



The Implementation of Government Fixed Assets Administration: A Case Study on the Government of Aceh Singkil Regency

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Abstract

Objective– The purpose of this study is to analyze the implementation of fixed asset administration in the Aceh Singkil Government, Aceh Province, Indonesia.

Design/methodology– A qualitative approach was used in this study and the sample was determined by using purposive sampling. The triangulation technique was used to collect data using observation of asset administration documents, questionnaires, and in-depth interviews. The data were analyzed using qualitative analysis techniques of triangulation.

Results – In general, the results showed that the implementation of fixed asset administration in the Aceh Singkil Government was still poor. This is supported by *BPK*'s findings on the annual audit of the Aceh Singkil *LKPD*. Although the Aceh Singkil Government has obtained the *WTP* opinion, there are some notes on fixed assets administration that must be addressed by the Government of Aceh Singkil. Another finding is the lack of a good internal control system of fixed assets administration in the Government of Aceh Singkil. Furthermore, several factors that support and prevent the administration of fixed assets in the Aceh Singkil Regency Government were found.

Research limitations/implications – The limitations of this research in excluding policymakers from the two *OPDs* in the interview process considering the relatively short research time, hence more accurate information about the supporting and inhibiting factors for managing fixed assets in Aceh Singkil Regency may not be obtained.

Novelty/Originality – The results of this study are expected to be useful for Aceh Singkil Regency Government to improve fixed assets administration.

Keywords: Fixed assets, administration implementation, internal control system.

1. Introduction

Local governments are obliged to submit accountability reports for the implementation of the Regional Revenue and Expenditure Budget (*APBD*) in the form of financial reports because the information on regional assets gives important contributions. Complete and accountable information is obtained from a good administration process. This information can be seen in financial reports, particularly in the statement of financial position (balance sheet) which relates to inventory items, fixed assets, and other assets. Information on these assets continues to be reported in the balance sheet as long as the asset exists. Thus the administration of regional assets is also related to the Regional Government Financial Report (*LKPD*).

The financial report is an accountability reflection for *APBD* implementation which must be submitted by the Regional Leader (Governor/Regent/Mayor) to the Regional House of Representatives (*DPRD*). This report is a medium for financial accountability that must be presented following Government Accounting Standards (*SAP*). The report that is accounted for by the *DPRD* is a report that has been audited/assessed by the Indonesian Audit Board (*BPK*). The final result of this *BPK* audit is called opinion which is commonly referred to as the *BPK* opinion. The opinion consists of unqualified opinion (*WTP*), qualified opinion (*WDP*), adverse opinion (*TW*), and disclaimer of opinion (*TMP*). Giving opinions is an appreciation form of the *BPK*

for the results of auditing financial statements, in addition to providing other recommendations (Yusuf, 2015).

In 2019, the Regional Government of Aceh Singkil Regency received a *WTP* opinion on *LKPD*. However, the findings regarding the management of Local-Owned Assets (*BMD*) still can be found. The management of fixed assets is inadequate, we still can find the weaknesses in security, recording, and management that are not following *SAP*. Regional fixed assets are components of government operating assets that are very important in running government operations. Fixed assets are susceptible to capacity reduction in line with their use or utilization. Therefore, the government must provide sufficient information about the value of fixed assets that can be used for decision-making in asset management, which includes planning, budgeting, procurement, use, utilization, exchange, disposal, and deletion (Mursyidi, 2009).

Fixed assets are one of the elements that must be managed properly to produce reliable information in regional financial reports. The management of regional fixed assets is an effort to increase efficiency and effectiveness, and create value-added in managing assets. It is the initial capital for local governments to develop their financial capacity so that they can support the role and function of local governments as public service providers to the community (Kolinug et al., 2015).

The existence of fixed assets consists of land, equipment and machinery, buildings and structures, irrigation roads and networks, and other fixed assets. The construction progress which is spread throughout the Aceh Singkil Regency area must be managed in an orderly manner and properly controlled. In maintaining and creating good administration of regional property that can prevent the risk of irregularities from occurring, the role of the internal control system is also very important. To ensure the smooth management of regional property efficiently and effectively, the functions of guidance, supervision, and control are important in the administration of *BMD* management.

These matters are problems that must be resolved immediately by the Regional Government of Aceh Singkil Regency. The findings above indicate that the administration of fixed assets in Aceh Singkil Regional Government has not been carried out optimally, so it is necessary to conduct a study on the management of *BMD*, especially fixed assets. The purpose of this study is (1) analyze the implementation of fixed asset administration in the Regional Government of Aceh Singkil Regency and (2) to analyze the implementation of the internal control system in the management of regional assets at the Regional Apparatus Organization (*OPD*) in Aceh Singkil Regency and (3) identify what factors support and hinder the administration of fixed assets in Aceh Singkil Regency Government. The remaining of this paper proceeds as follows. Literature review and theoretical framework are described in the next section. Research method is explained afterwards. It is then followed by description of results and discussion and lastly conclusion.

