

Analysis of Fixed Asset Management by Indonesian Local Governments

Lili Apriliani^{1,*}, Rania Rizqi², Stefany Grabriella³, Ulfa Muharrammaini⁴, Anggi Pratama Nasution⁵

^{1,2,3,4,5}Department of Accounting, Universitas Pembangunan Panca Budi, Medan, Indonesia

^{1,*}liliapriliani16@gmail.com, ²raniarazand@gmail.com, ³fanysitohang614@gmail.com,

⁴muharrammaini@gmail.com, ⁵anggipratama@dosen.pancabudi.ac.id

*E-mail Corresponding Author: liliapriliani16@gmail.com

Abstract

The management of fixed assets is a vital component of the governance of local government finances as it relates to the accountability and quality of local government financial reports. This study aims to analyse the management of fixed assets by local governments in Indonesia and the level of compliance with the Government Accounting Standards Statement (PSAP) 07 and the changes in regulation from Minister of Home Affairs Regulation Number 19 of 2016 to Minister of Home Affairs Regulation Number 7 of 2024. The research method used is a qualitative approach with literature review method by analysing scientific journals, research reports and relevant legislation. The results of the study indicate that, normatively, local governments have implemented PSAP 07 in recognition and presentation of fixed assets in the local government financial statements. However, the implementation of fixed asset management is suboptimal which is characterised by problems in asset identification, inconsistency of physical and administrative data, weak legal asset protection, limited information systems, and low competency of the managing human resources. The enactment of Permendagri Number 7 of 2024 brings increased demands for the integration of asset management systems, control, and optimisation of the use of regional assets, but in its initial implementation phase, it still requires adjustments to the institution and the strengthening of the capacity of local government officials. The research examines the systems employed by local governments in the management of public sector assets, the impact of human resources on the management of such assets, and the local governments' compliance with established regulations.

Keywords— Fixed Assets, Human Resources, Regulations, Management Systems

I. INTRODUCTION

Management of fixed assets is crucial in regional financial management, and for good reason. Fixed assets are valuable economic entities that foster the uninterrupted delivery of public services and the administration of the government. As such, they must be managed in accordance with Government Accounting Standards (PSAP) 07 and the regulations on managing regional assets that have changed considerably from Permendagri No. 19 of 2016 to Permendagri No. 07 of 2024. Various local government advances reveal that even though PSAP 07 is in effect concerning the recognition and presentation of fixed assets in the financial reports of local governments, considerable structural and technical deficiencies persist in the local asset management system (B. P. K. R. Indonesia, 2022). Additional problems include the absence of adequate legal asset protection, delay in loss disposal and the inefficient use of fixed assets, which also indicate the presence of more severe problems. The same problems also occurred in the governments of Cimahi City and Probolinggo City, although they still face issues regarding the inventory and disposal of assets that are in a severe state of wreckage. Furthermore, the governments of Tulungagung .

Regency and Bandung City are also dealing with the problems arising from the multitude of assets and the consistency of cross-regional administration (Fauziah et al., 2023; Fitri & Kusumastuti, 2024; Sholikhah, 2025; Suharsono et al., 2024).

Within the scope of regional asset management, the most prominent barriers pertaining to the management system's efficiency and effectiveness lie within the human resources of the system. The local governments of Poso, Jepara, and Labuhanbatu have proven HR factors to impede the regional asset management cycle, coupled with other barriers such as leadership commitment and inappropriate asset appraisal (Devita et al., 2022; Galib Lahada, 2021; Kurniawan, 2021). Hence, a greater understanding and capacity of the human resources involved in asset management require a more efficient and accountable system.

The impact of changes in regulations through Permendagri No. 7 of 2024 is highly felt in the region's asset management, especially in the aspect of accountability and transparency. However, the study in Sumenep Regency reveals that the implementation of such regulations is still in the adjustment phase owing to the lack of sufficiently qualified, technically oriented personnel for asset disposal and the discrepancies in the reported inventory documentation (Dan et al., 2025).

