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Impact of Asset Inventory on Asset Optimization, Legal Audit as a Mediation Variable in Regional Government of Papua Province

Jufri Dabamona[1]*, Wiwiek Dianawati[1]

[1] *Doctoral Student of Accounting Science Program, Faculty of Economic and Business, Universitas Airlangga, Surabaya,* INDONESIA
[2] *Faculty of Economics and Business, Airlangga University, Surabaya,* INDONESIA, wiwiek.dianawati@feb.unair.ac.id

***Corresponding Author:** jufri.dabamona-2022@feb.unair.ac.id

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ABSTRACT

This Study aims to analyze the Influence of Fixed Asset Inventory to Fixed Asset Optimization Through a legal audit of the Regional Government of Papua Province. Variables used are Fixed Asset Inventory, Fixed Asset Optimization and Legal Audit. This study uses quantitative study design, research data obtained from results questionnaire with total sampling method, total research sample taken as many as 80 respondents. Research results analysis statistics using PLS (Partial Least Square), you can conclude that supply has a positive and significant influence on asset optimization remains with the Regional Government of Papua Province with p-value < 0.05, namely 0.000. Influence mediation determined by seeing mark influence No direct from results PLS analysis. Found that Fixed Asset Inventory has a positive and significant influence on Fixed Asset Optimization through Legal Audit with mark significance 0.000 or <0.05. Thus it can be concluded that Fixed Asset Inventory influences Fixed Asset Optimization through Legal audit.

Keywords: Fixed Asset, Inventory, Optimization of Fixed Assets, Legal Audit

INTRODUCTION

Background

One of the keys to successful management of the economy has been implemented in various countries is professionalism in the asset management area (Neirotti et al. 2014; Riley, Michael, and Mahoney 2017). Based on the principle of effective and efficient management, appropriate and efficient management of expected assets can empower government areas in the finance development area. Administration national and regional wealth in a way firm arranged in Government Regulation Number 28 of 2020 (Ministry of Law and Human Rights of the Republic of Indonesia 2020) which provides clear guidelines about managing regional wealth optimally. In regulations the regulated that to ensure management of asset areas optimally, required principles of efficiency, effectiveness, transparency and accountability. In accordance with the Decree of the Minister of Home Affairs Number 19 of 2019 (Ministry of Home Affairs 2016) which regulates about guidelines management goods owned by area in a way good and right, then regulations issued by the Minister of Home Affairs aim to ensure management of goods owned by areas. in a way precise and effective. This matter emphasizes the importance of riches areas in maintenance government areas and administration of public services. Government efforts area to manage asset areas in an effective way is component of their overall strategy to build government effective and good areas.

Important For emphasized that optimization of public asset management, which maximizes social, cultural, comfort, and ecological values, as well as minimizing government subsidies, facilitated by regulation and management of asset areas (esp land and buildings) (Hari Ginardi, Gunawan, and Wardana 2017; Yaotai Lu 2017). On the other hand, management assets that are not effective, efficient, and not professional can put a burden on finances on the balance sheet government area (Muhammad Hasbi Hanis and Susilawati 2011). For temporary, inventory process assets are severely hampered because his incompetence for in a way directly provides mark maintenance or depreciation and capacity only provides limited data about recording assets. Circumstances This causes riches areas not to be made as productive assets capable of producing income so that the result is negative cash flow on the cash flow statement.

Activity process inventory carried out by the Regional Government of Papua Province which includes data collection, coding, categorization, and bookkeeping. As part of accountability finance area, p This is form accountability outlined in presentation report finance to government center. A number of studies Previously, for example, strengthened benefits of asset inventory in the context of regional economy. Writer underline importance contribution to inventory and optimization asset maintenance and management asset area, which is both impact on asset optimization still (Aira 2014; Yasir, Frihatni, and Triani 2020). This matter is in accordance with previous study findings (Kusumastuti et al. 2023; Muslimin, Kitta, and Sylvia 2023) who also found that asset inventory influences asset optimization. This matter shows that optimization assets increase along with quality inventory assets. Government area obligations inventory assets in the frame of monitoring and optimizing source power that becomes the authority of each work area unit. Although thus, a number of additional studies produce conflicting conclusions, each of which confirms that utilization of inventory assets still does not ensure utilization of assets optimally in the government sector area and that inventory has the possible impact ignored and detrimental to land optimization. assets still (Antoh 2017; Pratama and Pangayow 2016). A number of studies like (Parahita, Arifin, and Sari 2023; Arif Wicaksana, Harmono, and Yuniarti 2021) make similar statements, states that asset inventory hinders asset optimization as a consequence of lack of source Power allocated humans for asset management (Alvionita, Aneta, and Tohopi 2023; Noviyati and Khoirudin 2023).

