The Role of Quality Assurance (QA) in Maintaining the Quality of the Appraisers of Government Assets in the Directorate General of State Assets (DJKN)

Doni Triono

State Finance Polytechnic-STAN, Tangerang Selatan, Indonesia
dony_triono@pknstan.ac.id

Abstract: This study is aimed at finding out the extent the role of the implementation of Quality Assurance (QA) plays at the Directorate General of State Assets (DJKN). The implementation of Quality Assurance (QA) is expected to provide assurance on the quality of assessment in the directorate. Therefore, it is necessary to evaluate the implementation of quality assurance to ascertain the extent of the influence of quality assurance on the quality of the assessment. In this research the method employed was Focus Group Discussion (FGD) and Analytical Hierarchy Process (AHP). The implementation of quality assurance evaluation will assist decision makers, in this case the Director General of State Assets (DJKN), in developing and improving the competence of the directorate's appraisers in the future. Quality assurance is proven to be effective in improving the quality of the appraisal, then it can serve as a benchmark for the other unit's appraisers in ensuring the quality of their assessment. Quality Assurance (QA) assessment to maintain the quality of appraisers in DJKN has been appropriately implemented. The assessment measures: 1. Understanding of appraisal theory, 2. Quality of assessment result, and 3. Ability to communicate and argue. DJKN can continue administering quality assurance assessment and for other institutions having functional position of appraiser can benchmark their quality assurance assessment with DKJN's good practice.

1 INTRODUCTION

DJKN is an Echelon I unit under the Ministry of Finance that performs the duties and functions of the Ministry of Finance in the field of State Asset Management. The purpose of State Asset Management is to realize the ordering and management of state assets that are orderly, accountable and transparent. This is a formidable challenge considering the value of state owned property from year to year always increases significantly. This means that the scope, responsibilities and problems DJKN has to face is increasing.

Within the first five years since its establishment in 2006, DKJN has focused on the activities to control the state-owned properties through inventory and assessment activities. Most of the resources in the form of budget and human resources both at head office, regional office and the state wealth service and auction office (KPKNL) are directed to complete

national program which become not only the DJKN's responsibility, but also ministry of finance and even the government of the Republic of Indonesia.

The main benefits of the inventory and appraisal of the state-owned properties for DJKN do not only result in the unqualified opinion of the Supreme Audit Agency (BPK) on the Central Government Financial Report but also in the availability of accurate BMN data throughout the Government Work Units which in total number about 2000 units. The inventory and appraisal of the state-owned properties provide an overview for the asset managers-that is the head of DJKN at the head office, in the regional office and in KPKNL-to see the real condition of the state-owned properties that they manage. In performing the inventory and appraisal, the real goal is to realize the optimal management of the state assets and make the values of state-owned properties as references for various purposes.

To support the scope of these large and broad assessment tasks, it is necessary to map the strength

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of the appraisal human resources in the DJKN, so that the assessment tasks assigned to the appraisers can be completed properly. The following is the data composition of appraisers in the DJKN:

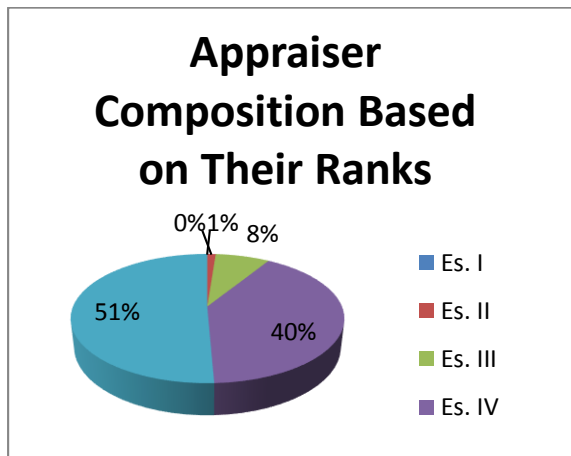## Appraiser Composition Based on Their Ranks

Figure 1: Appraiser composition based on their ranks.

