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Evaluation of Regional Asset Management to Enhance the Effectiveness of Regional Asset Management (Case Study at the Regional Finance and Asset Agency of Indramayu Regency)

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Abstract:
This study aims to analyze the effectiveness of regional asset management in Indramayu Regency, identify supporting and inhibiting factors in the asset recording and supervision process, and formulate improved procedural flows to enhance the effectiveness of regional asset management. This research utilizes a descriptive qualitative approach. Data were collected through observation, in-depth interviews with relevant informants, and documentation studies. The research object was the Regional Finance and Asset Agency (BKAD) office in Indramayu Regency. The data analysis techniques employed included data reduction, data presentation, and conclusion drawing, supported by gap analysis (GAP Analysis) with the PIECES (Performance, Information, Economy, Control, Efficiency, Service) framework to identify problems and formulate improvement recommendations.

The results indicate that regional asset management in Indramayu Regency is currently not yet fully effective. This is due to the low percentage of optimal asset utilization, which is only around 40%. This condition is compounded by the large number of regional assets that are potentially idle or not optimally certified. Supporting factors for asset management effectiveness include the existence of SIMASET, data reconciliation, good coordination with the inspectorate, and a "jemput bola" (proactive outreach) mechanism in asset regularization. However, several significant inhibiting factors were identified, including the absence of comprehensive internal technical Standard Operating Procedures (SOPs), a lengthy and time-consuming asset disposal administration process, limited operational budget for asset supervision, and a permissive work culture in several Regional Apparatus Organizations.

To address these issues, improvement recommendations include prioritizing the establishment of several Standard Operating Procedures (SOPs) in the form of flowcharts related to the technical administration and supervision of regional assets specific to conditions in Indramayu, as well as completing regional regulations such as the Regent's Regulation that comprehensively governs asset management. These recommended Standard Operating Procedures (SOPs) and the formation of regulations currently being planned are expected to create a more effective, efficient, and accountable asset management system, encouraging optimal asset utilization for public welfare.

Keywords:
Regional Owned Goods, Regional Asset Management, Effectiveness of Asset Management, Asset Management Evaluation, Gap Analysis.

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BACKGROUND

Regional autonomy grants authority to local governments to manage their affairs, aiming to enhance governmental effectiveness and bring services closer to the community. Fiscal decentralization, a key implementation of this system, significantly impacts regional financial management, including the management of regional assets. This aligns with good governance principles, promoting regional independence, transparency, public accountability, and efficiency in financial and public service management.

Assets like land, buildings, vehicles, and infrastructure are crucial for supporting government operations and can generate regional revenue if optimally managed. Effective asset management contributes to better governance and regional development, leading to improved financial reporting. Optimizing regional asset management not only increases regional wealth but also boosts local revenue (PAD). Inefficiently managed regional assets (BMD) can burden the budget due to maintenance costs without contributing to revenue. Therefore, sound, efficient, and good governance-compliant asset management is essential for sustainable regional development.

Indramayu Regency, located in West Java, possesses significant economic potential in agriculture, fisheries, and tourism. This potential can be a vital resource for improving community welfare and economic growth with optimal regional asset management. The Indramayu Regency Government, through the Regional Finance and Asset Agency (BKAD), manages regional assets and finances, as stipulated in Indramayu Regent Regulation Number 23 of 2022. The "Lacak Aset Daerah (La-Da)" program is a flagship initiative that has successfully regularized and saved various regional assets by identifying, documenting, and managing assets across different regional apparatuses, sub-districts, and villages, including those previously undetected. From 2021 to 2023, BKAD Indramayu Regency successfully certified 467 land plots valued at Rp202.4 billion.

However, issues with sub-optimally utilized or idle assets remain a significant challenge. These assets, including land, buildings, equipment, and machinery, are not being used for government, public services, or other public interests. Such idle assets lead to financial burdens due to ongoing maintenance and security costs, and they risk losing economic value if left unutilized. An analysis of the Indramayu Regency Government's Balance Sheet (2023), Budget Realization Report (LRA) (2022–2023), and La-Da Program achievements (2021–2023) reveals a substantial disparity between total fixed assets and certified or optimally utilized assets.

