Evaluation of the Examination of Public Appraisers and Public Appraisal Service Offices at the Center for Financial Profession Development

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ABSTRACT

The study aims to evaluate the implementation of the examination of Public Appraisers (PP) and Public Appraisal Service Offices (KJPP) by the Financial Profession Development Center (PPPK) based on factors of top management support, human resources, and Examination Guidelines. The background of the study was the increase in the number of examination findings and complaints against PP and KJPP which showed non-compliance of PP and KJPP with laws and regulations, codes of ethics, and professional standards, so that it could give rise to legal cases. The method in the study used a descriptive qualitative approach through a case study of an evaluation model of data on PPPK and interviews with PPPK employees including the examination team (members, chairs, and coordinators). The results of the study showed that the implementation of the examination of PP and KJPP at PPPK had been carried out based on risk and in accordance with regulations and Examination Guidelines. In order to improve, an examination blueprint is needed, increased firmness in imposing sanctions, motivation for the examination team to pass the certification exam, and the addition of provisions and formats for the examination team's work papers in the Examination Guidelines.

Keywords: Examination; Public Appraiser; Public Appraisal Service Office; Center for Development of Financial Profession.

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Evaluasi Pemeriksaan terhadap Penilai Publik dan Kantor Jasa Penilai Publik pada Pusat Pembinaan Profesi Keuangan

ABSTRAK

Penelitian bertujuan untuk mengevaluasi pelaksanaan pemeriksaan terhadap Penilai Publik (PP) dan Kantor Jasa Penilai Publik (KJPP) pada Pusat Pembinaan Profesi Keuangan (PPPK) berdasarkan faktor dukungan manajemen puncak, sumber daya manusia, dan pedoman pemeriksaan. Penelitian dilatarbelakangi peningkatan jumlah temuan pemeriksaan dan aduan terhadap PP dan KJPP yang menunjukan ketidakpatuhan PP dan KJPP terhadap peraturan perundangan, kode etik, dan standar profesi, sehingga dapat menimbulkan kasus hukum. Metode dalam penelitian menggunakan pendekatan kualitatif deskriptif melalui sebuah studi kasus model evaluasi atas data pada PPPK dan wawancara terhadap pegawai PPPK termasuk tim pemeriksa (anggota, ketua, dan koordinator). Hasil penelitian menunjukan bahwa pelaksanaan pemeriksaan terhadap PP dan KJPP pada PPPK sudah dilaksanakan berbasis risiko dan sesuai dengan peraturan seta pedoman pemeriksaan. Dalam rangka penyempurnaan, diperlukan blue print pemeriksaan, peningkatan ketegasan pemberian sanksi, motivasi agar tim pemeriksa lulus ujian sertifikasi, serta penambahan ketentuan dan format kertas kerja tim pemeriksa di pedoman pemeriksaan.

Kata Kunci: Pemeriksaan; Penilai Publik; Kantor Jasa Penilai Publik; Pusat Pembinaan Profesi Keuangan.

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INTRODUCTION

In recent decades, there have been several cases related to valuations that have had a significant impact on the financial world. For example, the economic crisis in 1997/1998 was exacerbated by the valuation problem of the takeover of bankrupt bank assets controlled by the Indonesian Bank Restructuring Agency (IBRA) to bail out banks affected by the monetary crisis through the Bank Indonesia Liquidity Assistance (BLBI) program. The role of the appraiser is to determine the value of the assets of the banks that will be given cash injections by the government. However, due to the valuation results that did not reflect the actual condition of the assets when the funds were disbursed, the assets were unable to cover the debt to the government when they were released, so that until now the debt related to the BLBI case is still being sought to be returned by the government (Siregar, 2013).

Recently, in field practice, the assessment task carries legal risks, because PP has the potential to be involved in legal cases, both civil and criminal. In civil matters, PP often faces lawsuits from the community who feel aggrieved and dissatisfied with the assessment results. Civil cases that arise are usually related to non-compliance with contract agreements, work deadlines, errors in determining locations, asset boundaries, unclear community ownership rights, or the existence of communities who feel aggrieved. In addition to civil cases, PP also experiences criminal cases, which generally occur because the PP who issued the assessment report resulted in state losses and was categorized as a criminal act of corruption. Several PPs face situations where they have to undergo examination in criminal corruption cases, some have even been sentenced to prison by the court. In carrying out their duties, PP often experience difficulties, are often made suspects or defendants and accused of raising land prices which have a detrimental impact on state finances. In fact, they have carried out their duties professionally, transparently, and accountably, in accordance with the Indonesian Assessment Standards (SPI) and the Indonesian Appraiser Code of Ethics (KEPI) (Simatupang, et al, 2021).

