

## IMPLEMENTATION OF REMOVAL OF HEAVY DAMAGED REGIONAL GOODS IN DIY EDUCATION AND TRAINING AGENCY



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### Abstract

Implementation of Elimination of Heavily Damaged Area Property at the DIY Education and Training Agency. This research aims to determine the implementation of the elimination of heavily damaged BMD at the DIY Education and Training Agency based on Ministry of Home Affairs Regulation No. 19 of 2016. The process for eliminating BMD is based on Permendagri No. 19 of 2016 changed the mechanism when compared to the previous regulation. Based on research results, it shows that the process of eliminating BMD is seriously damaged at the DIY Education and Training Agency, its implementation is still focused on the DIY Financial and Asset Management Agency (BPKAD) as the leading sector for BMD management. The main obstacles that become obstacles are the incomplete documentation and the physical obscurity of the goods proposed for disposal. This was caused by several things, namely the grant process in the past which was not accompanied by documentation, inadequate supervision of heavily damaged BMD, inadequate Human Resources (HR), and the absence of Standard Operating Procedures (SOP) regarding the removal of BMD.

**Keywords:** BMD Heavily Damaged, Deletion, Management of BMD

## INTRODUCTION

Based on Government Accounting Standards (2010), assets are economic resources controlled and/or owned by the government as a result of past events and from which future economic and/or social benefits are expected to be obtained, both by the government and society, as well as can be measured in monetary units, including non-financial resources required for the provision of services to the general public and resources maintained for historical and cultural reasons.

Regional Government assets are an important element in the administration of government and services to the community. Assets are one of the pillars of income generation for the Regional Government. Therefore, Regional Governments need to manage regional assets well. In managing regional assets, regional governments must consider various aspects ranging from needs planning, procurement, administration, utilization, maintenance, and security to supervision so that regional assets can provide optimal contributions to the regional government concerned. Since 2013, the Regional Government of the Special Region of Yogyakarta has received the title of Fair Without Exception (WTP).

Unqualified Opinion (WTP) or Unqualified Opinion means that the Financial Report (LK) has been presented fairly in all material respects, financial position (balance sheet), business results or Budget Realization Report (LRA), Cash Flow Report, following accounting principles which are generally accepted. The explanation of the financial statements has also been presented adequately, and informatively and does not give rise to misleading interpretations. Fair means that the Financial Report is free from doubt and dishonesty and the information is complete. The definition of fair is not only limited to the amounts and accuracy of the classification of assets and liabilities but most importantly includes the disclosures contained in the Financial Statements. Unqualified (WTP) BPK in providing opinions is based on Government Accounting Standards (SAP) as regulated in Government Regulation (PP) Number 24 of 2005. given by the examiner, if: a) There are no restrictions on the scope of the audit so that the auditor can apply all audit procedures deemed necessary to ensure the fairness of the Financial Statements, or there is a limitation on the scope of the inspection but it is not material and can be overcome by alternative inspection procedures; b) There is no pressure from other parties on the examiner; c) There are no deviations from accounting standards or there are deviations from accounting standards but they are not material.

Implementation of accrual-based Government Accounting Standards (SAP) in regional governments through PP No. 71 of 2011 and Minister of Home Affairs Regulation No. 64 of 2013 indirectly mandates that BMD management problems must be resolved immediately. According to Langelo, Saerang, & Alexander (2015), the purpose of issuing this regulation is to produce a reliable financial report that can be used as a basis for decision-making where the central/regional government is required to report financial statements to create accountability and transparency in financial management. Therefore, orderly management of BMD in Regional Governments is very important so that the value of accountability and transparency in regional government financial management can be achieved optimally. The problems with BMD management include the existence of fixed assets being unknown or controlled by another party, not being supported by proof of ownership, deletion, and depreciation not following the provisions. Of these problems, the problem of deletion must be resolved quickly. This was also stated by Hamdani (2015) that one of the critical points in managing BMD (fixed assets) in the framework of accrual-based accounting is the elimination of BMD that has been badly damaged and does not function in SKPD operations.