From the above description, the local government management of fixed assets seems to have more issues, particularly concerning the systems of management of the assets, the level of the management personnel, and the degree of the management personnel's adherence to the law. Asset management, although PSAP 07 has been instituted, still faces a drawback in the effect of the changes in regulations as a result of Permendagri Number 7 of 2024. Thus, the purpose of this research is to assess the management systems of local government fixed assets, the contribution of human resources in the management of assets, and the degree of compliance with PSAP 07 and Permendagri No. 7 of 2024.

II. RESEARCH METHODOLOGY

A review of literature was conducted in the study, which utilised a qualitative method. This method enables the examination and comprehension of the phenomenon of local government fixed asset management through the synthesis of the results of relevant past studies (Snyder, 2019; Sugiyono, 2021).

The majority of the research data, 15 scientific journal articles, focused on the assets of the local government. The articles had to be on the topic, as well as the regulation-related and PSAP 07, Permendagri Number 19 of 2016, and Permendagri Number 7 of 2024 regulations. The articles were used in the documentation study. A descriptive qualitative method was used, and in this case the stages involved are: identification and selection of the journal articles, mapping the articles according to the regulating focus, the principal or main issues, the system and human resource barriers, and the conclusions of the various studies, constructing a comparative study tabulation; and synthesis of the results to discern patterns and the degree to which management of the fixed assets complied with the governing regulations (Creswell, 2018).

A. Human Capital Theory

Human Capital Theory states that the phenomena of knowledge, skills, and competencies, as well as the experience of the human resources (HR), act as a form of capital and directly affect the performance of the organisation. The organisation's performance and productivity are functions of HR's training, education, and competency development. In the local government context, the theory of human capital is applicable as the success of fixed asset management is determined by HR's understanding of the regulations, recording and managing of the asset, and operating the asset management system. HR who are competent and

equipped with the necessary knowledge, skills, and competencies will be able to manage fixed assets effectively and accountably within the applicable legal and regulatory framework. In contrast, the limited competencies of human resources will lead to undesirable problems such as recording errors, unattainable assets, and poor asset control.

B. Agency Theory

The social and central government, acting as principals, delegate authority concerning the management of fixed assets to the local government as their agents. This type of principal-agent relationship can lead to transparency issues, under-supervision, and inconsistent recording/reporting of fixed assets (losing track of the assets) because of the divergent interests and information gaps between the principal and agents. In the management of local government fixed assets, Agency Theory is used to explain the significance of internal control, supervision, and responsibility to mitigate the impact of irregularities on the management of local government fixed assets. An effective and accountable reporting system is likely to decrease the information gap between local governments as asset managers and the community as stakeholders.

C. Information Systems Success Model

According to DeLone and McLean's Information System Success Model, a system is said to be successful based on its system quality, information quality, service quality, use, and user satisfaction which ultimately influences organisational performance. Information systems like SIMDA BMD or SIPD, as part of fixed asset management systems, are essential tools for recording and reporting the management of assets. Thus, the quality of an asset management information system will determine the extent to which the system affects asset data, ease of use by staff, and the quality of reports on local government fixed assets.

D. Regulatory Theory in Local Government Fixed Asset Management

Local governments' control of fixed assets is specifically dictated by the rules governing state/local assets. From the viewpoint of Institution Theory, public entities restructure themselves, their policies, and their management processes to comply with formal rules, accepted norms, and overall institutional pressures to gain and sustain their institutional legitimacy. In terms of local government, this type of regulation is evident in many laws and regulations related to the control of fixed assets (e.g. Government Regulations, ministerial regulations, and Government Accounting Standards).

The management of regulations related to fixed assets can be explained through Regulatory Compliance Theory, which stipulates that organisations will navigate themselves within the confines of regulations only if the rules are clear, if the regulations are specific, and if there is an effective monitoring and sanctioning system in

place. In the control of local government fixed assets, regulation-related management is the foundation for administrative order, legal certainty with respect to ownership of the assets, and the reliability of the information pertaining to the assets reflected in the financial statement of the local government.