PP services in Indonesia are very important for the government or state in assessing assets or property. Every time there is land acquisition involving people's property rights, PP is always involved to provide a fair assessment of the land assets to be acquired (Rachman, 2015). Therefore, professional PP services must always emphasize the elements of accountability, professionalism, and objectivity, with assessment methods that refer to the provisions set by KEPI and SPI. The purpose of the assessment carried out by PP, according to SPI, is to produce a reliable assessment (Baswendra et al ., 2016).

The important role of PP and KJPP requires the presence of the government as a regulator to ensure the availability of quality assessment services to the public. Scott (2015) mentions two theories about regulation, (1) *public interest theory* , which argues that regulation should maximize social welfare, and (2) *interest group theory* , which argues that regulation is a way for interest groups to convey their opinions to the government. Public *interest theory* argues that regulation comes from the public's desire to correct market failures, with the assumption that the government or regulator will side with the public interest. In line with the theory of regulation, in terms of providing assessment services to the public, the presence of the

government as a regulator is expected to side with the public interest. Through regulation, the government provides guidance and supervision to PP and KJPP. The regulatory function is carried out to ensure that the assessment services provided by PP and KJPP are of high quality and in accordance with KEPI, SPI, and regulations.

Based on PPPK data, information was obtained from findings from the implementation of inspections carried out on PP, KJPP, and KJPP Branches as follows:

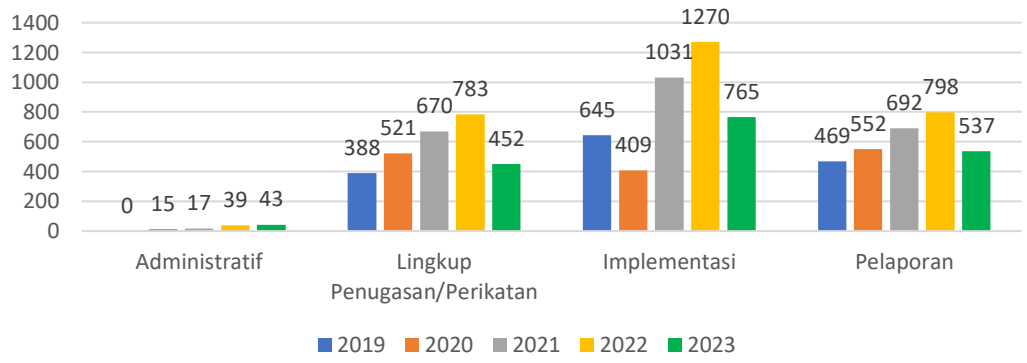


Figure 1. Number of Examination Findings

Source : PPPK, 2024

In addition, based on PPPK data, information was obtained regarding complaints from the public regarding PP, KJPP, and KJPP Branches as follows:

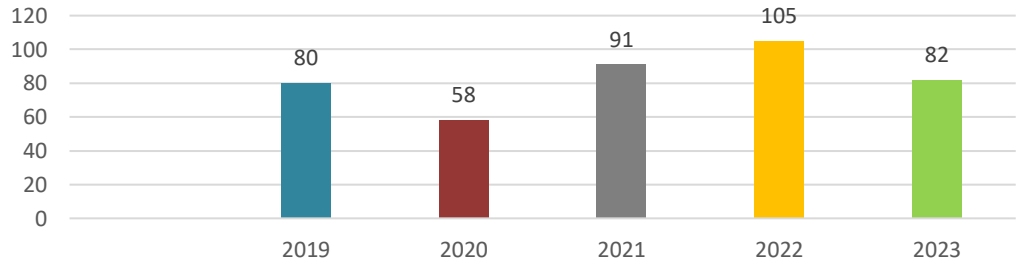


Figure 2. Number of Complaints

Source : PPPK, 2024

Based on Figures 1 and 2, there is an average number of audit findings that increased by 10.7% and an average number of complaints that increased by 5.7% from 2019 to 2023, so the author intends to evaluate the implementation of audits on PP, KJPP, and KJPP Branches at PPPK, so that it can be used as input for PPPK in making policies so that complaints and audit findings can be minimized.

With relatively many complaints and increasing audit findings, it can indicate that the results of the assessment service work are not in accordance with the assessment procedures based on KEPI, SPI, and regulations. Decision-making based on the results of values that are not in accordance with the procedure has the potential to cause losses to the parties related to the assessment. These losses can also be felt by the PP, if the service user who feels disadvantaged reports the PP through administrative channels or sues through legal channels.

This study focuses more on the Examination Team because it views that the function of examination of PP and KJPP carried out by the government has an

important role in realizing the provision of quality assessment services for the community. The impact of implementing quality examinations can provide a deterrent effect and education for the PP and KJPP professions so that it can increase awareness for PP and KJPP in providing assessment services in accordance with KEPI, SPI, and regulations.

