

Analysis of Optimization of Fixed Asset Management for Sleman Regency Government

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Abstract

The key to successful economic management is related to the management of regional assets. Optimal management of regional assets will prioritize good governance and trustworthy management of state finances from the community. However, there are still some problems that occur in the management of fixed assets in the Sleman Regency Government. This research is a quantitative descriptive study that explains the relationship between asset inventory, valuation, legal audit, and supervision and control of the optimization of fixed assets. Research data was collected through the distribution of questionnaires. The analytical tool used is multiple regression analysis. The results showed that the inventory, assessment and supervision and control had an effect on the optimization of fixed assets. While the legal audit has no effect on the optimization of fixed assets.

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Introduction

Since the start of the reform era in 1998, Indonesia has advanced towards an era of openness. In the era of openness, people as citizens began to realize their rights, namely conveying a wish or a hope, one of which was related to the problem of managing local government assets. The financial balance between the central and regional governments based on Law no. 33 of 2004 became the basis for a system that underwent changes to the Regional Government. System changes occur in the balance of state finances and affect the implementation of regional autonomy. Regional autonomy and transparent financial balance position regional governments to become independent regions capable of financing part of the budget in the implementation of development, capable of being responsible for every aspect of development and funding of regional development and able to further improve services to the community. The existence of regional autonomy makes a challenge as well as an opportunity for local governments to regulate

and manage optimally the resources they have, Regulate potential resources and government-related affairs in accordance with autonomy including how to maximize and use regional assets owned according to their use by implementing Asset management system is one of the tasks assigned to local governments. Regional Original Income is one of the sources of funding to finance government implementation, so the government is asked to find out how to increase regional original income, one way that can be done is by implementing optimization in the management of fixed assets.

Disorganized administration is one of the causes of problems in controlling asset inventories (Wardhana, 2005). In asset management activities, an important activity that must be carried out is the asset inventory activity. The area is quite wide, the Sleman Regency Government has the potential from various sectors supported by facilities and infrastructure that can optimize the regional potential that is useful for improving community services, with that the Sleman Regency Government is required to manage asset inventories in accordance with established regulations. To be accountable to the central government and the public. However, in practice the Sleman Regency Government has not implemented an optimal asset management system.

Problems that occur in the management of land and building assets of the Sleman Regency Government are still lacking in application to the stages of asset management. The problems that occur in managing assets, especially in the problem of land and building assets belonging to the region in Sleman Regency are related to the asset management stage, namely the legal audit and inventory stages where there are still 62 plots with various types of land that are still not certified, This proves that the assets owned by the Sleman Regency Government do not yet have ownership status so that it is highly likely that they can be misused by other parties.

The land resulting from consolidation (LC) in 1989 in Sinduadi Village, Mlati District, Sleman Regency became another problem from the above problems, namely problems related to the asset valuation stage, land assets belonging to the regional government as a result of the consolidation there were 12 land parcels that were certified and had been assessed. assets but from the 12 parcels of land there are still 10 parcels of land that have not yet been assessed for assets. Apart from the problem of land assets described above, there are also problems related to buildings that are still not fully used or utilized optimally by the Sleman Regency Government, namely building assets in the form of kiosks in the Maguwoharjo stadium where the kiosk is left empty and has not been used for other things that should increase local revenue.

Based on the above problems, it is the responsibility of the Sleman Regency Government to manage its regional assets optimally by carrying out activities that are able to understand the asset management system (Siregar, 2004). In relation to problems with regional assets in Sleman Regency, special attention is needed in perform regional asset management optimizations by

knowing the implementation of asset management stages properly considering the importance of asset management stages as the right step in managing assets so that they can be optimized. Optimization of assets that have a relationship with the stages of management (Siregar, 2004). Therefore, this study aims to explain the relationship between asset inventory, valuation, legal audit, and monitoring and control on the optimization of fixed assets. This research is expected to be able to provide new contributions to the previous literature.

Literature Review

Supervision and Control plays an important role in assisting the optimization of asset management activities which are described in the Minister of Home Affairs Regulation No. 19 of 2016 supervision and control is carried out in order to obtain certainty in the smooth and successful operation of asset management activities so that supervision and control activities play an important role to provide certainty in the orderly administration in asset management. Supervision is an activity to see and evaluate in a real and correct way, whether the implementation of activities is carried out in accordance with established regulations or not. Meanwhile, control is an activity to provide certainty and provide direction to workers so that activities in asset management are carried out in accordance with a previously determined plan. Research conducted by Moses et al, (2016) in the Jayapura Regency Government proves that supervision and control have a positive influence on the optimization of fixed assets.

