



Research Paper

Asset Management Effect Towards the Optimization of Fixed Asset Utilization in West Sulawesi Province

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ABSTRACT: Asset management is one way to achieve regional development goals. Asset management has 3 stages of work that are interconnected and integrated with each other to optimize assets, these include asset inventory, asset legal audit, and asset valuation. This research aims to analyze the effect of inventory, legal audit and asset valuation on the optimization of fixed assets in the West Sulawesi Provincial Government. This research was conducted in Mamuju District, West Sulawesi Province. Mamuju District in January - February 2021. The population of this research is the party in authority and involved in the management of regional assets. The sample in this research was conducted using purposive sampling. The number of samples is 70 people. To test the hypothesis of the effect of inventory, legal audit and asset valuation on the optimization of fixed assets in the Provincial Government of West Sulawesi, multiple linear regression analysis was used.

The results of the research prove that the optimization of the assets of the West Sulawesi Provincial Government is influenced by the asset inventory. In addition, asset valuation is done by the government of West Sulawesi Province. However, the asset optimization done by the government of West Sulawesi Province is not influenced by the legal audit because there are still some problems in its implementation.

KEYWORDS: Inventory, Legal Audit, Asset Valuation, Asset Optimization

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I. INTRODUCTION

Regional asset management is one of the success factors in asset optimization management. The importance of proper and efficient asset management, based on efficient and effective management principles, is expected to be able to give strength to Regional Government to finance regional development. Professional and modern management of state assets by prioritizing good governance in one side is expected to be able to increase public trust in the management of state finances. Problems in asset management that occur in the Province of West Sulawesi such as the recording of fixed assets that are not detailed in the asset list, fixed assets such as buildings and buildings that are recorded in the Goods Inventory Card (KIB). This indicates that the West Sulawesi Provincial government has not been optimal in doing inventory (recording) and assessment of Regional Owned Goods under its control. One of the main problems in managing regional goods (assets) is disorder in the management of goods (assets) data. This causes local governments to find it difficult to know exactly the assets they control/manage, so that assets managed by local governments tend to be not optimal in their utilization. According to Siregar (2004) there are several stages of asset management that can be done to improve assets owned, such as asset inventory, legal audit, asset valuation, asset optimization, and asset monitoring and control. Implementing these well will provide great benefits for the government in increasing efficiency, effectiveness, and create a bonus point in managing assets in a more ordered, accountable, and transparent way.

II. THEORETICAL AND LITERATURE REVIEW

2.1. Property Asset

According to Deni (2018), asset is defined as a thing or a good which has economic value, commercial value, or exchange value, which is owned by a business entity, agency, or individual. Meanwhile property, or

known as real estate or real property by law, is the physical land and appurtenances affixed to the land, e.g., structure. Real estate is immobile and tangible.

2.2. Asset Management

Siregar et. al. (2016) mentions in asset management there are 4 stages of work that are interconnected and integrated with each other, those are asset inventory, asset legal audit, asset valuation, and asset identification. And according to Hidayati et. al. (2016) asset management is needed to overcome property problems in the local government environment to reflect economy, efficiency, and effectiveness. A classic problem that is often encountered in property asset management is the unclear legal status of property.

2.3. Asset Management Basic Principles

Local governments must understand that the or main goal of asset management is to optimize the utilization of regional assets. The reality up to now regional assets are still managed modestly, only as an inventory (accounting records). Regional assets are still consulted with negative cash flows, rather than as assets that are productive and provide income. The utilization of regional assets condition proves that regional assets as regional local resources show low utility, this happens because almost all local governments in Indonesia do not yet have a complete understanding of regional asset management within the asset management framework. (public/corporate real property management).

2.4. Inventory

Asman (2016) states that asset management itself can be divided into five stages of work, the first is inventory. Asset inventory consists of two aspects, that is physical and juridical/legal inventory. Physical aspects consist of shape, area, location, volume/amount, type of address and others. The juridical/legal aspects are the status of control, legal issues that are owned, the deadline for mastery and others. The work process done is data collection, codification/labeling of grouping and bookkeeping/administration according to the purpose of asset management.

