

**OPTIMIZING REGIONAL ASSET UTILIZATION:
LITERATURE REVIEW****Audra Nailufar^{1*}, Inggrit Larasati Br.Panggabean², Dewi Hakiki³, Fhatiya Alzahra Angkat⁴, Eka Nurmala Sari⁵**^{1,2,3,4,5}Universitas Muhammadiyah Sumatera Utara

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***Email:** audranailuvar@gmail.com**ABSTRACT**

This article presents a literature review on the optimization of local asset utilization in Indonesia. By exploring various related studies and reports, this article aims to identify effective strategies, challenges faced, and the role of technology in local asset management. identify effective strategies, challenges faced, and the role of technology in local asset management. This study uses a narrative method to synthesize data from various sources, including journal articles, books, and scientific reports. The results show that optimal local asset management requires a holistic and multidisciplinary approach involving information technology, human resource capacity building, and cooperation between the public and private sectors.

Keywords: Optimization, Regional Assets, Utilization**INTRODUCTION**

The implementation of regional autonomy in Indonesia is intended so that local governments can exercise the authority granted by the central government in managing their own households. In accordance with the mandate of Law No. 32 of 2004 concerning Regional Government. In addition, the existence of this regional autonomy policy can accelerate economic growth and regional development and reduce inequality between regions. (Labasido & Darwanis, 2019). Household affairs that can be carried out by local governments include utilizing their resources and managing regional finances professionally, effectively and efficiently, accountably and transparently to the community. Regional autonomy also aims to improve the welfare of the people, therefore its implementation must be responsible. (Suparman & Sangadji, 2018). The implementation of the principles of *good* governance, which is the demand of the community, is the realization of an adequate, informative, transparent and accountable regional wealth management system. Local asset management is an important aspect of effective governance. Regional assets, which include land, buildings, and other infrastructure, have great potential to support economic development and community welfare. However, the utilization of regional assets is often less than optimal due to various obstacles, such as lack of accurate data, lack of human resource capacity, and unsupportive regulations. Optimizing the utilization of regional assets is an important issue in the context of local government in Indonesia.

Regional assets, which include land property, buildings, infrastructure, and various types of movable assets, have great potential to support regional development and improve community welfare. However, the reality is that many regional assets are not optimally managed, leading to wasted resources, low own-source revenues (PAD), and a lack of contribution to local economic development.

As decentralization and regional autonomy continue to increase, local governments in Indonesia are faced with the challenge of managing their assets more independently and efficiently. Many regions have valuable assets that have not been fully utilized for various reasons, including lack of accurate data, limited managerial capacity, and regulatory constraints. Incomplete inventories and inaccurate asset valuations often hamper efforts to maximize the value of these assets. Against this background, optimizing the utilization of regional assets is a priority that must be pursued by local governments. This requires a comprehensive and integrative strategy, including revamping regulations, increasing managerial capacity, utilizing information technology, and partnering with the private sector. This optimization effort is expected to not only improve the efficiency and effectiveness of regional asset management, but also make a significant contribution to sustainable development and improving the welfare of the people in the region.

Optimization of Fixed Assets

Asset optimization is a work process in asset management that aims to optimize the physical, location, value, quantity/volume, legal and economic potential of the asset. (Nurdiana et al., 2016). In this stage, assets controlled by local governments are identified and grouped into assets that have potential and do not have potential. Assets that have potential can be grouped based on leading sectors that are the foundation of the national economic development strategy, both in the short, medium and long term. The criteria for determining these leading sectors must be measurable and transparent. Assets that cannot be optimized must find the cause, whether it is legal, physical, low economic value or other factors. Furthermore, it is said (Siregar, 2014) Local Government asset optimization studies can be carried out by:

1. Identify existing local government assets,
2. Development of local government asset database,
3. Study to determine the highest and best use of Local Government assets and provide results and activity reports both in the form of current data and recommendations,
4. Development of strategies to optimize local government assets.

