



The Analysis of Fixed Asset Balance preparing process in Management of Regional Assets at OPD BPKAD Banten Province

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Abstract

The study aim is to analysis of fixed asset balance preparing process in management of regional assets at local government finance and assets (OPD BPKAD Banten Province). The analysis used descriptive analysis method by collecting and filtering the data/information obtained thoroughly and in detail, then described in order to obtain a clear picture of the process of preparing the fixed asset balance at the OPD BPKAD Banten Province. Based on observations during the internship process, the results of this study is obtained in the form of the process of preparing a fixed asset balance which is then seen for compliance with Government Regulation Number 27 of 2014 concerning Management of State/Regional Property, Regulation of the Minister of Home Affairs Number 19 of 2016. The process of preparing the Fixed Asset Balance in the Management of Regional Assets at the OPD BPKAD Banten Province went well because it reconciled quickly and precisely. The use of the ATISISBADA application that makes it easy to quickly enter the value of goods so that data collection is more optimal.

Keywords : Fixed Asset; Regional Governmet Assets; Management of Assets



INTRODUCTION

In Regulation of Indonesian Government, the strategy impact of economic, political, and law which has a declaration on 1999 year by Local government authorization, the local government must be able to manage their income and their own assets in local government authority. In all of activity, Local governments must present financial reports as a form of accountability for the management of assets and revenues in their authority. The balance sheet is part of the financial statements that record information about the assets and liabilities of an agency or company as a form of accountability to related parties within a certain period. The process of preparing the fixed asset balance sheet at the Regional Apparatus Organization (OPD) of the Banten Province BPKAD in 2019 by reconciling capital expenditures, attribution of capitulation, grants, moving between SKPDs, appraisals, write-offs, relaxation bookkeeping corrections, and accumulated depreciation in 4 quarters over a period of 1 year. Then, to do recapitulate the data on regional property so that the provincial asset balance is arranged. After that, make a reconciliation with the accounting department for a balancing asset in the arrangement of financial statements local government of Banten Province.

The Banten Province Financial Report in 2020 noted that the acquisition value of fixed assets owned by Banten Province was Rp. 15,280,800,855,629.80. Based on the theory of Machfud Sidik (2006), asset problems in reporting and managing local government finances consist of the huge potential wealth of state assets that is still unable to realize expenditure efficiency, revenue optimization, and asset management effectiveness; the existence of a diversity of inherent interests; allocation inefficiency; diversity of state assets by type and geographical location; there are parties who directly and indirectly control; there is still a lot of data that has not been integrated; there is no unification of regulations; supervision and coordination are still weak. The complexity of the problem causes overlapping management and implementation of regional assets that have the potential to harm the state.

According to Permendagri No.19/2016, the management of regional assets is not just an administration, but also further handling of increasing the effectiveness, efficiency, and increasing the added value of the management of fixed assets belonging to the region. In the management of fixed assets (Regional Owned Goods) there is a scope that includes planning needs and budgeting; procurement; receipt, storage, distribution; use; administration; utilization; security and maintenance; assessment of regional goods; deletion; transfer; coaching, supervision and control; financing; and compensation. Within this scope is a more detailed logistics cycle with full consideration of the adjustment of the treasury cycle in the wider context of managing regional finances.

According to Permendagri No.19 of 2016 concerning Technical Guidelines for the Management of Regional Property, good management of regional fixed assets is to produce information in the preparation of financial reports that cannot be separated from the completeness of documents which are the source or basis in the implementation of the regional property management cycle.

Based on this, the author is interested in writing a Final Project Report entitled "The Process of Compiling a Fixed Asset Balance in 2019 at the Regional Apparatus Organization (OPD) of the Banten Province Financial and Asset Management Agency (BPKAD). How is the process of preparing the fixed asset balance in the management of regional assets at BPKAD Banten Province?."

LITERATURE REVIEW

Assets are tangible or intangible goods or objects needed to provide services to the general public and maintain resources. Abdul Halim and Bambang Supomo (2004) state that fixed assets are assets that are owned and used to operate and have a useful life in the future more than the value/wealth that is useful when used in organizations, institutions, companies or individuals.

