

Local Financial Management and Local Asset Management Treatment of the Regional Financial and Asset Management Agency (BPKAD) of Lamongan Regency

Sujarwo Arif Efendi¹, Abid Muhtarom², Ratna Handayati³, Abidah Dwi Rahmi⁴
Universitas Islam Lamongan

Email: mohammadsujarwoae97@gmail.com, abid@unisla.ac.id, ratnahandayati@gmail.com, abidahdwirahmi@unisla.ac.id

This research aims to analyze the influence of Local Financial Management and Local Asset Management of the Regional Financial and Asset Management Agency (BPKAD) of Lamongan Regency, both simultaneously and partially. This research uses a qualitative approach, namely explaining phenomena in depth through data collection. The population in this research are informants who have knowledge, responsibility and direct involvement in regional financial and asset management within the Lamongan Regency Regional Financial and Asset Management Agency (BPKAD), with a total sample of 6 people. The data analysis technique used goes through several stages as follows: data reduction, data display, and conclusion/verification. The research results show that the main supporting factors for regional financial and asset management in Lamongan Regency include human resource competence, good accounting and reporting systems, thorough planning and budgeting, and adequate information technology support. Meanwhile, inhibiting factors include limited human resources who understand accrual-based systems, disorderly asset inventory, and weak cash flow management and coordination between regional organizations. In general, management of regional finances and assets in Lamongan Regency has been running effectively, but there is still a need to improve aspects of data management and strengthening the integrity of the apparatus to achieve regional fiscal independence.

Keywords : Local Financial Management, Local Asset Management Financial Management Agency, Regional Assets (BPKAD).

This is an open access article under the [CC BY-NC](#) license



Corresponding Author:

Sujarwo Arif Efendi
Universitas Islam Lamongan
mohammadsujarwoae97@gmail.com

1. Introduction

Implementation autonomy area give broad authority to government area For manage finance and assets area in a way independent to support development and improvement welfare society. However, in in practice, management finance and assets area Still face various problems, such as limitations quality source Power human, disorder administration inventory assets, as well as Not yet optimally utilization asset area, as also found in Management of Regional Assets (BMD) in the Regency Lamongan. Condition This potential hinder creation of governance finance and assets effective, efficient and accountable regions.

BMD management has arranged in Minister of Home Affairs Regulation Number 7 of 2024 and District Regional Regulation Lamongan Number 14 of 2018 concerning Management of Regional Assets, which emphasizes orderly administration, inventory, and reporting asset area. Although Thus, various audit reports and findings show that problem inventory, asset data quality, and capacity apparatus Still become constraint in realize management asset optimal area. On the other hand, the Regency Lamongan has get opinion Reasonable Without Exception (WTP) from the BPK, which demands consistency and reinforcement practice management finance and assets area for its benefits truly felt by the community.

Local Financial Management and Local Asset Management Treatment of the Regional Financial and Asset Management Agency (BPKAD) of Lamongan Regency. Sujarwo Arif Efendi et.al

Study previously in five years final show that management finance and assets area influenced by governance factors, competence source Power humans, as well as system administration and control assets. However, some big study the Still focused on approach quantitative or evaluation normative policy, so that Not yet Lots study in a way deep experience, practice real, and dynamics implementation management finance and assets area from perspective implementer policies, especially at the level of organization device area such as BPKAD. Research gaps this is what shows the need study qualitative with approach phenomenology.

Based on condition the study This become important and urgent For done to understand in a way deep Implementation of Local Financial Management and Local Asset Management at the Regency BPKAD Lamongan, including factor supporters and inhibitors, so that results study expected can give contribution practical for governance improvements finance and assets area as well as contribution academic for development study management finance Regional Management Agency Regional Asset Finance (BPKAD), Local Financial Management, Local Asset Management

2. Method Study

Study This use approach qualitative with type studies case For understand in a way deep implementation management finance and assets areas in the Management Agency Regional Finance and Assets Agency (BPKAD) of Lamongan Regency. Approach qualitative chosen Because study This make an effort dig meaning, understanding, and experience informant to the phenomenon being studied in context naturally (Creswell, 2023). Research data obtained from informant the key that has involvement direct in management finance and assets area through interviews, as well as supported by relevant documentation. Selection type studies case intended so that research can focus on one location and context certain so that produce deep and comprehensive understanding.

Data analysis was performed in a way descriptive qualitative with emphasizes the process of organizing data, interpreting meaning, and withdrawal conclusion in a way logical without use testing statistics. Analysis process done in a way sustainable since data collection up to stage withdrawal conclusion, according to with characteristics study qualitative in nature flexible and contextual (Sugiyono, 2022). With Thus, the method research used has customized with presentation results and discussions of a nature descriptive-analytical as well as aim understand phenomenon in a way deep.

