

OPTIMIZING THE UTILIZATION OF LOCAL GOVERNMENT ASSET(S) IN INDONESIA

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ABSTRACT

In the context of managing local government assets, the Ministry of Home Affairs of the Republic of Indonesia has issued several policies, including Regulation of the Minister of Home Affairs (Permendagri) Number 19 of 2016 concerning Guidelines for Management of local government assets, to Regulation of the Minister of Home Affairs Number 47 of 2021 concerning Procedures for Implementation of Bookkeeping, Inventory, and Reporting of local government assets. local government assets are regional economic resources that have a strategic role and function in the administration of local government, especially in improving public services and community welfare. In addition, over time there will be a decrease in the value of these assets. The Ministry of Home Affairs of the Republic of Indonesia has also collaborated with the Corruption Eradication Commission (KPK) and the Financial and Development Supervisory Agency (BPKP) through the Monitoring Center for Prevention (MCP). This program focuses on local governance covering eight areas, one of which is regional asset management. This article uses a descriptive qualitative approach with data collection using literature study techniques. The results show that the strategy that must be achieved for optimizing local government assets is to identify and inventory the asset value and potential local government assets owned or controlled by the Local Government so that local government assets can be controlled properly and minimize problems that arise due to unrecorded and unsuitable assets.

Keywords: Optimizing, Local Government, Local Government Asset(s), Utilization of Asset(s), Locally-Generated Revenue (PAD)

INTRODUCTION

Management of regional property is the basis for regional governments to manage their assets so that it has an impact on increasing the function of the assets themselves. Since the enactment of regulations regarding the management of Regional Property (BMD) and various other forms of regulations applied, efforts have been made to make it the basis and power of the government to manage regional assets (Hendrawati, 2021; Tran et al., 2022). The goal is that the reporting made can be properly accounted for, especially for the entire community and in accordance with the objectives.

Management of regional goods is a series of activities and actions on regional goods which include planning for needs, budgeting, procurement, receipt, storage, distribution, use, administration, utilization, security, maintenance, assessment, elimination, transfer, guidance,

supervision and control, financing and claims for compensation. Regional assets need to be cared for, run, protected and functioned properly because they are not only a legacy that needs to be accounted for to the community as stakeholders, on the other hand they are also a potential source of regional revenue as well as supporting the development of Regional Original Revenue (PAD) (Hanoraga & Triyanti, 2020). Furthermore, local governments need to be smart and skilled when managing assets based on current regulations and laws (Dewi & Nugraheni, 2020).

The Ministry of Home Affairs of the Republic of Indonesia encourages Regional Governments to optimize the use of Regional Property (BMD) to increase Regional Original Income (PAD). Utilization of assets can increase the success of development and public services. Given that there are still many asset problems and the use of Regional Property (BMD) is still not optimal, it is hoped that local governments will be able to accelerate the resolution of problems and increase PAD revenues in their respective regions (Kompas.com, 2022).

According to the Statement of Financial Accounting Standards (PSAK) No. 16 revision of 2011 the definition of assets is all wealth owned by a person or organization, both tangible and intangible which is valuable or valuable that will bring benefits to the person or company. According to Government Accounting Standards (SAP) assets are economic resources controlled and/or owned by the government as a result of past events and from which future economic and/or social benefits are expected to be obtained, both by the government and the community, and can be measured in monetary terms, including non-financial resources necessary for the provision of services to the general public and resources maintained for historical and cultural reasons. Thus, it can be concluded that an asset is an object that has economic value, use value, property value, special value and prestige value owned by a person or organization that is focused on achieving organizational goals (Rizal, 2018; Hapsari et al., 2019; Marlina et al., 2020).

Regional assets are all assets belonging to the region, both tangible and intangible goods according to the Decree of the Minister of Home Affairs No. 20 of 2002 on chapter 1 article 1. Tangible goods or called fixed assets are goods that have a useful life of more than one accounting period and are used for the administration of government activities and public services. It is stated in article 2 paragraph 1, that State/Regional Property includes (1) goods purchased or obtained at the expense of the State/Regional revenue and expenditure budget; and (2) goods originating from other legitimate acquisitions.

Local governments need to build appropriate preparations for the two types of regional wealth mentioned above. Preparation includes planning for assets, where these assets have not been used or are in the form of potential assets (Indraningsih et al., 2021). The planning carried out needs to cover three conditions, namely (1) checking the condition of regional assets in the past period; (2) assets required in the current period; and (3) planning asset requirements in future periods. Therefore, it is necessary to develop a short, medium or long term plan regarding the management of regional assets. Furthermore, regional property assets need to be operated to the maximum extent possible, while still observing the principles of efficiency, effectiveness, transparency and public accountability.