2. Literature Review, Theoretical Framework, and Hypothesis Development

Assets are economic resources that are controlled and/or owned by the government as a result of past events and from which future economic and/or social benefits can be measured in units of money, including non-financial resources needed to provide services, for the general public and resources that are preserved for historical or cultural reasons (*Peraturan Pemerintah No 71 Tahun 2010 Tentang Standar Akuntansi Pemerintahan, 2010*). Assets are divided into three types, namely current assets, investments, and fixed assets (Mursyidi, 2009). Fixed assets are tangible assets that have a useful life of more than twelve months to be used, or are intended to be used in government activities or utilized by the general public (*Peraturan Pemerintah No 71 Tahun 2010 Tentang Standar Akuntansi Pemerintahan, 2010*).

Fixed assets, administration implementation, internal control system.

Administrative activities following Minister of the Interior Regulation (*Permendagri*) No. 17/2007 consist of bookkeeping, inventory, and reporting. Writing, reading, copying, counting, sorting, and storing are activities carried out in bookkeeping. Inventory is carried out by comparing activities, namely checking the suitability of the data recorded with the actual conditions in the field. Reporting is a reflection of communication activities in delivering oral and written statements.

Previous research by Arlini, Drawanis, and Abdullah, (2014) is used as a basis for this research. The research aims to examine the effect of human resource competence, information systems, regulations, and compensation on asset management in *BKKBN* work units (*satker*) in Indonesia. This study uses a quantitative approach with the intention of testing hypotheses. Data is collected using a questionnaire and analyzed using multiple linear regression. The research population is 41 State-Owned Property (*BMN*) operators throughout the *BKKBN Satker* in Indonesia. The results show that Human Resource competence, information systems, regulations, and compensation affect asset management.

The research that has been done by Anthoni, Rachima, and Andati, (2016) aims at evaluating the implementation of the internal control system in the administration of regional property based on the criteria of the Committee Sponsoring Organization of the Treadway Commission (*COSO*) and Government Regulation Number 60 of 2008. The analytical method used is SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) and *QSPM* analysis (Quantitative Strategic Planning Matrix), and results in conclusions (1) based on the perceptions of 65 research respondents the score is 2.89 (Likert scale 4) with unfavorable criteria, (2) the strategic priorities are increasing the quantity and quality of human resources, monitoring of the regional property, and risk mitigation supported by the use of information technology.

Another related research was conducted by Aprianti and Rachmina (2018). The research aimed to analyze internal and external factors in the administration of fixed assets in the Bogor Government and formulate a strategy to improve the implementation of fixed asset administration by using the *IFE*, *EFE*, *SWOT*, and *QSPM* analysis methods. This study concludes that the opportunities provided to the apparatus for human resource development are their main strengths. The *BMD* managers who still work other than their main duties and functions are considered a major weakness. Central government regulations that support the administration of fixed assets and routine evaluation of *BPK* are considered opportunities. The disorderly delivery of social and public facilities is a threat. The priority strategies for improving the implementation of fixed asset administration in the Bogor City Government are strategies to improve the performance supporting factors for the *BMD* management apparatus and strategies to improve the quality of the *BMD* managing apparatus.

3. Research Method

This study used a qualitative approach of a case study at Aceh Singkil Regency Government, Aceh Province, Indonesia. The Regional Apparatus Organization (*OPD*) was selected as sample and it was determined using the purposive sampling method. The *OPD* taken as samples were *OPDs* that have all types of fixed assets (*KIB A-F*) in the 2019 asset report. Of 46 *OPDs* in Aceh Singkil Government, those who meet the requirements are Aceh Singkil Regency Education and Culture Office (*DisDikBud*) and Aceh Singkil Regency Public Works and Public Housing (*PUPR*). Informants are apparatuses who have main duties and functions related to *BMD* management. The object of this research is the implementation of the administration of fixed assets belonging to the region which is carried out by the Regional Government of Aceh Singkil Regency. This study uses primary data obtained from observations of administrative documents, questionnaires, and in-depth interviews.

