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A Study on the Impact of the Village Accounting Agency Model on Village-Level Financial Management in the Context of Rural Revitalization

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Abstract

When the countryside thrives, the nation thrives; when the countryside declines, the nation declines. Rural revitalization hinges on rural governance, and village-level financial management is a crucial component of rural governance. The traditional model of “village accounts managed by townships” has weakened villagers' rights to self-governance and exacerbated conflicts between them and the government; a new financial management model is needed to improve the effectiveness of financial governance. This study selected 60 administrative villages from the eastern, central, and western regions as its sample. Based on a theoretical framework for the transition from a “delegated management” to a “co-governance” model in village-level financial management, it constructed an empirical model using financial transparency and villager participation as

mediating variables to conduct an in-depth analysis of the underlying mechanisms through which this shift in models influences village-level financial management. The results indicate that: (1) The village-accounts-agency model has a significant positive impact on the effectiveness of village-level financial governance. (2) Financial transparency serves as an intermediary between the village accounting agency model and village-level financial governance. (3) Villager participation serves as a mediating factor between the village accounting agency model and village-level financial governance. The agency model for village accounts identified by this study provides a reference for local governments to optimize their financial management systems, thereby helping to enhance governance effectiveness under the rural revitalization strategy.

Keywords: Rural Revitalization, The Village Accounting Agency Model, Village Financial Management, Mediating Effect

1. Introduction

The village-level financial management model has always kept pace with rural economic reforms. The implementation of the Rural Revitalization Strategy has led to a concentrated flow of various types of agricultural support funds and construction projects to the grassroots level, reshaping the landscape of China's rural economic development. At the same time, the public has set higher standards for the accuracy, compliance, and timeliness of village-level financial information. The traditional model of “village-managed village accounts” is clearly unable to meet the demands of the new situation, and there is an urgent need to introduce a financial accounting system based on a fresh perspective and new concepts. In 2024, the government issued the “Opinions on Strengthening and Standardizing Village-Level Accounting Agency Services” to further standardize rural accounting practices. The “village-accounting-firm” agency model, which involves the participation of accounting firms in village-level accounting services, has effectively improved the level of rural financial management, reduced governance risks, and provided strong support for the development and expansion of the new rural collective economy and the advancement of agricultural and rural modernization.

The 19th National Congress of the Communist Party of China identified “effective governance” as one of the primary objectives of rural revitalization, making the comprehensive enhancement of rural governance efficiency a crucial component of rural economic development. As the cornerstone of rural governance, village-level financial management not only safeguards the interests of village collectives and farmers but also serves as a vital link in achieving rural revitalization; its role cannot be overlooked. Currently, the systems for democratic financial management and financial transparency have not yet met their intended goals. A series of issues—including inadequate village-level financial oversight mechanisms and insufficient staffing of financial personnel—have come to the fore, increasing financial risks in rural areas. There is an urgent need to standardize village-level financial management.

This paper examines 60 administrative villages across eastern, central, and western China to conduct an in-depth analysis of the evolutionary logic and theoretical pathways underlying the transition from the traditional “village accounts managed by townships” model to the “village accounts managed by agencies” model. By gaining a deeper understanding of the dynamic relationship between the agency model and village-level financial management, this study aims to provide new perspectives on rural governance.