Furthermore, through the lens of Legitimacy Theory, it can be argued that local governments are motivated to control fixed assets in order to demonstrate to the public and stakeholders that they can be held accountable.

Performance audits and evaluations by external monitoring entities create a context in which maintaining the public's trust and gaining social approval through regulatory compliance becomes relevant to the asset management field.

E. Government Fixed Assets and PSAP 07

In the context of government operations, fixed assets refer to tangible assets that have a useful life that exceeds 12 months. These assets can also be utilised by the public. As per PSAP 07, some of the examples of fixed assets can include, but are not limited to, land, equipment and machinery, buildings and structures, roads and irrigation networks, other construction-related assets, and construction in progress (Government Accounting Standards Committee, 2010). Recognition of fixed assets in PSAP 07 is based on its useful life, the assessability of the acquisition cost, and its intended purpose, i.e., the asset is not for sale and is intended for use. In order to provide a reliable presentation of government financial statements, fixed assets have to be measured based on acquisition cost or fair value and are subject to depreciation during the course of its useful life, with the exception of land (P. R. Indonesia, 2010).

F. Ministry of Home Affairs Regulation No. 19 of 2016

The in depth frameworks for local government fixed asset management provided by Ministry of Home Affairs Regulation No. 19 of 2016 about Guidelines for the Management of Regional Property (BMD) states that, for the purpose of these guidelines, "fixed assets" refer to items such as machinery and equipment; land; buildings and other structures; roads; and other items that have a lifespan of more than 12 months and were acquired through the Regional Budget (APBD) or other legal means, as well as instruments, and depreciation, which include, but are not limited to, land and land improvements, buildings and structures, equipment and machinery, roads, other infrastructure (water, sewer, etc.), and other related fixed assets.

The regulation in question is about the management of fixed assets in regards to the planning of budgetary allocations, procurement, regulation, use, delegation of said assets, maintenance, securing the assets, the management destruction. Not to mention, the management of regional assets and accountable of the administration of the assets, the management of the assets and the security of the assets, the regional assets and the management of the assets, the regional assets and the management of the assets, the management of the assets, the region and the management of the assets. (Ministry of Home Affairs of the Republic of Indonesia, 2016).

G. Ministry of Home Affairs Regulation No.7 of 2024

Ministry of Home Affairs Regulation Number 7 of 2024 is an update to the Ministry of Home Affairs Regulation Number 19 of 2016 amending the Guidelines for the Management of Regional Property (BMD). These amendments further strengthen the provisions on the management of BMD fixed assets, specifically, the tangible BMD with a useful life of more than 12 months, i.e. land, equipment and machinery, buildings and structures, roads and related fixed assets, and other assets acquired from the Regional Budget (APBD) or from other legal means. The Regulation encompasses management functions of planning and possession of the BMD: RKBMD (BMD planning) procurement, maintenance of management, administrative use (utilisation), transfer, disposal, legal (Documentation) of it (land, buildings, and structures or substitute documents such as statements, deed of sale and purchase), revaluation of the balance sheet, to imposition of the (sale, grant, exchange, capital participation) destruction, administrative disposal, and control. Regional heads are empowered to formulate and implement policy of security and maintenance, designate officers for the management of assets, and sanction the administrative disposal of fixed assets. The primary SKPD task of the regional head takes precedence over privatisation, and the control of the assets from serving the purpose of collateral to the public is banned (Ministry of Home Affairs of the Republic of Indonesia, 2024).

III. RESULTS AND DISCUSSION

A. Result Previous Research

This section provides a synthesis of the findings from earlier studies forming the foundation of the literature review analysis and the study's progress in different areas pertaining to the management of the government controlled fixed assets. This synthesis sought to establish the similarities and differences and discern any emerging patterns in the findings on the management of government-controlled fixed assets at the local level.