For Regional Government Financial Reports (LKPD) to obtain an Unqualified Opinion from BPK RI, Regional Governments must implement a strong internal control system to ensure the desired process and results of activities are achieved, by assessing risks and selecting governance methods. right. A good system can ensure that the process can be controlled and the results of activities can be obtained which can increase the usefulness and reliability of both financial and non-financial information.

This research aims to evaluate HR performance in asset management at the DIY Education and Training Agency. Good governance is a basic principle that must be implemented. Implementation of regional autonomy through Law (UU) No. 32 of 2004 which was later amended by Law No. 23 of 2014 concerning Regional Government coupled with the principles of Good Government Governance which have always been echoed recently can be considered as one of the efforts to improve government governance. The era of regional autonomy requires regional governments to explore new sources of regional income independently. Batubara (2006) stated that one of the points that characterizes the implementation of Good Governance is Efficiency and Effectiveness where the management of public resources is carried out efficiently and effectively. Efforts to increase efficiency in regional government financial management

can be made by optimizing the management of regional property. The issuance of Government Regulation No. 6 of 2006 concerning the Management of State/Regional Property which was then followed by Permendagri No. 17 of 2007 as Technical Guidelines for Management of Regional Property can be said to be the initial milestone for orderly management of regional property (BMD) in the era of regional autonomy.

Within the framework of regional autonomy, the role of BMD management is very vital because it requires careful planning starting from planning procurement, and utilization, to deletion (Shabrina, 2014). The orderly implementation of BMD management still leaves several problems. Several problems related to fixed asset management, especially in developing countries, include fragmented public asset management with overlapping authority, economic inefficiency of public assets, information about assets that is not comprehensive, and transparency and accountability in asset management that is still lacking (Hariyono, 2007).

## **REVIEW OF LITERATURE**

### **Asset Removal**

Regionally Owned Goods are all goods purchased or obtained at the expense of the APBD or originating from other legitimate acquisitions. In its implementation, management of Regional Property includes planning needs and budgeting, procurement, receipt, storage and distribution, use, administration, utilization, security and maintenance, assessment, deletion, transfer, guidance, supervision and control, financing, and compensation claims. Management of Regional Property is carried out based on functional principles, legal certainty, transparency and openness, efficiency, accountability, and certainty of value.

Removal is the act of removing Regionally Owned Goods from the list of goods by issuing a decision letter from the authorized official to free the user and/or proxy of the goods user and/or goods manager from administrative and physical responsibility for the goods under their control. Meanwhile, the transfer is the transfer of ownership of regional property as a follow-up to deletion by selling, exchanging, giving away, or including it as government capital. For assets that are old and can no longer be used optimally by the regional government, these assets can be written off, besides that it is economically more profitable for the region if they are written off because the operational and maintenance costs are greater than the benefits obtained. However, in the

implementation of deletions and transfers, there are still deletions and transfers that are not following the applicable mechanisms because the implementation is not based on applicable regulations and can give rise to the possibility of abuse of authority or actions to benefit oneself which will be detrimental to the region.

### **Government Regulation Number 27 of 2014**

Government Regulation Number 27 of 2014 concerning the Management of State/Regional Property is a regulation that is the main reference in the preparation and formation of Regional Regulations on the Management of Regional Property. In the preparation and formation of the Regional Property Management Regional Regulation, as far as possible, matters that have been regulated by this PP no longer need to be rewritten or re-included in the contents of the Regional Regulation. Thus, the matters regulated in the Regional Regulation should be a further elaboration of the material of the PP. Through the provisions of Article 1 point 2, Regional Property is defined as all goods purchased or obtained at the expense of the Regional Revenue and Expenditure Budget or originating from other acquisitions. legitimate. The Governor/Regent/Mayor holds the authority to manage Regional Property and the Regional Secretary is the Manager of Regional Property.

