

Recognition and Measurement of Fixed Assets (Case Study on Government Organizations in Lumajang)

Ria Meilan, Alwan Sri Kustono, Wahyu Agus Winarno

Master of Accounting, Faculty of Economics and Business, Jember University, East Java, Indonesia

Email: riameilan88@gmail.com

ARTICLE INFO

Received:

1 January 2022

Revised:

3 February 2022

Accepted:

2 March 2022

ABSTRACT

This research is different from previous research, this research focuses on the process that forms a system in the application of recognition and measurement of fixed assets with the problems that follow based on the perspective of PSAP 07. This type of qualitative research is used in this study with a case study approach. Sources of data through interviews, documentation, and observations of asset officers and accounting officers within the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency. The validity of the data using the triangulation technique. The results of the study indicate that the application of recognition and measurement of fixed assets based on the perspective of PSAP 07 is carried out by the system that has been formed in the organization. This system serves as the basis for employees who are responsible for managing fixed assets. A theoretical contribution to this research is to strengthen Institutional theory. The practical contribution is a recommendation for the government maintain the system that has been formed with the hope that the management of fixed assets in OPD will be of higher quality.

Keywords: Fixed Assets, Recognition, Measurement



Cite this as: Meilan, R., Kustono, A. S., Winarno, W. A. (2022). Recognition and Measurement of Fixed Assets (Case Study on Government Organizations in Lumajang). *Wiga: Jurnal Penelitian Ilmu Ekonomi*, 12(1), 1-13. <https://doi.org/10.30741/wiga.v12i1.662>

INTRODUCTION

Fixed assets in government work units are needed as support in carrying out their operations. However, in its implementation, government work units face various problems regarding government fixed assets such as recognition, measurement/assessment, expenditure after the acquisition, termination, and disposal, and disclosure of fixed assets that are not by Government Accounting Standards (Dewi Nur Mayasani, 2016). Unable to determine the cost of acquisition because at the time of budgeting it was wrong to determine the amount of capital expenditure (Yusuf, 2011). The recording is not supported by legal ownership documents (Gutomo, 2012).

The principle of recognition of fixed assets, namely that these fixed assets are owned or controlled, applies to all types of fixed assets, either through purchase, self-management, exchange, transfer or grant. Local government agencies can recognize the existence of fixed assets if the fixed assets have been received or transferred their ownership rights and/or when the ownership is transferred. Therefore, if there is no valid evidence that an asset is owned or controlled by an agency, the fixed asset cannot be included in the balance sheet of the regional government entity's financial statements.

Recording and measurements that are still not by the procedures for making fixed assets are always a finding of problems by BPK in the examination of Regional Government Financial Statements (LKPD) because the value presented on the balance sheet cannot be believed to be fair (Gutomo, 2012). The issue of fixed assets is even the most excluded, thus affecting the audit opinion given by BPK. These problems can occur due to several inhibiting factors in asset management as stated by (White, Hasbi Hanis, Trigunaryah, & Susilawati, 2011) such as; not yet comprehensive policy framework, traditional perceptions that do not prioritize the potential use of public assets for regional income, efficiency, limited data, and limited human resources.

In implementing fixed asset accounting practices, local governments are consolidated with several work units consisting of several accounting entities by applicable laws and regulations, and are required to submit accountability in the form of financial statements. The accounting entity consists of several Regional Apparatus Organizations (OPD) as a means to compile Regional Government Financial Reports, therefore each OPD is required to compile financial reports as well as possible.

This study chose Dinas Kesehatan and UPT Puskesmas in Lumajang Regency as the research subject. Dinas Kesehatan is an OPD that has a large composition in government financial reports. This is because the entity has complex and large-volume transactions because it is dominated by the reporting of its work unit, namely the puskesmas as the technical implementing unit (UPT). These transactions are caused by the limited capital expenditure budget at the UPT Puskesmas to meet the needs of fixed assets. Where in each period of the fiscal year, Dinas Kesehatan capital expenditures to meet the needs of goods and services for UPT Puskesmas that have not been met for further distribution due to limitations than the budget owned by UPT. Therefore, if the recognition and measurement of fixed assets are not precise and measurable, it will have a negative impact on the recording and presentation/disclosure of financial statements which will automatically decrease the quality of financial reports and services to the public.

In the preliminary survey, informant information explained that if there were administrative findings by the BPK for the Dinas Kesehatan and UPT Puskesmas in 2018, namely in the administration of fixed assets to be more detailed, all fixed assets to be recorded in detail per asset unit, for example starting from the brand, order number, type of goods, color, type of material. Furthermore, in 2019, the findings of the BPK that the findings in the administration of fixed assets in the Dinas Kesehatan were that there were several lands where the ownership rights were not clear. Therefore, it is recommended to write off the value of land fixed assets that are still used by the Dinas Kesehatan and UPT Puskesmas because without clear rights/proof of ownership there will be polemics in the future on the financial statements.

