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**Re-evaluating Capacity of Financial Management Officer:
A Study of Local Financial Training Effectiveness in Indonesia
The case of Subang Regency, West Java**

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Disclaimer:

This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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List of Acronyms

APBD	<i>Anggaran Pendapatan dan Belanja Daerah/</i> Local Revenue and Expenditure Budget
ADB	Asian Development Bank
BaPerJaKat	<i>Badan Pertimbangan Jabatan dan Kepangkatan/</i> Consideration Agency of Official Position and Rank
BKN	<i>Badan Kepegawaian Negara/</i> State Employment Agency
BKPP	<i>Badan Kepegawaian, Pendidikan dan Pelatihan/</i> Internal Human Resource, Education and Training Agency.
BPK	<i>Badan Pemeriksa Keuangan/</i> Supreme Audit Agency
BPKD	<i>Badan Pengelola Keuangan Daerah/</i> Regional Financial Management Agency
BPKP	<i>Badan Pengawasan Keuangan dan Pembangunan/</i> Indonesia's National Government Internal Auditor
BPPK	<i>Badan Pendidikan dan Pelatihan Keuangan/</i> Finance Education and Training Agency
BUD	<i>Bendahara Umum Daerah/</i> Local Treasurer
CaLK	<i>Catatan atas Laporan Keuangan/</i> Notes to the Financial Statement
DJPK	<i>Direktorat Jenderal Perimbangan Keuangan/</i> Directorate of Fiscal Balance
FASB	Financial Accounting Standards Board
GASB	Governmental Accounting Standards Board
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IPSAS	International Public Sector Accounting Standard
KKD	<i>Kursus Keuangan Daerah/</i> General Financial Training
KKDK	<i>Kursus Keuangan Daerah Khusus/</i> Financial Accounting Training
LAK	<i>Laporan Arus Kas/</i> Cash Flow Report
LKD	Latihan Keuangan Daerah/Local Finance Training for Manager
LKPD	<i>Laporan Keuangan Pemerintah Daerah/</i> Local Government Financial Report
LO	<i>Laporan Operasional/</i> Operational Report
LPEM-UI	<i>Lembaga Penyelidikan Ekonomi dan Masyarakat-Universitas Indonesia/</i> Institute for Economic and Community Research-Indonesia University
LPE	<i>Laporan Perubahan Ekuitas/</i> Statement of Change in Equity
LRA	<i>Laporan Realisasi Anggaran/</i> Budget Realisation Report
MoAR	Ministry of Administrative Reform and Bureaucracy Reform
MoF	Ministry of Finance
PEFA	Public Expenditure and Financial Accountability
SIAP	<i>Sistem Informasi Akuntansi dan Pelaporan</i>
SIMDA	<i>Sistem Informasi Manajemen Daerah/</i> Regional Management Information System
SIPKD	<i>Sistem Informasi Pengelolaan Keuangan Daerah/</i> Regional Financial Management Information System

SISMIOP	<i>Sistem Informasi Manajemen Objek Pajak/ Tax-object Management Information System</i>
SKPD	<i>Satuan Kerja Pemerintah Daerah/ Local Government Work Unit</i>
SPJ	<i>Surat Pertanggungjawaban/ Letter of Liability</i>
STAN	<i>Sekolah Tinggi Akuntansi Negara/ State Accounting College</i>
TMP	<i>Tidak Memberikan Pernyataan/ Disclaimer</i>
TNA	<i>Training Need Assessment</i>
ToT	<i>Training of Trainer</i>
TW	<i>Tidak Wajar/ Adverse</i>
UNAND	<i>Universitas Andalas/ Andalas University</i>
UNIBRAW	<i>Universitas Brawijaya/ Brawijaya University</i>
UGM	<i>Universitas Gajah Mada/ Gajah Mada University</i>
UNSRAT	<i>Universitas Sam Ratulangi/ Sam Ratulangi University</i>
WDP	<i>Wajar Dengan Pengecualian/ Qualified</i>
WTP	<i>Wajar Tanpa Pengecualian/ Unqualified</i>

Abstract

This study sets out to find the factors which determine the effectiveness of local financial training program held by Ministry of Finance and seven reputable universities in Indonesia. Local financial management aims to enhance the capacity of financial management officer in all local government in Indonesia. This study focuses on one local government to get detailed picture of post-training condition. The local government is Subang, a regency in West Java Indonesia. Subang is one of two hundred of local government which is still struggling in financial management despite already having relatively large number of alumni from the training program.

The research was conducted using interviews with alumni, organisational managers, and training providers. It highlights the alumni reactions toward the training design, the acquisition and utilization of trained-skill-and-knowledge in the workplace. The result will be analysed to explore the extent to which the training is effective in enhancing the trainees' capacity in order to support organisational goal.

Overall, the research revealed that the training design has been well-presented. Most of the alumni have relatively good performance during the training program. However, their performance in workplace was not seem change significantly. It was revealed through self-report, as well as supervisor and peer report. There are many factors that influence this performance enhancement. It can be triggered by the trainee characteristic, training program, and organisational support. Transfer performance, in the end, will affect the achievement of organisational goals in term of good local financial management.

Relevance to Development Study

This study is related to development study by evaluating and identifying the effectiveness of training program and its determining factors in improving public sector employees' capacity in financial management. The result would provide some information that benefit to the program improvement as well as feedback for the local government of Subang Regency to more concern in developing its capacity in financial management.

Keywords

Capacity, capacity-building, capacity development, training, training evaluation, training effectiveness, financial management, local financial management, Subang Regency, Indonesia

Chapter 1. Introduction

1.1. Background

The paper is an evaluation study to analyse the effectiveness of the local finance training program in Indonesia. The training is aiming for the capacity enhancement of local government officers in financial management. This study attempts to evaluate the training design, the acquisition of skills and knowledge, transferring, up to the achievement of organizational objectives. It will show the training not only as a program but also as a process of learning. This is important in order to get a better overview and perspective of the training as a capacity development program.

The issue of the capacity of public sector employees has been recognized in developing countries, especially after the adoption of the decentralization policy. “It is common knowledge that the local government has the weakest capacity to initiate and manage rural development programs (Vincent and Stephen 2015:2)”. In order to address the capacity issues, international donors, NGOs and central institutions have offered and delivered capacity-building programs (Vincent and Stephen 2015). The programs were like a panacea for the capacity issues in local government. The capacity development program is often recognized as human resources development. Whereas, capacity development is a more-comprehensive concept which involves not only individual but also institution and society. It means that to build the capacities, the local government needs to strengthen its human resource skills as well as institution and society (Fukuda-Parr et al. 2008:9). Grindle and Hilderbrand (1995) also argued that the capacity building program must be designed with attention to social, economic, and political context. They introduced five levels or dimensions that affect capacity and the capacity-building program; “action environment, institution, task network, organization, and human resource (Grindle and Hilderbrand 1995:445)”. All the levels must correlate with each other to get comprehensive capacity development.

One of the most popular capacity-building programs is training. It has provided an enormous learning opportunity for employees to enhance their job performance. Employees are vital assets for an organization and have important roles in achieving organizational goals. Thus, public and private sectors have invested a very big budget on their employee education and training program. Yet, in practice, organizations often focus on organizing the event without any concerns about evaluating the process of the training program to address capacity issues.

Evaluating a training program is important to “...improve effectiveness and efficiency, provide feedback to analyse the trainee’s characteristics, and enhance the awareness of the supervisor in sending their employees to the training program (Sims 1993:593)”. The training evaluation attempts to find whether the after-training outcome achieve the intended-goals of

trainee, trainer or organisation (Mathis and Jackson, as cited in Sims 1993:592)”. It is because the closer the result to the objectives, the more effective the training program will be.

To achieve the training effectiveness, there are many factors in the learning environment that need to be considered. The affecting factors are related to the trainee’s characteristics of training, training design, and organizational support. These factors have been denoted by several studies of training effectiveness. A study by Rehman et al. (2011) revealed that the ineffectiveness of public sector project management training in Pakistan was driven by the absence of training evaluation and inadequate training needs assessment (TNA). Hariyanto et al. (2013) also reported that the ineffectiveness of training programs held by public hospitals was caused by improper training design and inability of participants in transferring the achieved-knowledge. Other than that, the study by Grindle (1997:120) explained that despite the achievement, training programs in Indonesia’s Ministry of Finance (MoF) had several weaknesses. She indicated that there was a lack of coordination between division managers and the human resources department related to newly-trained staff positioning. Also, the ministry was unable to create a system to map the acquired-knowledge to the staff position (Grindle 1997:120). Using the capacity-building framework by Grindle and Hilderbrand (1995) it shows that the less-successful parts in this case were in the dimension of task-network and organization.

In Indonesia, the local government capacity has been challenged since the enactment of law 32/2004 on Local Government. The local government has to manage new tasks, responsibilities, and power to ensure better service delivery. One significant task was managing the local finance. The local government were expected to be able to manage the public finance transparently and accountably for people’s welfare. They are also obliged to report all the financial activities by providing the financial report based on standard that is given by central government. It needs a lot of effort especially for the local government in district levels that almost always have lower capacity level than that of the municipal government. Moreover, the condition of financial management officer from 2004 until 2008 had been explained by BPK through the studies in six ministries, twenty local government, and twelve universities. The results indicated a lack of financial management personnel with accounting background and improper staff positioning (Triani, M. 2013).

In addition, the issue of capacity after the adoption of the decentralization policy also exists in the local government in Rwanda and it was followed by the implementation of some initiatives to build that capacity (Vincent and Stephen 2015:2). Another capacity issues were summarized in the paper written by ACCA (2010). It explored some capacity issues in public financial management in Pakistan, Zambia, Vietnam, Zimbabwe, and Botswana. The challenges faced by these countries were related to the rules and regulations, government accounting standard procedures, accounting and auditing specialist skills, qualified professionals working in public sectors, and state audit information system to support decision making and accountability.

The same issues are faced by the government of Indonesia in managing public finance. Some technical problems were found by the BPK while examining both central and local government financial statements. They are mostly related to the compliance with accounting standards, the weaknesses of the Internal Control System (SPI), local asset management, and last but not least is human resource capacity (BPK 2015). These problems are considered as a result of negligence and inaccuracy of employees in carrying out their duties based on regulations (BPK 2015; BPK 2016). In addition, employees' capacity issues in financial management were also discussed by ADB which indicated that poor financial management in local government was caused by inadequacy of skilled and experienced civil servants as well as uncertified accountants (ADB 2012:2). Another study from USAID (2007) explicated that there were a limited number of financial management employees who graduated from accounting majors. Through the local governance support program in 2007, USAID found that only one local government finance department out of 57 which had staff with an accounting background. It made local government difficult to implement technical and complicated financial systems as accrual based accounting (USAID 2007).

In order to tackle the issue human resource capacity, there have been many local financial training which conducted either by MoHA, MoF, or BPKP. Effort to overcome this human resource capacity issue was done by conducting a variety of local financial training program. Since the existence, the programs have trained a lot of local government officers across Indonesia. One of them is local financial training program which held by MoF. The achievement of its objective has been evaluated by Juanda et al. (2013). They carried out research about training effectiveness during the training period from 2007 until 2012. This study concludes that the training program is effective in enhancing the skills of local government officers in financial management. This conclusion is derived from the responses and opinions of some trainees and trainers through a survey. The majority of trainees agree that the material has relatively covered all the needs of the participants in doing their jobs in spite of some drawbacks related to teaching method, training duration, and trainee characteristics.

In regards to the achievement of organizational objectives, study by Juanda et al. (2013) generally indicated that there is an improvement in the trained-officer in doing the task that affects the quality of the LKPD. It is supported by another finding that explains positive correlation between number of alumni and quality of the LKPD. They arrive with the conclusion that "the more the alumni of the training, the better the quality of LKPDs (Juanda et al 2013:51)".

Simultaneously, the improvement of the quality of public financial management is shown by a better trend of unqualified opinions given by BPK of LKPD from 2007 to 2015. The percentage of regions which got unqualified opinions increased from 4% in 2007 to 58% in 2015.

Table 1.1. Trend of Unqualified and Non-Unqualified Opinion

Year	OPINION				Total LKPD
	Unqualified	%	Non-unqualified	%	
2007	4	1%	465	99%	469
2008	13	3%	472	97%	485
2009	15	3%	489	97%	504
2010	34	7%	482	93%	516
2011	67	13%	453	87%	520
2012	120	23%	403	77%	523
2013	157	30%	367	70%	524
2014	252	47%	287	53%	539
2015	313	58%	229	42%	542

Source: Own construction, BPK (2010); BPK (2011); BPK (2012); BPK (2013); BPK (2014); and BPK (2015).

