

Analysis of the Utilization of Regional Assets in the Context of Optimizing the Fiscal Potential of the Regional Government of East Java Province

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Abstract. This study aims to describe and analyze: How is the appropriate technical management of regional assets based on applicable laws and efforts made by the East Java Provincial Government in managing regional assets to optimize Regional Fiscal Potential. This study uses a qualitative method of the Case Study approach. The data collection techniques used in this study are through observation, interviews and documentation. The data was analyzed using an interactive model analysis developed by Miles and Huberman with three procedures, namely data reduction, data display, and conclusion. The results of the study show that the technical management of regional assets carried out by the East Java Provincial Government in managing regional assets in order to optimize Regional Fiscal Potential includes Technical Utilization of Regional Assets in the form of Leases running in accordance with the rules that have been set, this can be seen from the policies used, namely the Governor of East Java Regulation Number 108 of 2018 concerning the Implementation Regulations of the East Java Province Regional Regulation Number 10 of 2017 concerning Management of Regional Property. Technical Utilization of Regional Assets in the Form of Borrowing and Using Property Based on Article 157 of Permendagri Number 19 of 2016, the Implementation of Borrowing and Use is outlined in the agreement and signed by: a. Borrowers and Governors/Regents/Mayors, for regional property that are in the Goods Manageriii; and b. Borrowers and Goods Managers, for regional property that is in the Goods Users. The technical utilization of regional assets in the form of Build to Hand Over / Build to Hand Over is carried out through a Build to Hand Over Agreement / BOT (Bulit Operate Transfer) covering aspects of Civil Law, Land Law (Agrarian), and Administrative Law. The Utilization of Regional Fixed Assets in the Form of Inventory Infrastructure Provision is carried out through SOPs consisting of four, namely; Issuance of Regional Head Decree on Infrastructure Provision Cooperation (KSPI), Selection and Determination of KSPI Partners, Implementation of KSPI and Termination of KSPI. Efforts made by the East Java Provincial Government in managing regional assets to optimize regional fiscal potential, including identification and inventory of the value and potential of regional assets, assessment of regional assets. Supervision and control of asset utilization, Regional asset management information system.

Keywords: Asset Management, Fiscal Decentralization, Optimization.

1. INTRODUCTION

Regional autonomy, which is inherent in the existence of local government, is also closely related to decentralization. Regional autonomy actually has two sides like currency that cannot be separated, namely political decentralization and fiscal decentralization. This is based on the principle of money follow function where every delegation of government authority has consequences on the budget needed to exercise that authority (Bahl and Linn, 1999).

When the functions of local governments are expanded, given the authority to manage more government affairs, then as a consequence, the budget must be enlarged. If political decentralization is not accompanied by fiscal decentralization, then the function of government will not work. And vice versa, if the budget is enlarged but the authority is small, then the budgeting system becomes inefficient and effective. Fiscal decentralization also means the

delegation of authority in the field of budget receipt and management and financial resources that were previously centralized in the hands of the central government.

Therefore, in addition to the money follow function, namely the allocation of budget disbursement based on the delegation of authority for government affairs which is commonly called the balance fund, fiscal decentralization also provides space for the regions to explore and manage the potential financial resources or wealth in the regions themselves. Muttalib and Khan (1982), in this case, argue that: Strong regional finance is one of the factors in the successful implementation of regional autonomy because with its wealth it will provide freedom to do greater for a government. There is no other aspect for an organization to get a better image from society than its strong or healthy financial position. The poor financial situation for local governments in developing countries is a big obstacle for local governments because autonomy in the financial sector is the backbone of local governments. So it is not surprising that regional finance is an important factor in local government reform.

In the concept of regional autonomy, the government in a region has the opportunity to show its ability and ability to organize the wheels of government and services to the community. In the implementation of regional autonomy, local governments regulate and manage financial resources to finance their regional development and must gradually increase their financial independence. To be able to realize the concept of regional autonomy above, local governments are expected to be able to manage their own assets.

