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## MANAGEMENT OF FIXED ASSET MANAGEMENT AT THE REGIONAL FINANCE AGENCY OF MATARAM CITY

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### ABSTRACT

This study focuses on the fixed asset management practices of Mataram City's Regional Finance Agency, addressing the challenges and successes in managing regional assets in line with government regulations. The research aims to assess the efficiency of asset management processes, including planning, procurement, utilization, security, and maintenance, under the framework of Permendagri No. 47 of 2021. A descriptive qualitative method was applied, involving interviews, observations, and documentation from key informants, including officers from the Mataram City BKD. The results indicate that while asset management processes are generally aligned with the regulations, challenges such as input errors in bookkeeping, difficulties in determining asset values, and discrepancies between reported data and actual conditions persist. The study highlights the positive impact of Permendagri No. 47 of 2021 on asset management, though it also identifies areas for improvement, particularly in staff awareness and data accuracy. The findings suggest that enhanced training and further integration of digital tools are needed to optimize asset management practices in local governments. The implications of this research are valuable for policymakers, local governments, and asset managers, offering insights into improving asset management systems and ensuring financial transparency in regional administrations.

**KEYWORDS** *Management; Fixed Assets; Regional Finance Agency*



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## INTRODUCTION

Fixed assets are one of the important components in the balance sheet in financial statements. With the value of fixed assets that are in accordance with the actual situation, the information that will be presented will be more relevant, reliable, and trustworthy (Andianingsih & Rusmita, 2021; Doji et al., 2018; Geno & Firmansyah, 2022; Listiani & Supramono, 2020; Sabatini & Vestari, 2019; Solikhah et al., 2020). So that it will be created good financial performance, one of which is by looking at asset revaluation. With the revaluation of assets, it is hoped that it can measure the extent to which the assets are actively used (Agustina &

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Darmansyah, 2017; Suherman, 2020; Yusuf & Suherman, 2020). With structured fixed asset management, it will produce complete information for the preparation of financial statements where complete data and documents are needed to support the implementation of fixed asset management (Gahari & Diamandjojo, 2014; Kolinug et al., 2015; Wowor et al., 2015). Therefore, it is necessary to have a certain indicator and a good management pattern to carry out the process of administration and checking fixed assets in each region.

The management of regional property, one of which is in the form of fixed assets, requires good management by the management in each region, namely the Regional Finance Agency. This agency has obligations related to all regional financial management. Assets remain one of the core references owned by a region because it provides benefits that can be used by the entire community. The management of regional property requires the understanding of all OPDs in the stages of regional property management activities. This is intended so that the management objectives of fixed asset management can run in accordance with their respective functions. According to Aituarauw (2021) assets themselves are an important figure in the implementation of the company or government for the running of activities in it. Therefore, good asset management is needed to support all assets owned by a region. It is not an easy thing to be able to manage all these fixed assets. There are a lot of negligence that occurs in the implementation of this management. Whether it's individual negligence or management systems (Kaganova & Telgarsky, 2018; Susanto Machmud et al., 2023).

The government issued Regulation of the Minister of Home Affairs Number 47 of 2021 concerning Bookkeeping, Inventory, and Reporting Procedures for Regional Property is expected to be able to petrify all agency management and management processes so that it can have a good impact on all government agencies in carrying out the bookkeeping, inventory, and reporting process of Regional Property, one of which is in the form of fixed assets (Permendagri Number 47 of 2021 concerning Bookkeeping Procedures, Inventory, and Reporting of Regional Property, 2021). In Permendagri Number 47 of 2021, there are several things that are specialized in systematic implementation, namely there are several special formats that are presented to provide a foundation for its implementation in each agency. Readiness is needed which will be the main capital for a person to carry out related management management

The Minister of Home Affairs Zebua (2021). In the previous Permendagri, namely Permendagri Number 19 of 2016 concerning Guidelines for the Management of Regional Property, it provided a presentation related to explanation only, but there was no special format in conducting bookkeeping, inventory, and reporting of Regional Property so far (Permendagri Number 19 of 2016 concerning Guidelines for the Management of Regional Property, 2016). Therefore, the issuance of Permendagri Number 47 of 2021 is to improve the previous Permendagri and provide clear procedures so that the implementation becomes more structured and efficient. Thus, the management of Regional Property, especially in bookkeeping and management, becomes more equitable and there is no difference in format between agencies in each region and reduces previous misunderstandings related to all bookkeeping, inventory, and management processes of regional property.

