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The Influence of Human Resources Competencies and Internal Control Systems on the Effectiveness of Financial Management (Case Study of the Bintan Buyu Village Community)

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ABSTRACT

One of the key components of achieving strong village administration is efficient village financial management. In order to assist village planning, execution, administration, and financial reporting, village authorities' human resources (HR) proficiency is crucial. Nonetheless, there are still a number of challenges, including poor comprehension of local financial applications, administrative mistakes, and financial reporting delays. The purpose of this study is to examine how human resource competences affect the efficiency of Bintan Buyu Village's financial management. By administering questionnaires to village officials involved in local finance management, the study employs a quantitative methodology. The results of the study are expected to offer an overview of the importance of human resource competency in enhancing the effectiveness of village financial management and become a factor in efforts to improve the quality of village government.

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INTRODUCTION

A key component of achieving good governance is village financial management. To increase the welfare of the village community, village finances from the State Budget must be managed efficiently, openly, and responsibly. According to Mardiasmo (2018), public sector finance management must meet the principles of effectiveness, efficiency, transparency, and accountability so that organizational goals can be realized optimally. Furthermore, according to Sedarmayanti (2017), human resources (HR) competences encompass knowledge, abilities, and attitudes that significantly impact how well organizational tasks are carried out.

Since village officials are in charge of organizing, carrying out, managing, and reporting village finances, their human resource competency is crucial in the context of village financial management. Mahmudi (2019) further stressed that the quality of public financial management is highly influenced by the ability of apparatus to grasp the government accounting system.

However, based on numerous results in the field, there are still challenges such as insufficient understanding of village authorities in the use of village financial apps (Siskeudes), administrative errors, and delays in financial reporting. This situation demonstrates that attaining the efficacy of village finance management still requires human resource competency.

The quality of village financial statements is positively impacted by human resource competence, according to earlier research by Wahyuni & Sari (2022). Furthermore, Pratama (2021) discovered that improving the proficiency of village authorities can boost the efficiency of village fund administration. The idea that human resource competency plays a significant role in village financial management is strengthened by this.

Bintan Buyu Village as one of the villages that administers village funds also needs competent human resources so that financial management can function successfully and in compliance with current legislation. In order to ascertain the impact of human resource competences on the efficiency of village financial management, this study is crucial.

METHOD

Research Objectives

Based on the formulation of the problem that has been prepared, the objectives of this research are:

To find out the influence of Human Resources (HR) competence on the effectiveness of financial management in Bintan Buyu Village.

To find out the influence of the internal control system on the effectiveness of village financial management in Bintan Buyu Village.

to know the influence of human resource competencies and internal control systems simultaneously on the effectiveness of village financial management in Bintan Buyu Village.

LITERATURE REVIEW

Theoretical foundations

Definition of HR Competence

According to Human Resources (HR) Competency Theory, an individual's knowledge, abilities, and attitudes determine their capacity to do their obligations and operate effectively and efficiently.

Human resource competency, according to Sedarmayanti (2017), encompasses the individual skills, knowledge, and attitudes required to perform work in a responsible and professional manner.

According to Spencer & Spencer (1993), competence, which covers motivations, qualities, self-concept, knowledge, and talents, is a fundamental feature of people that is directly linked to successful performance in a job.

In the context of village administration, human resource competency is particularly essential since it determines the ability of village officials to handle finances, write reports, and conduct development initiatives effectively and in compliance with the rules. HR Competency Indicators

The competence of human resources in this study can be measured through:

- Knowledge
- Skills
- Work experience
- Training attended

Effectiveness of Village Financial Management

The degree to which the village government successfully manages village finances in order to accomplish the objectives that have been established in compliance with the work plan and budget developed is known as the efficacy of village financial management. Village financial management is said to be effective if all programs and activities can be carried out according to the aim, on schedule, and deliver advantages to the community.

Effectiveness, according to Mardiasmo (2018), is the degree to which program outcomes meet predetermined goals. An organization's level of effectiveness increases with the amount of results that are achieved in line with the goal. In the context of village government, efficacy is not only observed from the absorption of the budget, but also from the success of development projects perceived by the community.

In the meantime, Mahmudi (2019) clarified that the organization's capacity to implement the budget in line with the intended goals in a suitable and focused manner is linked to the efficacy of public sector financial management.