3. Research Results And Discussion

Regional Finance

Target and realization data Local Original Income (PAD) and Balancing Funds of Lamongan Regency 2019–2024 as presented in Table 4.1 shows that nominally in terms of receipts area experience fluctuations, however Still dominated by transfer funds from government center. The data used in study This as context supporters For understand condition management finance area in a way more comprehensive.

Target data as well realization from Local Original Income (PAD) and Balancing Funds of Lamongan Regency 2019-2024 can seen in table 4.1 below This :

Table 1. Targets and Realization from Local Original Income and Equalization Funds of Lamongan Regency 2019-2024

Year	Locally-generated revenue		Balancing Fund	
	Budget	Realization	Budget	Realization

Year	Locally-generated revenue		Balancing Fund	
	Budget	Realization	Budget	Realization
2019	517.168.711.905	472,002,823,163	1,745,045,984,881	1,669,265,105,739
2020	483,583,044,116	481,752,331,399	1,563,812,173,054	1,542,723,757,256
2021	477,998,311,040	604,587,635,067	1,644,332,264,396	1,637,147,692,887
2022	523,035,537,324	507,680,928,067	1,796,044,263,000	1,742,176,617,653
2023	517,595,790,500	528,609,550,761	2,034,879,245,800	1,910,562,329,933
2024	561,649,835,985	559,459,748,451	2,084,031,104,628	2,038,812,875,194

Source : BPKAD Regency Lamongan, 2024

Based on results research and discussion can it is said that Effectiveness Regional Original Income to the Regency APBD Lamongan in 2019-2024 on average was 102.37% which includes in very effective category and indicates performance reception area Enough good. Level of effectiveness of balancing funds towards the Regency APBD Lamongan in 2019-2024 averaged 97 %, which includes in category effective. The contribution of PAD to the APBD is still low which is an average of 23.10% which includes in category not enough or low once (very dependent on the center). On the other hand, the balancing fund own contribution with an average of 76.90% which is classified as in very good category to the APBD, however enter in category dependence area to Central Government Very high (highly dependent on the center). On average during 2019–2024 the structure of the Regency APBD Lamongan still very dependent on the Balancing Fund (more from three a quarter of total revenue area).

Based on results interview with The Secretary of BPKAD is key in the Management Agency environment Regional Finance and Assets Agency (BPKAD) of Lamongan Regency, PAD management is assessed has walk Enough Good from side target achievement, but Not yet capable reduce level dependence area to the balancing funds. This is as delivered by one of the The following BPKAD Secretaries :

If you look at it from PAD realization is indeed often achieved, even some exceeded the target, but his contribution towards the APBD still small Because structure income area still very dependent on central transfer funds." (Secretary, BPKAD Regency Lamongan).

Statement the show that PAD effectiveness is not always compared straight with independence fiscal area. Although realization of PAD in general percentage classified as high, its contribution to the total APBD still relatively low. Condition This indicates that success achievement of PAD targets more influenced by realistic target planning compared to with ability area in expanding the revenue base original area.

Findings the reinforced by the statement Head of Division The Lamongan BPKAD budget confirms that the balancing fund Still become support main in Regency APBD structure Lamongan :

“ Balancing funds of course Still become bone the back of the APBD, especially For finance shopping mandatory. Without central transfer funds, space fiscal area will be very limited.”
(Head of Budget Division, BPKAD Regency Lamongan).

Interview results This confirm that during 2019–2024 period, management finance area Regency Lamongan Still be in condition dependence high fiscal to government center. With however, although in a way administrative management finance area has walk effective and obtain opinion Reasonable Without Exceptions (WTP), challenges main issues faced is strengthening independence finance area through optimizing PAD, not just budget target achievement.

Regional Assets

Management Agency Regional Finance and Assets (BPKAD) Regency Lamongan is device areas that have role strategic in management finance as well as asset owned by Government Regency Lamongan, including land, equipment and machinery, buildings and structures, roads, irrigation and networks, as well as asset still others. Management asset the covers planning, administration, utilization, maintenance, to reporting asset area as part from accountability finance government area.

Asset data still Government Regency Lamongan 2019–2024 as presented in Table 4.2 shows existence trend growth mark consistent assets every year. This data used as information supporters For understand dynamics management asset area in a way more comprehensive.