Fixed assets according to Mulyadi Tompodung et al. (2021) are company assets that have a tangible form, have an economic useful life of more than one year, and are obtained by the company to carry out its corporate activities, and not to be retraded. In terms of government, this fixed asset is classified as Regional Property (BMD) which is a regional wealth that can be used for the common good for regional development and if properly managed and maintained, it will have a good impact on the surrounding community.

The management of fixed assets or regional property in a region provides very significant benefits for the sustainability of the community. This is because in daily community activities it is always juxtaposed with many assets managed by the region itself such as hospitals, places of worship, schools, public transportation, and so on. Therefore, the condition of fixed assets in an area must always be checked regularly to find out how good or bad the condition of the fixed assets is. The need for work discipline in this management so that the realization of the performance of an agency can be fulfilled (Rastana et al., 2021). The administration of regional property is one of the pillars in the process of managing this matter. Starting from the bookkeeping, inventory, and reporting processes into a series of activities that must be carried out. The bookkeeping process consists of recording and registration activities, for the inventory process itself consists of data collection, recording, and reporting of data collection results, then for the reporting process consists of activities for the preparation and delivery of information on regional property on a semester and annual basis. A series of these activities produce final results in the administration of regional property which is useful to become the basis for the preparation of government financial statements, especially in the balance sheet section every year. Thus, this can provide provisions for the government in planning the procurement and maintenance needs of regional property every year and can also be used as material for the preparation of budget plans and safeguards for regional property.

The Mataram City Regional Finance Agency is a government agency that carries out a series of tasks, one of which is to carry out a series of processes in the administration of regional property in Mataram City. With this task, namely managing a number of fixed assets with a large nominal, it is certainly necessary to carry out a structured and efficient process of administration of regional property. BKD Mataram City needs to pay attention to management in managing its assets. As is known, the assets belonging to this region are very beneficial for the survival of the community. Therefore, in supporting fixed asset management activities in the administration of regional property, a new regulation was issued, namely Permendagri Number 47 of 2021 concerning Procedures for Bookkeeping, Inventory, and Reporting of Regional Property which is expected to be the basis for asset management throughout Indonesia. Therefore, the researcher is interested in conducting this research to see as a whole related to the management of fixed asset management at the Mataram City Regional Finance Agency. So, based on the explanation above, the researcher conducted a study entitled "Fixed Asset Management Management at the Regional Financial Agency of Mataram City".

Effective management of regional assets, particularly fixed assets, is crucial for ensuring the sustainability and efficiency of government operations. However, many regions face challenges in managing these assets due to a lack of standardized procedures and insufficient knowledge among employees. The management of

fixed assets often involves complex tasks such as inventory management, maintenance, security, and valuation, all of which require precision and consistency. The lack of comprehensive guidelines or failure to implement existing ones leads to mismanagement, such as errors in data entry or discrepancies between reported and actual asset conditions. This mismanagement can result in a significant financial loss for the government, which ultimately affects public services and regional development.

Furthermore, the implementation of government regulations such as Permendagri Number 47 of 2021 aims to standardize and improve asset management. However, the transition to new systems, especially the digitalization of asset management processes, has faced resistance and challenges. Many regions, like Mataram City, experience issues in implementing these regulations effectively, leading to inefficiencies and errors in asset management. This research explores these problems and analyzes the extent to which Mataram City's Regional Finance Agency has effectively managed its fixed assets according to the new guidelines, with the aim of identifying both the successes and shortcomings in the current management system.

The urgency of this research lies in the growing need for efficient and transparent management of regional assets, which directly impacts the financial health of local governments and the quality of public services. As governments face increasing pressures to optimize resources, understanding and improving the management of fixed assets is vital. Furthermore, as the Mataram City government has been under scrutiny for asset mismanagement, it is crucial to assess the implementation of recent regulations to ensure that the financial reporting and asset management are in line with legal requirements. This study is important for developing recommendations that could help the city and similar regions improve their asset management processes and avoid potential financial inefficiencies or losses.