According to the Government Accounting Standards (SAP) assets are economic resources owned by the government which are taken from past events and are expected to be used in the future either the

community or the government, which can be measured in units of money and include resources for one budget period and are not intended for sale.

According to Doli D. Siregar in the Asset Management book (2004:178) the definition of an asset is generally a thing or anything that has economic value or exchange value owned by a business entity, agency or individual (individual). According to Doli D. Siregar (2004), the definition of assets based on a sustainable development perspective is explained, namely based on three main aspects, namely: natural resources, human resources, and infrastructure as follows:

- 1) Natural resources are all natural assets that can be used and needed to meet human needs.
- 2) Human resources are all the potentials contained in humans such as reason, art, skills, and so on that can be used to meet the needs for themselves and others or society in general.
- 3) Infrastructure is something man-made that can be used as a means for human life and as a means to be able to utilize natural resources and human resources to the maximum, both for now and for sustainability in the future.

According to Bultek No. 09 concerning Accounting for fixed assets has been regulated in the Statement of Governmental Accounting Standards Number 07 (PSAP 07) from the attachment of PP 24 of 2005 or from Appendix II of PP 71 of 2010. PSAP 07 provides guidelines for the government in measuring, recognizing, and presenting and disclosing assets fixed assets based on events that have occurred such as the acquisition of fixed assets for the first time, acquisition of assets from grants / donations, maintenance of fixed assets, exchange of fixed assets and depreciation. Statement of Government Accounting Standards 07 is defined as a tangible asset which has a useful life of more than 12 months to be earmarked for government activities or utilized for the public interest. According to Permendagri No. 17 of 2007 concerning Technical Guidelines for the Management of Regional Property, Fixed Assets are classified in the form of inventory items and inventory items used for more than 1 year consisting of 6 groups, namely equipment and machinery; buildings and structures; roads, irrigation and networks; other fixed assets; and construction in progress.

Regional assets are part of the preparation of the regional initial balance. One of the scopes in asset management is administration which includes a series of bookkeeping, inventory and reporting activities for regional property in accordance with applicable regulations. There are 3 activities in the administrative process, namely bookkeeping, inventory, and reporting of regional property in accordance with applicable regulations.

Regional assets are an important resource for local governments as the main support for local revenue. According to Permendagri No.19/2016, assets are assets belonging to very important Regional Governments, both tangible and intangible and their parts or which are certain units that can be counted, assessed, weighed and measured.

In this case the local government can use several considerations in the aspect of needs planning and budgeting; procurement; use; utilization; security; evaluation; transfer of hands; extermination; deletion; administration; coaching, supervision, and control; management; compensation and sanctions. By considering this aspect, the government will get a direction for development in the field of regional asset management in a programmed and well-integrated manner.

By supporting good regional assets, an effective and efficient regional asset management process is needed by creating transparent regional asset management policies. According to Mardiasmo (2002) there are three principles in managing regional assets, namely the implementation or utilization in an effective and efficient way, supervision or security, and proper planning. In this case, local governments only need to develop or have a reliable and comprehensive management information system as a tool in producing responsible reports. With this information system, the basis for making decisions regarding the estimation of the need for capital development expenditure and the need for goods for the preparation of the regional goods revenue budget is obtaining adequate regional asset

management information on the basis of good asset wealth management. The functions of regional assets include the following:

- Creating administrative order regarding regional assets, in relation to the inventory of land and buildings, certification of regional assets, the abolition and sale of regional assets.
- Creating efficiency and effectiveness in the use of regional assets.
- Creating regional asset security.
- Creating data availability for accurate information regarding the amount of regional wealth.

1. FOUNDATION OF REGIONAL ASSET MANAGEMENT

- Government property whose use is in the Regional Apparatus Work Unit (SKPD) / government agency / institution must comply with the provisions of the legislation;
- The status of goods belonging to regional companies and regionally owned companies must be separated.