Regency Fixed Asset Data Lamongan 2019-2024 can seen in table 4.2 below This :

Table 4.2. Regency Fixed Assets Lamongan 2019-2024

Year	Fixed assets
2019	4,263,875,379,794
2020	4,441,896,295,297
2021	4,541,671,776,774
2022	4,770,947,700,700
2023	4,883,606,599,934
2024	5,001,165,089,398

Source : Data processed by the author (2025)

Based on asset data still Government Regency Lamongan 2019 to 2024 is visible existence trend positive and consistent growth every year. In 2019 the value asset still recorded amounting to Rp. 4.26 trillion and increasing to Rp. 4.44 trillion in 2020 experienced increase around 4.17%. Increase This continued in the years next, although with rate varied growth. In 2021, assets still rose to Rp. 4.54 trillion or grew 2.25%, then increase Enough significant increase in 2022 by 5.05% to Rp. 4.77 trillion. asset remains the highest occurred in 2022 due to an increase in activity development infrastructure and procurement goods owned by area after pandemic. In the years next, namely 2023 and 2024, growth asset still Still show trend positive with the respective values are Rp. 4.88 trillion and Rp. 5.00 trillion, or increase around 2.36 percent and 2.41 percent from year previously.

Based on results interview with Secretary in the BPKAD Regency environment Lamongan, improvement mark asset still the No only reflect addition physique assets, but also influenced by the structuring process administration and record keeping increasing assets orderly. This is as delivered by the Secretary of BPKAD as follows :

“ The increase mark asset No always Because procurement new, but also because improvement recording previous old assets Not yet organized with “ Good.” (Secretary, BPKAD Regency Lamongan).

Statement the show that growth mark asset still also constitutes results from effort regulation administration and inventory asset area. In other words, the increase asset No solely nature quantitative, but also reflects repair in system management and administration asset area.

More carry on Head of Assets explained that improvement activity development infrastructure post-pandemic participate give contribution to increase mark asset still regions, especially in 2022 which experienced most significant growth :

After pandemic, many activity redevelopment walking, especially infrastructure, and that automatic add mark asset area.” (Head of Assets, BPKAD Regency Lamongan)

Apart from the aspect physique assets, BPKAD Regency Lamongan also does various step strategic For overcome obstacle in management asset areas, especially through improvement competence source Power human beings. This effort done through training and guidance technical related system accountancy government based accrual, management goods owned by area, as well as use SIPD and e-BMD applications. According to Head of Assets, increase human resource capacity becomes factor important in support orderly asset data administration and accuracy area :

" Application Already available, but if HR doesn't understand, still will cause problem. Because of that training become priority." (Head of Assets, BPKAD Regency Lamongan)

Management Agency Regional Finance and Assets (BPKAD) Regency Lamongan has do various step strategic For overcome obstacle in management finance and assets area. One of the effort main thing to do is improvement competence source Power human resources (HR) apparatus government. Government area realize that quality of human resources is key in creating governance good finances. Therefore that, the Management Agency Regional Finance and Assets (BPKAD) Regency Lamongan routinely carry out training, guidance technical, as well as service independent about system accountancy government based accrual, management goods owned by area, as well as use application finance such as SIPD (System Information Regional Government) and e-BMD (Regional Government System) Information Regional Asset Management). Activities the aims to ensure that all apparatus employee both in the Management Agency Regional Finance and Assets (BPKAD) Regency Lamongan and Organization Other Regional Devices (OPD), capable understand mechanism management modern finance and can apply it in work daily.

Based on findings the can concluded that management asset areas in the Regency Lamongan show positive development, good from side improvement mark asset and from aspect improving governance. However Thus, the challenge in matter data consistency, coordination between OPDs, and improvement human resource capacity is still become attention main in effort optimization management asset area.

Discussion

Planning

Research result show that planning management asset areas in the Management Agency Regional Finance and Assets (BPKAD) Regency Lamongan has implemented in a way systematic through compilation Plan Regional Property Needs (RKBMD) as base procurement, maintenance and renewal assets. RKBMD functions as instrument beginning control asset so that make it easier government area in monitor conditions and needs asset in a way sustainable.

Findings the in line with draft planning in management public that emphasizes determination goals and steps strategic For achieve it. Research latest confirm that planning asset based accurate needs and data influential significant to effectiveness management asset regions (Sari & Nugroho, 2021; Putra et al., 2023). However, research This find that challenge Still there is data synchronization between OPDs, so that planning asset No only need compliance procedural, but also strong data coordination and integration, which becomes contribution main study this. Organizing.

Implementation (Actuating)

Research result show that implementation management asset areas in the Regency Lamongan has walk in accordance standard operational set, reflected from increasing efficiency use budget maintenance as well as improvement condition physique asset from year to year. This is show that the implementation process policy management asset capable push apparatus For carry out task in a way in harmony with planning and structure organizations that have set.