Based on the rank level of the appraiser, figure 1 shows that 40% of the appraisers are Echelon I, and 0% is Echelon IV.
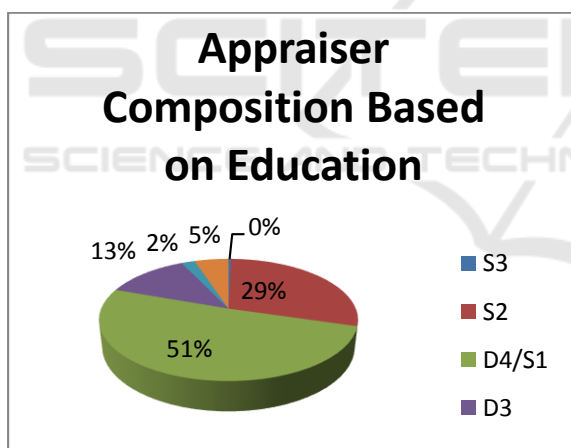
Appraiser Composition Based on Education

Figure 2: Appraiser composition based on education level.

Based on the education level, figure 2 shows that 51% of the appraisers are D4 / S1 graduates, and 0% is D1 holder.
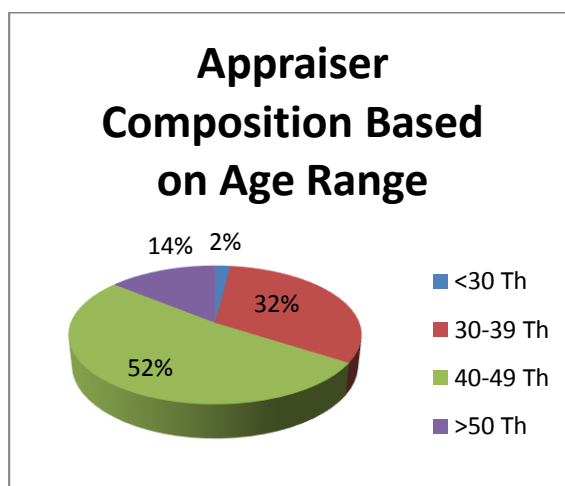
Appraiser Composition Based on Age Range

Figure 3: Appraiser composition based on age range.

Figure 3 shows that 52% of the appraisers are in the age range of 40-49, and 2 % of them are < 30 years old.

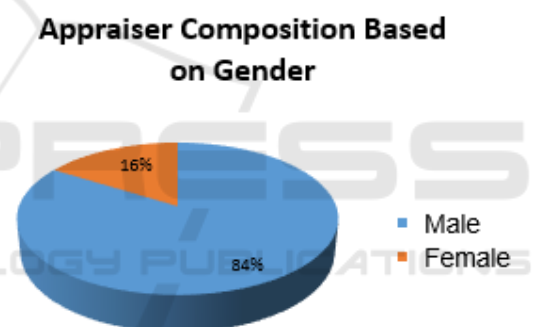### Appraiser Composition Based on Gender

Figure 4: Appraiser composition based on gender.

Figure. 4 shows that 84% of the appraisers are male and 16% are female.

From the figures above we learn that the majority of DJKN's assessors are men with age range between 40-49 years old holding D4/Bachelor degrees with status as executors. In addition to the sufficient number of assessors, the competency factor is also very necessary to ensure the quality of the appraisers. Therefore, DJKN exerts efforts to make sure their appraisers always have sufficient quality or competence that can guarantee qualified (accurate) appraisal. One of the efforts to maintain the quality of government's asset valuation in DJKN is through the implementation of Quality Assurance (QA) by its appraisers. The results of this activity can be used to map to the quality of the appraisers which further is used for consideration in formulating policies related to quality improvement and guidance. Quality

Assurance is conducted as a means to evaluate the understanding of an appraiser in the assessment so that the resulting value can be accounted for. In the end, following quality assurance is expected to make DJKN appraisers professional and qualified.

Nonetheless, the results of the site on site and the review of the assessment report still indicate mistakes in the preparation of the appraisal report. This is the background of the importance of further research on the role of Quality Assurance (QA) in maintaining the quality of the government's asset appraisers of DJKN.

2 LITERATURE REVIEW

2.1 Understanding Quality Assurance (QA)

In general, the definition of Quality Assurance (QA) includes monitoring, testing and examining all production processes involved in the production of a product. Quality assurance ensures that all quality standards are met by every component of the product or service the company provides. Quality Assurance (QA) has the main duties and responsibilities associated with the role of quality assurance. Although the exact nature of the quality assurance work varies according to particular industry, the key tasks and competencies are intertwined so as to ensure that the products meet the required quality standards or are delivered in accordance with company standards.

