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Analysis the Effect Legal Audit, Control and Supervision on The Optimization of Fixed Asset Management (Land and Buildings) In the Regional Government of Papua Province

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ABSTRACT

The purpose of this study is to empirically examine the effect of legal audit, supervision, and control on the optimization of fixed asset management in the Papua Provincial Government. The method used in this study is a quantitative method of causality to evaluate the relationship between the independent variable and the dependent variable. The results showed that Legal audit and supervision have a significant effect on optimizing the management of fixed assets of land and buildings as well as on the local government of Papua Province, showing that clear status and good supervision can improve the management of fixed assets.

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1. INTRODUCTION

The 1998 reform changed the paradigm of governance with Law Number 22 of 1999 which encouraged decentralization, democracy, participation, equity, and justice. Evaluation Law Number 32 of 2004 emphasizes regional autonomy for the regulation of local affairs in accordance with the principles of autonomy, assistance duties, and accelerating community welfare with the principles of democracy, equity, justice, privileges, and regional specificity in the NKRI system. [1] Asset management in public organizations, including local governments, is crucial to successful financial management. Based on Government Regulation No. 71 of 2010, government assets include economic resources with potential future benefits. Assets consist of current (cash, short-term investments) and non-current (long-term investments, fixed assets). Optimization of asset management is an important key in this context [2]

Fixed assets (fixed assets) are goods used in government activities with a useful life of more than one accounting period. All Local Government assets support the role and function of public services. Asset management is the key to the regional economy, it needs to be optimized by the Regional Government appropriately and efficiently, based on the principles of efficiency and effectiveness, to strengthen the ability to fund regional development and increase public confidence in state financial management.

Permendagri No. 17 of 2007 and the renewal of Permendagri No. 19 of 2016 became guidelines for the management of

regional property, changing the management paradigm. Law No. 17 of 2003 mentions local government assets including rights, obligations, goods, and money that can be appreciated, affirming the importance of assets in state financial management. The main problem of regional asset management is the disorderly administration of asset inventory. Fixed assets, key regional assets, must be utilized productively for a positive impact on economic development and community welfare. In the regional financial balance, assets act as capital that generates income if managed optimally, encouraging economic growth; Conversely, poor management will waste regional finances through maintenance costs not proportional to the benefits generated. Therefore, local governments must understand the steps to optimize land and building fixed assets. According to him, the stages of asset management, such as legal audit, control, and staffing, can increase efficiency, effectiveness, and added value in regional asset management, creating order, accountability, and transparency [3][4]

The BPK Examination Results Report on the LKPD of Papua Province for 2016-2022 shows that there are still weaknesses in the management of fixed assets, specifically those that will be discussed in land and building fixed assets. The Papua Provincial Government is one of the Regional Governments in Indonesia that is able to maintain Unqualified Fair Status in terms of Presentation of financial statements for more than 5 consecutive years from the 2016 - 2021 fiscal year, but there are still weaknesses in the LKPD that have been found in the results of financial audits, namely the management of fixed assets of the Papua Provincial Government has not been implemented optimally.

The Papua Provincial Government needs the support of many infrastructures and infrastructure facilities as a means of meeting the demands of the needs of the community. From the report on the results of compliance checks on the management of land and building fixed assets for fiscal year 2022 by the Papua Provincial Representative BPK to the Papua Provincial Government, it can generally be seen that there are still weaknesses in the management of land and building fixed assets both from assessment, security (physical, administrative, legal) and administration (bookkeeping, inventory, reporting).

Table 1. Top Compliance Check Results Land and Building Regional Asset Management in 2022 at the Papua Provincial Government

No.	Examination Results	Description of the findings	Land (Rp)	Building (Rp)
1.	VALUATION: Valuation of Regional Property Not in accordance with the provisions	3 Land Registers and 4 Building registers were recorded with inaccurate values	5.403.125.000,00	2.218.650.000,00
2.	SECURITY: 1). BMD Physical Security Not in accordance with the provisions	2 Land Register of unknown whereabouts	3.726.976.057,67	
		19 State House Registers are controlled by unauthorized Parties	-	855.800.000,00
	2). BMD Administration Security Has Not Been Orderly	480 land registers do not yet have proof of ownership information on the inventory card of goods	758.582.422.148,00	-
		3 plots of land have not been recorded on the inventory card of	Do not have a land release certificate and	-