Several studies have examined the importance of asset management in government institutions, focusing on both the financial and operational benefits of proper asset handling. For example, Agustina & Darmansyah (2017) explored how asset revaluation helps provide accurate information for financial statements, ensuring that regional properties reflect their true value in official reports. Similarly, Kolinug et al. (2015) analyzed how structured asset management improves the preparation of financial reports, contributing to better decision-making and resource allocation. These studies emphasize the role of asset management in ensuring transparency and accountability in public administration, which is especially important for local governments handling public resources.

In addition, research by Aituarauw (2021) highlighted the significant challenges that local governments face in asset management, particularly in the lack of proper inventory, bookkeeping, and reporting mechanisms. Aituarauw noted that local finance agencies often struggle with the manual tracking of assets, leading to discrepancies in asset records and difficulty in maintaining accurate financial reports. This research is valuable in understanding the barriers to effective asset management and the necessity of implementing standardized procedures for tracking and reporting regional property.

A more recent study by Rastana et al. (2021) emphasized the role of regulatory frameworks, such as Permendagri No. 19 of 2016, in improving asset management at local government agencies. The study indicated that while these

regulations provide clear guidelines for asset management, local governments still face challenges in fully adhering to them due to insufficient training and resources. This finding is critical in understanding the gap between policy and practice, which the current study aims to address by assessing Mataram City's adherence to the latest guidelines provided in Permendagri No. 47 of 2021.

While previous studies have explored various aspects of asset management in local governments, there remains a gap in understanding how these regulations are implemented at the ground level, particularly in terms of procedural adherence and the integration of new technologies. Most existing research focuses on theoretical models or broad analyses of asset management systems, without addressing specific case studies of how regulations are applied in real-world settings. This research fills this gap by providing an in-depth analysis of Mataram City's fixed asset management processes, assessing both the successes and challenges in implementing Permendagri No. 47 of 2021, and offering recommendations for improvements.

This study introduces a novel approach by focusing specifically on the practical implementation of government regulations concerning fixed asset management at the local level, using Mataram City as a case study. Unlike previous studies that have largely focused on theoretical aspects or broader applications, this research provides a detailed examination of how the regulatory framework is applied in the context of Mataram City's Regional Finance Agency. Additionally, the study examines the integration of technology, such as E-BMD, into asset management processes, providing insights into the challenges and opportunities that digital tools present for local governments in enhancing asset management efficiency.

The main objective of this study is to evaluate the fixed asset management practices of Mataram City's Regional Finance Agency, focusing on how well these practices align with Permendagri No. 47 of 2021. Specifically, the study aims to assess the processes of planning, procurement, utilization, security, maintenance, and reporting of regional property. The research also seeks to identify the challenges faced by the agency in implementing these regulations and offer recommendations for improving asset management processes, thereby enhancing transparency and efficiency in local government operations.

The findings from this study will be beneficial for local governments in improving their fixed asset management systems by providing a clear understanding of the challenges and successes in implementing the latest regulations. The recommendations from this research will help enhance the efficiency of asset management processes, reduce discrepancies, and ensure better financial accountability in regional governments. For policymakers, the study offers insights into the practical implications of asset management regulations, helping to refine policies and provide better guidance to local governments. Furthermore, the study contributes to academic literature on public sector asset management, offering a detailed case study of a local government's efforts to improve its asset management practices.

