



Received: February 22, 2024

Revised: April 10, 2024

Accepted: June 16, 2024

*Corresponding author: M. Mediaty,
Faculty of Economics and Business,
Universitas Hasanuddin, Makassar,
Indonesia.

E-mail: asriani.akib@yahoo.co.id

FINANCE | RESEARCH ARTICLE

Management of Equipment and Machinery Assets Owned by Regional Government

M. Mediaty¹, M. Muhaimin², A. Asriani³, N. Nursehan⁴, K. Kaharuddin⁵^{1,2,3,4} Faculty of Economics and Business, Universitas Hasanuddin, Makassar, Indonesia.Email: asriani.akib@yahoo.co.id

Abstract: This research aims to analyze the management of equipment and machine assets belonging to local governments. This research is categorized as descriptive research, namely research that aims to obtain an overview and explanation regarding leadership strategies regarding effectiveness, performance and so on. The data is collected in the form of report excerpts and not in the form of numbers that provide an overview of the presentation. As well as secondary data, namely data and information quoted from books, journals, print media, articles related to regional asset management. Data collection was carried out through observation, interviews and documentation. The results obtained by the West Sulawesi Provincial Government in OPD X have implemented asset management of its equipment and machinery. However, there are obstacles to its implementation. At the inventory stage carried out by the West Sulawesi Provincial government at OPD. Furthermore, it is still at the equipment and machine asset inventory stage, the West Sulawesi Provincial government has not carried out codification and labeling of every equipment and machine asset it owns.

Keywords: Asset Management, Equipment, Machinery, Local Government.**JEL Classification Code:** H83, H70, M48, R53

1. INTRODUCTION

One of the efforts to implement effective and efficient services is adequate facilities and infrastructure. Including goods, tools that will be used as service facilities. This organization has good infrastructure so that every service is carried out in accordance with the goals of the organization. Most of the good's facilities owned by the sub-district office to support services are regional property. Regionally owned goods in question are goods or facilities that are procured from the Regional Expenditure Budget (ABD). Good governance is an inevitable necessity. It is the government's obligation to apply good principles in running government, which is realized in the form of implementing the principles of good governance (Mardiasmo, 2004). Including in line with national policy, namely blood autonomy and efforts to realize good governance as a whole, every regional government must change the paradigm to carry out its main duties as well as possible. Asset management is one of the determining factors of organizational performance in the regions so that optimal management strategies are needed in planning, inventory, identification, security and maintenance. The management of regional property assets is able to encourage the goals of individuals and organizations

Regional assets, as mentioned in the statement of government accounting standards (PSAP), are economic resources controlled and/or owned by the government as a result of past events and from which future economic or social benefits are expected to be obtained, both by the government and the community. , and can be measured in monetary units, including non-financial resources necessary for the provision of services to the general public and resources maintained for historical and cultural reasons. Property belonging to this area must be managed properly and according to its function. The management of regional property must be regulated and handled as well as possible in accordance with established government regulations or applicable government regulations. However, if not managed properly, these assets will actually become a cost burden because some of the assets require maintenance or upkeep costs and also decrease in value (depreciate) over time (Firman, 2020).



Regional government equipment and machinery assets are important components in public service infrastructure that must be managed well to support the effectiveness and efficiency of regional government and community welfare. The regional asset management cycle is guided by Permendagri No. 19 of 2016 states that what is meant by management/management of regional goods is a series of activities and actions towards the region which include: needs planning and budgeting; procurement; use; utilization; security and maintenance; evaluation; transfer; extermination; deletion; administration; coaching, supervision and control; and compensation and sanctions. The problem with fixed assets, such as equipment and machines in general, is inaccurate data in the inventory due to the existence of assets that are controlled by other parties (Mardiasmo, 2004). Apart from that, in the inventory process there were inaccuracies in collecting data on inventory work papers which were not filled in completely, coding which was not done properly (Martutik & Rani, 2012). It is problems like this that cause sub-optimal management of regional assets. Equipment and machinery assets include machines and motorized vehicles, electronic equipment, office inventory and other equipment whose value is significant and has a useful life of more than 12 months and is in ready-to-use condition, largely the main problem for local governments, especially in West Sulawesi Province. Regional asset management is a classic problem that is often encountered in asset management, namely poor administration, characterized by incomplete inventory data and unclear legal status of property (Moleong, 2012). Then the inventory is not completely orderly. Departing from the problems described above, it is necessary to carry out in-depth research related to "Management of Equipment and Machinery Assets Owned by the Regional Government (Dinas X)."