To the best of the author's knowledge, there has been no previous research that examines the evaluation of the implementation of audits of PP and KJPP. However, there are several previous studies that evaluate the effectiveness of the implementation of audits of Public Accountants and Public Accounting Firms (Hariyani, 2018), evaluate the effectiveness of tax audits (Syahlan, 2021), evaluate the implementation of restaurant tax audits (Albi et al., 2016) , and examine the influence of competence, organizational commitment, professional skepticism and motivation on the audit quality of the BPK RI Representative Office of Bali Province (Rossita & Sukartha, 2017) .

Based on research by Hariyani (2018) which uses human resource analysis factors and Audit Guidelines, Syahlan (2021) which uses top management support analysis factors, Albi et al., (2016) which uses audit implementation stage analysis factors (Audit Guidelines), and Rossita & Sukartha, 2017 which uses analysis factors including organizational competence and commitment, so this study conducts an evaluation related to the implementation of audits of PP and KJPP carried out by PPPK which is seen from the aspects of top management support, human resources, and Audit Guidelines. The three analysis factors were chosen because they are also in line with Scott's (2015) regulatory theory, including *public interest theory,* namely that regulations must maximize social welfare. In this case, the government through PPPK uses tools in the form of top management support, human resources, and Audit Guidelines to maximize social welfare by ensuring the provision of assessment services in accordance with KEPI, SPI, and regulations.

The first factor is top management support that sees the leadership's commitment to support the achievement of audit objectives for PP and KJPP. According to Alzeban & Gwilliam (2014) and Cohen & Sayag (2010), support from top management allows internal auditors to access sufficient resources in order to carry out their duties and responsibilities. This is in accordance with Ayalew's opinion (2014) which states that top management plays an important role in supporting the audit function, including in terms of funding, provision of resources such as qualified staff, and relevant training. Ivancevich et al. (2007) stated that support from top management includes philosophical support as well as support related to staff and facilities.

The second factor is human resources that determine the quality of the examination results. According to Mathis et al. (2002), human resources are a formal system designed in an organization to achieve goals by utilizing human talent effectively and efficiently. Regarding human resource competence, Wirawan (2009) states that human resource competence is defined as a person's ability to perform their duties well, which includes all the knowledge, skills, behaviors, and expertise that a person has. Competence, according to Wibowo (2007), refers to the knowledge or skills demonstrated by a person's experience in a particular field, which makes him or her superior in that field. As experience increases, a person can complete work faster due to increased proficiency, which

can ultimately reduce costs. According to Sari & Suryanto (2024), competence that is in accordance with organizational needs can increase work effectiveness and efficiency, thereby supporting the achievement of organizational goals.

The third factor is the Audit Guidelines, a guideline that serves as a reference in carrying out audits. The Audit Guidelines are stipulated in the form of Decree of the Head of the Center for Financial Professional Development Number: Kep-28/PPPK/2021 as amended several times by Decree of the Head of the Center for Financial Professional Development Number: Kep-24/PPPK/2023 and Decree of the Head of the Center for Financial Professional Development Number: Kep-56/PPPK/2024 concerning Guidelines for Implementing Audits and Imposing Sanctions on Public Appraisers, Public Appraisal Service Offices, and Branches of Public Appraisal Service Offices.

Based on the provisions of Article 2007 of the Regulation of the Minister of Finance Number 118/PMK.01/2021 concerning the Organization and Work Procedures of the Ministry of Finance, which has been amended by the Regulation of the Minister of Finance Number 141/PMK.01/2022 (PMK Ortala), the Field of Examination of Appraisers, Actuaries and Other Financial Professions (PPAPKL) in carrying out its duties carries out the following functions: Develop policies related to inspections; Planning and carrying out audits of Public Appraisers, Public Appraisal Service Offices, Public Appraisal Service Office Branches, Actuaries, Actuarial Consultants, and other financial professions; Prepare audit reports on Public Appraisers, Public Appraisal Service Offices, Public Appraisal Service Office Branches, Actuaries, Actuarial Consultants and other financial professions; Analyze and follow up on public complaints; Conducting inspections from time to time of Public Appraisers, Public Appraisal Service Offices, Public Appraisal Service Office Branches, Actuaries, Actuarial Consultants and other financial professions; Organize archiving of audit working papers; Compiling and developing inspection methods and guidelines; Establish relationships with professional associations and other parties, both at national and international levels, to improve the quality of audits; Compile activity reports and monitor and evaluate audit results; Manage databases and perform analysis of examination results; Participate in activities organized by other institutions related to inspections; and Carry out other activities according to stakeholder needs.