2.5. Legal Audit

Siregar (2016) states that legal audit is a scope of asset management work in the form of an inventory of asset control status, asset control systems and procedures, identification and finding solutions to legal problems, and strategies to solve various legal problems related to assets control or transfer.

2.6. Asset Evaluation

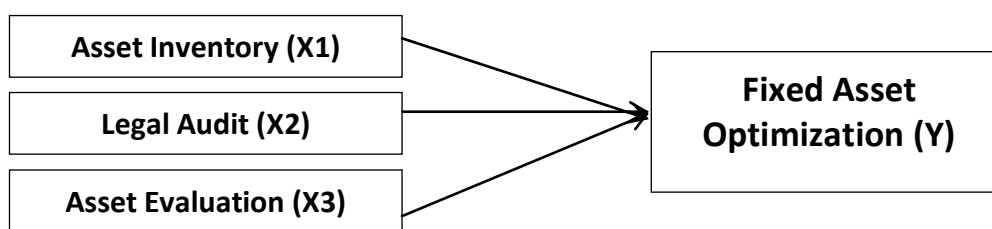
Asset valuation is a work process to evaluate assets controlled/owned. Usually this is done by an independent assessment consultant. The results of the value will be used to determine the value of assets as well as information of the assets to be sold.

2.7. Asset Optimization

Litasari (2018) states that asset optimization is a work process in asset management that aims to optimize the physical, location, value, amount/volume, legality, and economic potential of the asset.

III. CONCEPTUAL FRAMEWORK

3.1. Conceptual Framework



3.2. Hypothesis Test

3.2.1. The effect of Asset Inventory towards Fixed Asset Optimization

Asset Inventory affects positively towards fixed asset optimization in West Sulawesi Province

3.2.2. The effect of Legal Audit towards Fixed Asset Optimization

Legal Audit affects positively towards fixed asset optimization in West Sulawesi Province

3.2.3. The effect of Asset Evaluation towards Fixed Asset Optimization

Asset Evaluation affects positively towards fixed asset optimization in West Sulawesi Province

IV. RESEARCH METHOD

4.1. Research Design

The research design used in this research is a causal research or a causal relationship. According to Umar (2008) revealing a causal design is useful for analyzing the relationship between one variable and another or how a variable (X) affects a variable (Y).

4.2. Research Time and Location

This research was conducted in Mamuju District, West Sulawesi Province. Mamuju District becomes the center of government so that government office and agency is located in Mamuju District. This research was conducted on January – February 2021.

4.3. Population and Sample Determining Technique

The population of this research is the authorized parties and involved in the management of regional assets. In this case, the holder of the authority for managing regional property within the scope of the Regional Government of West Sulawesi Province, that is the Regional Head, the regional asset manager, that is the Regional Secretary, along with the bureaus responsible for the management and use of regional assets, totaling 6 bureaus, 22 offices, and 7 Bodies.

The sample in this research was conducted by purposive sampling. According to Sugiyono (2017), purposive sampling is a data sampling technique based on certain considerations. The criteria for respondents in this research are those who are authorized and involved in the management of regional assets within the scope of the Regional Secretariat of West Sulawesi Province. There are 70 samples.

4.4. Data Types and Sources

4.4.1. Data Types

The data used in this research is qualitative and quantitative data.

1. Qualitative data is data that is served in verbal form, not in numbers (Muhadjir, 1996). Qualitative data in this research is the general description of research object.
2. Quantitative data is a directly measurable or countable data, which is an information or description stated in form of numbers (Sugiyono, 2010).

4.4.2. Data Sources

The author uses two data sources, those are:

1. Primary Data Source, is data directly gathered by the researcher from primary source. Those concluded in primary resources in this research are goods manager in bureau, office, and bodies in the scope of West Sulawesi Government.
2. Secondary Data Source, is data directly gathered by researcher as a supporter of primary data, or could also be said data in form of documents. In this research, documentation and surveys are secondary data sources.

