

The Influence of Human Resource Competency and Budget Preparation Participation on the Quality of Cibinong Hospital Financial Reports Using Information Technology as a Mediating Variable

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Article Info

Human Resource Competence, Budget Preparation Participation, Information Technology, Financial Report Quality

Abstract

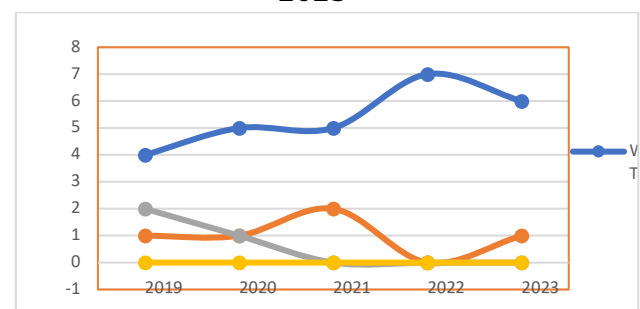
The need for accurate, reliable, and accountable financial reports continues to grow along with the increasing complexity of hospital services. High-quality financial reporting serves as a basis for decision-making. This study aims to analyze the influence of human resource competence and budget preparation participation on the quality of financial reports at Cibinong Regional General Hospital, with information technology utilization as a mediating variable. This research employs a quantitative approach using a questionnaire distributed to 30 respondents, selected through saturated sampling, representing all employees in the finance and budget realization division at Cibinong Regional General Hospital, Bogor Regency. Data were analyzed using Structural Equation Modeling (SEM) with SmartPLS to examine both direct and indirect relationships among variables. The results show that human resource competence and budget preparation participation have a positive and significant effect on the utilization of information technology. Human resource competence also has a significant effect on the quality of financial reports. However, budget preparation participation does not significantly affect financial report quality. Furthermore, information technology utilization has a positive and significant influence on financial report quality but does not mediate the relationship between human resource competence and financial report quality. These findings emphasize the importance of improving human resource competence and optimizing the use of information technology to enhance the quality of financial reporting at Cibinong Regional General Hospital.

Introduction

The quality of financial reporting is a critical aspect in enhancing transparency and accountability in the public sector, including regional hospitals. High-quality financial reports not only reflect the actual financial condition of an institution but also serve as a strategic decision-making tool and a form of accountability to the public and other relevant stakeholders. However, in practice, many organizations still face challenges in producing financial reports that meet established standards—particularly regarding timeliness, accuracy, and compliance with prevailing regulations. Common issues such as inaccurate recordkeeping, delays in report preparation, and errors in budget management reveal significant obstacles to achieving the desired standard of financial reporting. These challenges raise concerns regarding the extent to which the competence of human resources at

both operational and managerial levels contributes to the improvement of financial reporting quality. The following section presents a summary of the financial reports of Cibinong Regional Hospital over the past five years as a basis for further analysis:

Table 1.1.
Trends in Audit Opinions of Cibinong Regional Hospital's Financial Reports 2019-2023



Source : Report Cibinong Regional Hospital Finance

Table 1.1. The financial report data of Cibinong Regional Hospital over the past five years reveals fluctuating audit opinions. The Unqualified Opinion (WTP) showed a decline in 2023, while Qualified Opinion (WDP) and Disclaimer of Opinion (TMP) increased. These variations indicate persistent challenges in maintaining financial reporting quality and underline the need for further investigation into the factors influencing financial reporting standards within the hospital environment.

Several factors are suspected to influence the quality of financial reporting, including human resource (HR) competence, participation in budget preparation, and the use of information technology. HR competence plays a crucial role in financial management, particularly in accounting knowledge and budget management, to ensure that the financial reports produced comply with established standards.

Muhammad Fakhri (2021) emphasizes that *“a lack of understanding and application of accounting knowledge among personnel will negatively impact the quality of financial reporting, leading to errors or misstatements that render the reports non-compliant with applicable regulations.”* This finding is supported by studies from Delvina Yolanda & Rosananda Oktala (2022) and Abdul Rahman & Ayudhini Azzahra Permatasari (2021), which show that HR competence significantly and positively affects financial reporting quality. Conversely, poor HR competence often results in errors in financial recording and reporting, thereby undermining the relevance, accuracy, and reliability of the financial statements (Dimas Sudarta et al., 2022).