Regional goods/assets of the Regional Government that have not been utilized need to be optimally utilized so that they will not burden the Regional Budget, especially in terms of maintenance costs and the possibility of seizure from irresponsible third parties. Optimal utilization of regional goods/assets will create a source of Regional Original Revenue. There are several efforts to optimize the management of regional assets so that they can have value so that they contribute a lot to local revenue (PAD) to support the implementation of regional autonomy. Efforts to optimize regional asset management can be done through the utilization of regional assets. Article 1 Point 32 Permendagri No. 19/2016, utilization is the utilization of regional property that is not used for the implementation of the duties and functions of the

SKPD and / or optimization of regional property by not changing the ownership status. One of the main problems of regional asset management is the lack of order in managing asset data. This causes local governments to find it difficult to know exactly which assets they control/manage, so that the assets managed by local governments tend to be not optimal in their use, and on the other hand local governments will have difficulty developing asset utilization in the future. The implication of non-optimal asset utilization and management is that the value of benefits is not balanced with the intrinsic value and potential contained in the asset itself. For example, from an economic aspect, it is not obtained revenue commensurate with the amount of asset value owned, which is one of the potential sources of income for local governments, or in other words, the return on assets (ROA) is low.

Asset Management Concept

Asset management in (Laporan Akhir: Kajian Optimalisasi Pemanfaatan Aset Provinsi Banten Dalam Rangka Peningkatan Pendapatan Asli Daerah, 2023) Asset management is defined as a series of activities related to identifying the assets needed, how to obtain them, how to support and maintain them, and how to dispose of or renew them, so that these assets can effectively and efficiently meet the objectives.

Local government asset management can be divided into five stages of work which include (Laporan Akhir: Kajian Optimalisasi Pemanfaatan Aset Provinsi Banten Dalam Rangka Peningkatan Pendapatan Asli Daerah, 2023):

a) **Asset Inventory**

Asset inventory consists of two aspects, namely physical and juridical/legal inventory. The physical aspect consists of shape, area, location, volume/number, type, address and others. While the juridical aspects are in the form of control status, legal issues owned, final return of control, etc., which in the process of work are in the form of activities: data collection, codification/labeling, grouping and bookkeeping/administration in accordance with asset management objectives.

b) **Legal Audit**

Legal audit is the scope of asset management in the form of inventorying the status of asset control, identifying and finding solutions to legal problems related to asset control or transfer. Legal problems that are often encountered include weak control rights status, assets controlled by other parties, unmonitored asset transfers, and others.

c) **Asset Valuation Based on Government Regulation of the Republic of Indonesia Number 6 of 2006 concerning Management of State / Regional Property and Minister of Home Affairs Regulation Number 17 of 2007 concerning Technical Guidelines for the Management of Regional Property, valuation is a process of selective research activities based on objective and relevant data / facts using certain methods / techniques to obtain the value of regional property. In order to compile the government balance sheet, it is necessary to know how many state assets as well as the value of these assets. To know the value, state property must be periodically appraised either by the goods manager or involving an independent appraiser so that the exact value of state property can be known. For valuation in the form of land and / or buildings using the benchmark Tax Object Selling Value (NJOP).**

d) Optimization of Utilization

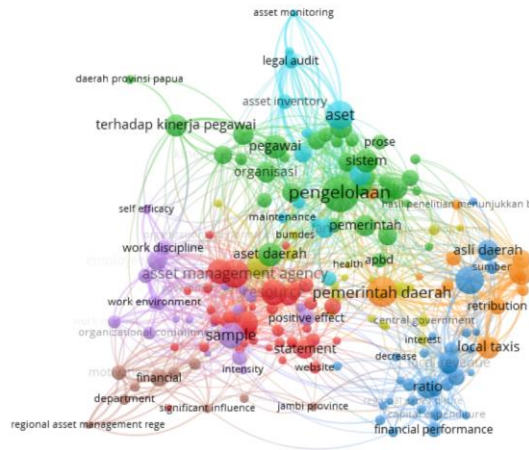
Asset optimization is a work process in asset management that aims to optimize the physical, location, value, quantity/volume, legal and economic potential of the asset. In this stage the assets controlled by the local government are identified and grouped into assets that have potential and do not have potential.

e) Supervision and Control

To ensure the smooth implementation of regional property management in an efficient and effective manner, the functions of guidance, supervision and control are very important to ensure the orderly administration of regional property management. Regulation of the Minister of Home Affairs Number 19 of 2016 concerning Technical Guidelines for the Management of Regional Property, explains that control is an effort or activity to ensure and direct that the work carried out runs according to a predetermined plan, while supervision is an effort or activity to find out and assess the actual reality regarding the implementation of tasks and / or activities, whether carried out in accordance with statutory regulations. An effective means of improving the performance of this aspect is through the development of SIMA (Asset Management Information System). Through this system, work transparency in asset management is guaranteed and can be clearly monitored, because the four aspects above are accommodated in a system that is clearly monitored like the financial flow system that occurs in banking, so that handling and accountability from the executive level to the leadership have clear authority.

