
Analysis of Regional Property Management at the Sukoharjo Regency Education and Culture Office

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Abstract

Regional property refers to various assets owned by the government, including land, buildings, vehicles, and equipment. Proper management of these assets is vital to ensure the delivery of efficient and quality public services. When management is ineffective, assets can be neglected or utilized inefficiently, leading to reduced benefits for the community. Asset management is regulated by government policies and regulations, requiring an understanding of the legal framework and the identification of potential areas for improvement. This study aims to assess whether the asset management practices at the Sukoharjo Regency Education and Culture Office comply with existing government regulations and to identify challenges in their implementation. Employing a qualitative research method with data collection techniques such as document review, observation, and interviews, the findings indicate that the office has implemented management procedures in alignment with Minister of Home Affairs Regulation No. 19 of 2016, as well as regional and regent regulations. Despite these efforts, the implementation has not yet reached optimal levels, highlighting the need for further refinement to enhance the effectiveness and efficiency of asset management practices.

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INTRODUCTION

Assets are economic resources controlled or owned by the government as a result of past events, providing socio-economic benefits to both the government and society in the future. These include non-financial resources necessary for public service provision, which can be measured in monetary terms, as well as resources preserved for public service, historical, and cultural purposes (Government Regulation No. 71, 2010). Regional Property (Barang Milik Daerah, BMD) includes items acquired or purchased using funds from the Regional Revenue and Expenditure Budget (APBD) or other legitimate sources (Minister of Home Affairs Regulation No. 19, 2016).

In regional development and economic activities, BMD serves as a crucial component that must be systematically and orderly managed to support the implementation of regional autonomy (Premaiswari & Digdowiseiso, 2023). The central government delegates authority to each region to manage, develop, and advance their areas according to their potential and needs. One of the regional government's responsibilities is asset management to support primary tasks and public services. Asset management not only aims to improve public service quality but also

contributes to regional economic growth by generating Regional Original Income (PAD). Therefore, local governments need to implement effective and appropriate planning strategies to utilize BMD as a driver of economic growth and a source of PAD.

The management of BMD is not limited to assets directly controlled by the regional government but also includes those owned by other parties under the regional government's authority. Errors in managing BMD can lead to inefficiencies, where the costs of acquiring and maintaining assets exceed the benefits derived. Regional governments are responsible for maintaining, safeguarding, and optimizing the utilization of regional assets to provide effective public services. The main foundation of asset management lies in the applicable regulations and laws. Accordingly, Minister of Home Affairs Regulation No. 19 of 2016 was established as a derivative of Government Regulation No. 27 of 2014, which was later revised to Government Regulation No. 28 of 2020 regarding amendments to the management of state/regional property. This regulation serves as a guideline for regional governments in managing BMD under their control.

Non-compliance with regulations or a lack of understanding of these rules can result in problems in BMD management. These issues may include the mismanagement of public resources, legal risks, or financial losses for the regional government. Furthermore, regulations also affect the efficiency and effectiveness of BMD management. Many regional governments face challenges in ensuring BMD management complies with existing regulations. These challenges can stem from various factors, including limited resources, lack of understanding, and insufficient incentives to adhere to regulations. This study aims to explore how existing regulations are implemented, the level of compliance with these regulations, and their impact on BMD management. It also seeks to identify obstacles in adhering to regulations and find ways to enhance the effectiveness of regulations in supporting accountable management.

METHODOLOGY

In this study, the research method used is a qualitative research method. Qualitative research is a method aimed at gaining a holistic understanding of phenomena such as behavior, cognition, motivation, and actions experienced by research subjects. This method employs descriptive analysis using words and language, conducted in a specific natural context while utilizing various natural methods (Moleong, 2017). According to Hendryadi et al. (2019), qualitative research is a procedure for investigative inquiry designed to uncover real or actual events (naturalistic), seeking detailed information about social phenomena in their natural state.

The data used in this study were sourced from interviews and the processing of existing documents. The objective of this research is to describe or explain the characteristics of the phenomena or problems being addressed. Data collection methods involved three techniques: document review, observation, and interviews.