Important For is known that certain differences in study findings Possible arise from the disappearance of the legality component of fixed assets, which is an important factor in building a connection between optimization management of fixed assets and other factors. This matter is in line with the challenges faced by the government in the Inner Papua Province area's efforts to maximize riches in the area, which is often hampered by disputes over land and buildings assets or public mastery on land or buildings. This matter has a big impact on Regional Government because it hinders optimizing the assets to produce income. The problematic assets in question are very closely related connection with functioning legal audit components evaluate condition mastery assets, identification assets, as well systems and procedures mastery or diversion assets. The legal audit component is also important for identifying strategies and solutions to various problems related to laws with diversion or mastery assets (Kuntadi, Retnoningsih, and Finland 2022).

This matter is proven from previous empirical investigation that findings corroborate research or deny claims that inventory assets increase optimization utilization assets, conflicting. Researchers do deep analysis to connect asset inventory with asset optimization by using legal audits as mediation variables. Study carried out by the government area Papua Province. Therefore that's the goal of this study is To test and assess the impact of asset inventory still towards legal audits of the government area of Papua Province; study and assess the impact of legal audits on optimizing assets remaining in the government area of Papua Province; as well as study and assess the impact of inventory assets still to optimize assets still through legal audits in the environmental government area of Papua Province.

LITERATURE REVIEW

Understanding Assets

Assets in real terms generally can be understood as all wealth owned by individuals or groups, both material and immaterial. Assets are also understood as goods or something items that have economic mark, commercial value or exchange mark owned by business entities, agencies or individuals / individuals (Mulalinda and Tangkuman 2014). In previous version, assets characterized as source Power economy at the bottom control and ownership of government (Muhamad Sidik 2017), accumulated through previous incidents, and estimated will produce economic and social profits in the future Good for government and public. Monetary dimensions can also be applied to assets, which include sources of indispensable non-financial resources for maintenance of public services as well as sources of conserved power for historical and cultural interests. Assets are basically related to the value and economic potential of a particular good or object, as well as the commercial mark and value of the exchange, although the definitions are different. Thus, treasure can mean riches or assets or treasure objects that include "all items on the debit line of a balance sheet consisting of assets, receivables, prepaid expenses, and unearned income accepted".

Management Assets

Understand management of very important assets. Not only for calculating assets still as components of total assets area, but also for taking advantage of it as a source of income. For add income beginning government area (Sutaryo 2011). Apart from being functional as yardstick measuring distribution, utilization, and retrieval decision assets in a way be careful, managing assets is also important to prevent possible losses bother operational government area. Asset management can be depicted into five different stages, each related to specific components: legal audit, assessment assets, optimization assets, supervision and control (Siregar 2004). Apart from that, asset management covers nine different processes: requirements planning, acquiring, inventorying, carrying out legal investigation, evaluation, operation, maintenance, renewal or depreciation, and transfer assets with optimal (Sugiama 2013).

Apart from that, management neither do assets can be separated from its function in strengthening financing development area, which is proven with income beginning government area. Therefore that is necessary strategic steps for maximizing utilization of assets owned by government. Additionally, identify potential economic area, optimize original income area, optimize asset area, improve city management ability, judge wealth, and develop marketing strategies city are six main functions from draft asset management area. Temporary that, asset management consists of nine processes as defined in reference (Sugiama 2013). These processes consist of planning requirements, acquisition, inventory, implementation of legal audits, evaluation, operation, maintenance, renewal or deletion, and redirection of assets in an efficient and effective way.