In addition, participation in budget preparation also plays a key role in enhancing the quality of financial reporting. Nurul Kusuma Astuti (2023) states that *“involving various stakeholders in the budgeting process enhances their understanding of resource allocation and budgeting goals, thereby minimizing the risk of misappropriation or misuse of funds.”* Active

participation is believed to produce more accurate and accountable financial reports that better reflect the institution's actual financial condition.

However, empirical findings on this factor remain mixed. While some studies confirm its significant influence, others report contrary results. For instance, research by Destipa Imelia, Sri Rahayu, and Wiralestari (2020) found that participation in budget preparation does not significantly affect financial reporting quality. These inconsistencies suggest the existence of a research gap that requires further exploration.

In the digital era, information technology utilization has emerged as a strategic factor in enhancing the efficiency, accuracy, and transparency of financial reporting. The use of accounting information systems can expedite data processing and reduce manual entry errors, ultimately improving report quality (Anisa Wulan et al., 2020). The Indonesian government, through Government Regulation No. 56 of 2005, also emphasizes the importance of technology utilization in regional financial management. At Cibinong Regional Hospital, the implementation of the Hospital Management Information System (SIMRS) and FinCARE application is expected to integrate business processes and accelerate financial report presentation.

Nevertheless, the effective use of technology largely depends on the competence of human resources and the level of participation in the budgeting process. Based on this, the present study aims to analyze the influence of HR competence and participation in budget preparation on the quality of financial reporting at Cibinong Regional Hospital, with information technology utilization as a mediating variable.

Literature Review

Grand Theory: Management

Management is a discipline that focuses on how to manage resources effectively and

efficiently to achieve specific goals. According to George R. Terry, management consists of the functions of **planning, organizing, directing,** and **controlling** (Aditama, 2020). In practice, management involves organizing and developing all available resources—including human resources—so they can operate optimally.

Henry Fayol and Oey Liang Lee emphasized that management is the art of planning and organizing resources, while Dessler (2017) identified five key managerial functions: **planning, organizing, staffing, leading,** and **controlling**. In the context of this study, management theory serves as the foundation for understanding the influence of human resource capabilities and technology utilization on public sector financial processes.

Middle Theory: Financial Management and Human Resource Management

Financial management refers to activities related to the acquisition and use of funds efficiently. The primary objective is to maximize organizational value through effective management of cash flow, budgeting, financial control, auditing, and reporting (Bambang Riyanto, 2022; Sutrisno, 2017). These functions are especially critical in the context of public hospitals, which manage large and complex financial resources.

Human resource management (HRM) focuses on the optimal management of employees to help the organization achieve its objectives. HRM covers processes such as recruitment, training, development, and performance evaluation. HR competence comprises knowledge, skills, and work attitudes that affect performance quality (Novitasari et al., 2021; Wibowo, 2016). Factors such as motivation, experience, organizational culture, and intellectual abilities also influence individual competence.

Applied Theories

1. Financial Report Quality

Financial report quality reflects the ability of financial statements to deliver **accurate, relevant, verifiable, reliable, understandable,** and **comparable** information (PP No. 71 of 2010). This information is crucial for decision-making and serves as a tool for public accountability (Ridzal et al., 2022). High-quality financial reporting is influenced by HR competence, information technology utilization, internal control systems, and stakeholder engagement.

According to PP No. 71 of 2010, characteristics of high-quality financial reporting include:

- **Relevance:** The information provided affects user decisions by helping them evaluate past and present events, predict future outcomes, and confirm or revise prior evaluations. It must be timely and complete.
- **Reliability:** Information must honestly reflect transactions and other events.
- **Verifiability:** Financial data should yield consistent results when tested by different parties.
- **Comparability:** Financial statements must present facts clearly and without distortion or material errors.
- **Understandability:** Financial reports must be easily understood by users and use terminology consistent with their level of comprehension.

