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## OPTIMIZATION OF REGIONAL ASSET MANAGEMENT FOR SUSTAINABLE DEVELOPMENT IN ACEH PROVINCE

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### Abstract

*Fix assets are one element that has to be managed correctly to provide accurate financial statement information. The efficient management of regional property (fixed assets) has a significant impact on the correctness of the regional balance sheet's presentation. The objective of this research is to evaluate the Aceh Regional Financial and Asset Management Revenue Office's (DPPKAD) adherence to the Minister of Home Affairs Regulation No. 19 of 2016 and the thoroughness of the source documents. It will also examine the regional property management cycle. The strategy is qualitative and makes use of descriptive analytical techniques. As an assistant manager, DPPKAD Aceh has executed 10 cycles in the management of fixed assets, according to the study results. Only 13 of the 14 necessary source papers were accessible, demonstrating that the fixed asset management at DPPKAD Aceh was not completely compliant with Regulation 19/2016. The DPPKAD Aceh should work more closely with all SKPD as the user or party in charge of developing the List of Maintenance Needs for Regional Property (DKPBMD) and the List of Maintenance Results as a means of complying with relevant laws and regulations.*

**Keywords:** Optimization, Asset Management, Aceh Province

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### INTRODUCTION

The Republic of Indonesia is a unitary state that adheres to the principle of decentralization of government by allowing regions to exercise regional autonomy with freedom and discretion (Lahada, 2021; Raharja et al., 2017). Decentralization, as defined by (Law No. 32/2004), is the transfer of authority from the central government to local governments in order to regulate and manage their own households based on community initiatives and aspirations within the framework of the unitary state of the Republic of Indonesia. Regional autonomy, on the other hand, is defined as the ability of regions to control and manage their own governance activities as well as the interests of local communities in accordance with applicable laws and regulations. The management of the allocation and use of national resources, as well as the financial balance between the central government and local governments, enables the exercise of this authority. Regional autonomy,

according to (Guntoro, 2021; Sufianto, 2020), can also accelerate regional development and economic growth and reduce inequality between regions. In an effort to give local governments greater control over development, (Law No. 32/2004) was enacted. The capacity of local governments to manage their own households professionally, utilize regional resources, manage regional finances effectively and efficiently, and demonstrate responsibility and openness to the general public, is becoming increasingly important. One form of management carried out by local governments in the context of implementing regional autonomy is the management of local government assets. According to PSAP No. 1 of 2010, assets are defined as follows: 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, either by the government or the community, and can be measured in units of money. Economic resources include non-financial resources necessary for the provision of services to the general public and resources that are maintained for historical and cultural reasons. (Fahri, 2022).

One of Indonesia's provinces, Aceh Province, is home to a diverse range of natural and cultural resources, including stunning beaches, tropical rainforests, abundant marine life, and a rich culture and history. On the other hand, Aceh Province also has a number of difficulties in managing its natural resources. In the area of governance and asset management, the management of Aceh Province's local assets is crucial. The Aceh Provincial Government is responsible for managing various local assets, including land, buildings, cars, and other items (Noviawati, 2016; Setyoko & Ardjunaidi, 2021). The management of local assets is getting more complicated as time goes by and the needs of society increase, requiring a more integrated and measurable approach. This has an impact on the economy and community welfare in addition to the government's success in managing regional assets (Aituaraauw, 2021; Purba, 2019; Rahayu, 2021).

Through the studies that have been conducted, it can be seen that there are still many problems and obstacles that need to be resolved in the context of managing regional assets in Aceh Province, including the lack of adequate facilities and infrastructure and human resources, lack of coordination and integration between various related agencies, and lack of understanding and awareness of the community in maintaining and utilizing regional assets (Chandra et al., 2022; Hasan, 2019; Manurung & Rizkina, 2021). On the other hand, Aceh Province also has excellent potential and development opportunities for regional asset management. One example is the management of regional assets as a source of regional income that can improve the welfare of the community and support the regional economy. In order to maximize benefits for the community and regional prosperity, it is very important to continue to study and develop regional asset management issues in Aceh Province (Lailatul Fitria & Mubarok, 2021; Salam & Fahmi, 2019; Susilawati et al., 2018).