RESEARCH METHODS

This study uses a case study strategy . This study aims to explore a phenomenon in an institution that has a special responsibility in fostering and supervising PP and KJPP. Therefore, this study is *a single case study* that focuses on one phenomenon with a single unit analysis. The subject studied is only one unit, namely PPAPKL at PPPK, which acts as a regulator responsible for fostering and supervising the PP profession in Indonesia.

This study uses a qualitative approach by conducting in-depth interviews with subjects directly related to the problem being studied. The researcher also analyzed documents to support the results of the interviews. This study was conducted by analyzing documents related to the evaluation of the implementation of the examination of PP and KJPP. Interviews were conducted with parties who played a direct role in the theme of the evaluation of the

implementation of the examination of PP and KJPP and had authority in the composition of the Examination Team. The list of interview questions was compiled by referring to previous research that was developed according to research needs. Interviews were conducted with 5 sources who were the Examination Team (consisting of the coordinator, chairman, members with experience under 4 years, and members with experience over 4 years) and the Head of the Organization and Human Resources Sub-Division (Head of OSDM).

Interview questions regarding top management support were submitted to the coordinator, human resources to the Head of OSDM Sub-Division, and Inspection Guidelines to the chairman and members. Data obtained through interviews were combined with documentation data and grouped by theme, especially factors that support the evaluation of the implementation of the examination of PP and KJPP. The data were then interpreted and analyzed using established criteria and previous research results. The purpose of this analysis is to understand how these factors support the implementation of the examination of PP and KJPP and to evaluate the adequacy of these factors in PPPK. The researcher acts as a party that interprets the results of the analysis based on the data obtained .

RESULTS AND DISCUSSION

The first evaluation factor is top management support consisting of three criteria analyzed, namely leadership support in the implementation of the audit, leadership encouragement for education and training of audit personnel, and the adequacy of the audit budget. The first criterion is leadership support in the implementation of the audit in the form of establishing policies in the implementation of the audit of PP and KJPP which plays a role in creating a clear and sustainable framework. Based on interviews conducted in this study with the coordinator, information was obtained that the direction of the audit policy was short, medium, and long term. The policy direction has considered risk analysis, use of application systems, and implementation of laws and regulations. This study recommends the preparation of a *blueprint* for the audit of PP and KJPP. With the existence of *a blueprint* for the audit of PP and KJPP, there is a written and documented policy so that it can create a clearer and more sustainable framework and direction of the audit even though there is a change in the personnel of the Audit Team.

In terms of determining sanctions and/or recommendations as a form of follow-up to the results of the examination, the coordinator makes a decision to determine the proposal. Based on interviews with the coordinator, the determination of sanctions or recommendations based on the results of the examination is carried out through several stages and takes into account applicable provisions. The Examination Team analyzes the results of the examination based on the Regulation of the Minister of Finance (PMK) regarding the profession (Public Appraiser/Actuary) and the Guidelines for Imposing PPPK Sanctions. For findings related to violations of professional standards or laws and regulations, sanctions can range from light sanctions (warning) to very severe (license revocation), with criteria regulated in more detail in the Examination Guidelines. This study recommends increasing the firmness in imposing sanctions from the

results of examinations of PP and KJPP which are important for maintaining the integrity, professionalism, and public trust in the appraisal profession. Strict sanctions provide an effective deterrent effect, prevent repeated violations, and encourage compliance with applicable standards and regulations. This can be carried out starting from a more detailed analysis of the sample of examination reports, to tightening the provision of recommendations before sanctions and tightening the gradation for each type of sanction in the guidelines for imposing sanctions .

The second criterion is the leadership's encouragement of education and training for audit personnel to ensure that auditors have the knowledge, skills, and competencies needed to carry out their duties effectively and efficiently. Based on interviews with the coordinator, it is known that in general there are no obstacles for audit personnel to participate in education and training, but there are several factors that influence auditor participation in participating in external training. Permission to participate in external training is highly dependent on the need for competency development, time availability, and existing budget, which is currently managed by the General Bureau (a unit outside of PPPK). This creates a dependency on the policies of the General Bureau, which can be an obstacle if the policy is not supportive or if the available budget is limited. This study recommends the need for proactive attention and policies from the leadership to encourage accessibility and budget support for education and training for the General Bureau, so that audit personnel can improve their skills and knowledge optimally. Explanation of the very technical duties and functions of PPPK related to the financial profession to the General Bureau is expected to increase flexibility and freedom for audit personnel to participate in education and training to improve their competence.