Data collection used techniques such as interviews, questionnaires, observation, and a combination of these methods (Sugiyono, 2017).

The object of this research is the Sukoharjo Regency Education and Culture Office (Disdikbud). The researcher selected informants deemed to have a deep understanding of the issues being studied, identified as key informants, namely the Head of the Regional Asset Reporting Accounting Division at BPKPAD Sukoharjo Regency and the Regional Property User Administrator at Disdikbud Sukoharjo Regency. Other data sources were obtained from documents, including written materials such as records, narratives, biographies, regulations, and policies.

This study employed an analytical approach using an interactive model comprising three interconnected activities conducted simultaneously, as referenced by Miles et al. (2014): data condensation, data presentation, and conclusion drawing or verification.

RESULTS AND DISCUSSION

Results

The Sukoharjo Regency Education and Culture Office is a Regional Work Unit (OPD) established to manage governmental affairs in education and culture. Its establishment is legally based on Minister of Education and Culture Regulation No. 6 of 2019, which provides organizational guidelines and working procedures for primary and secondary education units, as well as its annex in Minister of Education and Culture Regulation No. 47 of 2016. Additionally, the structuring of nomenclature, duties, and functions of the regional government work units (SKPD) follows the authority of each government level, as detailed in Sukoharjo Regional Regulation No. 12 of 2016 concerning the Formation and Structure of Regional Work Units.

The management of regional assets plays a vital role as a key parameter in regional financial management. Proper asset governance reflects the overall quality of financial management. The Sukoharjo Regency has achieved Unqualified Opinions (WTP) from the Supreme Audit Agency (BPK) consistently from 2015 to 2022. This achievement indicates that financial management aligns with established regulations, free from material errors, and complies with the applicable Government Accounting Standards (SAP). Internal control systems have been implemented, and the revaluation of Regional Property (BMD) has been conducted.

Findings from interviews and observations reveal that the fixed asset management carried out by the Sukoharjo Regency Education and Culture Office adheres to Minister of Home Affairs Regulation No. 19 of 2016. Supporting regulations include Sukoharjo Regional Regulation No. 21 of 2017 on Regional Property Management and Sukoharjo Regent Regulation No. 84 of 2018 on Implementation Guidelines for Regional Property Management.

The process of managing BMD includes several stages such as planning, procurement, utilization, and maintenance. For example, planning for regional property

requirements involves preparing the Regional Property Requirement Plan (RKBMD) based on organizational needs. The procurement process adheres to principles of efficiency, transparency, and accountability. The use of BMD is determined by the Regent and focuses on meeting operational needs or other legal agreements.

The research highlights the effective steps taken by the Sukoharjo Regency Education and Culture Office in securing, maintaining, and managing BMD under its jurisdiction. It also details the roles of various personnel involved in the process, from asset custodians to decision-makers at the regency level.

Discussion

Although the Sukoharjo Regency Education and Culture Office has made significant efforts in implementing the management of BMD, several areas require further optimization. The recurring Unqualified Opinions (WTP) from BPK indicate commendable financial governance; however, challenges remain, particularly in areas such as asset disposal and compliance with inventory documentation.