However, half of the existing local governments still receive non-unqualified opinions for their LKPD. In addition, there are cases in which some regions with many alumni have poorer quality of LKPD compared to the regions with few alumni. It could be said that there are still issues in local financial management that affect the opinion given by BPK towards the local governments' financial statements.

1.2. Problem Statement

Public sector capacity is fundamental factor that influence the effectiveness of government performance in providing public service to people. Variety of capacity building programs have conducted within public sector organisation. Training is one part of the capacity building process which focus on human resource development. However, several studies revealed that most of the programs have showed less-significant results (Grindle and Hilderbrand 1995:443) compare to the significant amount of budget that had been allocated to them.

As mentioned earlier, there were many local financial management training programs held by central government. The study will focus on the training held by MoF. This local financial training program has been established for more than ten years. Certainly, there were approximately billions of rupiahs even higher spent on it. Then, it is supposed to contribute significantly in enhancing the performance of local government officers as well as develop the quality of financial management. Although the improvement the of financial management officers has been generally obtained (Juanda et al. 2013), the achievement of unqualified opinions from BPK on the LKPD has not been maximized in some regions in Indonesia. Considering this, this paper attempts to do an in-depth investigation in selected local

government to "...better understand the many factors that may contribute to, or detract from, training effectiveness" (Tannenbaum et al. 1993:11).

This study was held in Subang Regency, one region in West Java Indonesia, which has problems in financial management. The local government of Subang has never gotten an unqualified opinion for its LKPD. It even received a disclaimer opinion for two years in 2014 and 2015. Although Subang had got a better opinion on its financial statement back in 2016, it still had many findings that needed to be addressed. This was considered a notable experience to be learnt from in order to get deeper understanding of the relationship between training, trainees' performance, and organizational performance in one region. Also, by studying this case, the factors within these three components that affect the effectiveness of the training program can be revealed to improve the training program.

1.3. Objectives of the study

This paper seeks to understand the effectiveness of the local financial training program in Subang. This study provides the information about pre-training and post-training conditions in order to analyse the training as a process of learning and find out the tools to enhance employees' capacity in achieving organizational goals. It will also define the factors that influence the training effectiveness. Thus, it will be useful for the improvement of the training program.

1.4. Research Question

This research attempts to answer the main question: "What are the factors which determine the effectiveness of the local finance training program?"

To answer this, this research focuses on the following question:

How effective has the local finance training been in enhancing alumni's performance to promote better quality of financial statements in Subang Regency?

To elaborate, this research also focuses on the following sub-questions:

1. What are the alumni's opinions about the training?
2. How is the acquisition of learning outcomes and trainees' performance in the training environment?
3. How is the alumni's transfer performance and its relation to the achievement of BPK's opinion towards the financial statements?

The sub-questions attempt to reveal that training effectiveness is not only measured with the trainees' satisfaction about the event, but also the process of learning and performance on the job.

The trainees' opinion is used to examine the effectiveness of the training design. This shows whether the program is close to needs of participants or not. In order to measure the effectiveness of the training design, the next step is identifying the knowledge obtained and the trainees' performance in the training environment. The trainees' achievement in this level is not enough to justify that the training has been effective. It should be further measured on the transfer of the trained skills and knowledge to the work environment.

1.5. Scope and Limitation

First of all, this study assumes that respondents will give relevant information in order to get a clear picture of what was done and happening.

There is no possibility of ethical challenges in this study. However, I would be biased since I work as government official. The interviewees might say something that will not harm their relationship with MoF, particularly DJPK as training provider.

This study examines the financial management training program that was held from 2013 until 2015. There some rationales behind this choice. First, there has been a study that discussed the effectiveness of this training from 2007 until 2012. Second, it would be difficult to study the training program effectiveness with different concepts because the training program that had been run before 2013 had a different concept. Third, in 2013, there was no general training anymore, but it was more specialization based. The new-design in 2013 had to be stopped in 2016 and another new design emerged in 2017 due to budget constraint.

The time scope used is quite long from the time when the research is conducted. Although during interview the author tried to remind them to focus in that time, this might not be ideal for a training effectiveness study because it would affect the respondents' response related to the past training program. Some alumni were still enthusiastic while others tried to recall the material that they got. It might influence the result of this study.

1.6. Research Paper Structure

This paper is presented in six chapters. Chapter one is the introductory chapter that describes the purpose of the paper. Chapter two is the research paper methodology. Chapter three discusses the theoretical and analytical framework applied in this study. Chapter four explicates the contextual background in which the study will focus on. This chapter depicts the overview of financial management in Indonesia, the local financial training program, and the organizational and trainee characteristics in Subang as a case study. Chapter five presents and discusses the findings related to training effectiveness measurement including its influential factors. Chapter six presents the conclusion and recommendations based on the study.

Chapter 2. Methodology

2.1. Research Design

This study is typical of explanatory case study research (see Yin 2014). It employs case study in local government institutions to spot the current phenomenon namely the local finance management process “... in depth and within its real-world context...” (Yin 2014:19). This research focuses on exploring the factors that contribute to the achievements of the local financial training in Subang Regency West Java. Subang Regency located in the eastern area of Jakarta and Northern part of Bandung, the capital city of West Java.

Figure 2.1. Map of Subang Regency



Source: ‘Subang Regency, West Java, Indonesia’, (n.d.)

There are several reasons in choosing this area.

1. West Java Province is the third area after East Java Province and West Sumatera Province respectively that has the most training alumni in Indonesia.
2. During 2013 until 2015, percentage of area which got unqualified-opinion in West Java had increased significantly from 21.4% to 71.4%. In other words, there was an increasing from 6 regions to 20 regions out of 28 in West Java Province which got WTP opinion from BPK (BPK 2015; BPK 2016).
3. From 6 regions (1 city and 5 regencies) with the biggest training alumni in West Java Province; 4 of them show the better trend toward unqualified opinion and 2 of them is stagnant in qualified-opinion including Subang Regency.

4. Based on training alumni's database from DJPK, Subang has about 40 alumni since 1984 or about 30 people since 2000.¹ It shows that the training was intensively conducted in Subang. However, it never gets unqualified opinion for its LKPD and even the quality of was fall into disclaimer-opinion in 2014 and 2015 (BPK 2016).
5. This is not in line with the study of effectiveness written by Juanda et al. (2013) that concludes "the more the alumni of the training, the better the quality of LKPDs (Juanda et al. 2013)".
6. Subang is relatively easy to access from Jakarta and has responsive apparatus to collaborate with during the process of getting research permission.

2.2. Data collection methods

Data collection of this research consists of primary and secondary data.

Primary data

Data is collected by using semi-structure interview. The interview itself is "a method of data collection that involves researchers seeking open-ended answers related to a number of questions, topic areas, or themes" (O'leary 2014:217). Semi-structure interview offered flexible way in delivering the question, "...neither fully fixed nor fully free" (O'leary 2004:164). In addition to providing a number of question list, there is always a chance to ask the related questions in order to make the conversation flowing in good order.

The interview aims to obtain some information related to trainee characteristics, training characteristics, and working environment. Interview was conducted at Local Financial Management Department (BPKD) in Subang Regency to gain detail information and opinion from alumni related to pre-training and post-training process as well as management of BPKD toward its role in developing employees' capacity. The interview was also conducted in DJPK to collect the information related to training design and implementation process. All respondents were chosen by using purposive sampling in order to meet the research objective.

There are fifteen respondents (see Annex B); 10 alumni, 4 supervisors (Former Head of BPKD, Former Head of Revenue I, Head of section accounting and reporting section, and Head of human resource section), and trainer provider from DJPK (Former Head of Sub Directorate of Regional Financial Investment). 10 out of 13 alumni are considered to represent the entire alumni of the period 2013 – 2015. In addition, there are four females (40%) from 10 interviewed alumni and their job position are staff.

¹ Unpublished document (2015), Database of Training Alumni, DJPK, MoF.

Secondary Data

This study also uses some academic journals and articles related to find and review the theory that match with the topic discussed. A training implementation report is utilized to find the training implementation process. The profile of this local financial training includes training resources such as finance and lecturers. This report can also be used to check accuracy of the interview result. Another document is BPK audit report to capture and analyse the trend of BPK opinion toward LKPD. Also, some government regulation, website, and unpublished letter and document related to capacity building program specifically this training program.

2.3. Data Analysis Method

This research employs qualitative data analysis method. The interview transcripts are coded based on theme to make it easy to analyse. Contacting back the respondents are made for confirmation purpose and asking additional question in order to fully understand the topic. This study particularly discusses about training effectiveness in employee capacity in Subang Regency. All the data are analysed to identify several components:

1. Trainees' perception. It will focus on exploring the trainees' perspective of the training design and analyse whether training has met their job task in managing local finance.
2. Achievement of learning outcome and training transfer. It will focus on examining the achievement of learning outcome in order to measure trainees' performance in training environment.
3. Transfer performance. It will focus on analysing the trainees' performance in the work environment as a result of training intervention. It will also explore the work environment in which the acquisition of knowledge was applied. Finally, it will find out the contribution of the skill and knowledge which have been achieved to the quality of LKPD by pointing at how the knowledge transfer mechanism in the workplace.

Chapter 3. Theoretical and Analytical Framework

3.1. Financial Reporting

The ultimate goal of governmental financial reporting is to provide high-quality financial information to support economic, social, and political decision-making process (GASB, 1999:1). “A good financial reporting information has some qualitative characteristics i.e. relevant, reliable, neutral, comparable, and consistent (FASB 1999:6)”. In addition, Vankateswaran (2013) were trying to combine qualitative characteristics based on FASB (2000) and Skousen et al. (2000) i.e. relevance, faithful representation, comparability, understandability, materiality, benefits and costs. FASB (2008) and IASB (2008) categorized relevance and faithful representation as fundamental qualitative characteristics that important for the content of financial information. While understandability, comparability, verifiability and timeless as enhancing qualitative characteristics that can improve decision usefulness (as cited in van Beest et al. 2009).

In order to assess these criteria, local government financial reporting has to follow financial reporting formats and standards in its preparation. Each countries has a standard of financial reporting that is set by government or another authorized body. This standard or format is usually aligned with International Public-Sector Accounting Standard (IPSAS) (Vankateswaran 2013; PEFA 2005).

As discussed by Venkateswaran (2013:141), the financial statement will pass the auditing process conducted by auditor in order to examine whether the local government is successful in carrying out its activities based on established rule, system, and procedure of public financial management. He also explained that through audit report, auditor communicates the findings and presents the opinion toward the financial statement. The auditor’s opinion consists of unqualified, qualified, adverse, and disclaimer (Venkateswaran 2013:142). He explained that:

Unqualified opinion is rendered by auditor if the financial statement provides true and fair financial information that is free from material issues. Qualified opinion is given if the financial statement presented does not conform with the proper accounting standard and procedure. Giving the adverse opinion, it means that the financial information has serious material issue and the auditor states that financial statement does not fairly presented in accordance with accounting standard and procedure. For the disclaimer opinion, it means that auditor does not give the opinion towards the financial statement and has to provide some reasons for it (Venkateswaran 2013:142).

3.2. Capacity Building

“Capacity is ability to perform appropriate tasks effectively, efficiently, and sustainably (Grindle 1997:34)”. “Capacity is understood as the ability of people, organizations and society as a whole to manage their affairs successfully (OECD, 2006: 12 as cited in Ortiz and Taylor 2008)”. Other definition is, “The ability to perform functions, solve problems, and set & achieve objectives in a sustainable manner (Fukuda-Parr et al 2002: 8)”.

Talking about capacity, it is always associated with capacity building which focus on the development process of individual and organisation in acquiring the goals. Based on Grindle and Hilderbrand (1995), capacity building refers to the enhancement of individual or organisation performance independently or collaboratively with other people or organisations in order to carry out the proper job task. They argued that capacity and capacity building would be affected by the context or environment where the task was taking place, the established rules and policies in that particular environment, communicative and collaborative partnership, organisational support and talented human resource.

There are many initiatives conducted on behalf the capacity building program, for example organization activities focus on monetary rewards, enhancing control management, and increasing skill and knowledge through training program. These all kinds of activities have the same objective to improve individual and organization performance in doing appropriate task.

In public sector, capacity building is concerned with local government particularly since the implementation of decentralisation policy. The most important program to reinforce local government ability in carrying out the new tasks is training. Training is needed by employees to upgrade their skill in order to face rapid changes in their workplace. Amount of money has been allocated in human resource development in the form of training program. By sending the employees to training program, private sectors believe that they will be able to enhance their performances, for example in profitability, sales, quality of product, employee and customer satisfaction, and organizational reputation as a result of improving the employees’ job performance. Meanwhile, for local government, training for staff is expected to increase the ability of staff in order to provide effective and efficient service delivery.