In running the wheel of government, local governments must pay attention to how to manage and optimize their regional assets to increase local revenue. Local governments must also be observant of irregularities and misuse of regional assets and there are still many occurrences to this day that cause losses. This must be overcome by increasing control over the use of regional assets owned. In addition to irregularities, there are also many regional assets that are unemployed, thus increasing the APBD, especially in the burden of maintenance. To overcome this, the government must think about steps on how to optimize its regional assets.

Providing opportunities for regional wealth management in the context of fiscal decentralization is expected for local governments to have greater independence. The local government has gained trust to manage regional wealth. One of the keys to the success of regional economic management is asset management. The importance of appropriate and effective asset management, based on the principle of efficient and effective management, is expected to give strength to the government's ability to finance its regional development which is reflected in the Regional Original Revenue (PAD: *Pendapatan Asli Daerah*).

In an effort to increase local original revenue (PAD) in addition to regional taxes and regional levies (PDRD: *pajak daerah dan retribusi daerah*), the central government encourages local governments to maximize the use of regional assets or known as regional property (BMD: *Barang Milik Daerah*) owned by them. On the other hand, regional assets that are not managed and utilized optimally will waste regional finances through the maintenance of assets that are not proportional to the benefits that can be generated.

According to Government Regulation (PP: *Peraturan Pemerintah*) No. 28 of 2020, regional assets or property are all goods purchased or obtained under the burden of the regional revenue and expenditure budget or derived from other legitimate acquisitions. Regional assets must be maintained, managed, secured and utilized as best as possible, in addition to being a mandate that must be accounted for to the community as, regional assets are also a potential source of regional revenue and can increase Regional Original Revenue. therefore, local governments must be good at managing regional assets or property and are required to improve the regional asset management system by being guided by applicable regulations and laws.

The management cycle of regional property includes planning, procurement, use, utilization, security, maintenance, assessment, transfer, destruction, elimination, and administration. Furthermore, if all laws and regulations related to BMD management have regulated the implementation of BMD management in a complete manner down to technical matters, namely the regional head acting as the power holder as well as the person in charge of all BMD managers. In its implementation, the regional secretary acts as the manager and head of the regional apparatus work unit (SKPD: *satuan kerja perangkat daerah*) as a BMD user.

The form of utilization of regional property in accordance with Permendagri Number 96 of 2016 Article 81 includes several types. Lease is the utilization of regional property (BMD) by other parties within a certain period of time with a cash advance payment. Pinjam Pakai refers to the handover of goods usage between the central government and local governments or between local governments for a specific period without any compensation, and once the period ends, the goods are returned to the manager. Utilization Cooperation involves the use of regional property by other parties for a certain period to increase regional revenue and other sources of financing. Bangun Guna Serah (BSG) or Serah Bangun Guna (BSG) is the utilization of regional property in the form of land by other parties, where they construct buildings and/or facilities, and after completing the construction, the property is handed over for use by the other party within an agreed period. Lastly, Infrastructure Provision Cooperation (KSPI: *Kerjasama Penyediaan Infrastruktur*) is a collaboration between the

government and business entities for infrastructure provision activities in accordance with applicable laws and regulations.

The implementation of regional autonomy has the consequence of increasing the authority of local governments as a result of the delegation of affairs (authority) that was originally carried out by the central government which was then transferred to the regions. One example is the change in authority in terms of managing state assets (government) which was originally handled by the central government, so with regional autonomy, local governments get greater authority to manage state assets (government). These changes include an increase in the amount and value of state wealth controlled by local governments that were previously owned/controlled by the central government (Mardiasmo: 2002).