METHOD

This type of research is Literature Review or literature review. The method of searching for articles in research journal databases and searching via the internet. The database search used is Crossref and Google Scholar from 2018 to 2022. For article searches, the keyword used is also included in the data collection is "Optimization of Regional Asset Utilization". The data source used in this research is secondary data. The data is obtained from the results of research that has been conducted by previous researchers. Secondary data sources in the form of books and primary or original scientific reports contained in articles or journals. This Literature Review is synthesized using the narrative method by grouping similar extracted data in accordance with the results measured to answer the objectives of the Journal of research that matches the inclusion criteria is then collected and a journal summary is made including the name of the researcher, year of journal publication, research country, research title, method and summary of results or findings. The journal summary was then analyzed for content contained in the research objectives and results/findings. The analysis used used 500 journal content analysis, then coding the contents of the journals reviewed using the Vosviewer Application. The data that has been collected is then searched for similarities and differences and then discussed to draw conclusions.

RESULTS


Source: Author's compilation

Figure 1. Network of Words in Literature review
"Optimization of Regional Asset Utilization"

Based on the picture above, which is a network of words in a literature review or analysis related to the optimization of regional asset utilization, the following are the results of the discussion and analysis:

1. **Keyword Distribution and Relationship**
The figure shows several main groups represented by different colors. Each group depicts words that co-occur frequently and are closely interconnected in the research context.
2. **Green Group**
 - a) Words such as "management", "assets", "government", "employees" and "system" dominate this group. This indicates a focus on the government's management of local assets and the systems used in the process.
 - b) The words "asset inventory", "legal audit", and "maintenance" indicate that this literature addresses various technical and procedural aspects of asset management.
3. **Orange Group**
 - a) This group includes words such as "own-source", "source", "local taxes", and "retribution". This suggests that there is a focus on own-source revenues and other sources of revenue related to local assets.
 - b) The relationship between "local government" and "financial performance" shows the importance of financial performance in the context of local asset management.
4. **Purple Group**
 - a) Words such as "employee performance", "self efficacy", "work discipline", and "organizational commitment" indicate a focus on the human resource aspect and the organizational commitment.
how employee performance affects asset management.

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- b) It is also related to "motivation" and "work environment" which highlight the internal organizational factors that affect employee performance.
5. Red Group
 - a) This group features words such as "asset management", "agency", "resources", and "sample". This indicates the existence of empirical studies that use samples to analyze asset management and the resources involved.
 - b) The words "positive effect" and "significant influence" signify research results that show the positive influence of good asset management.
6. Blue Group
 - a) The blue group has words like "local revenue", "ratio", "financial performance", and "capital expenditure". This indicates an in-depth financial analysis of local revenue and capital expenditure.
 - b) The focus on "financial" and "department" shows the importance of the finance department in local asset management.
7. Interconnection Between Groups

There are many connections between these groups, indicating that research on local asset optimization involves many interrelated aspects, such as technical, financial, and human resource aspects.

The figure above provides a clear visualization of how the key words and concepts in the literature on optimizing local asset utilization in Indonesia are interconnected. Each color group indicates a focus on a particular aspect, such as technical management of assets, financial performance, human resources, and empirical outcomes of asset management. The dense interconnections between these groups confirm that a holistic and multidisciplinary approach is needed to understand and optimize the management of local assets. In this context, it is important to pay attention to how various factors influence each other and how effective strategies can be implemented by considering all these aspects. An integrated approach involving good regulation, technology, human resource capacity building, and proper financial analysis will go a long way in optimizing the utilization of local assets.

Based on the results of the review of several journals above, several main problems related to the optimization of regional asset utilization can be drawn as follows:

1. Regional Asset Optimization Strategy

a) Asset Mapping and Inventory.