Asset inventory is an asset management stage whose activities are asset collection, asset writing and reporting the results of asset data collection. In the implementation of an asset inventory that has not been carried out properly and the results of the implementation have not been proven to be true, it will have an impact on incomplete asset data, causing assets that have not been recorded (Sugiana, 2013). In contrast to the implementation of an inventory that has not been good, when inventory activities are carried out properly by providing correct asset data, it will ease the performance of the Regional Government in controlling regional asset management activities (Chabib & Rochmansjah, 2010). Performance in the legal audit stage is related to activities in securing to controlling assets, asset legal action and asset administration, with legalization activities on assets preventing them from being taken over from other parties. With asset valuation activities, it will be easier to record inventory and as a preparation on the balance sheet of a region (Chabib & Rochmansjah, 2010). Based on the Regulation of the Minister of Home Affairs Number 19 of 2016 activities under supervision and control are very important to be considered and implemented by the Regional Government considering that at the supervision and control stage it can ensure the smooth running of activities, ensuring regularity in asset administration when managing regional assets.

Land and buildings as fixed assets do not move but have economic, commercial and exchange values that are useful and can be used by an organization or individual in addition to having the values of land and buildings that have benefits in the long term, which are used as organizers of government activities and as a public service. Wealth owned or controlled by the government becomes a resource that has an important function and role for the government to be able to provide facilities to the community, it is necessary to take an action to optimize asset management in accordance with government regulations and accurately.

Asset management based on the Regulation of the Minister of Home Affairs Number 19 of 2016 has several aspects from planning, use, elimination to supervision and control in management performance. With this regulation, it is expected to be able to step in with others and it is necessary to take appropriate action based on the regulations that have been set by knowing the clarity of the status of asset ownership, wealth inventory, optimizing its use to its utilization in order to increase income which is a source of funding (Akbar & Lukman, 2007). Implementing asset management performance in asset management has the main objectives, namely knowing clearly the ownership of assets, knowing the existence of assets, knowing the condition of assets, knowing the use of assets according to the benefits and conditions of assets and extending the life of assets.

Performance in managing regional government assets optimally is one of the driving factors determining performance, which is influenced by the asset management system. Asset management is seen as a system and an important action in most organizations and plays a role in supporting efforts to achieve the goals of an organization including optimizing assets owned by local governments, to achieve a goal of the organization, asset management performance is related to risk.

According to Siregar (2004) in the performance of asset management there are stages of work in which the performance stages are related to one another, these stages include the stages of inventory, legal audit, asset valuation, asset optimization and supervision and control of assets. Steps In optimizing assets, especially in the management of land and building assets, it can be done through the stages of asset management. The performance process at the asset management stage, if carried out effectively and efficiently, will get great and maximum results for the Regional Government that is, it can increase local revenue especially for assets and vice versa if assets are not managed properly and not managed optimally it will only waste money on local government finances through asset maintenance that is not in accordance with the results (Sugiana, 2013).

Research Methods

This study uses quantitative data types. Quantitative data obtained from the distribution of

questionnaires in the form of questions distributed to respondents then processed in the form of numbers and tested statistically. The type of design investigation used is the type of correlational investigation. Correlational investigation is used to find out the extent of the variation of one or more other factors, with the data as it is. This study uses primary data obtained through questionnaires. Employees who work in regional apparatus organizations within the scope of the Sleman Regency Government as the population in this study by taking samples with techniques through the method *purposive sampling*. Employees who work in regional organizations of the Sleman Regency Government with the scope of research, namely employees who are involved in work units in asset management or employees with the ability to understand asset problems with a total of 80 respondents as samples in this study. The analytical tool used is multiple regression analysis which is processed using in this study with the following equation form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

In this equation, the Y variable is defined as the optimization of fixed asset management, while the X1, X2 and X3 variables are defined as asset inventory, asset legal audit and asset valuation. Then, the X4 variable is asset supervision and control. Furthermore, β_0 is a constant, β is the regression coefficient of each variable and is the coefficient of error.

Results and Discussion

Based on the regression analysis, the results of the asset inventory variable are 0.455045, with a probability value of 0.0100 and at the count of 2.641344 (see table 1). These results indicate that the asset inventory variable has a significant effect on the optimization of the fixed asset management of the Sleman Regency Government. This research is in accordance with research (Antoh, 2017), (Demetouw et al, 2016), (Asman et al, 2016) and (Jusmin & Nursalim, 2018) whose results show that asset inventory variables have a significant effect on optimizing fixed asset management. The management of fixed assets (land and buildings) will be optimal when guided by the Ministry of Home Affairs No. 19 of 2016 and implementing asset management performance, one of which is an asset inventory carried out in accordance with applicable regulations. Asset inventory can optimize the management of fixed assets, especially land and buildings when recording asset data by calculating it, directing or managing assets to reporting on the use of assets recorded in the inventory books carried out by the regional government in a complete, orderly, precise and appropriate function and use.