The basic problems of asset management in East Java Province include land conflicts, assets are not properly recorded, assets are not supported by legal documents, asset recording is inaccurate, assets are not known for their existence and accumulated depreciation is inaccurate. Based on this, this study more broadly aims to describe and analyze how the technical management of regional assets is appropriate based on the applicable laws and the efforts made by the East Java Provincial Government in managing regional assets to optimize Regional Fiscal Potential.

2. THEORETICAL STUDIES

Regional autonomy is the right of residents living in an area as a legal community unit that regulates, manages, controls, and develops its own affairs in accordance with the aspirations of the local community respecting the applicable laws and regulations. According to Kansil (2002) the purpose of granting autonomy to the regions is development-oriented, namely development in a broad sense, which covers all aspects of life and livelihood. Thus, regional autonomy is obligated rather than right, this means that the region is obliged to smooth its path seriously and with a sense of responsibility as a means to achieve the nation's ideals

Fiscal decentralization is one of the main forms and components of decentralization, fiscal decentralization policies are widely used by developing countries to avoid government ineffectiveness and inefficiency, macroeconomic instability, and inadequate economic growth (Bahl and Linn, 1992). If local governments carry out their functions effectively and are given freedom in decision-making in the provision of services in the public sector, they must be supported by adequate financial resources both from Regional Original Revenue (PAD) including surcharges of taxes, loans, and the Balance Fund from the central government.

Menurut Muttalib dan Khan (1982) A number of factors contributed to structural construction of local finance. "The size of the local unit is an important factor that determines the adequacy of local finance. A local authority's size, its physiography and human settlement have greater prospects for better financial position than the one with comparatively smaller size in terms of its area and population. The lower level, like a village Panchayat, Village commune or a parish has a limited sources of income in turn have a lower rate of per capita income. For this, the lower governments always try to get finance from higher governments.

Assets are very important for a company. The reality in the field shows that there are many cases that actually start from mismanagement and mismanagement of asset problems, resulting in significant losses. For example, resource optimization cannot be done optimally because it is not clearly identified, so it is difficult to know whether a production tool is time to replace or still suitable for maintenance. Before discussing more about asset management, it's a good idea to first know the definition of asset management itself.

According to Campbell et al (2011) that: "Asset management is a systematic process of maintaining, upgrading, and operating physical assets cost-effectively. It combines engineering principles with sound business practices and economic theory, and it provides tools to facilitate a more organized, logical approach to decision-making. Thus, asset management provides a framework for handling both short- and long-range planning".

Mather (2003) explains that the understanding of asset management is very complex and has specific areas. Therefore, it is necessary to understand three basic principles in utilizing asset management, namely using people who understand asset management correctly, using people who have knowledge in the field of asset management and finally being able to make a decision in the right way and an important strategy is needed in asset management, namely: developing a maintenance strategy, Implementing maintenance strategies and setting maintenance strategies.

According to Hastings (2010) that: "Asset Management is the set of activities associated with : " 1). identifying what assets are needed, 2). identifying funding requirements, 3). acquiring assets, 4). providing logistic and maintenance support system for assets dan 5). disposing or renewing assets"

According to Danylo and A. Lemer (2008) that: "Asset Management is a methodology to efficiently and equitably allocate resources amongst valid and competing goals and objectives." This is in accordance with the opinion of Siregar (2014): that; "Asset management is a process of managing resources starting from human, financial, physical, and information resources through POAC to achieve effective goals, and assets are tangible or intangible wealth

that has economic, commercial, and exchange value owned by individuals or agencies to help achieve goals.

Furthermore, Bahl and Linn (1992) have three important arguments in order to support fiscal decentralization: local governments will be able to determine the amount of tax rates as a result of which will improve public services in the region; regional development planning will be easier because regions will know their own needs better; and the use of natural resources will be maximized.

Government Accounting Standards in PSAP 07-1 define assets as economic resources that are 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 the community, and can be measured in monetary units, including non-financial resources necessary for the provision of services to the general public and resources maintained for reasons History and Culture.