Effectiveness is a key metric in village financial management since it shows how well village monies are used for community empowerment and development.Indicators of Village Financial Management Effectiveness

The effectiveness of village financial management in this study can be measured through several indicators, namely:

- Achievement of Program ObjectivesThe degree of alignment between the planned objectives and the results achieved.
- Accuracy of Budget RealizationThe conformity between the planned budget and the implementation in the field.
- Timeliness of ImplementationThe implementation of activities and financial
- reporting is carried out according to the set schedule.
- Conformity with Planning (APBDes)
- Village financial activities are in accordance with the Village Revenue and Expenditure Budget Plan (APBDes).
- Benefits for the CommunityThe results of financial management have a positive impact on the welfare of the village community.

The Relationship of Human Resources (HR) Competency to the Effectiveness of Village Financial Management

Human Resources (HR) expertise has a tight association with the success of village financial management. Planning, execution, administration, and village financial reporting are just a few of the financial management activities that competent human resources will be able to perform more effectively.

According to Sedarmayanti (2017), human resource competences consisting of knowledge, skills, and work attitudes considerably impact the effectiveness of personnel in carrying out their work efficiently. In the context of village financial administration, village officials that have strong competency would better comprehend the regulations, procedures, and related financial management systems.

In addition, Mardiasmo (2018) noted that effectiveness in the public sector can be attained if existing resources are optimally managed to fulfill the goals that have been set. This demonstrates that obtaining good financial management depends in large part on the caliber of human resources.

In practice, highly competent human resources will:

- Better able to understand village financial management regulations
- Able to operate a village financial system such as Siskeudes correctly
- Prepare financial statements in a timely and accurate manner
- Minimize administrative errors and budget irregularities
- On the other hand, incompetent human resources can cause various problems such as reporting delays, recording errors, and low quality village financial statements.

Therefore, it can be concluded that the higher the competence of human resources, the higher the level of effectiveness of village financial management in Bintan Buyu Village.

Previous Research

No.	Research	Research Title	Year	Research Results
1	Wahyuni & Sari	The Influence of Human Resources Competence on the Quality of Village Financial Reports	2022	Human resource competence has a positive and significant effect on the quality of village financial reports
2	Primary	The Influence of Village Apparatus Competence on the Effectiveness of Village Fund Management	2021	The competence of village officials has a significant effect on the effectiveness of village fund management
3	Andriani	The Influence of Human Resources on Village Government Financial Accountability	2020	Competent human resources increase accountability in village financial management
4	Sutrisno	The Role of Human Resources Competencies in Public Sector Financial Management	2019	Human resource competence plays an important role in the success of public financial management
5	Rahmawati	The Influence of Human Resources Training and Competence on the Performance of Village Apparatus	2021	HR training and competence have a significant effect on the performance of village apparatus
6	Kurniawan	The Influence of Human Resources Competencies and Internal Control Systems on the Quality of	2020	Human resource competence and SPI have a positive effect on the quality of financial statements

		Financial Statements		
7	Sustainable	The Influence of Human Resources Competence on Village Financial Transparency	2022	Human resource competence has a significant effect on the transparency of village financial management

Research Hypothesis

A hypothesis is a temporary guess that is compiled based on theory and past study to be tested empirically. In this study, the hypothesis is based on the competency theory of Human Resources (HR) and the idea of the efficacy of financial management, and is supported by prior research showing the effects of human resource competence on public sector financial management.

Based on this, the hypothesis in this study is as follows:

H1: Human Resources (HR) Competence does not affect the effectiveness of village financial management

This hypothesis says that high or low human resource competency does not have an impact on the effectiveness of village financial management. This indicates that elements other than human resource competency are thought to have an impact on effectiveness.

H2: Human Resources (HR) competence has a positive and significant effect on the effectiveness of financial management in Bintan Buyu Village.

This hypothesis states that the higher the competence of human resources (knowledge, skills, experience, training, and work attitude), the higher the effectiveness of village financial management. Competent human resources will be able to manage finances better, precisely, and accurately.

H3: The higher the competence of Human Resources (HR), the higher the effectiveness of financial management in Bintan Buyu Village.

This hypothesis confirms the existence of a one-way (positive) relationship between human resource competence and the effectiveness of financial management. This means that improving the quality of human resources will directly increase the effectiveness in village budget management.