Table 1. Multiple linear regression result

Variables	Coefficient	t-statistics	Prob
Asset Inventory	0.455045	2.641344	0.0100
Legal Audit	0.034021	0.252543	0.8013
Asset Valuation	0.471513	2.552286	0.0127
Supervision and Control	0.462032	3.157846	0.0023

Source: Data processed, 2021

Based on the regression analysis, the regression coefficient of the legal audit variable is 0.034021, with a probability value of 0.8013 and a t-count of 0.252543 (see table 1). These results indicate that the legal audit variable has no significant effect on the optimization of the fixed asset management of the Sleman Regency Government. This study is in accordance with research (Jamaludin, 2017) and (Jusmin and Nursalim, 2018) whose results show that the legal audit variable has no significant effect on the optimization of fixed asset management. Legal audit can optimize the management of fixed assets when auditing on legal issues, asset ownership status, identify asset legality problems until the transfer of assets are resolved in a way out and the problem can be resolved. In practice, the Regional Government of Sleman Regency still has problems related to the legality, namely the status of the asset owner, where there are still 62 plots of land that do not have a certificate of ownership status and the Sleman Regency Government has not made legal audits a determining factor in optimizing fixed asset management.

Furthermore, based on table 1, there are regression analysis results in asset valuation variables of 0.471513, with a probability value of 0.0127 and at count of 2.552286. These results indicate that the asset valuation variable has a significant effect on the optimization of the fixed asset management of the Sleman Regency Government. This research is in accordance with research (Antoh, 2017), (Jamaludin, 2017), (Demetouw et al, 2016), (Asman et al, 2016) and (Jusmin & Nursalim, 2018) whose results show that asset valuation variables have a significant effect on optimizing management fixed assets. Management of fixed assets will be optimal when guided by the Ministry of Home Affairs No. 19 of 2016 and implementing asset management performance, one of which is asset valuation based on applicable regulations. Asset valuation can optimize the management of fixed assets, especially land and buildings when assets owned by local governments have been assessed according to standard Indonesian valuation procedures.

Meanwhile, the monitoring and control variables based on the regression results have a value of 0.462032, with a probability value of 0.0023 and at the count of 3.157846 (see table 1). The results show that the supervision and control variables have a significant effect on the optimization of the asset management of the Sleman Regency Government. This study is in accordance with research (Antoh, 2017), (Demetouw et al, 2016), and (Jusmin & Nursalim, 2018)

whose results show that the monitoring and control variables have a significant effect on the optimization of fixed asset management. Supervision and control is one aspect of asset management contained in the Ministry of Home Affairs No. 19 of 2016. Supervision and control are carried out in order to obtain certainty in the smooth running of asset management activities effectively and efficiently and play an important role in providing certainty of orderly administration in asset management. Supervision and control will optimize asset management, especially on land and buildings when maximizing on asset management information systems and on activities in asset management that are carried out in real terms.

Conclusion

Asset Inventory has a significant effect on the Optimization of Fixed Asset Management of the Sleman Regency Government. In the process of asset management, it is necessary to carry out an asset inventory activity in order to record the wealth owned by the region, record the period of use of assets, provide information related to needs and budgeting for all assets, especially land and buildings to claims for compensation.

Legal Audit does not significantly affect the Optimization of Fixed Asset Management of the Sleman Regency Government, because in practice, there are still problems related to the legality, namely asset ownership status, where there are still 62 plots of land that do not have a certificate of ownership status and the Sleman Regency Government has not made legal audits the main factor in optimizing fixed asset management. So that the legal audit is not a determining factor in optimizing assets.

Asset Valuation has a significant effect on the Optimization of Fixed Asset Management of the Sleman Regency Government. An asset valuation is one of the determining factors in optimizing asset management, with the performance of assessing the assets owned by the region to find out asset price information if you want to sell it. An asset valuation is carried out by an independent appraiser who is selected to carry out the valuation.

Asset supervision and control significantly influence the Optimization of Fixed Asset Management of the Sleman Regency Government. Supervision and control are one of the problematic factors in asset management activities, To overcome these problems, it is necessary to improve the asset management information system to ensure performance in asset management without any doubt.

Thus, this research can have implications for the head and employees/staff of the asset section or employees with an understanding of assets in each regional apparatus organization. The Sleman Regional Government is expected to play an active, understanding, orderly role, provide complete and clear information related to administration in the performance of

management stage activities, consider legal audits as a determining factor in optimizing the management of land and building fixed assets such as other asset management stages that will help in asset protection, understand and implement aspects of asset management properly and correctly, one aspect that must be understood is the Minister of Home Affairs No. 19 of 2016 to obtain certainty in the smooth and efficient operation of asset management activities.

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