To test the credibility data on the results of the study, the triangulation technique was carried out. The technique of checking the validity of data was done by uti-

lizing something from outside the data for checking purposes or as a comparison to data that utilize different sources, investigators, and previous theories (Moleong, 2000). Triangulation techniques in this research are used as administrative documents to check the answers of informants. Meanwhile, investigators triangulation by asking for opinions from outside observers. Theory triangulation is used to ensure the data collected is following previous research.

This research is carried out systematically to answer research questions by arranging the steps as follows:

- 1) Analysis of the implementation of fixed asset administration is obtained by analyzing the implementation of fixed asset administration documents and the implementation of the *OPD* fixed asset administration process (Aprianti & Rachmina, 2018).
- a. Administration documents are analyzed by checking the completeness and conformity of the data with the Minister of the Interior Regulation Number 17 of 2007.

The first step is to request secondary data, namely fixed asset administration data which is made in the form of:

- i. Item inventory card A (Land)
- ii. Item inventory card B (Equipment and Machinery)
- iii. Item inventory card C (Buildings and Constructions)
- iv. Goods inventory card D (Road, Irrigation, and Network)
- v. Item inventory card E (Other Fixed Assets)
- vi. Item inventory card F (Construction In Progress)
- vii. Inventory book
- viii. List of asset mutation
- ix. List of proposed deletion items
- x. List of an asset used

Furthermore, completeness assessment data is carried out on each fixed asset administration document. The assessment is carried out using a 4-point Likert-interval scale on each instrument. The Average Performance Score (*NCR*) of each indicator is the average value of each instrument. The determination of the criteria for the implementation of fixed asset administration documents at the Education and Culture Service and Aceh Singkil Regency *PUPR* is seen from the average *NCR* at the Education and Culture Service and *PUPR*. The criteria used are listed in Table1.

Data condition	Score	NCR	Criteria
Available 100%	4	4	Very good
Available 75% s.d 99.9%	3	3-3.99	Good
Available 50 % s.d 74.9 %	2	2-2.99	Poor
Available < 50%	1	1.99	Very Poor

Source: Sugiyono (2009) modified

- b. Analyzing the implementation of the fixed asset administration process in Aceh Singkil Regency to assess whether it is following the accounting principles in Government Regulation No. 71/2010.

In this step, the researcher compiles a questionnaire as a guide for conducting interviews with the administrator and asset conservator in both *OPD*. In connection with the analysis of the results of the questionnaire, the answers to the questions obtained are given quality scores according to the answers (Aprianti & Rachmina, 2018). The criteria for the administration implementation pro-

Fixed assets, administration implementation, internal control system.

Table 1. Implementation of Fixed Asset Administration Assessment Criteria

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Table 2. Implementation of Fixed Asset Administration Assessment Criteria

cess were determined after the results of the questionnaire were calculated and assessed by the criteria table as shown in Table 2.

Data condition	Score	NCR	Criteria
All processes done	4	4	Very good
Some processes done	3	3-3.99	Good
The process has done but false	2	2-2.99	Poor
Process not done	1	1-1.99	Very Poor

Source: Sugiyono (2009) modified

- c. Summing up the level of implementation of fixed asset administration by DisDikBud, PUPR, and the Government of Aceh Singkil Regency. Administration of fixed assets is carried out by BMD Managers who are government employees (*PNS*). Good administration of fixed assets shows good performance by *the BMD* management apparatus. Government employees' job appraisal is regulated by Government Regulation No. 46/2011, which assesses the work of government employees with a division of 60 percent of the Employee Work Target (*SKP*) and 40 percent of work behavior. The value of *SKP* is the value of work of government employees which is shown by work proof in the form of reports, warrants, or other documents. The value of work behavior is the value of government employees' attitudes shown in daily work processes, including service orientation, integrity, commitment, discipline, cooperation, and leadership. There are no regulations governing weight standards for document appraisal and process appraisal in fixed asset administration. No appropriate reference has been found in previous studies so the assessment of the implementation of fixed asset administration in this study was carried out by referring to the rules for appraising the work of government employees. The Employee Work Target (*SKP*) is considered to represent the implementation of documents with 60 percent and work behavior to represent the implementation of processes with 40 percent. So that the overall assessment criteria for the implementation of fixed asset administration can be seen in Table 3.

Table 3. Implementation of Fixed Asset Administration Assessment Criteria.

Final Total Score	Criteria
4	Very good
3-3.99	Good
2-2.99	Poor
1-1.99	Very Poor

Source: Sugiyono (2009) modified

The final score is the quality of each aspect multiplied by the total *NCR*. The total final score is the sum of the final scores for each aspect. There are four criteria for the administration of fixed assets according to Table, namely very good, good, poor, and very poor.