Accurately mapping and inventorying assets is a crucial first step. Based on the Decree of the Minister of Home Affairs Number 152 of 2004 concerning Guidelines for the Management of Regional Goods, inventory is an activity or action to calculate, manage, organize, arrange, record data and report goods in use. Based on Government Regulation of the Republic of Indonesia Number 6 of 2006 concerning Management of State / Regional Property and Regulation of the Minister of Home Affairs Number 17 of 2007 concerning Technical Guidelines for the Management of Regional Property, that inventory is an activity to collect data, record, and report the results of data collection of regional property. According to (Mulyanto et al., 2022) that asset inventory has a positive and significant effect on asset optimization in the government environment. This shows how important inventory is in managing

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regional assets so that regional property assets (BMD) can be used optimally. The higher the activities carried out in conducting asset inventories so that assets can be used optimally in supporting public services.

b) Asset Valuation

Asset valuation is very important for local governments to determine the market value or fair value of assets owned by local governments. Asset valuation is very helpful for local governments in knowing how much the actual value of assets owned, be it land, buildings, infrastructure facilities, or other assets. Asset valuation is very helpful in local government budget and financial planning. By knowing the value of assets owned, local governments can allocate resources more effectively which allows local governments to identify assets that can be sold or mortgaged to obtain additional funding if needed. (Mulyanto et al., 2022).

c) Legal Audit

Based on the Decree of the Minister of Home Affairs Number 152 of 2004, legal audit is also a security measure or control measure, curbing efforts to manage regional goods physically, administration and legal action. The security focuses on physical and administrative security control, so that regional property is optimally utilized.

d) Implementation of Asset Management Information System (SIMA): The implementation of SIMA can improve integrated asset data management, accelerate administrative processes, and support decision making. Siregar in (Final Report: Study on Optimizing the Utilization of Banten Province Assets in the Context of Increasing Regional Original Revenue, 2023) said supervision and control, in the utilization and transfer of assets is a problem that often occurs in local governments today. An effective tool in improving the performance of this aspect is through the development of SIMA (Asset Management Information System). Through this system, the transparency of work in asset management is guaranteed and can be clearly monitored, because the four aspects above are accommodated in a system that is clearly monitored like the financial flow system that occurs in banking, so that handling and accountability from the executive level to the leadership have clear authority. According to (Selang, 2023) Through digitization of asset management, it will facilitate the development of an asset management information system. This is of course in the future very supportive of better utilization of assets owned, so that this concept will increase efficiency and optimize in its management and prevent irregularities that will occur.

e) Public-Private Partnership (PPP): Partnerships with the private sector through PPP schemes can help in more effective utilization of local assets. Collaboration with the private sector can be an effective strategy in optimizing government assets. Provincial governments can establish partnerships with private companies or investors to develop their assets. For example, the development of industrial estates or infrastructure renewal can involve private investment that will provide economic benefits (Banten Province Asset Optimization Study Report, 2023).

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2. Challenges in Regional Asset Optimization

- a) **Limited Human Resources:** The lack of capacity and competence of human resources is one of the main obstacles in managing regional assets. Training and competency improvement are needed (Wijaya & Santoso, 2018).
- b) **Complex Regulations:** Complex regulations often hamper the asset optimization process. Simplification of regulations is needed to facilitate regional asset management (Wahyuni et al., 2020).

CONCLUSION

Optimizing the utilization of regional assets requires a holistic approach, involving various strategies and the use of technology. Despite the challenges, with the right efforts and collaboration between the government, private sector, and communities, regional assets can be optimally utilized to support regional development. Optimizing the utilization of regional assets requires a holistic approach involving various strategies and the use of technology. Despite the challenges, with the right efforts and collaboration between the government, the private sector, and the community, regional assets can be optimally utilized to support regional development. Information technology such as Asset Management Information System (SIMA) and GIS can assist in more efficient and transparent asset mapping and management. Public-private partnerships are also considered an effective approach in local asset optimization, and demonstrate the importance of a comprehensive and collaborative approach in optimizing the utilization of local assets, which in turn can support local economic development and improved community welfare. One form of optimization of regional asset management is in terms of asset utilization, so that it can provide a large assessment of the increase in Regional Original Income (PAD) to support the implementation of regional autonomy. The obstacles that arise in the management of regional assets include the lack of order in the management of asset data, which has implications for less than optimal utilization and management of assets because the value of benefits is not balanced with the intrinsic value of the potential contained in these assets. Therefore, an asset management system is needed, namely planning, utilization, evaluation, and monitoring of regional assets.

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