As of the end of 2023, the total value of fixed assets in Indramayu Regency reached Rp5.37 trillion. However, only Rp202.4 billion, or approximately 3.77% of the total, has been certified through the La-Da program. This indicates that about 96.23% (Rp5.17 trillion) of fixed assets are potentially idle, uncertified, or not optimally utilized. Furthermore, revenue from the sale of unseparated assets was only Rp10.59 billion in 2022 and Rp9.19 billion in 2023. These figures are relatively small compared to the total fixed assets and have not significantly reduced the proportion of idle assets. This underscores that the issue of idle assets remains a serious challenge requiring immediate action.

Despite clear regulations, Indramayu Regency faces challenges in regional asset management, with many assets not optimally utilized and becoming idle. For instance, the Iptek Science Mutiara Bangsa Building in Bojongsari Tourism Area has been damaged and inoperable since

the COVID-19 pandemic. Similarly, the Bojongsari Waterboom, also a regional government asset, has been closed since 2019 and is in a concerning state. While the local government has committed to revitalizing these assets, efforts have not yet materialized. This neglect results in a negative image for the tourism area and material losses, as these assets could generate regional revenue.

THEORETICAL FRAMEWORK

The research on regional asset management is deeply rooted in the principles of Good Governance, a concept widely adopted in public administration globally to ensure efficient, effective, and ethical public service delivery. Good governance emphasizes several core principles that are directly applicable to the management of regional assets:

- Accountability: Ensuring that government entities are answerable for their decisions and actions, particularly concerning the management of public resources. In asset management, this translates to clear responsibility for asset acquisition, utilization, maintenance, and disposal, and transparent reporting on their status.
- Transparency: Making information accessible and understandable to the public and stakeholders. This involves open access to asset data, management policies, and decision-making processes, which is crucial for public trust and preventing mismanagement.
- Effectiveness: Achieving the intended goals and outcomes of asset management, such as optimal utilization and contribution to regional development. This relates to whether assets are serving their intended purpose and maximizing public benefit.
- Efficiency: Utilizing resources (including assets) in the most economical way to achieve desired outcomes, minimizing waste and maximizing value. This involves efficient processes for asset lifecycle management to reduce unnecessary costs.
- Legal Certainty: Operating within a clear, consistent, and well-defined legal framework. This ensures that all asset management activities comply with relevant laws and regulations, providing a predictable environment for operations. Discrepancies observed in the preparation of the Regional Goods Needs Plan (RKBMD) and non-real-time asset recording directly indicate suboptimal accountability and transparency in asset administration. Furthermore, the absence of comprehensive technical Standard Operating Procedures (SOPs) for asset administration at BKAD Indramayu highlights a weakness in procedural certainty, which consequently hinders the overall effectiveness and efficiency of asset management, undermining the core tenets of good governance.

This study's framework is further underpinned by the existing Legal Basis for Asset Management in Indonesia, particularly at the regional level. These regulations provide the mandatory guidelines and requirements for managing regional assets:

- Government Regulation Number 28 of 2020 on the Management of Regional Owned Goods (BMD): This regulation serves as the primary legal framework for regional asset management. It mandates comprehensive stages of asset management, including planning (RKBMD), procurement, recording, inventory, reporting, utilization, security and maintenance, and disposal. The regulation specifies the need for accurate and timely recording of all assets in the regional owned goods register and asset information systems. The non-compliance observed, such as the absence of a properly executed RKBMD and incomplete asset recording (especially for land), highlights a significant gap between the regulatory mandate and actual practice.

- Ministerial Regulation Number 7 of 2024 concerning the Recording, Maintenance, and Supervision of Regional Owned Goods: This ministerial regulation provides more detailed technical guidelines for implementing asset management. A critical aspect emphasized by this regulation is the requirement for data reconciliation of BMD, which must be conducted semiannually (Semester 1: January to June, reconciled in July; Semester 2: July to December, reconciled in December) and annually. The results of these reconciliations are to be documented in a Reconciliation Report, which then forms the basis for BMD financial reports. The importance of this reconciliation process is to ensure consistency and accuracy between physical asset data and financial records, a crucial element for transparent and accountable financial reporting. The failure to consistently meet these reconciliation and inventory indicators, as acknowledged by Pak U, directly reflects a weakness in adhering to this legal framework.

