

# Analysis of Fixed Asset Management by Indonesian Local Governments

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## 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 Challenges	Conclusion
1	(Fitri & Kustumastuti, 2024) Cimaahi City	Local authorities remain focused on the administrative execution of Permenagri No. 19 of 2016, particularly concerning the recording and reporting of assets, but have yet to utilise the regulation as a tool to manage and unify the control of asset data across	The technical prowess of asset management personnel remains constrained, particularly with regard to recording inventories and KIB, which leads to a lack of consistency in the processes of data input and updating in management systems.	The asset management system is still administratively oriented and not based on a comprehensive asset cycle. The inventory, administration, and reporting processes are not yet integrated with the regional financial system, resulting in discrepancies	Unwaranted Emphasis on Regulation, Human Resources, and Management Systems.
2	(Suhaersono et al., 2024) Probolinggo City	The current regulation primarily adheres to compliance with the Minister of Home Affairs Regulations No. 19 of 2016, particularly concerning the recording of assets, with limited understanding of the record	The deficiencies in official unders tanding regarding asset write-offs hinder the orderly implementation of procedures for write-offs based on useful life.	between physical and administrative asset data. Currently, the asset management system lacks the ability to include a periodic evaluation system to determine the condition of assets. Moreover, asset write-off procedures are not integrated with the compa	Inappropriate Focus on Regulation, Human Resources, and Management Systems.

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion
		ing of assets and write-offs within the cycle of asset management.		ny's monitoring system, which means that assets that are severely damaged are still considered to be active assets.				of Home Affairs Ministerial Regulation No. 19 of 2016.	systems.	m does not integrate asset write-offs, so, in the case of severely damaged assets, these are still classified as active.	
3	(Sholikhah, 2025) Tulungagung City	Although regulations are issued as guidelines, their enforcement is a matter for individual asset managers, which leads to the inconsistent enforcement	The frequent turnover of employees in asset management results in poor continuity of the knowledge and experience in the functioning of asset	Currently, the asset management system does not include a way to assess asset condition on a periodic basis. The company's monitoring system	Inappropriate Focus on Regulation, Human Resources, and Management Systems.	4	(Fauziah et al., 2023) Bandung City	The regional government has implemented Minister of Home Affairs Regulation No. 19 of 2016 as the basis for managing cross-	High staff workload and uneven distribution of tasks hamper the effectiveness of asset management across regional government	The cross OPD asset management system has a high level of complexity in relation to the large number and distribution of assets. The	Control focus, human resources, and the management system are inconsistent.



No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion
		regional government agency assets, but the regulation has not been fully translated into an integrated coordination and control mechanism.	agencies.	integration of asset information systems is not yet fully effective, and as such, the coordination and control of assets are still challenged.				ing planning, custody, and reporting.		tation of fixed assets in the regional financial statements.	
5	(Kastilong et al., 2025) North Sulawesi Province	Regulation is not understood as an administrative obligation, but as guidelines for overall asset management, including	The Data Management System (DMS) for managing reliable assets.	The asset management system has been structured, integrated with the reporting system, and supports reliable presence	Focus on Management System, HR, and Regulation Alignment.	6	Although the implementation of Permanent Regulation No. 7 of 2024 has started, it is still under normalcy and has yet to be fully internalized as a paradigm shift concerning the removal of assets	Regulation of the Minister of Home Affairs Number 7 of 2024 has begun to be adopted, but it is still understood normatively and has not yet been fully internalized as a paradigm shift for value-reinforced	Weak coordination across OPDs hinders the implementation of value-based utility asset removals.	Information asset systems do not fully cover the procedures for disposal based on utility value and benefit analysis. Therefore, asset disposal still requires adjustments to new regulations.	Regulation Focus, Human Resources, and System Management Not Aligned.

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7	based on their utility value. The focus of regulations is still predominant in the recording of administrative tasks. Permenendagri Number 19 of 2016, while the Ministry of Home Affairs Number 19 of 2016, while the legal protection of the assets has not been given	asset disposals. The focus of the regulation still dominates the recording of administrative aspects of Permenendagri Number 19 of 2016, while the legal protection of assets remains not a priority of the implementation.	The lack of understanding of the law enforcement of asset security apparatus explains the deficiency of asset protection in the region.	Weak Legal Protection of Assets. The asset management system focuses more on administrative recording and has not been integrated with legal protection systems of the assets, such as certification and legal recording.	Focus on Regulation, HR, and Management Systems. Inconsistency.	8	(Rohmah & Husnurrosyidah, 2020) Pati Regency	Regulation focus is still limited to the recording and reporting of assets while the maintenance aspect has yet to be integrated systematically.	Optimization of asset utilization is hindered by the limitations of the internal supervision human resources.	The asset management system still focuses on the archive management and reporting system and has not yet directed itself towards the systems that will use the assets in a productive and economically valuable way.	Focus Regulation, Human Resources, and Management System Misalignment.

No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion
9	(Kurniawan, 2021) Jepar a Rege ncy	The accuracy of the apparatus in asset maintenance is still low, so the condition of the assets is not monitored periodically.	The lack of training for officials results in limitations in understanding the asset management system.	Asset management is still done manually and has not yet been integrated with the regional financial information system.	Focus Regulations, HR, and Management Systems Out of Alignment.			partial and varying regulations across the OPD.		organization (OPD) and complete source documentation. This affects the reliability of regional asset data, which remains low.	
10	(Labasido & Darwanis, 2019) Aceh Province	Controllable asset management goals in the Ministry of Home Affairs Regulations Number 19 of 2016 are still unachieved due to the	The uneven capacity of asset management human resources among the OPDs affects the consistency of system implementation.	There are still shortcomings in the asset management system, as it is not yet supported by integration between regional apparatus	Regulation, Human Resources, and Management System Misalignment.	11	(Kurniawan Irvandi, 2021) Kuantan Singgih Regency	Regulations are understood as administrative constraints without digital system support.	Insufficient training for the apparatus results in the limitation of mastery of the asset management system.	Until now, the asset administration system is still manual and has not been integrated with the regional financial	Focus Regulation, Human Resources, and Management System Misalignment.



No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion	No	Name of Researcher, Year, and Region Studied	Regulatory Focus	Focus on Human Resource Issues	Regional Asset Management System Challenges	Conclusion
12	(Reghin, Elvira, Khan, 2024) City of Palembang	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 personnel shortages impeding consistency in applying asset depreciation.	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 Systems Misalignment.	14	(Implementation of PSAP et al., 2025) Sorong KPP N	There is a strong focus of regulation on compliance with PSAP 07, but the integration with regional asset management regulations is still suboptimal.	High workload human resources causes suboptimal asset management.	The integration of the asset reporting system with the finance and accounting system is not yet complete.	Regulation, Human Resources, and Management System Misalignment.
13	(Muharram et al., 2025) Kaloka Regency	Regulation has a focus that is still administrative and has yet to address aspects of asset security	If intellectual crimes and state evidence do not recur, asset management officials must be	The asset security system has not been equipped with adequate controls and monitoring	Focus on regulations, human resources, and management systems are not aligned.	15	(Agustin & Tarigan, 2022) North Sumatra Province	Regulations are understood as administrative rules due to the	Asset management indicates that human resources still have competency	Asset management systems have yet to fully integrate with inform	The focus is not aligned regarding regulations, human resources, and manag

No	Name of Research, 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.	ement system.

## 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; Muharram 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.

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