2. LEGAL BASIS

- Law Number 5 of 1960 concerning Basic Regulations on Agrarian Principles;
- Government Regulation Number 46 of 1971 concerning Sales of Service Individual Vehicles;
- Presidential Decree Number 55 of 1993 concerning Land Procurement for the Implementation of Public Interest Development as amended by Presidential Regulation Number 65 of 2005;
- Government Regulation Number 40 of 1994 and Government Regulation Number 31 of 2005 concerning Sales of State Houses;
- Government Regulation No. 40 of 1996 concerning Cultivation Rights, Building Use Rights, and Land Use Rights;
- Decree of the Minister of Home Affairs Number 49 of 2001 concerning Regional Goods Management Information System;
- Decree of the Minister of Home Affairs Number 7 of 2002 concerning Location Code Numbers and Provincial/Regency/City Regional Goods Code Numbers;
- Decree of the Minister of Home Affairs Number 12 of 2003 concerning Guidelines for Valuation of Regional Goods;
- Law Number 17 of 2003 concerning State Finances;
- Decree of the Minister of Home Affairs Number 153 of 2004 concerning Guidelines for the Management of Separated Regional Goods;
- Law Number 32 of 2004 concerning Regional Government;
- Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments;
- Law Number 1 of 2004 concerning the State Treasury;
- Government Regulation Number 24 of 2005 concerning Government Accounting Standards;
- Government Regulation Number 58 of 2005 concerning Regional Financial Management;
- Government Regulation Number 6 of 2006 concerning Regional/State Property Management;
- Regulation of the Minister of Home Affairs Number 7 of 2006 concerning Standardization of Regional Government Work Facilities and Infrastructure;
- Minister of Home Affairs Regulation Number 13 of 2006 concerning Guidelines for Regional Financial Management.

RESULTS AND DISCUSSION

The results of this study were obtained by descriptive analysis method, namely by collecting and filtering the data/information obtained thoroughly and in detail, then described in order to obtain a clear picture of the process of preparing the fixed asset balance at the OPD BPKAD Banten Province. Based on observations during the internship process, a report is obtained in the form of the process of preparing a fixed asset balance which is then seen for compliance with Government Regulation Number 27 of 2014 concerning Management of State/Regional Property, Regulation of the Minister of Home Affairs Number 19 of 2016, then analyzed its application so that it can be drawn. a conclusion.

1. The Process of Compiling a Fixed Asset Balance in Regional Asset Management at BPKAD Banten Province

a. Preparation

The stages in the process of preparing the fixed asset balance at the BPKAD Banten Province, starting with a reconciliation meeting to provide direction or instructions in the preparation of the fixed asset balance and as a guide for the management of the unit / work unit so that they can carry out their duties in the field properly. Reconciliation is carried out in 4 quarters for 1 year, and in those 4 quarters it is carried out every 3 months. Quarter I is held from January to March, Quarter II is held from April to June, Quarter III is held from July to September, and Quarter IV is held from October to December. The final or last reconciliation was carried out in January 2020 to discuss the 2019 reconciliation.

The preparation stage for the fixed asset balance, in this case the equipment and regional assets section, prepares the following:

1. Training / debriefing for the technical team for the preparation of the fixed asset balance sheet.
2. Submission of a letter of preparation of the fixed asset balance from the Regional Property Manager to all work units regarding the implementation of the preparation of the fixed asset balance.
3. The technical manual for the implementation of the preparation of the fixed asset balance for the province of Banten,
4. Prepare materials and forms for regional goods investment, including:
 - Room Inventory Card (KIR)
 - Inventory Card (Inventory Book)
 - Item Inventory Card Attachment
 - Inventory Book Recap and Census Result Recap/Inventory (RHS)
5. The use of the system used:
 - Atisisbada
 - Simral

b. Implementation

Reconciliation is carried out with goods administrators throughout the Banten Province which consists of 43 Regional Apparatus Organizations, bureaus or offices and with 236 school unit goods managers which is carried out 6 days of which 1 day is carried out for Regional Apparatus Organizations and 5 days for school unit goods managers consisting of from Serang City, Serang Regency, and Cilegon City; Lebak Regency area; Pandeglang Regency area; the area of Tangerang City, South Tangerang City; and the Tangerang Regency area. The outputs are reconciliation reports in which each sub-unit included in SMA, SMK, and SKH; and all Regional Apparatus Organizations know how much the asset balance is for one year in terms of adding and subtracting regional asset accounts for the preparation stage. This output is the material for submitting the asset balance at BPKAD in terms of preparation.