Holders of authority to manage Regional Property and Regional Property Managers have different authorities and responsibilities. The authority and responsibility of holders of authority to manage Regional Property are regulated by Article 5 Paragraph (2), while the authority and responsibility of Regional Property Management managers are regulated by Article 5 Paragraph (4). The head of the regional work unit is the Regional Property User. Its authority and responsibility are regulated by Article 8 Paragraph (2). The status of the use of regional property is determined by the Governor/Regent/Mayor. Determination of Use status is not carried out on Regional Property in the form of inventory items, construction in progress, or goods whose procurement is planned to be donated from the start as well as other Regional Property as further determined by the Governor/Regent/Mayor. The Governor/Regent/Mayor can delegate the determination of the status of use of Regional Property other than land and/or buildings under certain conditions to the Regional Property Manager. Determination of the status of the use of Regional Property is carried out using the following procedures:

- a. Property Users report the Regional Property Goods they receive to the Property

Manager accompanied by a proposal for Use; and b. The property Manager examines reports from Property Users as follows

referred to in letter A and submits a Usage proposal to the Governor/Regent/Mayor to determine its use status. Regional Property whose use status has been assigned to the Property User can be used temporarily by other Property Users within a certain period without having to change the Use status of the Regional Property. After first obtaining approval from the Governor/Regent/Mayor. The status of use of Regional Property can be transferred from Property Users to other Property Users for carrying out duties and functions based on the approval of the Governor/Regent/Mayor. The status of the use of regional property can be transferred.

It is also carried out based on the initiative of the Governor/Regent/Mayor, by first notifying the Property User of the intention.

### **Understanding Assets**

According to Soemarso (2005: 20), fixed assets are assets that have a useful life of more than one year, are used in company activities, are not owned for resale in the company's normal activities, and have a quite large value. According to the Indonesian Accountants Association (IAI) through PSAK No. 16 (Revised 2011) states the definition of fixed assets: "fixed assets are tangible assets that: (a) are owned for use in the production or provision of goods or services for rental to other parties, or administrative purposes; and (b) are expected to be used for more than one period." According to S. Munawir (2010: 139), fixed assets have the meaning: "Fixed assets are tangible assets that have a relatively permanent lifespan (providing benefits to the company for many years owned by and used for daily operations within the framework of normal activities and are not intended

For resale (not merchandise) and the value is relatively material". According to Hery and Widyawati in the book *Medium Financial Accounting* (2011: 2) "fixed assets are assets whose existence can be physically seen and is relatively permanent and has a long useful life." From the definitions above, it can be concluded that fixed assets are assets owned and controlled by the company, used in the company's operational activities which have a useful life of more than one year and are not intended for sale.

**Table 1**  
**Value of Fixed Assets and Other Assets in Education Bodies and DIY Training in 2022**

Description	Mark
<b>FIXED ASSETS</b>	
Land Fixed Assets	42,398,879,815
Land	4,669,200,000
Equipment and Machinery	10,644,333,686.60
Buildings and Structures	24,583,030,699.40
Roads, Networks and Irrigation	1,561,329,979
Library Materials	674,068,450
Construction Under Construction	266,917,000
Accumulated Depreciation of Other Fixed Assets	833,128,300
<b>Total Fixed Assets</b>	<b>43,232,008,115</b>
<b>Other Assets</b>	
Farming tools	450,000
Office and Household Equipment	457,733,000
Studio Tools, Communications and Transmitters	6,172,500
Computer	990,000
Accumulated Depreciation of Other Fixed Assets	180,000
<b>Amount of Other Assets</b>	<b>465,525,500</b>

Source: <https://asetdiy.jogjaprov.go.id/2023/report/rekapinventarissskpd>

## RESEARCH METHOD

### Types of Research

Considering that this research aims to analyze in detail the implementation and process of eliminating regional property (BMD) at the DIY Education and Training Agency, the research method that will be used is a qualitative research method with a case study approach. According to Blaikie (2000), five classifications of case studies can be used, namely: configurative ideographic studies, disciplined comparative studies, heuristic case studies, plausibility probes, and crucial case studies. In this research, the classification of case studies is closer to disciplined comparative studies with a single case (holistic) design. Disciplined comparative studies, as the name suggests, aim to compare the cases studied with theory (Kamayanti, 2016). The case that will be examined in this research is the process of eliminating regional property based on Minister of Home Affairs Regulation No. 19 of 2016. This type of research design uses a single case (holistic) because it uses one unit of analysis, namely BPKAD DIY as the leading sector

in managing regional property. DIY Education and Training Agency with one case object, namely the removal of seriously damaged regional property (BMD).