2. Literature Review

2.1 A Study on the Relationship Between Rural Revitalization and Village-Level Financial Management

Rural revitalization and village-level financial management are interdependent, and academic discussions have primarily focused on the interactive relationship between the two. The implementation of the Rural Revitalization Strategy provides policy guidance and institutional safeguards for village-level financial management. Against the backdrop of the comprehensive advancement of this strategy, a significant amount of talent, resources, and funding is being directed toward rural areas, thereby offering greater assurance for enhancing the effectiveness of rural financial management (Wang Wenfang, 2024) ^[14]. At the same time, the Rural Revitalization Strategy has also placed higher demands on village-level financial management. Tang Yang *et al.* (2021) ^[16] note that while the sources of rural funding are becoming increasingly diverse, there remain numerous issues in rural accounting practices, necessitating a strengthening of foundational accounting work and an improvement in financial management standards. Wang Chi (2024) ^[5] points out that while the scale of the rural collective economy has continued to expand, financial management has not kept pace with this development; therefore, it is necessary to start with financial management systems to actively promote the transformation and upgrading of rural financial management. Village-level financial management also plays a crucial role in advancing rural revitalization. In the context of rural governance, rural financial management not only safeguards the interests of village collectives and villagers but also serves as a vital component in achieving rural revitalization (Ren Hongyun *et al.*, 2023) ^[17], a cornerstone of rural economic and social development (Deng Lianhua, 2023) ^[4], and a key mechanism for implementing the rural revitalization strategy (Fu Jinling, 2023). In developed countries, policy guidance, agricultural economic development, and financial management reinforce one another. Through more refined and specialized financial management, “new-generation cooperatives” have improved the efficiency of public fund management, effectively driving the upgrading and modernization of the agricultural sector and promoting the sustainable development of the agricultural economy. At the same time, the government provides support to these cooperatives, further fostering the development of their financial management (Julie A. Hogeland, 2015) ^[20].

2.2 A Study on the Institutional Logic and Optimization Pathways of the Evolution of Financial Management Models

Research on financial management models in China has always kept pace with reforms in the rural economic system. Following the reform of agricultural taxes and fees in the 21st century, the workload of rural accounting was

significantly reduced, forcing existing township accounting staff to fill the vacancies at the village level. As a result, the model of “village accounts managed by townships” began to be widely adopted (Geng Jianxin *et al.*, 2021) ^[1]. In theory, the model of village accounts managed by township authorities is intended to promote financial transparency and reduce the occurrence of problems; however, in practice, it has become little more than a formality and fails to effectively curb misconduct by village officials (Zhang Kun and Guo Bin, 2014) ^[12]. At the same time, as the rural revitalization strategy moves forward, the traditional model of village-level accounting managed by township authorities struggles to provide relevant financial information accurately, promptly, and scientifically, necessitating the introduction of a financial accounting model based on new perspectives and concepts (Tian Shui and Chen Ji, 2024) ^[18]. In this regard, different scholars have put forward varying viewpoints. After comparing several models of village-level financial management, Liu Qing (2012) concluded that “village-managed village finances” is the optimal choice; Li Baichao (2014) ^[11] argued that outsourcing bookkeeping to an agency is the superior approach among village-level financial management models; and Fu Liying *et al.* (2014) ^[8], through evolutionary game analysis, proposed that the “village-accounts-agency” model is more in line with the realities and development trends of rural financial management in China. As these issues emerged, academic circles began to focus on researching pathways for financial management reform. Based on field survey data from 36 rural villages, Li Lianhua *et al.* (2020) ^[15] analyzed the manifestations of deficiencies in rural governance and proposed corrective strategies, such as enhancing the disclosure of financial information and strengthening performance evaluations of village committees. Wu Lixia (2020) ^[13], drawing on the 13th Five-Year Plan, highlights the importance of rural accounting informatization for village-level financial management. Wang Xiaoning (2024) ^[6] argues that we must acknowledge the shortcomings of the existing rural financial management model and effectively improve the level of grassroots governance through standardized processes such as budget preparation and the rational allocation of fiscal funds. According to international research, financial management models such as Japan’s village-building movement (Reesray, 2005) ^[21], German cooperatives (Timothy W. Guinnane, 2012), and France’s New Rural Movement (Snikersproge Ieva, 2022) ^[23] generally combine democratic participation by villagers with government guidance, offering valuable insights for China’s village-level financial governance.