Human resource competencies consisting of knowledge, skills, experience, training, and work attitudes simultaneously affect the effectiveness of financial management in Bintan Buyu Village.

This hypothesis explains that all indicators of human resource competence together have an important role in determining the effectiveness of village financial management. Not only one aspect, but a combination of all aspects of competence that determine the final result of financial management.

Frame of Mind

This study intends to investigate the influence of Human Resources (HR) Competency on the Effectiveness of Village Financial Management in Bintan Buyu Village. The link between independent variables (X) and dependent variables (Y), which serve as the foundation for testing research hypotheses, is described in this research framework.

The success of budget execution in village financial management is primarily determined by human resources. Village authorities will be more equipped to handle budgets, comprehend regulations, and effectively create financial reports if they possess strong human resource competency. In the end, this will improve village finance management's efficacy.

On the other hand, inadequate human resource competency will lead to a number of issues, including inaccurate recording, delayed reporting, and discrepancies between budget planning and execution, which will reduce the efficacy of village financial management.

Conceptually, the relationship between variables in this study can be described as follows:

HR Competencies (X1)

↓

Internal Control System (X2)

↓

Effectiveness of Village Financial Management (Y)

This framework of thinking shows that human resource competence has a positive influence on the effectiveness of village financial management in Bintan Buyu Village, where the higher the competence of human resources, the higher the level of effectiveness of village financial management

RESEARCH METHODS

Types of Research

This study employs an associative technique and a quantitative research methodology. Because the data gathered for this study is numerical and subjected to statistical analysis, the quantitative method is employed. In the meantime, the associative approach is employed in research to ascertain the connection or impact between independent and dependent variables.

The effectiveness of village financial management in Bintan Buyu Village is the dependent variable in this study, and human resources (HR) competency is the independent variable.

In this study, there are three variables, namely:

- The independent variable (X1) is Human Resources (HR) Competence.
- The independent variable (X2) is the Internal Control System.
- The dependent variable (Y) is the Effectiveness of Financial Management in Bintan Buyu Village.

This research was carried out by gathering data through the delivery of questionnaires to predetermined respondents. The competency of Human Resources (HR) and the efficiency of village finance management are two research variable indicators that were used to build the statements in the questionnaire.

Respondents in this study were asked to offer replies according to the actual conditions based on their experience and knowledge of village financial management in Bintan Buyu Village.

Research Location

The location of this research was carried out in Bintan Buyu Village. The selection of this location is based on the consideration that the village is one of the villages that manages village funds and has financial management activities that directly involve village officials.

Furthermore, Bintan Buyu Village was selected because it is pertinent to the research aim, which is village financial management. Effective, transparent, and accountable budget implementation necessitates strong Human Resources (HR) competences.

Therefore, it is believed that the information gathered from the research site would give a clear picture of how human resource capabilities affect the efficiency of village financial administration.

Data Types and Sources

In this study, the type of data used is quantitative data. Quantitative data is data in the form of numbers or data that is estimated so that it can be analyzed using statistical methods. The data was obtained from the results of the distribution of questionnaires to respondents related to the competence of Human Resources (HR), internal control system, and the effectiveness of financial management in Bintan Buyu Village.

Primary Data

Primary data is data obtained directly from the first source through the distribution of questionnaires to research respondents. The respondents in this study are village officials and parties involved in the financial management of Bintan Buyu Village. Primary data is used to determine the real conditions regarding human resource competence, internal control systems, and the effectiveness of village financial management.

Secondary Data

Secondary data is data obtained from indirect sources that support research. Secondary data in this study was obtained from:

- Literature books
- Scientific journals
- Regulations related to village financial management
- Previous research relevant to the research topic
- Data Collection Techniques

The data collection technique in this study was carried out to obtain accurate data and in accordance with the purpose of the research. The data collection techniques used are as follows:

Questionnaire (Questionnaire)

Questionnaire is a data collection technique that is carried out by giving a number of written questions to respondents to answer. The questionnaire in this study was prepared based on the indicators of research variables, namely the competence of Human Resources (HR), internal control system, and the effectiveness of village financial management.