## RESEARCH METHOD

This research was carried out at the Regional Finance Agency of Mataram City, West Nusa Tenggara. This research applies a descriptive qualitative method in which this method will present the results of the research in a series of words and structured sentences. This research aims to obtain in-depth information and understand the conditions of the research subject area. The data sources used in this

study are primary and secondary data. To support the primary data in this study, the researcher used several related reports used in the process of managing fixed assets, including Inventory Reports, Goods Use Reports, Reconciliation Reports, Records on Regional Property and so on. The data collection methods in this study are interviews, observations, and documentation. The informants selected to produce accurate information are the Head of the Asset Division of the Mataram City BKD, the Head of the Budget and Treasury Division, the Mataram City BKD Administration Sub-Division, the Needs Analysis Sub-Division, the Supervision Sub-Division and the staff of each Asset Division in the Mataram City BKD. In the process of data analysis, this study uses descriptive analysis techniques where the researcher collects data through the results of interviews, observations, and documentation to obtain information related to the implementation of fixed asset management and an overview of asset management in the Mataram City BKD. After all the data that has been obtained, an evaluation is carried out to find out whether the implementation of fixed asset management that has been carried out is in accordance with applicable regulations. Evaluation by comparing all fixed asset management activities in the Mataram City BKD compared to Permendagri No. 19 of 2016. Furthermore, conclusions will be drawn based on the results that have been obtained.

## **RESULT AND DISCUSSION**

### **1. Overview of Research Objects**

The Mataram City Regional Finance Agency is one of the government agencies in Mataram City that carries out tasks related to regional finance ranging from regional tax affairs, regional levies, regional loans and obligations, regional revenue, regional wealth, and various other affairs. In this study, regional wealth, namely fixed assets, is the main focus. Fixed assets themselves can be classified into several categories, namely land, buildings, equipment, roads, irrigation, networks, construction in progress, fixed assets that are not used, and other fixed assets.

These things are the task of the asset division of the Mataram City Regional Finance Agency in carrying out structured management and administration so that these assets can be used properly by the community. Therefore, there is a need for a structured asset management carried out by the Mataram City Regional Finance Agency.

Supporting this effort, the government issued a special regulation to assist in the management of blood assets, namely Permendagri Number 47 of 2021 concerning Bookkeeping, Inventory, and Reporting Procedures for Regional Property. With the existence of a new regulation containing a format in implementation that can help the process of managing regional property as a whole, it is able to provide assistance to all Regional Financial Agencies in Indonesia.

### **2. Fixed Asset Management Management**

The process of managing fixed assets at the regional financial agency of Mataram City. According to the results of interviews from all informants, it is stated that the asset management process consists of several activities, including planning needs and budgeting, procurement, use, utilization, security, and maintenance, assessment, transfer, destruction, elimination, administration. For the



implementation of administration, there are bookkeeping, inventory, and reporting. Then from these activities there are documents that support the process of these activities which have been listed in Permendagri number 19 of 2016 in the form of RKBMD, RKPBMMD, DKBMD, DKPBMMD, DBP/DBKP, KIB A, B, C, D, E and F, List of Regional Property, Inventory Book and Inventory Master Book, Semester and Annual Goods Report (LBS and LBT), Regional Property Report, Letter of Loan Agreement, Proof of Ownership on behalf of the Regional Government, List of Goods Maintenance Results, Decree of the Regional Head.

Based on the results of the interviews, all informants explained that the Asset Management process at the Mataram City Regional Financial Agency consists of several activities, namely starting from planning needs and budgeting, procurement, use, utilization, security and maintenance, assessment, transfer, and administration.

Here are some of the main activities carried out by the Mataram City BKD.

#### 1) Needs Planning and Budgeting

Planning activities for the needs of regional property are carried out by OPD as the user of the goods who makes the planning for the preparation of the needs of the goods. OPD as a user of goods plans and prepares the needs of goods in the Work Plan and Budget as material in the preparation of the Regional Revenue and Expenditure Budget Plan. Furthermore, each OPD proposes a plan for the needs of goods to the Manager through the assistant manager. This activity is only carried out once a year to meet the needs of assets in Mataram City. This activity was also proposed to the asset sector of the city of Mataram from June 19 to June 28 of the current year. BKD as the assistant manager collects proposals from all OPDs to be researched, but they are not compiled into documents for the Regional Property Needs List Plan and the Regional Property Maintenance Needs Plan. Needs planning and budgeting activities are not stand-alone activities, but these activities cannot be separated in the management of regional property.