Table 1. Previous research

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges
1	(Fitri & Kusu mastuti, 2024) Cima hi City	Local authorities remain executive of Perme ndagri No. 19 of 2016, partic ularly concer ning invent the record ing reporti ng of assets, but have yet to utilise regula tion as a tool to manag e and unify the contro l of asset data across	The techni cal prowe ss of asset manag ement asset manag ement asset manag ement remain ed and not based particu larly with regard to recordi ng invent the record ing reporti ng of assets, but have yet to utilise regula tion as a tool to manag e and unify the contro l of asset data across	The asset manag ement syste m is still admin istrati vely orient ed and not based on a compr ehensi ve asset cycle. The invent ory, admin istrati on, and KIB, which leads to a lack of consist ency in the proces ses of regula tion as input a tool to updati ng in manag e and unify the system contro l of asset data across	Unwar ranted Empha sis on Regula tion, Human Resour ces, and Manag ement System s.			the OPDs.			between physic al and admin istrati ve asset data.
2	(Suha rsono et al., 2024) Probo linggo City	The current regulation primarily adheres to compl iance with the invent ory, admin istrati on, and KIB, which leads to a lack of consist ency in the proces ses of regula tion as input a tool to updati ng in manag e and unify the system contro l of asset data across	The deficie ncies in officia l unders tandin g regard ing asset write-offs of the record ing of assets, with limite d unders tandin g of the record	The deficie ncies in officia l unders tandin g regard ing asset write-offs of the record ing of assets, with limite d unders tandin g of the record	Currently, the asset manag ement syste m lacks the ability to includ e a period ic evalua tion syste m to deter mine the condit ion of assets. Moreo ver, asset write-off proced ures are not integr ated with the compa						

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion	
3	(Sholikhah, 2025) Tulungagung City	Although regulations issued as guidelines, their enforcement results is a matter for individual dual asset managers, which leads to the inconsistent enforcement	The frequent turnover of employees in the industry, and which experience leads to the inconsistent enforcement of asset	Currently, the asset management system is poor for continuity of the knowledge and experience of the company's management.	Inappropriate Focus on the Human Resource System.	4	(Fauziah et al., 2023) Bandung City	The region government has implemented a system of assessment for the company's management.	High staff workload and tasks hampered the implementation of the system.	The cross OPD asset management system has a high level of inconsistency.	The cross OPD asset management system has a high level of inconsistency.	The cross OPD asset management system has a high level of inconsistency.

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges
5	(Kastilong et al., 2025) North Sulawesi Province	Regulation is not undersood	The Data Management System (DMS) admin istrative obligations, but as guidel ines for overall asset management, includ	The asset management system has been (DMS) structured, reliable, and reporti ng with the assets. The optim ally managed region al assets.	Focus on Management System. Alignment with the reporti ng system, and suppor ts reliability.	6	Altho ugh the implementation of the Home Affairs of OPD Number 7 of 2024 has begun to be adopted, it is still under stood that the norm ative and has yet to be fully integr ated with the assets. Alignment with the reporti ng system, and suppor ts reliability.	Regulation of the Ministry of the Interior, OPD Home Affairs, and the 2024 has begun to be adopted, it is still under stood that the norm ative and has yet to be fully integr ated with the assets. Alignment with the reporti ng system, and suppor ts reliability.	Weak coordination across OPD Home Affairs, and the 2024 has begun to be adopted, it is still under stood that the norm ative and has yet to be fully integr ated with the assets. Alignment with the reporti ng system, and suppor ts reliability.	Information on utility based asset removal based on utility value.	Regulation Focus, Human Resources, and System Management. Not Aligned.
		regional government agency assets, but the regulation has not been fully translated into an integrated coordinated nation and control mechanism.	agencies. integration of asset information system is not yet fully effective, and as such, the coordination and control of assets are still challenged.	Challen ged.	ing planning, custody, and reporting.					tation of fixed assets in the regional financial statements.	

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges
7	based on their utility value.	asset disposals.				8	(Rohmah & Husnurrosyidah, 2020)	Regulation & focus on asset management	Optimisation of asset utilisation is still limited to the hindered record keeping and the limitation of reporting of assets internally while the supervision and maintenance aspect has yet to be integrated.	The asset management system still focuses on the archiving of the internal assets while the supervision and maintenance aspect has yet to be integrated.	Focus on the regulation, management, and human resources, and the management system misaligned.
		The focus of regulation is still predominant in the record keeping of asset administration of the ministry of home affairs.	The lack of understanding of the legal protection of assets, while the region has not been given.	Weak Legal Protection of Assets	Focus on the protection of assets, such as certification and legal recording.						