- 2) The implementation of the government internal control system in this study is known by looking at the level of the respondent's achievement on five elements of the internal control system, namely the control environment, risk assessment, control activities, information and communication, and monitoring of internal control using a rating scale for each element. The questionnaire distributed consists of a collection of questions that must be answered as a whole (Anthoni, Rachmina, & Andati, 2016), namely:
- 1) 14 questions about the control environment.
 - 2) 6 questions of risk assessment.

- 3) 11 questions of control activity
- 4) 6 questions about information and communication.
- 5) 4 questions about monitoring internal control.

The results of the questionnaire answers are calculated on the average and entered in the criteria table as presented in the Table.

	Interval Score	Criteria
1	Score 4	Very good
2	Score 3.00 - 3.99	Good
3	Score 2.00 - 2.99	Poor
4	Score 1.00 - 1.99	Very Poor

Source: (Sugiyono, 2009) modified

Fixed assets, administration implementation, internal control system.

Table 4. Implementation of Government Internal Control System Assessment Criteria

- 3) Identification of supporting and inhibiting factors for the administration of fixed assets at Aceh Singkil Regency Government is carried out by conducting interviews with asset managers and asset caretakers at *DisDikBud* and *PUPR* of Aceh Singkil Regency. Subsequently, a semi-structured interview was conducted with the Head of Subdivision of Planning, Finance, and Regional Property of *DisDikBud*, Head of Subdivision of Planning, Finance and Regional Property of *PUPR*, and Head of Asset Administration of *BPPK* Aceh Singkil Regency. The results of the interview were confirmed to the Head of Wealth and Assets of *BPKK* to ensure that the factors obtained were following the conditions for administering fixed assets in Aceh Singkil Regency Government.

4. Results and Discussions

Analysis of Fixed Asset Administration Government of Aceh Singkil Regency

The results of the research on the implementation of fixed asset administration were obtained from the observation of fixed asset administration documents in both *OPDs* and the results of the questionnaire. The description of the implementation of fixed asset administration at Aceh Singkil Regency Government was concluded from the results of the analysis of fixed asset administration documents and the analysis of the process of managing fixed assets.

The results of the analysis show the value and criteria of each assessment indicator which is presented in the attachment. In summary, the research results can be seen in Table 5.

No	Indicator	Score Max	DisDikBud	NCR PUPR	Aceh Singkil	Criteria
1	2	3	4	5	6= (4+5)/2	7
1	KIB A/Land	4	3.76	3.65	3.71	Good
2	KIB B / Equipment and machines	4	2.71	3.40	3.05	Good
3	KIB C/ Building and construction	4	2.94	3	2.97	Poor
4	KIB D/ Roads, Irrigation, and Networks	4	2.57	2.68	2.63	Poor
5	KIB E/Other Fixed Assets	4	3.74	3.56	3.65	Good
6	KIB F/ Construction in progress	4	3.30	3.12	3.21	Good
7	Inventory book	4	2.62	3.06	2.84	Poor

Table 5. Assessment Results of Fixed Asset Administration Documents in Aceh Singkil Regency Government

8	List of mutation of asset	4	2.71	3.60	3.16	Good
9	List of proposed items deletion	4	2.39	2.8	2.6	Good
10	List of the traded asset	4	-	-	-	-
	Average	4	2.68	2.89	2.79	Poor

Table 5 shows the Average Achievement Value (*NCR*) of each indicator in a fixed asset administration document. The *NCR* of Aceh Singkil Regency is the average score of the *NCR* of the *DisDikBud* and the *NCR* of the *PUPR* of Aceh Singkil Regency. From the table, it can be concluded that the implementation of fixed asset administration documents in Aceh Singkil Regency is generally of poor criteria. Three indicators are still in unfavorable criteria, namely *KIB C*, *KIB D*, and Inventory Book. Meanwhile, *KIB A*, *KIB B*, *KIB E*, and *KIB F*, list mutation of asset and list of proposed items deletion in good criteria. Furthermore, the results of the analysis of the implementation of the fixed asset administration process are shown in Table 6. Table 6 shows the results of the assessment of the implementation of the fixed asset administration process in Aceh Singkil Regency Government in good criteria.