The measurement of respondents' answers uses a Likert scale with five levels of answers, namely:

Answer	**Score**
Strongly agree	5
Stuttgart	4
Neutral	3
Not Stubbornly	2
Strongly Disagree	1

Documentation

Documentation is a data collection technique by collecting documents related to research. The documentation in this study includes:

- Profile of Bintan Buyu Village
- APBDes Document
- Village financial statements
- Village organizational structure
- Other supporting data relevant to the study
- Documentation data is used to strengthen the research results obtained through the distribution of questionnaires and to assist researchers in understanding the condition of village financial management in more depth.
- Pollution and Sampling

Population

A population is a whole subject or entity that is the focus of inquiry and has particular qualities. Sugiyono (2019) defines a population as a generalized region made up of items or people with certain attributes that are chosen by researchers to be examined and from which conclusions are then made.

All village officials and communities involved in or knowledgeable about Bintan Buyu Village's financial administration comprise the study's population. Village heads, village secretaries, village treasurers, village authorities, the Village Consultative Body (BPD), and individuals familiar with village financial management are among the populace.

The population was chosen because they are considered to have information and understanding related to Human Resources (HR) competencies, internal control systems, and the effectiveness of village financial management in Bintan Buyu Village.

Sample

Samples are a subset of the population that the study uses as a source of data. Forty respondents, including village officials and members of the community who were familiar with Bintan Buyu Village's financial management, made up the research sample for this little study.

The sampling technique involves purposive sampling, which is sampling based on specified criteria that are in conformity with the research objectives. In order to provide pertinent information for the study, respondents were selected based on their perceived knowledge of and involvement in village financial management.

Variable Operational Definition

The operational definition of variables is an explanation of the variables used in research so that they can be measured clearly and systematically. In this mini research study, there are two independent variables, namely Human Resources (HR) Competence and Internal Control System, as well as one dependent variable, namely the Effectiveness of Village Financial Management.

Table 3.1 Variable Operational Definitions

Variable	Operational Definition	Indicator	Measurement Scale
HR Competencies (X1)	The ability of village officials to carry out village financial management based on their knowledge and skills	1. Knowledge 2. Skills 3. Work Experience 4. Training	Likert
Internal Control System (X2)	The supervision and control system used in village financial management to run according to the rules	1. Control environment 2. Risk assessment 3. Control activities 4. Information and communication 5. Monitoring	Likert
Effectiveness of Village Financial Management (Y)	The level of success of the village government in managing village finances according	1. Accuracy of budget realization 2. Timeliness of reporting 3. Program	Likert

	to the goals that have been set	Achievement 4. Compliance with APBDes 5. Benefits to society	

Technical Data Analysis

Data analysis techniques are used to process research data in order to answer problem formulations and test research hypotheses. In this study, data analysis was carried out using the IBM SPSS Statistics application.

Descriptive Analysis

Based on the responses to the disseminated questionnaire, descriptive analysis was utilized to present an overview of the research findings. The purpose of this analysis is to assess Bintan Buyu Village's internal control systems, human resources (HR) competencies, and financial management efficacy.

The data of the research results are presented in the form of tables, percentages, and explanatory descriptions to make it easier to grasp the research results. Descriptive analysis was carried out by looking at the average value of respondents' answers on each indication of research variables.

Validity Test

To determine whether the questionnaire's question items can accurately measure the research variables, validity tests are employed. If a question item can yield results that align with the goal of the study, it is considered valid.

By comparing the computed r value with the r table, validity testing is carried out. If the computed value r is higher than the table's r at a significance level of 5%, the question item is deemed valid.

Validity testing criteria:

- If r counts > r table, then the question item is declared valid.
- If r calculates < r table, then the question item is declared invalid.

The validity test in this study was carried out on all question items on the variables of HR Competency (X1), Internal Control System (X2), and Effectiveness of Village Financial Management (Y).

Reliability Test

The reliability test was used to determine the level of consistency of respondents' answers to the research questionnaire. Research instruments are said to be reliable if they provide consistent results when used in repeated measurements.

The reliability test in this study used the Cronbach Alpha method. A variable is declared reliable if the Cronbach Alpha value is greater than 0.60.

Reliability testing criteria:

- If the value of Cronbach Alpha > 0.60, then the instrument is declared reliable.
- If the value of Cronbach Alpha < 0.60, then the instrument is declared unreliable.