2.2 Responsibilities of Quality Assurance

In general, quality assurance is responsible for ensuring the product or service meets the specified standards including the reliability, utility, performance and general quality standards set by the company.

Detailed Duties and Responsibilities of Quality Assurance:
▪ Having the main duty to plan the procedures of the quality assurance of a product or service;
▪ Interpreting and applying quality assurance standards;
▪ Evaluating the adequacy of quality assurance standards;
▪ Designing samples of procedures and instructions for recording and reporting quality data;

▪ Reviewing the implementation and efficiency of the quality and inspection of the system to run as planned, implementing and monitoring test and inspection of materials and products to ensure the quality of the finished products;
▪ Documenting internal audits and other quality assurance activities;
▪ Collecting and compiling data of quality statistic;
▪ Analyzing data to identify areas for improvement in the quality system;
▪ Developing, recommending and monitoring corrective and preventive actions;
▪ Identifying training needs and organizing training interventions to meet quality standards;
▪ Evaluating audit findings and applying appropriate corrective actions;
▪ Managing and reviewing risk management activities;
▪ Ensuring continuous compliance with industry's defined quality and regulations.

Things a quality assurance personnel should have:
▪ Customer service orientation;
▪ Meticulous;
▪ Details;
▪ Tactful both in oral and written communication;
▪ Having ability in data collection;
▪ Management and analysis;
▪ Having ability to analyze and solve problem, to plan and organize decisions, and to make decisions;
▪ Team player.

3 METHODOLOGY

This research is designed to be both qualitative and quantitative in nature. This research used primary and secondary data. The primary data were obtained from Focus Discussion Group (FGD), interview, and questionnaires. Secondary data were obtained from institutions or government institutions. This research is a case study research. Events analyzed were the implementation of quality assurance at the Directorate General of State Assets (DJKN). The method used was descriptive. According to Nazir (2009), descriptive method is a method in examining the status of a group of people, an object, a set of conditions, a system of thought or a class of events in the present. The purpose of this descriptive research is to make a systematic, factual, and accurate description or illustration about the facts, properties and relationships between the phenomena under investigation. The object of this research was the

quality assurance at Directorate General of State Assets (DJKN).

The research type is qualitative with the primary data taken from various sources or informants. The qualitative research was conducted at the same time when qualitative survey was taking place in 07 August 2017. The compilation of the documentation of the qualitative research results and result analysis were conducted since 04 September 2017. The descriptive-qualitative research method chosen was focused group discussion (FGD).

The research method emphasized more on interview, triangulation process and FGD. Through FGD, discussion and group dynamics were expected to occur so that the conclusions obtained are not individual opinions but the opinions of a group. Each FGD was estimated to last between 1-2 and 5 hours. The researcher's role in this FGD was as a facilitator who guided the discussion. The documentation of FGD implementation was done by using recorder, camera and notes.

As descriptive-qualitative research method used was focused-group discussion, the author employed the method of Analytical Hierarchy Process (AHP) to process the data. The AHP method is a model of decision-making developed by Thomas L. Saby to address complex multi-factor problems. The AHP method is highly relevant as a method to solve unstructured and dynamic complex situation. (Wan Usman, 2004). This method is a comprehensive method in decision or policy making, which occurs in the decision making process of evaluation analysis of quality assurance at the Directorate General of State Assets (DJKN) as the focus of this research.

As expressed by Saaty in Wan Usman (2004), decision making in a dynamic and rapidly developing world is a major challenge. The complexity of decision-making issues lies not only in the uncertainty of information, but also in the very complex problem we face in which many factors are related. When a decision was to be made, there are typically three conditions or situations encountered, based on the degree of outcome certainty that follows, namely:

▪ Decision making under uncertainty, referring to situations where there are more than one possible outcomes of a decision, and the probability of each possibility is unknown;
▪ Decision-making at risk, referring to situations where there are more than one possible outcomes of a decision, and the probability of each outcome are known or predictable by the decision maker;
▪ Decisions under conditions of certainty, referring to situations where there is only one possible outcome of a decision, and these results are precisely ascertained to the decision maker.