From the results of the interviews, most of the respondents stated that the planning of goods needs is the activity of formulating the details of the needs of regional property to connect the procurement of goods in the past with the current situation as a basis for carrying out future activities. In this process, it is only carried out once a year to meet the needs of assets in the city of Mataram, this activity began to be proposed by OPD to the asset sector from June 19 to June 28 of the current year.

#### 2) Procurement

The implementation of the procurement of regional property is guided by the Minister of Home Affairs Regulation No. 19 of 2019 which is carried out with the principles of efficiency, effectiveness, transparency and openness, fairness, and accountability. In the procurement process, the responsible are the procurement of goods and services, the implementation officer of the activity and the official who makes commitments. Before the procurement process is carried out, the OPD prepares the RKA or budget work plan and the OPD prepares the budget implementation document (DPA). This is necessary because it can prevent budget waste and the worst is to prevent corruption from occurring in the Mataram City government. In addition, it is also useful so that there is no overlap between the budget needs plan and the budget realization. The documents that support this procurement activity are in the form of budget implementation documents as proof that the budget has been used as it should.

From the results of the interview, most of the respondents explained that the procurement of goods is carried out based on the principles of efficiency, transparency and openness, fairness, and accountability in accordance with the provisions of the law. This is necessary in order to prevent budget waste and worst of all, to prevent corruption and this is useful so that there is no overlap between the budget needs plan and the budget realization.

### 3) Use

The mechanism of activities carried out by OPDs in managing and administering regional property in accordance with the main tasks and functions of the regional apparatus. Based on the results of interviews, observations, and documentation that have been carried out by researchers, it can be stated that the use of assets has been carried out properly because it has fulfilled the provisions outlined in Permendagri No. 19 of 2016. The mayor can issue a decree on asset determination if he has reconciled spending. The asset determination decree is issued in accordance with the duties of each OPD. If the OPD uses the asset not in accordance with the main duties and functions of the OPD, its use status will be revoked and can be transferred to another OPD. After the goods are prepared, there will be an affirmation of regional property which will be determined by the mayor to each user of goods in managing and administering regional property in accordance with the functions of each OPD.

Based on the results of interviews, some respondents explained that the mayor affirms regional property to every user of goods in managing and administering regional property. use is carried out by OPDs in managing and administering in accordance with the duties of each OPD.

### 4) Utilization

The implementation of the utilization of regional property in the Mataram City BKD does not carry out all types of utilization as stated in Permendagri number 19 of 2016. There are two types of utilization in Mataram City, namely borrowing and renting. This activity also involves the State Wealth and Auction Service Office (KPKNL) to interpret the value of assets to be utilized. In the process of utilization, the User of Goods proposes Assets to the SEKDA then the SEKDA will order the BKD of Mataram City as the Goods Administration Officer will follow up on the proposal letter and make a research report for the assets to be utilized, the BKD will involve the KPKNL to praisal the Assets to be utilized. In this case, KPKNL serves as a determinant of rental rates for these assets. Then the Regional Secretary will make a memorandum of approval to the Mayor of Mataram until the asset is determined to be utilized.

From the results of the interview, most of the informants explained that there are two types of utilization carried out in the city of Mataram, namely borrowing and renting. In this activity, the OPD proposes assets to be used to the SEKDA. Then the Regional Secretary will order the BKD as the administrative official to follow up on the proposal from the OPD. In this activity, BKD involves KPKNL to praially the assets that will be utilized.

### 5) Security and Maintenance

There are three safeguards carried out by the Mataram City BKD, namely physical security, administrative security, and legal security. Physical security is an effort to prevent a decrease in the number and loss of goods. For example, the provision of ownership and fencing nameplates, labeling. while administrative



security is the activity of administering BMD such as bookkeeping, inventory, and reporting. And legal security is an activity to protect BMD from potential legal problems, for example completing ownership documents and completing proof of ownership. Based on the results of the interviews, most of the respondents explained that security in the management of Mataram City property in administrative, physical, and legal forms has been carried out as well as possible in accordance with the order of the Minister of Home Affairs No. 19 of 2016.

