

Analysis of Regional Property Management in Public Organization in Indonesia

(Study at the Regional Financial and Asset Management Agency of Talaud Islands Regency)

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Abstract—Indonesian Government Regulation Number 27 of 2014 and regional regulation of Talaud Islands Regency Number 2 of 2012 concerning the management of regional assets, explains the regulation of regional assets from government agencies in order to be able to carry out regional property management in accordance with applicable regulations. Regional property is a crucial asset and needs to be careful in its management. Regional financial institutions and assets of the Talaud Islands Regency as a government agency play an important role as users of local government assets to be used and utilized in order to support the implementation of the tasks and functions of the local government. The current regional government with regional autonomy can manage the revenue, expenditure, and assets of the region. This research was conducted at the financial and asset management body of the Talaud island district which is a local government agency that acts as the user of regional property for the continuity of the government program. The research method in this paper is a descriptive analysis method. This research is located in the Regional Financial and Asset Management Agency of the Talaud Islands Regency. The results of research conducted at the regional financial and asset management body found that asset management and its use are in accordance with applicable regulations. There are three main activities that apply to the management and use of regional assets.

Keywords: *regional property, use and utilization*

I. INTRODUCTION

Government regulation number 27 of 2014 and regional regulation of Talaud island district number 2 of 2012 concerning the management of regional assets in this case regulating regional assets from each government agency to be able to carry out management of regional assets in accordance with applicable regulations as it is known that regional assets are part of regional government assets that are used and utilized to support the running of the tasks, and functions of the regional government.

Regional governance is needed by a good governance process of regional administration because assets are important so that the management of regional assets must be regulated and handled as well as possible in accordance with established government regulations or applicable government regulations.

Government regulation number 27 of 2014 and regional regulation of Talaud island district number 2 of 2012 concerning the management of regional property, while the management of regional property includes: Planning and Budgeting, Procurement, Utilization, Security and Maintenance, Assessment, Transfer, Destruction, Elimination, Administration, Development, Supervision and, Control. From several regional property management processes, the emphasis is on the process of using and utilizing regional property, because the use and utilization of regional property is one of the basic problems that often occur in every government agency due to lack of understanding and development in carrying out its implementation properly.

The purpose of the enactment of this regulation is to uniform the steps, and actions needed by the government in the management of regional property in accordance with statutory regulations and to be able to know the clarity of ownership status of regional property, inventory of regional wealth, and the lifetime of the Regional Property, Optimization of the use and utilization to increase PAD, to anticipate the condition of Regional Property in a large scale. And also to improve the management of accountability, improve service management, improve risk management, that is analyse the possibilities, and consequences of asset failures and improve efficiency in government finances. Therefore, in the Management of Regional Property in the office, and office that manages every asset / Regional Property that is available, it must be adjusted to the technical guidelines for the Management of Regional Property in the applicable regulations, so that the management can run well so that it can bring benefits to the development of the government, and the wider community. Regional Financial and Asset Management Agency is an office in the government that owns and manages Regional Property / fixed assets.

There is often a lack of uniformity in carrying out the entire system and procedure that has been enforced in the regulation, namely the number of events where the assets of the Talaud Islands Regency cannot be controlled by the Region and can be separated from the ownership of the region, such as the seizure of Regional Property which does not have complete ownership evidence so that the potential cause a dispute. So there is still the management of regional property that is not in accordance

with applicable regulations, namely Government Regulation No. 27 of 2014 and the regional regulation of the Talaud Islands district number 2 in 2012.

Based on these problems, a study was conducted at the Talaud Islands Regional Financial and Asset Management Agency, to analyse and identify whether the Talaud Islands Regional Financial and Asset Management Agency has conducted and carry out overall Management of Regional Property / fixed assets that are in accordance with applicable regulations or not.

The purpose of this paper is to analyse the management of the regional property in this case the use and utilization of goods in the Regional Financial Management Agency and the Talaud Islands Regency related to Government Regulation No. 27 of 2014 and regional regulations of the Talaud Islands district number 2 of 2012.