2.3 A Study on the Effectiveness of Financial Management Under “Multi-stakeholder Governance”

A Study on the Effectiveness of Financial Management under “Multi-stakeholder Governance.” Rural financial governance is at the core of rural governance; it requires embracing the principles of shared governance and shared benefits, and establishing a framework for rural financial governance based on “multi-stakeholder governance” that involves township governments, social capital, and villagers (Wu Zhongxin *et al.*, 2023) ^[2]. Key terms related to rural social organizations are increasingly focusing on how to achieve pluralistic governance in rural areas, with primary keywords including “pluralistic participation” and “village self-governance” (Wang Longxin, 2024). At the core of

pluralistic governance lies the need to break the administrative monopoly over village finances held by township governments or village-level organizations under the “proxy management” model. The “integration of political and economic functions” in the administrative system has weakened the role of democratic oversight and eroded villagers’ democratic rights (Zhang Guoqing and Zhang Rui, 2023) [9]. For a long time, villagers have paid less attention to the disclosure of financial information, and there have been issues regarding the accuracy and completeness of financial records in some rural areas, which has led to numerous problems and conflicts in rural governance (Ying Guilin, 2025) [19]. Through a multi-stakeholder governance model, it is possible to leverage the government’s capacity for coordination and social mobilization, stimulate villagers’ active participation, promote complementary and collaborative engagement among diverse stakeholders, and establish a stable rural social order (Wu Maoying *et al.*, 2025) [3], thereby providing a crucial safeguard for financial management and accounting. Democratic participation is particularly important in the process of rural financial management abroad. Cooperatives in Iran operate under a unique model in which administrative bodies delegate authority to villagers, empowering each villager to act as a supervisor and ensuring that the cooperative’s decision-making process is fair and transparent (GOLMOHAMMADI F, 2018).; [24] In its early stages, South Korea’s New Village Movement was government-led, encouraging farmers to participate in rural development. Later, “New Village Movements” spontaneously emerged across the country, organized at the administrative village level and led by development committees. This marked a gradual transition from a model of civilian-led initiatives supported by the government to one that was entirely civilian-led, with the movement’s forms and content continually expanding and farmers’ democratic participation and enthusiasm steadily increasing (Jwa SungHee, 2024) [25].

3. Variable Selection and Research Design

3.1 Variable Definition and Measurement

3.1.1 Independent variable: the village accounting agency model

The “village accounting agency” model refers to a system in which township governments establish village-level financial agencies to replace the administratively driven financial management approach of the traditional “village accounts managed by the township” model, emphasizing professional, institutionalized, and transparent operations. This study constructs the core independent variable based on whether the sample villages have implemented the “village accounting agency” model (0 = not implemented, 1 = implemented) and the duration of its implementation.

3.1.2 Dependent variable: effectiveness of village-level financial governance

Drawing on existing research on rural governance, the effectiveness of village-level financial governance is measured across three dimensions: the level of financial standardization, the transparency of financial operations, and villagers’ satisfaction with financial management.

3.1.3 Mediating Variables: Financial Transparency and Village Participation

1. Financial transparency: Measured using three indicators: the frequency of financial disclosures at the

village level, the diversity of disclosure channels, and the completeness of the information disclosed.

2. Villager participation: Measured by the frequency and quality of villagers’ participation in financial review, oversight activities, and feedback.

3.2 Research Hypotheses

The traditional “village accounts managed by townships” model, due to administrative monopolization, results in insufficient incentives for agents and a lack of oversight, thereby harming the interests of villagers as principals. By introducing professional agencies, clarifying agency contracts, and strengthening external oversight, the village accounting agency model can effectively reduce agency costs and enhance the efficiency of financial governance. Therefore, the implementation of the village accounting agency model will significantly improve the standardization of village-level finances and increase villager satisfaction. Based on this, this study formulates the following hypothesis:

Hypothesis H1: The village-account-firm agency model has a significant positive impact on the effectiveness of village-level financial governance.