4.5. Data Gathering Technique

The type of data used in this research is primary data. Data collection will be done through a questionnaire survey that is delivered and taken by the researcher himself to the parties authorized and involved in the management of regional assets, in this case the goods managers who are in bureaus, offices, and agencies within the government of West Sulawesi Province.

4.6. Research Variable and Operational Definition

1. Independent Variable is a variable affecting or becomes a cause of change or creation of dependent variable (Sugiyono, 2009). The independent variables in this research are inventory, legal audit, and asset evaluation.
2. Dependent Variable is a variable affected by or becomes the effect or created because the existence of independent variable. The dependent variable in this research is asset optimization.

4.7. Research Instrument

The research instrument used in this research was a questionnaire made by the researcher himself. Sugiyono (2014) states that the research instrument is a data collection tool used to measure the observed natural and social phenomena. Thus, the use of research instruments is to find complete information about a problem, natural or social phenomenon.

The instrument in this research is meant to form an accurate data by using Likert scale. Sugiyono (2014) states that the Likert Scale is used to measure an attitude, opinion and perception of a person or group of people about a social phenomenon. In this research, the researcher used the type of questionnaire instrument with the following scoring:

1. SA (Strongly Agree), Scored 5
2. A (Agree), Scored 4
3. N (Neutral), Scored 3
4. D (Disagree), Scored 2
5. SD (Strongly Disagree), Scored 1

V. RESULTS AND DISCUSSION

5.1. Research Data Analysis

Hypothesis test in this research uses the multiple regression analysis to test the effects of independent variables, that is optimization towards dependent variables, which consists of inventory, legal audit, and evaluation. The detailed information about the result of multiple linear regression test could be seen in the following table

Table 1. Multiple Regression Analysis

Variable	Regression Coefficient	T_{count}	Significance
Constant	11,165		
Inventory	0,501	3,368	0,002
Legal audit	0,057	0,702	0,486
Evaluation	1,463	7,361	0,000
F_{count}	49,345		0,000
F_{table}	2,74		
<i>R Square</i>	0,839		
<i>T Table</i>	1,998		

Source: Primary Data after Processed with SPSS Version 16.00

Table 12 shows the test result using multiple linear regression analysis with asset optimization as the dependent variable. Based on the test results, the value of R square is 0,839. Based on the R square value shows that variables Inventory (X1), Legal Audit (X2), and Evaluation (X3) simultaneously affect asset optimization (Y) by 0,839 or 83,9% in percentage. Based on F_{count} of 49,345 with the probability level of 0,000. Based on the probability value with Sig value of 0,000 < 0,05 it can be concluded that hypothesis is accepted, or variables Inventory (X1), Legal Audit (X2), and Evaluation (X3) simultaneously affect optimization (Y). Based on F_{count} of 49,345 gives $49,345 > 2,76$ (F_{table}) it can be concluded that hypothesis is accepted, or variables Inventory (X1), Legal Audit (X2), and Evaluation (X3) simultaneously affect optimization (Y).

The test results using the main regression model in this research shows that the variables inventory (X1), legal audit (X2), and assessment (X3) simultaneously affect optimization (Y). The inventory variable (X1) has a reference coefficient of 0.501 with a probability value of 0.002. While the legal audit variable (X2) has a regression coefficient of 0.057 with a probability value of 0.486. The asset valuation variable (X3) has a regression coefficient of 1.463 with a probability value of 0.000.

Based on the results of the partial test (partial T-test), the asset inventory variable (X1) shows a t-count value of 3.368 with a significance of 0.002. The conclusion of the t test for the X1 variable states that the t count > t table ($3.368 > 1.998$) then the asset inventory variable (X1) has a partial effect on asset optimization and is acceptable. The results of the partial test for the legal audit variable (X2) showed a t-count value of 0.072 with a significance of 0.486. The conclusion from the t test for the X2 variable states that t count < t table ($0.072 < 1.998$), then legal audit variable has a partial effect on asset optimization is rejected. The results of the t-test for asset valuation (X3) show the t-count value of 7.361 with a significance of 0.000. The conclusion of the test for the X3 variable states that the value of t count > t table ($7.361 > 1.998$) then the asset valuation variable (X3) has a partial effect on asset optimization is accepted.