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3.3. Training Effectiveness

Training effectiveness and training evaluation have often been used together whereas the terms effectiveness and evaluation are different from each other. Training evaluation refers to measurement technique whether the trainees have attained the learning objectives while training effectiveness is more focused on explaining the determinants of the accomplishment or the failure of training program in obtaining the outcome (Tannenbaum et al. as cited in Kraiger et al., 1993:312). According to Goldstein and Ford (2002:138), training evaluation refers to the information gathering technique of training programs where the information can be used to make an improvement in learning method or training design in order to gain several goals; whereas the training effectiveness depends on the “[...]training delivery method and the skill or task being trained” (Aguinis and Kraiger 2009:453). Alvarez et al. (2004:387-388) come with the summary of the difference between training evaluation and effectiveness:

Evaluation seeks to find the benefits of training to individuals in the form of learning and enhanced on-the-job performance. Effectiveness seeks to benefit the organization by determining why individuals learned or did not learn. Evaluation results describe what happened as a result of the training intervention. Effectiveness findings tell us why those results happened and so assist experts with developing prescriptions for improving training.

Tannenbaum et al. showed the relationship of these two terms by saying that the training effectiveness is usually examined by training evaluation study which compares the condition after the training intervention to the specific criteria (Tannenbaum et al. 1993:18). Since each training program has different objectives and goals, the specific criteria to measure the effectiveness may vary one and another. Some researchers proposed some features to measure training effectiveness.

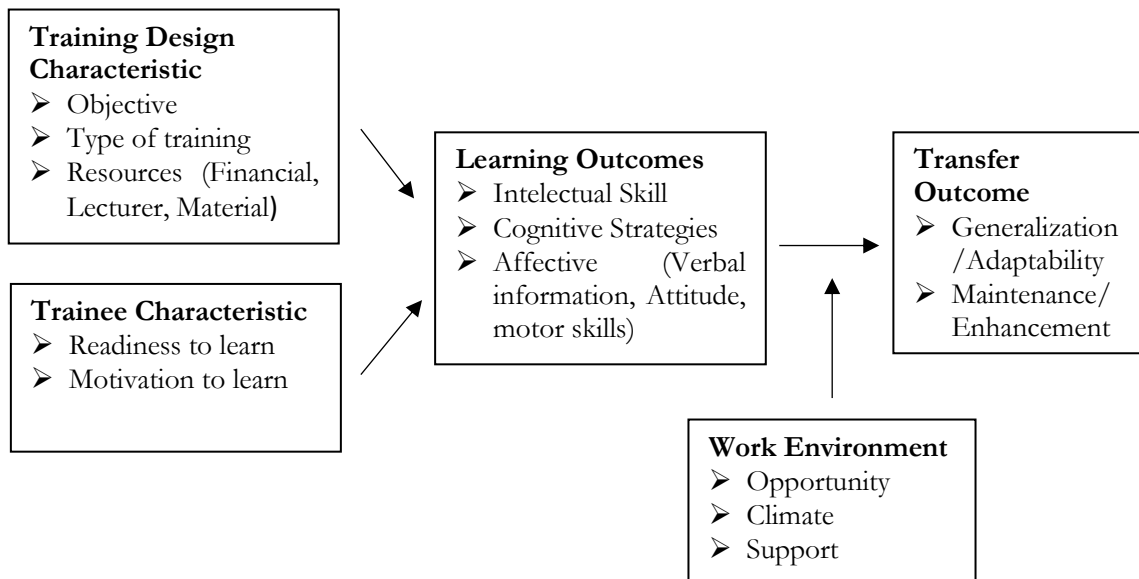
First, Kirkpatrick (1967) suggested four levels of learning outcome in evaluating training effectiveness: trainees’ reactions to the program content and training process (reactions), knowledge or skill achieved at the end of the program (learning), behaviour change in the job (behaviour) and improvements in individual or organization performance (results) (Kirkpatrick 1967 as cited in Santos and Stuart 2003:27). This framework was commonly used to evaluate training effectiveness in industrial and organizational area. Other than that, Warr et al. (1976) evaluated training effectiveness through four steps which are context, input, reaction, and outcome. Context focuses on training needs and objective of the program, input focuses on training design and how it is delivered to trainees, reaction focuses on the trainee’s opinion and experience towards the training, and outcome focuses on the skill or knowledge acquired from the training activities (War et al. 1976 as cite in Santos and Stuart 2003:28).

In order to revise the Kirkpatrick’s measurement steps of training effectiveness, Tannenbaum et al. (1993) proposed six categories of training effectiveness. They are reactions, attitude change, learning, behavioural changes which consist of training performance and job

performance, and result or organizational effectiveness (Tannenbaum et al. 1993:19). In this category, behaviour category in Kirkpatrick’s typology is divided into two categories which are training performance and job performance. Training performance refers to the behaviour before returning to the work environment while job performance examines the behaviour in the job or transfer environment (Tannenbaum et al. 1993:22).

Another study of training effectiveness is explained by Goldstein and Ford (2002). They argued that the effectiveness of the training will be achieved if the training program has a solid basic foundation. They pointed out that the basic foundation is the learning environment where the training procedures take place. The learning environments consist of the training design, the training participants, and the workplace. The type of trainings and the characteristics of trainees will influence the achievement of learning outcome; whether the trainees gain the knowledge, practice new skill, and improve their behaviour. Furthermore, what is next after the trainee gained the learning outcomes? There is a process of skill deployment into the workplace which called transfer of knowledge by trainee either in the same or different situational setting that is used in the training program (Goldstein and Ford 2002:127). The participants should know how and when they have to apply their knowledge and skills in the workplace. In order that the transfer of learning is successful, it needs “...both trainee’s ability and motivation to acquire and apply new skills” (Wexley and Latham, 1991; Noe 1986 as cited in Santos and Stuart 2003:30) as well as a conducive and supportive working environment. The learning environment is illustrated by the figure 3.1.

Figure 3.1. Learning Environment



Source: Goldstein et al. (2002:87)

Other than that, Alvarez et al. (2004) are reviewing several studies related to evaluation and effectiveness of training program and come up with an Integrated Model of Training Evaluation and Effectiveness (IMTEE). There are three main aspects that need further development; reaction, motivation, and organizational characteristics. Reaction here is related to the participant's opinion toward the training material and the conformity of the content to the needs. Motivation refers to individual characteristics that are influenced by the training content. The changes of the participants' motivation also can affect the result of training. The third aspect is organizational characteristics that show how organizational context influences the training outcome.

In addition, a study by Schumaker (2004) examines three dimensions that have relation to the training effectiveness. The research explicates that organizational environment and the relevance of the on-the-job training are largely influence the effectiveness of the training while the attitude or motivation of the trainee is less influential to the training effectiveness (Schumaker 2004:57). Moreover, a training program will be effective if it is beneficial for the trainees, organizations, and also society (Agiunis and Kraiger 2009). In local government case, the good training program will enhance the trainees' skill and knowledge that can improve their performance in doing their job in the workplace. If the government officer can transfer the skill and knowledge appropriately, government will be able to enhance their performance in providing the public services. As a result, society will get the benefit of it in order to improve their welfare.

Analytical Framework

In this study, the writer will use some categories combined from several previous studies. They are reaction, learning outcome, transfer, and result or organizational effectiveness.

Interrelationship of Reaction, Learning, Transfer, and Results

There are many components presented by several researchers to evaluate the training effectiveness. This study will use the components introduced by Kirkpatrick and Tannenbaum et al. which are reaction, learning, transfer, and result. In addition, this study will use several indicators from other researchers to measure each component.

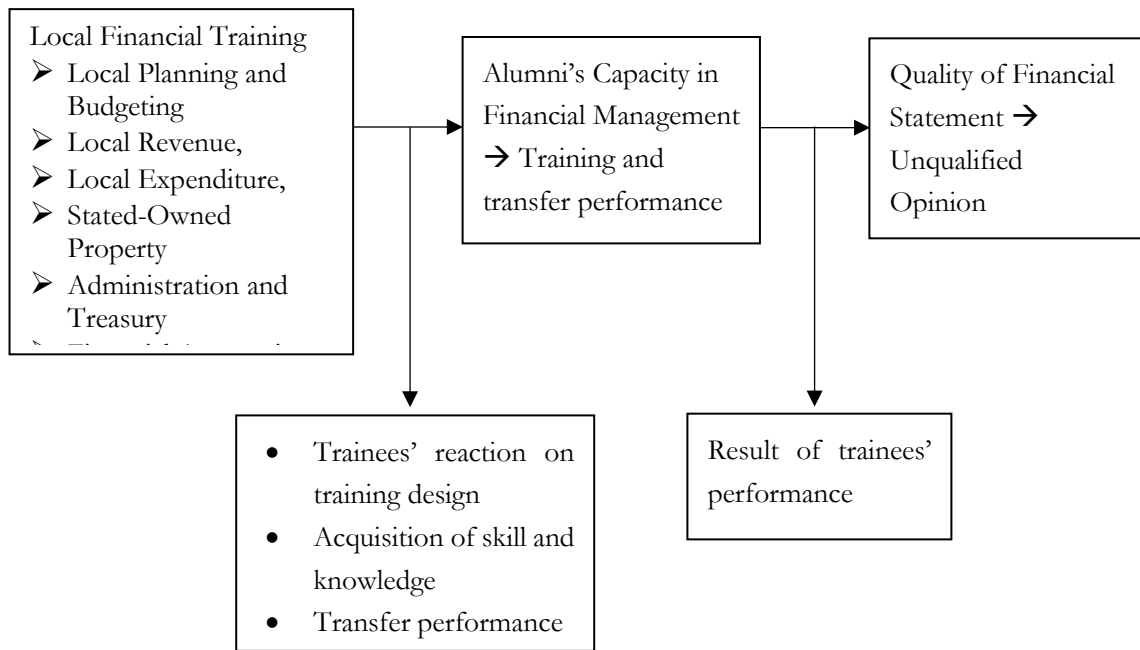
To be effective, a design of employee's training must link to the organizational objectives. In order to evaluate, this study will use the perception or opinion of trainees toward the presented training program. The reaction will be analysed to see the conformity between training material or content and the target of organization. In addition, it will be used to capture the material delivery especially through the opinion toward the lecturer and training duration.

The analysis of the trainees' reaction later can be used to see their acquisition of knowledge as well as their performance in the training environment. This study will use the alumni's self-report on their acquired knowledge and the traditional paper-and-pen-test. It also can be measured by capturing the trainees' behaviour in role plays or simulation that is provided by trainer. However, there is no data showing the trainees' behaviour during this activity at that time. Moreover, other than training design, the success of learning process depends on the trainee's characteristics (e.g. motivation and readiness).

The next step is transfer performance or on-the-job performance which explicates the trainees' behaviour in transferring their acquired knowledge to the real work environment. This performance will be analysed through trainee's self-report, peer, and supervisory opinions. The indicators of the achievement are shown by the increasing the level of knowledge, improvement oriented, compliance to the rule, and promotion. Other than knowledge achievement, the success of this process depends on the work environment condition (e.g. leadership commitment or supervisory support).

The end of this cycle is the result. The organization will reap what has been invested. The result refers to achievement of organizational objectives through training intervention. It is very much correlated with the previous step including the conducive work environment. This study will analyse the linkage between transfer performance and BPK's audit result toward financial statement of Subang Regency.

Figure 3.2. Analytical framework



Source: Own construction. based on theoretical framework

Table 3.1. Evaluation Criteria

Reaction	<ul style="list-style-type: none"> • Assessing the appropriateness of training design and content • Inputs for further training • Relevance (Alvarez et al. 2004)
Learning outcome	<ul style="list-style-type: none"> • Objective attained • Skill and knowledge achieved from training (Kirkpatrick 1967; Tannenbaum et al. 1993; Goldstein and Ford 2002) • Simulation, application of theory into practice (Tannenbaum et al. 1993) • Situated problem solving (Kraiger 2002 as cited in Alvarez et al. 2004) • Exam or Final Test (Kraiger et al. 1993:313; Alvarez et al. 2004)
Transfer	<ul style="list-style-type: none"> • Self-report, supervisor and peer judgement (Ford and Weissbein) • Faster performance, used trained strategy, and increased accuracy of performance (Kraiger et al. 1995; Lintern et al. 1989 as cited in Ford and Weissbein 1997:24) • Organisational support or supportive work environment (Goldstein and Ford 2002; Foxon and Motorola 1997) • Job performance (evidence of competence; promotion)
Result	<ul style="list-style-type: none"> • Organisational effectiveness, better quality of outputs, safety precaution, morale (Holton, 1996; Kirkpatrick, 1976; Kraiger, 2002; Tannenbaum et al., 1993 as cited in Alvarez et al. 2004).