		the goods	document to determine the acquisition value	
	3). BMD Legal Security Has Not Been in accordance with the Provisions	The ownership status of Wisma Atlit Building and Mandala Football Field Stadium Building at the PUPRPKP Office is unclear 2 land certificates not yet in the name of the Papua Provincial Government	240.000.000,00	-
3.	ADMINISTRATION: 1). BMD Bookkeeping Has Not Been Orderly	5 registers of buildings and buildings in KIB C that have not been completed	-	5.101.290.250,00
		Bookkeeping Error Land Area Information	The land area recorded in KIB A is not the same as it should be according to the land clearance document	-
	2). BMD inventory has not been in accordance with the provisions	42 registers of buildings and buildings operated by other parties without clear status of use	-	427.168.366.862,00
		Land and Buildings in Merauke are recorded in the KIB of Papua Province and Merauke Regency	547.692.758,66	265.600.000,00 and 37.672.943.650,00
	3). Reporting of Seminal User Goods Has Not Been Orderly	Have not conducted BMD inventory/census once in 5 years	Not yet (last done in 2007)	Not yet (last done in 2007)
		OPD is not orderly in reconciling BMD with the asset field and reconciliation is only carried out on the addition of assets derived from capital expenditure so that the semi-annual user goods report produced by SIMDA BMD becomes inaccurate and complete	-	-

The phenomenon of the complexity of fixed asset management in the Papua Provincial Government is shown by weak follow-up on the findings of the Auditor and slow improvement of the Regional Government. BPK evaluation should be a capital for corrective steps through regional regulations, such as Standard Operating Procedures (SOP) or Governor Regulations related to asset management. The findings of the Papua Provincial BPK show that the management of fixed assets of the Papua Provincial Government has not been optimal. Research shows the positive influence of legal audit, supervision, and control on optimizing the management of fixed assets of local governments. Conversely, the study found a negative influence between supervision and control on optimizing the utilization of local government fixed assets.) states that legal audit has no effect on optimizing asset utilization, with similarities in variables and analytical tools, but the difference lies in the objects and assets studied [5][6][7].

2. LITERATURE REVIEW

2.1 Stewardship Theory

The grand theory on which this research is based is part of agency theory, namely stewardship theory. Stewardship theory emphasizes that management focuses more on organizational goals than individual goals, describing circumstances in which managers are motivated for the benefit of the organization. This theory describes that

manager seek to achieve organizational goals, not personal goals, on the basis of psychology and sociology [8]

LKPD is the implementation of good governance in local governments by disclosing accounting data and information clearly. This document is useful for decision making and initially aimed to meet the information needs between stewards and principals. As it developed, accounting for public sector organizations became a tool of self-control and reporting of managers' activities over the management of human and financial resources. The implication of stewardship theory in this study is to explain that local government, as a trustworthy institution, is able to meet community aspirations, provide good public services, and be financially responsible. Stewards, such as managers and internal auditors, are directed to use their abilities and expertise in effective internal controls to produce quality financial information reports [9].

2.2 Asset Management

Management is the science and art of organizing effective and efficient resources to achieve objectives Asset management, as outlined by [10], [11], involves the process of planning, acquiring, inventorying, legal auditing, valuation, operational, maintenance, renewal, and transfer of assets effectively and efficiently. According to Government Regulation Number 24 of 2005, assets are economic resources controlled by the government and/or owned as a result of past events, can be measured in units of money. This suggests that the concept of asset management first emerged in the private sector, proving a success that caught the attention of governments and public companies.

Asset management aims to maintain high value, longevity, and cost efficiency for results that satisfy the public () mentioned that in Indonesia, especially in the management of local government assets, the concept of asset management is not yet fully understood. The working phase of local government asset management includes inventory, legal audit, valuation, and asset supervision and control [12][11].

2.3 Asset Handling and Surveillance

The Ase Management Information System (SIMA) increases the transparency of local government asset management, avoiding concerns of weak supervision and control [11]. With SIMA, every step of asset handling is clearly monitored, from the scope to who is responsible, is expected to minimize KKN in local governments. The function of supervision and control is very important, in accordance with *Permendagri* No. 19 of 2016, to ensure the smooth and successful management of regional property, as well as to enforce administrative order. Control directs work according to plan, while supervision assesses the implementation of tasks in accordance with laws and regulations.