## **METHOD**

The research method was carried out by means of descriptive research. Descriptive research aims to describe and summarize various situations and variables that are the subject of research based on actual events that occur in the field. The research was conducted to examine the optimization of regional asset management for sustainable development in Aceh Province. The object of research focuses on the Regional Financial and Asset Management Office (DPKAD) of Aceh Province. The Aceh Province Regional Financial and Asset Management Office (DPKAD) conducts purchases, maintenance, and participation in regional financial reporting and fixed asset management. The data collection technique uses secondary data sources obtained from observation, questionnaires, and interviews with the Head of the DPKAD Asset Division, Head of the DPKAD Office. Data collection also uses tertiary data derived from magazines, newspapers, journals, articles, large Indonesian dictionaries, black's law dictionary and web for supporting information in research.

## RESULTS AND DISCUSSION

One of the SKPD that carry out the duties of the Regional Financial Management Work Unit (SKPKD), including fixed assets, is the Aceh Province Regional Financial and Asset Management Office. This SKPD is tasked with assisting the manager who coordinates, administers, evaluates, reports, and organizes by compiling various reports generated by all SKPDs as goods users and submitting them to the Regional Secretary as the Manager. The Asset Administration Division, which is responsible for planning, budgeting, procurement, use, utilization, maintenance, administration, valuation, elimination, alienation, security, and management of regional assets, is the person in charge of managing fixed assets at the Aceh Province Regional Financial and Asset Management Office. The Asset Administration Division in carrying out its duties has the following responsibilities:

1. Preparation of technical policy documents on asset management, which includes planning, budgeting, purchasing, using, maintaining, administering, valuing, deleting, transferring, and securing regional assets;
2. Preparation of asset management work plans which include planning, budgeting, purchasing, using, maintaining, administering, valuing, deleting, transferring, and securing regional assets;
3. Implementation of asset management which includes planning, allocating funds, purchasing, using, maintaining, administering, valuing, deleting, transferring, and securing assets;
4. Collecting and processing regional asset data;
5. Implementation of coordination with related agencies and institutions in the field of regional assets and wealth;
6. Implementation of other official duties given by superiors in accordance with their field of work. Implementation of other official duties given by the Head of the Aceh Revenue and Wealth Service.

Asset Administration Division, consists of:

1. Asset needs planning section;
2. Inventorization and Valuation Section; and
3. Utilization and Transfer Section.

In accordance with their areas of responsibility, each section is run by a section head who reports and is responsible to the head of the asset administration division:

1. Responsibility for preparing the standard price of goods, goods requirement plan, standard goods requirement, goods procurement plan, directing the distribution process, and assessing the status of special autonomy fund goods falls under the responsibility of the Asset Requirement Planning Section.
2. The Inventory and Valuation Section is responsible for making regional inventory book reports, storing inventory items in the form of Motor Vehicle Owner's Books, making regional property report books, conducting assessments of regional inventory items that are idle and have no economic value anymore to be proposed for deletion, conducting sales of regional inventory items, and proposing the determination of the user status of Government-owned goods.
3. The Utilization and Transfer Section has the task of carrying out transfer affairs such as sales, exchanges, grants, and equity participation as well as leases, loans, BGS, and BSG.

### **1. Aceh Province Asset Management Cycle**

The fixed asset management cycle consists of a number of actions of the fixed asset management process that are a practical response to the Central Government Regulation, in this case the Minister of Home Affairs Regulation No. 19 of 2016. The Asset Administration Division's main responsibility is to act as a management assistant and strive to manage fixed asset management in an orderly manner. According to Permendagri No. 19 of 2016, fixed asset management has a cycle that must be completed, with DPKAD as the assistant manager. In carrying out the stages of regional property management, the assistant manager is a work unit that assists the manager (regional secretary) in terms of research, report writing, and even becomes the organizer. The technical implementation of the fixed asset management cycle based on Permendagri No. 19 of 2016 will be discussed below, along with the process used by DPKAD Aceh Province, in this case the Asset Administration Division as the Assistant Manager.

