

EVALUATION OF LOCAL GOVERNMENT PROPERTY ADMINISTRATION POLICIES

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EVALUATION OF LOCAL GOVERNMENT PROPERTY ADMINISTRATION POLICIES

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Abstract

The government's success in effectively managing its operations is closely tied to the outcomes of the policies it implements. Law Number 23 of 2014 aims to expedite the enhancement of societal well-being by bettering services, promoting empowerment and community involvement, and enhancing regional competitiveness. This is done while upholding democratic principles, fairness, justice, regional distinctiveness, as well as the efficiency and effectiveness of regional governance. Enhancing the relationship between central and regional governments, acknowledging the diverse potentials of various regions, and addressing competitive opportunities and challenges can further refine regional government administration. This research employs a qualitative descriptive approach, focusing on capturing current, genuine, and practical phenomena. Among the pivotal components of effective governance and public service lies the proper management and responsible oversight of regional assets. Many assets are owned by a region, sometimes in terms of administration, they receive less attention in the field of business administration, which is a must for state administrators to realize good and clean governance.

Keywords: *Policy Evaluation, Administration, Local Government Property.*

A. INTRODUCTION

The Indonesian government's policies with significant impacts on regional directives, established in 1999 in connection with regional autonomy legislation outlined in Law Number 23 of 2014, have laid the groundwork. According to the Law on Regional Government, the management of regional governance is aimed at expediting the achievement of societal well-being by enhancing services, empowerment, and community involvement. Additionally, it seeks to bolster regional competitiveness while upholding principles of democracy, fairness, justice, and the distinctiveness of each region. Moreover, it emphasizes the need to refine the efficiency and effectiveness of local government administration, which could be achieved by giving more consideration to aspects such as the relationship between central and regional authorities, regional potentials and diversities, as well as the opportunities and challenges posed by global competition, all within the framework of the unified state governance system.

In realizing a good and clean government (Good and Clean Government), one of the organizing principles is to regulate government that enables effective and efficient public services, in which the carrying out of these duties and functions can be accounted for 9 (nine) principles that can be used as guidelines in realizing this, among others: 1) The principle of formal accuracy; 2) Fair play; 3) Balance; 4) Formal legal certainty; 5) Material legal certainty; 6) Trust; 7) Equation; 8) Accuracy; and 9) The principle of balance.

Law Number 23 of 2014 on Regional Autonomy explicitly mandates that each province, district, and city in Indonesia is responsible for their own financial management and accountability. A critical aspect of governance and public service provision involves effectively managing and being accountable for the assets belonging to the region, known as regional assets. Government Regulation Number 28 of 2020 amending Government Regulation Number 27 of 2014 on Regional Property Management defines "Regional Property" as any

ARTIKEL

goods acquired through Regional Budget (APBD) funds or from legitimate sources.

Regional assets encompass both movable and immovable assets, constituting all assets owned or controlled by the regional government, procured using regional budget resources or acquired through lawful means. These assets play a pivotal role in generating revenue for the Regional Government. Consequently, prudent management is essential, involving elements such as planning, budgeting, procurement, storage, utilization, security, maintenance, appraisal, disposal, administration, guidance, supervision, and control.

The management framework, as outlined in the Regulation of the Minister of Home Affairs Number 19 of 2016, encompasses planning, budgeting, procurement, utilization, security, maintenance, appraisal, transfer, administration, guidance, supervision, and control. The regional asset management cycle comprises stages essential for effective asset management. According to Budi Susilo (cited in Aira, 2014), regional asset management involves overseeing assets, including Regional Owned Goods (BMD), following established principles guided by laws, government regulations, presidential decrees, ministerial decrees, and related regulations governing regional asset management. In the asset management system there are several guidelines that must be carried out in the administration related to Regional Assets, including: (Poedjianto, 2019): 1) Asset Inventory; 2) Legal Audits; 3) Asset Valuation; 4) Utilization of Part Assets; and 5) Supervision and Control.

The scope of BMN/D management includes all activities related to BMN/D consisting of needs planning and budgeting, procurement, use, utilization (including leasing, borrowing, utilization cooperation, and build-to-hand over/build-over-use, infrastructure utilization cooperation), security (covering administrative, physical and legal) and maintenance, appraisal, write-off, transfer (covering sales, exchange, grants and Government Equity Participation), administration (covering bookkeeping, inventory and reporting), coaching, as well as supervision and control (Ermaya & Mulyana, 2023).

One aspect of regional asset management involves the processes of elimination and transfer. Deletion refers to the act of removing Regional Property from the inventory list, achieved through an official decree issued by authorized personnel. This decree releases both the User and/or Proxy of the Property User, as well as the Property Manager, from their administrative and physical responsibilities pertaining to the controlled goods. On the other hand, transfer denotes the change in ownership of Regional Property subsequent to write-off, which can occur through methods like selling, exchanging, donating, or using it as government capital.