However, apart from the administrative problems above, of course, there are other factors that can cause problems in the implementation of the recognition and measurement of fixed assets. Commitment from the OPD leadership (Niu, Kalangi, & Lambey, 2017) no matter how well the regulations are drafted, without a commitment from the leadership to optimize the management of regional property, the regulation will not be successfully implemented. (Berlian et al., 2013) with the understanding and firmness of the OPD leaders, the regional asset administration process is expected to be optimal and foster a sense of responsibility for asset managers in each OPD. Asset managers who are supported by adequate competence in managing these transactions will result in

maximum target achievement. The resulting financial reports tend to be of higher quality (Mahardini & Miranti, 2018).

An example is the case in New South Wales, the state of Australia (Ivannikov & Dollery, 2020) the implementation of the measurement and depreciation of assets in the infrastructure sector in the New South Wales government and the impact obtained after asset revaluation on financial statements. Found a significant impact with the revaluation of assets on accumulated depreciation and a decrease in the fair value of the gross replacement cost of assets. Furthermore, the financial reporting between accounting and government is indicated to be inconsistent. This problem is based on the lack of compliance with the New South Wales government in determining the useful life of fixed assets as stated in AASB 116.

Another example of a case that occurred in Kendari City (Dewi Nur Mayasani, 2016), the treatment in terms of recording and reporting of fixed asset accounting, shows a discrepancy in the treatment of fixed assets with regulations set by the government. This is based on a lack of understanding of the resources on the policies and regulations that guide the recording of fixed assets. Furthermore, the example of the case in Situbondo Regency (Cahya, 2020) at the Public Works and Spatial Planning Service (DPUPR) the implementation of PSAP 07 regarding fixed assets has not been carried out properly. The PUPR Service in terms of reports on the management of fixed assets still uses cash-based accounting standards, which according to this is not in accordance with PSAP No.07 on an accrual basis. It is also proven by the lack of competence of resources in the management of fixed assets and financial statements.

The current accounting treatment of fixed assets is relativity for the government in realizing good governance. The government is required to manage its fixed assets as well as possible based on the regulations and principles regulated in PSAP 07 concerning Fixed Assets. The institutional theory assumes that public sector organizations are within the scope of a social structure that has responsibility for every rule including the relationship between organizational structures, and regulations related to norms to gain legitimacy and accountability of public institutions. In this process, of course, many things need to be deepened in the application of recognition and measurement of property, plant, and equipment before the assets are presented in the financial statements. This is the motivation for researchers to want to know and analyze the application of recognition and measurement of fixed assets in the perspective of PSAP 07 in the work unit of the Dinas Kesehatan and UPT Puskesmas in Lumajang.

The novelty of this research lies in the identification of the process of recognizing and measuring fixed assets accompanied by factors that become problems that accompany its application in the field and the solution taken refers to PSAP 07 concerning Fixed Assets with a case study approach. This is what makes this research different from previous research. The theoretical contribution of this study is to strengthen Institutional theory, in the context of this research Institutional theory in public administration is related to the organization and management of public institutions which includes the relationship between organizational structure, and organizational processes in carrying out rules to achieve accountability of government institutions. The practical contribution in this research can be used as input for the government as consideration for revising the PSAP concerning the conditions experienced by Regional Government Organizations (OPD) in the hope that the management of fixed assets in organizations will be of higher quality.

METHOD

The type of research used in this research is qualitative research. The approach in this study uses a case study approach. (Yin, 2019) explained that the case study approach is one of the approaches used in qualitative research with research subjects from various aspects, whether individuals, groups, organizations, programs, or community situations. The case study approach refers to

empirical evidence by identifying events in real-life contexts and providing comprehensive explanations. This research was conducted at the Dinas Kesehatan Lumajang involving Asset Management Staff and Accounting Staff at the Dinas Kesehatan and UPT Puskesmas.

Sources of data obtained in this research comes from primary data and secondary data. Primary data is data obtained directly from informants. Furthermore, secondary data, namely data obtained from documents related to discussion, literacy and other supports related to the focus of research which in this study is a profile of the Dinas Kesehatan and UPT Puskesmas, 2019 asset reports, 2019 financial statements, and regulations. regarding the management of fixed assets within the work unit of the Dinas Kesehatan and UPT Puskesmas. In this study, data collection techniques were carried out by means of observation, interviews and documentation.

Data analysis carried out in this study used a case study approach. Case studies refer to the depth of analysis of the problems that occur by collecting various kinds of information which are then processed to obtain solutions so that the problems revealed can be resolved. Data analysis with pattern matchmaking, as explained by (Yin, 2019) pattern matchmaking, namely by comparing the empirically sourced pattern with the previously estimated pattern in the sense that if the two patterns are similar, the results can strengthen the validity of the case study. In this study, this method was used to compare the main theory of PSAP 07 with the application of recognition and measurement of fixed assets that occurred in the Dinas Kesehatan and UPT with supporting documents for 2019 financial report data, data from interviews with the asset section staff and the accounting department staff Dinas Kesehatan and UPT Puskesmas.