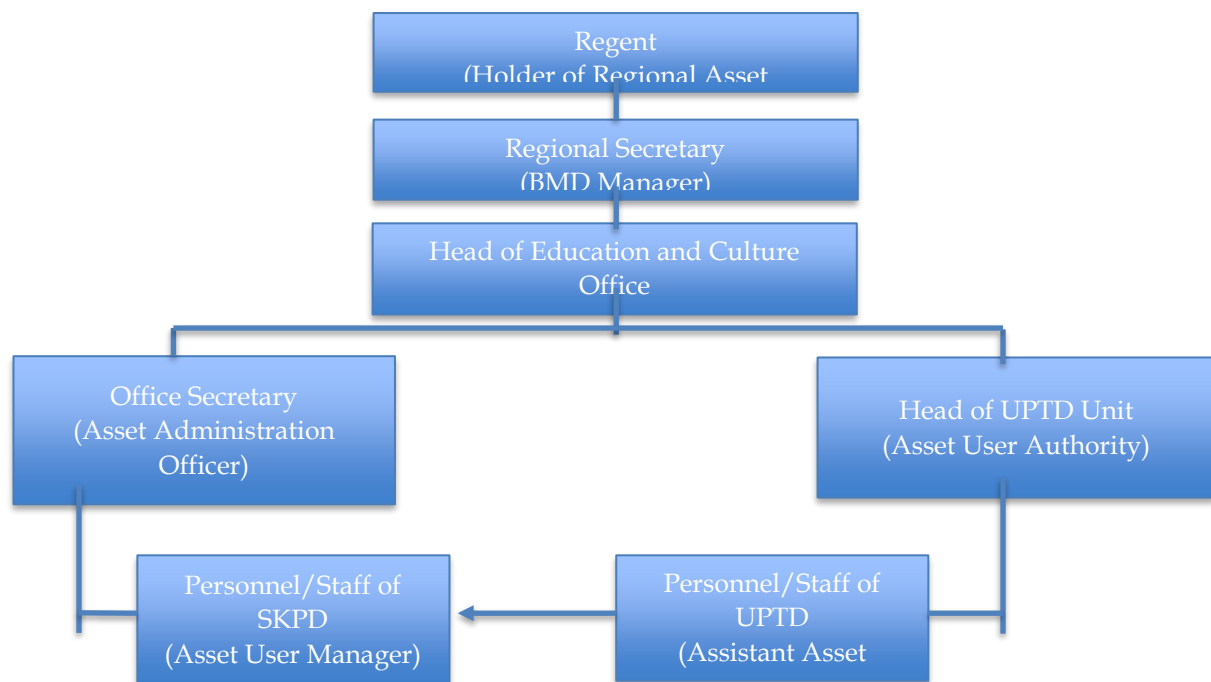
One identified issue involves discrepancies in the asset disposal process. In some cases, assets scheduled for disposal do not align with the records in the Inventory Cards (KIB). This indicates the need for stricter verification and reconciliation processes to ensure data accuracy. Additionally, the disposal of assets often incurs significant costs, which could be minimized with more efficient procedures.

Another challenge lies in maintaining a comprehensive and updated database of assets. Although the use of the Regional Asset Management Information System (SIMDA) has improved data handling, occasional delays in data entry and inconsistencies in records have been noted. Regular training for asset management personnel and enhanced system monitoring could mitigate these issues.

The research also underscores the importance of continuous evaluation and feedback mechanisms to refine BMD management practices. For instance, involving external auditors or third-party evaluators could provide an unbiased assessment of current practices and suggest areas for improvement.

Lastly, the study highlights the need for intensified monitoring and supervision of asset management processes. Regular inspections, combined with robust reporting mechanisms, can ensure accountability and transparency. By addressing these challenges, the Sukoharjo Regency Education and Culture Office can further enhance its asset management effectiveness and align more closely with its strategic objectives.

Figure 1. Organizational Structure of BMD Management at the Sukoharjo Regency Education and Culture Office



To support regional original income, asset management requires proper planning to meet asset needs while maintaining and improving the quality of public services. It is recommended that local governments intensify monitoring of the government asset information system to reduce the likelihood of issues arising in asset management procedures. The cycle or scope of BMD management, according to Minister of Home Affairs Regulation No. 19 of 2016, at the Sukoharjo Regency Education and Culture Office includes:

1. Asset Planning and Budgeting

The planning of asset requirements is prepared by considering the needs for implementing the duties and functions of Regional Work Units (OPD). This serves as the basis for drafting the Regional Property Needs Plan (RKBMD) for the Sukoharjo Regency Education and Culture Office. Asset planning is conducted after the Regional Work Plan (Renja) is finalized and implemented annually.

1. Asset users submit RKBMD proposals.
2. The Head of the Office compiles these proposals and submits them to the Regional Secretary of Sukoharjo Regency.
3. The Regional Secretary evaluates the proposals in coordination with asset users by verifying ownership and/or management details.