II. THEORETICAL FRAMEWORK

A. Regional Government Accounting

Regional Government Accounting includes a series of procedures starting from the process of collecting data, recording, classifying and summarizing financial transactions and/or events as well as financial reporting in the context of implementing the Regional Government Income and Expenditure Budget or APBD that can be done manually or using a computer application. To carry out regional government accounting, the head of the region establishes a regional government accounting system with reference to regional regulations regarding the principles of regional financial management, arranged in accordance with the principles of internal control of government accounting standards [1].

The Local Government Accounting System consists of two main parts, which are [2]: (a) Regional General Treasurer accounting system in the Regional Financial Management Unit (SKPKD) Work Unit. (b) Institutional accounting system in the Regional Work Unit (SKPD).

The Agency Accounting System in the SKPD includes [2]:

(a) Regional Revenue Accounting Procedures, (b) Accounting Procedures for Cash Expenditures, (c) Asset Accounting Procedures As for the objectives of the Regional Government Accounting System (SPAD), they include [1]:

- Safeguarding Assets; so that government assets can be maintained through a series of recording processes. Processing and financial reporting that is consistent with the standards.
- Providing relevant information; provide accurate and timely information about government budgets and financial activities, as a basis for evaluating performance to determine compliance with budget authorization, and accountability objectives.
- Provide reliable information about the financial position of the government.

- Providing financial information that is useful for efficient planning, management, and control of government activities and finances.

B. Management of Assets/Objects of Regional Governments

Government Regulation No. 27 of 2014, Regional Owned Property (BMD) is all goods purchased or obtained at the expense of the Regional Budget (APBD) or other legal acquisition. Regionally-owned assets originating from other legal acquisitions are [3]:

- Goods obtained from grants/donations or the like;
- Goods obtained as an implementation of the agreement/contract;
- Goods obtained under the provisions of the law; or
- Goods obtained based on court decisions that have obtained permanent legal force.

Regional Property as mentioned above consists of [3]:

- The goods owned by the Regional Government whose use/use are in the Regional Work Unit (SKPD)/other Regional Government institutions/institutions in accordance with the provisions of the legislation.
- Goods owned by regional companies or other regionally-owned enterprises whose status of goods is separated.

Regional property assets separated are regional goods which are managed by regional companies or other Regionally-Owned Enterprises whose budgets are charged to the budget of other Regionally-Owned Enterprises or Regionally-Owned Enterprises. Regional assets are included in current assets and fixed assets. Current assets are assets that are expected to be immediately realized, used or owned for sale within twelve months of the reporting date, in the form of inventory. Whereas fixed assets are tangible assets that have a useful life of more than twelve months to be used in government activities or utilized by the public, including land; Equipment and Machinery; Buildings and Buildings; Roads, irrigation, and networks; Other fixed assets; and construction in progress [4].

In the Management of Regional Property, there are systems and procedures that must be implemented so that the Management of Regional Property can be managed properly. Article 27 of Government Regulation No. 27 of 2014 contains systems and procedures, as technical in the management of regional assets [3]. Following are some descriptions of the systems, and procedures according to Government Regulation No. 27 of 2014: planning needs and budgeting, procurement, use, utilization, security and maintenance, assessment, transfer, eradication, deletion, administration, guidance, supervision, and control [3].

C. Fixed Assets

Fixed assets are usually assets with the greatest value in an entity's balance sheet, so the presentation, and disclosure of fixed asset information are very important in an entity's financial statement [2]. Fixed assets can be classified based on

similarities in nature or function in the entity's operating activities [1]. The following are the classification of fixed assets used [5]: Land, Equipment and Machinery, Buildings, and Buildings; Roads, Irrigation, and Networks; Other Fixed Assets, Construction in Progress. According to [2], fixed assets are recognized when the potential future economic benefits can be obtained by the government, and have a value that can be measured reliably.