In line with the guidelines presented in Law Number 1 of 2004, specifically Article 5 letter e addressing the State Treasury, the Governor/Regent/Mayor, serving as the head of the regional government, designates an individual responsible for overseeing Regional Property. In this context, this role is assumed by the head of the Regional Apparatus Work Unit. Among the responsibilities delegated to this role is the recording and inventorying of regional property under their jurisdiction (Poedjianto, 2019).

The accounting problem that arises in fixed assets is when the fixed assets are acquired (acquisition value), the use of fixed assets (depreciation) and the disposal of fixed assets as stated by Reeve in his administrative management are not orderly, then this will cause problems in the future. (Martriyani, 2017), especially when there is an audit carried out by the Supreme Audit Agency of the Republic of Indonesia (BPK) and this can be a finding, because the administration of regional property business is not only limited to governance but also includes administration, because there is a value that must be reported by the regional government (Regional Financial and Asset Agency).

In the Regional Asset Management System, local governments are required that the reporting system leads to an asset management model that is effective, efficient and transparent and can be accounted for. The administration of regional property includes bookkeeping,

inventory, and reporting of regional property which is under the control of the user of the goods/proxy of the user of the goods must be recorded through a recording process in the List of Goods User Authority by the user power of goods, the Lis¹¹ User Goods by the user of the goods and the List of Property. Area by goods manager. The inventory process, whether in the form of data collection, recording, and reporting of regional property data collection results, is part of administration. The results of the bookkeeping and inventory process are needed in carrying out the process of reporting regional property which is carried out by the property user authority, the property user, and the property manager (Poedjianto, Arief, 2019).

According to William Dunn in (Rokim, 2019) that public policy is essentially a system created to integrate relations that exist within an institution, where the relationship includes three elements in it, namely² public policy, the policy actors themselves, and the policy environment is carried out, so that the policy system is a dialectical process in which the objective and subjective dimensions of policy making cannot be separated from practice.

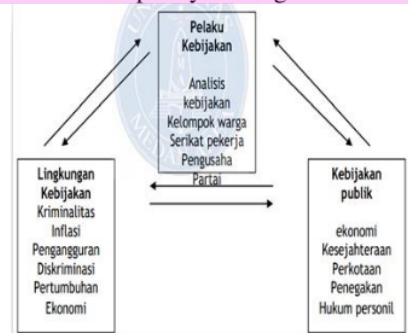


Figure 1. William Dunn's Public Policy System

Source: Rohim (2019)

Public policy is a whole series of choices which are interconnected with each other, including the decision to do or not to do that policy. In addition, the policy environment is influenced by policy makers and public policies, therefore policy making contains a dialectical process, so that the objective and subjective dimension of policy making practices cannot be separated (Rokim, 2019), for this reason, in implementing a policy, To obtain optimal results, it is necessary to evaluate policies, including in the administration of Regional Property.

The purpose of this study aims to find out whether policy evaluation is carried out in the management of regional property, so that this research can provide input to stakeholders that evaluation of regional property administration policies is important in realizing good and clean governance.

B. METHOD

The research methodology involves a systematic series of steps that researchers follow to uncover the truth behind a phenomenon, using logical reasoning supported by data gathered from credible sources in the field. This methodology employs qualitative techniques and a descriptive approach. Qualitative methods are often referred to as naturalistic research strategies, given that they are conducted in authentic, unaltered conditions or settings (Sugiyono, 2009). On the other hand, descriptive research focuses on depicting phenomena as they genuinely exist in the present reality, utilizing systematic, factual, and accurate descriptions, sketches, or representations of facts, attributes, and interrelationships within the investigated phenomena (Rukajat, 2018). Qualitative descriptive research involves a sequence of activities aimed at gathering unaltered data, emphasizing their inherent meanings, regardless of specific conditions. In this case, the chosen research methodology is qualitative descriptive, as it aims to delve into phenomena within the realm of regional property administration.

C. RESULT AND DICUSSION

1. Policy Evaluation

There are many definitions of public policy conveyed by experts, where each of these experts has a different emphasis, these differences arise because these experts have different backgrounds so that in the end these experts will determine how the public policy is to be defined. (Winarno, 2007)

According to Winarno in (Xavier, 2023) In general, the term "policy" or "policy" refers to the behavior of an actor (individual, government agency or organization) or a number of actors in a particular field of activity while public policy, according to Dye, in (Xavier, 2023), can be interpreted as "whatever government chooses to do or not to do". That public policy is whatever the government chooses to do or not do.