According to Mardiasmo (2002), local governments need to make a plan for the needs of assets to be used/owned. Based on the plan, the local government then proposed a procurement budget. In this case, the community and the Regional People's Representative Council (DPRD) need to conduct monitoring regarding whether the assets (wealth) planned to be owned by the region are really needed by the region.

3. RESEARCH METHODS

This study uses a qualitative method of the Case Study approach. According to Cresswell (2016) The case study approach is a research strategy in which the researcher carefully investigates a program, event, activity, process, or group of individuals. This study seeks to carefully examine the actions of the Regional Government of East Java Province in carrying out Asset Management through technical asset utilization to increase Regional Fiscal Potential. The data collection techniques used in this study are through observation, interviews and documentation. The data was analyzed using an interactive model analysis developed by Miles and Huberman (2014) with three procedures, namely data reduction, data display, and conclusion.

4. RESULTS AND DISCUSSION

Technical Utilization of Regional Assets in the Form of Leases

The Regional Government of East Java Province through the Regional Financial and Asset Management Agency (BPKAD: *Badan Pengelolaan Keuangan dan Aset Daerah*) is obliged to carry out accounting for regional property/wealth in an orderly and orderly manner. One of the purposes of Regional Property accounting is as information material for the implementation of goods management starting from planning and determining the needs of goods, procurement of goods, storage and control of goods, maintenance of goods, supervision of goods, and removal of goods.

The leasing of regional assets includes planning, procurement, storage, distribution, inventory, maintenance, and deletion, correct, complete, and up-to-date inventory data is required as material to carry out careful and thorough calculations. The findings of the research show that the utilization of assets in East Java Province has been going well. This is in accordance with the researcher's observation that the use of assets in the form of leases runs in accordance with the rules that have been set, this can be seen from the policies used, namely the Governor of East Java Regulation Number 108 of 2018 concerning the Implementation Regulations of East Java Province Regional Regulations Number 10 of 2017 concerning the Management of Regional Property.

Furthermore, based on Minarno's (2015) thinking that: "Consideration for Renting State / Regional Property is carried out to optimize the use of State Property that has not been or is not used in the implementation of the main duties and functions of government administration and public interest. In renting the goods, it must be done in the form of an agreement, which is an agreement with which two or more people bind themselves to carry out something regarding property".

According to the principle of consensualism, an agreement is born at the moment of reaching an agreement or agreement between the two parties, regarding the main matters of what is the object of the agreement. Consensus is a match of understanding and will between the two parties. What one party wants, is also what the other party wants. Although not in a straight line, but reciprocatedly, the two wills met each other.

So that it can be stated that the Utilization of Regional Assets in the Form of Lease needs to have a ; "An agreement that is a legal relationship of wealth or property between the region (BPKAD) and other parties (tenants), which gives the power of the right to one party to obtain achievements and at the same time also obliges the other party to fulfill achievements".

Technical Utilization of Regional Assets in the Form of Borrowing and Using Regional Property

Regarding the Utilization of Regional Fixed Assets in the Form of Borrowing and Using Regional Property in the East Java Provincial Government, based on Article 157 of Permendagri Number 19 of 2016, the Implementation of Borrowing and Use is outlined in the agreement and signed by: Borrowers and Governors/Regents/Mayors, for regional property that is in the Goods Manager; and Borrowers and Goods Managers, for regional property that is in the Goods User.

The loan agreement must include several essential elements. It should clearly state the parties involved in the agreement, along with the basis of the agreement. The identities of all parties must be specified to ensure clarity and accountability. Additionally, the agreement should detail the type, area, or quantity of goods being lent, as well as the duration of the loan. The borrower's responsibility for operational and maintenance costs during the loan period must also be outlined. Furthermore, the rights and obligations of each party should be explicitly defined to prevent any misunderstandings. Lastly, any other necessary requirements deemed important should be included to ensure a comprehensive and well-structured agreement.

