

Analyzed of Fixed Asset Management Based on Effectiveness and Efficiency at Office of Subdistrict Head Binjai

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Abstract:

This paper aims described analyzing the effectiveness and efficiency of fixed asset management at the Binjai District Office, Langkat Regency. This research is qualitative research with a descriptive approach. Data collection techniques in this study were the observation of the work of employees who handle fixed assets, interviews with employees who handle fixed assets, and documentation of documents related to fixed assets at the Binjai District Office of Langkat Regency. Based on the results of the research that has been carried out, it shows that: the results of the analysis of the effectiveness of fixed asset management at the Binjai District Office of Langkat Regency have not been effective as seen from the incompatibility of timeliness, the accuracy of cost calculations against applicable regulations.

Keywords:

fixed assets; effectiveness; efficiency

I. Introduction

As mandated in the Law of the Republic of Indonesia No. 23 of 2014 concerning regional government, Indonesia adheres to the notion of decentralization in the administration of its government. According to Piri (2016), the impetus for decentralization in Indonesia is motivated by several factors, namely: demands for changes in the level of better public services, as well as providing more targeted and effective public services.

Guidelines for recording and managing regional fixed assets or also called a regional property (BMD) after the stipulation of accrual-based government accounting is Government Regulation Number 27 of 2014 concerning Management of State/Regional Property. This regulation has regulated the detailed recording of assets. Then, to accommodate all problems regarding the use of regional assets, a derivative regulation was issued, namely Permendagri Number 19 of 2016 concerning Regional Asset Management. Permendagri Number 19 of 2016 is a replacement regulation of Permendagri Number 17 of 2007 concerning Technical Guidelines for the Management of Regional Property.

Regional fixed assets are a mandate that must be accounted for by the community as stakeholders, regional fixed assets can be a potential source of regional revenue and can assist in increasing Regional Original Income (PAD). Therefore, local governments must be smart and skilled in managing fixed assets or regional property and are required to fix the regional fixed asset management system based on applicable regulations and laws.

Good management of the regional property will have a significant effect on the perfection of regional financial balances which are required for inspection by the Supreme Audit Agency of the Republic of Indonesia (BPK-RI) at the end of each current fiscal year. Based on the research that the author conducted on several regencies/cities in the province of North Sumatra, the authors paid great attention to the Langkat Regency.

One of the SKPD (Regional Work Units) in Langkat Regency is Binjai District. For its role as a user of the regional property, the Binjai sub-district is required to carry out an effective and efficient accountability process in the process of managing fixed assets within its organizational scope by applicable regulations.

The problem of fixed assets in the Binjai Sub-district Office after the researchers made initial observations with the goods management officer within the Binjai District Langkat District Office was that there were heavily damaged assets with a fairly large value, namely Rp. 1,345,877,500.00. In the initial observations made by the author by interviewing the goods manager at the Binjai sub-district office, it was found that this figure came from goods that should have been removed but have not been approved by the Langkat Regency government.

The disposal of assets is one of the very important cycles of a regional property manager. Martina, Herwanti, & Hermanto (2018) revealed that the abolition of regional property cannot be underestimated because if it is not handled seriously it will lead to conditions where goods that cannot be used and provide benefits will only burden maintenance costs.

II. Review of Literature

2.1 Accountancy

Accounting is an information system that measures business activities, processes information into financial statements, and communicating the results to decision-makers (Horngren, Harrison & Bamber 2009:4). Meanwhile, according to Permendagri No. 64 of 2013 article 1, paragraph two, Accounting is the process of identifying, recording, measuring, classifying, summarizing transactions and financial events, presentation of reports, and interpretation of the results.

Nordiawan & Hertianti (2010:4) state that based on an understanding of the public sector and the conditions for the public sector (OSP) is an economic entity that provides public goods and/or services to improve the welfare of society and not to seek financial gain.

Mardiasmo (2009:14) states that public sector accounting is related to three main things, namely the provision of information, management control, and accountability.

2.2 Local Government Accounting Entities

In the local government structure, the work unit is an accounting entity that must record transactions of income, expenditure, assets, and other than cash that occurs in the work station environment (Tanjung 2009:2). This work unit consists of two types (Circular No. 900/316/BAKD concerning Guidelines for Systems and Procedures for Administration and Accounting, Reporting, Regional Financial Accountability), namely:

- a. Regional Apparatus Work Unit (SKPD)
- b. Regional Financial Management Unit (SKPKD). Local Government Financial Report (LKPD) Statement of Government Accounting Standards (PSAP) No.1 paragraph 9 states that the report Financial statements are structured reports regarding the financial position and transactions carried out by a reporting entity. Yusuf (2011:1) states that local government financial reports are a form of local government accountability to stakeholders which includes various kinds of work that requires finance, including the

asset component reflected in the regional balance sheet where every year a report is made after the implementation of the budget.