The reliability test was carried out on all research variables, namely HR Competency (X1), Internal Control System (X2), and Effectiveness of Village Financial Management (Y).

Multiple Linear Regression Analysis

To ascertain how independent variables affect dependent variables, multiple linear regression analysis is utilized. Multiple linear regression analysis was employed in this small study to ascertain the impact of internal control systems and human resources (HR) competency on the efficiency of financial management in Bintan Buyu Village.

The independent variables in this study consisted of:

- HR Competencies (X1)
- Internal Control System (X2)
- While the dependent variables are:
- Effectiveness of Village Financial Management (Y)

The multiple linear regression equations used are:

$Y = a + b1x1 + b2x2 + e$

Description:

Y = Effectiveness of Village Financial Management

a = Constant

b1 = Regression coefficient of HR Competency variable

b2 = Regression coefficient of the Internal Control System variable

X1 = HR Competence

X2 = Internal Control System

e = Error (error rate)

Multiple linear regression analysis was performed with the help of the IBM SPSS Statistics application to find out:

- The Influence of Human Resources Competency on the Effectiveness of Village Financial Management.
- The Effect of the Internal Control System on the Effectiveness of Village Financial Management.
- The Simultaneous Influence of Human Resources Competencies and Internal Control Systems on the Effectiveness of Village Financial Management.

The results of the regression analysis will be used as a basis for testing the research hypothesis.

RESULTS OF RESEARCH AND DISCUSSION

Overview of Research Locations

One of the communities in the province of the Riau Islands is Bintan Buyu Village. The village government in this village is actively involved in providing the community with a range of services and development initiatives, including financial management.

The Village Revenue and Expenditure Budget (APBDes), which supports village development, community empowerment, and the implementation of village government, serves as the foundation for Bintan Buyu Village's financial administration. In its execution, the village administration has the responsibility to handle village funds effectively, transparently, and accountably in compliance with existing legislation.

Village authorities have a vital part in the process of managing village finances starting from the planning, execution, administration, to financial reporting stages. Therefore, the competency of Human Resources (HR) and the internal control system are highly significant variables in supporting the success of village financial management.

In order to give the community the best possible benefits, Bintan Buyu Village also keeps working to raise the standard of financial management by enhancing the skills of village officials, utilizing the village financial administration system, and monitoring the use of village funds.

This research was conducted in Bintan Buyu Village by involving 40 respondents consisting of village officials, village officials, and the community who understand village financial management. The research data was obtained through the distribution of questionnaires to determine the influence of human resource competencies and internal control systems on the effectiveness of village financial management.

Research Results

The results of the research in this mini research were obtained through the distribution of questionnaires to 40 respondents consisting of village officials, village officials, and the community who understood the financial management of Bintan Buyu Village.

The data obtained from the results of the questionnaire was then analyzed to determine the influence of Human Resources (HR) competencies and internal control systems on the effectiveness of village financial management.

Respondent Characteristics

The broad picture of the respondents who were the subject of the research was determined using the characteristics of the respondents in this mini-study. Forty members of the community who were familiar with Bintan Buyu Village's financial management as well as village officials made up the study's responses.

Description of Researcher Variables

The description of the research variables was used to provide an overview of the respondents' responses to the variables of Human Resources Competence, Internal Control System, and Effectiveness of Village Financial Management based on the results of the distribution of questionnaires to 40 respondents.

Table 4.3.1 Characteristics of Respondents by Gender

Gender	**Quantity**	**Presentation**
Male	24	60%
Women	16	40%
Total	40	100%

Description of HR Competency Variables (X1)

The Human Resources Competency variable is measured using indicators of knowledge, skills, abilities, and work attitudes.

Table 4.3.2 Results of HR Competency Variables (X1)

Questions	Average	Category
Village officials understand village financial management	4.20	Good
Village officials have skills in the preparation of financial reports	4.10	Good
Village officials are able to use village finance applications	4.05	Good
Village officials have a good work attitude in financial management	4.15	Good
Variable Average X1	4.12	Good

Description of Internal Control System Variables (X2)

Internal Control System variables are measured using control environment indicators, risk assessment, control activities, information and communication, and monitoring.

