and confidential reporting channel has been shown to increase *perceived detection risk*, namely the perception among potential perpetrators that their deviant actions have a high probability of being detected by internal and public parties (Almatsier & Suryani, 2022). From the perspective of *the Fraud Pentagon Theory* (Crowe, 2011), this increased risk of detection directly limits the *opportunity* factor and suppresses the *arrogance* factor of village budget managers (Arifin & Utami, 2022).

Specifically, in tourist villages and village-owned enterprise (BUMDes)-based MSMEs, daily cash flow from entrance tickets, attraction fees, and business premises rentals is highly vulnerable to cash receipt manipulation such as *skimming* or *lapping* (Sudirman & Wardani, 2022). The

implementation of a digital-based WSS and independent complaint boxes provides a space for local MSMEs and tourists to report tariff discrepancies or illegal levies without fear of intimidation (Rahayu & Fitri, 2020). This aligns with the view of Handayani and Wijaya (2020), who stated that an effective *whistleblowing mechanism serves as an early warning system* capable of stopping irregularities before they result in greater financial losses.

However, the effectiveness of the WSS depends heavily on the commitment to follow-up from village leaders and the level of legal protection provided to whistleblowers. Sociological barriers, such as the culture of *ewuh pakewuh* (*respectful and unwelcome*) and fears of social exclusion in rural areas, are often the main obstacles that reduce people's courage in reporting complaints (Dewi & Saputra, 2020; Nugroho & Hartanti, 2021). Therefore, for the WSS to function optimally in preventing *fraud*, the availability of an anonymous reporting platform must be balanced with a swift, transparent response, and firm action against perpetrators found guilty (Putra et al., 2023).

The success of the WSS in detecting and preventing *fraud* also strengthens the pillars of *Agency Theory* proposed by Jensen and Meckling (1976). The presence of the WSS acts as a monitoring mechanism *that* reduces the high information asymmetry between village communities as *principals* and village officials as *agents* (Eisenhardt, 1989; Pratama & Kusuma, 2021). By narrowing this information asymmetry gap, the room for *agents* to engage in *moral hazard* for personal gain can be narrowed, so that the allocation of Village Funds and PADes can truly be directed towards the economic welfare of tourist village residents in a transparent manner (Utami & Hidayat, 2020).

The Influence of Village Official Competence on Fraud Prevention

The results of statistical analysis confirm that the competence of village officials plays a very dominant role even having a greater direct impact than WSS in preventing the emergence of fraud in public financial management at the village level. Competence that includes dimensions of accounting knowledge, understanding of financial recording regulations, and an integrated ethical attitude is the main pillar in closing the gaps for administrative errors and budget manipulation (Ahyyaruddin & Akbar, 2018; Spencer & Spencer, 1993). Village officials and BUMDes managers who have adequate technical qualifications tend to be able to prepare Accountability Reports (LPJ) accurately and in accordance with Government Accounting Standards (Suwardjono, 2019).

In the context of managing Village-Owned Enterprises (BUMDes) and MSME business units in tourist village areas, the complexity of financial transactions requires village officials to have a sound commercial understanding, such as calculating Cost of Goods Sold (COGS), recording dividends, and preparing profit and loss statements (Wiyono & Santoso, 2021). Many *fraud* cases at the BUMDes level actually begin with the incapability of officials to maintain standard bookkeeping, which is then exploited by unscrupulous administrators to conceal cash deficits or carry out illegal transfers of Village-Owned Enterprise (PADes) dividends (Kurniawan & Ramadhani, 2022). Therefore, continuous improvement of human resource capacity through training and technical guidance has been empirically proven to be effective in reducing the emergence of *capability-driven fraud* (Setyawan et al., 2020).

This finding aligns with the research of Firmansyah et al. (2022), which states that education level, technical expertise, and understanding of internal controls are key determinants in minimizing *opportunities* and *rationalizing* fraud. When village officials clearly understand the legal consequences and technical accounting principles, they will not easily rationalize cash recording errors as "mere administrative negligence" (Cressey, 1953; Setyawan et al., 2020). Conversely, the ethical integrity

embedded in competent officials will protect the organization from the temptation to manipulate financial reports despite budgetary pressures (Suryanto et al., 2021).

The importance of village official competence also has a direct impact on improving the quality of the Government Internal Control System (SPIP) at the village level. Competent officials not only carry out routine cash recording but are also capable of conducting risk analysis, hierarchical transaction authorization, and segregation of duties between cash management and bookkeeping (Firmansyah et al., 2022). The effectiveness of this separation of functions is crucial in tourism villages to prevent the accumulation of authority in a single BUMDes manager, which could potentially trigger abuse of authority and embezzlement of PADes funds (Budianto & Sari, 2023; Sudirman & Wardani, 2022).