Based on some of these explanations, it can be concluded that asset control and supervision is an effort or activity to direct and assess and supervise whether asset management activities have been carried out in accordance with laws and regulations set by local governments.

2.4 Previous Research

Studies by [6], [13] show that inventory, legal audit, valuation, and asset control have a positive effect on optimizing the utilization of fixed assets in various local governments. Although there are different findings on certain variables, the conclusion is that the better the asset management, the more optimized the utilization of fixed assets [5].

2.5 Research Framework

Optimal management of fixed assets is necessary to achieve the objectives of local government. Legal audit, supervision, and control are measured to assess their effect on the optimization of fixed assets (land and buildings) within the framework of research [14].

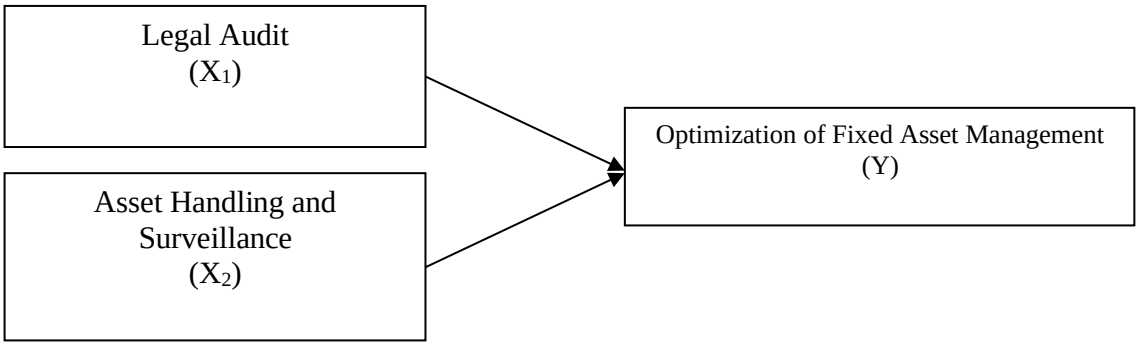

Figure 1. Research Framework

2.6 Concept Hypoplant

The Effect of Legal Audit on the Optimization of Fixed Asset Management

Legal audit is a physical, administrative, and legal security and control measure for regional goods, focusing on physical and administrative control to optimize use and prevent seizures or claims (Minister of Home Affairs Decree No. 152/2004). Securing immovable property, such as land and buildings, involves measures such as fencing, installation of ownership signs, and safeguarding. According to [11], legal audit includes an inventory of control status, asset transfer systems, and identification and resolution of related legal issues, with common problems including weak tenure status and unmonitored asset transfer. Local governments should detect and safeguard these possibilities early to ensure a sense of security and clear proof of ownership of assets.

This research is in line with research conducted by Susi [6] which states that there is a positive and significant influence between legal audits on optimizing the utilization of local government fixed assets. Based on this, the hypothesis that we propose in this study is as follows.

H1: There is an effect of legal audit on the optimization of fixed assets.

The Effect of Supervision and Control on the Optimization of Fixed Asset Management

Supervision and control activities of State/regional property, in accordance with Government Regulation No. 27/2014, are carried out by Goods Users who are required to make work procedures. Within the scope of local government, Regional Heads make technical work procedures with reference to Minister of Home Affairs Regulation No. 19/2016. Asset control and supervision is an action to group, control, and supervise regional assets, assist in the regulation of the recording of goods, and ensure the effectiveness and efficiency of local government administration. The development of an Asset Management Information System (SIMA) is considered effective to improve supervisory and control performance and minimize the potential for KKN in local governments [11]. This research is in line with Nurul [15] research which states that there is a positive and significant influence between supervision and control on optimizing the utilization of local government fixed assets.

H_2: There is an influence of asset control and supervision on the optimization of fixed asset.

3. METHODS

This study is a causal study that analyzes the relationship between the independent variable and the dependent variable. Conducted at the Regional Apparatus Organization (OPD) of Papua Province for a period of three months, from November 2023 to January 2024.

Population and Research Sample

The study population includes individuals involved in asset management, such as heads of general subdivisions, heads of finance subdivisions, goods managers, employees in the asset sector of BPKAD Papua Province, and auditor functional officers at the Papua Provincial Inspectorate.

Sample Determination and Data Collection Techniques

This study used a saturated sample method with the entire population as a sample, consisting of 35 OPDs in the Papua Provincial Government, 15 asset employees in BPKAD, and 15 functional officials in the Inspectorate, so that the number of samples was 100 people. The sampling technique uses purposive sampling with certain criteria.