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges
9	(Kurniawan, 2021) Jepara Regency	The accuracy of the asset management system in the region is still low, so the condition of the assets is not monitored periodically.	The lack of training for the officials in asset management is still low, so the condition of the assets is not monitored periodically.	Asset management is still done manually and has limitations in terms of financial information system.	Focus on Asset Management System is still not yet been integrated with the region	Regulations, HR, and Management System Out of Alignment.	partial and varying regulations across the OPD.	organisations (OPD) and complete source documentation. This affects the reliability of regional asset data, which remains low.			
10	(Labsido & Darwani, 2019) Aceh Province Ministry of Home Affairs	Contractible asset management goals in the Ministry of Home Affairs among the OPDs	The uneven capacity of asset management system in the region is still not yet supported by the government.	There are still shortcoming in the asset management system, and Misali gnment.	Regulation, Human Resources, and Management System Misali gnment.	11 (Kurniawan Irvandi, 2021) Kuantan Singing Rege ncy	Regulations are unders tood as admin istrative results in the system is still manua l and has not been integr ated with the region al financial	Insufficient training for the asset administration results in the system is still manua l and has not been integr ated with the region al financial	Until now, the asset administration results in the system is still manua l and has not been integr ated with the region al financial	Focus Regulation, Human Resources, and Management System Misali gnment.	

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System	Conclusion Challenges
12	(Reghina Elvhiara Khan sa, 2024) City of Pale mban g	PSAP 07 is used as a basis for structuring assets, but it has not yet been strongly linked to the latest regulations on the management of regional assets.	Accountancy person as a shortcoming of the asset management system, which impedes consistency and applicability of asset depreciation linked to the latest regulations on the management of regional assets.	The asset depreciation system has not yet been uniformly applied and integrated within the regional asset management system.	Focus on Regulations, Human Resources, and Management System. Information system.	14	(Implementation of PSAP et al., 2025) Soron g KPP N	There is a strong focus of PSAP regulation on suboptimal asset management.	High workload causes suboptimal asset management.	The integration of the asset reporting system with the financial and accounting system is not yet complete.	Regulation, Human Resources, and Management System Misaligment.
13	(Muhamarram et al., 2025) Kalok a Rege ncy	Regulation intelle ctual focus that is still admin istrative and ve and has yet to address aspect s of asset securit y	If intelle ctual focus has a focus on asset crimes and state eviden ce do not recur, asset manag ement officia ls must be	The asset security system has not been managed and aligned with the regional asset management system.	Focus regulations, human resources, and management system.	15	(Agus tin & Tarig an, 2022) North Sumatra Province	Regulations is still suboptimal. Asset management unders tood that human resources still have due to the	Asset management indicates that human resources still have competency.	Asset management systems that have fully integrated with information management.	The focus is not aligned regarding regulations, human resources, and management systems, and management.

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion
		lack of digital system support.	limitations.	ation technology, and the management mechanisms are still manual.	management systems. The challenges surrounding local asset management are exemplified in Poso Regency, where officials' understanding of the legal protections surrounding assets is deficient, leading to a suboptimal safeguarding of local assets, and in Aceh Province, where the imbalance of management capacity among the asset management human resources results in systemic gaps in the application of the management system. On the other hand, experience is also a crucial element, such as in the case of Sumenep Regency, which has experienced poor inter-Organisasi Perangkat Daerah (OPD) coordination in the implementation of a value-based asset disposal system, and in Pati Regency, which has been constrained by the inadequacy of internally-focused supervisory human resources, thereby restricting the optimal utilisation of regional assets (Dan et al., 2025; Galib Lahada, 2021; Labasido & Darwanis, 2019).