2. Human Resource Competence

HR competence is defined as a combination of skills, knowledge, attitudes, characteristics, and motivation that enable individuals to perform optimally (Hardiningsih et al., 2020). Dessler (2017) explains competence as a personal characteristic demonstrated through knowledge, skills, and behaviors such as leadership. According to Zwell (in Wibowo, 2016), factors affecting HR competence include beliefs and values, skills, experience, personality traits, motivation, emotional intelligence, intellectual abilities, and

organizational culture. Indicators used to measure HR competence in this study include:

- **Skills**
- **Knowledge**
- **Self-concept**
- **Traits**
- **Motives**

(Wibowo, 2016; Destipa et al., 2020)

Higher levels of competence are associated with a greater ability to produce accurate and reliable financial reports.

3. Budget Preparation Participation

Participation in budget preparation refers to the active involvement of individuals in the planning and decision-making processes of organizational budgeting (Febria & Taufik, 2021). It is described as a process in which subordinates are given the opportunity to participate in budget formulation, influencing both the design and implementation phases (Kasmini & Dewi, 2021). Budget participation enhances the government's evaluation and control processes, increasing transparency and minimizing the risk of misallocation (Pratiwi et al., 2022). Key factors influencing participation include organizational culture, decentralization, organizational commitment, and external influences (Khasanah & Kristanti, 2020).

Indicators used to measure budget participation include:

- **Involvement:** Active engagement in budgeting work and viewing it as essential for self-worth.
- **Influence:** Contribution to and impact on budget outcomes.
- **Commitment:** Loyalty, responsibility, and discipline in participating in budget preparation.

4. Information Technology Utilization

Information technology (IT) utilization refers to the use of computer-based systems and tools to accelerate, simplify, and increase the reliability of financial processes (Sutarman in Anisa Wulan D. et al., 2020). It encompasses

the application of accounting software and digital tools in financial management (Debi Sintia et al., 2022).

Purnama (2020) defines IT utilization as the optimal use of computers, software, databases, networks, and e-commerce systems. According to Mauliyani (2023), several factors influence IT utilization:

- IT Infrastructure (e.g., fast internet and modern hardware)
- HR Skills in using IT
- Organizational Culture (open and collaborative cultures are more successful)
- Policies and Regulations (cybersecurity, data protection)
- Financial Resources (budget availability)
- Technology Complexity (ease of use)
- Management Support (commitment and resource allocation)
- Technology Trends (e.g., AI, IoT, cloud computing)

Based on the Technology Acceptance Model (TAM), the following indicators are used:

- **Work Acceleration:** Faster task completion due to IT use
- **Productivity Improvement:** Increased output in a given timeframe
- **Effectiveness:** The extent to which IT helps achieve objectives
- **Ease of Use:** Simplicity in learning and operating the system
- **Usefulness:** Perceived benefits of IT in enhancing job performance (Ariningsih et al., 2022)

Research Methodology

Research Sample

30 employees of the finance and budget realization division of Cibinong Regional General Hospital, Bogor Regency. The sample is member selected population with use procedure certain, so that expected can represent population, (Sugiyono, 2019). Number samples studied is 30 people.

Sampling Method

Sampling method used in study This is saturated sampling method . Saturated sampling method is technique taking sample in which all member population chosen as sample . This means that No There is element from neglected population , so that all individual in population become respondents in research . This technique often used on a relatively large population small .

Analysis Method

Data analysis methods used is Partial Least Squares Structural Equation Modeling (PLS-SEM). Analysis This chosen Because capable test connection between latent variables in simultaneous as well as in accordance for data with amount sample limited and complex research models

Model Specifications

1. Evaluation of Measurement Model (*Outer Model*)

Outer model was carried out to ensure that the measurement used worthy For made into measurement (valid and reliable). In this model analysis specify connection latent variables with the indicators .

According to Hair et al. (2018), the outer model is component from the path model showing connection between indicator with latent variables .

a. Validity Convergent Validity

Tested through loading factor value of each indicator to its construction , with minimum value of 0.7. The Average Variance Extracted (AVE) value must also be more from 0.5 to show variables capable explain more from 50% variance indicators.

b. Validity Discriminant Validity

Tested use cross loading value and Fornell-Larcker Criterion, where the indicator loading value on the construct must more tall compared to by loading on the construct others , (Nugroho, 2024).

c. Reliability

Tested with Composite Reliability (CR) and Cronbach's Alpha values , with minimum value of 0.7. This is show internal consistency between indicator in One construct .