Testing the validity of qualitative research is a very important process to determine the degree of trustworthiness of the research results that have been carried out. Researchers used triangulation techniques in this study because in compiling data collection using interviews, documentation, and observation. By using triangulation techniques in data collection, the data obtained will provide more consistent results and then form valid data so that this research can be accounted for. Triangulation process by conducting interviews, direct observation and indirect observation.

The triangulation technique is a technique for checking the validity of the data by utilizing the data it has to check or compare with other data. In the examination technique, which is carried out in the triangulation technique, namely by comparing observational data with data from interviews and then comparing what the informant said when in public with what was said in private, then comparing the results of the interview with the contents of the document in this case the recognition and application fixed assets in the Dinas Kesehatan and UPT Puskesmas Lumajang Regency, so that the authors can achieve the expected goals in this study.

RESULTS AND DISCUSSION

This study investigates and reveals the practice of recognizing and measuring fixed assets through the perspective of PSAP 07 on Fixed Assets to minimize the occurrence of misstatements in financial statements in the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency. In PSAP 07 concerning fixed assets, it is stated that tangible goods that qualify to be recognized as an asset are grouped as property, plant, and equipment, which must initially be measured at cost. On this basis, the Dinas Kesehatan and UPT Puskesmas need a system that can provide adequate assurance that the implementation of fixed asset management can achieve its objectives fairly, effectively, and efficiently. Implementation of recognition and measurement of fixed assets based on Institutional theory and PSAP 07 to improve the quality of local government fixed asset management that is professional, with integrity, and can be accounted for.

The application of recognition and measurement of fixed assets within the scope of work of the Lumajang District Health Office is a series of long processes. Concepts in the process of

recognizing and measuring fixed assets include understanding the substance of PSAP 07 and preparing human resources to implement the implementation of recognition and measurement of fixed assets at the Dinas Kesehatan and UPT Puskesmas Lumajang Regency. Understanding the process and implementation of the recognition and measurement of fixed assets in the perspective of PSAP 07 is a shared task, because the implementation of the recognition and measurement of fixed assets involves all human resources in the agency.

The focus of this research is the recognition and measurement of government fixed assets in the scope of the work unit of the Dinas Kesehatan of Lumajang Regency. The results and discussion related to the identification of the process of recognizing and measuring fixed assets, as well as elements that become problematic in the implementation of the recognition and measurement of fixed assets based on the perspective of PSAP 07 on Fixed Assets. Following are the results and discussion of the recognition and measurement of government property and equipment based on PSAP 07 perspective:

Fixed assets through purchases, carried out by budgeting for capital expenditures. According to PMK Number 225/PMK.05/2019, capital expenditure is a budget expenditure to acquire fixed assets and other assets that provide benefits for more than one accounting period. (Halim, 2014) Capital expenditure is one of the regional expenditure groups for the purchase and supply of tangible goods that have a useful life of more than one year, used in infrastructure development and the provision of public facilities. The allocation of capital expenditures is based on regional needs for facilities and infrastructure, both for the smooth implementation of government and public facilities. Procedurally, the budgeting of fixed asset needs at the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency in the context of capital expenditure is contained in the Budget Executing Document (DPA).

Realization of capital expenditure in terms of obtaining fixed assets, its implementation can be done through self-management or done by partners. However, there is a separate policy regarding the limits on the realization of capital expenditures applied to the Lumajang Regency Government to determine whether this capital expenditure can be done through self-management or partners in this case are third parties. The policy for the realization of capital expenditures with a budget value above Rp 50,000,000 is required to use partners or third parties by submitting direct expenditure documents (LS) to the regional government financial management agency (BPKD), while procurement below a budget value of Rp 50,000,000 can be through self-management without using third party services by submitting a Money Change (GU) procurement document.

Furthermore, goods/fixed assets are received from partners/goods providers accompanied by a Handover Certificate (BAST). For the fixed assets that have been received, the expenditure treasurer then submits the SPP-LS/GU to the Budget User to issue SPM-LS/GU. Furthermore, BUD issues SP2D-LS/GU as evidence if the capital expenditure debt on fixed assets to partners has been paid. If the fixed assets have been received along with BAST and SP2D-LS/GU, in this case, the fixed assets will be recognized for the said capital expenditures. Furthermore, upon the recognition of the fixed assets, the asset officer will mutate the addition of fixed assets, then the transaction is recorded in the Goods Entry Movement List through purchases according to its classification and presented on the Balance Sheet. In general, the process of recognizing property, plant, and equipment can be illustrated in Figure 1 as follows:

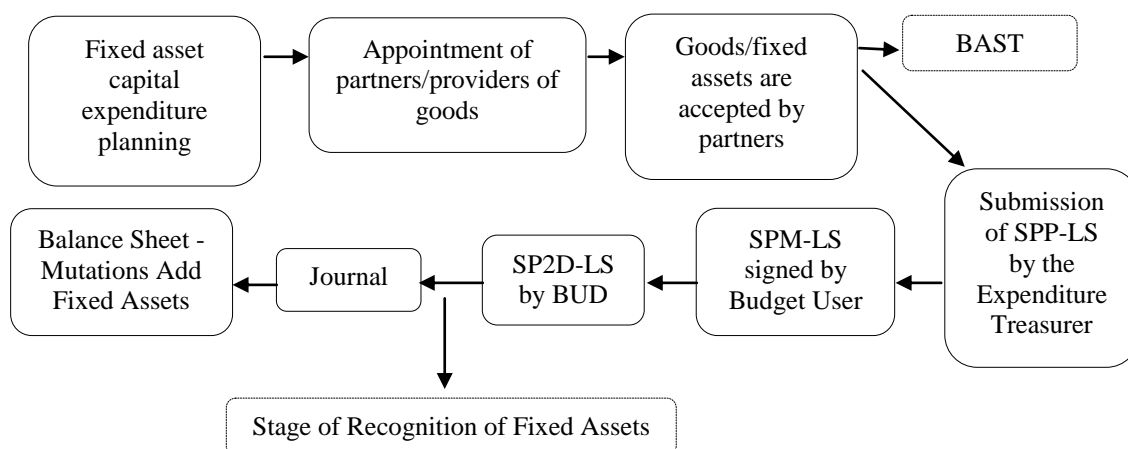


Figure 1. Procedure for Recognition of Fixed Assets through Capital Expenditure Transactions

Based on the description of the process of recognizing property, plant and equipment above, technically it applies to all classifications of property, plant and equipment. However, in its implementation in the field, special treatment is given to assets that are in a state of construction work. Assets are under construction and are in progress, recognition is made when construction has been completed. For example, the case is the renovation of buildings and buildings, where the renovation process is certain to require time and high budget costs. If the renovation is carried out in full, then in accordance with the policy for the realization of capital expenditures, a third party will be used as the organizer. The implementation is adjusted to the budget value that has been stated in the DPA and the realization time schedule that has been set. If the work exceeds the stipulated time schedule, which is more than one budget year, it will be recorded as Construction Under Work (KDP). A KDP will be transferred to the relevant fixed asset post if the construction has been completed, accompanied by the BAST and Minutes of Work Completion. Therefore the recognition of the renovation of fixed assets of Buildings and Buildings is carried out at the acquisition value stated in the SP2D-LS/GU to be later presented on the Balance Sheet.

The source of the acquisition through this mutation is intended for the transaction of transfer of fixed asset management because the fixed asset is transferred to an agency that is still within the Lumajang Regency Government. Dinas Kesehatan and UPT Puskesmas carried out transactions for the transfer of fixed assets based on a procurement that could not be achieved by the UPT Puskesmas because of the limitations held by the UPT Puskesmas to fulfill the procurement of fixed assets. Therefore, the Department of Health through the planning section carries out budgeting and realization of the fixed asset needs. For example, mutation transactions at the Lumajang District Health Office Scope, namely; Renovation of the UPT Puskesmas Building and Building, Shopping for Medical Equipment, Shopping for Medical Devices, Shopping for Service Vehicles (Ambulance). Technically, the process of recognizing fixed assets through mutation can be illustrated in Figure 2 as follows:

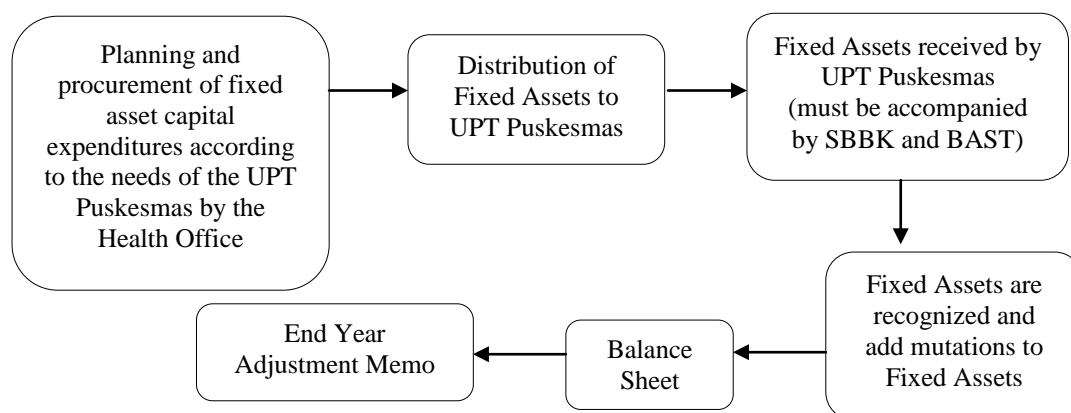


Figure 2. Procedure for Recognition of Fixed Assets through Transfer Transactions

Recognition of the transfer of fixed assets occurs when accompanied by the handover of goods accompanied by proof of ownership in the form of SBBK (Letter of Goods Out) and BAST (Minutes of Handover of Goods), thereby adding to the entry mutation of fixed assets at the Health Center and there will be an Out Mutation on Lumajang District Health Office. With the receipt of BAST and SBBK, the recognition of fixed assets with mutation transactions has occurred and the acquisition value of the entry mutations will become the Acquisition Price of fixed assets. The acquisition price is then added to the account per type of fixed asset which is then presented on the Balance Sheet by UPT Puskesmas Labruk Kidul. Meanwhile, the provider of fixed assets, namely the Health Office, will eliminate the transfer of fixed assets so that on the balance sheet there is a reduction in the value of the transferred fixed assets.