#### **1. Budgeting and planning**

Budgeting and planning are essential in the Regional Budget Plan (RAPBD). The Regional Work Unit (SKPD) prepares the commodities needed in the Regional Work Unit Work and Budget Plan (RKA-SKPD). Each SKPD makes a proposal outlining its needs for both maintenance and commodity purchases, then submits it to management through the assistant manager.

## **2. Procurement**

According to Permendagri Number: 19/2016, the principles of efficiency, effectiveness, transparency, openness, competition, fairness, non-discrimination, and accountability are used as guidelines in the purchase of regional property. Purchases of goods or services made by local governments must be in accordance with statutory regulations, in accordance with Article 41 of Permendagri Number: 19 of 2016.

## **3. Usefulness**

The foundation of DPKAD Aceh's fixed asset management is Permendagri Number: 19/2016. Once regional property is established, the fixed assets are used to carry out the SKPD's main activities and functions and can also be managed by third parties to support public services.

## **4. Administration**

DPKAD Aceh's administration cycle consists of accounting, inventorying, and reporting. Goods users register and record regional property into the Register of Goods of Users (DPB) or Register of Goods of Authorized Users (DBKP). Every five years, administrators and goods users compile inventory books and inventory master books.

## **5. Utilization**

The four categories of utilization are lease, borrow-to-use, cooperative utilization, and build-to-sell. Regional property can be leased to third parties in the form of rent as long as it benefits the region. Regional property can be loaned for the benefit of regional government administration in the form of borrowing and use. Utilization cooperation is carried out on the condition that there are not enough funds or funds are not available in the APBD to cover the costs of operation, maintenance, and repair. Each year, the regional head determines the amount of fixed contribution payments and profit sharing from the results of utilization cooperation and deposits it into the regional treasury.

## **6. Security and Maintenance**

The security and maintenance cycle is an important component of asset management, as it can be unworkable if handled incorrectly. According to Articles 296-324 of Permendagri Number: 19/2016 states that managers, users, and / or power of users are required to secure regional property under their control. The List of Regional Property Maintenance Needs (DKPBMD) must be a guideline for maintenance, and the Regional Budget is responsible for financing it.

## **7. Valuation**

Local government balance sheets are prepared by going through a cycle known as the valuation cycle. As stated in Articles 325-328 of Permendagri Number: 19/2016, the valuation cycle is carried out to prepare local government financial statements as well as the use and alienation of local government property. DPKAD Aceh acts as an assistant to the regional head who is responsible for managing fixed assets owned by the Aceh government. According to the researcher's interview with the head of asset administration at DPKAD Aceh, this valuation has three objectives, namely asset valuation to obtain fair value for

utilization purposes, secondly for the preparation of financial statements, and the last is for the balance sheet.

**8. Write-off**

The write-off cycle is a basic reference in the management of local government fixed assets. Deletion from the list of goods and/or the power of the user is carried out when the regional property is no longer in the control of the user and/or the power of the user.

**9. Transfer**

Permendagri Number: 19/2016 states that regional property can be transferred if the regional property is destroyed and can no longer be used, and is removed from the regional property inventory list. There are several types of alienation, such as sales, rollovers, grants, and regional government equity participation. Guidance, supervision and control.

**10. Destruction**

Destruction of regional property is carried out based on Articles 421-423 of Permendagri Number: 19/2016 which states that it cannot be used, utilized, or transferred, or for other reasons in accordance with statutory provisions. Destruction is carried out by the goods user with the approval of the governor, regent, or mayor and is stated in the official report.