Data collection methods are very important in research. For the qualitative data survey, questionnaires are used that will be distributed to respondents, such as heads of general subdivisions, finance, goods managers, employees in the field of assets of BPKAD Papua Province, and auditor functional officials at the Papua Provincial Inspectorate. This research instrument is in the form of a questionnaire with the consideration that respondents have sufficient education. Each question in the questionnaire was an indicator of the research variable, measured by the Likert scale (1-5), where 1 indicated strongly disagree and 5 strongly agreed.

Data Analysis Methods

1. Validity Test

[16] stated that the data validity test was used to assess the validity of a questionnaire. A questionnaire is considered valid if the question is able to reveal the essence of the measurement. The validity test compares the average value of the calculated r with the table r. If r count > 0.30 table, then the measuring instrument is considered valid; Conversely, if R count < 0.30 table, the measuring instrument is considered invalid. Validity testing uses the Pearson product moment correlation technique, which is the correlation between variable scores and their total scores.

2. Uji Reliability

[16] Reliability tests are intended to test the extent to which a measurement result is relatively consistent when the measurement is repeated two or more times. So, reliability is an index that shows the extent to which a measuring instrument can be trusted or reliable if the measuring instrument is used twice to measure the same symptoms, then the measurement results obtained are relatively consistent. Reliability includes 3 (three) main things, namely size stability, equivalent and internal consistency of size. A variable is said to be reliable if it gives a Cronbach Alpha (α) value of > 0.60.

3. Classical Assumption Test

Theoretically, the model used in this study will produce valid presumptive model parameter values when met with the regression classical assumption test. In classical assumption test research carried out as many as two types of classical assumption tests, namely normality tests, and heteroscedasticity.

Normality Test

[16] explains that the normality test is used to check whether the independent and dependent variables in the regression model have a normal distribution. A good regression model approximates the normal distribution. Normality tests are performed through graphical analysis, such as Histograms and Normal Probability Plots, to compare observational data with near-normal distributions. Decisions are made based on:

a. If the data is scattered around a diagonal line, following the direction of the line, or the histogram graph shows a normal distribution pattern, the regression model satisfies the normality assumption.
b. If the data is spread far from the diagonal, does not follow the direction of the line, or the histogram graph does not show a normal distribution pattern, the

regression model does not meet the normality assumption [16].

Heteroscedacity Test

This test aims to check whether there is a variance non-uniformity of residuals among observations. Homoscedastic occurs if variance from one observation to another is fixed, whereas heteroscedastic occurs if it is different [16]. A good regression model is a homoscedastic one, whereas heteroscedastic can cause the variance of the regression coefficient to be minimal and beyond the confidence interval, making statistical test results invalid. Heteroscedastic detection can be done by looking at the scatterplot graph between the predicted values of the dependent variable and its residuals:

a. If there is a certain pattern, such as the dots forming a certain regular pattern (wavy, widening then narrowing), then it indicates that heteroscedacity has occurred.
b. If there is no clear pattern, as well as the dots spread above and below the number 0 and the Y axis, then heteroscedastic does not occur.

Multicollinearity Test

According to Imam [16], the multicollinearity test aims to test whether the regression model found a correlation between independent variables. To test multicollinearity by looking at the VIF value of each independent variable, if the VIF value < 10, then it can be concluded that the data is free from the symptoms of multicollinearity.

4. Double Regression Analysis

The data analysis tool used in this study used multiple linear regression analysis. The multiple linear regression models used are as follows:

Y = Bo + B1X1 + B2X2 + e

Information:

Y = Optimization of Fixed Asset Management

Top = Koefisin regresi

X1 = Legal Audit

X2 = Asset Surveillance and Handling

e = eror

5. Hypothesis Test

Partial Significance Test (t-Test)

The t-test is also referred to as the individual significance test. The t-test is used to partially test the effect of each independent variable on the dependent variable. The forms of testing are:

Ho: $\beta_1=0$, meaning that an independent variable has no partial effect on the dependent variable.

Ha: $\beta_2\neq0$, meaning that the independent variable partially affects the dependent variable.

Decision-making criteria:

If the probability of < α = 0.05 then Ha is accepted

If the probability of > α = 0.05 then Ha is rejected.