Table 6. Implementation of Assessment Results of Fixed Asset Administration Process in Aceh Singkil Regency Government

No	Indicator	Score Max	DisDik-Bud	NCR PUPR	Aceh Singkil	Criteria
1	2	3	4	5	$6=(4+5)/2$	7
1	Accounting Principles	4	3.33	3.17	3.25	Good
2	Historical Cost Principles	4	3.50	3.25	3.38	Good
3	Realization Principles	4	3.33	2.83	3.08	Good
4	Substance over form Principles	4	3.00	3.10	3.15	Good
5	Periodicity Principles	4	3.20	3.10	3.15	Good
6	Consistency Principles	4	3.50	3.25	3.38	Good
7	Full Disclosure Principles	4	3.25	2.75	3.00	Good
8	Fair Presentation Principles	4	3.00	3.25	3.13	Good

The assessment of the implementation of fixed asset administration at Aceh Singkil Regency Government was carried out by assessing the quality of fixed asset administration documents and the quality of the fixed asset administration process that had been analyzed. The results of the assessment of the implementation of fixed asset administration can be seen in Table 7.

Table 7. Assessment Results of Fixed Asset Administration in Aceh Singkil Regency Government

No	Assessment Aspects	Grade	NCR	Final Score	Criteria
1	2	3	4	$5=(3 \times 4)$	6
1	Fixed Asset Administration Documents	0.60	2.79	1.67	Poor
2	Fixed Asset Administration Process	0.40	3.19	1.28	Good
	Total	1.00		2.95	Poor

Based on the Table, it can be concluded that the implementation of fixed asset administration in the Aceh Regency Government is still a poor criterion. This research is in line with research conducted by Aprianti & Rachmina (2018) which states that the administration of fixed assets carried out by the Bogor City Government is not fully following the applicable regulations because the *NCR* results of this study show a value below 3 which means that the implementation is less than 75% under the crite-

ria of less good. In contrast, Descova (2015) research shows that the criteria for the suitability of fixed asset administration in the Payakumbuh City Government reach 67%, which means that the administration of fixed assets in the Payakumbuh City Government is appropriate. This happens because of the different criteria used in the reference.

Analysis of the Implementation of Fixed Asset Administration Internal Control System in Aceh Singkil Regency Government

Based on the analysis of five elements of the internal control system for the administration of fixed assets above, the overall results of each element of the control system are presented in Table 8.

No	SPI Elements	Respond- ent's Percep- tion Value	Ideal Score	TCR (%)	Criteria
1	Control Environment	2.85	4	71.25	Poor
2	Risk Assessment	2.71	4	67.71	Poor
3	Control Activities	2.98	4	74.43	Poor
4	Information and Communica- tion	2.70	4	67.5	Poor
5	Monitoring	3.13	4	78.13	Good
	Average	2.88		71.80	Poor

Table 8. Re-
spondents'
perceptions of
the implemen-
tation of the
Fixed Asset
Administration
Internal Con-
trol System in
Aceh Singkil
Regency Gov-
ernment

Based on Table 8, the overall score for each element of the control system can be concluded that the implementation of the internal control system for the administration of fixed assets of the Aceh Singkil Regency Government is a poor criterion. The results of this analysis require improvements to the implementation of *SPI* in the administration of fixed assets, especially in the elements of the control environment, risk assessment, control activities, and information and communication.

This research is in line with Anthoni, Rachima, and Andati (2016) who aims to evaluate the implementation of the internal control system in the administration of regional property based on the criteria of COSO and Government Regulation Number 60 of 2008. The research method used is SWOT analysis and QSPM analysis which results in conclusions (1) based on the perceptions of 65 research respondents, the score of 2.89 (maximum scale of 4) was produced with unfavorable criteria, (2) The strategic priorities result were increasing the quantity and quality of human resources, controlling regional property, and risk mitigation supported by the use of information technology.

Analysis of Supporting and Inhibitor Administration of Fixed Assets in Aceh Singkil Regency Government

Based on the analysis of the results of the interviews with the *BMD* management apparatus, 10 supporting and inhibiting factors for the administration of fixed assets in Aceh Singkil Regency Government were determined, namely:

1) Completeness of Fixed Asset Data

The results of the analysis of the implementation of fixed asset administration documents that have been carried out illustrate that the completeness of the fixed asset administration document data at Aceh Singkil Regency Government is still in poor criteria. This has become an obstacle to the administration of fixed assets in the Aceh Singkil Regency Government. The results of the analysis of this document are also supported by the following statement:

"It is difficult for *SKPD* management of assets to complete all data/information following Permendagri No. 19 of 2016 due to the absence of adequate supporting data. It is very difficult for users' management of assets to complete all supporting data for fixed assets because, since the

beginning of the procurement of these fixed assets, they are not equipped with adequate supporting data. Although a fixed asset inventory has been carried out, not all fixed assets can be completed by the user property manager with complete data following *Permendagri* No. 19 of 2016 due to the large number of fixed asset items controlled by *SKPD*". (*BPKK2*)