Fixed Asset Inventory

The purpose of asset inventory is to collect related data and information with each asset organization to use ensure accuracy and completeness of asset database ownership. Inventory assets, according to (Siregar 2004), comp of two components: physical inventory and judicial / legal inventory. Apart from type and address, physical characteristics cover shape, area, location /volume/ amount, type, and quantity. On the contrary, the juridical aspect covers extent of mastery, problems recognized law, deadline mastery, and still Lots Again. Procedure operations carried out aligned with objective asset management covers data collection, coding / labeling, collection, and bookkeeping / administration.

One of the components of the administration cycle poured assets in Government Regulation Number 28 of 2020 is inventory assets. Administration asset is series not quite enough answer explained in regulation the. Not quite enough answer This consists of bookkeeping, inventory control, and reporting national and regional wealth with strict compliance with the conditions of the Constitution. At least every five years very done activity inventory to collect data, document, and report results data collection goods state and regional property. Although Government Regulation Number 28 of 2020 does not give additional arrangements about stages in doing inventory assets, however this matters This gives authority and responsibility to manager goods area to set policy related management goods owned by area. Government Regulation Number 28 of 2020 no arranged in a way Specific about policy management goods owned by area, incl about stages of implementation inventory assets that can be determined by the manager goods owned by area in the environmental government area.

Inventory riches material areas that move and those that don't move (Jamaludin 2017) documented in large structured book form at the moment activity inventory. Apart from that, the data includes: quantity, product specifications, materials used, gain methods, item dimensions, units, quantity in condition, price, and description.

Asset Optimization

Asset optimization is a managerial procedure of effort maximizing asset potency through inspection of legal and economic characteristics, physical, location, and value related (Kuntadi, Retnoningsih, and Finland 2022). One of the approaches to increase efficiency is to evaluate inventory for all types of assets, including assets moving or not moving (Yusuf 2013). Owning potential assets can be categorized as according to superior sectors and established as point development strategy focus national economy short period, medium term, and long term. Important For emphasized that standard used to ensure matter This must be able to be measured and open. In contrast, assets cannot be optimized must undergo procedures involved identifying underlying causes and developing solutions to the problem.

Although every area in general owns the assets he owns, however Still Lots assets that have not been optimized to add income area. According to writer (Noviawati 2016), a review of asset optimization for government areas can cover the following things: identifying assets controlled government regions, creating a database of controlled assets government areas, assessment use highest and lowest, and formulation. strategy for optimizing the assets. Besides, it's important to understand indicators optimization administration assets that become base in increasing asset area so that value and contribution to income original area are guaranteed. To obtain optimization indicators This required optimization mark law and economics, physical potential, location, and value (Siregar 2004).

Legal audits

Legal audit done to get guarantee about security of assets and whether all over legal conditions have been fulfilled. Legal audit, according to (Siregar 2004), is part of work management assets in the form of inventory of tenure status assets, systems and procedures control or diversion assets, identification and settlement of legal problems, and various matter. problem related laws with mastery or diversion treasure riches. Common law problems include, among other things, diversion assets that are not supervised, assets located in third party control, and tenure rights that are not adequate. Asset audit law or due diligence law carried out, according to his research (Sugiama 2013), to ensure the circumstances of the asset law component in an appropriate way. Legal audit on assets is also interpreted as inspection of assets. To get a clear and complete picture, especially those related to ownership status, transfer assets, systems and procedures for use and utilization of assets, find potential legal problems, and solutions. Additionally, according to this study, asset audit law can help reduce legal risk, maximize use and utilization of assets, find potential problems early, and resolve various problems related to law (Sugiama 2013). In this context, systems and procedures control or diversion of assets, identification and settlement of legal problems, as well as control of asset inventory status are examples of legal audit indicators.

Influence asset inventory still towards legal audits in the Government of Papua Province

Creating an accurate and comprehensive asset database is the objective of carrying out the task of inventorying assets. Orderly administration goals can be achieved, and the necessary data and information support for doing legal audit operations can be obtained if the inventory target is met. In fact, asset inventory often fails to reach the goal in the field. Creating strategies to overcome various problems related laws with asset management or diversion is one of the results from legal audit operations. This matter is done to ensure security of assets, regardless of is asset the obey all conditions law. In research (Sugiama 2013), the final step in asset inventory is a legal audit, which can increase security of legal and physical assets. Research purposes This is to ensure that the asset inventory activity of the Government of Papua Province is integrated and has an impact on legal audits. Based on matter the so formulated hypothesis beginning can be characterized as following:
H1 Inventory assets are still influential towards legal audits in the Government of Papua Province.