- Local Regulations: These national laws are further translated into local regulations, such as Indramayu Regent Regulation Number 23 of 2022 concerning the Organization and Work Procedures of the Regional Finance Agency, and Regional Regulation of Indramayu Regency Number 4 of 2021 concerning the Management of Regional Owned Goods. While these local regulations exist, the study implicitly examines their effective implementation and the need for further refinement, especially given that some regional regulations related to BMD management are currently under revision.

To systematically evaluate the effectiveness of regional asset management and identify specific areas for improvement, this study utilizes the PIECES Framework. This framework is a widely recognized tool in system analysis and development, offering a structured approach to assess information systems and processes. By applying the PIECES framework, this research can comprehensively identify existing problems and formulate targeted recommendations across various dimensions:

- P - Performance: This dimension assesses whether the system or process achieves its objectives efficiently and effectively. In asset management, this relates to the degree of optimal asset utilization, the speed of asset recording, and the overall efficiency of asset lifecycle management.

- I - Information: This evaluates the quality, accuracy, relevance, timeliness, and accessibility of information generated and used by the system. For asset management, this includes data completeness, consistency between physical and recorded assets, and the availability of reliable reports for decision-making.
- E - Economy: This focuses on the cost-effectiveness and financial aspects of the system. It examines whether the system operates at a reasonable cost and contributes to economic benefits, such as maximizing revenue from asset utilization and minimizing expenses from idle assets.
- C - Control: This pertains to the internal controls and security measures within the system to ensure data integrity, prevent fraud, and comply with regulations. In asset management, this includes adherence to SOPs, proper authorization for transactions, and safeguarding assets against loss or damage.
- E - Efficiency: This measures how well resources are utilized to achieve desired outputs with minimal waste. It looks at the productivity of the process, such as the time taken for asset recording, disposal, or reporting.
- S - Service: This evaluates how well the system serves its users and stakeholders. In the context of public asset management, this relates to the responsiveness of the system to user needs (e.g., OPDs), the transparency of information for the public, and ultimately, how asset management contributes to better public welfare.

By integrating the PIECES framework with the principles of good governance and the specific legal mandates for regional asset management, this study develops a robust theoretical foundation for analyzing the current challenges and proposing actionable improvements in Indramayu Regency's asset management system.

METHOD

This study employed a descriptive qualitative approach to comprehensively analyze the effectiveness of regional asset management. This method was chosen to gain an in-depth understanding of the complex processes, underlying factors, and perspectives of key stakeholders within the Regional Finance and Asset Agency (BKAD) of Indramayu Regency, rather than merely quantifying data. It allowed for a holistic exploration of the "why" and "how" behind the current state of asset management, leading to richer insights and actionable recommendations.

Research Setting and Object The research was conducted at the Regional Finance and Asset Agency (BKAD) of Indramayu Regency. BKAD is the primary government entity responsible for the administration, management, and supervision of regional assets in Indramayu, playing a central role in ensuring fiscal accountability and optimal utilization of public resources. The selection of this specific agency as the research object was critical as it directly oversees the core processes of regional asset management, making it the most relevant source for primary data collection on current practices, challenges, and potential improvements.

Data Sources Both primary and secondary data were utilized to ensure the triangulation and validity of the research findings.