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Capital Structure

Capital structure is a proportion or comparison in determining the fulfillment of the company's spending needs, whether by using debt, equity or by issuing shares (Mubeen et al., 2020). According to Saif-Alyousfi et al. (2020) capital structure is a consideration or comparison between the amount of long-term debt and equity. Capital structure is a consideration of the amount of permanent short-term debt, long-term debt, preferred stock, and common stock (Nguyen & Nguyen, 2020). So, it can be concluded that the capital structure is the proportion in determining the fulfillment of the company's spending needs, where the funds obtained use a combination or guidance of sources originating from long-term funds consisting of two sources, namely those from inside and outside the company. Fulfillment of funding needs from sources within the company (own capital) comes from share capital, retained earnings and reserves (Lim et al., 2020). If the company's funding from its own capital is still experiencing a shortage, it is necessary to consider company funding from outside, namely from debt. However, in fulfilling funding needs, companies must look for efficient alternative funding (Demirgüç-Kunt et al., 2020). Efficient funding will occur if the company has an optimal capital structure. The optimal capital structure can be interpreted as a capital structure that can minimize overall capital user costs or average capital costs, so that it will maximize firm value (Ayuba et al., 2019). The purpose of capital structure management is to combine permanent sources of funds used by the company for its operations which will maximize the value of the company itself (Adusei & Obeng, 2019). The search for an optimal capital structure is a very difficult job, because of the conflicts that lead to agency costs. Long-standing conflicts occur between shareholders and bondholders in determining the optimal capital structure of a company. So, to reduce the possibility of management bearing excessive risk on behalf of shareholders, it is necessary to include some protective limits (Ramli et al., 2019).

3. RESEARCH METHOD AND MATERIALS

This research is categorized as descriptive research, namely research that aims to obtain an overview and explanation regarding leadership strategies regarding effectiveness, performance and so on. Data is collected in the form of report excerpts and not in the form of numbers that provide an overview of the presentation. The data sources in this research are primary data in this research, one

of which is information obtained directly through direct or indirect interview methods from West Sulawesi Province employees at OPD X. As well as secondary data, namely data and information quoted from books, journals, media print, articles related to regional asset management. Data collection was carried out through observation, interviews and documentation.

4. RESULTS AND DISCUSSION

The West Sulawesi Provincial Government issued West Sulawesi Provincial Regional Regulation Number 3 of 2018 concerning Management of Regional Property. This regional regulation is a guideline for the West Sulawesi Provincial government in managing all types of regional assets or goods. What is meant by assets are all goods purchased or obtained at the expense of the regional income and expenditure budget or other legitimate acquisitions. Apart from that, this Regional Regulation describes the duties and functions of regional asset management officers.

The work stages carried out in asset management are based on the concept put forward by Doli Siregar and Gima Sugijama, namely: Inventory of Equipment and Machinery assets belonging to the government of West Sulawesi Province. The inventory stage consists of two aspects, namely physical inventory and juridical/legal. From a physical perspective, it consists of location, shape, area, type, number and address of assets. Meanwhile, the legal/juridical aspect consists of ownership status, control status and the final limit of control. Department X has equipment and machine assets which are used for guidance, development, supervision and control in the transportation sector.