At the end of the year, the UPT Puskesmas which has made a transaction for mutation of fixed assets with the Lumajang District Health Office will make an adjustment memo. Adjustment memos are made to correct changes in the balance of fixed asset mutation transactions at the Health Office and UPT Puskesmas. In the event of incoming/outgoing mutations between accounting entities, in this case, the Health Service and UPT Puskesmas, both of which are in one reporting entity, namely the Lumajang Regency Government, the balance for the transaction must be zero/nil. Adjustment memos are made at the end of the year to make it easier to establish real records at the end of the accounting period.

Receipt of fixed assets Grant/Donations to government entities is intended for transactions to transfer fixed asset management from other SKPD outside the scope of the Lumajang District Health Office. Fixed assets from grant transactions at the Lumajang District Health Office are usually in the form of Medical Devices and Transport Equipment (Ambulance, Motorized Vehicles). The transaction process for fixed asset grants occurs at the Lumajang District Health Office SKPD, the recognition of grant fixed assets after receipt of goods and BAST with an acquisition value of the value listed in BAST as Grant Income. However, if there is no BAST, the recognition and recording of fixed assets are not carried out until the BAST is issued by the SKPD of the Grantor. The recording of fixed assets as Grant Income is reported in the Balance Sheet and Operational Report in the SKPD Financial Report.

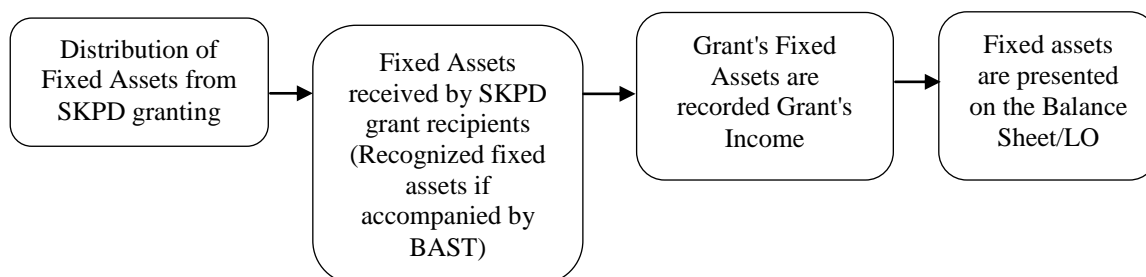


Figure 3. Procedure for Recognition of Fixed Assets through Grant/Donation Transactions

The policy for initial valuation of fixed assets at the Lumajang District Health Office uses the acquisition price referring to the Regent's Regulation no. 72 of 2014 concerning Accounting Policies in the Scope of Government of Lumajang Regency and Permendagri No. 19 of 2016. The acquisition price is not only the purchase price but the accumulation of fixed asset prices until the fixed assets are ready to be used. The accumulation of the cost of fixed assets includes all supporting costs that can be capitalized as the value of fixed assets. Supporting costs that can be capitalized as the value of fixed assets include all costs incurred until the fixed assets are received and ready for use.

PSAP 07 states that the cost of property, plant, and equipment will be recognized if it can be measured reliably. This confirms if an entity in determining the cost of property, plant, and equipment requires good judgment so that the acquisition cost can be categorized as property, plant, and equipment. Of course, these considerations adjust to entity policies that can be applied to all work units. The Health Service and UPT Puskesmas Lumajang Regency in determining the acquisition cost are guided by market prices, E-Catalog, or consultation with third parties.

Inland classification, the acquisition cost includes the purchase price of land and other supporting costs incurred until the land is ready for use. The supporting costs can be in the form of certificate processing fees, and land measurement costs. Recognition of the acquisition value of land, plant, and equipment there is no minimum capitalization limit, so regardless of the price and cost of fixed assets, the land is recognized as property and equipment.

Buildings and Buildings, if built independently, the acquisition costs can be in the form of labor costs, raw material costs, planning costs, equipment costs, equipment rental costs, electricity costs, and other supporting costs such as notary fees, building permits, and taxes. Furthermore, fixed assets of Buildings and Buildings that are built through third-party contracts may cost the form of the contract value, planning and supervision costs, consulting service fees, and taxes. Meanwhile, if the fixed assets of the Buildings and Buildings are acquired through mutation/grants, they are recorded at their value at the time of acquisition. Recognition of acquisition costs on fixed assets of Buildings and Buildings takes into account the minimum capitalization limit of fixed assets of Rp. 10,000,000 in the sense that if the acquisition value of fixed assets of Buildings and Buildings is less than Rp. 10,000,000, the fixed assets of Buildings and Buildings cannot be recognized and presented as fixed assets, but are still disclosed in the balance sheet as Other Fixed Assets.

