

FIXED ASSET MANAGEMENT AT THE REGIONAL FINANCE AND ASSET AGENCY

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A B S T R A C T

This research is a type of Mixed Methods research, namely a combination of quantitative and qualitative approaches. With the aim of finding out the condition, ownership status and legality of assets registered at BKAD South Buton Regency. The types of data used in this research are secondary data and primary data. Secondary data in this research is data that researchers obtained from second parties directly in the form of reports and documents through the South Buton Regency BKAD office which can support data completeness while primary data is primary data in this research that is data that researchers obtained through questionnaires distributed in South Buton Regency BKAD office. The sampling technique in this research is non-probability sampling. The results of the research show that there was a significant increase in the number of assets from 2018 to 2020 at BKAD South Buton Regency, however there were differences in the condition of the assets reported, especially for assets that were heavily damaged and assets in poor condition. This indicates the possibility of a discrepancy between asset administration records and the actual physical condition of the asset. And South Buton Regency BKAD supports the policy of replacing assets without repair. This policy has a positive impact on the quality of assets available at BKAD and contributes to better asset quality and condition. This policy was generally received with a positive outlook, although there is room for improvement regarding long-term efficiency and asset desirability.

INTRODUCTION

Implementation in the management of fixed assets effectively and efficiently will contribute the best to the successful achievement of the objectives of a Local Government. (Hadiyanti & Nahar, 2018). Management of State Property (BMN) in accordance with Permendagri No. 19 of 2016 includes several stages, namely planning and budgeting needs, purchase, use, operation, security and maintenance, evaluation, destruction, and guidance, monitoring and control. The control of BMN in state ministries / institutions that function is a general dynamic for the inventory and rearrangement of state assets that have not been properly managed so that the use and exploitation of state assets are in accordance with their designation and are able to provide great benefits to the state in providing services to the community (Yustiana et al., 2021).

Fixed assets are one of the items that must be managed properly in order to produce reliable information in the regional financial statements. Regional Capital Asset Management is an effort to improve efficiency, effectiveness and create added value in asset management. Regional asset management must be managed properly so that it becomes the initial capital for local governments to develop their capacity (Wartuny, 2020).

Based on KIB B Other assets of the South Buton Regency Education Office, it can be seen that in 2023 the items that were purchased in 2020 were pc computers (acer aspira) with no goods condition (TA), laptops (acer) with no goods condition (TA), pc computers (acer aspira) with goods condition (GOOD), then items held in 2021 were laptops (acer chrome) with no goods condition (TA), laptops (axio) condition of goods heavily damaged (RB), laptops / pc condition of goods available (GOOD), and goods procured in 2022, namely laptops (core i5) with the condition of goods heavily damaged (RB), pc computers (axio chorem ebook) with the condition of goods available (GOOD), laptops (acer) with the condition of goods available (GOOD), which can be concluded that there are several problems that occur such as, loss of goods, and damage to goods. So that the need for an inventory audit, maintenance and repair, and supervision.

Research conducted (Agusti & Mahmuda, 2021), Thus, the system and procedures are said to be in accordance with Permendagri No. 19 of 2016, although the timing of the implementation of the

evaluation stage is not optimistic, because for all districts and cities it still depends on the KPKNL evaluation team (State Wealth and Auction Service Office) in Kendari, Buton Regency BKAD still carries out valuation activities every year. Meanwhile, the results of previous research conducted by (Wartuny, 2020), on asset management at the Regional Financial and Asset Management Agency of Southwest Maluku Regency which shows that the management of fixed assets / regional property carried out by the BPKAD Property Section as Deputy Director is carried out optimally and in accordance with the system and procedures for the regional property management cycle regulated in Ministerial Regulation 19 of 2016, regional regulations and Regent regulations regarding property management guidelines apply in the region, but not all of them are maximally implemented.

Based on the phenomena described above and there are several previous studies, the authors are interested in conducting research related to fixed asset management with the title “Fixed Asset Management at the Regional Financial and Asset Management Agency of South Buton Regency”.

METHODOLOGY

This research is a type of Mixed Methods research. The characteristics of this research model are that quantitative data is preferred over qualitative data, qualitative data is secondary data which is supporting quantitative data, and qualitative data serves to justify quantitative data (Justan et al., 2024). The population and samples in this study were KIB B of the South Buton Regency Education Office. The data source for this research is secondary data. This research was conducted at the Regional Finance and Assets Agency (BKAD) of South Buton Regency. The data in this study were collected through observation, interviews and documentation. The data analysis technique applied is quantitative descriptive analysis which will analyze the data that has been collected.

RESULT & DISCUSSION

Asset Condition

Asset condition refers to the physical and operational status of goods or equipment owned by an organization or individual. The condition of assets at the Regional Finance and Assets Agency (BKAD) in South Buton Regency illustrates how well the assets function and how serviceable they are, and helps determine maintenance or replacement needs. The Asset management and recording process has significantly increased the number of assets from 2018 to 2020, but there are differences in the condition of the assets reported, especially in assets that are severely damaged and assets in poor condition. This indicates the possibility of a mismatch between the administrative recording of assets and the actual physical condition of assets. The results of asset conditions at the Regional Finance and Assets Agency (BKAD) of South Buton Regency can be seen in table 1.