Transparency in financial information is a prerequisite for villagers’ effective participation in oversight. Through institutional designs such as standardized bookkeeping, regulated processes, and regular disclosure, the village accounting agency model enhances financial transparency at the village level, reduces information asymmetry, and improves the effectiveness of financial governance. The village accounting agency model does not directly impact governance effectiveness but rather produces an indirect effect through the intermediary channel of increased financial transparency. Based on this, this paper proposes the following hypothesis:

Hypothesis H2: Financial transparency mediates the relationship between the village accounting agency model and village-level financial governance.

The village accounting agency model has stimulated villagers’ initiative and capacity to participate in financial oversight through mechanisms such as the establishment of villager financial management groups, financial transparency days, and feedback channels. Increased villager participation has, on the one hand, strengthened accountability for the agency and, on the other hand, enhanced the democracy and rationality of financial decision-making, thereby promoting governance effectiveness. Therefore, villager participation serves as a crucial transmission mechanism through which the model’s transformation influences village-level financial management. Based on this, this study formulates the following hypothesis:

Hypothesis H3: Villager participation mediates the relationship between the village accounting agency model and village-level financial governance.

3.3 Scope of the Study and Data Collection

This study collected data through on-site questionnaire surveys. The survey covered a total of 60 administrative villages across eastern, central, and western regions. Questionnaires were administered to village officials, members of village affairs supervision committees, and ordinary villagers in the sample villages to gather subjective perceptions regarding financial transparency, villager

participation, and the effectiveness of financial governance. Among the valid samples, 46.2% were male and 53.8% were female; the majority of respondents were between the ages of 31 and 60. Regarding the implementation of the village accounting agency model, the intervention group (Q5=1) comprised 228 respondents, while the control group (Q5=3) comprised 224 respondents, with a balanced distribution between the two groups.

4. Data Analysis and Hypothesis Testing

4.1 Descriptive Statistics

To gain a preliminary understanding of the basic distribution characteristics of the sample data, descriptive statistical

analyses were conducted on each core variable. As shown in Table 4-1, the mean values for financial transparency (FT), villager participation (VP), and financial governance effectiveness (GE) were 3.00, 2.99, and 3.00, respectively, all of which were at a moderate level, indicating that there is still considerable room for improvement in the financial management of the sample villages. The mean value of 'treatment' is 0.78, indicating that a relatively high proportion of the sample villages have implemented the village-account agency model. The standard deviations of all variables range from 0.96 to 1.55, indicating that the data exhibit a certain degree of variability and meet the basic requirements for subsequent regression analysis.

Table 1: Descriptive Statistics for Key Variables

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Financial Transparency (FT)	452	1.00	5.00	3.0022	1.55203
Village Participation (VP)	452	1.00	5.00	2.9917	1.52067
Financial Governance Effectiveness (GE)	452	1.00	5.00	3.0013	1.50326
Treatment	251	.00	1.00	.7769	.41716
Gender	452	1	2	1.51	.500
Age	452	1	4	2.02	1.019
Educational Attainment	452	1	4	3.25	.960
Frequency of Participation	452	1	4	2.27	1.028
Number of Valid Cases (Ranked)	251				

Table 2: Results of Reliability Tests for Each Scale

Variable	Number of Items	Cronbach's Alpha
Financial Transparency (FT)	4	0.966
Village Participation (VP)	4	0.965
Financial Governance Effectiveness (GE)	5	0.970

4.2 Reliability and Validity Testing

4.2.1 Reliability Analysis

Cronbach's α was used to test the internal consistency of each scale. As shown in Table 4-2, the α coefficients for the three dimensions—financial transparency, villager participation, and financial governance effectiveness—were 0.966, 0.965, and 0.970, respectively, all well above 0.8, indicating excellent reliability of the scales; the α coefficient for policy support was 0.710, which is also at an acceptable level. Overall, the questionnaire demonstrates good reliability and is suitable for subsequent hypothesis testing.