Table 4.3 Results of Internal Control System Variables (X2)

Questions	Average	Category
There is Supervision of the Use of Village Funds	4.08	Good
The village government conducts a financial risk assessment	4.00	Good
Village financial management procedures run according to the rules	4.12	Good
Village financial information is well conveyed	4.01	Good
Financial management monitoring is carried out regularly	4.04	Good
Average Variable X2	4.05	Good

Description of Variables of Effectiveness of Village Financial Management (Y)

The variables of Village Financial Management Effectiveness are measured using indicators of transparency, accountability, participation, accuracy of budget use, and financial reporting.

Table 4.4 Results of Variables of Effectiveness of Village Financial Management (Y)

Questions	Average	Categories
Village financial management is carried out transparently	4.18	Good
The use of village funds can be accounted for	4.22	Excellent
The community participates in the supervision of village funds	4.05	Good
The use of the budget is in accordance with the needs of the village	4.16	Good
Village financial reporting is carried out on time	4.30	Excellent
Variable Average Y	4.18	Good

Research Results

The results of the research in this mini research were obtained through the distribution of questionnaires to 40 respondents consisting of village officials, village officials, the Village Consultative Body (BPD), and the community who understand the financial management of Bintan Buyu Village.

The data obtained was then processed using IBM SPSS Statistics to determine the influence of HR Competencies and Internal Control Systems on the Effectiveness of Village Financial Management.

Validity Test

Validity analysis is carried out to find out whether the question items in the questionnaire can accurately measure the research variables. Validity testing was carried out by comparing the calculated r value with the table r of 0.312 at a significance level of 5%.

Table 4.4.1 Validity Test Results

Question Items	r Count	r Table	Remarks
X1.1	0.701	0.312	Valid
X1.2	0.688	0.312	Valid
X1.3	0.745	0.312	Valid
X1.4	0.721	0.312	Valid
X2.1	0.734	0.312	Valid
X2.2	0.756	0.312	Valid
X2.3	0.710	0.312	Valid
X2.4	0.742	0.312	Valid
X2.5	0.725	0.312	Valid
Y1	0.776	0.312	Valid
Y2	0.781	0.312	Valid
Y3	0.744	0.312	Valid
Y4	0.758	0.312	Valid
Y5	0.790	0.312	Valid

In the table above, it is known that all question items have a calculated r value greater than the r of the table (0.312), so that all question items are declared valid and suitable for use in the research.

Reliability Test

A validity test is carried out to find out whether the question items on the questionnaire are valid or not.

Table 4.4.2 Reliability Test Results

Variable	Regression Coefficients	Sig
HR Competencies (X1)	0.821	Reliable
Internal Control System (X2)	0.846	Reliable
Effectiveness of Village Financial Management (Y)	0.857	Reliable

The results of the table above are known that all variables have a Cronbach Alpha value greater than 0.60 so that all research variables are declared reliable.

Multiple Linear Regression Analysis

A validity test is carried out to find out whether the question items on the questionnaire are valid or not.

Table 4.4.3 Multiple Linear Regression Results

Variable	**Cronbach Alpha**	**Remarks**
Constant		
HR Competencies (X1)		
Internal Control System (X2)		

Hypothesis Testing

Hypothesis testing in this study was carried out to determine the influence of HR Competencies and Internal Control Systems on the Effectiveness of Financial Management in Bintan Buyu Village. Hypothesis testing was carried out using a t-test (partial) and an f-test (simultaneous) with the help of the IBM SPSS Statistics application.

Results of the t test

The t-test is used to determine the influence of each partially independent variable on the dependent variable.

Table 4.4.5 Results of the t test

Variable	**t count**	**t table**	**Sig**	**Remarks**
HR Competency (X10	3.865	2.026	0.001	H1 Accepted
Internal Control System(X2)	3.421	2.026	0.002	H2 DI accepted

Based on the table above, it can be explained as follows:

The HR Competency variable (X1) has a calculated t value of 3,865 greater than the t table of 2,026 with a significance value of 0.001 < 0.05. This shows that human resource competence has a positive and significant effect on the Effectiveness of Financial Management in Bintan Buyu Village. Thus, the first hypothesis (H1) is accepted.

The Internal Control System (X2) variable has a calculated t value of 3.421 greater than the table t of 2.026 with a significance value of 0.002 < 0.05. This shows that the Internal Control System has a positive and significant effect on the Effectiveness of Financial Management in Bintan Buyu Village. Thus, the second hypothesis (H2) is accepted.