Meanwhile, the cost of equipment and machinery is measured by the amount of expenditure incurred to acquire the fixed assets of the equipment and machinery until they are ready for use. These costs can be in the form of the purchase price of fixed assets, transportation costs, installation costs, and other costs until the fixed assets are ready for use by an entity. However, in practice, the acquisition cost of equipment and machinery is included in the purchase price of the goods by taking into account the minimum unit value of capitalization of the acquisition cost of equipment and machinery of Rp 500,000 so that it can be recognized and presented as property, plant, and equipment.

Furthermore, based on the explanation above, if in the procurement of fixed assets there is an honorarium for the organizing committee of activities, honorarium for the procurement committee, honorarium for the examining committee, and other costs that are supporting the procurement and construction of fixed assets, it can be capitalized on the acquisition of fixed assets. Honorarium costs can be capitalized at cost if they are budgeted together with fixed asset capital expenditures according to the code for the capital expenditure account in the Budget Executing document. So that it can be concluded that the acquisition price of fixed assets is the accumulation of the procurement price of fixed assets plus supporting costs until the fixed assets are ready to be used.

Expenditures after acquisition on the measurement of fixed assets in question are maintenance costs. Maintenance costs for fixed assets are needed so that these fixed assets are still in good condition and suitable for operational implementation within the Lumajang District Health Office. The maintenance cost policy at the Lumajang District Health Office cannot be capitalized on fixed assets if the maintenance does not add or change fixed assets so that it is included in routine maintenance costs as fixed asset maintenance expenditures.

Expenditures after initial acquisition on property, plant, and equipment can be recognized as capital expenditures or as income expenditures. Capital expenditure in this case is the cost required to obtain an increase in the capacity of fixed assets, for example, fixed assets of Buildings and Buildings that require repairs so that capital expenditure is required for the cost of building renovations. Capital expenditures can be capitalized as fixed assets if they meet the minimum capitalization criteria for fixed assets. Furthermore, revenue expenditures are costs required for the maintenance of fixed assets that provide economic benefits of fixed assets for the operations of the entity in the current financial year period. This expenditure cannot be capitalized as fixed assets because of its nature as routine maintenance so that it is considered an expense that should be budgeted annually by the entity.

Furthermore, the maintenance of fixed assets that can be capitalized into fixed assets must meet the criteria; (1) Extending the useful life of fixed assets, (2) Providing economic benefits for the future in the form of capacity, service quality, and performance improvement, (3) Meeting materiality/capitalization limits. Maintenance that can be capitalized on fixed assets is a major repair or renovation usually on fixed assets of Buildings and Buildings whose value is above the minimum capitalization limit of fixed assets. Such maintenance must be budgeted in DPA as capital expenditure in the form of heavy rehabilitation/renovation.

Treatment of fixed assets that will undergo Rehab/Renovation by taking into account the condition of the fixed assets. In practice, the realization of Rehab/Renovation takes into account the budget expenditure account in the DPA. If the Rehab/Renovation is included in the Capital Expenditure budget account at DPA with a materiality value above the minimum capitalization limit, the realization of the Rehab/Renovation will add fixed assets. Furthermore, if Rehab/Renovation is included in the budget account for Goods Services/Maintenance Expenditures, the fixed assets are classified as maintenance and cannot be capitalized to the fixed asset account even though they exceed the minimum capitalization limit. This budget expenditure account is made by the budget planning section of each work unit within the Lumajang District Health Office, which is then determined and verified by the Lumajang District budget planning team. Rehab/renovation if the previous building is destroyed, the treatment of the old building is included in Other Assets and fixed assets are written off. Furthermore, the Rehab/Renovation of a new building will add an entry to the fixed asset account of the Building and Building and the presentation in the balance sheet is the value after the rehabilitation/renovation of the fixed asset has been carried out.

The Health Service and UPT Puskesmas Lumajang Regency did not reevaluate because fixed assets were recognized based on their acquisition price. This is appropriate as stated in PSAP 07, if the local government is allowed not to do revaluation or revaluation because the Government

Accounting Standards adheres to asset valuation based on the acquisition cost or exchange price when the fixed assets are received.

The recording of transactions for termination and disposal of fixed assets has been carried out by Regent Regulation No. 72 of 2014 concerning Accounting Policies in the Scope of Government of Lumajang Regency where fixed assets that are permanently discontinued or disposed of must be eliminated from the Balance Sheet. In the scope of the Lumajang District Health Office, the process of discontinuing and releasing fixed assets that will be terminated and released is removed from the classification of fixed assets and then included in Other Assets. This process will reduce the value on the classification of fixed assets that will be written off by adding the value of Other Assets, but if the Minutes of approval for the termination and disposal of fixed assets have been issued, the value of Other Assets is deducted from the balance sheet.

Dinas Kesehatan and UPT Puskesmas of Lumajang Regency have implemented a depreciation policy since the issuance of Lumajang District Regent Regulation No. 72 of 2014 concerning Accounting Policies. Depreciation was carried out in 2015 by the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency. The depreciation method used is the straight-line method, namely by allocating the depreciable value of property, plant and equipment equally every year over its useful life. Fixed Assets acquired in 2015 are calculated based on the amount of depreciation first calculated at acquisition value divided by useful life. Fixed assets acquired before 2015, the depreciation is accumulated and calculated at the depreciation expense in 2015 plus depreciation correction in previous years. Correction for depreciation of previous years is calculated based on the useful life that has passed until the beginning of 2015, where the useful life is calculated based on the year the depreciation was applied less the year the acquisition of property, plant and equipment.