Significance Test **(F-Test)**

The F test is used to test the effect of independent variables simultaneously or together on the dependent variable. Through a statistical test with the following steps:

Ho: $\beta_1=\beta_2=0$, meaning that simultaneously (together) the independent variables have no influence on the dependent variable.

Ha: $\beta_1\neq\beta_2\neq$, meaning that together (simultaneously) the independent variables have an influence on the dependent variable, with the following criteria:

Ho is rejected, if $F_{calculate} < F_{table}$ at α = 5 %

Ha is accepted, if $F_{calculate} > F_{table}$ at α = 5%.

Coefficient of Determination (R^2)

The coefficient of determination essentially measures how far the regression equation model is capable (independent variables) in explaining the variation of the dependent variable. The value of the coefficient of determination is between zero and one. A small value of R^2 means that the ability of independent variables to explain the variation of the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

4. RESULTS AND DISCUSSION

This survey study used questionnaires with OPD, BPKAD, and Inspectorate objects, a total of 100 people. The distribution of questionnaires was carried out for approximately 2 weeks, directly in the finance/accounting department and to the Goods Management, Kasubag. Finance/Kasubag. General, Staffing, Asset Section Staff, and Functional in the Inspectorate. Details of the deployment can be seen in the table.

Table 2. Dissemination of Research Questionnaires

Category	Sum	Percentage (%)
Questionnaires distributed	100	100
Returned questionnaire	73	73
Defective and unprocessable questionnaires	8	8
Questionnaires that can be processed	65	65

Source: Data processed, 2023

Based on the table above, it is known that the distribution of questionnaires conducted by researchers to 100 respondents, there were 73 questionnaires returned, 27 questionnaires that were not returned, questionnaires that were damaged and could not be processed as many as 8 questionnaires so that the questionnaires that could be processed were only 65 questionnaires.

Responsive Features

The results showed that respondents were dominated by women (66.16%) and < 50 years old (60%). Based on education, the majority of respondents are Bachelor (49.32%), while in terms of work experience, those who have a working period of > 10 years dominate (44.63%).

Data Analysis Results

Descriptive Statistics

Descriptive statistics are used to provide an overview of research variables. Descriptive statistical tables show theoretical and real range figures, averages and standard deviations. Measurement of variables in this study with descriptive statistics of 65 respondents.

Table 3. Descriptive Statistical Results

	N	Range	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Legal Audit	65	14.00	21.00	35.00	27.8615	0.39338	3.17154
Surveillance and Control	65	10.00	15.00	25.00	20.7385	0.25690	2.07121
Optimization of Fixed Asset Management	65	15.00	30.00	45.00	37.7538	0.50193	4.04672
Valid N (listwise)	65						

Source: Processed Data, 2023

Based on the results of the analysis in table 2, it can be seen that the optimization of fixed asset management has the most dominant standard error value of 0.50193, while the minimum theoretical range value is 30.00 to 45.00 with an average value of 37.7538 and a standard deviation of 4.04672.

Validity Test Results

Test the validity of the questionnaire using Pearson Correlation, comparing the

calculated and rtable values. If rcalculate > rtable, then the data is considered valid; conversely, if rcalculate < rtabel, the data is considered invalid (Ghozali, 2017). The results of the validity test are in Table 4:

Table 4. Legal Audit Variable Validity Test (X_1)

No	Variable	*Person Corelation*	Coefficient Significance	Conclusion
1.	Legal Audit (X_1)			
	X1.1	0,775	0,000	Valid
	X1.2	0,769	0,000	Valid
	X1.3	0,507	0,000	Valid
	X1.4	0,568	0,000	Valid
	X1.5	0,592	0,000	Valid
	X1.6	0,408	0,000	Valid
	X1.7	0,754	0,000	Valid

Source: Processed Data, 2023

From the results of the validity test in table 4 below shows that each question item for the legal audit variable (X 1) shows significant results with a *pearson correlation* value of > 0.30 and a significance of < 0.05, thus the legal audit variable (X_1) consisting of 7 valid statements.

Table 5. Validity Test of Supervision and Control Variables (X_2)

No	Variable	*Person Corelation*	Coefficient Significance	Conclusion
2.	Surveillance and Control (X_2)			
	X2.1			
	X2.2	0,734	0,000	Valid
	X2.3	0,651	0,000	Valid
	X2.4	0,791	0,000	Valid
	X2.5	0,577	0,000	Valid
		0,797	0,000	Valid

Source: Processed Data, 2023

Table 4 illustrates that after testing the validity for each question item for the supervisory and control variable (X 2) a *person correlation* value for each question item > 0.30 and a significance of < 0.05, thus, on the supervisory and control variable consisting of 5 valid statement items.