Test Results f

The f-test is used to determine the simultaneous influence of independent variables on dependent variables.

Table 4.4.6 Test Results f

Models	F Calculate	F Table	Sig	Remarks
Regression	28.761	3.25	0.000	H3 Accepted

Based on the table above, it is known that the calculated F value of 28,761 is greater than the F of the table of 3.25 with a significance value of 0.000 < 0.05. This shows that the Human Resources Competence and the Internal Control System simultaneously have a positive and significant effect on the Effectiveness of Financial Management in Bintan Buyu Village.

Thus, the third hypothesis (H3) is accepted.

Coefficient of Determination (R2)

The determination coefficient (R^2) is used to determine how much of the ability of independent variables, namely Human Resources Competence and Internal Control System, in explaining the dependent variable, namely the Effectiveness of Financial Management in Bintan Buyu Village.

Table 4.5 Determination Coefficient Results

Models	R	R Square	Adjusted	Std. Error of the Estimate
1	0.780	0.608	0.587	2.227

Based on the table above, it is known that the R Square value is 0.608 or 60.8%. This shows that the variables of Human Resources Competency and Internal Control System are able to explain the influence on the Effectiveness of Village Financial Management by 60.8%.

While the remaining 39.2% was influenced by other variables outside of this study, such as transparency, accountability, community participation, external supervision, and other factors that were not studied in this study.

The value of the determination coefficient shows that the relationship between independent variables and dependent variables in this study is included in the strong category.

DISCUSSION

According to the findings of this little study, the efficiency of financial management in Bintan Buyu Village is positively impacted by the proficiency of Human Resources (HR). This demonstrates how village officials' comprehension of village financial management can improve village fund management's efficacy.

Village authorities are more equipped to perform financial management duties like recording, reporting, and utilizing the village budget in compliance with relevant legislation when they have strong human resource competency. The results of this study are in accordance with the idea of Sedarmayanti (2017) which claims that human resource competency comprises of knowledge and skills that promote the success of work.

In addition, the internal control system also affects the effectiveness of village financial management. A good internal control system can help the village government in supervising the use of village funds so that financial management can run more orderly and transparently.

The findings of this study support Kurniawan's (2020) research, which claims that internal control systems improve public sector financial management.

The effectiveness of financial management in Bintan Buyu Village is influenced by both the internal control system and human resource competency, according to data analysis results. Therefore, in order to make village financial management more efficient and responsible, the village administration must enhance the caliber of its human resources and fortify its internal control system.

CONCLUSION

Based on the results of research on the influence of Human Resources (HR) competencies and internal control systems on the effectiveness of financial management in Bintan Buyu Village, it can be concluded that:

Human Resources (HR) competence has a positive effect on the effectiveness of financial management in Bintan Buyu Village. This shows that the better the ability of village officials to understand village financial management, the better the effectiveness of village financial management.

The internal control system has a positive effect on the effectiveness of financial management in Bintan Buyu Village. A good internal control system can help improve supervision and order in the management of village funds.

Human resource competencies and internal control systems together affect the effectiveness of financial management in Bintan Buyu Village. With competent human resources and a good internal control system, village financial management can run more effectively, transparently, and accountably.

SUGGESTIONS

1. For the Village Government

The Bintan Buyu Village Government is supposed to improve the competence of village authorities through training and coaching on village financial management. In addition, the village administration also has to develop the internal control system so that the management of village funds can function more effectively, openly, and accountably in compliance with applicable legislation.

2. For Village Apparatus

Village officials are expected to improve their ability and understanding of village financial management, especially in the preparation of financial reports and the use of the village financial administration system. In addition, village officials are also expected to be more thorough and responsible in managing village funds in order to create effective financial management and in accordance with applicable regulations.

3. For Village Apparatus

The researcher is further expected to develop this research by adding other variables related to village financial management, such as transparency, accountability, and community participation. In addition, researchers can also use a larger number of respondents so that the research results are more complete and accurate.

4. For the Community

The community is expected to participate in supervising the management of village funds and supporting village government programs so that the use of village funds can run transparently, on target, and provide benefits for the welfare of the people of Bintan Villag.

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