2.3. Asset Management Stages

Yusuf (2011) in his book 8 Steps for Regional Asset Management states the asset management cycle are the stages that must be passed in asset management. In Permendagri No. 17 year 2007 it is stated that what is meant by the management of regional goods is a series of activities and actions against areas that include:

1. Needs planning and budgeting;
Needs planning is an activity to formulate details of regional property needs for linking past procurement of goods with current conditions as a basis in taking action to meet future needs.
2. Procurement;
Procurement is an activity to fulfill the needs of regional goods and services. Then implemented based on Presidential Decree No. 80 of 2003 and its amendments.
3. Receipt, storage and distribution;
All these processes are not only carried out by officials who handle asset/property administration regions, but also needs to involve the technical implementation leaders of activities (if there is acceptance). Assets from private/third parties, and if authorized by budget/goods users). Next submitted to the treasurer of goods to be stored and recorded. Distribution is an activity for distribution/delivery of regionally owned goods from the warehouse to the user's work unit.
4. Usage;
Usage is an activity carried out by the user/user power in managing and administering regional property in accordance with the main tasks and functions of the Regional Apparatus Work Unit (SKPD) concerned.
5. Administration;
Administration is a series of activities that include bookkeeping, inventory and reporting of goods belonging to the region in accordance with applicable regulations. Recording is done in order to provide certainty of records of every item purchased or changing circumstances due to mutations or due to destruction, and as a basis for providing information to those who need it in the framework of implementing accountability for the management of regional assets/goods in a transparent manner.
6. Utilization;
Utilization is the utilization of regional property that is not used in accordance with the task the principal and functions of the Regional Apparatus Work Unit (SKPD) in the form of rental, borrowing, cooperation utilization, build for handover and build for handover without changing ownership status.
7. Security and maintenance;
Security is an activity of controlling actions in the management of regional property in the form of: physical, administrative and legal action. Maintenance is an activity or action taken so that all regional property is always in good condition and ready to be used efficiently and it works. Every asset purchased needs to be maintained so that existing assets are maintained and maintained economic life can be increased.
8. Assessment;
Assessment is a process of selective research activities based on objective data/facts and relevant by using certain methods/techniques to obtain the value of regional property.

9. Elimination;

Deletion is the act of removing regional property from the list of goods by issuing a letter decision from the authorized official to release the user and/or the user's proxy and/or manager of administrative and physical responsibility for the goods that are in his control.

10. Transfer;

Transfer is the transfer of ownership of regional property as a follow-up to elimination by selling, exchanging, donating or being included as government capital Area.

III. Research Method

The research approach used by the author is a qualitative descriptive research method. In this study, the authors determine the location that will be used as the author in researching the fixed assets of public sector organizations, which is carried out at the Binjai Sub-District Office located on Jl. Ahmad Yani No. 5 kW. Begumit, Langkat Regency. The data used in this study consisted of primary data and secondary data. Primary data was obtained through observation and interviews, while secondary data was obtained through documentation relevant to this research, including financial reports and fixed asset documents. Data analysis in this study used descriptive analysis.

In concluding, researchers use measurement techniques, namely:

1. Effective asset management
2. Effective: if of the 8 indicators of determining effectiveness studied, 7 to 8 indicators are by applicable regulations.
3. Less effective: if of the 8 indicators of determining effectiveness studied, 4 to 6 indicators are by applicable regulations.
4. Ineffective: if of the 8 indicators for determining the effectiveness of the research, less than 4 indicators are by the applicable regulations.
5. Fixed asset management efficiency
6. Efficient: if the same input produces a larger output.
7. Less efficient: if the same input produces the same output.
8. Inefficient: if the same input produces a smaller output.

IV. Results and Discussion

4.1 Total Fixed Assets (Regional Owned Property)

Assets contained in an SKPD must be recorded, the type, amount, and value. To find out the type, amount, and value of fixed assets (Regional Owned Goods) at the Binjai District Office, Langkat Regency, it can be seen from the description of the table below.

Table 1. List of Fixed Assets at the Binjai District Office, Langkat Regency

No	Asset Name (Regional Owned Property)	Price/Value (Rp)	
		2018	2019
1.	Soil	173,086,100	261.176.100
2.	Equipment and Machinery	486,149,000	556,677,409
3.	Building and Building	1,623,630,688	1,789,330,688
4.	Roads, Irrigation and Networks	0	1,015,598,956
5.	Other Fixed Assets	0	0
6.	Construction in Work	0	0
7.	Heavy Damaged Assets	105,292,500	105,292,500

4.2. Analysis of the Effectiveness of Fixed Asset Management Timing Accuracy

Punctuality is the entirety of the time required in a series of work processes in the management of fixed assets. Achieving the effectiveness of fixed asset management depends on how long it takes the SKPD of the Binjai sub-district office of Langkat Regency to complete the entire cycle of fixed asset management. Usually, the target time is predetermined.