1. Primary Data: Primary data were collected directly from the field through structured and semi-structured interactions with key informants. The informants were selected based on their direct involvement and knowledge of regional asset management processes within BKAD Indramayu Regency.
    - In-depth Interviews: Interviews were conducted with strategic informants, including:
        - Head of Asset Management (Pak Umar): Provided overarching insights into policy implementation, strategic challenges, and future plans for asset management. He articulated the current condition of asset management, referencing Ministerial Regulation Number 7 of 2024, and highlighted stages such as planning, capital expenditure realization, recording, reconciliation (twice a year), and annual inventory. He also mentioned issues with OPDs not responding to data requests and limitations in information dissemination.
        - Technical Asset Staff (Pak Supardi): Provided detailed information on the operational and technical challenges faced in daily asset recording, verification, and supervision. He confirmed that while all regional assets are recorded in KIB and SIMASET, some land assets remain unrecorded due to unclear ownership. He also described technical constraints such as poor internet signal, limited equipment (laptops, printers) in OPDs, and incomplete physical documents.
        - These interviews aimed to gather qualitative data on existing SOPs, technical constraints, audit findings, and recommendations for procedural improvements.
2. Secondary Data: Secondary data comprised official documents and reports that provided foundational context, legal frameworks, and quantitative data on regional assets.
    - Government Regulations:
        - Government Regulation Number 28 of 2020 concerning the management of Regional Owned Goods.
        - Ministerial Regulation Number 7 of 2024 concerning the recording, maintenance, and supervision of Regional Owned Goods. This regulation outlines the necessity for reconciliation of BMD data semiannually and annually, with results documented in a Reconciliation Report (Berita Acara Rekonsiliasi) used as a basis for BMD financial reports.
    - Regional Regulations:
        - Indramayu Regent Regulation Number 23 of 2022 concerning the Organization and Work Procedures of the Regional Finance Agency.
        - Regional Regulation of Indramayu Regency Number 4 of 2021 concerning the Management of Regional Owned Goods.
    - Financial Reports:
        - Indramayu Regency Government's Balance Sheet (2023) to understand the total value of fixed assets.
        - Budget Realization Report (LRA) (2022–2023) to analyze revenue from asset utilization or disposal.
    - Program Reports:

- Data from the "Lacak Aset Daerah (La-Da)" Program (2021–2023) to assess the extent of asset certification and regularization efforts.

- Audit Reports: Findings from internal (Inspectorate) and external (BPK) audits were reviewed to identify recurring issues related to asset management.

Data Collection Techniques The following techniques were employed to gather robust data:

1. Observation: Direct observation was conducted at the BKAD office to understand the day-to-day operations related to asset management. This included observing the workflow, interaction among staff, the physical environment, and the tools used in asset recording and supervision. This allowed for gaining a direct understanding of practical implementation and potential bottlenecks not always explicitly stated in interviews or documents.
2. In-depth Interviews: Semi-structured interviews were the primary method for collecting qualitative data. This approach allowed for a flexible yet guided conversation, enabling the researcher to explore specific areas of concern while also allowing informants to share unanticipated insights. Interview questions covered various aspects, including legal compliance, planning (RKBMD issues due to OPDs not preparing plans), asset recording (KIB and SIMASET usage, completeness, duplication), asset utilization (low optimal utilization), asset security, disposition processes (lengthy process for high-value assets), supervision effectiveness, and technical challenges like internet connectivity or incomplete documents.
3. Documentation Studies: This involved a systematic review and analysis of official documents, reports, and legal frameworks. This technique was crucial for establishing the baseline of regulations and policies, verifying information obtained from interviews, and identifying discrepancies between stated procedures and actual practices. Documents provided quantitative data on asset values and certification rates, supporting the findings on asset utilization and idle assets.

Data Analysis Techniques The collected data, both primary and secondary, were analyzed using an iterative and systematic process:

1. Data Reduction: This initial step involved selecting, focusing, simplifying, abstracting, and transforming the raw data. From interview transcripts, irrelevant information was filtered out, and key themes related to asset management effectiveness, supporting factors, and inhibiting factors were identified and coded. Similarly, from documents, only pertinent figures, regulations, and reports directly relevant to the research questions were extracted. This process condensed the vast amount of raw data into manageable and meaningful units.
2. Data Presentation: Reduced data was then organized and presented in a structured manner to facilitate understanding and analysis. This included creating narrative summaries, tables (e.g., for key findings from the indicator analysis), and potentially conceptual frameworks. The aim was to present the data coherently, allowing for patterns, relationships, and contradictions to emerge clearly.
3. Conclusion Drawing and Verification: This involved drawing initial conclusions from the presented data and then continuously verifying these conclusions against new data or re-examining existing data. This iterative process involved looking for recurring themes, confirming findings from multiple sources (triangulation), and noting any dissenting views. Conclusions were considered robust when supported by consistent evidence from different data collection methods.