2. Procurement

BMD procurement is an activity carried out by government/regional agencies, encompassing the entire process from request planning to completion. Procurement follows principles of efficiency, effectiveness, transparency, openness,

competitiveness, fairness/non-discrimination, and accountability. The Head of the Office, as the Asset User, submits procurement reports to the Regent through the Regional Secretary. These reports, prepared monthly, semi-annually, and annually, aim to determine the status of BMD usage.

BMD Procurement Procedures:

1. OPD drafts RKBMD and RKPBM requirements.
2. OPD conducts procurement of inventory items.
3. Asset custodians record and verify the physical assets.
4. Asset custodians input data into the SIMDA application.
5. Asset custodians store items and supporting documents.
6. Distribute items to the secretariat and required departments.
7. Asset custodians install KIR (asset identification labels).

3. Utilization

The status of BMD utilization is determined by the Regent, who may delegate this authority to the Regional Secretary of Sukoharjo Regency as the asset manager, except for assets lacking ownership documentation. Utilization includes setting usage status, changes in usage status, temporary use, and designating usage for operations by third parties. Status determination excludes inventory items, assets under construction, planned donations, and assets under renovation.

4. Optimization

Asset optimization is carried out after receiving approval from the Regional Secretary for:

1. Parts of land and/or buildings still used by the asset user.
2. Assets other than land and/or buildings.

BMD optimization may include borrowing, leasing, Build-Operate-Transfer (BOT), Build-Transfer-Operate (BTO), utilization partnerships, and infrastructure provision partnerships. Examples of BMD optimization in the Sukoharjo Regency Education and Culture Office include leasing and borrowing buildings, such as canteens, cooperatives, and teacher housing.

Leasable BMD includes:

1. Land and/or buildings transferred by users to the Regent.
2. Portions of land and/or buildings still used by asset users.
3. Assets other than land and/or buildings.

Leases have a maximum duration of five years and can be extended. Lease rates are set by the Regent, and the revenue from leases is allocated entirely to the regional treasury as state revenue.

5. Security and Maintenance

The Head of the Sukoharjo Regency Education and Culture Office, as the asset user, is required to secure BMD under their control. Security measures include physical, administrative, and legal actions. Ownership documents for BMD must be stored

neatly and securely by the asset manager, the Regional Secretariat of Sukoharjo Regency, and overseen by the Head of AkPAD at BPKPAD Sukoharjo Regency.

In addition to securing BMD, the Head of the Office is also responsible for maintaining BMD under their supervision. Maintenance aims to preserve the condition of assets and perform repairs to ensure they remain functional and in good condition. The budget required for maintaining regional property is accommodated in the Regional Revenue and Expenditure Budget (APBD) and prioritized by the Sukoharjo Regency Government to ensure proper maintenance.

6. Valuation

The valuation of Regional Property (BMD) is conducted to prepare the balance sheet of Regional Work Units (OPD), for utilization purposes, or for asset transfer. The valuation of BMD refers to Government Accounting Standards (SAP), and the cost of the valuation is covered by the Regional Revenue and Expenditure Budget (APBD). The valuation process is carried out by the Sukoharjo Regency Appraisal Team, officially appointed by the Regent. The primary objective is to determine the value of regional assets in accordance with applicable laws and regulations.

7. Transfer of Ownership

The transfer of ownership of BMD refers to the process of transferring ownership as a subsequent stage after asset removal. This can be done through sales, exchanges, donations, or use as government equity. There are four types of BMD transfers: donations, sales, government equity participation, and exchanges. For the transfer of BMD assets, including land and/or buildings, valued at more than IDR 5,000,000,000 (five billion rupiahs), approval from the Sukoharjo Regency Regional House of Representatives (DPRD) is required. However, certain transfers do not require DPRD approval, such as:

1. BMD that no longer aligns with regional spatial planning.
2. BMD that needs to be removed because funds have been allocated for replacement construction.
3. BMD intended for the needs of civil servants (ASN) within the relevant agencies.
4. BMD intended for public use.
5. BMD managed by the regional government based on court decisions with legal force, where maintaining the BMD is considered economically unfeasible.