2. Evaluation of the Structural Model (*Inner Model*)

Inner model Evaluation of the inner model is carried out to test the relationship between latent constructs. The inner model is measured with use a number of criteria that is :

a. F^2 For *effect size*

Essential tools in PLS-SEM analysis for assess the effect size of variables independent to variables dependent . With use F^2 value , researcher can evaluate and compare strength influence various construct in the model. Category or the parameters of F^2 are (0.02: small ; 0.15: medium ; 0.35: large) Chin (1998).

b. *Predictive Relevance Test* (Q^2) Q^2 gives information about how much good model can predict mark observation from endogenous (dependent) variables based on available data . $Q^2 > 0$: The model has good predictive relevance . $Q^2 \leq 0$: The model is less has predictive relevance, meaning the model does not can explain variance from endogenous variables in effective .

c. *Coefficient of Determination* R-Square (R^2)

The R-squared value shows how much big proportion variance from variables dependent (endogenous) which can explained by variables independent (exogenous) in the model. Based on literature , the R^2 value can categorized as following : (0.67: Strong; 0.33: Moderate ; 0.19: Weak) Criteria This proposed by Chin (1998) and often used in research using PLS- SEM for evaluate model quality .

d. *Goodness of Fit* Test

The model aims For test level suitability and feasibility of a research model .

Goodness of Fit can known through *Standard Root Mean Square Residual* (SRMR) is measure deviation standard from the residual. SRMR values below 0.10 are generally considered shows a good model (*fit*).

Thought Flow

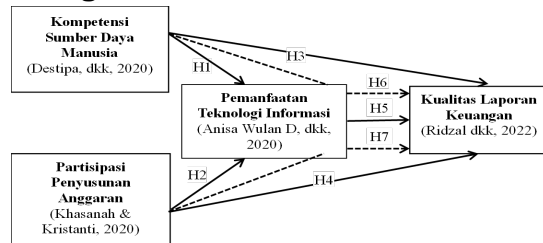


Figure 1.1. Thought Flow

Hypothesis Testing (*Bootstrapping*)

To assess the significance of the influence between variables, a bootstrapping procedure is necessary. The bootstrapping procedure uses the entire original sample for resampling. The hypothesis in this study uses a test level of $\alpha = 5\%$, so the hypothesis is accepted if the t-statistic is > 1.96 or the Sig. value is < 0.05 , based on the bootstrap resampling method.

Test Results And Discussion Description Respondents

Table 1.3. Characteristics Respondents

No	Description	Respondents (n)	Percent (%)
Characteristics Respondents based on Employee Status			
1	ASN	19	63.3
2	Non-ASN	11	36.7
	Amount	30	100.0
Frequency Distribution of Respondents by Gender			
1	Man	18	60.0
2	Woman	12	40.0
	Amount	30	100.00
Respondent Characteristics by Age			
1	17-30 Years	7	23.3
2	31-40 Years	15	50.0
3	41-50 Years	6	20.0
4	> 50 Years	2	6.7
	Amount	30	100.00
Respondent Characteristics Based on Education			
1	D3	4	13.3
2	S-1	23	76.7
3	S-2	3	10.0
	Amount	30	100.00
Respondent Characteristics Based on Length of Service			
1	≤ 5 Years	4	13.3
2	6-10 Years	9	30.0
3	11-20 Years	14	46.7
4	≥ 20 Years	3	10.0
	Amount	30	100.00

Source: Prime Data r

Based on data obtained from 30 respondents, the majority were ASN (State Civil

Apparatus) employees, amounting to 19 people or 63.3%, while the remaining 11 people

(36.7%) were non-ASN employees. In terms of gender, the respondents were predominantly male, amounting to 18 people (60%), while females numbered 12 people (40%). This indicates a predominance of male respondents in this study.

In terms of age, the majority of respondents were in the 31–40 age range, representing 15 people (50%). This was followed by 7 respondents (23.3%) in the 17–30 age group, 6 respondents (20%), and 2 respondents over 50 (6.7%). This distribution reflects that the majority of respondents were of productive age and likely have maturity in terms of work experience.

In terms of education level, the majority of respondents (23, or 76.7%) had completed a bachelor's degree (S-1). The remainder consisted of four diploma (D3) graduates

(13.3%) and three master's (S-2) graduates (10%). This indicates that respondents have a sufficient educational background to support their performance and understanding of their work.