4. Gap Analysis (PIECES Framework): A crucial analytical tool in this study was the PIECES framework, which served as a structured method to identify and categorize problems and formulate concrete improvement recommendations.
    - Performance: Assessed whether the asset management system was meeting its objectives, such as optimal asset utilization (e.g., the finding that only 40% of assets are optimally utilized, and the presence of many idle assets).
    - Information: Evaluated the quality, accuracy, timeliness, and accessibility of information related to asset management (e.g., issues with real-time recording, incomplete documentation for land assets, discrepancies between physical conditions and SIMASET data).
    - Economy: Examined whether the system was cost-effective and efficient in terms of resource utilization (e.g., the financial burden of maintaining idle assets, limited operational budget for supervision).
    - Control: Analyzed the effectiveness of internal controls and regulatory compliance (e.g., lack of comprehensive internal SOPs, slow disposal processes, non-compliance with reporting deadlines by OPDs, incomplete asset certification).
    - Efficiency: Assessed the speed and resourcefulness of the processes (e.g., the lengthy administrative process for asset disposal).
    - Service: Evaluated the quality of service provided by the asset management system to its stakeholders (e.g., impact on public welfare from unutilized assets).

By applying the PIECES framework to the identified problems, the study systematically developed detailed recommendations for improvements, including the proposed SOPs and regulatory enhancements. This comprehensive approach ensured that the solutions were targeted and addressed the root causes of the identified inefficiencies and ineffectiveness in regional asset management.

RESULT

The comprehensive evaluation of regional asset management at the Regional Finance and Asset Agency (BKAD) of Indramayu Regency yielded several key findings, indicating that the current system is not yet fully effective.

The most salient finding is the low percentage of optimal asset utilization, recorded at only around 40%. This figure reflects a substantial portion of regional assets that are either underutilized or entirely idle. Quantitatively, as of the end of 2023, Indramayu Regency's fixed assets totaled Rp5.37 trillion. However, only Rp202.4 billion (approximately 3.77%) has been formally certified through the "Lacak Aset Daerah (La-Da)" program. This leaves an estimated Rp5.17 trillion (about 96.23%) of fixed assets potentially uncertified, idle, or not optimally utilized, posing a significant financial burden for maintenance and security without generating commensurate returns. Examples such as the damaged Iptek Science Mutiara Bangsa Building and the defunct Bojongsari Waterboom illustrate the physical manifestation of this underutilization and its negative impact.

Supporting factors contributing positively to the asset management process include:

- Presence of SIMASET: The availability of SIMASET (Regional Asset Information System) provides a centralized digital platform for recording and managing asset data.
- Systematic Data Reconciliation: Data reconciliation is performed semiannually (Semester 1 and 2) and annually, serving as a critical process to ensure consistency between asset records and financial reports.

- Good Coordination with Inspectorate: Regular audits by the Inspectorate (twice yearly) and BPK (annually) are conducted, and there is a established coordination mechanism for following up on audit findings.
- "Jemput Bola" Mechanism: The proactive "jemput bola" strategy of the La-Da program has successfully regularized and certified a significant number of regional assets, including 467 land plots valued at over Rp202 billion.

Conversely, several inhibiting factors were identified that significantly hinder the effectiveness of regional asset management, based on interviews and direct observations:

- Absence of Comprehensive Internal Technical Standard Operating Procedures (SOPs): There is a noticeable lack of detailed, internal technical SOPs specific to asset administration at BKAD, leading to reliance on general regulations and informal instructions.
- Lengthy Asset Disposal Administration Process: The administrative process for disposing of severely damaged or idle assets is excessively long, particularly for assets valued over Rp5 billion, which require DPRD approval, and those below Rp5 billion, requiring Regent's approval.
- Lack of Clear Regional Goods Needs Plan (RKBMD): Regional Apparatus Organizations (OPDs) often do not prepare RKBMD before asset procurement, resulting in unplanned and potentially irrelevant acquisitions.
- Incomplete Asset Recording: While most assets are recorded in KIB and SIMASET, 100% recording has not been achieved, especially for land assets with unclear ownership. Duplication of records also occurs due to varying levels of understanding among asset managers.
- Discrepancies in Supervision Results and Slow Follow-up: Physical checks frequently reveal inconsistencies between actual asset conditions and SIMASET data. Damaged or lost items are not promptly reported for deletion, and follow-up on audit findings related to missing/damaged goods involves reactive clarification and re-documentation.
- Non-compliance with Reporting Regulations: OPDs frequently delay submission of asset reports, and the process for following up on lost or damaged asset reports is slow, leading to outdated data.
- Incomplete Ownership Documents: Only approximately 50% of land and building assets possess complete certification, largely due to budget limitations for the certification process.
- Limited Operational Budget for Asset Supervision: Insufficient budget allocation constrains the scope and frequency of physical inspections and monitoring activities.
- Technical Constraints: Field operations are impeded by poor internet signal, especially in remote sub-districts, and a shortage of operational equipment (laptops, printers) in various OPDs.
- Permissive Work Culture: A lax attitude among some OPDs results in unresponsiveness to data requests from BKAD, hindering efforts to maintain accurate records. This is exacerbated by communication challenges, such as OPDs not checking messages or significant travel distances.
- Lack of Concern for Asset Security: Insufficient attention to asset security contributes to unrecorded damages or losses.
- Unclear Asset Utilization System: The uncertainty surrounding the rental or retribution system, combined with a lack of comprehensive SOPs for various utilization methods (rental, loan, cooperation), contributes to the low optimal utilization rate.