Furthermore, a copy of the loan agreement is submitted to the User of Goods. Based on Article 162 paragraph (1) jo. Article 167 paragraph (4) of Permendagri Number 19 of 2016, states that during the loan period, the borrower is obliged to maintain and secure the object of the loan with the fee charged to the borrower.

Technical Utilization of Regional Assets in the Form of Build to Hand Over / Build to Hand Over

Based on Government Regulation (PP) No. 28 of 2020 concerning the Management of State/Regional Property and Presidential Regulation Number 75 of 2017 concerning Technical Guidelines for the Management of Regional Property, what is meant by the term utilization is the utilization of Regional Property that is not used in accordance with the main duties and functions of the Regional Apparatus Work Unit (SKPD: *Satuan Kerja Perangkat Daerah*) in the form of rent, borrowing, cooperation in utilization, building for handover, and building for handover by not changing the ownership status.

Assets are goods that in law are called objects, which consist of immovable objects and movable objects., the goods in question include immovable goods (land or buildings), and movable goods both tangible (tangible) and intangible (intangible) which are covered in the assets/wealth or assets of a company, business entity, institution or individual. Thus an asset can mean wealth (wealth) or assets or property which includes "all headings on the debit line

of a balance sheet consisting of receivables, fees paid in advance and income that must be received. For this reason, according to Minarno (2015), the Utilization of Regional Assets in the Form of Build for Handover/Build for Handover must be supported by Juridical strength against the Build for Handover Agreement/BOT (Bulit Operate Transfer). The goal to be achieved is to strengthen, clarify and affirm the Building for Submission Agreement / BOT carried out by all parties so that it can prevent disputes in the future.

Regarding the utilization of regional assets in the form of building for handover/building handover, according to Irawan (2015) that the regulations that are the basis for the BOT Agreement include aspects of Civil Law, Land Law (Agrarian), and Administrative Law.

The Build-Operate-Transfer (BOT) agreement is supported by several legal aspects. From the Civil Law perspective, as stated in the provisions of Book III of the BW concerning Engagement (van verbintenissen), articles 1313-1352 of the BW serve as the legal basis for the BOT Charter. The fundamental legal principle governing the formation of the BOT agreement is Article 1338 BW, which upholds the principle of Freedom of Contract. From the Land Law aspect, the BOT agreement is regulated by Law Number 5 of 1960 concerning Basic Regulations on Agrarian Principles, along with its implementing regulations, including Government Regulations, Presidential Regulations, and ministerial regulations related to land procurement, management, use, transfer, and other land-related matters as objects of the BOT agreement. Meanwhile, from the Administrative Law perspective, the BOT agreement is closely linked to regulations governing state and regional property, as the objects of BOT agreements are generally state-owned assets that require accountable management.

Technical Utilization of Regional Assets in the Form of Provision of Inventory Infrastructure

Infrastructure is the driving force of economic growth, from the allocation of public and private financing, infrastructure is seen as a locomotive for national and regional development. Macroeconomically, the availability of infrastructure services affects the marginal productivity of private capital, while in the context of microeconomics, the availability of infrastructure services affects the reduction of production costs. Infrastructure also has an important influence on improving the quality of life and human welfare, including in increasing consumption values, increasing labor productivity and access to employment, as well as increasing real prosperity and realizing macroeconomic stability, namely fiscal sustainability, the development of the credit market, and its influence on the labor market.

The Utilization of Regional Fixed Assets in the Form of Provision of Inventory Infrastructure is carried out with an SOP consisting of four, namely; Issuance of Regional Head Decree on Infrastructure Provision Cooperation (KSPI), Selection and Determination of KSPI Partners, Implementation of KSPI and Termination of KSPI. The Utilization of Regional Fixed Assets in the Form of Provision of Inventory Infrastructure as a factor that greatly influences in increasing economic growth and social development, infrastructure is one of the most important factors. The main activity in this case is to conduct administrative research on the KSPI application submitted by the Person in Charge of the Cooperation Project (PJPK: *Penanggung Jawab Proyek Kerja Sama*).