A good administration process will produce complete and easy-to-trace data, making it easier for the asset manager to do his job. The existing data is also used as a guide for planning the procurement and maintenance of assets in the following years. Another benefit of administering *BMD* is that the orderly administration will have a significant effect on the perfection of the regional balance sheet presentation prepared for *BPK-RI* audits at the end of the current fiscal year (Kolinug et al., 2015). Asset administration is a part of security, namely administrative safeguards. In addition to functioning as a control tool for the asset administration system, it must meet the needs of the government in planning, procurement, development, maintenance, and asset deletion (Aprianti & Rachmina, 2018). The fixed asset administration documents at Aceh Singkil Regency Government which are the objects of analysis are the Goods Inventory Card (*KIB*), Inventory Book, List of Goods Movements, List of Deletion Goods and a list of assets to be used. Completeness of information in the inventory card has a very important role to:

(1) controlling, utilizing, securing, and supervising fixed assets; (2) maximizing the utilization of each fixed asset following its respective objectives and functions; (3) supporting government duty procedures. If the inventory card is filled following the actual situation, it will be easy for the interested parties to find out and trace the whereabouts of the fixed assets as well as the applicable laws and regulations.

2) Number of *BMD* Management Apparatus

A sufficient number of *BMD* management officers is needed to carry out a good administration of fixed assets. The number of fixed assets and their wide distribution in an *OPD* requires an adequate number of fixed asset management officers. The Government of Aceh Singkil Regency has appointed one asset manager assisted by two assistants to the asset manager and a person storing assets for the two sample *OPDs*. The two sample *OPDs* are *OPDs* that have a very wide number of assets and distribution, so the number of *BMD* management personnel is still inadequate. The results of interviews with the *BPKK* Aceh Singkil show that an insufficient number of *BMD* management personnel is an obstacle to the administration of fixed assets in the Aceh Singkil Regency Government.

"Asset management personnel are still lacking, especially at Education service which oversees hundreds of schools in Aceh Singkil Regency from early childhood to junior high school levels" (*BPKK2*)

The number of *BMD* management apparatuses greatly influences the proper administration of fixed assets. Limited human resources in terms of the number of personnel are an obstacle in the administration of fixed assets (Bova, 2016) and (Quirin & O'Bryan, 2014). Furthermore, Hanis, Hanis, Trigunarsyah, & Susilawati (2011) concluded that it is necessary to assign officers who manage *BMD* to support the *BMD* management due to the limited number of resources they have.

3) Understanding of *BMD* Management Apparatus

The analysis was carried out based on the *BMD* apparatus's understanding of the fixed asset administration process. The results of the analysis of the implementation of the fixed asset administration process, illustrate that the pro-

cess of administering fixed assets is in good criteria. It shows that the apparatus' understanding is adequate. This factor is considered a supporting factor owned by the Aceh Singkil Regency Government. The results of this analysis are supported by the statement:

"Some *OPDs* have a good understanding of *BMD* administration, especially *OPDs* that maintain *BMD* management officers who already have knowledge and experience in administering *BMD*" (*BPKK2*)

Understanding is a process, way, or act of understanding (Big Indonesian Dictionary, 2009). A good understanding will make someone understand something. Likewise, good asset administration will be orderly if the *BMD* management apparatus understands the procedures for administering these assets. The understanding of the *BMD* management apparatus in the two sample *OPDs* is already good if judged from the analysis of the implementation of the fixed asset management process and can be used as a supporting factor for better-fixed asset management. Research conducted by Batara, (2015) in Makassar City shows the inadequate capacity of the apparatus, so it is one of the factors considered to be the main weakness faced by the City of Makassar in applying the principles of the New Public Management mechanism.

- 4) The ability of *the BMD* management apparatus to operate the computer
The interviews conducted with the asset manager, the assistant of the asset manager, and the asset caretakers of the sample *OPD* all stated that they were able to operate a computer. *BMD* management apparatus that can use computers are expected to be supportive of the better quality of the financial reports produced. The ability of this apparatus is considered a supporting factor in the administration of fixed assets in the Aceh Singkil Government. The statement of the asset manager, asset assistant manager, and asset caretakers was confirmed to the *BPKK*.

"In general ... we always direct *BMD* managing human resources who can operate computers". (*BPKK2*)

Currently, it is very important for someone who works in administration to be able to use computers, especially the Microsoft Office program. Likewise, the *BMD* management apparatus is required to master computers in carrying out asset management tasks. The Aceh Singkil Regency Government has used the *SIMDA-BMD* application in administering its assets. The use of this application requires the minimum resources needed to be used as *BMD* management apparatus that can operate computers. The two samples *OPDs* always appointed *ASN* who could use a computer to be appointed as the *BMD* management apparatus. Aprianti and Rachmina, (2018) stated that the ability of this apparatus is considered a strength of the Bogor City Government because in previous years there were still *BMD* management officers who could not operate computers. With the support of asset managers and caretakers who can use computers, it is hoped that the quality of the reports produced will be better.