Based on length of service, it is known that the majority of respondents have worked for 11–20 years, namely 14 people (46.7%). A total of 9 people (30%) have worked between 6–10 years, 4 people (13.3%) with a work period of ≤ 5 years, and 3 people (10%) have worked for 20 years or more. Based on this data, it can be concluded that the majority of respondents have extensive work experience, which certainly impacts the depth of their understanding of the work environment and policies implemented in the institutions where they work.

Data analysis

In the research This data collection was carried out with questionnaire and for evaluate validation from each statement item contained in questionnaire , researcher use technique processing data based PLS(Partial Least Square) with SEM (Structural Equation Modeling) method . In PLS(Partial Least Square) validity and reliability test is testing quality data outer model (*Measurement Model*). The following Loading Factor results after do re-estimate , all indicator has a loading factor > 0.7 which can seen in Figure 1.2. as following :

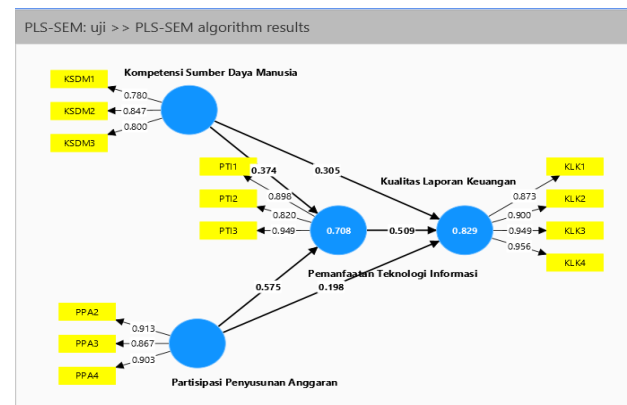


Figure 1.2. Outer Path Diagram of PLS Model Following This is table showing Summary of Outer Model Results (*Measurement Model*) validity and reliability :

Table 1.4.
Outer Model Results (*Measurement Model*)

Variables	Indicator	1 st Outer Loading	2nd Outer Loading	CA (0.7)	CR (>0.7) (rho_a)	CR (>0.7) (rho_c)	AVE (>0.5)	Validity	Reliability
Quality of Financial Reports	KLK1	0.874	0.873	0.742	0.766	0.851	0.655	Valid	Reliable
	KLK2	0.897	0.900						
	KLK3	0.949	0.949						
	KLK4	0.956	0.956						
Quality Human Resources	KSDM1	0.792	0.780	0.939	0.945	0.957	0.846	Valid	Reliable
	KSDM2	0.833	0.847						
	KSDM3	0.788	0.800						

Variables	Indicator	1 st Outer Loading	2nd Outer Loading	CA (0.7)	CR (>0.7) (rho_a)	CR (>0.7) (rho_c)	AVE (>0.5)	Validity	Reliability
Participation	PPA2	0.894	0.913	0.875	0.879	0.923	0.800	Valid	Reliable
Compilation	PPA3	0.857	0.867						
Budget	PPA4	0.876	0.903						
Utilization	PTI1	0.889	0.898	0.869	0.887	0.920	0.794	Valid	Reliable
Technology	PTI2	0.818	0.820						
Information	PTI3	0.952	0.949						

Source : Processed Primary Data , 2025

Based on table said, then can concluded that study This have good *convergent validity*, good discriminant *validity*, and internal *consistency* good *reliability*. As for testing against the inner model is done with stages following This :

1. Effect Size

In analysis (PLS-SEM), effect size or size influence used For know how much big contribution A construct independent to construct dependent in the model. The more big the value of f^2 , then the more strong influence variables independent in explain variables dependent

Table 1.5. F^2 Results

Construct	F-Square	Information
KSDM -> KLK	0.285	Influence Intermediate
KSDM -> PTI	0.335	Big Influence
PPA -> KLK	0.089	Little Influence
PPA -> PTI	0.791	Big Influence

Source : Processed Primary Data , 2025

2. Q^2 predict

Predictive relevance For represent synthesis

from *cross-validation* . The following Q^2 predict test results :