Source: Own construction based on theory from Kirkpatrick 1976; Tannenbaum et al. 1993; Kraiger et al. 1993; Alvarez et al. 2004.

Chapter 4. Contextual Background

This chapter explains the background information in Indonesia context about central government intervention to improve the capacity of local government officer in financial management. It consists of two sub-topics. It will explicate the profile local financial management training program and define the situation of the Subang Regency where this study was conducted.

4.1. Quality of Financial Reporting

Local financial management is a process of planning and budgeting, implementation (revenue and expenditure), financial administration, accounting and reporting, supervision, and auditing toward public finance (MoHA 2006). Planning and budgeting is the systematic step in creating a yearly local government budget document (APBD). It also includes the process of the changes of APBD in the current year. APBD document is the basis for implementation of activities in local government. APBD implementation consists of revenue, expenditure and financing. Moreover, in financial administration, all of activities of revenue, expenditure and finance must be well-documented and recorded according to the standard of government accounting. At the end of this cycle, local government should provide a financial statement contains financial information that should meet the normative requirements i.e. relevant, reliable, comparable, and understandable (Republic of Indonesia 2010).

In assessing the quality of financial report, BPK audits and gives the opinion or professional statement to the righteousness of the information presented in the financial statement (Republic of Indonesia 2004). The fairness is based on conformity of government accounting standard, adequate disclosure, regulatory compliance, and internal control system effectiveness (Republic of Indonesia 2004). There are four level of BPK's opinion that is also stated in Government Law No.15/2004:

WTP indicates that the financial statement has been presented and disclosed fairly in all material issues. The financial information in the financial statement can be used by financial statement users; **WDP** indicates that the financial statement has been presented and disclosed fairly in all material issues, with some exceptions, and therefore financial information in the financial statement, apart from the exceptions can be used by financial statement users; **TW** means that the financial statement has not been presented and disclosed fairly in all material issues, hence the financial information in the financial statement cannot be used by financial statement users; and **TMP** indicates that the BPK declines to give an opinion because the financial statement cannot be audited according to audit standards, hence financial information in the financial statement cannot be used by financial statement users.

4.2. Local Financial Management Training Program

Financial Training Program has been conducted since 1981 by Ministry of Finance in collaboration with Birmingham University. This training program was specialised in financial management for university lecturer and civil servant. Afterwards, DJPK under MoF collaborated with seven reputable universities across the countries in training implementation specifically for financial management officer in all local government. The seven universities were UI-Jakarta, UGM-Yogyakarta, UNHAS-Makassar, UNAND-Padang, UNIBRAW-Malang, UNSRAT-Manado, and STAN. These universities served as training organizers based on cooperation agreement with DJPK. This initiative was principally financed by state budget and donor such as GIZ in facilitating the process of standardized module for year 2013.

The purpose of this training was to generate the professional, accountable, and output/outcome-oriented local financial management officer (DJPK 2014). In general, this training aimed to enhance skill and knowledge local government apparatus especially financial management officers in the field of local finance in order to improve the quality of local financial management and quality of financial statement (LPEM-UI 2013).

During its implementation, the training design has been changed several times. In the beginning, training was held for the strategic policy maker and financial management staff in every region in Indonesia. In the era of local autonomy (2001-2003), this training was dismissed. The reason behind this decision was disagreement issue about training provider. Some argued that training had to be provided by the local government itself not the central government. Nevertheless, in 2004, there were many requests from local government to central government to re-organize this training program. The main challenge that was faced by training provider in carrying out this training is budget constraint. The training budget decreased regularly year by year. Training concept supposed to be designed based on the availability of the budget. As the result, in 2011, the training for policy-maker level was dispensed. The training then only focused on strengthening the capacity of financial management staff.

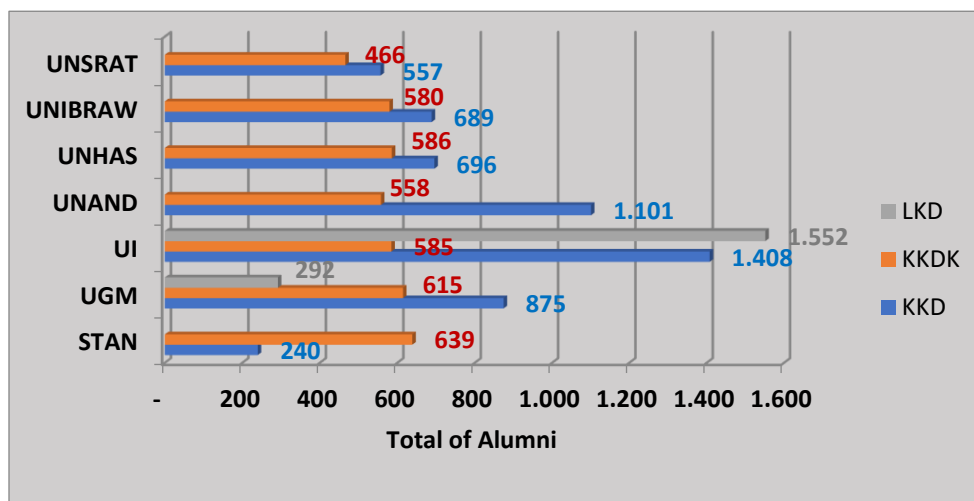
There are two types of training program; the general training program (KKD) and accounting training program (KKDK). Before 2013, the general training covered every part of the local financial cycle; local planning and budgeting, local revenue, local expenditure, administration and treasury, and financial accounting. In other words, each participant got the complete materials related to the local financial management. They were also followed by some case studies, individual, and group assignments. The duration of this training program was relatively long and also had changed for several times from 6 months to 3 months.

In KKDK, participants learn deeper and more detail about local financial administration, accounting and reporting. They also get materials related to information system, analysis of financial reporting and auditing. This training has shorter duration than KKD for only 2 weeks. It is because the /trained material is more specific and narrow discussion.

In 2013, MoF conducted a transformation in capacity building program. Types of training were divided into 6 specializations called module. The modules consisted of local planning and budgeting, local revenue, local expenditure, stated-owned property, administration and treasury, and financial accounting (DJPK 2014, unpublished document). Training duration for each type was around 2 weeks which was shorter than before. Each participant could choose one or more modules, but they had to make the first three priorities.

The existence of this program has benefited its alumni that spread all over local government in Indonesia. Based on data from DJPK, number of alumni up to 2013 is 11.439 people with details; 1.844 people for strategic policy maker training, 5.566 people for the general training, and 4.029 people for the accounting training. In detail, the number of alumni from each centre is illustrated in the Figure 4.1.

Figure 4.1 Total Alumni in Each Centre



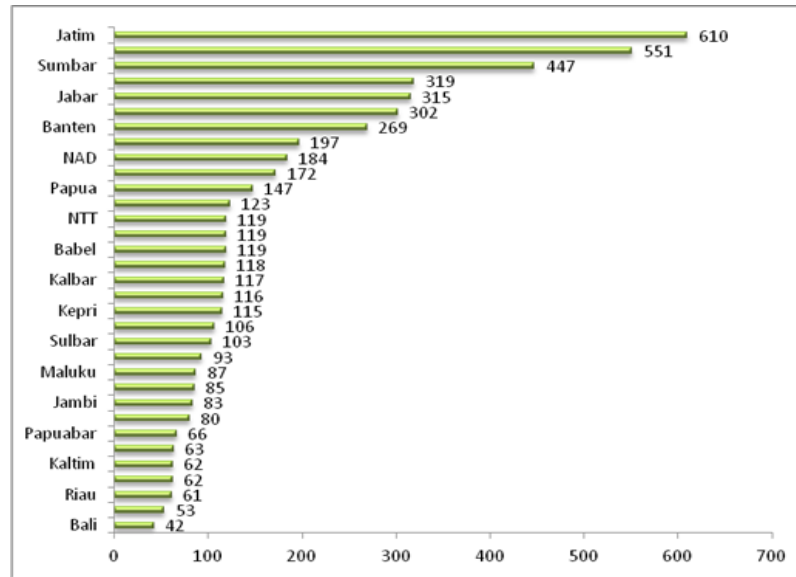
Source: (DJPK 2014, unpublished document)

Overall, number of alumni in KKD is more than in KKDK. UI, UNAND, and UGM respectively are the top three centres with the highest alumni of KKD while STAN with the fewest alumni of KKD. On the other hand, the highest number of KKDK alumni is in STAN. In addition, alumni of LDK are only in UI and UGM.

Figure 4.2 depicts number of alumni in each province in Indonesia in the period 2002-2012. The three provinces with the highest number of alumni are East Java, West Sumatera and West Java.

Moreover, in the same period, there is an increasing of unqualified opinion in some regions under these three provinces. The data shows that in 2015, 74% region in East Java had received WTP, followed by West Sumatera and West Java with 65% and 52% respectively.

Figure 4.2. Total Alumni in Each Provinces



Source: Juanda et al. (2013)

During its implementation, training program in public sector was often problematic with the financial issue. Although government realized that this program was important for the capacity building of their staff, the budget for training program would be the first budget that had to be reduced or even cut when the financial crisis came. This is also explained by Barret and Greene (2001) as cited in Schumaker (2004:51). This is what happened with training program for the financial management officer held by Ministry of Finance. Budget constraint became the main issue during the implementation of this training program². The budget was reduced every year and had affected the continuity of the training program. In order to keep it sustained, the trainer need to re-think in order to fit the training design based on allocated budget.

Another obstacle found during implementation was related to lecturer. As stated by Former Head of Sub Directorate of Regional Financial Investment, only a few people from universities had understanding related to local financial management as good as their teaching ability. In contrast, there were many people had full understanding of local financial management with no skill or experience to teach. In addition, there was a sharpening task and functions of Finance Education and Training Agency (BPPK) to centralize all the training programs in MoF. Since there was limited task and function of DJPK to carry out this training program, the local management training program was transferred into form of technical assistance in 2016.

²Interview with Former Head of Sub Directorate of Regional Financial Investment as the training organizer in DJPK, Ministry of Finance (16 August 2017)

Training Need Assessment (TNA)

The survey of 140 government agencies and 30 states by Gray et al. (1997) concluded that training practice in government agencies have problem in training need assessment. TNA is the basic foundation of an effective training program. According to Goldstein and Ford (2002:25), information from need assessment is very important in developing training design that meets the employees' needs to support organizational goals. Through TNA, the existing tasks, knowledge, and skills of the employees will be identified and analysed to find the gap in knowledge and skill needed in attaining organization objective. In addition, analysis could be more personal to the participants in order to make the result of gap analysis more accurate, i.e. someone new needs basic level of accounting theory while other needs more advance theory (Goldstein and Ford 2002:35). Above all, the most important is that the whole process needs a large support from organization. Otherwise, the better and fit training design will be hard to attain.

In this training, TNA was not the basis information t used in the training design process at the very beginning. The training design was more a top-down process from central government to local government in order to "... standardize the financial management" (Juanda et al 2013). Training provider considered many inputs from local government during the implementation of the training and BPK audit reports on local government financial reports to improve training design. Local government who get non-unqualified opinion on their financial statement will be prioritized for this training program as well as new autonomous regions.³

If ideally the analysis of knowledge, skill, and ability are done before constructing the training program, then this training program uses recruitment process to collect this information about existing knowledge, skill, and ability of the participant.

Training material and Learning Method

Training program for employees will be effective if its objectives align with the employer goal. Once objectives are identified, the content of the training can be developed (Goldstein and Ford 2002:101). As mentioned before that the objective of this training is to enhance the capacity of local government officer in financial management field. It is supposed to be in line with the common goal of local government in realizing a good financial management.

In preparing the training material, DJPK and 7 reputable universities are incorporating into a team which had not existed before 2013. Standardization of training material in 2013 was considered as a promising breakthrough for the better impact to the officer capacity in financial management. Content of training material consisted of complete information taken from related law, government regulation, and ministerial regulation as legal basis and guidelines

³ Interview with Former Head of Sub Directorate of Regional Financial Investment as the training organizer in DJPK, Ministry of Finance (16 August 2017)

for financial management. The references used in the training material at least consist of Law No.32/2004 on Local Government, Government Regulation No.58/2005 on Local Financial Management, and Regulation of Ministry of Home Affairs No.13/2006 on Guidance of Local Financial Management.⁴ The rest were using the rules and literatures that are specifically related to the topic, for example Law No.71/2010 on Local Government Accounting Standard in accounting module, Regulation of Ministry of Home Affairs No.13/2006 on Administration Procedures and Preparation of the Treasurer's Accountability Report and its Submission, Law No.12/1994 on Land and Building Tax in Revenue Module.