Findings This in line with actuating concept in management public that emphasizes role leadership in move source Power organization so that the goals can achieved in a way effective. Research previously also found that implementation management compliance - backed assets to procedures and principles transparency contribute to increasing accountability management asset regions (Rahmawati & Hidayat, 2022; Pratama et al., 2024). However, research This confirm that success implementation No only determined by compliance procedural, but also by consistency supervision and commitment apparatus, which becomes differentiator findings study This compared to study previously.

Controlling

Research result show that function control management finance and assets areas in the Management Agency Regional Finance and Assets (BPKAD) Regency Lamongan has implemented in a way layered through internal and external audits, routine monitoring, and mechanism action carry on on findings inspection. Control This aim ensure the entire procurement, maintenance and disposal process asset walk in accordance with regulation applicable laws and regulations as well as minimize deviation in management asset area.

Findings the in line with draft control in management public that emphasizes measurement performance and correction sustainable For ensure achievement objective organization. Research previously show that system strong internal controls supported by external audits influential significant to improvement accountability management asset government regions (Utami & Prabowo, 2021; Wijaya et al., 2023). However, research This find that effectiveness control in the Regency Lamongan No only determined by the existence of audit mechanisms, but also by consistency action carry on on recommendation results inspection.

Research result show that management finance and assets areas in the Regency Lamongan in principle has walk in a way effective and structured. This is reflected from existence planning systematic assets through Plan Regional Property Needs (RKBMD), structure clear organization within the Management Agency Regional Finance and Assets (BPKAD), implementation management based technology information such as SIPD and e-BMD, as well as function control implemented through internal and external audits in a way sustainable. Condition the supported by achievements opinion Reasonable Without Exception (WTP) from the Audit Board of Indonesia (BPK) which shows that governance finance and assets area has fulfil principle transparency and accountability. However Thus, the level dependence fiscal to the balancing fund Still high, so that independence finance area Not yet fully optimal.

Study This own a number of necessary limitations be noted. First, research only focus on one government area so that findings Not yet can generalized in a way wide. Second, the approach qualitative The phenomenology used is highly dependent on the depth of the data and interpretation. researchers, so that Still potential contain subjectivity. Third, research This Not yet integrate analysis quantitative performance finance in a way more deep. Therefore that, research furthermore recommended For expand object study to a number of area, combining approach qualitative and quantitative, as well as deepen analysis on aspects independence fiscal and effectiveness utilization asset area.

Uniqueness study This lies in the study management finance and assets area in a way integrated through perspective function management (planning, organizing, actuating, and controlling) in context government areas that have been get WTP opinion but Still face challenge dependence fiscal. Findings This give contribution practical for government regions, especially BPKAD and Organizations Related Regional Devices, for strengthen asset data integration, improving competence apparatus, as well as optimize utilization asset area as source income alternative. In theoretical, research This enrich study management public with confirm that governance success finance area No only determined by

compliance regulatory, but also by consistency implementation and coordination between stakeholders interest.

4. Reference

- Management Agency Finance and Regional Assets of Lamongan Regency. (2024). *Report Realization Budget Regional Revenue and Expenditure of the Regency Lamongan Year 2019–2024 Budget*. Lamongan : BPKAD Regency Lamongan.
- Creswell, J. W. (2023). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches* (5th ed.). Thousand Oaks, CA: Sage Publications.
- District Regional Regulation Lamongan Number 14 of 2018 concerning Management of Regional Assets. Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 7 of 2024 concerning Management of Regional Assets.
- Pratama, AR, Kurniawan, T., & Lestari, S. (2024). Implementation management asset areas and their implications to accountability public. *Journal Administration Government*, 19(1), 55–68.
- Putra, RA, Handayani, S., & Lestari, D. (2023). Management asset area based planning and governance government area. *Journal Public Administration*, 18(2), 145–158.
- Rahmawati, N., & Hidayat, R. (2022). Transparency and accountability in management asset government region. *Journal of Public Governance*, 14(2), 121–134.
- Sari, DP, & Nugroho, R. (2021). Planning need goods owned by area as instrument management asset government. *Journal Public Management*, 9(3), 201–213.
- Sugiyono. (2022). *Research Methods Qualitative*. Bandung: Alfabeta.
- Law of the Republic of Indonesia Number 23 of 2014 concerning Local government.
- Law of the Republic of Indonesia Number 1 of 2022 concerning Connection Finance between Central Government and Regional Government.
- Utami, RS, & Prabowo, H. (2021). The role of the system internal control in increase accountability management asset area. *Journal Public Sector Accounting*, 13(2), 89–102.
- Wijaya, DK, Santoso, B., & Amelia, R. (2023). Audit and control asset government area in governance perspective Public. *Journal of Governance and Public Administration*, 17(1), 33–47.