If Regional Property (BMD) is able to be operated properly, then strategic steps must be made in the management of Regional Property (BMD). These stages include (1) knowing the regional government financial reports and the opinion of the Supreme Audit Agency (BPK); (2) know the specific characteristics of assets and understand asset management; (3) planning asset procurement accurately; (4) record fixed assets according to their special characteristics; (5) record inventory of goods and other assets; (6) optimizing the use of assets and; (7) combine them all. Referring to the Minister of Home Affairs Regulation Number 19 of 2016, the scope of the management of regional property includes planning needs and budgeting, procurement, use, utilization, security and maintenance, assessment, transfer, elimination, administration as well as guidance, supervision and control.

Asset utilization is the utilization of regional property that is not used for the implementation of government duties and functions and/or optimization of regional fixed assets without changing their ownership status. For the object of utilization of assets in the form of land and buildings, it can be done wholly or partially depending on the area of land and buildings that are utilized. Utilization of regional assets is carried out based on technical considerations by taking into account regional and public interests (Corwin & Johnson, 2019). Utilization of regional assets can be carried out as long as it does not interfere with the implementation of the duties and functions of government administration (Purba & Aziza, 2019).

METHOD

This study uses a qualitative approach which is a research study with an emphasis on holistic descriptive, which explains in detail what activities or situations are currently taking place. With a natural setting as the direct data source and the researcher is the key instrument, the data obtained will be analyzed inductively. The steps taken are as follows (1) identification of the phenomenon to be studied which in this study relates to the utilization of local government assets in Indonesia; (2) hypothesis development; (3) data collection; (4) data analysis and; (5) formulate conclusions. The type of research used is a literature study. The literature study method is a series of activities related to the methods of collecting library data, reading and taking notes, and managing research materials. Literature study is an activity that is required in research, especially academic research whose main purpose is to develop theoretical aspects as well as aspects of practical benefits.

Literature studies are carried out by each researcher with the main objective of finding the basis for obtaining and building theoretical foundations, frameworks of thought, and determining provisional assumptions or also known as research hypotheses. So that researchers can classify, allocate, organize, and use a variety of literature in their fields. By conducting a literature study, researchers have a broader and deeper insight into the problem to be studied. Conducting this literature study is carried out by researchers between after they determine the research topic and the formulation of the problem formulation, before they go into the field to collect the necessary data.

RESULTS AND DISCUSSION

Effective government management is needed so that various government affairs are delegated to the regions and can be carried out optimally and can be properly accounted for to the public. regional government. With the delegation of authority, local governments have greater authority in managing state assets. Fixed assets or regional property is one of the most strategic factors in regional financial management. In general, the value of regional fixed assets is the largest value compared to other accounts in the financial statements. The existence of fixed assets greatly affects the smooth running of the wheels of government and development.

Therefore, the internal control system for the management/management of regional fixed assets must be reliable to prevent deviations that can harm regional finances. Fixed assets/regional property have a very important function in the administration of government, but in implementing the management of regional property is not an easy thing. there are often various regional asset problems. This is evident from the many exceptions to the fairness of the value of local government assets in the BPK-RI opinion on local government financial statements. This condition indicates that local governments are experiencing difficulties in asset management so that the audit report (LHP) from the BPK finds weaknesses in asset management.

In the context of managing Regional Property (BMD), the Ministry of Home Affairs of the Republic of Indonesia has issued several policies, including Minister of Home Affairs Regulation Number 19 of 2016 concerning Procedures for Accounting, Inventorying and Reporting of Regional Property. Regional property is an economic resource belonging to the region that has a strategic role and function in the administration of local government, especially in improving public services and community welfare. It will be very unfortunate when Regional Property (BMD) is not managed properly. This is because the existence of assets can become a burden because it requires maintenance and maintenance costs. In addition, over time there will be a decrease in the value of these assets.

In principle, the utilization of regional assets can be carried out if it does not interfere with the implementation of the main tasks and functions of the regional government and also does not change the ownership status of the regional property used. In addition to this, the synergy between local governments and related agencies will be very helpful. The Ministry of Home Affairs of the Republic of Indonesia has collaborated with the Corruption Eradication Commission (KPK) and the Financial and Development Supervisory Agency (BPKP) through the Monitoring Center for Prevention (MCP). This program focuses on local governance covering eight areas, one of which is regional asset management (Isnaini, 2019).