4.2.2 Validity Analysis

As shown in Table 4-3, the KMO value is 0.982, and the

approximate chi-square value for Bartlett's sphericity test is 10,611.405 ($p < 0.001$), indicating that the data are highly suitable for factor analysis. Table 4-4 shows that there are two factors with eigenvalues greater than 1, explaining a cumulative variance of 79.90%, with the first factor accounting for 71.02%, while the second factor explains 8.89%. After rotation, the loadings of all items on their respective factors are greater than 0.5, and there are no severe cross-loadings. This indicates that the questionnaire possesses good construct validity and can effectively measure the three latent variables: financial transparency, villager participation, and financial governance effectiveness.

Table 3: KMO and Bartlett's Sphericity Test

KMO Sampling Adequacy Measure		.982
Bartlett's Sphericity Test	Approximate Chi-Square	10611.405
	Degrees of Freedom	136
	Significance	.000

Table 4: Explanation of Total Variance

Ingredients	Initial eigenvalues			Sum of squares of extraction loads			Sum of squares of rotational loads		
	Total	Percentage of variance	Cumulative %	Total	Percentage of variance	Cumulative %	Total	Percentage of variance	Cumulative %
1	12.073	71.018	71.018	12.073	71.018	71.018	10.877	63.984	63.984
2	1.511	8.886	79.904	1.511	8.886	79.904	2.706	15.920	79.904
3	.675	3.970	83.875						
4	.665	3.911	87.786						
5	.579	3.405	91.190						
6	.207	1.218	92.408						
7	.165	.970	93.378						
8	.158	.928	94.306						
9	.135	.792	95.098						

10	.134	.785	95.884					
11	.121	.713	96.596					
12	.109	.639	97.235					
13	.104	.613	97.848					
14	.102	.601	98.450					
15	.101	.592	99.041					
16	.085	.500	99.541					
17	.078	.459	100.000					
Extraction method: Principal component analysis								

4.3 Correlation Analysis

There were significant positive correlations between financial transparency (FT), villager participation (VP), financial governance effectiveness (GE), and treatment ($p < 0.01$). Specifically, the correlation coefficient between treatment and GE was 0.801 ($p < 0.01$), providing

preliminary support for H1; the correlation coefficients between FT and GE, and between VP and GE, were 0.970 and 0.968 ($p < 0.01$), respectively, laying the groundwork for testing the mediating effects. Furthermore, the correlation coefficients among all variables were less than 0.98, indicating no serious multicollinearity issues.

Table 5: Pearson correlation matrix among variables

		Financial Transparency (FT)	Village Participation (VP)	Financial Governance Effectiveness (GE)	treatment
Financial Transparency (FT)	Pearson correlation	1	.971**	.970**	.782**
	Significance (two-tailed)		.000	.000	.000
	Number of cases	452	452	452	251
Village Participation (VP)	Pearson correlation	.971**	1	.968**	.804**
	Significance (two-tailed)	.000		.000	.000
	Number of cases	452	452	452	251
Financial Governance Effectiveness (GE)	Pearson correlation	.970**	.968**	1	.801**
	Significance (two-tailed)	.000	.000		.000
	Number of cases	452	452	452	251
treatment	Pearson correlation	.782**	.804**	.801**	1
	Significance (two-tailed)	.000	.000	.000	
	Number of cases	251	251	251	251

** . At the 0.01 level (two-tailed), the correlation is significant

4.4 Test for main effects

To test the positive impact of the Village Account Office agency model on the effectiveness of village-level financial governance (H1), a multiple linear regression analysis was conducted with financial governance effectiveness (GE) as the dependent variable and implementation status (treatment) as the independent variable, while incorporating gender, age, educational attainment, and participation frequency as control variables. The results of the analysis of variance in Table 4-6 show that the regression model is

significant, indicating that the independent variables collectively have a significant explanatory power for the dependent variable. The regression coefficients in Table 4-7 indicate that, after controlling for demographic variables, the unstandardized coefficient for treatment is 1.583 ($p < 0.001$), and the standardized coefficient Beta is 0.710. This suggests that villages implementing the village-accounting-office agency model exhibit significantly higher financial governance effectiveness than those that do not. Therefore, Hypothesis H1 is supported.