The benchmarks in reconciliation are:



1. Capital Expenditure

Capital expenditure on a large scale is an expenditure made to add fixed assets or existing investments so that it will provide its own benefits in a certain period. In the Regional Government Budget, the portion of capital expenditure in the APBD is a very important component of expenditure because the realization of capital expenditure carried out by regional governments will have a multiplier effect to move the wheels of the regional economy.

2. Attribution

Attribution is a supporting cost in obtaining an item (capital expenditure).

3. Capitulation

Capitulation is the addition of the value of an item.

4. Grant

A grant is a transfer of ownership of regional property from the regional government to another party without obtaining a replacement.

5. Moving between SKPD

Moving between SKPDs is a mutation which is recorded as a component of deducting assets due to the transfer of assets between SKPDs, such as a 2-wheeled vehicle which originally came from SKPD A because of something or another, the transfer to SKPD B is then recorded as a component of deducting assets.

6. Evaluation

Asset valuation is a process of assessing a person in providing an opinion on the value of an asset, both tangible and intangible, based on the results of an analysis of objective and relevant facts using valuation methods and principles that apply at a certain time.

7. Removal

Deletion is a recording which records the assets of an item that has been heavily damaged and is not suitable for use.

8. Book Correction

Bookkeeping correction is a matter which checks for recording errors.

9. Reclass

Reklass is a transfer between KIB at atisisbada

10. Accumulated depreciation

Accumulated depreciation is a reduction in the value of the BMD benefit.

In preparing the fixed asset balance after reconciling the OPD in the Banten Province, the BMD manager/planning and administration sub-division recapitulates the BMD data so that the provincial asset balance is structured. Furthermore, to reconcile with the accounting sector so that the composition of the asset balance in the financial statements of the regional government of Banten Province.

2. Constraints in the Preparation of the Fixed Asset Balance of the Banten Province BPKAD

Constraints in the preparation of the Fixed Asset Balance at BPKAD Banten Province, namely the lack of competence in human resources for goods management, lack of understanding in understanding the regulations for preparing the fixed asset balance in accordance with accrual-based SAP (System Analysis and Product), frequent rotations in the management of the procurement system goods in the OPD BPKAD Banten Province, thus hampering the quality of the preparation of the fixed asset balance in the OPD BPKAD Banten Province, and the employee placement system in the field of goods management is not a priority scale for employee competence so that resources in managing goods are always low which has an impact on the quality of the preparation of the fixed asset balance in BPKAD Banten Province. With the low quality of goods management resources, sometimes the preparation of the fixed asset balance is not in accordance with SAP (System Analysis and Product).

In its implementation, the administrative process not only records but also proposes the elimination and security of assets. Logging cycle is always low due to lack of understanding of the applicable SAP (System Analysis and Product).

3. Assets contained in the Preparation of the Fixed Asset Balance Sheet of the Banten Province BPKAD

1) Soil

Land is recognized as a fixed asset if it meets 4 criteria, namely: has a useful life of more than 12 (twelve) months, the cost of the asset can be measured reliably, is not intended to be sold, and is acquired with the intent to use it. Based on this, if one of the pre-determined criteria is not met, the land cannot be recognized as a fixed asset belonging to the government. Government land acquisition which was originally intended to be handed over to other parties is not presented as land fixed assets, but is presented as inventory. For example, if the Ministry of Public Housing acquires land on which houses will be built for the poor. In the balance sheet of the Ministry of Public Housing, the land is not presented as land fixed assets, but is presented as inventory. Land ownership rights are based on valid proof of land ownership in the form of certificates, such as Property Rights Certificates (SHM), Land Management Certificates (SPL), and Building Use Rights Certificates (SHGB). Based on this, for the example case, the Ministry of Public Housing continues to recognize or record the land as inventory before the minutes of handover and land certificates are handed over to the respective people who are entitled. In practice, there are still many government lands that are controlled or used by other parties because there is no proof of legal ownership of the land. Regarding cases of land ownership and their presentation in the financial statements:

- In the event that there is no proof of legal ownership, but it is controlled and used by the government, the land must still be recorded and presented as land fixed assets on the government's balance sheet, and adequately disclosed in the Notes and Financial Statements.
- In the event that the land is owned by the government, but is controlled and used by another party, the land must still be recorded and presented as land fixed assets on the government's balance sheet, and adequately disclosed in the notes and financial statements, that the land is controlled or used by another party. . In this case the land is owned by a government entity, but only 1 is controlled and used by another government entity, then the land is recorded and presented on the balance sheet of the government entity that has proof of ownership, and is adequately disclosed in the notes to the financial statements. The government entity that controls and uses the land is sufficient to disclose the land adequately in the notes to the financial statements. Treatment of land that is still in dispute or court proceedings:
 - a. In the event that there is no legal proof of land ownership, the land is controlled and used by the government, the land must still be recorded and presented as land fixed assets on the government's balance sheet, and adequately disclosed in the notes to the financial statements.
 - b) In the event that the government does not yet have proof of legal ownership of the land, the land is controlled and used by another party, the land is recorded and presented as land fixed assets on the government's balance sheet, and adequately disclosed in the notes to the financial statements.
 - c) In the case of evidence of multiple land ownership, but the land is controlled and used by the government, the land must still be recorded and presented as land fixed assets on the government's balance sheet, and adequately disclosed in the notes to the financial statements.
 - d) In the case of proof of dual land ownership, but the land is controlled and used by another party, the land must still be recorded and presented as land fixed assets on the government's balance sheet, but the existence of multiple certificates must be adequately disclosed in the notes to the financial statements.



Land can be acquired through purchases, asset exchanges, grants or donations, and more. Land acquired through purchases is carried out through the implementation of shopping activities, so that the acquisition value of land is recognized based on the expenditure value that has been issued.

Land Measurement/Appraisal

If the valuation of property, plant and equipment using cost is not possible, the value of property, plant and equipment is based on the fair value at the time of acquisition. Land is recognized first at cost. Acquisition costs include the purchase price or land acquisition costs, costs, incurred in order to obtain rights such as certificate processing fees, maturation costs, measurements, stockpiling, and other costs incurred until the land is ready for use. Land value also includes the value of old buildings to be destroyed located on the purchased land. If the acquisition of government land is carried out by the procurement committee, then included in the price of land acquisition are the horrors of the land acquisition and acquisition committee, goods expenditures and official travel expenses in order to acquire the land. Therefore, after the initial acquisition of land, the government does not incur costs to maintain the title of the land. Land meets the definition of fixed assets and must be treated in accordance with existing principles. The costs associated with increasing the proof of land ownership, for example from the status of girik land to a Certificate of Ownership, are capitalized as land acquisition costs. Government ownership of land abroad may be limited by time according to the laws and regulations in force in the country concerned, so the ownership is not permanent. In such case, the costs incurred for the acquisition of the rights (such as usufructuary rights or management rights) need to be depreciated or amortized. Costs incurred in resolving land disputes, such as court fees and attorneys' fees are not capitalized as land acquisition costs. The measurement of a fixed asset must take into account the government's policy regarding the minimum unit value for capitalization of fixed assets. However, for property, plant and equipment in the form of land, the total cost is capitalized as land value. Land and property, plant and equipment are presented in the balance sheet at cost or at fair value when the land was acquired. Fixed assets land is not depreciated.

2) Equipment and Machinery

Equipment and machinery includes machinery and motor vehicles, electronic equipment, and all office investments, and other equipment with significant value and useful life of more than 12 (twelve) months and in ready-to-use condition. Equipment and machinery have the most variation in the fixed assets group. These equipment and machines can be in the form of heavy equipment, office equipment, transportation equipment, medical equipment, communication equipment, and so on. A tangible item can be recognized as property, plant and equipment if it has a useful life of more than 12 (twelve) months, the cost of the asset can be measured reliably, is not intended to be sold in the normal operations of the entity, and is acquired or built with the intention of being used. Equipment and machinery acquired and intended to be handed over to other parties cannot be classified as equipment and machinery fixed assets, but are classified as inventory assets.