In the process of planning needs and budgeting, timeliness is needed in making the RKBMD (Rencana Requirements for Regional Property), which is a planning document for regional property needs for 1 year. The RKBMD document prepared at the Binjai Sub-district Office, Langkat Regency, consists of the procurement RKBMD document and the maintenance RKBMD document.

Time Planning needs and budget by the Minister of Home Affairs No. 19 of 2016 are as follows:

1. The power user of the goods shall draw up the RKBMD for the maintenance of regional property based on the results of the review as referred to in Article 31 paragraph 1 to be submitted to the user of the goods no later than the fourth week of May (Article 32 paragraph 2).
2. Submission of the Procurement RKBMD and Maintenance RKBMD as referred to in paragraph (1) by the user of the goods to the goods manager is carried out no later than the first week of June (Article 33 paragraph 3)
3. Procurement RKBMD and Maintenance RKBMD as referred to in paragraph (1) are stipulated no later than the fourth week of June (Article 38 paragraph 2)

However, based on interviews with the goods manager and assistant goods manager at the Binjai Sub-district office, Langkat Regency, different facts were obtained regarding the RKBMD reporting for 2020. It is known that the 2020 RKBMD should have been sent to the Regional Financial and Asset Management Agency (BPKAD) in June, but until the time the researcher conducted the research in July, it had not been prepared at all.

The process of procurement of regional property must also have timeliness. Goods that have been budgeted must be immediately procured to support the needs of the sub-district office as soon as possible. Based on the results of interviews, it is known that the procurement of fixed assets is based on the time the District Government budget is issued. The budget at the Binjai sub-district office will be issued every March, June, and September.

In the maintenance process, timeliness can be seen from the written reporting of the list of results of the maintenance of goods to the users of the goods. Based on Permendagri No. 19 of 2016 Article 47, reporting on the results of the maintenance of goods to users of goods must be carried out periodically, i.e. every 6 months.

The process of destruction and also the elimination of timeliness is a problem for the Binjai Sub-District Office. In the initial interview, it was stated that the sub-district office had asked for approval for the write-off of fixed assets from 2016, but so far there has been no follow-up from the Langkat district government.

In the administrative process, the sub-district office commits to be able to always work on all BMD bookkeeping matters directly. Meanwhile, in administrative matters, based on Permendagri No. 19 of 2016, reporting on a regional property at the SKPD level

is carried out on a semester basis which is called the semi-annual user report and an annual user report called the annual user report. This report will be the basis for preparing the SKPD's balance sheet.

4.3 Cost Calculation Accuracy

Cost in an organization is a very supportive source in expediting the process of managing fixed assets. The budgeting of costs must be in accordance with the planning that was carried out previously, so that there is no misappropriation of costs that lead to corruption.

The cost for the purchase of fixed assets to be carried out by the sub-district office is referred to as the budget. Budgeting in planning for BMD needs is an activity to formulate BMD needs by taking into account the budget allocation of each SKPD in accordance with the Regional Government Work Plan (RKPD).

Planning for regional property needs must be guided by goods standards, demand standards and price standards. Based on Permendagri No. 19 of 2016 Article 20 Paragraph 5: The standard price is the amount of the price determined as a reference for the procurement of regional property in the planning of needs. Meanwhile, based on Article 20 Paragraph 6: Standard prices are set by the governor/regent/mayor. The amount of the budget for financing the management of fixed assets is determined by the regional head and BPKAD (Regional Financial and Asset Management Agency). The predetermined budget can be diverted to other purposes if deemed necessary. Meanwhile, the procurement budget itself should not be transferred to other goods. In the sense that if the budget has been planned for buying a computer, the budget should not be diverted to buying a cupboard even though the cabinet suddenly breaks down and cannot be used anymore.

The determination of the budgeted costs is the result of the supervision carried out by the district government through the BPKAD. Although the amount of the cost of the goods to be purchased is determined by the Regency Government, the task of procuring or purchasing fixed assets is the SKPD itself. Based on the results of the interview, it is known that the supplier of goods or the distributor where the goods are purchased is not specifically considered.

The amount of the cost for the process of securing and maintaining is also interpreted by BPKAD by taking into account the RKBMD for Maintenance which has been prepared by the SKPD. However, it is the SKPD that is responsible for selecting partners who provide maintenance services for these goods. This of course can cause various problems regarding the costs that must be paid to the place or person doing the maintenance. The problem in question is that it can be in the form of fraud in the amount of fees charged to the cost of maintaining fixed assets which may be greater than other places with the same quality of repair.