The third criterion is to ensure the adequacy of the budget for the implementation of the examination of PP and KJPP by designing, managing, and allocating the budget. Based on the results of the interview with the coordinator, it was obtained that related to the budget, because it had been well planned from the beginning based on the established RPT, in general the budget needed was in accordance with the possibility of realizing the examination being carried out. Problems occur if during the journey there is an examination carried out at any time with a fairly large number or there is a change in the leadership policy related to the examination such as the policy of adding the Object of Examination, or changing the scope of the examination so as to increase the number of objects examined. This study recommends that the leadership needs to negotiate with related parties to obtain adequate budget support, for example by submitting a budget in the previous year that accommodates all plans for the Object of Examination carried out offline *and* with a budget amount in accordance with the maximum ceiling allowed. That way, it is hoped that the availability of the budget can be more flexible to accommodate changes that may occur during the year.

The second evaluation factor is human resources consisting of four criteria analyzed, namely recruitment, adequacy, competence, and transfer of audit personnel. The first criterion is the recruitment process of HR in the PPAPKL Sector is carried out through a general recruitment mechanism for civil servants within the Ministry of Finance. Based on information obtained from interviews

with the Head of the PPPK Organization and HR Sub-Division, it is known that the placement of employees to become an Audit Team is carried out by considering work experience and appropriate competencies, which are proven through professional certification, including assessors. This study recommends that when the proposing unit (PPPK) submits a proposal for additional employees to become an Audit Team, it also requires certain qualifications that are needed as evidenced by certification, so that the results of the recruitment of Ministry of Finance employees are more targeted according to the needs to become an Audit Team.

The second criterion is the adequacy of the number of Audit Team personnel to maintain a balanced division of tasks, so that every aspect of the audit can be handled carefully without reducing the quality and accuracy of the audit results. Based on information obtained from interviews with the Head of the PPPK Organization and HR Sub-Division, it is known that there is a shortage of personnel in the PPAPKL Sector. At the end of 2023, there were only 30 employees from the ideal requirement of 31 employees based on the 2023 PPPK Workload Analysis. This study recommends that the Ministry of Finance needs to review its employee recruitment strategy by considering employee needs based on the established Workload Analysis and the possibility of transfers due to employee promotions. To overcome the absence of new employee recruitment, other alternatives such as internal rotation programs can be immediately placed on the Audit Team. In addition, optimizing the use of technology and digital systems in the audit process can be done to help balance the high workload due to limited human resources, so that audit performance is maintained amidst a shortage of employees.

The third criterion is competence which includes in-depth knowledge of applicable assessment standards, regulations, and analytical skills for reports and data presented by PP and KJPP. Competent audit personnel are able to identify potential non-compliance, risks in the assessment process, and provide relevant recommendations for improvement. Based on information obtained from PPPK, it was obtained that the number of audit personnel who passed the property appraiser certification exam was four people, while for business appraisers there were none in 2023. Public Appraisers who are the Object of Examination are professions that have passed the appraiser certification exam (obtaining the MAPPI Cert. title), so it is appropriate for audit personnel to equate their qualifications in order to carry out audit tasks optimally. This study recommends that more support be provided so that examiners can be more motivated to take and pass the appraiser certification exam.

The fourth criterion is transfer with the aim of minimizing the risk of conflict of interest in the audit results, because new personnel tend to have a fresher perspective and are not personally tied to the Audit Object. In addition, transfers allow examiners to broaden their experience and expertise in various fields other than assessment, so that they can improve the overall knowledge of PPPK employees. However, transfers that are too frequent without a sufficient knowledge transfer process can be a challenge, because examiners may need more time to understand the technical aspects of the assessment. Based on information obtained from interviews with the Head of the PPPK Organization and HR Sub-Division, it is known that after 5 years, employees in a unit will be prioritized for

transfer. Based on Circular Letter Number SE-27/PPPK/2022 concerning the Internal Transfer Pattern Policy at the Financial Profession Development Center , new employees start by entering the Administration Division. Then after 2 years to non-audit fields whose duties and functions are not too technical. The next stage of transfer is to enter the field with the duties and functions of carrying out audits. This study recommends that mutations consider a good process of transferring knowledge and examination skills, because new examiners may need more time to understand the technical aspects of examination and assessment. This is necessary so that the examination process can continue to run smoothly and optimally along with the implementation of the mutation program in the PPPK environment.

The third evaluation factor is the Inspection Guidelines which consist of eight criteria analyzed, namely examination preparation, examination implementation, examination activity reporting, examination result follow-up, fulfillment of recommendations, MTL activities, preparation and implementation of examination programs, and documentation. The first criterion is examination preparation, before the examination is carried out, the Inspection Team prepares documents related to the examination, which include the Inspection Task Letter (STP), Inspection Notification Letter (SPP), inspection schedule, and request for inspection administration documents. The documents in question are submitted to the Inspection Object before the inspection is carried out. Based on information obtained from interviews with the Inspection Team, it is known that, among other things, the Inspection Team prepares an initial analysis of the Inspection Object collected from various sources in order to select a sample report to be inspected. Based on a review of the Inspection Guidelines, there is still no initial analysis format carried out by the Inspection Team in determining the inspection sample. Therefore, this study recommends the existence of an initial analysis format carried out by the Inspection Team in determining the inspection sample in the Inspection Guidelines, in order to assist the Inspection Team and to standardize the inspection work papers. In addition, this study also recommends that a list of documents required by the Inspection Team be made related to the inspection report sample in the Inspection Guidelines, in order to make it easier for the Inspection Object to prepare appropriate and complete documents, and to expedite the inspection process, especially to immediately carry out analysis activities on the inspection sample.