8. Destruction

The destruction of regional assets is carried out when assets cannot be used, utilized, or transferred, such as burning state documents to prevent misuse. Destruction may also occur if mandated by law. Methods of destruction include crushing, burning, submerging in the sea, or burying, as regulated by law. A Destruction Report is prepared upon completion.

Procedures for Destroying BMD:

1. The Asset User submits a written request for BMD destruction to the Regent, with a copy sent to BPKPAD.

2. The request must include the justification and reasons for destruction, as well as details of the BMD to be destroyed (e.g., Inventory Cards (KIB) and asset documentation).
3. The Asset Manager evaluates the destruction request, including the feasibility and justification for destruction, as well as an administrative and physical review of the assets.
4. The Regional Secretary, as the Asset Manager, informs the Regent of the evaluation results as the basis for approving the destruction request.
5. If approved, the Regent issues a destruction approval letter.
6. Based on the approval letter, the Head of the Office carries out the destruction process.
7. The destruction process is documented in a Destruction Report, which must be completed within one month of the approval letter's issuance.
8. Based on the Destruction Report, the Head of the Education and Culture Office submits a proposal for the removal of BMD.

9. Asset Removal

Asset removal involves the elimination of assets from the list of Regional Property (BMD) through a decree issued by the asset management officer. This process aims to relieve the asset user or custodian from administrative and physical responsibilities for the assets in question. The purpose of asset removal includes avoiding higher maintenance costs, reducing the use of storage space for damaged, unused, or expired items, and minimizing the burden of asset management.

According to Muslinawati & Nurdin (2023), failure to address asset removal issues can result in assets that do not contribute to governmental performance but instead increase maintenance costs, rendering the assets economically unbeneficial.

The Head of the Regional Asset Reporting and Accounting Division (AkPAD) of BPKPAD Sukoharjo Regency explained the procedures for asset removal at the Sukoharjo Education and Culture Office as follows:

1. Submission of an Asset Removal Request Letter (for buildings, computers, tables, chairs, cabinets, etc.) from UPTDs (kindergartens, elementary schools, junior high schools, or community learning centers) signed by the assistant asset administrator and the head of the school, addressed to the Head of the Office, accompanied by:
 - Inventory Cards for equipment and machinery (KIB-B), buildings (KIB-C), and photographs of the assets to be removed.
2. The Head of the Office submits an asset removal proposal to the Regent for approval, with a copy sent to BPKPAD.
3. BPKPAD submits a request for asset appraisal to the Public Works and Spatial Planning Office (DPUPR) for KIB-C (buildings) or to the relevant technical department for KIB-B (e.g., vehicles evaluated by the Transportation Office).
4. The appraisal team, formed by a Regent's Decree, conducts on-site evaluations to ensure alignment between the requested assets and those listed on the Inventory

- Cards (KIB). If discrepancies are found, the asset user or custodian is held accountable according to Government Regulation No. 38 of 2016.
5. After the appraisal process, an Asset Appraisal Report is prepared. Based on this report, BPKPAD, through the Asset Manager (Regional Secretary), submits an Asset Removal Approval Request Letter to the Regent.
 6. If approved, BPKPAD may conduct the removal process independently or coordinate it with the Surakarta State Asset and Auction Service Office (KPKNL).
 7. For KPKNL-assisted removals, BPKPAD submits an auction request to KPKNL Surakarta.
 8. Following the auction, the buyer pays for the auctioned assets into the Regional Treasury Account. Subsequently, an Auction Report (BAST) and Auction Minutes are issued.
 9. The BAST and Auction Minutes serve as the basis for the issuance of an Asset Removal Decree by the Asset Manager.
 10. The Asset Manager issues the Asset Removal Decree. Based on this decree, the asset user/manager adjusts the BMD records on KIB and reports the changes in the semi-annual and annual reports.