B. Discussion

1. Fixed Asset Management System in Local Government

The Probolinggo and Bandung City and Tulungagung Regency asset management systems show distinct weaknesses that negatively impact both the reliability of the data and the effectiveness of the management of the assets. The system appears to still be focused administratively and is not entirely based on a cycle of comprehensive assets. Inventory, administration, and regional reporting/financing systems are unintegrated, leading to a frequent incongruence between records on the administration side and the actual physical assets. Additionally, the asset conditions evaluation system is not yet optimally designed and the management system does not fully consider asset disposal, resulting in poor-condition assets still being listed/recorded as active. Despite the system being designed with consideration to the regional asset management cycle, the reliability of the system continues to be adversely affected by the lack of cohesive data inventory and update implementation across OPDs (Fauziah et al., 2023; Sholikhah, 2025; Suharsono et al., 2024).

While the asset management systems of Cimahi City and North Sulawesi Province exhibit different conditions, the most notable is the level of complexity regarding cross-OPD asset management and the number and distribution of assets. This complexity is not fully balanced by the integration of any optimum asset information system, meaning that the

management, coordination, and control of assets still face several challenges. The management control systems, on the other hand, have been integrated with the financial reporting systems, therefore providing reliable information about the local government's fixed assets. This indicates that the management systems, although faced with several challenges, are developing capabilities to reinforce systems integration, in order to improve the consistency of operational execution and reliability regarding the regional asset information systems data (Fitri & Kusumastuti, 2024; Kastilong et al., 2025; Sholikhah, 2025).

2. The Influence of Human Resources on Local Government Asset Management

The challenges surrounding local asset management are exemplified in Poso Regency, where officials' understanding of the legal protections surrounding assets is deficient, leading to a suboptimal safeguarding of local assets, and in Aceh Province, where the imbalance of management capacity among the asset management human resources results in systemic gaps in the application of the management system. On the other hand, experience is also a crucial element, such as in the case of Sumenep Regency, which has experienced poor inter-Organisasi Perangkat Daerah (OPD) coordination in the implementation of a value-based asset disposal system, and in Pati Regency, which has been constrained by the inadequacy of internally-focused supervisory human resources, thereby restricting the optimal utilisation of regional assets (Dan et al., 2025; Galib Lahada, 2021; Labasido & Darwanis, 2019).

The absence of motivation also has a negative impact on the management of assets, as in the case of Jepara Regency, where the low level of diligence of the staff with regard to asset management has led to a situation where assets are not monitored and maintained on a regular basis. All in all, human resource limitations in regional asset management are not only a matter of the level of technical knowledge and experience, but also of the lack of motivation to work and the level of commitment of the staff to carry out asset management tasks in a consistent and responsible manner (Kurniawan, 2021).

3. Impact of Regulatory Changes from Permendagri No. 7 of 2024 to Permendagri No. 19 of 2016

Changing regulations regarding regional government property from Permendagri No. 19 of 2016 to Permendagri No. 7 of 2024 have impacted the management of local government fixed assets in Indonesia. From a synthesis of 15 various studies regarding the municipal governments of regional Cimahi, Probolinggo, Bandung, Palembang, Tulungagung Regency, Jepara, Pati, Poso, and Sumenep, and the provincial governments of North Sulawesi and Aceh, there has been a "paradigm shift" regarding the municipalities' management and

governance of local government's migrant assets and other fixed assets, leaving in the past a merely administrative approach to the regional integration control, utilisation, and prospective securing of assets to the local financing system. The new regulations require improvement in the quality of inventory, asset valuation, disposal of unproductive assets, and the strengthening of legal protection to the assets, but the level of these requirements varies from region to region. Local governments with better institutional and human resource capacity tend to adapt and improve consistency between their administrative record and financial reporting (Agustin & Tarigan, 2022; Kurniawan Irvandi, 2021; Muhamram et al., 2025).