- 5) Human resource development opportunities for *BMD* management apparatus
Law Number 5 of 2014 about State Civil Apparatus regulates the development of employee competencies through education and training. Based on the law, an apparatus needs the opportunity to develop human resources, including the *BMD* management apparatus. The training and development of human resources for *BMD* management personnel are facilitated by the Aceh Singkil Government by including education and training for *BMD* management by the provincial and central governments. The absence of an education and training

Fixed assets,
administration
implementation,
internal control
system.

program for *BMD* management officers implemented by the Aceh Singkil Regency Government is one of the inhibiting factors in the administration of fixed assets.

"If we participate in training outside the region ... we are not serious. Our local government should bring in sources from outside the region and hold education and training for our *BMD* management apparatus" (*PNGRSB2*)

BMD management must be done professionally to produce relevant and accurate information. In operating the Regional Information application System and Regional Property (*SIMDA BMD*), it must be supported by professional *BMD* management apparatus. To produce a professional *BMD* management apparatus, it needs efforts to develop human resources through education and training on the administration of fixed assets regularly by conducting intensive coaching, bringing in competent external trainers/teaching staff such as the *BPK* and *BPKP* to provide understanding and knowledge related to the theory and practice of *BMD* management, especially the administration of fixed assets (Kurniati et al., 2017).

6) *BMD* management apparatus incentive system

The Aceh Singkil Regency Government provides several incentives in the form of monthly fees for *BMD* management officers. The amount varies according to the amount of budget ceiling managed by each *OPD*. The results of interviews with *BMD* management officials indicated that the current incentive system was sufficient. This is a supporting factor that the Aceh Singkil Regency Government has.

"For honoraria Alhamdulillah it is sufficient, considering the workload is also very much". (*PNGRSB1*)

The Aceh Singkil Government has tried to provide adequate incentives to the *BMD* management apparatus. The number of incentives provided varies according to the budget ceiling for each *OPD*. The larger the budget ceiling for an *OPD*, the greater the incentives provided to the *BMD* management apparatus. Compensation has an effect on asset management work units within the *BKKBN* throughout Indonesia (Arlini et al., 2014).

7) Regional Regulation/Qanun which regulates the administration of fixed assets

Aceh Singkil Regency Qanun Number 2 of 2019 is a regulation that must be followed by the asset management apparatus in Aceh Singkil Regency. This rule refers to Government Regulation Number 27 of 2014 concerning the Management of State/Regional Property. The enactment of this qanun is the government's commitment to improving the administration of fixed assets. This is one of the strengths in the administration of fixed assets in the Aceh Singkil Regency Government.

"Regional Regulations are very supportive factors in administering our *BMD*. It will be used as a standard procedure for *BMD* administrators in our *BMD* management". (*BPKK2*)

Law No. 32 of 2004 about Regional Government, mandates that Regional Governments must regulate their asset management. The central government regulates asset management through Government Regulation Number 27 of 2014 concerning State/Regional Property Management. The Regional Government of Aceh Singkil Regency regulates the management of this *BMD* by stipulating Aceh Singkil Regency Qanun Number 2 of 2019. The stipulation of

this qanun is the commitment of the Aceh Singkil Government to fix the administration of fixed assets. The results of this study are in line with the results by Azhar et al., (2013) and Arlini et al., (2014) which concluded that regulation affects asset management.

8) Internal Control System (*SPI*) administration of fixed assets

From the results of the analysis of questionnaires submitted to the respondents, the implementation of *SPI* in the administration of fixed assets is still in poor criteria as indicated by the score criterion of 2.88 or 71.80%. This factor is considered one of the inhibiting factors for the administration of fixed assets in the Aceh Singkil Regency Government.

"In the management of fixed assets, a lot of our fixed assets whose existence are not known, and assets that have not been used/utilized are still an obstacle in optimal *BMD* management. This is due to weak internal control by local governments ". (*BPKK2*)

According to the perception of *the BMD* management apparatus, the implementation of *SPI* for the administration of fixed assets in the Aceh Singkil Regency Government is still not good. Improvements are still needed to achieve good criteria. This research is in line with research conducted by Anthoni et al. (2016) who analyzed the implementation of the *SPI* in the Bogor City Government with a criterion score of 72.25% or 2.89. Likewise, research conducted by Primastuti.A. (2009) at the Depok City Secretariat for the implementation of internal control systems was in a "poor" - "good" condition with a criterion score of 73.50% or 2.94. It is different from the research conducted by Armando (2013) which states that the *TCR* value with an interval of 56% -75% is in the "good enough" category.