10. Inventory Management

The Head of the Office, as the Asset User, must record assets in the user inventory list categorized by type and item code. The asset custodian, the Head of UPTD, prepares semi-annual and annual reports and submits them to the Head of the Office. These reports are consolidated as the basis for preparing the balance sheet.

11. Compensation Claims (TGR)

Regional financial losses refer to deficits in funds, securities, or assets that can be precisely calculated due to unlawful actions, either intentional or negligent. Compensation Claims (TGR) involve demanding restitution from non-financial officers or other officials to restore the region's financial condition. According to Government Regulation No. 38 of 2016, any civil servant not acting as a treasurer who violates the law or neglects their duties, directly or indirectly causing financial losses to the region, must compensate for the loss.

Key points for TGR:

1. TGR claims must be based on actual facts, not assumptions or speculation, and do not require a court decision for enforcement.
2. Efforts to recover losses should prioritize amicable resolutions wherever possible. Administrative sanctions are applied to ASN employees, military personnel, police officers, or other officials who fail to meet their obligations, in accordance with applicable laws and regulations.

12. Guidance, Supervision, and Control

To ensure effective and successful BMD management, guidance, supervision, and control are essential. Inefficient management, particularly in supervision and control, can hinder proper asset organization and accountability.

1. Guidance

Guidance involves providing instructions, training, and oversight to ensure the smooth execution of BMD management. Training for BMD management personnel aims to enhance their competency, positively impacting asset management and overall financial governance. Saputra (2017) highlighted that increased competency improves the quality of regional financial reports.

The Sukoharjo Regency Education and Culture Office conducts annual Technical Guidance on Competency Enhancement for asset administrators at the kindergarten, elementary, and junior high school levels. This aims to train operators of the Regional Asset Management Information System (SIMDA), enabling accurate and timely asset reporting and transparent public information sharing.

2. Supervision and Control

Supervision must begin from the planning phase through to the removal process to verify that all systems and procedures comply with policies and regulations. According to Minister of Home Affairs Regulation No. 17 of 2007, supervision involves evaluating the actual facts regarding task execution, while control ensures activities align with predetermined plans.

The Head of the Office supervises and controls BMD management by monitoring and streamlining all processes under their authority. For UPTD units, the supervision is conducted by their respective heads.

13. Asset Supervision and Control Procedures:

a. **Checking Asset Usage Status:** Verifying that asset use aligns with operational functions and efficiency. All regional asset statuses must support OPD tasks or public services in accordance with OPD functions.

b. **Inventory Check:** Conducting physical checks of inventories bi-annually to:

- Verify the physical condition of assets listed in inventory documents.
- Assess asset conditions (good, minor damage, or severe damage).
- Ensure orderly administration for assets needing removal or those unrecorded in the inventory.

c. **Evaluating Asset Utilization:** Reviewing asset use and utilization for alignment with responsibilities and conditions. Utilization evaluations focus on land and buildings, with results presented in supervision and control reports.

d. **BMD Control:** Acting on evaluation findings to address gaps in asset planning or utilization. Control measures must be clearly stated and based on identified discrepancies.

CONCLUSIONS

Based on the research findings and discussion, the conclusions are as follows:

1. The management of Fixed Assets or Regional Property (BMD) conducted by the Sukoharjo Regency Education and Culture Office has been implemented optimally and in accordance with the mechanisms and procedures outlined in the cycle of regional property management, as regulated in Minister of Home Affairs Regulation No. 19 of 2016, Regional Regulations, and Regent Regulations regarding regional property management guidelines. However, not all aspects have been implemented to their full potential.
2. In the implementation of BMD management at the Sukoharjo Regency Education and Culture Office, issues were found in the BMD disposal process. This indicates challenges faced by the Education and Culture Office in managing BMD. Examples of problems in the disposal process include non-compliance with disposal mechanisms, discrepancies between disposed items and those recorded in the Inventory Cards (KIB), and high costs associated with the disposal of BMD.
3. Several issues related to fixed assets require attention and follow-up actions to improve BMD management at the Sukoharjo Regency Education and Culture Office.

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