In formulating public policy, of course, there are several stages that must be carried out. The stages in the process of making public policy consist of agenda setting, policy formulation, policy adoption, policy implementation, and policy assessment as stated by William Dunn in (Subarsono, 2012). The following is a picture conveyed by William Dunn in (Subarsono, 2012).

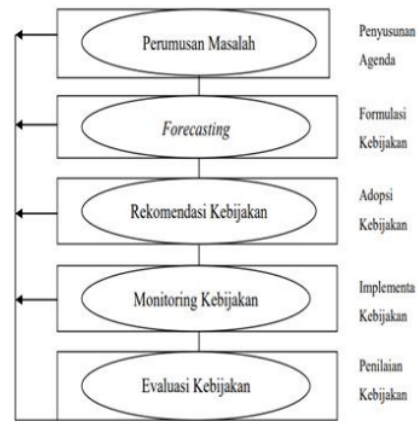


Figure 2. Stages in the Public Policy Making Process

In the stages of preparing a Policy Evaluation policy, it is used as a determinant of whether the implementation of the policy can work or not so that the results of the evaluation will be used as a basis for making improvements. Policy evaluation is an important factor in assessing whether a policy program can be implemented or not, if we refer to the definition of policy evaluation conveyed by Anderson in (Winarno et al., 2009).

Medium policy evaluation, as defined by William N. Dunn (2003: 608-610), involves applying various value-based measures to the outcomes of policy and program assessments. These evaluations are akin to appraisals, involving the assignment of numerical ratings and judgments. The core purpose of evaluation lies in producing information about the value or benefits derived from policy outcomes. It provides dependable and accurate insights into policy performance, specifically the extent to which needs, values, and opportunities have been realized through public actions. This form of evaluation complements other policy analysis methods, including problem formulation and recommendations.

The primary objective of policy evaluation is to gauge the extent of policy implementation success, which is determined by evaluating the impact of the policy's execution on resolving societal issues within the Winarno community (Xavier, 2023). In the realm of public policy, evaluation serves several key functions in policy analysis, as outlined by (Poedjiyanto, 2019): a) Furnishing reliable and valid information about policy implementation, revealing the degree to which objectives are met; b) Aligning with the foundational values that

ARTIKEL

Regional assets can be categorized as follows, as outlined by (Poedjianto, 2019): a) Land; b) Equipment and Machinery; c) Buildings and Structures; d) Roads, Irrigation, and Networks; e) Other Fixed Assets; and f) Construction in Progress

"Other Assets" encompasses local government assets that don't fit into the classifications of current assets, long-term investments, fixed assets, or reserve funds. Included within "Other Assets" are: a) Receivables from Installment Sales; b) Claims for Regional Compensation; c) Collaborations with Third Parties; d) Intangible Assets; and e) Miscellaneous Assets

Minister of Home Affairs Regulation Number 19 of 2016 elucidates that administration involves a sequence of tasks such as recording, inventorying, and reporting regional property in accordance with legal provisions. According to (Sholeh & Rochmansjah, 2010), effective and efficient asset management relies on principles, including: a) Functional principles, which involve decision-making and problem-solving within regional property management; b) The principle of legal certainty; c) The principle of transparency; d) The principle of efficiency; e) The principle of accountability; and f) The principle of definite asset value.

3. Administration of Regional Property

Literally, the term management is a translation of the word management which means managing, managing, organizing and compiling (Sare et al., 2016). The effective administration of regional property stands as a pivotal component within the framework of governance and community service provision. Thus, proficient management of regional property directly mirrors sound regional financial management. Naturally, the proper and accurate handling of regional property is imperative. Asset management encompasses the meticulous management of both tangible and intangible assets, encompassing resources with economic and commercial worth as well as exchange value, while concurrently driving individual and organizational objectives. This process, executed through planning, organization, leadership, and control, aims to optimize profits and minimize expenses with efficiency and efficacy.

Within the financial reporting system of governmental entities, regional property generally finds its place in financial reports, particularly within the balance sheet of the regional government. If not effectively and efficiently managed, this situation can lead to irregularities and fraudulent activities that could be detrimental to the region. Such occurrences hinder the realization of good governance within the governmental structure. To uphold the principles of good governance, proper management of regional property is paramount, commencing with the planning and budgeting stages and extending to the administrative aspects of regional property.

As delineated in the Minister of Home Affairs Regulation Number 19 of 2016 on the Management of Regional Property, this management encompasses all phases including needs assessment, budgeting, procurement, utilization, security and maintenance, valuation, transfer, disposal, elimination, administration, and development. These phases adhere to a financial management model used by regional public service agencies, involving regional assets like government-owned buildings, compensation, and sanctions. The subsequent depiction illustrates the cycle of regional property management (BMD).