To be recognized as a fixed asset, an asset must be tangible and meet the following criteria [2]: (a) Has a useful life of more than 12 months. (b) Assets cost can be measured reliably. (c) Not intended to be sold in the normal operation of the entity. (d) Obtained or built for the purpose of use the main purpose of the acquisition of fixed assets are to be used by the government in supporting operational activities, and not intended for sale.

Fixed assets are recorded at cost. If the valuation of property, plant, and equipment using acquisition costs is not possible, the value of fixed assets are based on the fair value at the time of acquisition [2]. Expenses for the acquisition of fixed assets that are constructed by self-management includes direct costs for labour, raw materials, and indirect costs including planning, and supervision costs, equipment, electricity, equipment rental, and all other expenses incurred in connection with the construction of these fixed assets.

D. Previous Research

There are several previous studies related to this research [5-10]. The previous studies have in common especially the disclosure of regional asset management from local governments. The difference with this research is mainly from the research object, the method used and the main reference theory.

III. METHODS

A. Sample and Procedure

This type of research uses descriptive research. Descriptive Data are generally collected through a list of questions and surveys, interviews, or observations [11,12]. This descriptive study is also intended to explain whether the use and utilization of Regional Property in the Regional Financial and Asset Management Agency has been running in accordance with government Regulation No. 27 of 2014 and Talaud island district regulation No. 2 of 2012 concerning Management of Regional Property. The object of this research is the Talaud Islands Regional Financial and Asset Management Agency. When the study was carried out for 8 months in March to October 2019.

B. Measurement Procedures and Results

1) Data collection methods used in this study are:

a) Interview method: The interview is a data collection technique that is carried out by conducting direct interviews with the relevant agencies in this matter at the Regional Financial Management and Assets Agency of Talaud Islands Regency.

b) Documentation method: Data collection methods by studying the literature and other written sources relating to the problem to be examined in this study including previous journals both national and international.

The data analysis method used in this research is to use a descriptive analysis method that serves to describe or describe the object under study in which this method starts from identifying the process of using and utilizing Regional Property in the Regional Financial Management and Asset Management Agency of Talaud Islands Regency.

IV. RESULTS AND DISCUSSION

Based on the results of research and interviews conducted at the Regional Financial and Asset Management Agency in the Talaud Islands district, the following findings are obtained:

A. Utilization of Regional Property

Rent Procedure for Utilization of Regional Property in Government Regulation Number 27 of 2014 and regional regulation of Talaud Islands regency number 2 of 2012, namely a third party submits an application for leasing to the User of the goods accompanied by documents. After the lease documents are complete, the documents are submitted to the manager of the goods in which they will be examined and their eligibility assessed. Decisions on applications for leasing of regional property in the form of land and/or buildings are based on the results of research and feasibility studies of leasing by the Property Manager. In the Talaud island district, the utilization of regional property in the form of rent has been carried out well, where the flow that runs in accordance with the rules that have been prepared, starting from the proposed rental proposals have been accompanied by the data of goods to be leased. Then, after obtaining approval from the Regent then followed by the signing by the Manager on behalf of the Regent of the islands of Talaud and the tenants who have included data on the leased goods, rights, and obligations of both parties, the amount to be paid, the period of lease, existing sanctions and other provisions which is deemed necessary to be added.

Borrowing Procedure for Utilization of Regional Property in Government Regulation Number 27 of 2014 and regional regulation of Talaud Islands district number 2 of 2012, namely a third party submits a loan to the Property Manager. The property Manager conducts research on loan applications. Research results are the basis for the Regent's consideration in giving approval/rejection of the loan application. Based on the results of the study, the Property Manager submits an application for loan approval to the Regent. If the loan-and-use object is in the form of land and/or buildings or part of the land and/or buildings, details of the data of the loan-to-use object are needed, including the area and location of the land and/or building. If the regent approves the loan application, the regent issues a loan agreement. In the Talaud island district, the use of regional property in the form of borrow and use has been going well according to applicable regulations. The current flow in the context of the form of use, and use loan is in accordance with its implementation. Managers prior to lending use of goods belonging to the area to the user ask for approval from

the Regent as the head of the area. After the Regent approves the request, a loan agreement is made, which contains the type, area and amount of goods to be used, the period of time for borrowing, the borrower's responsibility for the existing costs and other conditions deemed necessary. After completing the letter, the goods belonging to the regions to be lent are handed over and these are stated in the minutes of handover.