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DISCUSSION

The findings presented in the "Result" section clearly demonstrate that regional asset management in Indramayu Regency falls short of optimal effectiveness. This sub-optimal condition can be comprehensively analyzed through the lens of **Good Governance principles**, the **Legal Basis for Asset Management**, and the **PIECES Framework**, which collectively reveal significant gaps and areas for improvement.

The low optimal utilization rate of 40% and the vast value of potentially idle or uncertified assets (Rp5.17 trillion) directly contradict the **Effectiveness** and **Economy** principles of Good Governance. Assets, which are public resources, are not being maximized for public welfare or revenue generation. This also highlights a failure in **Performance**, as the asset management system is not achieving its primary objective of contributing to regional prosperity. The financial burden of maintaining these unutilized assets further underscores an inefficiency in **Economy**.

The identified **inhibiting factors** pinpoint specific deficiencies when evaluated against the PIECES framework:

1. Performance, Information, and Control Gaps:

- The **absence of comprehensive internal technical SOPs** (P, I, C) creates a void in standardized procedures. As indicated by Pak Supardi, relying on general regulations leads to varied interpretations and inconsistencies in practices. This directly undermines **Control** by lacking clear guidelines and hampers **Performance** due to inconsistent execution.
- The **lengthy and time-consuming asset disposal administration** (P, E, Efficiency) significantly impedes the system's ability to clear idle assets. The bureaucratic hurdles, particularly requiring DPRD approval for high-value assets, lock up resources and incur unnecessary maintenance costs, demonstrating a clear lack of **Efficiency** and negative impact on **Economy**. This also affects **Performance** as assets remain unproductive for extended periods.
- The **lack of a clear RKBMD process** (P, I, C) among OPDs means that asset acquisitions are often reactive rather than strategic. This leads to the procurement of assets that may not be genuinely needed or optimally utilized, thereby reducing overall **Performance** and reflecting poor **Information** in planning.

2. Information and Control Gaps:

- **Incomplete asset recording** (I, C), despite the use of SIMASET and KIB, directly compromises **Information** integrity. The fact that not all land assets are recorded due to unclear ownership, and the presence of duplicate records, indicate a lack of **Control** over the accuracy and completeness of data. This directly violates the **Transparency** principle of Good Governance.
- **Discrepancies in supervision results and slow follow-up** (I, C) highlight weaknesses in the monitoring and corrective action mechanisms. When physical assets do not match SIMASET data, and lost or damaged items are not promptly updated or deleted, the **Information** in the system becomes unreliable. This points to a breakdown in **Control**,

as the system fails to accurately reflect the true status of assets and respond effectively to changes.

- **Non-compliance with reporting regulations** (I, C) by OPDs, particularly delays in submitting reports, means that BKAD operates with outdated and inaccurate **Information**. This lack of timely reporting directly undermines **Control** and the overall accountability framework.

- **Incomplete ownership documents** (I, C) for a significant portion of land and building assets (only 50% certified) creates legal vulnerabilities and limits the potential for asset utilization or disposal. This is a severe **Information** gap that also impacts **Control** and poses legal risks, hindering optimal **Performance**.

3. Economy and Efficiency Gaps:

- **Limited operational budget for asset supervision** (E) directly constrains the ability to conduct thorough and frequent physical checks. This budget limitation results in reduced **Efficiency** in monitoring and control, potentially leading to greater losses from undetected issues.