### **Method of Collecting Data**

Data collection was carried out through semi-structured interviews, participant observation, and documentation. The interview process was carried out with the Secretary of the DIY Education and Training Agency. The data analysis procedure used is an interactive qualitative data analysis model which consists of data reduction, data presentation, and conclusion drawing which are carried out simultaneously.

### **Data Analysis Method**

The data was analyzed using several steps according to the theory of Miles Huberman (2014), namely analyzing the data using three steps, data condensation, presenting the data (data display), and drawing conclusions or verification (conclusion drawing and verification). Data condensation refers to the process of selecting, focusing, simplifying, abstracting, and transforming data.

## **RESULTS AND DISCUSSION**

The presentation of the results of research on the implementation of the elimination of Regional Property (BMD) in seriously damaged conditions at the DIY Education and Training Agency was carried out by comparing them with theory, applicable regulations, and the results of several previous studies. At the DIY Education and Training Agency, BMD with accumulated heavy damage is BMD that was obtained from the beginning until now and has not undergone a deletion process. Carry out data collection, coding/labeling, grouping, and bookkeeping/rations following asset management. All Inventory items in the Asset records are labeled, and donated items are recorded in Assets so it will be easy to identify inventory items

Delegation of authority and responsibility for managing BMD with various problems, one of which is incomplete elimination. BPKAD DIY, through its Assets Division, continues to strive to complete the removal of the heavily damaged BMD. The lack of regulations that technically regulate the removal of heavily damaged BMD is a challenge. The issuance of Minister of Home Affairs Regulation (Permendagri) Number 19 of 2016 as the latest reference in the implementation of BMD management provides new hope in completing activities to remove heavily damaged BMD.

There are fundamental differences between the process for writing off seriously damaged BMD based on Minister of Home Affairs Regulation No. 19 of 2016 with previous regulations. Based on the latest regulations, the process of removing seriously damaged BMD is the final action in the process of transferring or destroying BMD. Meanwhile, according to the previous regulations, the process of deleting BMD is an initial action before the process of transferring or destroying BMD, whether the BMD is seriously damaged or BMD is still in good condition. This is following the elimination of BMD based on Permendagri No. 19 of 2016 presents more realistic stages, especially when it comes to eliminating seriously damaged BMD. The total value of heavily damaged BMD owned by the DIY Education and Training Agency amounting to Rp. 208,832,550, if you refer to the old regulations, approval from the DPRD will be needed to execute all the heavily damaged BMD. Meanwhile, with the new regulations, DPRD approval is required if of the total BMD that is seriously damaged, there is BMD other than land and/or buildings that will be transferred with a value of more than IDR 5 billion after a reassessment is carried out. This shows that there is a reduction in bureaucratic flow in the process of removing heavily damaged BMD so it is hoped that the process will be faster. Based on Permendagri No. 19 of 2016, BPKAD DIY as the leading sector in BMD management carried out stages of eliminating BMD as an effort to overcome the problem of accumulation of heavily damaged BMD.

The initial stage of implementing the BMD Elimination process begins with forming a BMD elimination committee. concerned who submits activity proposals. A deletion committee was formed, as well as a research/examination committee. These tasks include carrying out physical tests by examining the condition of goods submitted for write-off, both in terms of ownership, administration, user, damage, and other data deemed necessary. The next stages that are followed according to the explanation of the