Table 1.6. Q^2 Results

Indicator	Q^2 predict	Ability Prediction
KLK1	0.389	Moderate (good)
KLK2	0.443	High (very good)
KLK3	0.529	High (very good)
KLK4	0.611	High (very good)
PTI1	0.644	High (very good)
PTI2	0.138	Low
PTI3	0.441	High (very good)

Source : Processed Primary Data , 2024

3. Coefficient of Determination (R^2)

Analysis variants or determination test aim For know how much big influence

variables independent to variables dependent. Coefficient value determination from study This as shown in table 1.7. following :

Table 1.7. R² Results

Variables	R ²	Coefficient determination
Quality Report Finance	0.829	High (very good)
Utilization Technology Information	0.708	High (very good)

Source : Processed Primary Data , 2025

Based on the table above , the R-Square (R²) value shows that construct Quality Report Finance has an R² of 0.829 and Utilization Technology Information of 0.708. This means that each variable can explained by other constructs in the model by 82.9% and 70.8%, both mark the including category strong , so that can used and have ability high and reasonable predictive in explain connection between variable .

4. Goodness of Fit

The Goodness of fit value based on the Fit Model can be seen from SRMR value . The following model fit results :

Table 1.8 . Model Fit Test Results

	Saturated model	Estimated model
SRMR	0.083	0.083
d_ULS	0.623	0.623
d_G	0.933	0.933
Chi-square	122,313	122,313
NFI	0.712	0.712

Source : Processed Primary Data , 2025

Based on the table above SRMR value for Saturated model 0.083 and Estimated model 0.083 below 0.10 means can concluded have a fit model.

Descriptive Analysis

Descriptive Analysis of Research Variables

Descriptive analysis was conducted to determine the minimum, maximum, and average values of each research variable. The measurement scale ranged from 1 (strongly disagree) to 5 (strongly agree). Data were

obtained from 30 respondents using a Likert scale.

The analysis includes four main variables:

1. **Human Resource Competence**, measured by the indicators: skills, knowledge, self-concept, traits, and motives.
2. **Budget Preparation Participation**, measured by: involvement, influence, and commitment.
3. **Financial Report Quality**, measured by: relevance, reliability, verifiability, comparability, and understandability.
4. **Information Technology Utilization**, measured by: work acceleration, productivity, effectiveness, ease of use, and usefulness.

The descriptive results for each variable are as follows:

1. **Human Resource Competence**
The average score for this variable ranged from **4.20 to 4.80**, which falls into the **"Very High"** category. This indicates that the majority of employees perceive themselves as having adequate skills and a strong understanding of their roles and responsibilities, particularly in relation to financial reporting accuracy and reliability.
2. **Budget Preparation Participation**
The average score ranged from **3.63 to 4.57**, which is categorized as **"High to Very High"**. These results suggest that employees actively participate in the budgeting process and demonstrate a sufficient understanding of their roles in financial planning and budget implementation.
3. **Information Technology Utilization**
The average score ranged from **3.80 to 4.67**, which is also within the **"High to**

Very High" range. This reflects that most employees acknowledge the real benefits of information technology in their work. However, there is still room for improvement, especially in aspects related to enhancing transparency and accountability.

4. **Financial Report Quality**
The average score ranged from **4.03 to 4.50**, indicating a **"High to Very High"**

level. This suggests that the financial reports produced generally meet quality standards in terms of clarity, accuracy, and comprehensibility. Nevertheless, improvements are still needed in ensuring the relevance of information for report users.

Hypothesis Testing

Table 1.9.
Bootstrapping results (Path Coefficient, Mean , STDEV, T- Statistics and P- Values

Variables	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Competence Human Resources - > Quality Report Finance	0.305	0.319	0.150	2,038	0.042
Competence Human Resources - > Utilization Technology Information	0.374	0.409	0.165	2,271	0.023
Participation Compilation Budget -> Quality Report Finance	0.198	0.227	0.166	1,189	0.235
Participation Compilation Budget -> Utilization Technology Information	0.575	0.545	0.148	3,880	0.000
Utilization Technology Information -> Quality Report Finance	0.509	0.462	0.176	2,886	0.004

Source : Processed Primary Data , 2025

Table 1.10.
Mediation Analysis Results (Indirect Effect)

Indicator	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
KSDM -> PTI -> KLK	0.191	0.192	0.110	1,733	0.083
PPA -> PTI -> KLK	0.293	0.248	0.113	2,591	0.010

Source : Processed Primary Data , 2025

Based on the table above testing analysis mediation done with testing effect direct effect

between variables dependent with variables mediation and effects No direct (indirect effect)

between variables independent with variables dependents who pass through variables mediation .