Measuring Equipment and Machinery

Equipment and machinery are valued at cost or fair value when the property, plant and equipment are acquired. The cost of equipment and machinery describes the amount of expenditure that has been made in obtaining the equipment and machinery until they are ready for use. These costs include, among others, the purchase price, transportation, costs, installation costs and other direct costs to acquire and prepare until the equipment and machines are ready for use. In terms of measuring equipment and machinery, the government must pay attention to government policies regarding the provisions on the minimum unit value for capitalization of fixed assets. This minimum unit value policy may vary by regional government, according to the characteristics of each region.

For the central government, the provisions regarding the minimum unit value refer to the Decree of the Minister of Finance Number 01/KMK.12/2001 concerning Guidelines for Capitalization of Property or State Assets in the Government Accounting System, where the minimum unit value for the acquisition of equipment and machinery is Rp. 500,000.00. Thus, if the cost of equipment and machinery is less than Rp. 500,000,000.00 then the equipment and machinery cannot be recognized and presented as fixed assets. Fixed assets are presented at the cost of the property, plant and equipment less accumulated depreciation.

3) Building and Building

Buildings and structures include all buildings and structures acquired with the intention of being used in government operational activities and in a ready-to-use condition. In the group of buildings and buildings are office buildings, buildings for places of worship, tower buildings, monuments or historical buildings, museum buildings, warehouses, signs and official residences. These buildings and structures do not include land acquired in the construction of buildings and buildings thereon. Land acquired for the intended purpose shall be included in the land group. Multi-storey buildings basically consist of several physical building components, the main supporting components in the form of mechanical engineering (lifts, electrical installations and generators, and air conditioning cooling facilities), and other supporting components in the form of water lines and telephones. Each component has a different useful life, so the depreciation life is different, and requires different maintenance patterns. Each component of a high-rise building, for example, becomes as follows:

Building:

- Physical building
- Parks, roads, parking lots and fences
- AC installation
- Electrical and generator installation
- Elevator
- Provision of water, clean water and waste water
- phone line

To be recognized as property, plant and equipment, an asset must be tangible and meet the following criteria:

- Has a useful life of more than 12 (twelve) months;
- The cost of the asset can be measured reliably;
- Not intended for sale in the normal operations of the entity; and
- Acquired or constructed with the intent to use.

Thus, to be recognized as buildings and structures, buildings and buildings must be tangible and have a useful life of more than 12 (twelve) months, the cost of which can be measured reliably, not intended to be sold under normal conditions of the entity and acquired or built with intended to be used. Recognition of buildings and structures must be separated from the land on which the buildings and structures are erected. Buildings and buildings built by the government, but with the intention of being handed over to the community, such as houses that will be handed over to transmigrants, then these houses cannot be classified as buildings and structures, but are presented as supplies. Buildings and structures are recognized when the ownership rights have been received or transferred and when the ownership has been transferred and is ready for use. The time of recognition of buildings and buildings will be more reliable if there is evidence that there has been a transfer of ownership rights or legal control, for example a deed of sale and purchase or minutes of handover. If the acquisition of buildings and buildings has not been supported by legal evidence because there

is still a required administrative process, such as the purchase of an office building which still has to be completed by the sale and purchase process (deed) and proof of ownership at the authorized agency, the building and building must be recognized at the time of purchase. there is evidence that the control over the building and the building has moved, for example, there has been payment and control over the building. The acquisition of buildings and buildings can be through purchase, construction, or exchange, and others. Earnings through purchases can be made with cash purchases and installments. Acquisition through development can be done by building yourself (self-management) and through construction contracts. Acquisitions through purchases and developments are preceded by the recognition of capital expenditures which will reduce the general state or regional treasury. the source documents to record this payment are the Payment Order and Direct Fund Disbursement Order (SP2D LS).