The effect of legal audit on asset optimization remains with the Government of Papua Province

Cautionary factor government area for more caution and sensitivity in filling in documents and proving asset ownership is a legal audit. Apart from that, the government area demands that the source of their power use and exploitation must be safe and not give the opportunity for third parties to take ownership in a dangerous way. Legality certificate ownership assets and improvements in quantity assets with documentation comprehensive ownership are two things that are very desirable government areas (Yusuf 2013). Because, will reduce dispute with other related parties ownership. According to previous study (Pamungkas, Ibtida, and Avrian 2018), government areas need to concentrate in making the right plan For reducing the amount of case loss finances , especially those involving assets that were not returned , and confirmed report submitted financials obey reporting finance guidelines . Guarantee ownership of government area assets can be done by doing a legal/juridical inventory which includes ownership status and date the end of mastery assets. According to (Lisic et al. 2015) which strengthens matter the asset audit activity the law can also lower the risk of legal problems, maximizing use of assets, and coping problems related to law. Apart from that, successful land asset management must be confirmed through talks about laws and organizations related to land, as well as by land owners and managers. Following formulation hypothesis about impact of legal audits to optimize use of assets:
H2 Legal audit has an effect to optimize assets remaining with the Government of Papua Province.

Influence inventory assets still to optimize assets remaining with the Government of Papua Province

Collection, coding, grouping, and bookkeeping is an inventory process, which should be responsible for legitimacy procedures and implant trust in all parties involved. This matter ensures that the government area will get profit from that draft and help develop strategic plans for asset areas. Property data inventory areas also become more organized and responsible answers with this procedure. Findings study This is consistent with previous study (Pauweni, Karamoy, and Gamaliel 2017), which highlights profitable impact from inventory assets to optimizing use of assets. Management objectives supply goods area need underlined is to help smoothness and convenience

use and maintenance of government area by providing complete, accurate and up-to-date data in inventory list form goods area. In connection with the matter, third hypothesis submitted as follows:
H3 Inventory assets still influence the optimization of assets remaining with the Government of Papua Province.

Influence inventory assets still to optimize assets still through legal audits in the Government of Papua Province

Study (Sukmawati, Kusumastuti, and Saleh 2021) shows How asset inventory impacts on legal audits. Keeping inventory is a practical method for organizations to supervise regional property. Through legal audit procedures that include third party conjecture on ownership of assets owned by government or owned by general under government supervision, the goal is to guard government security. The same thing was also conveyed by (Sangadji 2018; A. Wicaksana, Harmono, and Yuniarti 2021) who stressed that an improvement in the quality of the inventory will also affect an improvement in the quality of the legal audit. Additionally, studies by (Rizqina and Nadirsyah 2021) revealed that legal audits had an impact on optimizing the usage of regional property. In order to maximize the use of fixed assets (land and buildings) owned by the government of West Nusa Tenggara Province, (Jamaludin 2017) looked at the effects of asset inventory, asset legal audit, and asset appraisal. He found that legal audit is a crucial component in maximizing management and governance. permanent assets, such as buildings and land. Based on this, the fourth hypothesis is stated as follows:
H4 Fixed asset inventory influences the optimization of fixed assets through legal audits in the Papua Provincial Government.

METHODOLOGY

Research Sites

Indonesia's easternmost province, Papua Province, became location study This. Next, it will be carried out from October to November 2023 study. With the use of quantitative methods, associative causal research is the type of research methodology used. Find connection between two variables or more is objective from associative causal study (Sugiyono 2019). Working hypothesis for explaining, predicting, and controlling something phenomenon developed using methodology in this study.

Data Source

Data used originates from primary and secondary sources. Every respondent accepts questionnaire as primary data, hence forth hypothesis and knowledge about topic study found through review library, which produces secondary data. Population study This is 140 respondents, both provincial and non-provincial staff involved actively in management goods owned by area. Population This is taken from every organization device area that becomes part of the political system of Papua Province. Total sampling is the method used for taking samples. The sample size used in this general sampling strategy is the same as population (Creswell 2009; Sugiyono 2021). In addition, only 80 questionnaires — or 57 %— of the total number distributed were returned and processed. This matter can be caused by several things, for example respondents following instructions from service abroad, following training, or No Want to fill in questionnaire.