Head of Assets at BPKAD DIY are as follows: a) The DIY Regional Secretary as Property Manager through BPKAD DIY as the BMD management coordinator wrote a letter notifying the BMD removal activities to all SKPD within the DIY Government; b) based on the notification letter, the Head of SKPD as the Property User submitted a Request for Removal of BMD to the Regional Secretary through BPKAD DIY; c) The BMD elimination committee carried out field research, and physical tests as well as sorting out BMD that was estimated to still have economic value and those that no longer had economic value. The results of the field research are included in the Minutes; d) The

estimated BMD still has economic value. The BMD Removal Committee will follow up through the BMD transfer process. The BMD transfer process can take the form of a sale or a grant; e) If the transfer is carried out through a sales/auction mechanism, the BMD assessment process is first carried out to obtain the fair value of the BMD and become the auction limit value. The BMD assessment can be carried out by the State Property and Auction Services Office (KPKNL) as a Government Appraiser or the Public Appraisal Services Office (KJPP) as a public appraiser; f) After the sale/auction process, for BMDs that are successfully sold/auctioned the proceeds are deposited into the regional general treasury account and a BMD Handover Minutes (BAST) is made. Meanwhile, for BMD that is not successfully sold/has no interest in the auction, it will be followed up with a grant mechanism or destruction of the BMD; g) If the transfer is carried out using a grant mechanism, a BMD Grant Text and Handover Minutes (BAST) are prepared; h) The estimated BMD no longer has economic value. The BMD Elimination Committee will follow up with a BMD elimination mechanism. For the destruction of BMD, an official report on the destruction of BMD is made; i) After the process was complete, the DIY Regional Secretary issued a letter The decision to eliminate BMD is based on the BMD Handover Minutes (BAST) if the process is carried out using a transfer mechanism and the BMD Destruction Minutes if the process is carried out using a destruction mechanism; j) Based on the Decree on the Removal of BMD, BMD was removed from the List of Regional Properties. Based on the stages of the DIY Education and Training Agency's BMD removal process which is currently being carried out, the activity of removing heavily damaged BMD is still focused on the Property Manager through BPKAD DIY in its capacity as BMD Administrator. If we refer to the rules, the mechanism used is not deviant. However, if viewed from the perspective of the concept of good governance, this mechanism does not accommodate the principles of effectiveness and efficiency.

The activity of removing heavily damaged BMD still has a top-down character so that the SKPD as the user of the goods is passive and only waits for initiation/orders from BPKAD DIY. The activity implementation time is longer because additional time is needed to collect data on proposals for heavily damaged BMD which will be removed from all SKPD. The results of field data obtained by researchers reveal that the progress of activities to remove heavily damaged BMD is still in the physical testing stage for the heavily damaged BMD that is proposed to be removed.

In Permendagri Number 19 of 2016 as a reference for BMD management, management functions have been separated at the Property Manager and Property User levels. Activities such as the process of transferring BMD, destroying BMD, or writing off BMD are not only carried out at the Property Manager level but can also be carried out at the SKPD/OPD level as Property Users. The BMD write-off activity is separated into 3 (three) parts, namely write-off of management property, write-off of user property, and write-off of regional property. The positive thing that can be obtained if the removal of heavily damaged BMD is carried out at the Property User level is that BPKAD DIY as the BMD management coordinator can provide a priority scale for all SKPD proposals for the removal of heavily damaged BMD. SKPDs that have a lower level of problems can be prioritized first. In this way, the progress of activities to remove heavily damaged BMD can be easily measured and become a performance reference for the BMD removal committee.

## **CONCLUSION**

The conclusion obtained by the researchers was that the implementation of removing heavily damaged BMD at the DIY Education and Training Agency amounted to 50 items worth Rp. 208,523,500 has not been completed completely and is still in the physical testing stage. The BMD deletion process is the final stage of the BMD transfer process or the BMD destruction process as a series of processes. The stages carried out are in line with the stages regulated through Minister of Home Affairs Regulation Number 19 of 2016, however, the implementation is still focused on BPKAD DIY so the physical test stage takes a long time because it is carried out on all proposals for the removal of heavily damaged BMD. In general, the main problems faced are incomplete ownership/acquisition documents and unclear physical characteristics of the BMD that are proposed to be abolished. This problem occurs because of the following things: 1). Past grant processes that were not accompanied by ownership/acquisition documents; 2). Insufficient supervision and security for BMD in seriously damaged conditions; 3). Frequent transfer of SKPD offices; 4). Inadequate Human Resources (HR); and 5). There is no Standard Operating Procedure (SOP) regarding the removal of BMD.

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