The maintenance of fixed assets is carried out by BKD as assistant managers, users and rulers in accordance with the list of maintenance needs for regional property that is under the responsibility of each OPD. Based on the results of the interview, the respondents stated that maintenance is carried out routinely to maintain and see the condition and repair regional property if it is damaged. This is done so that the condition of all regional property remains durable and maintained for a long time. For assets that are no longer suitable for use, they will be transferred (auctioned), destroyed, and deleted from the record. Security and maintenance are given authority to OPDs that have been entrusted to use regional property. Based on the results of interviews, most of the respondents explained that maintenance is carried out regularly so that the condition of regional property remains durable and maintained for a long time.

#### 6) Valuation

The assessment of regional property is carried out based on the policy that has been set by the mayor guided by applicable government regulations. The valuation of regional property is carried out by certain people who are experts in their field in asset valuation. This is done regularly so that the value of the asset acquisition remains based on the latest value, especially the value of land assets. This assessment process is carried out in collaboration with KPKNL, which is an institution that has the authority to assess the value of these assets. BKD Mataram City as the assistant to the Regional Head in charge of managing Fixed Assets owned by the Mataram City Government.

Based on the results of the interview, most of the informants explained that the assessment was carried out to determine the economic value of regionally-owned assets in order to compile the balance sheet of the Mataram city government. The assessment is guided by government accounting standards (SAP). In this process, the Mataram City BKD collaborates with KPKNL to determine the values of Assets.

#### 7) Transfer

The transfer of regional property is the transfer of ownership of regional property as a follow-up to the elimination by auctioning and granting. Transfer in the form of Auction is one of the sources of regional revenue as explained in Permendagri No. 19 of 2016. The transfer of regional property can be carried out if the goods are not used in the operational process of the local government. The transfer can be done if an assessment of the goods to be transferred has been carried out. This is done in order to find out the condition of the goods. The transfer process also involves KPKNL in determining the limit value of the goods. The transfer is carried out if there is a proposal from the OPD through the transfer RKBMD. If there is no proposal from the OPD, it cannot be transferred.

Based on the results of the interview, most of the respondents explained that transfer is the process of transferring ownership of regional property as a follow-up

to the elimination by auction or grant. This process is in accordance with what has been explained in Permendagri No. 19 of 2016.

#### 8) Destruction

The destruction of regional property is carried out if the goods cannot be used, cannot be reused, and cannot be transferred. The destruction process is to carry out the mandate of (*Permendagri Nomor 19 Tahun 2016 Tentang Pedoman Pengelolaan Barang Milik Daerah*, 2016). To save the capacity of the OPD Goods Warehouse, and so that it is not misused by irresponsible persons, especially for medicines. Destruction is usually carried out once a year depending on the OPD's proposal. The destruction is carried out to categories of goods that do not have a selling value such as expired medicines, weathered tables and so on. Destruction in the Mataram City area is only carried out at the Mataram City Hospital because only the Mataram City Hospital has the tools and fuel power that can support the destruction process.

Based on the results of the interview, most of the informants stated that the destruction process carried out by the Mataram city government was carried out if there was a proposal from the OPD, the destruction was carried out in the category of goods that did not have a selling value. The destruction was carried out in order to save the capacity of the OPD goods warehouse and to prevent it from being misused by irresponsible individuals.

#### 9) Removal

The elimination of regional property is carried out when regional property has been destroyed or transferred. Deletion is the final process of transfer and destruction, if the process has been undergone, the goods are required to be deleted in the Mataram City Government Asset Database. The purpose of this deletion is to clean up the bookkeeping and reporting of assets that have been destroyed. The elimination of regional property is carried out when regional property is not used, utilized, and transferred. The elimination was carried out after the mayor issued a decision on the elimination of regional property. The elimination is carried out by the administrative sub-division of the asset division as the authorized and responsible one. Based on the results of the interview, most respondents explained that deletion is the final process of asset destruction which aims to clean up the bookkeeping and reporting of assets that have been destroyed.