The variables used in the study were grouped into latent variables, exogenous constructs (fixed asset inventory), endogenous constructs (fixed asset optimization), and manifest variables (obtained from score response subject to instrument measurement). Researchers use a Likert scale that has gradation from very positive to very negative with level measurement point 1 to 5 to measure the response of respondents to questionnaire. Every item in the questionnaire has value given by respondents; a value of 1 indicates very no agree, whereas a value of 5 indicates strongly agree.

There are three types of variables in this study: mediating, dependent, and independent. Asset inventory (Y1) is the dependent variable in this study, while asset optimization (X1) is the independent variable. Legal audit is the mediating variable (Z1). The following table lists each variable's explanations and measuring indicators.

Table 1 Operational Definition

No	Variables	Definitions
1.	Asset inventory (Y1)	Calculations, management, administration, regulation, data collecting, and reporting of products in use are all carried out through these activities or acts.
2.	Asset optimization (X1)	Optimization refers to the strategic utilization of assets and goods to generate initial revenue for an agency. It also includes the lending, renting, and commercial use of goods that are owned or controlled by the agency or third parties, without modifying the ownership status.
3.	Legal audit (Z1)	In asset management, legal audits take the form of asset control status inventories, asset control or transfer systems and procedures, identification and resolution of legal issues, and strategies for resolving different legal issues relating to asset control or transfer.

Data analysis uses Structural Equation Modeling or better known with SEM with the help of the Smart PLS v.3.3.9 program. This model combines approaches to analysis factors, structural models, and track analysis. Stages analysis is done through three processes, namely: 1) outer model analysis through validity and reliability testing. 2) analysis of the inner model through R-Square (R2), Predictive Relevance (Q2) and Goodness of Fit Index (GoF) indicators. 3) Testing hypothesis seen from t-statistical values and probability values. Testing hypothesis use mark statistics detailed, for alpha 5% value of t-statistics is used of 1.96. Criteria for accepted or rejected hypothesis is Ha accepted and H0 rejected if t-statistic > 1.96. To reject or accept hypothesis use probability, Ha accepted If p value < 0.05.

RESULTS

As stated earlier, only 80% of the data from a total of 140 respondents was processed. The subsequent table presents the information regarding the returned questionnaires from Papua Province Regional Government Organizations' staff and non-staff

Table 2 Details Return Questionnaire

No.	Information	Amount
1.	Questionnaires are distributed	140
2.	Return Questionnaire	91
3.	Questionnaires that do not meet test requirements	11
4.	The questionnaire is processed	80
5.	Percentage	57%

Based on the data in the table above, researchers distributed a total of 140 questionnaires, and 91 of them returned. Of the total level responses, 11 questionnaires considered No in accordance for objective testing. Thus, 57% of the total questionnaires were distributed successfully processed or a total of 80 questionnaires. In addition, there are 49 questionnaires that have not yet been completed returned Due to factors such as scattered distribution, limited time constraints for respondents to fill it in, participate in order service or training abroad, or lack of interest to fill in questionnaire. In addition, there are 49 questionnaires that have not been completed returned Because reason follows: questionnaire spread, and respondents No time to fill it in; they are currently undergoing order service or training abroad; or they No interested For fill in questionnaire.

Description of Research Variables

Distribution results frequency 80 respondents study This discussed in a descriptive way covers indicators and variable items study based on respondents' answers as following:

Fixed Asset Inventory (X1)

This variable be measured with uses 6 (six) indicators and is represented through questions on the distributed questionnaire to respondents. Following frequency average table respondents answers to indicators contained in the variables supply assets still.