Other than general material for participants, team of material preparation provided hand out for participants and guideline for lecturer. Content of training material did not only consist of theory but also practical task and case study from some local government. Case studies material could be case of success of local financial management in South Tangerang Municipality, weak budgeting in local government and case related to BPK's finding on LKPD.⁵ Also, the contents had considered inputs from participants. For example, refinements on topics related to the formulation of general allocation funds, the implementation of special allocation funds based on technical guideline, and non-tax state revenue. In that way, the materials provided were expected to give the solutions to the problems commonly faced by local government.⁶

In delivering the material, lecturer used participatory and adult learning method. Through this approach, participants were given chances to share their knowledge and experience to each other through individual or group discussion. There was a practical task especially in accounting module such as a concise process of preparing financial report.⁷ It could be a valuable information source in finding solution to some problems in local financial management. Also, it was considered as effective way to learn rather just focus on listening to the theory in the class. In trying to build this effective learning method, DJPK had applied a standardization for the lecturer (Juanda et al 2013; DJPK 2014, unpublished document). The standardisation was done in the form of Training of Trainer (ToT) program.

Through this program, lecturers will be prepared to be competent in their own fields and ready to apply the attractive learning method. Lecturers for this financial management training program came from DJPK and universities. Lecture from universities are more teaching in the theoretical and conceptual aspect while from DJPK are more practical and also in theoretical

4 DJPK (2013) 'Modul Akuntansi Keuangan Pemerintah Daerah [Local Government Financial Accounting Module]', Training Material, Unpublished Document

5 Interview with Former Head of Sub Directorate of Regional Financial Investment as the training organizer in DJPK, Ministry of Finance (16 August 2017)

6 Ibid

7 DJPK (2013a) 'Modul Akuntansi Keuangan Pemerintah Daerah: Panduan Bagi Pelatih Kursus Keuangan Daerah Khusus [Local Government Financial Accounting Module: Guideline for Lecturer]', Training Material, Unpublished Document

aspect.⁸ For the requirement, every lecturer has at least joined the ToT even though in some cases, an absence of a lecturer must be replaced with who has never been in training, yet.

Recruitment Process

As mentioned previously, the recruitment process becomes a moment where training provider collects the information about participants and select the best one that meets the criteria designed for the training program.

In conducting this, DJPK gives an authority to the universities. Each university handles at least 4 provinces. In 2013-2014, Indonesia University handled Sumatera Province, West Java Province, DKI Jakarta Province, and Bali Province (LPEM-UI 2013; LPEM-UI 2014). In 2015, Bali Province was replaced by Bangka Belitung Province (LPEM-UI 2015). The recruitment process started by specifying the requirement of participant for example status as a civil servant, minimum ages, background education, position in office, permission from supervisor, health condition. The age might influence individual emotional intelligence and showed the life experience levels that might affect the effectiveness of the training and someone's skill in communication, team building and leadership (Kraiger and Kirkpatrick 2010). In this case, the minimum age for participant was 40 years old. One of the interviewees, a 35 years old woman agreed that age affected the ability to absorb new knowledge and skill. She felt that she stood a little behind the younger participants.⁹

Other than requirement for the candidates, training provider set the priority for local financial management agency, public work service, education authorities, health agency, and local employment agency to join the training program (LPEM-UI 2013; LPEM-UI 2014; LPEM-UI 2015). The reason behind this because these units have important goods and services with relatively huge budget allocation that need to be managed and delivered appropriately to enhance people welfare.

In practice, the candidates filled out the registration form as the basis of assessment to pass the selection. The trainees needed to give the information related to educational background, current job position, type of training taken and expectation joining the training. In principle, candidates could choose one or more training module as long as they get the permission from their supervisor. Moreover, in selecting the candidates, the training provider set the passing grade limits¹⁰. Hence, the participants who passed are expected to be competent, highly motivated and ready to receive training materials.

⁸ Ibid

⁹ Interview with Alumni on 31 July 2017

¹⁰ Personal communication with training provider while collecting training implementation report at LPEM UI, Jakarta, 18 August 2017.

4.2. Case Study in Subang Regency.

Subang Regency Characteristic

Subang Regency is administratively part of West Java Province. Local government unit consists of the Local Secretariat, Secretariat of Local People's Representative Assembly (DPRD), Local Inspectorate, 25 Local Government Unit (SKPD), and 30 sub-districts (Subang 2016). Based on data from BKPP, Subang has 12.567 local government employees. The majority of education level is bachelor degree (61.05%), high school (18.34%), diploma (11.80%), master degree (6.76%), junior high school (1.24%), primary school (0.77%), and doctor (0.04%) respectively (BKPP 2017). Moreover, approximately 279 of them have responsibilities as financial management officers.¹¹ They consist of employees in local financial management unit (BPKD) where the study conducted, and some employees in 25 SKPD, and 30 sub-districts who are given authority to manage local financial.

Just like any other local government in Indonesia, Subang has sent their officer to join the financial management training held by MoF and UI since 1987. Each alumnus in Subang Regency has followed different training concepts since that year. Until 2015, there are about 40 alumni of this training program. Currently, the majority of them are working in different position especially alumni who joined the training before 2013. Some of them are retired, passed away, move and promoted into other unit out of financial management. Fortunately, alumni who joined the training in 2013 until 2015 are mostly still working in the same unit that related to financial management.

Subang Regency is one of the five regions with the highest number of alumni in West Java. If we look back at the prior study of training effectiveness, Subang has not shown any significant improvement since 2007 (Table 4.1). Even in 2014 and 2015, Subang got disclaimer opinion towards its financial statement.

Table 4.1 BPK's Opinions (2007-2016)

Region	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Subang Regency	TMP	WDP	WDP	WDP	WDP	WDP	WDP	TMP	TMP	WDP

Source: Own construction based on BPK (2012) and BPK (2015)

According to BPK's report 2015, problems that were often found in local government financial statement especially for those who got WDP and TMP were the weaknesses of

¹¹Financial management officer is head of the regional finance management unit that has the task of implementing APBD management and acting as the general treasurer of the region (MoHA No.13/2006, No.59/2007, and No.21/2011). In other regulation, financial management officer is defined as local government officials and or employees who are given a certain authority based on applicable law within the framework of local financial management (MoHA 29/2002, Government Law No.151/2000, No.105/2000)

financial management based on government accounting standard and Internal Control System. The weaknesses of accounting standard were related to cash flow statements, presentation of receivables, local asset recording, presentation of investment balances, report on the procurement of goods and services. Moreover, problems in internal control system were commonly found in the management of revenue and expenditure account and accounting and reporting system respectively. Summary of audit report toward LKPD of Subang Regency is shown in the Table 4.2.

Table 4.2. BPK's Findings (2013 – 2015)

Year	BPK's Findings	Recommendation of BPK to Subang Regency	Opinion
2013	<ul style="list-style-type: none"> • Overpayment of teacher professional allowance in the Education Office Subang Regency Year 2013 • The accountability of the capacity building activities did not base on regulation • The preparation towards the accrual based accounting¹² was not adequate 	<ul style="list-style-type: none"> • Head of Education Officer instructed the teachers through the particular headmaster to return the overpayment allowance to the state. • Secretary of Subang Regency Parliament must be responsible for the budget realization of capacity building activity. • Head of DPPKAD need to socialize Government Regulation No.71/2010 of Government Accounting Standard (SAP) and created a system and policy of financial management that refer to the regulation. 	Qualified (WDP)
2014	<ul style="list-style-type: none"> • Indication of state loss from the realization of expenditure on the Health Agency • Overpayment of teacher professional allowance 	<ul style="list-style-type: none"> • Processing the claims for local losses and impose the sanction to head of Health Agency who has been negligent in overseeing financial management. • Head of Education office has to control and supervise the management of teacher professional allowance and instruct the teacher to return the money to the state. 	Disclaimer (TMP)
2015	<ul style="list-style-type: none"> • Financial Report of Subang Regency has not been implemented based on reliable accounting procedures. • Administration of fixed assets is not orderly. 	<ul style="list-style-type: none"> • Implementing local government accounting standard and standard account chart for the accrual based accounting • Developing the accrual based accounting information system that cover all the process from administration to reporting. 	Disclaimer (TMP)

¹² Accrual based accounting is a method to record accounting transactions replaced the previous cash-based-accounting.

2016	<ul style="list-style-type: none"> • Realisation of goods and services expenditure in trade and industry department is not supported by proper document and there are local cash losses. • Construction work of surgical building has not finished yet and the imposition of penalty has not been done. 	<ul style="list-style-type: none"> • Improving the control and supervision over financial management and instructing the examiner to more detail in verifying the document's spending. Also, Imposing the sanction to the expense treasurer for the inaccuracy in carrying out the duties. • Preparing the strategic plans based on the regulation of the completion of the construction work. Also, giving the instruction to committed officer to charge penalty for the late construction. 	Qualified (WTP)
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Source: Own construction based on Summary Report of Audit Result toward financial statement of Subang Regency (2013;2014;2015;2016)

The table shows that WDP opinion given by BPK due to minor issue in compliance to the standard accounting procedure and established regulation. While, BPK rendered TMP due to major material issue that cause the state loss. the standard accounting procedure and regulation that cause the loss of the state. BPK revealed that these issues occurred because the responsible financial management officer was negligent and inaccurate in obeying and understanding the rules as well as carrying out the task (BPK 2015).

Trainee Characteristic in Subang Regency

Trainee's characteristics is valuable to foresee the extent to which the training material can be accepted and absorbed in order to gain the learning objectives. There are many variables to define trainee's characteristics in pre-training and post-training condition i.e. ability, attitude, self-efficacy, personality, demographic, and experience (Tannenbaum et al. 1993:17). While, Goldstein and Ford (2002:29) define these characteristics as trainees' readiness and motivation before joining the training program. Readiness and motivation are more likely to support achievement in training performance. It means that these characteristics affects trainees' ability to perform their newly-acquired skill and knowledge in training, for example: during simulation process or in training post-test.

In Subang, employees who joined the training in 2013 until 2015 are mostly worked in BPKD. There are approximately 11 people out of 13 who work in BPKD. When joining the training, 9 people out of 10 interviewees hold bachelor degree in Accounting, Economic, Management, and Public Administration while one person graduated from Accounting Diploma. All of them have been in their positions at that time for a year. In addition, they once joined training related to their jobs held by local provider before joining this training program. It could be ascertained that they have sufficient background knowledge that is useful for them to understand the training material. This shows their readiness to follow the training program.

Other than the readiness, they also explained their motivation to follow this training. All the alumni expressed that they wanted to gain some new knowledge and skill from this training program. This is indicated as need-based motivation. Other than that, one of the alumni implicitly conveyed the desire to obtain additional income for the family. This is also implicitly stated by human resource department that the employees are interested in the training program. Besides actively inquiring about the program, they are also ensuring the availability of official trip budget to the place where the training is organized.¹³ This is considered as an organizational support by providing the incentive of paying for employee training. Moreover, future career becomes one of the reasons for joining the training program. They expected that the knowledge and skill they got will be able to support them in job promotion in the future. It has been well-informed that training certificate becomes one of the considerations for organization in staff promotion regardless any political nuances that follow the process of job promotion.

¹³ Interview with Head of sub-division of human resource on 2 August 2017

Chapter 5. Findings and Analysis

This chapter explains the findings and analyse them to answer the research question. The findings were obtained through interview with alumni, supervisor, and training provider. In analysing the findings, the writer applies theories that have been discussed in chapter three.

This chapter consists of several topics. First, it explains about alumni perception and opinion toward the training. Second, it discusses the achieved skill and knowledge through the training program. Third, it talks about the transfer performance in the workplace. Lastly, the study identifies organization's effectiveness as a result of training and transfer performance.

5.1. Reactions toward training

This part will explain the trainee's opinion regarding type or content of training, the length of training program, and the lecturer.

Trainee's reaction is one component that is often used to asses training effectiveness (Kirkpatrick 1967; War et al. 1976; Tannenbaum et al. 1993; Goldstein and Ford 2002; Alvarez et al. 2004). Terms reaction, perception, and opinion sometimes used interchangeably or even simultaneously in some related studies. They are all synonymous that refer to the feelings, responses, and feedbacks on the training conditions i.e. material, duration, and lecturer. The opinion also could be in the form of complaints as shown in study about the impact of training on teacher's performance in Ibanda District, Uganda (Mwesigwa 2010). Moreover, in the training evaluation and effectiveness study, "reactions are considered as a measurement technique for determining how effective training content and design were for the tasks to be learned" (Alvarez et al. 2004:388).