#### 10) Administration

Administration is a process of activities that includes bookkeeping, inventory, and reporting. The purpose of administration is to provide the truth of the data obtained and to find out the certainty of the value, quantity, and condition of the goods. The administration of regional property is carried out by the administrative sub-division which is in the asset division of the Mataram City Financial Agency. Administration is very important in managing regional property so that if the administration does not run in accordance with existing procedures, it will cause the asset balance reporting to be considered valid by the financial audit agency (BPK) and the KPK. This will result in the Mataram city government finding it difficult to obtain a reasonable opinion without exception (WTP) from the inspector. Based on the results of interviews, observations, and documentation carried out by the researcher, it can be stated that the administrative process carried out at the Mataram City BKD is in accordance with what is ordered in Permendagri No. 19 of 2016.

### 3. Fixed Asset Management Process

In carrying out the administration of regional property, especially fixed assets, the Mataram City Regional Finance Agency has been carried out since 2016 and has management management consisting of three main processes, namely bookkeeping, inventory, and reporting of regional property. BKD Mataram City conducts asset management based on several regulations, one of which is the Mataram City Regulation Number 1 of 2017 concerning the Management of Regional Property (Mataram City Regional Regulation Number 1 of 2017 concerning the Management of Regional Property, 2017).

The high integrity of the employees in implementing the regulation can be proven by the Mataram City Government winning the WTP (Reasonable Without Exception) opinion for 10 consecutive times. In the process of asset management itself, the core activity is in carrying out administration consisting of bookkeeping, inventory, and reporting. Here's the explanation:

#### 1. Bookkeeping

The bookkeeper of the user of goods registers and records regional property into the User Goods List (DPB) or the User Power of Attorney List (DBKP) according to the classification and codification of goods which are then contained in the Goods Inventory Card. based on the results explained by most respondents that Bookkeeping is the activity of entering goods data into the Mataram City Asset Database. The bookkeeping of regional property in the Mataram City BKD is carried out by the users of goods assisted by officers through input using E-BMD. This aims to create an asset administration order where the assets of the Mataram City government are recorded in the Mataram City asset database so that their value and existence are known. The final result of the bookkeeping process is a list of fixed assets of land, a list of fixed assets of machine tools, a list of fixed assets of buildings, a list of fixed assets of irrigation roads, a list of other fixed assets, and a list of other assets that will then be used in the inventory process. Based on the results of interviews, observations, and documentation, researchers can state that the bookkeeping process carried out in the city of Mataram has implemented what has been ordered in Permendagri No. 47 of 2021.

#### 2. Inventory

Based on the results of the interview, it was explained that the inventory activity was carried out to trace the assets of the Mataram city government and verify and validate the physical form of the assets that have been booked with their existence in each OPD. This activity is carried out every 5 (five) years to compile the Inventory Book and Inventory Master Book along with the recapitulation of local government property. In the inventory process, the staff in the Asset sector of the Mataram City Regional Finance Agency notified all heads of OPDs to carry out this inventory activity. This aims to find out the state of physical form and actual conditions in the field. From this inventory activity, records will be carried out using the Goods Inventory Card and then compiled into a book better known as the Inventory Book (BI). This book is a reference for data to see the results of the inventory of goods along with the condition of the goods. The results of the inventory can be the basis for labeling each regional property with all its conditions and then classified as fixed assets according to their type. This activity also has

several errors that occur, namely When inventorying the proposed goods, there is no form of the goods. So, in a case like this, the Mataram City BKD Asset Division Team will carry out the process of claiming compensation against the user of the goods. Based on the results of interviews, observations, and documentation, researchers can state that the inventory process carried out at the Mataram City Regional Finance Agency has been carried out based on Permendagri No. 47 of 2021.

### 3. Reporting

Reporting of goods users prepares semi-annual and annual goods reports with the aim of being submitted to the mayor through assistant managers. Based on the results of interviews from respondents, reporting is a documentation process carried out to inform the assets owned. reporting and reporting the results of the implementation that has been carried out previously. The Mataram City Regional Finance Agency in the reporting process has used the application that has been provided, namely SIMDA so that it can simplify all processes and final reporting. This application can function to print the results of reports and cards that were previously used in the inventory process which will then be approved by the Head of OPD and the goods managers who will then be managed for the asset field of BKD Mataram City. The preparation of semester and annual reports is carried out by all sections that have participated in the initial process up to this stage. The asset division as the assistant manager will collect the finished report and then recapitulate the value and amount. The results of this recapitulation will be material in the process of preparing financial statements, especially in the regional balance sheet. In the preparation of the final report of BMD, reconciliation is also necessary. In reconciliation where in the minutes there will be an initial balance, an additional mutation, a minus mutation, and a final balance. Reconciliation is carried out quarterly and semesterly. Based on the results of interviews, observations, and documentation, researchers can state that the pioneering process carried out in the Mataram city government is in accordance with Permendagri Regulation No. 47 of 2021.