At the same time, the regions that continue to have shortcomings in human resources as well as asset information systems are adapting even more slowly. These findings prove that the effectiveness of Permendagri No. 7 of 2024 is not only a matter of the substance of the regulation but also how far the institution is prepared, as well as the determination of local governments to improve the management of accountable and sustainable assets. Thus, it can be said that in terms of policy, the focus should be more on sustainable frameworks to support the already existing (rather than superfluous) regulations which could be counterproductive in terms of widening the gap between the informal and formal practices. Regulatory certainty will allow local governments the flexibility to develop a systematic and sustainable, focused and integrated system of asset management on control and optimisation of the regional asset value (Application of PSAP et al., 2025; Reghina Elvhira Khansa, 2024).

IV. CONCLUSION

The administrative orientation of local governments in managing their fixed assets is not yet more integrated with local financial systems, and is still inconsistent with regard to the systems of inventory, updating of data, disposal and control of assets, although in some areas the system is beginning to be structured. The constraints in asset management are attributed to inadequate understanding, varied levels of experience, and inconsistent motivation and perseverance of the local government officials. This adversely affects the reliability of the data, the efficiency of the oversight, and the level of security of the assets at the regions. The gap resulting from the policy shift from Permendagri 19 of 2016 to Permendagri 7 of 2024, which demands more integrated and accountable governance, is still apparent in varying degrees of the operationalization of the policy across

regions. This is a result of differing levels of institutional preparedness, administrative systems, and human resource competencies.

V. RECOMMENDATIONS

Governments should improve the integration of asset management systems through digitisation, harmonisation of administrative and physical data, strengthening of mechanisms for periodic inventory, and the structuring of more efficient systems for the control and disposal of assets. It is imperative to solidify the human resource aspect through the provision of ongoing technical training and the strengthening of asset managers, along with a more equitable distribution of tasks and the strengthening of motivation and discipline among civil servants, so that asset management becomes more systematic and responsible. Local governments should improve the state of preparedness and compliance regarding the implementation of regulation by providing a solid understanding of the Permendagri 7 of 2024, fostering the cross-OPD partnerships, and focusing on the stability of the policies so that the process of adaptation to the regulation becomes effective and focused on sustainability.

VI. REFERENCES

Agustin, L., & Tarigan, A. A. (2022). Analisis Pengelolaan Aset Daerah Pada Badan Pengelolaan Keuangan Dan Aset Daerah (BPKAD) Provinsi Sumatera Utara. *VISA: Journal of Vision and Ideas*, 3(1), 1–18. <https://doi.org/10.47467/visa.v3i1.1204>

Creswell, J. W. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage Publications.

Dan, K., Daerah, A., & Kabupaten, B. (2025). 3 1,2,3, 4(6), 1365–1378.

Devita, M., Aslami, N., Manajemen, P. S., Islam, U., Sumatera, N., Daerah, P., & Labuhanbatu, K. (2022). Daerah Kabupaten. 1(11), 144–149.

Fauziah, N. N., Zakaria, S., & Yunita, D. (2023). Analisis Pengelolaan Aset Tetap (Barang Milik Daerah) pada Dinas Pendidikan Kota Bandung Tahun 2021. *Jurnal Administrasi Pemerintahan (Janitra)*, 3(2), 368–377.

Fitri, A. N., & Kusumastuti, E. D. (2024). Analisis Penerapan Permendagri 47/2021 Terhadap Aset Tetap Tanah, Peralatan dan Mesin di Kota Cimahi. *Indonesian Accounting Research Journal*, 4(2), 164–178.

Galib Lahada. (2021). Sistem pengelolaan barang milik daerah terhadap pengamanan aset daerah pada Badan Pengelolaan Keuangan & Aset Daerah (BPKAD) Kabupaten Poso. *Jurnal Ilmiah Administrasi*, 16(1), 34–42.

Indonesia, B. P. K. R. (2022). *Ikhtisar Hasil Pemeriksaan Semester (IHPS)*. BPK RI.

Indonesia, P. R. (2010). PSAP 07: Pengelolaan Aset Tetap Pemerintah. Pemerintah Republik Indonesia.