Regarding the type of training, the majority of alumni (8 people out of 10) agreed that specialization module in the 2013 is more effective and efficient rather than the 'one-for-all' type of training (Interview 31 July – 2 July 2017). By taking one type of training module that matches their job field, they could link it easily to their daily task in office. Some of them thought that the complete material was for the managerial level. Through the training evaluation survey conducted by each centre in the end of training program, "majority participants across Indonesia agreed that the curriculum before 2013 was considered too broad and could not be applied directly in the workplace" (Adriansyah 2012).¹⁴ On the contrary, the content of training material in 2013 was more specific and most of them stated that the material has met the participants' tasks in office.

¹⁴ Unpublished document, Director of financing and regional capacity, new-design local finance training program, DJPK, 2012

However, some alumni confirmed that they did not get sufficient discussion related to local tax. Alumni from revenue division claimed that the training focused more on the topic related to revenue from intergovernmental transfer rather than local tax in which they are specialized. Other than that, alumni from accounting suggested an additional topic in accounting module. The topic was about consolidation of financial report which fitted with his task as of all financial reports from SKPDs.

For the training duration, most of them also agreed that two weeks is enough to cover all the material in one type of training. Some people considered workload before decided to attend the training program. Moreover, in most of the cases, female officers felt more comfortable with this shorter duration due to family matters. This was explicitly explained by two supervisors and two female alumni. Supervisor from accounting and reporting revealed that:

There was family consideration for female staff who want to join the training. They were not willing to leave their husband and kids for long training duration like the one before 2013. Thus, they prefer staying at office and letting the male employees join the training (Zainatuddaroin 2017).

This issue was also revealed by female teachers in Ibanda District Uganda that deterred their work career (Mwesigwa 2009).

Regarding the lecturer, overall trainees suggested that the lecturer was good in delivering the training content. There were 5 trainees out of 10 argued that lecturer from MoF was more practical than lecture from university. One trainee argued that “DJPK’s lecturer teaching style was more attractive so that the participants were not bored during the learning process (Ayunda 2017, personal interview)”. Teaching style is considered as an influential factor for participants to understand the material. As mentioned earlier, teaching style was also highlighted as one of the obstacles faced by trainer provider. It was because some lecturers from MoF did not have the appropriate teaching skills even though they were experts in the topic.

Other than self-report, there is an implementation report that shows the result of survey in the end of training program. Most of participants were satisfied (70%) with the training implementation process. For example, conformity of teaching materials with daily job, availability of training facilities (classroom, toolkits, accommodation, meals, and transportation) and performance of training provider (LPEM-UI 2013).

In order to justify their opinion, the writer conducted a brief observation using the document describing tasks and functions of each division in BPKD and the training material book. Overall, the writer found that the harmony between the training material and the main task in office. For example, there is a chapter on training material that discusses the main task of sub-division of accounting and reporting. The task is preparing a financial statement that consists of data about the central or local government budget, budget realisation (LRA), operational

report (LO), Statement of Change in Equity (LPE), financial position, cash flow (LAK), the notes to financial statement (CALK) and its appendix (Regent Regulation, Government of Indonesia 2016). One alumnus from this area claimed that this part was very useful in accrual-based accounting at that time.

Other than that, task from local asset division became a title of the chapter in local assets module. In the chapter related to monitoring, control, and security of local asset, the participants were asked to analyse a case of asset issues taken from newspaper. The trainees also asked to create the strategy to address this problem. Moreover, in other chapter related to assessment of local asset, there is an illustration how to assess the local asset using market-data approach, cost approach, and revenue approach. By providing some real issues and practice assignment, the participants will be easier to understand the concept for further application in the workplace. One alumnus from local assets module expressed his experience while taking this course. He stated that “I have learned about assets management from other local government which concerned more with the functions rather than prestige (Ferdianto 2017, personal interview)”. This kind of learning method will stimulate the trainee’s ability to put theory or training material they achieved into context.

In response to the respondents’ reaction about material on local taxes, the author found that the contents have described the whole things from definition, system and procedure in projecting the potential tax and setting the tax rates followed by exercises and case studies. To give brief information, the revenue module consists of locally-generated revenue and intergovernmental-transferred revenue that have different management. In BPKD, revenue field is divided into two fields. Revenue Field I is responsible for all local taxes except land and building tax (PBB), land and building transfer tax (BPHTB) and intergovernmental transfer which are handled by Revenue Field II. Thus, it can be said that they need more specific module discussing only the local taxes.

These findings are quite clear in showing the content of training material that has generally covered all steps in financial management system in local government based on established law, regulation, and standard accounting procedure. However, one thing that has to consider is the training need assessment. This is substansial in order to define exactly the level of knowledge that need to cover in this training. thus, the training program can be designed uniquely based on the needs not just giving the same material as the participants got in their previous training.

5.2. Learning and training performance

Learning is a cognitive process of gaining the knowledge while the training performance is shown by the ability of the trainees in using the acquired knowledge in their actions (Tannenbaum et al. 1993). The accomplishment of learning objective becomes a valuable

resource in enhancing the transfer performance (Kraiger et al. 1993:312). In exploring the achievement of knowledge, (Tannenbaum 1993:22) pointed at the increasing of knowledge and trainees' ability to recall strategies, concepts, or approach to performing the task prior returned to workplace. He also explained that the task could be presented using the role plays or simulations (Tannenbaum 1993:22).

In this study, learning and training performance are analysed together through respondents' explanation about skill and knowledge they got from local financial training program (Kirkpatrick 1967; Tannenbaum et al. 1993; Goldstein and Ford 2002). In addition, it uses the data from traditional assessment tool (Kraiger et al. 1993:313; Alvarez et al. 2004) which is final test achievement held in the end of the training.

To begin with, all of interviewees agreed that this training has developed their skill in financial management. There was a lot of information that they achieved during the training that matched with their job at that time.¹⁵

One participant from accounting module explained the topic about accounting cycle fluently as well as that the accrual based accounting. This topic is very suitable with his job at that time when all local government was in preparation of accounting system migration from cash based accounting to accrual based accounting (Bustomi 2017, personal interview).

Alumnus from expenditure module achieved new information during the training program. As a spending treasurer, updated information related to spending is very important to support the regular job. The alumnus explained about the new regulation related to procurement. The regulation sets the minimum price of procurement for direct appointment mechanism at that time (Yuliati 2017, personal interview).

Alumnus from revenue and budgeting claimed that there was procedural knowledge enhancement compare to pre-training knowledge. Before joining the training, she did not know how a budget document was prepared. "Many employees only work based on command and protocol without knowing the background information behind it (Ayunda 2017, personal interview)". She gave the example of Taking as example an implementation of financial information system, staff is usually given a protocol how to use it, moving from one menu to another menu, clicking, filling in, and submitting. They only know how to use it without knowing why this system exists. As the result, they are not able to give any input for the better system to support organizational performance.

Another experience is shared by alumnus from administration and local treasury module. He stated that by joining this specialization module, some questions that come in his head related to job task can be answered. Also, some misunderstanding and misconception of self-taught learning that have been done so far can be straightened (Widyohardjo 2017, personal interview). He explained that the issue was related to verification function. Based on regulation

¹⁵ Personal interview with all Alumni, BPKD, Subang Regency, 31 July-2 August and 15 August 2017.

of Ministry of Home Affairs No.13/2006, each SKPD has an authority to do the verification. However, the verification function in Subang was done by Head of Treasury Division in BPKD who acted as Kuasa-(BUD)¹⁶ for many years due to habitual action. Kuasa BUD had to verify all SKPD financial documents which mean that there was uneven distribution of tasks. Also, Kuasa BUD had to be prepared for bear legal sanctions against something that he/she did not do. It means there was security issue that could influence the attitude toward work. Consequently, cycle of financial management in Subang Regency became ineffective at that time. In response to that, local government of Subang Regency conducted the revision of its financial management system and procedure in 2015 (Widyohardjo 2017, personal interview).

Other than respondent's self-report, there were several tests, i.e. pre-test, post-test and final test to assess the achievement of learning process during the training program. The writer will not use pre-test and post-test as measurement tool since the data are not complete.

Final test asked participants to complete several questions including case that is often or may be found in the real situation. This was like a simulation test that could stimulate the trainees' ability in analysing the problem solving. Thus, in this context, these scores can reasonably be considered as training performance measurement. From implementation report written by University of Indonesia, in total from 2013 to 2015, there are seven people with final score in the range 70-80, three people in the range 60 -69, and three people are failed in the range 45-58 (LPEM-UI 2013;2014;2015). If going into detail, the final test score is accumulation of several sub-topics' test score. The data shows that, some trainees who get overall score under 69 has good score in one subtopic in which they are specialized at workplace, but get very low score in another subtopic. This reveals that the more specialized the job tasks covered by training program, the more effective the training could be expected.

As mentioned in chapter 2, the achievement of learning outcome is inseparable from trainees and training design characteristics (Goldstein and Ford 2002:87). Trainee's motivation and readiness to learn are trainees' characteristics explained by Goldstein and Ford (2002:87) that can be affected the acquisition of knowledge. In terms of motivation to join the local financial training, all trainees from Subang claimed that they wanted to learn and gain new knowledge. This internal motivation was supposed to be a positive influence for them during the learning process. Other than that, participants who expected the trained-knowledge is useful to future career showed relatively good mark even one person got promotion. In term of readiness, the trainees have had experiences on the module they took. It was captured by their personal information of background study, background position on workplace, and training experiences. In term of training design, all of them have expressed positive response to the training material as discussed in the previous sub-chapter.

¹⁶ Officials in charge of the local treasurer's tasks

To conclude, there is a tendency that the training has achieved its objectives. This is showed by the percentage of trainees who passed the final test. There are 80% of participants passed the test. For the trainees, all of them reported that they have attained new knowledge through this training program. motivation and training design become factors which have been considered as stimulators for trainees in achieving good learning outcomes and training performance. However, type of learning method, for example role play and writing a paper, must be considered in order to make participants more active and ready to put the theory in to practice.

5.3. Transfer Performance

The direct application of this learning outcome is transferring the skill, knowledge, attitude, and behaviour to real situations (Goldstein and Ford 2002:127). These acquired skill and knowledge become inputs with which to perform tasks in the workplace (Tannenbaum et al. 1993:21).

Transfer performance refers to the trainees' performance and behavioural changes after they have returned to the job as a result of training intervention (Tannenbaum et al. 1993; Alvarez et al. 2004:397). An effective training program is all about enhancing organizational performance as a result the improvement of employees' capacity. Thus, it has to be aligned with the organizational objectives.

Dessler (2001:254) explained the relationship between training and performance by exercising whether the training design meet the needs of organization, i.e. filling the employees' knowledge gap to improve organizational performance (as cited in Mwesigwa 2010:27). Employee's performance is represented as work behaviour that is influenced by an individual's characteristics and the condition of work environment (Armstrong 2001 as cited in Mwesigwa 2010:22). Employees' performance is measured by performance standard set by the organization (Kenney et al. 1992 as cited in Nassazi 2013:27). In terms of standard performance measurement, "BPKD has not fully defined the key performance indicator" (Head section of human resource 2017, personal interview). There were a few units which set their indicator in order to measure the target achievement, for example revenue unit. Yet, the indicators only set the unit target not the individual target. Moreover, head section of accounting and reporting mentioned that the evaluation of staff performance was conducted by looking at their strength and weaknesses directly in interactions. The supervisor in this unit attempts to divide task evenly based on their ability. For example, staffs who have more prominent skill will be given the responsibility to administering financial reporting from the bigger local government unit such as public works department and sub-districts while others handling the smaller unit.¹⁷

¹⁷ Personal interview with Head section of accounting and reporting, BPKD Subang Regency, 31 July 2017.

To be able to transfer knowledge in the job effectively, the participants have to combine the “different forms of knowledge, including declarative knowledge (what), as well as procedural (how) and conditional knowledge (when and why)” (Tannenbaum et al. 1993:22). The trained-financial-management-officers not only performed well during the training program but also applied the acquired-knowledge properly in actual job environment. Moreover, Baldwin and Ford (1988:95) explained the transfer performance as a condition where the trainee could always utilize the trained-knowledge according to the job-task context in the period of time. They concluded this definition into the concepts of generalisation and maintenance of the trained-knowledge (Baldwin and Ford 1988:95). There are two forms of transfer that are denoted by generalization of learned material; “vertical transfer and lateral transfer” (Gagne and Smith 1967 as cited in Tannenbaum et al. 1993:23). Vertical transfer is a condition where the trained skill and knowledge are applied into higher level while lateral transfer is applying new skill into proper condition or situation (Tannenbaum et al. 1993:24). In this study, lateral transfer is more often recognized than vertical type of transfer knowledge.