Table 3 Frequency answer of fixed asset inventory

Indicator	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total		Average
	F	%	F	%	F	%	F	%	F	%	F	%	
IA1	0	0	0	0	0	0	24	30	56	70	80	100	**4,70**
IA2	0	0	0	0	0	0	22	27,5	58	72,5	80	100	**4,73**
IA3	0	0	0	0	0	0	33	41,25	47	58,75	80	100	**4,59**
IA4	0	0	0	0	0	0	35	43,75	45	56,25	80	100	**4,56**
IA5	0	0	0	0	0	0	33	41,25	47	58,75	80	100	**4,59**
IA6	0	0	0	0	0	0	26	32,5	54	67,5	80	100	**4,68**
Highest average													**4,73**
Lowest average													**4,56**
Average													**4,64**

Respondents answered all statements in the questionnaire (closed and open questions alike) with an average score of 4.64, which is very good. The results in Table 3 indicate that the indicators adequately explain the variables.

Fixed Asset Optimization (Y1)

The fixed asset optimization variable is measured using 4 (four) indicators which are outlined in the form of statements in the questionnaire. The assessment table for the indicators in question can be seen in the following table:

Table 4 Frequency Answer of Fixed Asset Optimization

Indicator	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total		Average
	F	%	F	%	F	%	F	%	F	%	F	%	
OAT1	0	0	0	0	2	2,5	39	48,75	39	48,75	80	100	**4,46**
OAT2	0	0	0	0	9	11,25	36	45	35	43,75	80	100	**4,33**
OAT3	0	0	0	0	0	0	43	53,75	37	46,25	80	100	**4,46**
OAT4	0	0	0	0	2	2,5	32	40	46	57,5	80	100	**4,55**
Highest average													**4,55**
Lowest average													**4,33**
Average													**4,45**

The results in table 4 show average value of answers optimization assets still of 4.45 or shows very well. It means the variables can be explained with both by the indicators and get positive responses from respondents through filling out questionnaires.

Legal Audit (Z1)

This variable be measured with uses 4 (four) indicators and is represented through questions on the distributed questionnaire to respondents. Following table evaluation to existing indicators in legal auditing.

Table 5 Frequency legal audit answers

Indicator	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total		Average
	F	%	F	%	F	%	F	%	F	%	F	%	
LA1	0	0	0	0	0	0	30	37,5	50	62,5	80	100	**4,63**
LA2	0	0	0	0	2	2,5	36	45	42	52,5	80	100	**4,50**
LA3	0	0	0	0	2	2,5	30	37,5	48	60	80	100	**4,58**
LA4	0	0	0	0	4	5	24	30	52	65	80	100	**4,60**
Highest average													**4,63**
Lowest average													**4,50**
Average													**4,58**

The average frequency distribution, as illustrated in Table 5, is 4.58, which is a very good signal. This explains why respondents provided favorable responses, indicating that they understood the signs LA1 through LA4. The same outcomes were also shown in open-ended questions, where all participants claimed that raising the standard of legal audits was essential.

DISCUSSION

Results for Hypothesis Test

Hypothesis testing for the purpose of establishing a direct relationship is accomplished by examining the significance of the results of the analysis, which are represented in the patch coefficients, or by examining the values of the T statistic and P value. The outcomes of the analysis are presented in the subsequent table:

Table 6 Patch Coefficients

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STDEV)	P Value
Fixed Asset Inventory->Legal Audit	0,700	0,711	0,069	10,223	**0,000**
Fixed Asset Inventory->Fixed Asset Optimization	0,648	0,475	0,090	5,215	**0,000**
Legal Audit->Fixed Asset Optimization	0,449	0,441	0,097	4,621	**0,000**

Furthermore, the indirect relationship can be determined through the Specific Indirect Effect by looking at the T Statistics and P Values contained in the following table:

Table 7 Specific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STDEV)	P Value
Fixed Asset Inventory->Legal Audit->Fixed Asset Optimization	0,314	0,313	0,074	4,230	**0,000**

H1: Fixed asset inventory influences the legal audits in the Papua Provincial government