Efforts made by the East Java Provincial Government in managing regional assets to optimize regional fiscal potential

1) Identify and inventory the value and potential of regional assets

Regional asset management has developed quite rapidly, starting from a static orientation to becoming dynamic, initiative, and strategic. According to Mardiasmo (2002) the optimization of regional asset management includes the identification and inventory of the value and potential of regional assets, namely the local government needs to know the amount and value of the regional wealth that it owns, both those that are currently controlled and those that are still in the form of potential that has not been controlled or utilized, in order to obtain accurate, complete and up-to-date information about regional wealth owned or controlled by the local government, and for the creation of a regional wealth balance that will be reported to the community.

Regional asset management in East Java Province is managed by one of the technical institutions, namely the Regional Financial and Asset Management Agency, which has many assets consisting of land, equipment and machinery, buildings and buildings, roads, irrigation and networks, other fixed assets, construction in the work of various other assets. BPKAD has been in accordance with government regulations to identify and inventory regional assets in order to find out the number and value of regional assets owned as a regional asset balance sheet. Identification and inventory by carrying out activities to check between the administrative data of regional assets and the physical condition of regional assets, so that they can find out the amount and value as well as the actual condition of regional assets, which are controlled by the user of goods or the power of attorney of the user of goods over an object of goods. In addition, in accordance with the Minister of Home Affairs Number 47 of 2021, BPKAD also implements it, namely a regional asset census every 5 years to match or update

data between physical goods and administrative records (inventory books), every semester reconciliation of regional asset mutations both in and out of the inventory book is carried out.

2) Valuation of regional assets.

Regional asset assessment is one of the activities that must be carried out in regional asset management. If regional property has not been recorded as a regional asset, then the acquisition price of regional assets is not yet known so that it has not been able to carry out an inventory policy followed by an assessment to determine fair value, make use or transfer. Based on Government Regulation (PP) No. 28 of 2020 concerning the Management of State/Regional Property and Pemendagri Number 47 of 2021 concerning Technical Guidelines for the Management of Regional Property, assessment is a process of selective research activities based on objective and relevant data/facts by using certain methods/techniques to obtain the value of regional property.

In order to compile the government's balance sheet, it is necessary to know how many state assets are as well as the value of these assets. To know the value, regional assets must be periodically assessed either by asset managers or involving independent appraisers so that the value of regional assets can be accurately known. According to Mardiasmo (2002), it involves various related professions or expertise such as internal auditors and appraisals. The increase in regional assets from year to year needs to be recorded and assessed by independent appraisers. The role of the appraiser profession effectively in the management of regional assets includes identification and inventory of regional assets, providing information on the legal status of regional assets, valuation of regional assets, both tangible and intangible.

BPKAD East Java Province conducts a regional asset assessment which aims to determine the factual age of regional assets, useful life or economic life, maintenance, conditions in the current context (depreciation), as well as location and utilization to determine the value of the remaining assets in order to compile a regional asset balance. The assessment of regional assets of the East Java Provincial Government is carried out by internal appraisers (the management of regional assets themselves) or can involve external appraisers (related professions or expertise). Regional asset appraisal is carried out in the preparation of local government balance sheets, utilization, and transfer of regional assets. Determination of the value of regional assets as the preparation of the balance sheet guided by government accounting standards (SAP: *Standar Akuntansi Pemerintah*), in order to determine the quality of the local government's asset balance.