### 4. Constraints on Fixed Asset Management Management in BKD Mataram City

The management process with these series of administrative activities certainly has obstacles that are quite often experienced by officers, especially in the asset sector at the Mataram City Regional Finance Agency. During the bookkeeping process, there are often input errors by users of goods or owners of fixed assets. Based on the results of the interview, it was explained that almost more than 50% still do not understand the process of inputting fixed asset data. The Fixed Assets Division provides direction and socialization to all users/owners of the fixed assets. However, there are still many difficulties and do not understand the use of this new E-BMD application. The asset division itself has not even used this application in its bookkeeping process for a year. when compared to the previous application, namely SIMDA, which has not been able to support the entire implementation process, E-BMD is good enough for implementation to date.

The actual asset value is also one of the current confusions in the Mataram City Regional Finance Agency. The actual value of assets, especially land assets, is unknown due to the lack of completeness of administrative data. Based on the

results of the interview, it is known that the officers of the asset division are confused in inputting the actual asset value so that in the process of management, several land assets are listed in value. It can be said that it is not in accordance with the reality. There has not been an inventory of fixed assets to the maximum, especially in land assets donated by the West Lombok Regency government. Because the city of Mataram is an expansion area of West Lombok.

Because land is a very important asset for the Mataram City government, efforts will be made in coordination with the West Lombok Regency government and the NTB Provincial government to inventory the existence of these land assets.

Another obstacle that is often experienced is that there is a difference in report data with conditions in the field. Based on the results of the interview, it was explained that there were many differences in the condition of the goods, resulting in the need to do quite a lot of checks. This slows down the performance of officers in recording all fixed assets in Mataram City. This low level of awareness is what causes losses for an area. The condition of the goods that are still fine but reported to be damaged goods so that the Mataram City Regional Finance Agency needs to prepare a budget to replace all the damaged assets.

Another obstacle that comes from the officers themselves is the lack of awareness and interest in managing these fixed assets. Human resources are still low and lack of training and socialization are the main obstacles in the management of these fixed assets. It is not an easy thing to take care of these fixed assets and besides the data input process is another obstacle for officers who are still relatively new. As is known, in government agencies there is often a rotation of the placement of their employees so that there are rarely employees who are able to take care of these fixed assets optimally. In addition, negligence often occurs by officers, namely often moving documents so that it is difficult to make data from an asset difficult.

## CONCLUSION

The Mataram City Regional Finance Agency manages fixed assets within the Mataram City government, with tasks divided across several sub-fields, including Needs Analysis, Budget and Treasury, Security, and Administration. Fixed asset management involves processes such as planning, procurement, utilization, security, maintenance, assessment, transfer, destruction, elimination, and administration. The key focus is on administrative activities, specifically bookkeeping, inventory, and reporting. The issuance of (*Permendagri Nomor 47 Tahun 2021 Tentang Tata Cara Pembukuan, Inventarisasi, Dan Pelaporan Barang Milik Daerah*, 2021) has positively impacted asset management by providing clear guidelines. However, challenges such as input errors in bookkeeping, difficulties in determining the actual value of assets, and discrepancies between recorded data and actual conditions persist.

This study's limitation is that observations were only conducted at the Mataram City BKD office, without direct field visits to assess the condition of assets. Additionally, the research focused solely on Mataram City, making the findings not fully generalizable to other regions in Indonesia. Future research should involve field visits to examine the actual condition of fixed assets and expand the scope to include multiple regions for more comprehensive results.

Further studies could also explore the impact of digital tools on improving asset management accuracy and efficiency.

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