The first stage in the inventory is recording equipment and machinery assets belonging to the regional government carried out on the goods inventory card. The inventory card contains data including numbers, specifications of goods, materials, origin/method of obtaining goods, size of goods/construction, units, condition of goods, quantity of goods and price. This information will be recorded in the goods inventory card or KIB B for equipment and machines. The following is an example of an image of an inventory card (KIB) B for equipment and machines. A goods census is carried out every 5 years to compile a master inventory card and recapitulate goods belonging to the regional government. The property manager is responsible for the census activities, this is carried out simultaneously throughout Indonesia. Property users submit the results of the census to the property manager no later than 3 (three) months after the completion of the census. The second stage, Codification and labeling (labelling) of the West Sulawesi Provincial Government at the equipment and machine asset inventory stage, namely data collection, codification/labelling, by the stage of grouping equipment and machine assets is clearly included in the equipment and machine type asset group so there is no need to do it again. Goods data collection is data collection that is carried out accurately (up to date), which must be done through a regional goods census as described above.

Legal audit of equipment and machinery assets of the West Sulawesi Provincial Government. Legality problems in West Sulawesi Province's equipment and machinery assets still occur frequently, including

1. Official Vehicle Assets that do not have BPKB in Service X;
2. Official Vehicle Assets lost in Service X;
3. Assets controlled by other parties in Service X;
4. Assets used by other OPDs (employee transfers to other OPDs);
5. Assets in a condition of serious damage that have not been written off.

Maintenance and operation of equipment and machinery belonging to the regional government of West Sulawesi Province. This is different from other types of assets that require a lot of maintenance, for example vehicle type assets that require routine replacement of spare parts and periodic servicing. Forms of maintenance on equipment and machine assets include cleaning and other things to maintain the quality of equipment and machines so that they can be utilized and used optimally. The following is a table listing the use of West Sulawesi Provincial Government assets in OPD X:

Table 1. List of official vehicles owned by the West Sulawesi Provincial Government in OPD X that do not have BPKB

No	Name of Opd	Transportation type	Year of Procurement	Condition	Information
1	OPD X	Motorcycle	2005	Good	Does not have BPKB
2	OPD X	Motorcycle	2012	Good	Does not have BPKB
3	OPD X	Motorcycle	2005	Heavy Damaged	Does not have BPKB
4	OPD X	Motorcycle	2010	Good	Does not have BPKB
5	OPD X	Motorcycle	2010	Good	Does not have BPKB

Table 2. List of West Sulawesi Provincial Government Official Vehicles in OPD

No	Name of OPD	Transportation type	Condition	User	Information
1	OPD X	Motorcycle	Heavy Damage	OPD X Employee	Missing Certificate

Table 3. List of official vehicles owned by the West Sulawesi Provincial Government in OPD X which are controlled by other parties

No	Name of OPD	Transportation type	Condition	User	Information
1	OPD X	None	None	None	None

Table 4. List of West Sulawesi Provincial Government Official Vehicles in OPD X Used by Other OPD Employees Transferred to Another OPD

No	Name of OPD	Transportation type	Condition	User	Information
1	OPD X	Motorcycle	Not good	OPD X Employee	2019 BPK findings
2	OPD X	Motorcycle	Good	OPD X Employee	2019 BPK findings
3	OPD X	Motorcycle	Not good	OPD X Employee	2019 BPK findings

Table 5. List of West Sulawesi Provincial Government Official Vehicles in OPD X in Serious Damaged Condition

No	OPD	Transportation Type	Condition	Information
1	OPD X	Mini Bus (Passengers 14 people and under)	Heavy Damaged	Auction Proposal
2	OPD X	Mini Bus (Passengers 14 people and under)	Heavy Damaged	Auction Proposal
3	OPD X	Motorcycle	Heavy Damaged	Auction Proposal
4	OPD X	Motorcycle	Heavy Damaged	Proposed Removal
5	OPD X	Motorcycle	Heavy Damaged	Proposed Removal
6	OPD X	Motorcycle	Heavy Damaged	Proposed Removal
7	OPD X	Motorcycle	Heavy Damaged	Proposed Removal
8	OPD X	Motorcycle	Heavy Damaged	Proposed Removal
9	OPD X	Motorcycle	Heavy Damaged	Proposed Removal
10	OPD X	Motorcycle	Heavy Damaged	Auction Proposal