- **Technical constraints** (E), such as poor internet signal and limited equipment in OPDs, directly impact the **Efficiency** of data input and overall operations. These technological shortcomings slow down processes and can lead to data backlogs or inaccuracies.

4. Human Factor and Culture Gaps (Service & Control):

- A **permissive work culture** (S, C) where some OPDs are unresponsive to data requests from BKAD severely impacts the overall **Service** delivery of the asset management system. As articulated by Pak Umar, "there are some OPDs that cannot complete their data requests... sometimes OPDs don't open WhatsApp [for notifications], travel time can be 2-3 hours... that comes back to human resources as a hindrance". This lax attitude undermines **Control** and the system's responsiveness.

- **Lack of concern for asset security** (C) further contributes to the loss or damage of assets without proper recording, indicating a failure in internal **Control** mechanisms.

- The underlying cause for **low optimal utilization** (P, E) also stems from unclear rental/retribution systems and the absence of comprehensive SOPs for utilization methods. This procedural ambiguity limits the potential for assets to contribute economically and reflects a gap in **Performance** and **Economy**.

Addressing Gaps through Proposed SOPs and Gap Analysis

Based on these findings and the comprehensive **Gap Analysis** using the PIECES framework, a series of proposed Standard Operating Procedures (SOPs) and flowcharts have been developed. These proposals aim to address critical procedural and information gaps, directly contributing to improving **Performance, Information, Economy, Control, Efficiency, and Service** of regional asset management.

1. Proposed SOPs for Asset Administration

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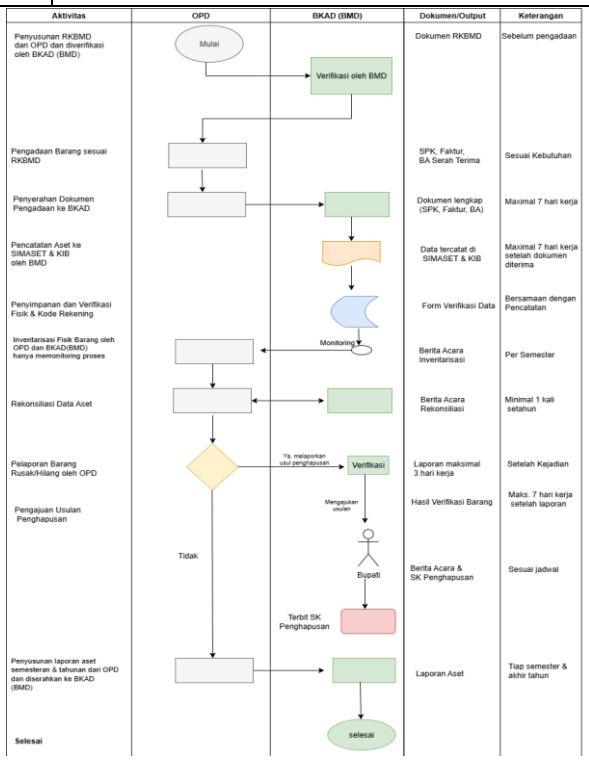
Although the Regional Finance and Asset Agency (BKAD) of Indramayu Regency currently lacks a comprehensive technical SOP for the entire asset administration process, this study proposes several specific flowcharts for key stages. These are crucial for standardizing procedures and improving data accuracy:

TABEL 4. 1PROPOSED SOPS FOR ASSET ADMINISTRATION

		STANDARD OPERATING PROCEDURE (SOP)
		INDRAMAYU REGENCY REGIONAL FINANCE AND ASSET AGENCY
		ADMINISTRATION OF REGIONAL ASSETS MANAGEMENT
1	LEGAL BASIS	Government Regulation Number 28 of 2020 Article 19 paragraph (3); Ministerial Regulation Nomor 7 Tahun 2024
2	OBJECTIVE	To ensure orderly, timely, accurate asset recording in SIMASET within a maximum of 7 working days after receipt..
3	SCOPE	Recording of all incoming BMD for BKAD Indramayu Regency.
4	RELATED PARTIES	1. OPD (Procurement and PPK) 2. BKAD (Manager of Regional Owned Goods) 3. Kepala Daerah (untuk SK penghapusan) 4. Penyedia Barang (pada tahap serah terima)
5	TOOLS AND MATERIALS	1. SIMASET Application 2. Computers and procurement documents (invoices, Work Orders (SPK), Handover Minutes (BAST) 3. Forms for inventory, verification, reconciliation, and deletion minutes 4.Inventory labels
6	DOCUMENT	1. RKBMD Document (Regional Goods Needs Plan Document) 2. SPK (Work Order), Invoices, and BAST (Handover Minutes) 3. Asset Recording and Verification Forms 4. Inventory & Reconciliation Minutes 5. Report of Damaged/Lost Goods 6. Goods Deletion Decree
7	WORK PROCEDUR	1. OPD (Regional Apparatus Organization) prepares the RKBMD (Regional Goods Needs Plan), which is then verified by BKAD (Regional Finance and Asset Agency). 2. Goods are procured and handed over to the OPD. The relevant documents are then sent to BKAD within a maximum of 7 working days. 3. BKAD records the assets in SIMASET (Asset Management Information System) and KIB (Inventory Card). 4. Physical and document verification are conducted concurrently with the asset recording.

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		5. Physical inventory is carried out semi-annually, assets are labeled, and an official report (minutes) is prepared. 6. Asset reconciliation between the OPD and BKAD is performed at least once a year. 7. Reporting of damaged or lost goods by the OPD must be done within a maximum of 3 working days from the incident. 8. BKAD verifies the report, then a proposal for asset deletion is submitted, and a Decree (SK) is issued by the Regent. 9. OPD prepares semi-annual and annual reports and submits them to BKAD



Source: Processed by researcher (2025)

2. Proposed SOP for Asset Supervision

The study identifies the current absence of a comprehensive technical SOP for the supervision of regional owned goods, stating that current practices often rely on general central government provisions without detailed local guidelines. Therefore, this research specifically recommends the development of such a comprehensive SOP for asset supervision, tailored to the regional characteristics and in alignment with Ministerial Regulation No. 7 of 2024.

While a detailed visual flowchart for the *entire* supervision process is not explicitly presented as an image within the document, the proposed process for supervision can be described by its key components derived from the analysis:

- Objective of Supervision: To ensure that asset management complies with applicable regulations, prevents misuse, and guarantees the accuracy and reliability of asset data.
- Scope: Includes supervision of asset legality, physical condition, utilization, security, maintenance, and disposal processes.
- Mechanism: Proposed through routine audits by the Inspectorate (twice yearly) and the Supreme Audit Agency (BPK) (annually), as well as physical inventory conducted

by each OPD with monitoring from BKAD. The current challenges with manual verification and limited personnel necessitate a more structured and perhaps technology-aided approach.

- Follow-up: Audit findings and supervision results must be followed up promptly. This includes data correction, timely reporting of damaged/lost goods, and efficient asset disposal processes. The current slow follow-up on discrepancies and lack of clear reporting mechanisms for damaged/lost items require specific procedural guidelines to ensure accountability and data integrity.

These proposed SOPs and recommendations, rooted in the PIECES framework and principles of Good Governance, offer a clear pathway to rectify existing deficiencies, leading to a more robust, transparent, and ultimately more effective regional asset management system.

CONCLUSION

This study evaluated the effectiveness of regional asset management at the Regional Finance and Asset Agency (BKAD) of Indramayu Regency, identifying supporting and inhibiting factors in asset recording and supervision, and formulating improved procedural flows.

The findings indicate that regional asset management in Indramayu Regency is not yet fully effective, primarily due to a low optimal asset utilization rate (around 40%) and a significant number of potentially idle or uncertified assets. Key challenges include the absence of comprehensive internal technical SOPs, a lengthy asset disposal process, limited operational budget for supervision, and a permissive work culture in some regional apparatus organizations.

To address these issues, the study recommends prioritizing the establishment of specific technical SOPs in flowchart format for asset administration and supervision tailored to Indramayu's conditions, such as the proposed SOP for asset recording and verification, reporting damaged/lost goods, and semi-annual reconciliation. Additionally, it suggests completing regional regulations, such as the Regent's Regulation, to comprehensively govern asset management. These proposed SOPs and regulations are expected to foster a more effective, efficient, and accountable asset management system, promoting optimal asset utilization for public welfare.

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