Building and Building Measurement

Fixed assets are valued at cost. If the valuation of property, plant and equipment using cost is not possible, the value of property, plant and equipment is based on fair value at the time of acquisition. Then buildings and buildings are valued at cost. The acquisition cost of buildings and buildings includes all costs incurred to acquire buildings and buildings until they are ready for use. These costs include, among others, the purchase price or construction costs, including the costs of processing IMB, notaries, and taxes. If the valuation of buildings and buildings using cost is not possible, the value of property, plant and equipment is based on fair value or estimated at the time of acquisition. The cost of buildings and buildings constructed by self-management includes direct costs for labor, raw materials, and indirect costs including planning and supervision costs, equipment, electricity, equipment rental, and all other costs incurred in connection with the construction of these fixed assets. such as the management of IMB, notary, and taxes. Meanwhile, buildings and buildings obtained from donations are recorded at fair value at the time of acquisition. Measurement of buildings and buildings must pay attention to government policies regarding the provisions of the minimum unit value for capitalization of fixed assets. For the central government, the policy is in accordance with the Decree of the Minister of Finance Number 01/KMK.12/2001 concerning Guidelines for Capitalization of Property or State Assets in the Government Accounting System, which stipulates that the minimum unit value for the acquisition of buildings and buildings is Rp. 10,000,000.00. That is, if the acquisition value of buildings and buildings is less than Rp. 10,000,000.00, then the buildings and buildings cannot be recognized and presented as fixed assets, but are still disclosed in the notes to the financial statements and in the BMN report. Fixed assets are presented at the cost of the property, plant and equipment less accumulated depreciation.

4) Roads, Irrigation and Networks

Roads, irrigation and networks include roads, irrigation and networks built by the government and owned and controlled by the government and in a ready-to-use condition. The roads, irrigation and networks are not only used in government activities but also by the general public. Included in the clarification of roads, irrigation, and networks are roads, bridges, water structures, clean water installations, power plant installations, electricity networks, drinking water networks and telephone networks. These roads, irrigation and networks do not include land acquired for road construction, irrigation and networks. Land acquired for the intended purpose is in the Land group.

Road, Irrigation and Network Recognition

To be recognized as roads, irrigation and networks, roads, irrigation and networks must be tangible and have a useful life of more than 12 (twelve) months, their cost can be measured reliably, not intended to be sold under normal conditions of the entity and acquired with the intent to use. Roads, irrigation and networks are recognized when the rights of the roads, irrigation and networks have been received or handed over and when the ownership has changed and is ready to be used. The

acquisition of roads, irrigation, and networks in general is carried out either by self-construction (self-management) or through construction contracts. Acquisitions through development are preceded by the recognition of capital expenditures which will reduce the general state or regional treasury. The source documents for this payment record are the Payment Order and the Direct Funds Seek Order (SP2D LS).

Road, Irrigation and Network Measurement

Roads, irrigation and networks are valued at cost. The cost of obtaining roads, irrigation and networks includes all costs incurred to obtain roads, irrigation and networks until they are ready for use. These costs include acquisition costs or construction costs and other costs incurred until the roads, irrigation and networks are ready for use. Costs for roads, irrigation and networks obtained through contracts include planning and supervision costs, licensing fees, consulting services, vacating costs, taxes, construction contracts, and demolition. The acquisition costs for roads, irrigation and networks that build on a self-managed basis include direct and indirect costs, which consist of raw material costs, labor, equipment rental, planning and supervision costs, licensing costs, emptying costs, taxes and demolition. Roads, irrigation and networks obtained from donations are recorded at fair value at the time of acquisition. For Roads, Irrigation and Networks, there is no government policy regarding the minimum unit value of capitalization, so that regardless of the acquisition value of Roads, Irrigation and Networks capitalized, fixed assets are presented based on the cost of the fixed assets less accumulated depreciation.

5) Other Fixed Assets

Other fixed assets include fixed assets that cannot be grouped into the group of fixed assets above, which are acquired and utilized for government operational activities and are in a ready-to-use condition. Other Fixed Assets include fixed assets that cannot be grouped into the Land group; Equipment and Machinery; Buildings and Buildings; Roads, Irrigation and Networks, which are obtained and utilized for government operational activities and are in a ready-to-use condition. Assets included in the Other Fixed Assets category are library collections or books and non-books, goods with artistic, cultural, sports, animal, fish and plant patterns. Included in the Other Fixed Assets category are Renovation Fixed Assets, namely renovation costs for fixed assets that are not owned by them and the cost of partitioning an office space that is not theirs.