Based on the description of the table above, it can be seen that the operation of equipment and machinery assets of the West Sulawesi Provincial Government is used for office and service operations. Based on the KIB B recapitulation data, all equipment and machinery assets of the West Sulawesi Provincial Government, especially OPD several assets that have problems include motor vehicle assets 4 OPDs those in serious damage have not been written off, based on 2022 KIB B Recap data.

If during operation and maintenance there is a condition of a particular asset so that it can no longer be used, the asset renewal or deletion treatment will be given. Further explanation is: Asset rejuvenation/renewal is a series of activities to replace assets or repair spare parts so that the asset can be operated in accordance with expectations. Renewal is carried out if the type of asset is deemed still suitable for use but requires updating or replacing some parts of the asset. For example, in building and building type assets, what is meant by renewal can be changing the color of the building walls, or other parts that need to be repaired so that they function optimally.

The West Sulawesi Provincial Government's Equipment and Machinery assets were not renewed as applied to other types of assets. On the equipment and machinery assets of the West Sulawesi

Provincial Government, only a kind of maintenance is carried out to maintain the quality of the equipment and machinery assets so that they can be used and utilized optimally and sustainably.

If the renewal cannot be carried out then regional property will be written off if the item no longer has economic value, is seriously damaged, or is lost so that the item can no longer be used. Removal of regional property can be carried out by destruction or transfer by grant and sale (auction). Supervision and control through the regional asset management information system (SIMDA), on Equipment and Machinery Assets belonging to the regional government of West Sulawesi Province. One effective way to supervise and control regional assets at this time is SIMDA or the regional asset management information system. Through SIMDA, there is no need to worry about weak control and supervision because transparency is guaranteed.

Asset management in West Sulawesi Province has not yet integrated SIPD which is used in planning, administration and financial management accountability with SIMDA BMD which often takes time in the capital expenditure reconciliation process. However, it is currently in the planning stage to improve this service so that it is more effective and efficient in the Regional Property Administration process. Not all of the various efforts to be able to carry out optimal asset management have been carried out or implemented because they require adjustments related to the new application. Optimizing Equipment and Machinery Assets belonging to the regional government of West Sulawesi Province. From the results of the interviews conducted, it was discovered that one of the obstacles to not optimal management of equipment and machine assets was due to the lack of a Regional Property Management System so it only refers to Minister of Home Affairs Regulation Number 19 of 2016 concerning Guidelines Management of Regional Property. So that the Management of Regional Property can have various significant negative impacts on efficiency, transparency and accountability in the management of regional property. The following are some of the impacts that may arise.

Lack of Transparency and Accountability: Without a clear Sysdur, the process of managing regional property may not be transparent. This can make it difficult for interested parties to monitor or supervise the use of these goods, increasing the risk of misuse or corruption. Difficulties in tracking and monitoring system assets that do not exist or are not standardized can make it difficult to track and monitor regional assets. This can result in the risk of undetected loss or misappropriation of assets, as well as hampering data-based decision making. **Financial losses:** without effective systems, local governments may experience financial losses due to waste or inefficient expenditure in managing regional property. For example, unplanned spending on asset care or maintenance can increase overall operational costs. **Lack of operational efficiency:** systems that are not standardized can hinder operational efficiency in managing regional property. This can result in delays in the process, excessive bureaucracy and reduced productivity of staff responsible for managing goods. **Obstacles in Managing Regional Assets in West Sulawesi Province** Inadequate human resources regarding inventory of goods. Goods that have not been properly inventoried, and have not been able to master or use technology in carrying out their duties. Another problem lies in the fact that human resources in the asset sector have not been able to work optimally due to the background in the field previously occupied and the educational background not being in accordance with the asset sector which deals with the management of the assets currently occupied.