Kastilong, V. G., Afandi, D., & Latjandu, L. D. (2025). Analisis perencanaan, penggunaan dan penatausahaan aset tetap pada Dinas Perindustrian dan Perdagangan Provinsi Sulawesi Utara. Riset Akuntansi Dan Portofolio Investasi, 3(2), 491–500. <https://doi.org/10.58784/rapi.378>

Kementerian Dalam Negeri Republik Indonesia. (2016). Peraturan Menteri Dalam Negeri Nomor 19 Tahun 2016 tentang Pedoman Pengelolaan Barang Milik Daerah.

Kementerian Dalam Negeri Republik Indonesia. (2024). Peraturan Menteri Dalam Negeri Nomor 7 Tahun 2024 tentang Perubahan atas Permendagri Nomor 19 Tahun 2016 tentang Pedoman Pengelolaan Barang Milik Daerah.

Kurniawan, I. (2021). Analisis Pengelolaan Aset Tetap pada Badan Pengelolaan Keuangan dan Aset Daerah Kabupaten Kuantan Singingi. *Juhan Perak*, 2(1), 229–239.

Kurniawan Irvandi. (2021). . Analisis Pengelolaan Aset Tetap pada Badan Pengelolaan Keuangan dan Aset Daerah Kabupaten Kuantan Singingi Teluk Kuantan. *Juhan Perak*, 2(1), 229–239.

Labasido, E. R., & Darwanis. (2019). Analisis pengelolaan aset tetap daerah pada Dinas Pengelolaan Keuangan dan Aset Daerah (DPKAD) Provinsi Aceh. *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, 4(2), 215–236.

Muharram, A. I., . N., Pracita, S., & Sahlan, F. (2025). Analisis Pengelolaan Aset Tetap Pada Badan Pendapatan Daerah (BAPENDA) Kabupaten Kolaka. *Jurnal Ekonomi Manajemen Dan Bisnis (JEMB)*, 3(2), 333–342. <https://doi.org/10.47233/jemb.v3i2.2487>

Penerapan PSAP, A., Akuntansi Aset Tetap Pada Kantor Pelayanan Perbendaharaan Negara Sorong, T., & Fitri Ramadanty, D. (2025). Analisis Penerapan Psap 07 Tentang Akuntansi Aset Tetap Pada Kantor Pelayanan Perbendaharaan Negara Sorong. *Journal of Accounting Taxing and Auditing (JATA)*, 6(1), 18.

Reghina Elvhira Khansa. (2024). Penerapan PSAP 07 tentang Aset Tetap pada Badan Pengelolaan Keuangan dan Aset Daerah Kota Palembang. Al-Kharaj: *Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(4), 4473–4482. <https://doi.org/10.47467/alkharaj.v6i4.984>

Rohmah, S. N. M., & Husnurrosyidah. (2020). Analisis Pengelolaan Aset Tetap Daerah Pada Badan Pengelolaan Keuangan Dan Aset Daerah (Bpkad) Kabupaten Pati. *Jurnal Akuntansi Bisnis Pelita Bangsa*-Vol 6 No. 2 – Desember 2021 Pengaruh, 5(2), 130–152.

Sholikhah, N. I. (2025). Inventarisasi Aset Tetap oleh Badan Pengelolaan Keuangan dan Aset Daerah (BPKAD) Kabupaten Tulungagung. *Permana: Jurnal Perpajakan, Manajemen, Dan Akuntansi*, 17(3), 1472–1481.

Snyder, H. (2019). Literature Review: A Practical Guide for Researchers. *Journal of Research Methods*, 7(3). <https://doi.org/10.1177/9781412923982>

Sugiyono. (2021). Metode Penelitian Kualitatif. *Jurnal Metode Penelitian*, 15(2).

Suharsono, J., Hasanah, I. U., Koeshardjono, R. H., Fithrianto, M. N., & Andrianata, M. (2024). Perlakuan Akuntansi Aset Tetap Sesuai PP 71/2010 dan PSAP 07 pada Pemerintah Daerah Kota Probolinggo. *Jurnal Ekonomi Bisnis, Manajemen Dan Akuntansi (JEBMA)*, 4(3), 1267–1280. <https://doi.org/10.47709/jebma.v4i3.4325>