Based on the above can concluded that results testing hypothesis is as following :

- H1: Competence source Power man influential to utilization technology Cibinong Regional General Hospital information .
- H2: P participation compilation budget influential to utilization technology Cibinong Regional General Hospital information .
- H3: Competence source Power man influential quality report finances of Cibinong Regional General Hospital.
- H4: Participation compilation budget No influential to quality report finances of Cibinong Regional General Hospital.
- H5: Utilization technology information influential to quality report finances of Cibinong Regional General Hospital.
- H6: Utilization technology information No can mediate competence source Power man to to quality report finances of Cibinong Regional General Hospital.
- H7: Utilization technology information can mediate competence source Power man to to quality report finances of Cibinong Regional General Hospital.

Discussion

1. The Influence of Human Resource Competence on the Utilization of Information Technology at Cibinong Regional Hospital

The results show that human resource (HR) competence has a significant positive effect on the utilization of information technology, with a **t-statistic of 2.271** and **p-value of 0.023**. This indicates that employees with higher knowledge, skills, and technical abilities are more capable of effectively utilizing information technology systems.

This finding aligns with previous studies, such as Camelia and Numberi (2022), which showed that HR competence positively influences the implementation of accounting

systems as part of information technology utilization in financial reporting. At Cibinong Regional Hospital, the ongoing digital transformation—such as the implementation of SIMRS (Hospital Management Information System), electronic medical records, and e-prescribing systems—requires strong employee competencies to ensure successful adoption and use of these technologies.

2. The Influence of Budget Preparation Participation on the Utilization of Information Technology

Participation in budget preparation also significantly influences the utilization of information technology, with a **t-statistic of 3.880** and **p-value of 0.000**. The findings suggest that higher employee involvement in budget formulation contributes to more optimal utilization of information technology in the workplace.

Wahyudi (2020) similarly found that participatory budgeting positively affects the use of financial information systems in village governance. At Cibinong Regional Hospital, a participatory approach to budgeting has been implemented, allowing medical and administrative units to propose system improvements or technology procurement. However, to ensure sustained success, participation must be accompanied by proper training, adequate infrastructure, and an effective monitoring system.

3. The Influence of Human Resource Competence on the Quality of Financial Reports

The study also finds that HR competence significantly influences the quality of financial reports, with a **t-statistic of 2.038** and **p-value of 0.042**. Competent employees are better able to prepare financial reports that are accurate, timely, and compliant with standards. This reflects professionalism and transparency in financial responsibilities.

These findings are supported by Delvina Yolanda (2022), Abdul Rahman (2021), and Lailatul Chairiyah Annisa (2023), who emphasize the importance of staff competence

in ensuring accountability in public financial reporting. However, Istiqomah Shinta Philadelphia (2020) found that HR competence is not always a dominant factor, as other variables may play a more significant role.

In the context of public service institutions like Cibinong Regional Hospital, high-quality financial reports are essential to ensure budget transparency and efficiency. Therefore, continuous improvement in HR competence through training and coaching is critical.

4. The Influence of Budget Preparation Participation on the Quality of Financial Reports

The participation variable does not have a significant effect on financial report quality, as indicated by a **t-statistic of 1.189** and **p-value of 0.235**. This suggests that employee involvement in budgeting does not directly improve the quality of financial reports.

This result is consistent with Destipa Imelia (2020), who argues that financial reporting quality is more affected by the technology used rather than the level of participation. However, it contradicts studies by Nurul Kusuma (2023) and Pratiwi et al. (2022), which show a significant positive relationship.

At Cibinong Regional Hospital, budgeting participation is still mostly administrative and does not fully integrate financial reporting understanding. Additionally, employees involved in budgeting are often not directly engaged in financial reporting. Greater integration between planning and reporting processes is therefore necessary.