The second criterion is the implementation of the examination which can be carried out using offline and/or online methods. During the examination, the Examination Team carries out the following stages: opening the examination, determining samples and requesting/borrowing examination documents , reviewing the compliance of the Examination Object, compiling and inviting for information requests, implementing information requests, compiling and submitting the Interim Conclusion of the Examination Results (SSHP) and the Closing of Examination Notification Letter (SPPP), the discussion of the SSHP is stated in the Minutes of Discussion of the Examination Results (RPHP) and the Examination Minutes (BAP), and closing the examination. At the opening stage, based on information obtained from interviews with the Examination Team, it is known that opening of the examination, can be done *online* and *offline* , according

to the assignment on the STP. At the opening of the examination, the chairman assisted by members, submits the STP and SPP, then explains the background of the examination, submits a request for documents, including examination samples, discusses the examination schedule, and submits an integrity pact. The Examination Team and the Examination Object jointly sign the documents discussed at the opening of the examination, including the ST and SPP receipts, the examination schedule, and the integrity pact. This study recommends that the Examination Team create a procedure in the Examination Guidelines to remind the Examination Object of the matters already stated in the integrity pact, especially regarding the truth of the information and all documents submitted by the Examination Object, by not accepting document revisions later that could hinder the examination process.

At the stage of determining samples and requesting/borrowing examination documents , based on information obtained from interviews with the Examination Team, it is known that document requests are carried out by submitting a list of documents requested at the beginning of the examination. This list of documents is signed by the chairman or coordinator. Submission can be done through submission of *hard copies* and/or submission of *soft copies* . For examination documents originating from the Examination Object, only *soft copies are requested* . For documents signed unilaterally by the Examination Object, only *soft copies are requested* . Meanwhile, documents signed by 2 parties (Examination Team and Examination Object) are requested in *hard copies* . Submission of *soft copies* of the examination documents is carried out through electronic media that has been agreed upon in advance. This study recommends that the Examination Team create a procedure in the Examination Guidelines to ensure the completeness and suitability of the documents obtained, both administrative documents and technical documents related to the examination sample at the time of opening the examination. The commitment of the Examination Object also needs to be ensured to immediately complete the lack of documents, so as not to hinder the ongoing examination process.

At the stage of implementing the request for information, based on information obtained from interviews with the Examination Team, it is known that the results of the process of reviewing the compliance of the Examination Object with the provisions of the Public Appraiser PMK are then compiled into a list of questions aimed at gathering information, clarification, and confirmation from the Examination Object. The list of questions is then compiled into a specific format (according to the Examination Guidelines) which is a request for information document. After the request for information document is complete, the Examination Team discusses with the Examination Object regarding the time and place/media for implementing the request for information. After an agreement is reached, the Examination Team prepares an invitation for a request for information according to the agreement with the Examination Object. The invitation is delivered by submitting *a soft copy of* the invitation before the request for information is held, either via email or via the agreed correspondence media. During the implementation of the request for information, the list of questions in the request for information can be submitted in advance to the Examination Object to then be filled in and discussed together, or can be submitted directly at the time

of the *on-the-spot* implementation of the request for information by considering the potential for severe sanctions or the character of the Examination Object as well as time considerations. This study recommends that the Audit Team create a procedure in the Audit Guidelines regarding the technical implementation of requests for information that submits a list of questions only *on the spot* at the time of the request for information, so that the Audit Team can obtain more spontaneous answers in accordance with the actual conditions of the assessment carried out by the Audit Object.

At the stage of compiling and submitting the Interim Conclusion of Audit Results (SSHP), based on information obtained from interviews with the Audit Team, it is known that based on the request for information document that has been answered and signed by the Audit Object, the Audit Team analyzes whether the answers given by the PP and KJPP that have been documented in the request for information document indicate a violation of the procedural provisions or not. Based on this analysis, the Audit Team groups the indications of findings and puts them into the SSHP format. The SSHP format describes findings consisting of conditions, criteria, causes and effects, and recommendations. The SSHP that has been compiled is then reviewed *and* signed by the chairman/coordinator. The submission of the SSHP is carried out at the latest before the closing of the audit. This study recommends that the Audit Team create a procedure in the Audit Guidelines regarding the creation of *a database* containing audit findings according to their type, so that it can assist the Audit Team in compiling the SSHP with the same type of findings as the previous audit. In addition, the findings *database* can standardize and enrich the audit results of the PP and KJPP.