4 RESULTS AND DISCUSSION

4.1 FGD Result Analysis

The objective of FGD was to formulate initiatives that could be undertaken to evaluate quality assurance at the Directorate General of State Assets (DJKN). In order to achieve these objective, FGD identified the specific issues related to quality assurance at the Directorate General of State Assets (DJKN) whose solutions would then be endeavored.

Some important questions to be answered from the discussion are:
▪ How was the implementation of quality assurance at the Directorate General of State Assets (DJKN) evaluated?
▪ How does quality assurance influence the Directorate General of State Assets (DJKN) on its efforts to maintain the quality of the appraisers?

FGDs were conducted in 2 phases employing 2 different interrelated methods. The first phase was a discussion panel aiming at establishing the same viewpoints with regard to the conditions of quality assurance by providing an overview to the FGD's participants from the quality assurance staffs of the Directorate General of State Assets (DJKN). Such understanding was very important in the second stage of FGD.
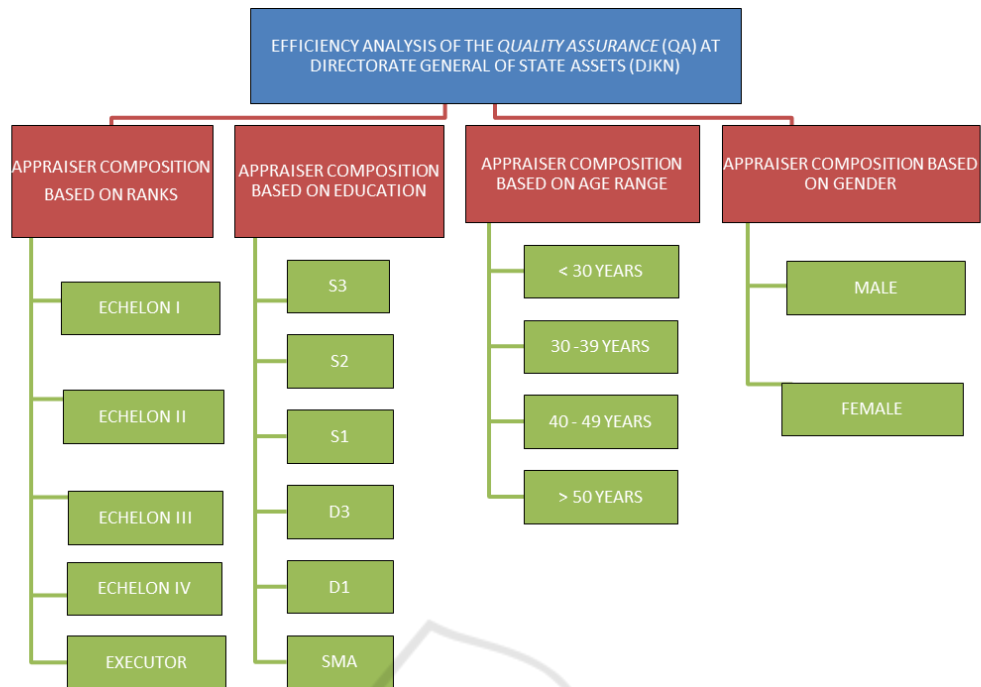
Figure 5: Hierarchy method.
Source: Data Process.

The second phase of FGD was done by employing Zielorientierte Projektplanung (ZOPP) or Object Oriented Project Planning. ZOPP was developed by German International Cooperation, a development cooperation agency funded by the Government of the Federal Republic of Germany. This method's characteristics help build a positive FGD atmosphere. This method allows a gradual FGD's planning procedure, use of visualization, participation and team work, and the optimization of the knowledge of FGD participants during brainstorming / discussion guided by moderator.

Using "if ... then ..." approach, commonly called the result chain, the ZOPP method guides participants to construct a logical framework starting from the execution of activities / interventions to achievement of the stated objectives. The series of activities taking place during the FGDs are expected to involve a wide range of stakeholder levels, ranging from target groups, support groups, and policy authorities. Activities carried out will produce an output and if the various outputs of those series of activities are utilized by the corresponding stakeholders, they will achieve intermediary objectives. Finally, if the goal can be achieved, then the final goal can be achieved.