Utilization Cooperation Procedure for Leasing Regional Property in Government Regulation Number 27 of 2014 and regional regulation of Talaud Islands district number 2 of 2012, namely a third party submits a request for cooperation in utilization to the Property Manager. The property manager conducts research upon the application for cooperative use. The results of the study are the basis for the Regent's consideration in providing approval/rejection of the application for collaborative use. Based on the results of the study, the manager of the goods submits a request for agreement on utilization to the Regent. If the object of the utilization cooperation is in the form of land and/or building or part of the land and/or building, the details of the object of the utilization cooperation object are needed, including the area and location of the land and/or building. If the Regent approves the application for the utilization cooperation, the Regent issues a letter of agreement on the utilization agreement. In the Talaud island district, the utilization of regional property in the form of collaborative utilization has been going well according to applicable regulations. The current flow in the framework of utilizing regional property in cooperation with utilization is in accordance with its implementation. The manager prior to collaborating on the utilization of the property belonging to the area asks the user for approval from the Regent as the regional head. After the Regent approves the request, a letter of the utilization cooperation agreement is made, which contains the type, area and amount of goods to be used by KSP partners, the period of utilization cooperation, the borrower's responsibility for the existing costs and other requirements deemed necessary. After completing the letter, the regional property that will be used by the KSP partner is handed over, and it is stated in the minutes of handover.

Wake Up Handover or Build Handover Procedure for the use of Regional Property in Government Regulation Number 27 of 2014 and regional regulation of Talaud Islands district number 2 of 2012, namely a third party submits an application for building or handover to the Property Manager. Property Manager conducts research on requests for wake up for handover or wakes up handover. The results of the study are the basis for the Regent's consideration in giving approval/rejection of requests for wake-up or hand-over. Based on the results of the study, the goods manager submits a request for approval to build or deliver to the Regent. If the Regent approves the request for wake-up or hand-over, the Regent shall issue a letter of approval to build-up or hand-over. In the Talaud archipelago district, the use of regional property in the form of building for handover or building for handover is not carried out.

Cooperation in Provision of Infrastructure in the Talaud archipelago district, the utilization of regional property in the form of cooperation in the provision of infrastructure was not

carried out because the infrastructure in the Talaud archipelago was not sufficient that could be used.

V. CONCLUSIONS AND SUGGESTIONS

The conclusions of this study are as follows:

- The management of Regional Property carried out by the Regional Financial and Asset Management Agency of the Talaud Islands Regency has been carried out in accordance with applicable regulations, namely Government Regulation Number 27 of 2014 and the regional regulation of the Talaud Islands district number 2 of 2012 concerning Management of Regional Property.
- The use of Regional Property in the Regional Financial and Asset Management Agency of the Talaud Islands Regency has run well in accordance with government Regulation No. 27 of 2014 and the regional regulation of the Talaud Islands Regency number 2 of 2012 as evidenced by the flow of its use.
- Utilization of Regional Property in the Regional Financial and Asset Management Agency of the Talaud Islands regency carried out, namely the use of leases, leases, and utilization cooperation is in accordance with government Regulation No. 27 of 2014 and regional regulation of Talaud Islands regency number 2 of 2012. It has not yet been carried out, namely the use of Build-Up and Transfer-Up, Use of Infrastructure Provision Cooperation.

Suggestions from this research are:

- The stipulated implementation can be carried out even better so that in the use, and utilization of regional property all employees have understood how to carry out the implementation properly and correctly.
- To the head of the Regional Financial and Asset Management Agency of the Talaud Islands Regency to be able to increase human resources in this case technical training for existing employees and staff, so that the implementation of the use and utilization of regional property can be in accordance with government Regulation No. 27 of 2014 and Talaud Islands regency regional regulation number 2 in 2012.

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