Table 6: Analysis of Variance (ANOVA) for the Main Effects Regression Model

	Model	Sum of Squares	Degrees of Freedom	Mean Square	F	Significance
1	Regression	157.328	5	31.466	131.707	.000 ^b
	Residuals	58.532	245	.239		
	Total	215.860	250			

a. Dependent variable: Financial governance effectiveness (GE)
 b. Predictor variables: (constant), treatment, gender, age, frequency of participation, educational attainment

Table 7: Main Effect Regression Coefficients

Model	Unstandardized coefficient		Standardized coefficient	t	Significance	Bootstrap95%CI		Collinearity Statistics	
	B	Standard error	Beta			Lower Limit	Upper Limit	Tolerance	VIF
(Constant)	1.689	.145		11.625	.000	1.403	1.975		
Gender	.167	.066	.090	2.521	.012	.036	.297	.876	1.141
Age	.065	.032	.073	2.030	.043	.002	.127	.845	1.183
1 Education level	.184	.034	.208	5.391	.000	.117	.251	.744	1.343
Frequency of participation	.096	.036	.098	2.628	.009	.024	.168	.790	1.266
treatment	1.583	.092	.710	17.246	.000	1.402	1.763	.652	1.533

a. Dependent variable: Financial governance effectiveness (GE)

4.5 Testing for a Mediating Effect

To test the mediating roles of financial transparency (FT) and villager participation (VP) in the relationship between the village accounting agency model and financial governance effectiveness, a parallel mediation analysis was conducted using Model 4 of the PROCESS macro, with 5,000 Bootstrap samples. As shown in Tables 4–8, the total effect is 1.7844, the direct effect is 0.3441, and the total

indirect effect is 1.4403; none of the confidence intervals include zero, indicating that the mediating effects are significant. Specifically, the specific indirect effect of FT was 0.7712, accounting for 43.23%; the specific indirect effect of VP was 0.6691, accounting for 37.50%. Since the direct effect remained significant ($p = 0.0003$), both FT and VP exerted partial mediating effects. Therefore, hypotheses H2 and H3 are supported.

Table 8: Analysis of the Parallel Mediating Effects of Financial Transparency and Villager Participation

Model effect	Effect size	Boost SE	Bootstrap 95% CI		Percentage of the effect
			Lower Limit	Upper Limit	
Overall Effect	1.7844	0.0845	1.6179	1.9508	100%
Direct Effect	0.3441	0.0930	0.1608	0.5273	19.28%
Total Indirect Effect	1.4403	0.1674	1.1181	1.7752	80.72%
Village Accounting Office Agency Model → Financial Transparency → Financial Governance Effectiveness	0.7712	0.1351	0.5181	1.0362	43.23%
Village Accounting Office Agency Model → Villager Participation → Financial Governance Effectiveness	0.6691	0.1517	0.3677	0.9617	37.50%

5. Conclusions and Discussion

5.1 Research Findings

Based on principal-agent theory, multi-center governance theory, and participatory democracy theory, this study focuses on the dynamic process of transitioning village-level financial management models from “delegated management” to “co-governance” under the Rural Revitalization Strategy. It specifically analyzes the theoretical logic underlying how the “village account office” agency model achieves “co-governance,” constructs a theoretical mechanism with financial transparency and villager participation as mediating variables, and reveals the internal mechanisms through which this model transition influences village-level financial management. Through empirical analysis of 452 valid questionnaires collected from 60 administrative villages across eastern, central, and western China, the following main conclusions were drawn:

1. The village-accounts-managed-by-agencies model has a significant positive impact on the effectiveness of village-level financial governance. Regression analysis results show that, after controlling for gender, age, educational attainment, and participation frequency, villages implementing the village-accounts-managed-by-agencies model exhibit significantly higher financial governance effectiveness than those that do not ($\beta = 0.710, p < 0.001$). This indicates that the transition from the traditional “village accounts managed by townships” model to the “village accounts managed by agencies” model—through the introduction of professional agencies, the clarification of agency contracts, and the strengthening of external oversight—can effectively reduce agency costs, enhance financial standardization, and increase villager satisfaction, thereby validating the applicability of principal-agent theory in the transformation of village-level financial management.
2. Financial transparency and villager participation play a partial mediating role between the village accounting agency model and financial governance effectiveness. Bootstrap mediation tests indicate that the total indirect effect is 1.4403, accounting for 80.72% of the total effect. Specifically, the specific indirect effect of financial transparency is 0.7712, and that of villager participation is 0.6691, indicating that the village

accounting agency model not only directly improves financial governance effectiveness but also generates indirect effects primarily through two pathways: enhancing the completeness and timeliness of financial disclosure and stimulating villagers’ proactive participation in financial oversight. This finding reveals the intrinsic transmission mechanism underlying the transition from “delegated management” to “co-governance,” echoing the core tenet of multi-center governance theory regarding “synergistic effects among diverse actors.”

5.2 Practical Insights

Based on the above conclusions, this study offers the following policy recommendations:

1. Accelerate the promotion of the “village-accounting-firm” agency model and prioritize professional development. Local authorities should actively engage third-party institutions, such as accounting firms, to participate in village-level accounting services, standardize bookkeeping practices, strengthen financial transparency, and establish a system of regular audits. At the same time, authorities should avoid a “hands-off” approach; instead, they should clearly define the boundaries of authority and responsibility among the agency, the village collective, and the township government to prevent excessive administrative interference.
2. The reform will focus on two key areas: enhancing financial transparency and increasing villager participation. On the one hand, digital platforms will be utilized to provide real-time updates on financial income and expenditures and ensure the traceability of historical data, thereby reducing information asymmetry. On the other hand, mechanisms such as villager financial management groups, financial transparency days, and closed-loop feedback systems will be strengthened to empower villagers to become the primary agents of financial oversight. In addition, universities can organize accounting students to visit rural areas to conduct financial literacy outreach, helping villagers understand financial records and participate effectively.

3. Strengthen policy support and establish a support system that balances incentive mechanisms with accountability mechanisms. County-level governments should issue supporting implementation rules and allocate special funds for the operation of agency offices, staff training, and the development of information technology platforms. At the same time, the performance of village-level financial management should be incorporated into township evaluation metrics, and strict accountability should be enforced for violations. In areas with weaker policy support, pilot villages may be selected for priority support, with the aim of gradually expanding the initiative from these pilot sites to the broader region.

5.3 Limitations of the Study and Future Directions

This study has the following limitations:

1. Cross-sectional data make it difficult to draw strict inferences about causality. Although theoretical derivations and statistical controls support the research hypotheses, reverse causality or omitted variable bias cannot be completely ruled out. Future studies could employ longitudinal surveys or quasi-experimental designs to further verify the direction of causality.
2. The sample coverage is limited. Although this study covers 60 administrative villages across the eastern, central, and western regions, some provinces remain excluded. In future research, the sample scope could be expanded to test the cross-regional generalizability of the findings and to compare the heterogeneity of the mediating effect across different levels of economic development.
3. The study did not delve deeply into the power struggles and balance of responsibilities that arise during the implementation of the agency model. The agency model for village accounting offices involves multiple stakeholders, including township governments, agency organizations, village committees, and villagers; the conflicts of interest and coordination mechanisms among these parties warrant further research. In the future, qualitative research methods could be employed to uncover the micro-politics and actor strategies involved in the implementation of this system.

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