ZOPP is implemented in 5 (five) stages:

- Problem analysis, which is the process of identifying all undesirable circumstances to achieve the objectives, arranged in a causal relationship in the form of problem tree until it can be summed up root cause and core problem.
- Objective Analysis, a stage where participants formulate the future conditions expected to be achieved in order to realize the project objectives and arrange them in a logical hierarchy to form a goal tree (objectives tree).
- Alternative analysis, referring to the selection of several options of the result chain in order to choose the strategy.
- Role analysis, in which the mapping of stakeholders (groups, organizations / institutions, individuals etc.) related to or having interest in the project is done by recognizing their own interests / priorities, potentials / weaknesses or barriers.
- Project planning matrix (MPP), referring to a guideline for project implementation and supervision. MPP explains the aims and objectives of the project, the outputs it wants to generate, the activities undertaken to achieve output, the outside factors to be monitored, the objective measures (indicators) to assess success, the source of information to obtain the

indicator, and the means and costs necessary to carry out those activities.

However, this research only ran two FGD stages, problem analysis and alternative analysis. The FGD was held in August 2017 at the office of the Directorate General of State Assets (DJKN).

4.2 Assessment Process

In general the assessment process covers the following activities:

- Determining appraisal objectives;
- Determining appraisal methods;
- Data collection;
- Data analysis;
- Value determination;
- Composing the assessment report.

In conducting the assessment, an appraiser should have sufficient knowledge of appraisal theories. In addition, to successfully do the appraisal, the appraiser is also required to understand the appraisal tools prepared by DJKN. In an effort to assist and improve the quality of the results of the appraisal, DJKN has made various assessment tools outlined in the form of regulations (Regulation of the Minister of Finance, Regulation of the Director General of State Assets, and Circular of the Director General of State Assets). The rules are structured to facilitate the assessors in conducting the assessment. The appraisal tools contain detailed assessment guides that are organized according to the type of object and purpose of the appraisal. Therefore, in order for the results of the appraisal to remain qualified, the appraisers must understand the basics of appraisal along with its appraisal tools and apply them in the appraisal process.

4.3 The Policy Basis on the Implementation of Quality Assurance (QA)

The competency of an assessor is largely determined by how well the appraisal recruitment process is carried out. A good recruitment process to fill the position is the one undertaken under the terms of the required competency. To have an appraiser with the desired competencies, DJKN applies several requirements the prospective appraisers have to fulfill. Those requirements are:

- Civil Servant of DJKN;
- Physically and mentally healthy;
- Being the holder of Strata I / Sarjana certificate;

- Never been subjected to disciplinary penalties in the last 3 (three) years;
- Having passed appraisal training with a minimum of 200 hours training practice;
- Having competency as an appraisal, evidenced by the letter of recommendation from the Director.

In order to gain a recommendation from the Director of DJKN Appraisal, the appraiser candidate will be tested in advance or undergo a competency verification test which is conducted in the form of:

- Written test, which tests the candidate's knowledge of appraisal theory. Through this written examination, the candidate's understanding of the appraisal theories will be unveiled;
- Interview. Before becoming an appraiser, usually a DJKN employee has ever participated as a team member for an appraisal project. This happens in accordance with existing regulations. So before being appointed as an appraiser a DJKN employee is likely to have appraisal experience. This interview is meant to find out and explore further on the candidate's past experience and understanding of any related appraisal theories.

After passing the written examination and interview process, the DJKN's Director of Appraisal will decide whether to give or not the recommendation to the prospective appraiser.

The legal basis for the implementation of Quality Assurance is the Regulation of the Minister of Finance Number 64 / PMK.06 / 2016 pertaining the Government Appraiser within the Directorate General of State Assets, article 24 paragraph 1, stating that: The Director carries out the appraisal of Appraisers of the Directorate General at Head Office, Regional Office, and Service Office in the forms of:

- Technical guidance on the implementation of Appraisal;
- Appraisal Performance Analysis;
- Improvement of the Quality of Appraisers; and
- Periodical Assessment of the Competency Level of Appraisers.

To carry out the legislation mandate, DJKN uses quality assurance as a means to guide all DJKN assessors.