The depreciation basis used is the cost of property, plant, and equipment without deducting the residual value. In the calculation of depreciation, the residual value of property, plant, and equipment at the end of its useful life is ignored and fixed assets are depreciated for one full year regardless of the date and month of acquisition of property, plant, and equipment (annual approach). If the fixed assets are still in use but the acquisition value is not known, the fair value of the property and equipment is used. Determination of the fair value of assets can refer to the minimum capitalization limit with a minimum capitalization value of Building and Building assets of Rp. 10,000,000 and fixed assets of equipment and machinery of Rp. 500,000 per unit of goods.

The application of the recognition and measurement of fixed assets technically is also problematic. The main problem in the realization of the procurement of fixed assets is planning for asset requirements and the budget value as a measure of acquisition costs. The planning process requires good coordination between planning officers and asset officers for the realization of targeted expenditures. The system that has been formed but the lack of human resource competence affects administrative weakness and the administration of fixed assets. In this case, leadership commitment as a system amplifier is needed, to achieve organizational goals. Dinas Kesehatan and UPT Puskesmas of Lumajang Regency to minimize the problems that arise when applying the recognition and measurement of fixed assets, namely by increasing coordination between leaders, asset officers, budget planning officers, accounting officers, and sub-sectors involved in the administration of fixed assets. Technical guidance is regularly carried out to improve the competence of human resources. Reconciliation of fixed asset reports regularly is also held as a form of improving the quality of the organization's financial reports. Recommendations from competent partners for the realization of fixed assets according to the schedule that has been set.

Based on the perspective of PSAP 07, it illustrates that in the application of recognition and measurement of fixed assets, if it is adjusted to the form of the organization, it has technically been carried out to support its operational activities without any elements to be traded. The institutional theory assumes that in government institutions, public administration is related to the organization

and management of public institutions which includes the relationship between organizational structures, and organizational processes in carrying out rules to achieve accountability of government institutions. The problems that arise in the process of applying the recognition and measurement of fixed assets, it is possible that it will reduce the accountability of Dinas Kesehatan and UPT Puskesmas of Lumajang Regency. This theory also says that the implementation of the rules in the application of recognition and measurement of fixed assets can be achieved by increasing coordination between the implementers of the organizers and administration of fixed assets, in this case, the leaders, budget planners, asset officers and accounting officers of the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency.

This study supports research (Niu et al., 2017) that for there to be an alignment of fixed asset data between goods managers, goods custodians, and accounting departments, leadership commitment is needed because no matter how well the regulations are prepared without any commitment from the leadership to optimize the management of regional property, then these regulations will not be successfully implemented. This study also supports research (Belo et al., 2013) that the lack of understanding and firmness of organizational leaders makes regional asset administration less than optimal and makes regional asset managers in each organization negligent so that they lack responsibility and effort in managing regional assets. This research also supports research from (Gutomo, 2012) recording and measurement that are still not by the procedures for making fixed assets always a finding by auditors in examining local government financial statements because the value presented on the balance sheet cannot be believed to be fair. This study also supports research from (Dewi Nur Mayasani, 2016) which says that the treatment of recording fixed assets will run well, it requires an understanding of regulatory policies that serve as guidelines in recording fixed assets.

The results of this study support research (Belo et al., 2013); (Niu et al., 2017); (Gutomo, 2012); (Dewi Nur Mayasani, 2016); (Belo et al., 2013); (Mahardini & Miranti, 2018); (Cahya, 2020) due to the importance of paying attention to the systems and regulations that have been established in the application of recognition and measurement of fixed assets to local governments and other sectors so that the presentation in financial reports becomes reliable and accountable, services to the public are excellent considering the nature of government fixed assets. which are not for sale. The risks posed can also be minimized by establishing communication between parties involved in the administration of fixed assets, both from the internal organization and from the local government. Periodic evaluation and monitoring continue to be carried out so that compliance with the system that has been established can be maintained and the human resources who follow it will try to improve their competence.

CONCLUSION

Based on the discussion that has been explained, it can be concluded that the practice of applying the recognition and measurement of fixed assets at the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency in the perspective of PSAP 07 will be fully implemented if it is supported by the systems and processes that have been established by the organization referring to the legislation on fixed assets. which has been set. Compliance with the system affects the achievement of the application of recognition and measurement of fixed assets balanced with compliance between the leadership, planning officers, asset officers and sub-sectors that intersect with the application. The policy of the leadership and local government in implementing the recognition and measurement of fixed assets. The system that has been formed at the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency in the future needs to be maintained and improved considering the frequent changes in government regulations and the lack of competence of human resources in the agency.