5. CONCLUSION

Based on the results of research regarding the management of equipment and machinery assets belonging to the West Sulawesi Provincial Government in OPD X, it can be concluded that the West Sulawesi Provincial Government in OPD However, in its implementation there are obstacles. At the inventory stage carried out by the West Sulawesi Provincial government at OPD . Furthermore, it is still at the stage of inventorying equipment and machinery assets, the West Sulawesi Provincial government has not carried out codification and labeling of every equipment and machinery asset it owns. Then, at the legal audit stage in the management of equipment and machinery assets carried out by the West Sulawesi Provincial government, there were still equipment and machinery assets, especially two-wheeled vehicles controlled by other parties, which had the potential to be lost and misused, two-wheeled vehicles which were not owned. BPKB can therefore pose serious legal risks for related agencies. Without valid documents, the agency is vulnerable to lawsuits from third parties who

may feel disadvantaged by the use of official vehicles without clear ownership. In addition, during audits or internal inspections, the presence of official vehicles without complete documents can raise questions about the accountability and transparency of public asset management.

In the operation of all equipment and machinery assets of the West Sulawesi Provincial Government, especially Department Other OPD and equipment and machinery assets, especially two-wheeled vehicles, which have been heavily damaged and have not been auctioned off or written off based on the 2022 KIB B Recap data. If during operation and maintenance, there is a condition of a particular asset so that it can no longer be used, the asset renewal or deletion treatment will be given. Further explanation is: Asset rejuvenation/renewal is a series of activities to replace assets or repair spare parts so that the asset can be operated in accordance with expectations. Renewal is carried out if the type of asset is deemed still suitable for use but requires updating or replacing some parts of the asset. For example, in building and building-type assets, what is meant by renewal can be changing the color of the building walls, or other parts that need to be repaired so that they function optimally. Meanwhile, the use of SIMDA in supervision and control activities has not been implemented optimally, including for the purposes of presenting information to the public has not been carried out. In the management of equipment and machinery assets belonging to the regional government of West Sulawesi Province, several stages have been implemented, but in implementation there are obstacles as described previously. So the West Sulawesi Provincial government needs to continue to make improvements in its asset management procedures for equipment and machinery so that they can run according to applicable regulations.

References

- Anjung, A. H. (2010). *Penatausahaan dan Akuntansi Keuangan Daerah Untuk SKPD*. Jakarta: Salemba Empat.
- Firman. (2020). Optimalisasi pada Kota Bima Melalui Pengelolaan Aset. *Kumpulan Artikel STISIP Bima*.
- Kupna, J. (2020, November). Analisis Pengelolaan Aset pada Badan Pengelolaan Keuangan dan Aset Daerah Kabupaten Maluku Barat Daya. *Vol I, Nomor 1*, pp. 22-33.
- Makmur, A. (2013). Teori Manajemen Strategik dalam Pemerintahan dan Pembangunan. *Otonomi dan Manajemen Keuangan Daerah*.
- Martutik, D. D. (2012). Menulis Berbagai Tugas. *Surya Pena Gemilang*.
- Moleong, L. J. (2010). Metode Penelitian Kualitatif. *Remaja Rosdakarya*.
- Mustafa, D. (2010). *Birokrasi pemerintahan edisi revisi*. Bandung: Citapustaka Siagin.
- Siregar, D. D. (2004). *Manajemen Aset*. Jakarta: Gramedia Pustaka Utama.
- Sugiyono. (2010). *Metode Penelitian Kuantitatif, Kualitatif Dan R&D*. Bandung: Alfabeta.
- Terry, G. R. (2012). *Guid to Management*. Jakarta: Bumi Aksara.