In the following paragraph, transfer performance will be evaluated using trainees’ self-report, peer and supervisory opinion. Organizational support, factors that affect the transfer, will also be described afterwards.

An alumnus from accounting module applied the newly-trained accrual based accounting system in the actual job. He involved in migration process from cash based accounting to accrual based accounting system in the office after the training even though “it was still semi-accrual based and had not fully accrual based accounting (Bustomi 2017, personal interview)”. He shared and discussed the knowledge together with peer as well as system developer to establish accrual based accounting information system. Since BPKD as coordinator of financial management, any updated information from central government related to financial management need to be shared to SKPD in the form of reconciliation meeting.

The application of learning achievement was shown by the corrective action over the misconception of the regulation as explained before. Further action was making the revision of financial management system and procedure in Subang Regency based on Regulation of MoHA No. 59/2007 on Financial Management Guidance. Through Regulation of Regent of Subang No. 37/2015 on system and procedure of financial management in Subang Regency, SKPDs can directly verify their activities to be realized and are directly responsible to all activities they have done. For the employee in BPKD, this revision has made their performance become faster and more efficient. For the organization, “this revision has been considered to speed up the realization process (Widyohardjo 2017, personal interview)”. In the end, it will contribute the effectiveness of financial management.

Another report was explained by alumni from expenditure module. She was a treasurer who had applied most of the trained-knowledge before attending to the training program. “The training content had been a daily task in office, starting from budget submission, approval,

disbursement and distribution of the budget (Yulianti 2017, personal interview)”. After returning to the office, she simply implemented new information into her task as a form of compliance to the government regulation. In this case, the training seems less significant to increase trainees’ performance since the trainees only repeated most of the material which they have already known. This kind of trainee might need a higher level of knowledge rather than this existing training.

However, there was a case in which the trainees could not implement the new information directly due to the absence of local government regulation. During the personal interview, alumni from revenue unit conveyed and explained implicitly that this is the issue of leadership commitment. Commitment in terms of desire and passion to make strategic steps of achieving organizational purposes: i.e. creating new policy, procedure, and system. In this case, Subang government does not have local government regulations related to the deletion of expired-local-tax-receivable. Whereas, this has been a concern of BPK as one of weaknesses in achieving good quality of financial statement in Subang since 2010 (‘Laporan Piutang’ 2015).

In order to confirm the performance, peer and supervisory judgement can be used to evaluate the transfer (Alvarez 2004:397; Ford and Weissbein 1997:24). For the peer judgement, the study only conducted the interview with peer of alumni in the accounting and reporting unit and treasury unit. The peers revealed that an alumnus was appointed as administrator of financial management information system and person in charge in development of accrual-based accounting system at that time. In addition, they state that “he is like a hope in this unit and always reliable on the job due to the comprehensive understanding (Peer 1 2017, personal interview)”. They often asked and discussed about related topic of accounting for example identification of liability letter (SPJ) for personnel expenditure. Moreover, another friend from treasury unit explicated that the alumnus from this unit was active in giving inputs related to the task. Also, this alumnus got promotion one year after joined the program.

For the supervisory judgement, the author could not get the chance to interview some supervisors in period when the training conducted (2013-2015) due to massive employee’s rotation in BPKD. Former head of revenue division has given the review to his former staff related to their performance before and after joining the training program. In general, from 4 people who joined the training, “two people have good performance even before the training while two others only enhance approximately 30% (Former Head of Revenue Division 2017, personal interview)”. He also said that “it depends on their characteristics, motivation and willingness to work is important” (Former Head of Revenue Division 2017, personal interview). This is based on the experience in assigning task to that staff related to budget planning for tax collection. The staff could not completely understand with this basic-tasks.

The interesting thing here is all the respondents agree that this training increase their skill in financial management while the supervisor has different point of view for some of them on their performance. Since someone’s viewpoint could be distracted by “... social desirability,

cognitive dissonance, and memory distortion (Ford and Weissbein 1997:30)”, the supervisor evaluation could be one solution to validate the trainee’s performance in the workplace. The difference between self-report and supervisory rating has been revealed by Tziner et al. (1991) (as cited in Ford and Weissbein 1997:30). In their study, trainee felt that they have used the skills from training program as well as from additional module. However, the supervisor argued by claiming that the trainees did not use strategy implementation from additional module even though they used more skills (as cited in Ford and Weissbein 1997:30).

In that case, the writer found that there is a correlation between supervisor’s opinion on the trainees and their achieved score on final test which is; they got overall score below 60 on the module that matched their unit. Is it enough to describe their performance? Another finding, from two trainees, one person got perfect score in one subtopic but got worse score in another subtopic. It can be assumed that this person is good in one detailed-task (e.g. determination of local tax rate) in which he is specialized in, but it is missed from supervisory evaluation. Another person got relatively low in all subtopic. It can be assumed that this person has a difficulty in learning and may need more attention and supervision. Thus, organizational support is important to encourage staff’s motivation to work.

Organizational support is recognized as a factor affecting the transfer performance (Baldwin and Ford 1988:24). The support is important to maintain and ensure the skill and knowledge of newly-trained officials are shared, applied, and maintained in period of time. Organization should pay more attention to employees’ position once they return to office. “... effective utilization of human resources within organizations is the most important factor in determining whether public officials are productive or not” (Grindle 1997:53). Work environment in which trainees will transfer the knowledge must be supportive and conducive. Trainees will transfer their acquired knowledge effectively if the organization put them in the right place based on their competency once they return to office.

The importance of staff positioning has been explained in the study by Juanda et al. (2013). Result of survey on lecture opinion revealed that the most important criteria for trainees to succeed in their workplace after graduating from training is the relevance of training material and job task (65%). Other factors are understanding ability (20%) and personal ambition (11%) (Juanda et al. 2013:45). In response to study from Juanda et al. (2013), Former Head of Sub Directorate of Regional Financial Investment stated that “alumni will not be able to contribute more if the organization didn’t place them in the right position based on their competency (Nafi 2017, personal interview)”.

In response to staff positioning, there was a concern in BPKD to put the people based on their capability. As stated by former Head of BPKD “I will fight for people to be promoted as a form of reward as long as they were competent, qualified, and actively provided inputs for organisation (Sobari 2017, personal interview)”. The similar statement also stated by Head of sub-division of human resource added that the employees will be transferred to the division

that fit to their skill land knowledge or at least to unit that still linked with the previous place.¹⁸ This has been stated by BKN (2011) that “career path should consider education, training, age, working period, rank, job performance, and competency”.

In practice, staff rotation and promotion process are started in each unit. Head of each agency proposes the staffs by considering their competency. For the staff rotation, the decision could be directly taken by Head of Agency. For the staff promotion, the proposal will be discussed and decided by BaPerJaKat. Nevertheless, there is still political nuances in staff rotation and promotion in Subang Regency.¹⁹ For example, one of interviewee stated that “staff with lack of competency and graduate from junior high school get promotion” (personal interview 2017).

Fortunately, there are 70% (8 people out of 12) alumni of local finance training in BPKD are still in the position that related to training material they are taken (Table 5.1.). This is a good-news since there is a conjecture that most of local government do not consider staff competency in rotation and promotion process. Through this condition, the acquired-knowledge should be maintained over period of time in order to enhance trainees’ performance as well as contribute the improvement of organizational performance.

5.1. Alumni’s Job Position (2013-2015)

Alumni	Training Module	Position before training	Position after training
Bustomy	Accounting	Accounting and Reporting	Accounting and Reporting
Adi N. Widyohardjo	Administration and Treasury	Treasury Division	Treasury Division
Ely Yulianti	Expenditure	Financial Division	Revenue II Division
Dicky Fitriana	Revenue	Revenue I Division	Revenue II Division
Chanita Ayunda	Revenue	Revenue II Division	Revenue II Division
Avief S. Rakhmat	Revenue	Revenue II Division	Revenue II Division
Amaliana U. Dewi	Revenue	Revenue I Division	Revenue I Division
Nely H. Sanny	Revenue	Revenue I Division	Revenue I Division
Fajar Ferdianto	Local Assets	General Division	Revenue I Division
Ika Kartika	Revenue	Revenue II Division	Revenue II Division
Yayah Handayani	Expenditure	Treasury Division	Treasury Division

Source: Own construction based on DJPK (2015) and BKPSDM (2017)²⁰

¹⁸ Personal interview with Head of sub-division of Human Resource, BPKD, Subang Regency, 2 July 2017

¹⁹ Interview with Former Head of Revenue Division on 2 August 2017 and Former Head of BPKD on 15 August 2017

²⁰ Unpublished document, BKPSDM, Subang Regency, 31 July 2017

Furthermore, the enhancement of employees' performance is often related to the job promotion. In this case, there are only 2 training alumni out of 11 get promotion to the higher level. This condition cannot be connected directly since there are many components that need to be considered for someone **to be** promoted. Logically, the training aims to enhance employees' knowledge in certain field as a foundation for their career advancement in the future. Yet, "training program generally does not give sufficient consideration in promotion decision, under normal condition" (Amaju 1983:23). In Subang Regency context, especially in BPKD, the career path of the alumni seems on the track. As mentioned earlier, they were mostly in the same unit for more than 4 years. It also can be assumed that they can maintain the knowledge they get from training even to the higher level over period of time. In normal condition, it is likely that 50% of them are taken into account to be promoted in the future if they have higher level of formal education. Yet, in some cases, political nuance still interferes the promotion decision in Subang Regency that make the promotion pattern unreasonable.

5.4. Result

This part attempts to discuss the organizational achievement as a result of transfer performance. "Assessing result can be quite difficult for many types of training" (Tannenbaum et al. 1993:26). As mentioned by Kirkpatrick 1967, there are many influencing factors that are not easy to evaluate in order to explain the result of the program (as cited in Tannenbaum et al. 1993:26).

The expectation of training's effectiveness will be higher if the training program has interrelated objectives with the goals of the organization where the trainees work. As discussed in chapter four, the objectives of training program and local government goals have been interconnected each other. Through training program, the financial management officers are expected to give more contribution in improving the quality of financial statement.

The enhancement of employee's skill in accrual based accounting was beneficial for the organization in preparing the implementation in 2015. However, accrual based accounting system was not fully implemented in 2015 that made Subang got disclaimer opinion from BPK toward its financial statement. The interviewee from accounting module stated that he has provided some inputs in preparation of accrual based accounting. He admitted that he and all the staffs in accounting unit had done their best to support the implement of the system even though the system had not completed yet (Bustomi 2017, personal interview). Moreover, in terms of system development, the interviewee revealed that there was a lack of communication with the system provider due to possible funding issues and commitment of the leader. "As a staff we have informed the leader about the accrual based accounting system technically, but the decision depended on the leader (Bustomi 2017, personal interview)". Therefore, the achieved skill and knowledge could not be applied thoroughly and directly due to organizational commitment.

Other than that, the increasing of knowledge about new regulation is important for BPKD to carry out its function in implementing the technical policy in the field of local financial management (Bupati Subang 2016). BPKD was also conducted reconciliation meeting with SKPDs regularly in order to inform new knowledge, i.e. regulation on financial accounting and reporting (Bupati Subang 2016). However, the findings show that there were problems related to compliance in government regulation in other SKPD as a result of inaccuracy and lack of internal control and monitoring. As mention in the table of findings, most of the cases come from outside BPKD or other service delivery units i.e. Health Agency, Education Agency, and Trade and Industry unit. In fact, there was no one from these units joined the training program during 2013-2015. Indeed, the training could not fully guarantee that their performance would be improved. Yet, this is likely a signal that they need more attention to build their capacity in managing public finance. Although the training provider has prioritized some agencies including health and education agencies to join the program, it seemed do not work. Thus, training design should pay more attention to this issue.

Reflecting on BPK's opinion, its trend from 2013 to 2016 shows the absence of significant improvement. The findings explicated that financial management in Subang Regency has problems on the compliance in government regulation, government accounting standard and internal control system. There are several factors that hindered the organizational achievement to improve quality of financial report.