4.4. Accuracy in Determining Orders

The leadership of a sub-district head as a manager of goods will greatly determine the success in managing fixed assets in the SKPD of the Camat Office. Instructions and directions that are clear and easy to understand by subordinates will increase the effectiveness of fixed asset management.

In carrying out each order, the Camat as the user of the goods has a very important authority in the process of managing fixed assets at the Camat Office. One of the successes of a leader is if he is democratic in taking all actions, which means prioritizing the opinion of every sub-district office staff. Therefore, a meeting is always held to discuss every step that will be taken in the process of managing fixed assets at the sub-district office.

Table 2. Determining the Level of Interest of BMD

Important Level	Consequences of Damage to BMD
Height (T)	• Impact on the level of service to the community • Inhibiting the operation of work activities Affecting the security and safety of employees/community • Impact on the environment • Incurring very large costs (maintenance or operational costs)
Medium (S)	• Likely to have an impact on the level of service to the community • Enough to hinder the operation of work activities (tupoksi can still be carried out but not optimal) • There is a possibility that it will affect the security & safety of employees/community • Enough impact on the environment • In the long run, it will cost you quite a lot
Low (R)	• Likely to have no impact on the level of service to the community • Slightly hampers the operation of work activities (tupoksi can still be carried out properly) • Does not affect the security and safety of employees or the public. • Little impact on the environment • Only incurs a small fee

In the process of security and maintenance, the order carried out by the Camat is to give the responsibility for security and maintenance to each head of the room.

4.5. Fixed Asset Management Efficiency Analysis

a. Input Analysis

The input in the form of time in the needs planning and budgeting process can be seen from the time required by the Binjai District Office of Langkat Regency in completing regional property planning to the formation of the RKBMD document.

If you look at the applicable regulations, the Procurement RKBMD and Maintenance RKBMD should have been stipulated no later than the fourth week of June. However, the sub-district office until the time the author interviewed in mid-July had not yet discussed the planning of the RKBMD document.

Input in the form of humans or workers at the Binjai District Office of Langkat Regency is the number of authorized employees in the asset sector. At the Binjai Sub-District Office, the officers who must manage goods are:

1. Camat as a user of goods
2. goods manager
3. Assistant goods manager

But apart from that, all sub-district office staff have full obligations to safeguard the assets of the sub-district office. Through the results of the interview, it was found that the head of the room had rights and responsibilities regarding all items in the room he led. This includes the right to propose the needs of the goods in their room and the obligation to maintain the goods in their respective rooms.

Input in the form of costs can be seen from the amount of budget received by the sub-district office to finance the management of fixed assets. In the report on the realization of the regional revenue and expenditure budget for the organizational unit of the Binjai sub-district office in the first half of 2020, data were obtained for the capital expenditure of the sub-district office to get a budget of Rp.793,163,680.00. while for goods and services expenditure, the Binjai sub-district office received a total budget of Rp.318,036.139.00.

b. Output Analysis

The output in the form of documents regarding fixed assets that must be carried out by SKPD based on Permendagri No.19 of 2016 are:

Table 3. Documents Related to Fixed Assets

Administration	Document	Availability
Bookkeeping	KIB A	Yes, given an example
	KIB B	Yes, given an example
	KIB C	Yes, given an example
	KIB D	Yes, given an example
	KIB E	Yes, given an example
	KIB F	Yes, given an example
	Room Inventory Card	Yes, shown Example
Inventory	Inventory Book	Do not know
Reporting	Semester Report	Yes, shown Example
	Annual report	Yes, shown Example
	(5) Five-Yearly Report	Yes, not shown Example

As for the output in the form of budget realization related to the management of fixed assets, it can be seen from the report on the realization of the regional income and expenditure budget of the organizational unit of the Binjai sub-district office in the first semester of 2020. For capital expenditure, the total budget realization is Rp. 486,850.000,00. while for goods and services expenditure, the total budget realization is Rp.93,915,151.00.

V. Conclusion

Based on the discussion and analysis of fixed asset management at the Binjai District Office of Langkat Regency which was analyzed in terms of effectiveness and efficiency, it can be concluded that:

1. The effectiveness of fixed asset management is considered less effective because of the 8 indicators studied, 2 indicators show that they are not by applicable regulations. These indicators are the accuracy of time determination and the accuracy of cost determination. The time for making and submitting documents related to fixed assets at the sub-district office is still often past the deadline that has been set. Meanwhile, the cost problem is the non-transparent use of costs in the procurement of regional property and maintenance services for a regional property at the Canat Binjai Office, Langkat Regency.
2. The efficiency of fixed asset management is considered efficient when viewed from the resulting output. The sub-district office has been able to produce outputs in the form of documents and asset procurement well. But in terms of input, especially the time input, it should be further improved because the time used is still too long and can be accelerated again.

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