Table 6. Fixed Asset Management Optimization Variable Validity Test (Y)

No	Variable	*Person Corelation*	Coefficient Significance	Conclusion
3.	Optimization of Fixed Asset Management (Y)			
	Y1.1	0,641	0,000	Valid
	Y1.2	0,793	0,000	Valid
	Y1.3	0,764	0,000	Valid
	Y1.4	0,669	0,000	Valid
	Y1.5	0,616	0,000	Valid
	Y1.6	0,622	0,000	Valid
	Y1.7	0,517	0,000	Valid
	Y1.8	0,812	0,000	Valid

	Y1.9	0,679	0,000	Valid

Source: Processed Data, 2023

Table 6 illustrates that after testing the validity for each question item for the fixed asset management optimization variable (Y), the *person correlation* value for each question item > 0.30 and the significance of < 0.05, so that the fixed asset management optimization variable consists of 9 valid statements.

Reliability Test Results

Reliability tests are used to determine the level of reliability of a measuring instrument using the *Cronbach Alpha formula.* A construct or reliable is said to be reliable if it gives a *Cronbach alpha* value of > 0.60.[16]

Table 7. Reliability Test

Research Variables	*Cronbach Alpha*	Information
Legal Audit	0,756	Reliable
Handling and Surveillance	0,782	Reliable
Optimization of Fixed Asset Management	0,763	Reliable

Source: Processed Data, 2023

Based on table 7 of each legal audit variable, supervision and control and optimization of fixed asset management have a *Cronbach Alpha* value of > 0.60, thus the data used is reliable and can be continued to perform multiple linear tests.

Classical Assumption Test

Normality Test

The normality test aims to test whether in regression models, confounding or residual variables have a normal distribution. This normality is useful in testing the validity of regression statistical tests. Data normality tests can be performed using [16] *histogram plots.*

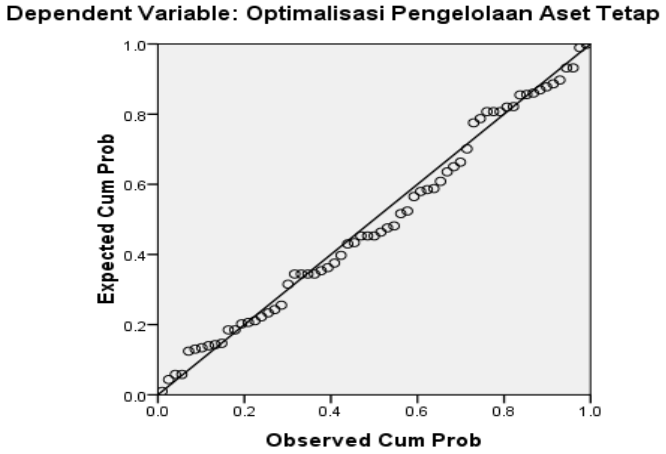

Figure 2. Normal P-Plot Test

Source: Processed Data, 2023

Based on the figure above, it shows that the points follow a diagonal line, so it can be concluded that the data used is normal in this regression model.

Table 8. Normality Test (Kolmogrov Smirnov)

		Unstandardized Residual
N		65
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	2.89323413
Most Extreme Differences	Absolute	.073
	Positive	.073
	Negative	-.059
Kolmogorov-Smirnov with		.587
Asymp. Sig. (2-tailed)		.880

a. Test distribution is Normal.

Source: Processed Data, 2023

Based on table 8 above, on the basis that if the probability (sig) > 0.05 means that the data has been distributed normally. From the results of the SPSS 25.00 test, a significance value of 0.880 is obtained, then the value of 0.880 > 0.05 can be concluded that the data is normally distributed.

Heterokedasticity Test

The heteroscedasticity assumption test is intended to determine the absolute residual variation of the same or not the same for all observations. If this assumption of heteroscedasticity is not met, the estimation will no longer be efficient in both small and large samples. According to a good regression model, a model in which heteroscedasticity does not occur, one of which is by using scatterplots. The presence or absence of heteroscedasticity can be seen in the figure below [16].