**11. Patterns of financial use in SKPDs that use BLUD and BMD management**

Regional property utilized by regional public service agencies is defined by Permendagri Number: 19/2016 as regional property that is not separated to carry out the functions of the regional public service agency concerned.

**12. State property located in the region**

A state house is a regional property that is intended as a residence or a place of residence for officials and/or civil servants of the regional government concerned. Articles 485-809 of Permendagri Number: 19/2016 states that those who obtain an Occupancy Permit (SIP) from the local government concerned can occupy regional property in the form of state houses.

**13. Claim for Compensation**

The compensation claim stage is the last level in the management of fixed assets owned by local governments. At this stage, Permendagri Number: 19/2016 explains that any regional losses caused by negligence, misuse, or violation of the law in the management of regional property are resolved through compensation claims in accordance with the laws and regulations that are the basis for regulating fixed asset management. Then, in accordance with statutory regulations, any person who causes regional losses may be subject to administrative and/or criminal sanctions.



Figure 1. Fixed Asset Management Cycle  
Source: Research Results, 2023

**Table 1. List of Source Documents in the Fixed Asset Management Cycle**

Fixed Asset Management Cycle/Stage	Source Document based on
Needs planning and budgeting	RKBMD, or Regional Property Needs Plan RKPBM, or Regional Property Maintenance Needs Plan List of Regional Property Needs (DKBMD) List of Regional Property Maintenance Needs (DKPBMD) Budget Implementation Document.
Procurement	Regional Head Decree (Governor).
Usage	Inventory Card of Goods (KIB) and List of Goods of User/Power of User (DBP/DBKP)
Administration	Land (A), machinery and equipment (B), buildings and structures (C), roads, irrigation, and networks (D), other fixed assets (E), and construction in progress (F) are different categories of fixed assets. Regional Real Estate Register Monthly and annual goods reports, as well as inventory books and inventory master books Regional Real Estate Report.
Utilization of	Letter of Agreement.
Safeguarding and maintenance	List of maintenance needs KIP (security) inventory recording of goods
Valuation	SAP
Deletion	Regional Head Decree
Transfer	Regional Head Decree
Guidance, supervision and control	Coaching: Regulations Supervision: Decree & Asset Object Report Control Supervision : Control Asset Object Report
Destruction	Regional Head Decree
BMD management in SKPDs that use BLUD financial management patterns	Legislation
Regional property in the form of state houses	Regional Head Decree
Claims for compensation	Legislation

Source: Research Results, 2023

The source documents required to manage regional fixed assets in accordance with Permendagri No. 19/2016 are listed in the table above. As shown in Table 2, researchers also checked whether these source documents were present or absent at DPKAD Aceh.

**Table 2. Completeness of Source Document**

Daftar Dokumen	Ada	Tidak
RKBMD	✓	
RKPBMD	✓	
DKBMD	✓	
DKPBMD	✓	
DBP/DBKP	✓	
KIB A, B, C, D, E dan F	✓	
List of Regional Property	✓	
Inventory Book and Inventory Master Book		
Semesterly and Annual Goods Reports (LBS and LBT)	✓	
Regional Property Report	✓	
Loan-to-Use Agreement Letter	✓	
Proof of Ownership on behalf of the Regional Government		✗
List of Goods Maintenance Results	✓	
Decree of the Regional Head	✓	

Source: Research Results, 2023

The completeness of source documents in DPKAD Aceh is explained in the table above. Based on the research findings, researchers still found a lack of management source documents, such as the lack of ownership documentation from the local government. We can conclude that DPKAD Aceh does not manage its local fixed assets in accordance with the regulations relevant to the situation, namely Permendagri No. 19 of 2016.

## CONCLUSION

The conclusions in this research are:

1. Aceh is one of the regions that has fixed assets, such as land, buildings, cars, and so on.
2. Because DPKAD Aceh still lacks certain source documents for fixed asset management, the practice of local government fixed asset management is not fully in accordance with Permendagri Number:9/2016.

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