At the closing stage of the examination, based on information obtained from interviews with the Examination Team, it is known that based on the STP and the results of communication with the PP related to the schedule and place of the examination closing, the Examination Team prepares an invitation to close the examination in a Closing Examination Notification Letter (SPPP) document. This letter is submitted together with the SSHP as an attachment before the closing of the examination is carried out. In closing the examination, in addition to discussing the SSHP (RPHP), the Examination Team reads the BAP that has been prepared according to the format. This BAP is then numbered based on the numbering mechanism of the Examination Team, to be signed together with the Examination Object. In addition, it is also signed together with a receipt for all documents during the examination. Usually, several teams also provide supplies for clear matters *related* to the conclusion. In addition, based on a review of the Examination Guidelines, it was obtained information that the provision of recommendations is based on, among other things, discussions between the Examination Team and the Examination Object regarding follow-up improvements to the examination findings at the time of the examination closing. This study recommends that the Examination Team add to the format one of the examination closing documents in the Examination Guidelines that accommodates the discussion procedure so that it is uniform and appropriate in its application.

The third criterion is the reporting of audit activities, after the audit is closed, the Audit Team together analyzes the audit results based on the SSHP document and the RPHP document to be further stated in the LHP. The LHP contains matters

regarding general audit information, Audit Object information, description of audit results, and audit conclusions. After being compiled, the LHP is submitted to the Audit Object via the SHP. The signing of the LHP can be done in person or electronically. If it is done in person, the LHP is signed by all officials and/or employees who carry out the audit, if it is done electronically, the LHP is signed by the coordinator. Based on information obtained from interviews with the Audit Team, it is known that the preparation of the Audit Result Report (LHP) is carried out after the audit is closed. Regarding the discussion of the SSHP carried out at the close of the audit, the Audit Team analyzes whether the Audit Object's response can be accepted or rejected, and compiles the reasons for rejecting the response from the Audit Object. If it agrees, it will become a permanent conclusion, but if it does not agree, the feasibility of the conclusion to remain or be deleted is reviewed again. The LHP is then compiled according to the format in the Audit Guidelines, then concludes the audit findings on the Audit Object. This LHP is reviewed *by* the team leader and coordinator, then signed by the coordinator. LHP numbering is done manually in *Microsoft Excel* . The maximum time for compiling LHP is 3 working days according to IKI's target. This study recommends that the Audit Team make a provision in the Audit Guidelines that in order to consider objections from the Audit Object to the audit conclusion, it should be based on valid supporting documents to support the objection. This is necessary so that in making the final conclusion decision, the Audit Team has a strong basis and is proven in the form of documents.

The fourth criterion is the follow-up of the audit results, the Audit Team carries out the stages, namely analysis of findings, preparation and submission of the Audit Result Report (LHP), as well as preparation and submission of the concept of the Audit Result Letter (SHP) and its Service Note. Based on the review of the documents, it is known that the analysis was carried out in accordance with Attachment II of the Audit Guidelines concerning the Guidelines for Imposing Sanctions on PP, KJPP, and KJPP Branches. In order to support the recommendation to increase the firmness of the imposition of sanctions and/or recommendations that have been previously submitted, this study recommends that the guidelines for imposing sanctions tighten the provision of recommendations before sanctions and tighten the gradation for each type of sanction . The imposition of stricter sanctions and/or recommendations provides an effective deterrent effect, prevents repeated violations, and encourages compliance with applicable standards and regulations.

The fifth criterion is the fulfillment of recommendations, in an effort to fulfill the obligation of recommendations by the Object of Examination as stated in the SHP (for recommendations before the imposition of administrative sanctions) or the Letter of Sanctions (for administrative sanctions accompanied by recommendations), the Examination Team monitors the submission of recommendations and analyzes the fulfillment of recommendations. At the stage of analyzing the fulfillment of recommendations, based on information obtained from interviews with the Examination Team, it is known that the PP and KJPP that have been examined have submitted documents for fulfilling obligations in accordance with the recommendations given. For the documents submitted, the Examination Team analyzes their compliance with the recommendations given