In Table 6, the parameter coefficient value of 0.700 represents the outcomes of the statistical analysis conducted to examine the first hypothesis. In addition, the calculated t-statistic of 10.223 exceeded the critical value from the t-table of 1.96 by an amount of 0.000, which is less than the alpha level of 0.05. Legal audit is significantly and positively impacted by fixed asset inventory, according to these findings. This provides the rationale for accepting the first hypothesis. Thus, the quality of the legal investigation relating to fixed assets, specifically the land and buildings owned by the Papua Provincial Government, will be enhanced through the implementation of a more comprehensive asset inventory. Consistent with previous studies, these results demonstrate that the quality of legal audits in identifying resolutions to asset legalization issues can be substantially impacted by the quality of asset inventory associated with the achievement of orderly administration through the creation of a comprehensive and precise database. (Sangadji 2018; A. Wicaksana, Harmono, and Yuniarti 2021). Moreover, this supports earlier research by (Herlinda 2023), which discovered that it would be simpler to investigate the control or transfer of assets in legal audits with good indicators of ownership clarity. This also clarifies how a fixed asset's legal status can be easily understood and how the quality and thoroughness of the fixed asset data provided has a significant impact on the choice of problem-solving techniques for the fixed asset's legal audit.

The fixed asset inventory variable's frequency distribution results indicate that the highest average is 4.73, while the lowest average is 4.56. This demonstrates that the majority of respondents agree that providing information on both the legal and physical components of an inventory of fixed assets is crucial. The majority of respondents shared the same opinion, agreeing that having a good fixed asset inventory would enhance the quality of legal audits. They argued that having accurate and comprehensive information in the database would make it easier to make decisions and solve issues relating to legal audits. For example, the inventory operations are regularly conducted by the regional government of Papua Province through fixed asset reconciliation, which is conducted every six months. One of the reconciliation outputs is the record of transfer of asset property which provides important information regarding the ownership status of a fixed asset and the recognition of fixed assets in the balance sheet.

H2: Legal audits influence the optimization of fixed assets in the Papua Provincial government.

Based on the statistical test results contained in table 5, legal audit shows a positive and significant influence on the optimization of fixed assets. Based on the results of data analysis, it was found that the parameter coefficient value was 0.449 and the T-statistic was 4.621 or greater than the t-table of 1.96 and the p value was 0.000 or smaller than the alpha level of 0.05. This provides an illustration that the better the implementation of legal audit, the greater the optimization of the fixed assets of the Papua Province regional government. Previously, the study (Siregar 2004) explained that legal audit is a scope of asset management work in the form of an inventory of asset control status, systems and procedures for control or transfer of assets, identification and finding solutions to legal problems and strategies for solving various legal problems related to control or transfer. assets. Legal problems that are often encountered include weak tenure rights, assets controlled by other parties, and unmonitored transfer of assets.

The provincial administration of Papua is frequently confronted with the issue of inadequate tenure rights. Due to its weak status, the regional administration of Papua Province's fixed assets are susceptible to external control. In addition to obstructing the management of these assets as a source of primary regional revenue, it will impede the operations of the government. An illustrative example is the persistent practice of the local community to secure land assets owned by the Papua provincial government. This is due to the community's rejection of compensation for land payments to the government and its low ownership status.

The results of this research contradict previous research conducted on the regional government of West Nusa Tenggara Province in Indonesia which concluded that the legal audit aspect was not a determining factor in optimizing fixed asset management in the region (Jamaludin 2017). On the contrary, this research is in line with the results of other research which states that the implementation of good legal audit will be able to guarantee the optimization of fixed asset management and provide predictions of good asset optimization (Antoh 2017; Pratama and Pangayow 2016). This demonstrates that the optimization of the fixed assets owned by the regional government of Papua Province will be influenced by the legal audit status of those assets.

H3: Fixed asset inventory influences the optimization of fixed assets in the Papua Provincial government

Table 6 presents the findings from the statistical testing of the third hypothesis, which highlights a number of significant points. The parameter coefficient value is 0.468, as the table demonstrates. In the meantime, the t-statistic is 5.215 or higher than the t-table of 1.96, and the p value is 0.000 or less than the alpha level of 0.05. Based on the positive and considerable influence of fixed asset inventory on the optimization of fixed assets (land and buildings), these results suggest that the third hypothesis can be adopted. This research supports studies that show inventory has a beneficial impact on fixed asset optimization (Ratmono and Rochmawati 2018; Zainuddin, Eka Nurmala Sari, and Widia Astuty 2023) in contrast to other research that finds inventory of fixed assets is not a determining factor in optimizing fixed assets (Antoh 2017). This research also confirms that implementing an inventory carried out in accordance with regulations has been proven to be able to increase the optimization of fixed assets in regional government agencies.