The test results using the main regression model in this study indicate that the variables inventory (X1), legal audit (X2), and assessment (X3) simultaneously affect optimization (Y). The inventory variable (X1) has a reference coefficient of 0.501 with a probability value of 0.002. While the legal audit variable (X2) has a regression coefficient of 0.057 with a probability of 0.486. The asset valuation variable (X3) has a regression coefficient of 1.463 with a probability of 0.000.

5.2. Discussion

5.2.1. The effect of Asset Inventory towards Fixed Asset Optimization

Hypothesis 1 (H1) is that inventory has a positive and significant effect on asset optimization in West Sulawesi Province. From the results of statistical analysis shows that the value of the t-test of inventory on asset optimization is 3.368, which is greater than the t-table value of 1.998. From the results of the t test, the t value shows a greater value than the t table value, which means that there is a significant effect between the independent variable (asset inventory) and the dependent variable (asset optimization), therefore, hypothesis H0 and H1 is accepted with a P Value of 0.002. $P \text{ Value} < \alpha 0.05$. Thus, it can be concluded that asset inventory has a significant effect on asset optimization or in other words asset inventory provides maximum input to asset optimization.

The results of this research are in line with research conducted by Montayop (2012) which explains that asset inventories must be done periodically because assets are an important resource for local governments. Inventory needs to be done so that local governments, especially in Boven Digoel Regency, can know for sure about the amount and value of regional assets they have, both those that are currently controlled and those that are still in the form of potential that has not been controlled or utilized (Mardiasmo, 2004).

In asset inventory, the asset inventory book is an important document because it can control, utilize, secure and supervise every item, optimal utilization in accordance with their respective goals and functions, and support the implementation of government (Siregar, 2004). In this research, the asset inventory process done by the government of West Sulawesi Province using an asset inventory book was backed up using computer records. This needs to be done in order to support data on assets owned by government agencies in recording in the asset inventory book.

The implications of the results of this research indicate that the optimization of assets done by the provincial government of West Sulawesi is a program that can increase the use value of assets based on applicable rules so that assets can be used more optimally. The government as the owner of the assets must do better maintenance and use all assets according to the benefits and rules that have been set so that the assets can be more optimal.

5.2.2. Legal Audit effect towards Fixed Asset Optimization

Hypothesis 2 (H2) is that legal audit has a positive and significant effect on asset optimization in West Sulawesi Province. From the results of statistical analysis shows that the value of the t-test of legal audit on asset optimization is 0,072, which is less than t-table value of 1.998. From the results of the t test, the t value shows less value than the t table value, which means that there is no significant effect between the independent variable (legal audit) and the dependent variable (asset optimization), therefore, H0 is accepted and H2 is rejected with a P Value of 0.486. $P \text{ Value} < \alpha 0.05$. Thus, it can be concluded that legal audit does not have a significant effect on asset optimization or in other words legal audit does not provide maximum input to asset optimization.

The legal audit activities done by the West Sulawesi Provincial Government have not been done by a work unit that specifically handles asset legal audit issues. However, the West Sulawesi Provincial Government done a legal audit which was handled by the Asset Sector so that the Regional Government Work Unit (SKPD) within the West Sulawesi Provincial Government attempted to first identify, find solutions and strategies in dealing with problems related to the legal audit process for land and building fixed assets. The Regional Secretariat always manages assets through the asset sector tries to coordinate if there are problems in the process of identifying problematic assets and looking for solutions and strategies related to the control and transfer of fixed assets and buildings. According to respondents, land and building fixed asset certificates are in accordance with Government Regulation No. 27 of 2014 and Ministry of Home Affairs Regulations No. 17 Year 2007.