Taking research in several areas, the problem of regional fixed assets in Indonesia, especially in several places that have been discussed above, is poor administration where there are still some that are not in accordance with applicable regulations or have not adapted to existing changes. The local government also has not yet optimized the utilization of assets where there are still types of utilization that have not been carried out. The prosecution for negligence or misappropriation of assets is still low and this needs to be followed up for the consequences.

Supposedly, local governments can optimize the use of assets so that existing assets in their areas can provide public benefits in terms of services and local revenues as well as prevent the expropriation of assets from other parties and unwanted disputes occur (Purbasari et al., 2021; Zefri, 2022).

As happened to the Kotamobagu City Government which has not implemented standardization of local government work infrastructure and has not been in accordance with applicable regulations. The local asset management cycle at the Kotamobagu city government has not been in accordance with the regulations and their implementation due to the negligence of the fixed asset managers so that in terms of maintenance, there is no recording of the goods maintained in the goods maintenance card. South Minahasa Regency in the utilization of assets used is in accordance with applicable regulations but utilization has not been carried out optimally where there is no cooperation in utilization, Build Handover, Build for Handover and cooperation in infrastructure provision.

In Ciamis Regency, the form of utilization of regional property that has been carried out is rent and use. Based on the results of interviews, observations and documentation for goods whose control is with the goods user (SKPD), the administrative process is carried out by the relevant SKPD after obtaining the approval of the Regional Head. As for the goods whose control is with the goods manager, the administration of the utilization of the rental of regional property is carried out by the assistant manager through the management of regional property at the BPKD which includes land and building leases. For utilization through borrow-to-use, everything is carried out by the assistant manager after obtaining permission from the regional head, including regional property used by vertical agencies, both land, buildings and two-wheeled and four-wheeled vehicles. Utilization of regional property through rental or borrowing has been carried out in accordance with the provisions. If the permit for the use of regional property has been approved by the regional head, a regent's decree will be issued regarding the permit for the use of the land. Furthermore, based on the decision to use the use permit, it is followed up by making a lease agreement (MOU) between the lessee and the local government, in this case by the manager (regional secretary).

Based on Government Regulation Number 27 of 2014 that regional income from the use of regional property is regional revenue that must be fully deposited into the regional general treasury account. Utilization of local goods through borrow-to-use which is applied between local governments and vertical initiatives in Ciamis Regency. The types of goods used for lending include land, buildings, two-wheeled and four-wheeled. The borrowing and use of regional property is carried out by the manager (Sekda) after obtaining approval from the Regional Head. Decree of the Regent regarding the borrowing and use of BMD and following up with an agreement to use the agreement (MOU) for the loan of goods in question, which contains: the parties bound in the agreement, the type, area or amount of goods, the period of borrowing, restrictions on operational time and maintenance costs time of borrowing and other requirements deemed necessary. Government Regulation Based on Number 27 of 2014, the term for the

extension of the credit period is 5 (five) years and can be extended once. In Boven Digoel district, to optimize asset utilization, it is necessary to have an inventory, legal audit and asset valuation that has been tested to affect the optimization of regional assets. Of course, local governments must improve the factors that support the optimization of the use of regional assets with good procedures and provide benefits to the government and the public. In this case, local governments can improve asset data collection that is more accurate, systematic and reliable. Empowering assets owned by the government so that it can increase local revenue. The importance of completeness of documents for every government asset and providing action to employees so as not to forget the specifications of the assets they have.

CONCLUSION

In the context of managing local government assets, the Ministry of Home Affairs of the Republic of Indonesia has issued several policies, including Regulation of the Minister of Home Affairs (Permendagri) Number 19 of 2016 concerning Guidelines for Management of local government assets, to Regulation of the Minister of Home Affairs Number 47 of 2021 concerning Procedures for Implementation of Bookkeeping, Inventory, and Reporting of local government assets. local government assets are regional economic resources that have a strategic role and function in the administration of local government, especially in improving public services and community welfare. In addition, over time there will be a decrease in the value of these assets. The Ministry of Home Affairs of the Republic of Indonesia has also collaborated with the Corruption Eradication Commission (KPK) and the Financial and Development Supervisory Agency (BPKP) through the Monitoring Center for Prevention (MCP). This program focuses on local governance covering eight areas, one of which is regional asset management. This article uses a descriptive qualitative approach with data collection using literature study techniques. The results show that the strategy that must be achieved for optimizing local government assets is to identify and inventory the asset value and potential local government assets owned or controlled by the Local Government so that local government assets can be controlled properly and minimize problems that arise due to unrecorded and unsuitable assets.

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