It should be emphasized that Regional Property Managers have the ability and obligation to define Regional Property Management Policies; Government Regulation Number 28 of 2020 does not further restrict the phases of implementing asset inventories. Accordingly, rules for managing regional property that are not specifically governed by Government Regulation Number 28 of 2020—like the phases involved in putting in place an asset inventory—can be decided upon by managers of regional property within the regional government. Managers, users, assistant managers, and administrators of regional property are the perpetrators in this scenario. A strong fixed asset inventory process includes data collecting, coding, grouping, and bookkeeping with precise output that will create information that will undoubtedly give confidence to them. Apart from that, accurate information will make it easier for local governments, in this case Papua Province, to optimize the use of these fixed assets, whether they are used by local governments to support operational activities in running government and provide excellent services to the community , or to utilize assets effectively. optimally in order to increase local revenue by renting it to third parties.

One of the actions taken by the Regional Government of Papua Province to optimize fixed asset management is re-calculating the area of land, buildings, and structures and modifying the unit pricing in compliance with relevant rules. Furthermore, with the aid of the SiPPARE program (Electronic Regional Retribution Receipt and Collection System), precise information about the area of land and structures becomes a common guideline in determining electronic levy rental rates to third parties.

H4: Fixed asset inventory influences the optimization of fixed assets through legal audits in the Papua Provincial Government.

The results of statistical testing of the fourth hypothesis can be seen in detail in Table 6. The results of data analysis show that the indirect effect shows a parameter coefficient value of 0.314 with an ap value of 0.000 or smaller than the alpha level of 0.05, and a t-statistic of 4.230 or greater than the t-table 1.96. Apart from that, the direct relationship between the fixed asset inventory variable and optimization still shows a positive and significant value. This explains that legal audit is able to partially mediate between fixed asset inventory and fixed asset optimization and confirms that the fourth hypothesis can be accepted.

The comparative results of the direct relationship test between fixed asset inventory and fixed asset optimization and the indirect relationship between fixed asset inventory and fixed asset optimization through legal audit based on the results of the hypothesis test show that the t-statistic for the first relationship is 5,215.

Furthermore, the t-statistic for the second relationship is 4.230, indicating that the t-statistic for the direct relationship is better than the indirect relationship. It can be assumed that the indirect influence occurs partially. The partial indirect relationship between fixed asset inventory and fixed asset optimization through legal audit is due to the test results of the direct relationship between fixed asset inventory and asset optimization showing a positive and significant relationship. This can be seen from the p value which is smaller than alpha and the t-statistic which shows a value of 5.215 which proves that the better the inventory will directly influence the increase in optimization of fixed assets. The same thing can be found from all respondents who agree on the direct relationship between fixed asset inventory and fixed asset optimization. By providing complete and accurate information, the Papua Provincial government can increase asset optimization and ensure the availability of accurate information regarding land and building areas. This is the key to decision making in determining the basis for levy collections.

CONCLUSION

Taking the research context of the Papua Provincial Government, this research provides several important insights regarding fixed asset inventory and its relationship with fixed asset optimization using legal audit as a mediating variable. For example, fixed asset inventory has been proven to have a positive and significant effect on the legal audit of the fixed assets of the regional government of Papua Province.

This research confirms that the optimization of fixed assets is positively and significantly influenced by legal audits. Furthermore, the inventory of fixed assets has a positive and significant effect on the optimization of fixed assets in the regional government of Papua Province. This shows that the more complete and accurate inventory of fixed assets will increase the optimization of fixed assets in the Regional Government of Papua Province.

Although this research has described fixed asset inventory and its relationship with fixed asset optimization using legal audit as a mediating variable, researchers still believe that there are limitations to the research. For example, this research was only carried out on regional government organizations in the Papua Province government in the Jayapura city area. To increase the level of generalization, it is recommended that further research expand the research to districts within the Papua Province government area by increasing the number of respondents. Furthermore, it is also necessary to add to the respondent criteria, namely by including auditors and assistants who are involved in fixed asset management so that the overall context of aspects of asset management and their influence on other variables can be answered more holistically. Another limitation is that primary data collection was only carried out using a questionnaire method equipped with open questions. It is recommended that further research add interview techniques to data collection.

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