9) Routine inspection from BPK on fixed asset administration

The BPK routine checks prompted the Aceh Singkil Regency Government to always present a fixed asset administration report following the applicable regulations so that findings and errors can be minimized. This is considered a supporting factor for the administration of fixed assets in the Aceh Singkil Regency Government.

"It must be affected when we were audited, there was a shortage, the auditor said there was a deficiency yes there was". (*PNGRSB2*)

The *BPK* routine checks prompted the Aceh Singkil Regency Government to always present a fixed asset administration report following the applicable regulations so that findings and errors can be minimized. The *BPK* routine inspection is also considered an opportunity to improve itself if there are still errors in the administration of fixed assets in the Bogor City Government (Aprianti & Rachmina, 2018). Assey et al.(2017) state that audits should not be carried out only once a year, because the results of research conducted at local government agencies in Tanzania found that physical verification of assets that are only carried out once a year causes delays in handling asset problems, thereby increasing the risk of losing fixed assets.

10) Development of communication technology

Communication technology that continues to develop has enormous benefits if it is managed properly. Communication technology provides a lot of convenience in doing work, including efficiency and effectiveness in communicating between agencies. This opportunity can be used by the Aceh Singkil Regency Government to improve the administration of regional assets in Aceh Singkil Regency.

Fixed assets,
administration
implementation,
internal control
system.

"Communication technology is very supportive in our coordination with all DPOs, especially in coordinating the administration of our *BMD*".
(*BPKK2*)

Communication technology that continues to develop has enormous benefits if it is managed properly, including the management of fixed assets in the Aceh Singkil Regency government. Communication technology provides a lot of convenience in doing work, including efficiency and effectiveness in communicating between agencies. Firdaus, Nadirsyah, and Fahlevi(2015) stated in their research that information technology by Financial Administration Officers (*PPK*) and *PPK* Assistants will accelerate the financial report preparation process of Banda Aceh Pemko so that the regional government financial reports can be more accurate, relevant and accountable.

5. Conclusion

Some conclusions can be drawn from this study. First, the implementation of fixed asset administration in the Aceh Singkil Regency Government is still in poor condition. This criterion is the result of an analysis of the interview process supported by the results of the analysis of the implementation of fixed asset administration documents and the implementation of the process at Aceh Singkil Regency Government. Second, the implementation of the internal control system in the administration of fixed assets at Aceh Singkil Regency Government is still in poor condition, especially in the elements of the control environment, risk assessment, control activities, and information and communication. Lastly, the administration of fixed assets in Aceh Singkil Regency Government is supported by the factors (1) adequate understanding of the apparatus, (2) the ability of the BMD managing apparatus to operate computers is quite good, (3) the incentive system for the BMD managing apparatus is quite good, (4) enactment of regional regulations/qanun which serves as the legal basis for implementing the commitment of Aceh Singkil Regency Government in improving the administration of fixed assets, (5) routine BPK audits, and (6) developments in communication technology. Fixed asset data is still incomplete, the number of BMD management officers is still lacking in OPDs who have a large number of fixed assets and wide distribution, the opportunity for human resource development for BMD management apparatus is still very few, and a poor internal control system is an inhibiting administration factor of fixed assets in the Government of Aceh Singkil Regency.

The findings from this study indicate that the Aceh Singkil Regency Government should focus more on improving the administration of fixed assets that are still in poor criteria. Implementation of fixed asset administration documents that are still in poor criteria, namely a list of deletion proposals. It also must improve the internal control system, especially the elements of the control environment, risk assessment control activities, and information and communication. The Aceh Singkil Regency Government should increase the number of BMD managing personnel and increase the human resources of the apparatus by carrying out training activities, technical guidance, and periodic socialization which is integrated and sustainable. Nevertheless, this study is limited in excluding policymakers from the two OPDs in the interview process considering the relatively short research time, hence the researchers did not obtain more accurate information about the supporting and inhibiting factors for managing fixed assets in Aceh Singkil Regency. Therefore, future research should be carried out in a relatively long time and involve policymakers in interviews. Thus, more information can be extracted and can formulate alternative efforts to improve the administration of fixed assets in the Aceh Singkil Regency Government.

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Fixed assets, administration implementation, internal control system.