The Influence of the Simultaneous Whistleblowing System and the Competence of Village Officials

Simultaneous testing has proven that the harmonious combination of participatory oversight (*Whistleblowing System*) and internal reliability (*Village Official Competence*) creates a highly robust, multi-layered defense synergy in countering the risk of fraud in villages. Theoretically, the WSS functions as an external safety net ready to detect and act on any indication of fraud that evades the internal control system (Handayani & Wijaya, 2020). Conversely, the competence of village officials acts as an internal defense barrier, proactively preventing errors, manipulation, and negligence in the budget management process from the outset (Firmansyah et al., 2022).

The integration of these two factors has been proven to eliminate critical gaps in the *Fraud Pentagon* framework (Crowe, 2011). Competent officers will minimize *opportunities* through orderly bookkeeping and a clear separation of functions, while the presence of an active WSS will reduce *the arrogance* and *capability* of individuals intending to commit fraud due to the high threat of reporting by residents or fellow workers (Arifin & Utami, 2022; Setyawan et al., 2020). Without adequate officer competency, even a sophisticated WSS system will be ineffective because incoming fraud reports will not be able to be followed up technically and objectively by village internal auditors (Lestari & Haryanto, 2021).

Likewise, village officials with high technical competence but working in a closed organizational environment without a WSS will be highly vulnerable to the temptation of *moral hazard* and ethical compromise due to the lack of public oversight (Utomo, 2019). The synergy between competence and WSS is the main key in building *a tone at the top* or a conducive ethical organizational culture climate in the tourism village government environment (Putra et al., 2023). When village leaders and officials prove transparent, competent, and not anti-criticism towards whistleblower reports, public trust and MSME actors in the management of BUMDes will increase significantly (Ananda & Handayani, 2021; Prasetyo & Wulandari, 2021).

The practical impact of the collaboration between these two elements in the village tourism and BUMDes sectors is the creation of efficient budget allocations and the maximization of PADes revenues. Fraud-free village finances will optimize the distribution of Village Funds for the development of quality tourism facilities and the provision of targeted capital assistance to local MSMEs (Ministry of Villages, Disadvantaged Regions, and Transmigration, 2020; Wiyono & Santoso, 2021). Ultimately, this accountability in public financial management will form a solid foundation for creating economic sustainability in village tourism (*financial sustainability*) and promoting inclusive rural community independence (Suryanto et al., 2021).

CONCLUSION

Based on the analysis and discussion presented, this study concludes that *the Whistleblowing System* (WSS) has a positive and significant impact on *fraud* prevention in the management of Village Funds and Village Original Income (PADes) in tourist village areas and Village-Owned Enterprises (BUMDes). The presence of an independent and secure reporting channel can increase the potential for detecting irregularities, thereby creating an effective deterrent effect for potential perpetrators (Almatsier & Suryani, 2022). The implementation of the WSS has been proven to minimize the opportunity and arrogance factors *as explained in the Fraud Pentagon Theory* framework, while strengthening social control in complex village financial transactions (Arifin & Utami, 2022; Rahayu & Fitri, 2020).

Furthermore, the competence of village officials has been proven to play a very dominant and significant role in driving the effectiveness of *fraud* prevention. Mastery of accounting materials, understanding of financial recording regulations, and an integrated ethical attitude are the main bulwarks in preventing administrative errors and deliberate manipulation of cash reports (Ahyaruddin & Akbar, 2018; Suwardjono, 2019). Competent officials are able to close the gaps for fraud in BUMDes business units and the MSME sector in tourist villages through the implementation of segregation of duties *and* the preparation of transparent and accountable financial accountability (Firmansyah et al., 2022; Kurniawan & Ramadhani, 2022).

Simultaneously, the integration of participatory oversight (*Whistleblowing System*) and internal reliability (*Village Apparatus Competence*) creates a robust, multi-layered defense synergy that minimizes the risk of fraud at the village level. The combination of these two instruments has proven successful in reducing information asymmetry between the community as *principal* and village officials as *agents*, as mandated by *Agency Theory* (Eisenhardt, 1989; Pratama & Kusuma, 2021). This combination not only suppresses the potential for budget misappropriation overall but also builds an ethical organizational culture (*tone at the top*) and increases public trust in tourism village governance (Ananda & Handayani, 2021; Putra et al., 2023).

The implications of these findings underscore the importance of the commitment of local governments and relevant ministries to facilitate whistleblower protection *through* a digital system that guarantees confidentiality (Dewi & Saputra, 2020). Furthermore, periodic certification programs and training in Village-Owned Enterprises (BUMDes) financial management for village officials are essential to ensure the sustainability of village tourism revenue (Budianto & Sari, 2023; Suryanto et al., 2021). With governance free from *fraudulent* practices, Village Fund allocation and tourism sector revenue will optimally drive inclusive and sustainable rural economic growth (Ministry of Villages, Disadvantaged Regions, and Transmigration, 2020; Wiyono & Santoso, 2021).

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