The results of this research are in line with research conducted by Nasution (2013). The legal audit brings the local government to be more vigilant and more sensitive to complete documents and proof of ownership of local government assets. The regional government of course wants the assets utilized by the regional government to be at a safe point and not provide opportunities for other parties who want to control these assets in an irresponsible way. The local government certainly wants a change for the better on the validity of asset ownership documents, and it is hoped that every year the number of assets with complete ownership documents will increase and problems regarding asset disputes due to ownership documents with other parties are getting smaller. The variables used are asset inventory, asset legal audit, and asset evaluation. Based on the results of the research, the legal audit of assets proved to have a positive and significant effect on asset optimization. In the implementation of the legal audit in West Sulawesi Province, it has been done as well as possible so that the legal audit done by the West Sulawesi Provincial government can optimize the use of fixed assets to the maximum. The system applied by the government of West Sulawesi Province is the system of asset control and use.

5.2.3. Asset Evaluation effect towards Fixed Asset Optimization

Hypothesis 3 (H3) is that asset evaluation has a positive and significant effect on asset optimization in West Sulawesi Province. From the results of statistical analysis shows that the value of the t-test of asset evaluation on asset optimization is 7,361, which is greater than t-table value of 1.998. From the results of the t test, the t value shows a greater value than the t table value, which means that there is significant effect between the independent variable (Asset Evaluation) and the dependent variable (asset optimization), therefore, H0 and H3 is accepted with a P Value of 0.000. P Value < α 0.05. Thus, it can be concluded that Asset Evaluation has a significant effect on asset optimization or in other words legal audit does not provide maximum input to asset optimization.

As the asset valuation indicator used in this research, it is based on controlled asset valuation activities which include asset valuation activities and asset handling and maintenance. The results of this research prove the premise that asset optimization is influenced by controlled asset valuation activities which include asset valuation activities and asset handling and maintenance. The asset valuation done by the West Sulawesi Provincial Government is in accordance with the procedures so that the assets owned can be more optimal. Assets owned by the government already have a certificate or statement and proof of ownership so that they have legal power.

The results of this research are in line with the results of research by Hayati (2012). Their results of the research stated that asset valuation is proven to have a partial significant effect on asset management. However, the results of this research are in line with the results of research conducted by Antoh (2012) who also stated that asset valuation was not proven to have a positive and significant effect on the optimization of fixed assets (land and buildings).

VI. CONCLUSION AND SUGGESTION

6.1. Conclusion

Based on the research results and discussion, the following conclusions are obtained:

1. Asset inventory affects positively towards fixed asset optimization. This is proven on the t partial test analysis result where t count > t table (3,368 > 1,998), then the asset inventory (X1) variable affects partially towards optimization is accepted.
2. Legal audit does not affect positively towards fixed asset optimization. This is proven on the t partial test analysis result where t count < t table (0,072 < 1,998), then the asset inventory (X1) variable affects partially towards optimization is rejected.
3. Asset evaluation affects positively towards fixed asset optimization. This is proven on the t partial test analysis result where t count > t table (7,361 > 1,998), then the asset inventory (X1) variable affects partially towards optimization is accepted.

6.2. Research Implication

The researcher hopes that this research can have implications for improving the management of fixed assets of West Sulawesi province in the form of land and other tangible assets. The management of fixed assets under the control of the provincial government includes inventory, legal audits, and assessments. In addition, this research is also expected to be the main reference for students and the government in which there is material on regional asset management. With a combination of theory and practice on asset management as in this study, it can be a source of information for the community as well as a reference for the government in improving asset management so that its utilization is more optimal.

6.3. Limitation

There are several limitations in this research, these limitations include the sampling technique using non-purposive sampling in which the sampling takes into account certain factors so that not all members of the population have the same opportunity to be selected as samples.

6.4. Suggestion

Based on the results and limitations of this study, the researcher can submit suggestions or recommendations. The suggestions or recommendations include that in order to achieve optimal use of assets, the West Sulawesi Provincial Government needs to pay attention to the inventory, as well as the assessment of assets owned. This suggestion is proposed based on the test results which indicate that the inventory, legal audit and assessment have an effect on asset optimization. The inventory process, legal audits and assessments must be done properly so that the assets owned by the government can be used optimally.

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