First, quality of financial management officer in each SKPD are limited. Human resource capacity issue in SKPDs was revealed by interviewees as one of the factors that hinder financial management performance in Subang Regency. "SKPDs are slow in submitting their financial report to the BPKD as compiler of all financial report from SKPD" (Zainatuddaroin 2017 and Bustomi 2017, personal interview). To give an information, each SKPDs should pointed out five of their staff as financial management officer. These staff will coordinate with BPKD in terms of financial management. In this case, "BPKD could only approve the proposed-staff as long as they have an interest and a good will to do the job (Widyohardjo 2017, personal interview)". He also said that BPKD did not set a high standard for the due to the limitation.

Another factor is the local financial management system has not been integrated. There are four divisions in BPKD that use different information system. They are Administration and Local Treasury using SIPKD, Revenue division using SismiOP, Local Asset division using SIMDA, Accounting and Reporting division using SIAP. One reason behind the disclaimer opinion in 2015 was in accounting and reporting information system. It had not been ready to implement accrual based accounting at that time.

The third factor that can be concluded from the interview session is the weaknesses of lack of supervision, monitoring, and controlling toward financial management activities which has led to the corruption in the education agency in 2014.

Therefore, there must be a commitment from all level in local government of Subang to address these obstacles. Otherwise, any program that is done for capacity building will be useless. It is because in the end, it will not only bring benefit for the organization but also society. Through the better financial management, local government will be able to make a better budget planning and execute the budget for the welfare of people. Also, through good quality of financial statement, everyone can use the accountable information to support decision making process for program development either in local level or national level.

Chapter 6. Conclusion and Recommendation

6.1 Conclusion

The training program is one of capacity development that focus on human resource. It must be seen as a process of achieving the learning objectives. It need a process-oriented evaluation tools in order to investigate the whole process of training from the design, achievement of learning outcome, and transferring the acquired knowledge in workplace.

Reaction Alumni's reaction indicated that the training program has considered as a learning tool to help trainees achieve skill and knowledge related to financial management. Generally, they perceived that the training program delivered in good way. Training material was well-prepared due to standardization purpose. The content of training material has covered all steps in local government financial management system based on government regulation. It also presented a study case from local government with either successful or challenging story in managing local financial. The training content contains of the relevant rules that serves as the basis and guidance in doing daily task related to financial management. Yet, complaints from trainees on revenue module as well as inputs from trainee from accounting module are noteworthy to be considered for the better training design.

Reflecting on the findings of BPK toward the financial statement of Subang Regency, local financial training design has accommodated the topics needed to solve the technical issues. The topics are related to expenditure module and administration and treasury module for the findings about overpayment on teacher's allowance and the accountability of project realisation. Accounting module on the case of accrual based accounting system, and local asset module on issue about administration of local fixed asset.

Learning Trainees' self-reports indicated that they have obtained the job-task-related knowledge through this training program. From the result of final test score, 70% of them passed the test and 30% failed. In this case, self-report and final test score were considered reciprocal. Most of the trainees who passed the test (80%) can explain the acquired-knowledge well. the main factor that affected the achievement of this learning outcome is the trainee characteristic. It has nothing to do with their readiness to learn, but their willingness to learn. Other factor that is likely to influence their training performance is about training design. One can be spotted is the report of trainees from revenue module that revealed the lack of detail explanation on local land and building tax management. Thus, regardless the affecting factors, it could be concluded that most of them have performed well in training environment.

Transfer performance Self-report, peers and supervisors' opinion indicated that there are meagre results in term of transfer performance. There are few of them who can demonstrate the implementation of learning outcome in workplace clearly. They are trainees who applied accrual based accounting, did the correction of financial management system and procedure, and used new information of procurement system. In term of promotion, there are

only two people who got it. There is a linkage between transfer performance and their achievement of learning outcome. Trainees who performed in training environment are also perform in work environment. The important factor that affect this performance is organizational support. The new knowledge cannot be implemented directly if the organization does not response and accept the knowledge directly. Accordingly, the transfer performance has not shown a significant behavioral-changes that influence their performance in workplace.

All in all, considering the findings presented, this financial management training program has a tendency to affect the improvement of alumni's training performance in Subang Regency through a well-designed training material and content. This training linked to their main tasks in office with the attention to the achievement of the organizational goals which is the quality local government financial report. However, their transfer performance was not as good as their transfer performance due to some inhibiting factors i.e. organizational support as well as trainee characteristics and training design. In relation to the organizational objectives, this performance is not significant in improving the quality of financial statement of Subang Regency. It is because of organizational commitment and capacity issue of financial management officer in SKPDs that makes Subang Regency cannot get unqualified opinion for its financial statement.

6.2. Recommendation

Coordination between local government and training provider is needed to assess the training needs. Local government should give the detailed-information to the training provider about the existing personal capacity particularly the financial management officers. This is important to prevent employees from learning the same knowledge and skill as before and wasting time to repeat on the same thing. This coordination will be useful for both local government and training provider. For local government, it will improve the awareness and responsibility in capacity development. Local government will not only send their staff, but also has a clear objective; to whom, in which area the capacity need to be developed in relation to the improvement of quality of financial statement. For training provider, the assessment result could be used to design the specific type of training that focuses on priority issue in order to handle the needs. It is considered better than offering many types of training without detailed information about the exact needs of the local government. In the case of Subang Regency, themes related accrual based accounting or administration and treasury are recommended for financial management officers in SKPDs i.e. treasurers, accountants, and committed officers (PPK).

Other than that, training provider needs to review the revenue module since there are some inputs that the material is not sufficient. It might be better if the revenue module is divided into two specific modules: locally-generated revenue and intergovernmental-transferred

revenue. Also, training provider need to re-think the concept of training designed to prevent material repeating for some participants. For example, by providing the training with different level of material.

In order to enhance training effectiveness, the training program should have significant impact to the career of financial management officer i.e. promotion and higher income. In other words, the organization must give incentive to the trained-officer who demonstrate the skill and knowledge in workplace. It will boost the trainee's motivation to perform better in workplace after they returned to office. Furthermore, in order to make it inline, the training must also have a good standard that make it worth to be considered as one of requirement to get better position.

Nevertheless, the training does not have an impact if employees themselves are not aware of their training performance. This is a problem for the organization. Local government of Subang and training providers need to conduct post training evaluation to asses transfer performance in the workplace. The success of transfer performance which will be shown in this evaluation result could be used as indicators to measure trainees' job performance. Yet, above the post-training evaluation, BPKD has to implement standard performance measurement. Thus, employees will take seriously all the activities which is invested to them for the purpose of organizational effectiveness.

Lastly, BPKD needs to improve its role to foster financial officer capacity in SKPDs. BPKD is expected to be shared the acquired-knowledge to financial officer in SKPDs. It will train local autonomy in managing its finance. As stated by Former Head of Sub Directorate of Regional Financial Investment from DJPK, "one indicator of the success of the program is the decentralization of knowledge" (Nafi 2017, personal interview).

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List of Annexes

Annex A. List of Questions

A.1. Alumni of Local Financial Training

INTRODUCTION
Position title (currently)
Position title (before training)
Could you explain your part in the financial management process especially in the process of production of financial statement?
Could you explain a little about your skill/knowledge/educational background that you have before join the training?
Have you joined training program related to financial management before this? If yes, could you explain how was the program?
What are the obstacles you face in managing the local financial especially in producing the financial report?
In order to improve your financial reporting, what kind of skill do you need?
ATTITUDE TOWARD TRAINING
What do you think about the training program? Did the training develop your skill in financial management?
What kind of material of the training that you really enjoy/suit with your job? What did you learn from that? Could you explain a little bit about the material? Ex: accounting
What do you think about the curriculum/module and of the training before and after 2013? (Before 2013 60 days of training per each type of training. After 2013 11 days of training per module/concentration). Which one do you think more efficient and Why?
Could you explain about the lecturer? Do they perform well?
If you could change the procedure of this training program, what do you think can be done differently?
ATTITUDE TOWARD WORK
How do you apply the knowledge from training into your workplace?
How do you share the knowledge that you got to your peer in workplace? Does the management create a room for sharing knowledge?
What do you expect after attending a training program at that moment?
Is there any significant changes in financial management procedure during 2013 until now?

ORGANISATION ROLE/WORK ENVIRONMENT
Are there training policies that guide training for financial management officer?
What are the consequences you get by joining the training? For ex: if you did well, you will get rewards from management or if you did bad, you will get negative consequences. Explain!
What challenges do you meet in implementing training policies, if any? Explain
In your opinion, What can the management does to make your job easier?
Can you describe a little bit about your working environment or culture in which you are the most productive and happy?
What role does your manager or supervisor play in your personal motivation at work before and after training?

A.2. Question for Training Provider

TRAINING PROGRAM
How long has DJPK been a provider for local financial training program? Could you explain a little about the history of this program?
What is the main objective of this program?
Could you explain about the resources of this program? In terms financial resources, who is funding this program? And what are the components of financing?
Related to type of the training (concentration), could you explain its transformation?
What is the basis in designing the training materials? Did you do the research to find the participants' needs? How?
How did you select the participants? One of the objective of this training is to improve quality of local government financial statement, did you take the BPK's opinion report as consideration in selection process?
Could you explain about the lecture? How did you select them? Explain
Could you explain about the final test process? (including exam question
EVALUATION
What challenges do you meet in implementing training policies, if any? Why?
How often you contact with the alumni after training program? Do you have a communication channel to connect each other?
What do you think about the impact of this program for alumni and improvement of financial management in local government?

A.3. Local financial management unit (BPKD)

INTRODUCTION
What is the biggest challenge in financial management especially in producing financial statement?
TRAINING
How was the selection process of the participant who will join this training program? What is the consideration to select them? (Bottom up or top down)
Is the training important for the organisation? If yes, Why? By sending some staff to join the training, what kind of achievement managed to be obtained? What do you expect from them after joined the training?
How do you see the staff's performance after joined the training? Did you remember what was the contribution from them in action plan to improve quality of financial report?
What do you think about the curriculum/module and of the training before and after 2013? (Before 2013 60 days of training per each type of training. After 2013 11-14 days of training per module). Which one do you think more efficient for the financial officer and Why?
MANAGEMENT ROLE
In what way did you support and keep the knowledge from the training being shared and applied properly at that time?
Is there any evaluation from management to the alumni's performance before and after training? if Yes, how is it?
How you see the relationship between the number of alumni and the quality of financial management?
You got disclaimer opinion from BPK of your financial statement since 2014. Some studies discuss that There is a correlation between number of alumni with the quality of financial statement. However, in Subang, the correlation is not applicable. What do you think? Why is it happened?
What is the Subang Regency need to improve quality of financial statement?

A.4. Human Resource Unit in BPKD

INTRODUCTION
How employee rotation pattern in Subang Regency? (to see Whether the organisation take the training skill into account?)
What kind of program did you create to improve the skill of financial staff before this training?
How do you measure the staff performance especially staff in financial management? Is there a standardization for performance measurement in Subang?

TRAINING
How did the process of selecting the participant who will join this training program? (who decide to whom in which type of training > bottom up or top down or discuss?)
How the alumni carrier position right now? (To see Whether they work in the proper position that match with the skill they got from training or not?)
EVALUATION
How do you see the staff after joining the training? (to see how the internal monitoring and evaluation system toward staff motivation/performance, to see job behaviour in work environment after training)
Is there any regulation related to the human resource, capacity building or training as a basis to implement training or even evaluate the alumni's performance after training in workplace?
What challenge do you think in developing financial staff capacity in order to improve quality of financial report?
How you ensure that the knowledge they get from training can be beneficial in their job?

Annex B. List of Interviewees

Name	Gender	Position	Date of Interview
Bustomy	Male	Alumni 2013	31 July 2017
Adi Nugroho Widyohardjo	Male	Alumni 2013	31 July 2017
Ely Yuliaty	Female	Alumni 2013	1 August 2017
Dicky Fitriana	Male	Alumni 2013	1 August 2017
Chanita Ayunda	Female	Alumni 2013	1 August 2017
Avief Salam Rakhmat	Male	Alumni 2013	1 August 2017
Amaliana Utami Dewi	Female	Alumni 2014	2 August 2017
Nely Harnelia Sanny	Female	Alumni 2014	2 August 2017
Fajar Ferdianto	Male	Alumni 2013	2 August 2017
Ika Kartika	Male	Alumni 2013	15 August 2017
Ahmad Sobari	Male	Former Head of BPKD	15 August 2017
M. Nafi	Male	Training Provider, DJPK, MoF	16 August 2017
Ninuk Prihastuti	Female	Human Resource Department, BPKD	2 August 2017
Bay Zainatuddaroin	Female	Supervisor	31 July 2017
Hari Rubiyanto	Male	Supervisor	2 August 2017
Interviewee 1	Female	Peer 1	16 August 2017
Interviewee 2	Male	Peer 2	16 August 2017