The limitations of this research are especially during the interview process. Interviews were conducted separately between asset officers and accounting officers. Dinas Kesehatan and UPT Puskesmas of Lumajang Regency because the research was carried out during the Covid 19 pandemic so that in uniting perceptions between Dinas Kesehatan and UPT Puskesmas it became a bit hampered by the limited time that had been provided. This makes it a little difficult for researchers to get deeper and wider information about the application of recognition and measurement of fixed assets at the Dinas Kesehatan and UPT Puskesmas of Lumajang Regency.

This Researchers suggest that it is hoped that in the future relevant agencies will further improve compliance with the system that has been established in the application of the recognition and measurement of fixed assets by selecting resources appointed as officers who have competence in accordance with the financial or asset sector. For the government to revise PSAP referring to the conditions experienced by Regional Government Organizations (OPD), with the hope that the management of fixed assets in OPD will be of higher quality. the methodology used in addition to the case study approach such as a meta-analysis approach so that the results are presented more generally cover all governments in Indonesia.

REFERENCE

- Belo, B. R., Asnawi, M., & Anthonius H. Citra Wijaya. (2013). Analisis Faktor-Faktor Yang Mempengaruhi Kualitas Pengelolaan Barang Milik Daerah Pada Opd Di Lingkungan Pemerintah Kabupaten Waropen Dengan Komitmen Pimpinan Sebagai Variabel Moderating. *Journal of Chemical Information and Modeling*, 53(9), 1689–1699. <https://doi.org/10.1017/CBO9781107415324.004>
- Cahya, D. (2020). Penerapan Akuntansi Aset Tetap Berdasarkan Standar Akuntansi Pemerintahan (SAP) No. 07 Tentang Aset Tetap Pada Dinas Pekerjaan Umum dan Penataan Ruang (DPUPR) Kabupaten Situbondo. *International Journal of Social Science and Business*, 4(2), 284–293. <https://doi.org/10.23887/ijssb.v4i2.24469>
- Creswell, John. (2016). *Research Design Pendekatan Metode Kualitatif, Kuantitatif, dan Campuran*. Cetakan 1. Penerbit Pustaka Pelajar : Yogyakarta
- Dewi Nur Mayasani, S. (2016). Evaluasi pencatatan dan pelaporan aset tetap pemerintah daerah pada badan pengelolaan keuangan dan aset daerah (bpkad) kota kendari. *Jurnal Akuntansi*, 14–29.
- Gutomo, K. (2012). Berburu Opini WTP. Retrieved from Berita BPKP
- Ivannikov, I., & Dollery, B. (2020). Accounting Problems in Infrastructure Asset Valuation and Depreciation in New South Wales Local Government. *Australian Accounting Review*, 30(2), 105–115. <https://doi.org/10.1111/auar.12275>
- Mahardini, N. Y., & Miranti, A. (2018). Dampak Penerapan Standar Akuntansi Pemerintahan Dan Kompetensi Sumber Daya Manusia Pada Kualitas Laporan Keuangan Pemerintah Provinsi Banten Tahun Anggaran 2015. *Jurnal Akuntansi : Kajian Ilmiah Akuntansi (JAK)*, 5(1), 22. <https://doi.org/10.30656/jak.v5i1.500>
- Niu, F. A. L., Kalangi, L., & Lambey, L. (2017). Analisis Pengelolaan Aset Pemerintah Daerah Kabupaten Bolaang Mongondow. *Jurnal Riset Akuntansi Dan Auditing "Goodwill,"* 8(2), 160–170. <https://doi.org/10.35800/jjs.v8i2.17842>
- White, A. D., Hasbi Hanis, M., Trigunarsyah, B., & Susilawati, C. (2011). The application of public asset management in Indonesian local government: A case study in South Sulawesi province. *Journal of Corporate Real Estate*, 13(1), 36–47. <https://doi.org/10.1108/1463001111120332>
- Yin, R. K. (2019). *Studi Kasus: Desain dan Metode* (Ed. 1). Depok: Rajawali Pers.
- Yusuf, M. (2011). *8 Langkah Pengelolaan Aset Daerah Menuju Pengelolaan Keuangan Daerah Terbaik*. Jakarta: Salemba Empat.
- Peraturan Perundang – Undangan
Peraturan Pemerintah Nomor 71 Tahun 2010 Tentang Standar Akuntansi Pemerintahan



E-ISSN : 2549-5992, P-ISSN : 2088-0944

Available online at:

<https://ejournal.itbwigalumajang.ac.id/index.php/wiga>

Pernyataan Standar Akuntansi Pemerintah Nomor 07 tentang Aset Tetap
Peraturan Menteri Dalam Negeri Nomor 19 Tahun 2016 Tentang Pedoman Teknis Pengelolaan
Barang Milik Daerah
Peraturan Daerah Kabupaten Lumajang Nomor 1 Tahun 2018 Tentang Pengelolaan Barang Milik
Daerah
Peraturan Bupati Kabupaten Lumajang Nomor 67 tahun 2018 tentang Perubahan Atas Peraturan
Bupati Lumajang Nomor 74 Tahun 2016 tentang Kedudukan, Susunan Organisasi, Uraian
Tugas Dan Fungsi Serta Tata Kerja Dinas Kesehatan