Other Fixed Asset Recognition

Other Fixed Assets are recognized when the Other Fixed Assets have been received or transferred their ownership rights or when the ownership has changed and is ready to be used. Specifically regarding the recognition of renovation costs for non-owned property, plant and equipment, the presentation and disclosure of government expenditures are as follows:

- If the renovation of fixed assets increases the economic benefits of fixed assets, for example the change in the function of the building from a warehouse to a workspace and its capacity increases, the renovation is capitalized as Renovation Fixed Assets. If the renovation of the leased fixed assets does not increase the economic benefits, it is considered as Operational Expenditure. Fixed Assets Renovation is classified into Other Fixed Assets.
- If the economic benefits of the renovation are more than one financial year, and meet point one above, the renovation costs are capitalized as Renovation Fixed Assets, while if the economic benefits of renovation are less than one financial year, the expenditures are treated as Operational Expenditures for the current year.
- If the monetary value of the renovation costs is material enough, and meets the requirements of points 1 and 2 above, then the expenditure is capitalized as Renovation Fixed Assets. If it is not material, renovation costs are considered as operational expenses. Acquisition of Other Fixed Assets, Apart from Renovation of Fixed Assets, generally through purchases or other



acquisitions such as grants or donations. Recognition of Other Fixed Assets through purchases is preceded by recognition of capital expenditures which will reduce the State or Regional General Treasury. The source documents for recording this payment are the Payment Order and Direct Disbursement Order (SP2D LS)

Other Fixed Asset Measurement

Other Fixed Assets acquisition costs describe all costs incurred to acquire these assets until they are ready for use. Other Fixed Assets are valued at cost. The acquisition cost of other fixed assets held through self-management, for example for renovation of fixed assets, includes direct and indirect costs, which consist of the cost of raw materials, labor, equipment rental, planning and supervision costs, licensing fees, taxes, and consulting services. Measurement of other fixed assets must pay attention to government policies regarding the minimum unit value for capitalization of fixed assets. For example, at the central government, the policy for the minimum unit value for capitalization is: Other Fixed Assets in the form of library collections or books and goods with artistic and cultural patterns, there is no minimum unit value so that regardless of the acquisition value, it is capitalized. Other Fixed Assets which are capitalized are recorded and reported in the State or Regional Balance Sheet and Property Report. Other Fixed Assets that are not capitalized cannot be recognized and presented as fixed assets, but are still stated in the Notes to Financial Statements and in State or Regional Property Reports. Fixed assets are presented at the cost of the property, plant and equipment less accumulated depreciation. Other Fixed Assets in the form of animals, plants, library books are not depreciated periodically, but are written off when the other fixed assets can no longer be used or die. Depreciation on Fixed Assets Renovation is carried out according to whichever is shorter between the useful life of the asset and the period of the loan or lease.

CONCLUSION

Based on the results of the study, it can be concluded that the process of preparing the Fixed Asset Balance in the Management of Regional Assets at the OPD BPKAD Banten Province went well because it reconciled quickly and precisely. The use of the ATISISBADA application that makes it easy to quickly enter the value of goods so that data collection is more optimal. Constraints in the preparation of the fixed asset balance in the OPD BPKAD Banten Province, namely the lack of competence of human resources for goods management, lack of understanding in understanding the regulations for preparing the fixed asset balance in accordance with accrual-based SAP (System Analysis and Product), frequent rotations in system management procurement of goods in the OPD BPKAD Banten Province, and the employee placement system in the field of goods management is not a priority scale of employee competence. The assets contained in the Preparation of the Fixed Asset Balance Sheet of the Banten Province BPKAD are Land; Equipment and Machinery; Buildings and Buildings; Roads, Irrigation and Networks; Other Fixed Assets; Construction In Work.

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