5. The Influence of Information Technology Utilization on Financial Report Quality

Utilization of information technology significantly affects financial report quality, with a **t-statistic of 2.886** and **p-value of 0.004**. This means that effective use of IT systems enhances data accuracy, timeliness, and ease of access, leading to higher report quality. This finding supports research by Destipa Imelia (2020) and Anisa Wulan (2020), which showed that IT use improves financial transparency and

accountability. However, it contrasts with M. Dhimas (2020), who found that IT use does not always yield significant results due to user readiness and system resistance.

At Cibinong Regional Hospital, financial systems are now application-based. However, the effective use of technology depends on the users' competence. Therefore, training and mentoring are essential to maximize the benefits of IT in reporting.

6. The Mediating Role of Information Technology Utilization between HR Competence and Financial Report Quality

The results indicate that information technology does **not** significantly mediate the relationship between HR competence and financial report quality, with a **t-statistic of 1.733** and **p-value of 0.083**. This suggests that while HR competence is essential, it does not automatically translate into better reporting through IT use.

This finding is consistent with Ulvia Juniarti et al. (2022), who argue that HR competence does not always lead to effective IT utilization. Conversely, Rizka S.A. (2021) found that IT acts as a bridge between competence and report quality. The mixed results indicate that organizational context and internal readiness significantly influence IT's mediating role. At Cibinong Regional Hospital, although many employees are competent, some still struggle with new systems, limiting the impact of IT use. Hence, technical training and a strong tech-based work culture are necessary to realize IT's full mediating potential.

7. The Mediating Role of Information Technology Utilization between Budget Participation and Financial Report Quality

The study finds that information technology **does** significantly mediate the relationship between budget preparation participation and financial report quality, with a **t-statistic of 2.591** and **p-value of 0.010**. This suggests that participatory budgeting, when supported by IT, leads to improved financial reporting.

This aligns with Hindira Widiastri (2017), who found that budgeting participation influences reporting performance through accounting information systems. However, Ulvia Juniarti et al. (2017) reported otherwise, noting that IT did not significantly enhance financial management effectiveness.

At Cibinong Regional Hospital, technology use in budgeting and reporting allows for better data integration and real-time monitoring. Despite challenges, consistent support for IT utilization ensures it functions effectively as a mediator.

Managerial Implications

Based on the findings, several managerial actions are recommended:

1. **Strengthen HR Competencies** through continuous training, certification, and capacity building in both accounting and IT.
2. **Enhance Budget Participation**, not only for inclusion but also to link planning directly to financial reporting processes.
3. **Optimize IT Utilization** by investing in accessible, integrated systems, and ensuring users are trained adequately.
4. **Parallel Development** of HR competence and IT infrastructure, since IT does not mediate HR competence directly.
5. **Periodic Evaluation** of policies with measurable indicators to monitor progress in improving financial report quality.

Conclusion

This study generated several findings that address the formulated research problems, namely:

1. Human resource competence has a **positive and significant** influence on the utilization of information technology.
2. Participation in budget preparation has a **positive and significant** influence on the utilization of information technology.
3. Human resource competence has a **significant** effect on the quality of financial reporting.
4. Participation in budget preparation does **not** have a significant effect on the quality of

financial reports at Cibinong Regional Hospital.

5. The utilization of information technology has a **positive and significant** influence on the quality of financial reports at Cibinong Regional Hospital.
6. The utilization of information technology does **not** mediate the effect of human resource competence on financial report quality.
7. The utilization of information technology **mediates** the effect of participation in budget preparation on the quality of financial reports at Cibinong Regional Hospital.

Suggestions

Based on the results, this study provides the following strategic recommendations for institutional improvement:

1. Enhance employee technical competence through targeted training on the use of financial technology applications, to bridge the gap between basic HR capabilities and the integration of digital systems in financial reporting.
2. Optimize the use of information technology during the budget preparation process by implementing collaborative and integrated digital platforms.
3. Strengthen employee participation in budgeting processes by ensuring it is substantive and data-driven, rather than merely administrative or procedural.
4. Future studies are recommended to employ qualitative approaches or include moderating variables such as organizational culture to gain deeper insights into the role of technology in public health institutions.
5. Expanding the population and sample size is crucial to increase the validity and generalizability of findings, as this study was limited to 30 respondents from a single institution.

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