3) Supervision and control of asset utilization

The function of supervision and control is very important in the implementation of regional asset management to ensure the order of regional asset management so that it is beneficial and useful for the entire community. According to Mardiasmo (2002), the supervision and control of the utilization of regional assets must be closely supervised and controlled so that there is no mismanagement, loss and unutilization. And to improve the supervisory function, the role of internal auditors is very important. Then in the Regulation of the Minister of Home Affairs Number 47 of 2021 concerning Technical Guidelines for the Management of Regional Property, it is explained that control is an effort or activity to ensure and direct the work carried out in accordance with the plan that has been set while supervision is an effort or activity to know and assess the actual reality regarding the implementation of tasks and/or activities, whether it is carried out in accordance with laws and regulations.

The implementation of regional asset supervision carried out by the East Java Provincial BPKAD is by way of preventive supervision, starting with supervision in the form of direct inspections of both the physical truth and the administration of regional assets. Then also carry out repressive supervision, which is supervision carried out from the planning process to the transfer of regional asset management in a thorough manner to the management of regional assets to avoid deviations or violations of applicable regulations. The supervision carried out by the East Java Provincial BPKAD consists of supervisors from the regional asset management team, namely the regional secretary team and the East Java Provincial BPKAD team who control the management of regional assets on a regular basis. As well as supervisors from the inspectorate as a supervisory institution that inspects every month. Therefore, strict supervision needs to be carried out from the planning stage to the transfer of regional assets, and the role of the community and internal auditors is very important. Supervision is needed to avoid irregularities in planning and management of assets owned by the region.

4) Regional asset management information system.

The Asset Management Information System is a system to explain the efficient and effective management of regional assets. The purpose of the regional asset management information system is to manage assets in a planned, integrated, and concise manner, and provide accurate and concise data and information. Another purpose of the regional asset management information system according to Mardiasmo (2002) is to support the efficient and effective management of regional assets and create transparency in regional asset management policies, so local governments need to have or develop a comprehensive and reliable management information system as a tool for decision-making. The regional asset management

information system also contains a database of assets owned by the region. The system is useful for producing accountability reports. In addition, the information system is also useful for decision-making regarding the need for procurement of goods and the estimation of expenditure needs (capital) in the preparation of the APBD.

The regional asset management information system has an important role in the implementation of regional asset management, because with the existence of the information system, it can support the performance of the main tasks and functions of the local government, transparency, accuracy, effectiveness and efficiency. One of the information system programs in regional asset management is the regional goods management information system program (SIMBADA: *Sistem Informasi Manajemen Barang Daerah*).

5. CONCLUSION

The technical management of regional assets carried out by the East Java Provincial Government in the management of regional assets in order to optimize Regional Fiscal Potential includes the Technical Utilization of Regional Assets in the Form of Lease running in accordance with the rules that have been set, this can be seen from the policies used, namely the Governor of East Java Regulation Number 108 of 2018 concerning the Implementation Regulations of the Regional Regulation of East Java Province Number 10 of 2017 concerning the Management of Regional Property. Technical Utilization of Regional Assets in the Form of Borrowing and Using Property Based on Article 157 of Permendagri Number 19 of 2016, the Implementation of Borrowing and Use is outlined in the agreement and signed by: (a) Borrowers and Governors/Regents/Mayors, for regional property that are in the Goods Managers; and (b) Borrowers and Goods Managers, for regional property that is in the Goods Users. The technical utilization of regional assets in the form of Build to Hand Over / Build to Hand Over is carried out through a Build to Hand Over Agreement / BOT (Bulit Operate Transfer) covering aspects of Civil Law, Land Law (Agrarian), and Administrative Law. The Utilization of Regional Fixed Assets in the Form of Inventory Infrastructure Provision is carried out through SOPs consisting of four, namely; Issuance of Regional Head Decree on Infrastructure Provision Cooperation (KSPI), Selection and Determination of KSPI Partners, Implementation of KSPI and Termination of KSPI. Efforts made by the East Java Provincial Government in managing regional assets to optimize regional fiscal potential, including identification and inventory of the value and potential of regional assets, assessment of regional assets. Supervision and control of asset utilization, Regional asset management information system

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