The Quality Assurance (QA) assessment given to all DJKN assessors is implemented in the following manner:

- Written test, testing participants about appraisal theory. This written examination will measure how far the prospective appraisers understand the theories of the appraisal;

- The presentation of the assessment report candidate ever made. In this process the prospective appraiser will present the assessment report they have ever made, and then their assessment reports will undergo a desk review and be discussed from the points of view of the appraisal theory and regulation. Doing this we can know the quality of the appraisal works ever done. In addition, this presentation session will also unveil other capabilities of the prospective appraisers that is their ability to communicate and argue. The presentation of the new appraisal report has started since 2016.

The written test consists of 180 questions which have to be completed in 120 minute. The components of questions and the weighting of quality assurance assessment are as follows:

- Theory and practice   : 100 questions;
- Appraisal report   : 30 questions;
- Law and regulation   : 50 questions.

After completing the tests, each prospective appraiser will receive appraiser competency score with the following criteria:

- 80-100   : Very good;
- 70-79   : Good;
- 60-69   : Sufficient;
- 40-59   : Need Improvement;
- <40   : Less Competence.

The data competence assessors DJKN nationally are as follows:

- Very good   : 2,2%
- Good   : 17,2%
- Sufficient   : 40,5%
- Needs to be improved : 36,6%
- Less   : 3,2%

4.4 Conformity of Assessment Tasks to Quality Assurance

Viewed from the appraisal process and conducted by the DJKN appraiser, the competencies DJKN assessors must have include:

- Competency in data retrieval;
- Competency in data analysis;
- Competency in the use of assessment tools;
- Competency in determining appraisal results;
- Competency in appraisal report preparation

These competencies can be gained through self-learning process, training and work experience. Quality Assurance method enables DJKN to gauge all its assessor's competence better and more objectively, so that the result of quality assurance implemented by DJKN really reflects the competency of its existing appraisers.

4.5 Field Constraints

The constraints faced by DJKN appraisers related to the implementation of quality assurance are:

- Regarding the questions given in quality assurance, some participants felt that some of the questions given when Quality Assurance (QA) were a bit tricky;
- Practically speaking, only some of the assessment theories and assessment tools are used when conducting field appraisal, but in quality assurance test all assessment theories are tested. For this reason, the participants felt that the test during was too heavy difficult.

On the organizer side, the constraints faced during the administration of the quality assurance test were:

- Cost, which was due to the fact that the administration of quality assurance was conducted for all DJKN appraisers, involving around 1200 people spread throughout Indonesia.
- Geographic. The centralized administration of quality assurance test caused great difficulty. This is reasonable due to our country being a vast territory and thus causing transportation problem as some participants could not easily reach the assessment site. It would be wise to decentralize the quality assurance assessment based on the location of DKJN regional offices. Decentralization allows the assessment executing officer at the DJKN head office to simultaneously conduct quality assurance assessment.
- Database of problem questions. Tremendous efforts are called for as there is a growing need to keep the problem questions updated with the development of existing the quality assurance assessment theories and regulations.

5 CONCLUSIONS

Quality Assurance (QA) assessment to maintain the quality of appraisers in DJKN has been appropriately implemented. The assessment measures:

- Understanding of appraisal theory;
- Quality of assessment result;
- Ability to communicate and argue.

DJKN can continue administering quality assurance assessment. Other institutions having functional position of appraiser can benchmark their quality assurance assessment with DKJN's good practice. Nevertheless, in order to improve the

implementation of quality assurance assessment by DJKN, it is suggested that:

- The problem questions should be developed in such a way that they exactly measure the competencies of the prospective appraisers. The current question problems in quality assurance assessment are not related to the substance of the question, but rather to the way or the rules.
- It is necessary to create a special team or working group consisting of academicians and practitioners with the task to develop problem questions for quality assurance assessment, so that assessment problems and their preparation principles can be substantially improved.
- The task ahead of DJKN is to consider how to make the appraisers, especially those assigned in the regional offices, not only proficient in performing field appraisal but also avid learners to keep themselves abreast with the development of the science of appraisal.
- It is worth considering to have appraisers differentiated by their specialization, so a property appraiser is different from business appraisers or public appraisers. Specialization among appraisers can help DKJN maintain its work quality.

ACKNOWLEDGEMENTS

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