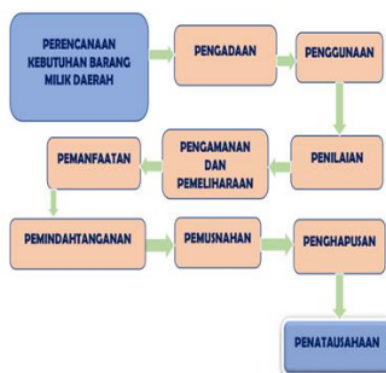


Figure 4. BMD Management Cycle Based on Permendagri No. 19 of 2016

Source: Permendagri No. 19 of 2016

The administration of regional assets encompasses all assets acquired using Regional Budget and Expenditure Revenue or acquired through lawful means. These assets are then overseen by an organization or agency with members who carry out control functions to attain the predetermined organizational objectives. Assessing policies associated with regional asset management holds paramount significance in achieving effective and transparent governance. Proficient regional property management serves as a tangible representation of adept regional financial management. Naturally, the handling of regional assets must adhere to proper and accurate procedures.

The administration of regional property is intended as a report to the leadership or when an audit is carried out by the inspectorate or BPK so that the results of the evaluation in the form of the report can be used as: 1) As a basis for preparing budget requirements in the procurement and maintenance of regional property each year; and 2) As evidence of administrative security. By evaluating policies related to regional property management, it will be implemented and an administrative order will be created and precise and accurate data will be produced. The following is a picture of the purpose of carrying out an evaluation of regional property administration:

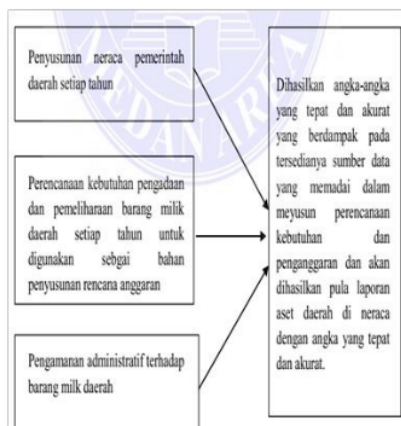


Figure 5. Evaluation of Administration of Regional Property

Source: Poedjiyanto (2019)

Administration often pays little attention to this because there is still an assumption that administration is only limited to administration so that people or institutions often forget about this. However, things are different if the administration in the government reporting system

ARTIKEL

becomes an important matter, especially if there are findings from the Supreme Audit Agency, usually the problem with BPK findings stems from a lack of caution on the part of the apparatus in carrying out the reporting. This often happens in government in asset management, as stated by Nayyar-Stone in (Yuniati, 2019), that "local governments in almost all countries own significant amounts of public assets (government assets). Yanti⁶ further stated that there is no awareness from regional governments in developing countries that public assets are a portfolio that should be managed properly because they can provide direct benefits, namely efficiency over limited budgets and potential revenue from asset utilization. In line with what Yanti said, (Kaganova & Nayyar-Stone, 2000), stated that "many local governments around the world are the largest asset owners in terms of quantity and value compared to any institution or corporation in their own area".

Based on this, policy evaluation is very relevant to be carried out in administering regional property, this is because there is still a lack of awareness from the apparatus in managing regional property, because they still think that administration problems are administrative problems that can be done in a relatively short time. not long, but the situation is different if the auditing reporting system becomes one of the findings by the BPK and it must be done if it is not done it will be a crime and can harm other people or institutions, because administration¹⁰ includes bookkeeping, inventory and reporting regional property that is under the control of the user of the goods/proxy of the user of the goods must be recorded through a recording process in the Register of Goods User Authority by the property user, the List of User Goods by the user of the goods and the Lis¹² Regional Property by the property manager. The inventory process, whether in the form of data collection, recording, and reporting of the results of data collection on regional property, is part of the administration.

D. CONCLUSION

Policy evaluation in implementing policies aims to determine the impact resulting from a policy program, policy evaluation in the administration of local government property includes bookkeeping, inventory, and reporting of regional property that is under the control of the user of the goods/the power of the user of the goods must be recorded through the process recording in the List of Goods of the User Proxy by the user power of goods, the List of User Goods by the user of the goods and the Lis¹² Regional Property by the property manager. The inventory process, whether in the form of data collection, recording, and reporting of the results of data collection on regional property, is part of the administration. The output of the evaluation results serves as a basis for improvement on the findings from the BPK and can be used in formulating future policies so that they do not recur with the audit carried out by the BPK in reporting government accountability

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