and the timeliness of submission. If they have not been fulfilled, communication will be carried out with the PP and it will be submitted to fulfill the deficiencies if there is still time. If they are in accordance, the documents will then be submitted to be signed by the coordinator. If it has been determined that they have not been fulfilled, clarification will be carried out before sanctions are given in accordance with the Examination Guidelines and documentation will be made. This study recommends that the Examination Team create a document format for analyzing the fulfillment of recommendations in the Examination Guidelines. This is necessary in order to provide certainty and create uniformity for the Examination Team in compiling working papers that support the implementation of each stage of the examination. Based on the review of the Individual Performance Indicator (IKI) document of the Audit Team, it is known that there is an IKI in the form of a level of quality of follow-up to the audit recommendations for the financial profession. Based on the IKI, if the Audit Object is not on time or does not fulfill its obligations according to its recommendations, the Audit Team will be affected by a reduction in its performance value. This study recommends that the IKI be reviewed, considering that the recommendation before the imposition of sanctions is a form of guidance that provides relief to the Audit Object that should be given direct sanctions. After the recommendation is given, through the IKI, the Audit Team becomes responsible for the obligations that should be the responsibility of the Audit Object.

The sixth criterion is the Follow-up Monitoring (MTL) activity, which is a monitoring activity, knowledge *sharing* and discussion with PP, KJPP, and/or KJPP Branches based on the analysis of the findings of the previous year's examination results. MTL can be carried out offline and/or online. Based on information obtained from interviews with the Examination Team, it is known that MTL activities have been carried out in accordance with the Examination Guidelines until 2021. Since 2022 until now, there has been a discourse to carry out MTL activities in a new format, namely by combining several MTL objects where previously MTL implementation was carried out for each MTL object. This aims to minimize the potential for closeness of the Examination Team with the Examination Object. However, the implementation of MTL with the new format has not yet been carried out. This study recommends that the Examination Team immediately adjust the provisions related to MTL activities in accordance with the new format in the Examination Guidelines and implement it so that all stages of the implementation of the examination of PP and KJPP can be fulfilled in accordance with the Examination Guidelines.

The seventh criterion is the preparation and implementation of the audit program, by carrying out the stages of planning, preparation, trial, implementation, and evaluation. At the stage of preparing the audit program, based on information obtained from interviews with the Audit Team, it is known that the preparation process has been carried out in accordance with the Audit Guidelines. Meanwhile, at the stage of implementing the audit program, based on information obtained from interviews with the Audit Team, it is known that the audit program is used in the audit process, namely the review of the Audit Object's compliance with the provisions of the Public Appraiser PMK is carried out by filling out the related audit program *checklist . The contents of the checklist* in the

audit program are based on the Audit Team's review of various sources of information, for example administrative documents and audit samples submitted by the Audit Object, or a review of data submitted by the PKPAPKL Division. Based on recommendations from the Inspectorate General, currently the audit program that has been filled out is then signed by members and the chairman before the request for information is carried out. However, this has not been regulated in the Audit Guidelines. This study recommends that the Audit Team make provisions regarding the procedure for signing the audit program that has been filled in during the review of the compliance of the Audit Object in the Audit Guidelines to accommodate recommendations from the Inspectorate General. This is necessary to ensure that the audit procedures for PP and KJPP have been carried out in accordance with the provisions through the signing of the audit program document by the chairman and members. In addition, considering the highly technical nature of the audit program, this study recommends that the Audit Team be provided with training so that they can use the audit program appropriately and optimally.

The eighth criterion is documentation, which requires the Audit Team to archive all audit documents systematically. Based on a review of the documents, it is known that audit documents are archived in two forms, namely *hardcopy* for documents from the Audit Team that contain the signature of the Audit Object and *softcopy* for all audit documents. This study recommends that the Audit Team make provisions in the Examination Guidelines regarding documentation of other supporting documents that have an impact on the results of the examination in the Examination Guidelines. For example, working papers, notes, or other sources of information used by the Examination Team in conducting the examination, but because they are not organized, they are stored privately, making the documents easier to misplace and forget. With the organized storage of these documents, of course, they can be useful support to support the results of the examination.

CONCLUSION

Based on the evaluation conducted on the examination of PP and KJPP on PPPK, it can be concluded that the implementation of the examination of PP and KJPP on PPPK has been carried out based on risk and in accordance with the regulations and Examination Guidelines. In order to improve, an examination *blueprint is needed* , increased assertiveness in giving sanctions and/or recommendations, motivation for the Examination Team to pass the certification exam, and the addition of provisions and formats for the Examination Team's work papers in the Examination Guidelines.

This study is limited to analyzing supporting factors for the examination of PP and KJPP in PPPK, for further research, it is recommended to replace the object of research in other financial professions besides PP and KJPP, for example Public Actuary, Tax Consultant, Customs Expert, Class II Auction Officer. The scope of the factors studied is also limited to top management support, human resources, and Examination Guidelines, so that further research can add and/or change the factors used. The interviewed sources were limited to 5 people consisting of the examination team (one coordinator, one chairman, and two members) and 1 Head

of OSDM Sub-Division , so further research can increase the number of sources by involving more examination personnel including team members.

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