Table 1. Asset Condition of KIB B Equipment and Machinery for the Year of Examination 2023

Tahun	Nama Barang (Aset)	Jumlah Awal	Kondisi	Jumlah
2018	Laptop	42	Baik	14
			Kurang Baik	8
			Rusak Berat	18
2019	Laptop	263	Baik	215
			Kurang Baik	10
			Rusak Berat	31
	Komputer	9	Baik	1
			Kurang Baik	0
			Rusak Berat	1
2020	Laptop	240	Baik	155
			Kurang Baik	22
			Rusak Berat	56
	Komputer	167	Baik	129
			Kurang Baik	5
			Rusak Berat	30
Jumlah		721	695	

Source : data processed (2024)

There is a significant discrepancy between the amount of assets at the beginning of the recording and the end of the year. Laptops have no explanation or documentation of the source of the

increase from 40 units (2018) to 256 units (2019). The decrease in number is also not clearly recorded from 2019 to 2020 (233 units). Computers suddenly appeared recorded in 2019 with only 2 units, but increased to 164 units in 2020 with no clear source or procurement process. Some of the common reasons that can cause these recording discrepancies are the absence of an integrated recording system, making it difficult to track changes in condition, deletions, or additions to assets. The initial recording data may not reflect the assets actually owned due to negligence or inaccuracies in the initial recording process. Discrepancies can occur because assets that have been severely damaged or are not in use are not removed from the recording system. Lack of regular checks between administrative records and physical items resulting in misclassification of conditions.

Possible Cause of Non-Conformance, Lack of Periodic Maintenance, assets that are not properly maintained tend to deteriorate quickly. If maintenance is not carried out regularly, assets that were originally in good condition will quickly turn into poor condition or even seriously damaged without realizing it, so they are not recorded correctly. Limited Resources for Inventory, the asset inventory process requires adequate resources, both in terms of manpower and time. This limitation can cause damaged or unfit for use assets to still be recorded in good condition or vice versa. Unmonitored Use of Assets, assets that are often moved around or used by several parties may not be monitored properly, so they can be damaged without being reported in the recording system. Untimely Administration and Data Updates, Delays in updating asset data can cause discrepancies between the physical condition of assets and their recorded condition.

The results of this study are in line with research conducted by (Meo et al., 2021) on “Analysis of Fixed Asset Management and Implementation of Government Accounting Standards at the Malang City Regional Financial and Asset Management Agency” which explains that as a manager, BPKAD Malang City implements 11 fixed asset management cycles. Some of the obstacles or inhibiting factors encountered in the implementation of the regional property management cycle are human resource factors due to the need for knowledge and understanding of human resources in capital asset management, leader commitment, the need for consistency in the predetermined organizational structure. From the leadership and the need for attention or persistence of a leader and the asset valuation factor is also an obstacle, especially the valuation of assets whose acquisition is unknown.

Perceptions about the policy of replacing assets without repair

Table 2. Respondents' Responses Regarding the Asset Replacement Policy Without Repair

NO	Question	Frequency	Percentage
1	How much do you agree with the policy to directly replace damaged inventory without repairing it first?	8	61,50%
2	Do you think replacing damaged inventory without repair is more efficient in the long run?	7	53,84%
3	Does this policy have a positive impact on the quality of assets available at BKAD?	9	69,23%
4	In your opinion, what are the main reasons for not repairing damaged inventory?	8	61,50%
5	Do you feel it would be more efficient to repair inventory before deciding on new replacements?	8	61,50%
6	How much does the asset maintenance budget influence the decision to directly replace damaged assets?	9	69,23%
7	In your opinion, what impact does this policy have on BKAD's budget management?	7	53,86%
8	How does this policy affect local financial reports related to asset management?	9	69,23%
9	In your opinion, how does this policy affect the sustainability and availability of assets in BKAD?	7	53,86%
10	Do you feel that the policy of replacing assets without repair contributes to better asset quality and condition?	9	69,23%

Source: data processed (2024)

Based on the results of respondents' responses, the majority supported the policy of replacing assets without repair with 61.5% agreeing to the policy. A total of 69.23% of respondents stated that this policy has a positive impact on the quality of assets available at BKAD and contributes to better

asset quality and condition. The main reason for not carrying out repairs was higher costs (61.5%). In addition, 69.23% of respondents considered that the asset maintenance budget was large enough to influence the replacement decision, and this policy was considered to have a positive impact on local financial reports. However, only 53.84% stated that this policy is very efficient in the long run, and the impact on budget management and asset sustainability is still considered moderate (53.86%). In conclusion, this policy is generally accepted with positive views, although there is room for improvement regarding long-term efficiency and asset sustainability.

The policy of replacing assets without repair can contribute to better asset quality and condition in the context of regional property management (BMD) at the Regional Finance and Asset Agency (BKAD). By replacing unfit assets, BKAD not only improves operational efficiency but also maintains transparency and accountability in the management of local property. However, the success of this policy is highly dependent on effective implementation and adequate management information system support.

The results of this study are in line with research conducted by Rizqullah (2019) with the title "Effectiveness of the Implementation of the Elimination of Regional Property in Balangan Regency, South Kalimantan Province" which states that the importance of an unproductive asset elimination program to improve the efficiency of resource use. However, challenges such as the lack of trained human resources and inaccurate inventory records hinder the effective implementation of this policy. This indicates that asset replacement without repair can be risky if not supported by adequate procedures and resources.

CONCLUSION

Based on the results of the study, it can be concluded that there was a significant increase in the number of assets from 2018 to 2020 at BKAD South Buton Regency, but there were differences in the condition of the assets reported, especially in assets that were severely damaged and assets in poor condition. This indicates the possibility of a mismatch between the administrative recording of assets and the actual physical condition of assets. The policy of replacing assets without repair has a positive impact on the quality of assets available in BKAD and contributes to better asset quality and condition. The main reason for not carrying out repairs is that the higher cost of the asset maintenance budget is large enough to influence the replacement decision, and this policy is considered to have a positive impact on local financial reports.

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