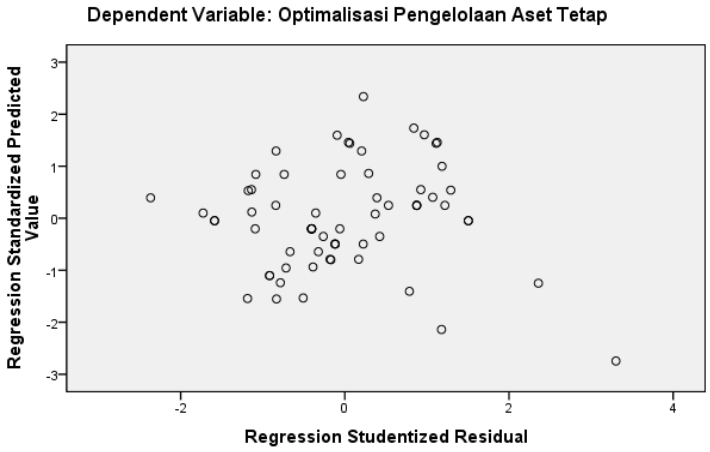

Figure 3 Heteroscedasticity Test

Source: Processed Data, 2023

Based on the figure above, it shows that the points spread randomly, it can be concluded that heterokedasticity does not occur in this regression model.

Multicollinearity Test

The Multicollinearity Test aims to test whether the regression model found a strong relationship between independent variables. To find out whether there is multicollinearity, it can be seen in the following table:

Table 9. Multicholinerity Test Results

Variable	*Collinearity Statistics*		Information
	Tolerance	**BRIGHT**	

Legal Audit	0.554	1.804	Multicollinearity-free
Handling and Surveillance	0.554	1.804	Multicollinearity-free

Source: Data Processed 2023

The results of the *calculation of the* tolerance value show that there is no independent variable that has a *tolerance* value of less than 0.10, which means that there is no correlation between independent variables whose value is more than 95%. The calculation of the *Variance Inflation Factor* (VIF) value also shows the same thing, namely the VIF value is not more than 10. So, it can be concluded that there is no multicollinearity between independent variables in the regression model.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the magnitude of the influence of legal audit (X_1), supervision and control (X_2) on the optimization of fixed asset management (Y). A summary of the results of regression analysis can be seen in the following table:

Table 9. Summary of Regression Analysis Results

Variable	Coefficient β	t_{count}	*Significant*	Information
Constant	8,413			
Legal Audit	0,415	2.668	0.010	Significant
Handling and Surveillance	0,857	3.597	0.001	Significant
α		= 0.05		
R		= 0.699		
Coefficient of Determination (R^2)		= 0.472		
F-Count		= 29,646		
Significant		= 0.000		
t_{table}		= 1,998		

The regression results obtained based on table 4.16 are as follows:

$Y = 8,413 + 0,415X_1 + 0,857X_2 + e$

Where:

Y : Optimization of Fixed Asset Management

X_1 : Legal Audit

X_2 : Surveillance and Control

e : Standard Erorr

a : 8.413 is a constant number which means that if the independent variable is X_1, and X_2 is equal to zero, then the magnitude of the variable Y (optimization of fixed asset management) is 8.413. In other words, if the free variables of legal audit and supervision and control of its value are considered zero, it means that the optimization of fixed asset management will increase by 8,413.

b 1:0.415 is the magnitude of the regression coefficient of the free variable X 1 legal audit which means that each increase (addition) of the variable X_1 legal audit will increase the dependent variable Y (optimization of fixed asset management) by 0.415, assuming the other independent variable is constant. If the legal audit variable tends to increase by 1%, then the optimization of fixed asset management will increase by 0.415. If the legal audit variable has a downward trend, then the optimization of fixed asset management will also decrease.

b 2:0.857 is the magnitude of the regression coefficient of the free variable X 2 supervision and control which means that each increase (addition) of the variable X_2 supervision and control will increase the dependent variable Y (optimization of fixed asset management) by 0.857, assuming the other independent variable is constant. If the supervisory and control variables tend to increase by 1%, then the optimization of fixed asset management will increase by 0.857. If there is a downward trend in supervisory and control variables,

then the optimization of fixed asset management will also decrease.

Hypothesis Testing

Coefficient of Determination (R^2)

The coefficient of determination test is used to test *goodness-fit* and regression models. In this study, the determinant coefficient test was used to see how much the independent variable was able to explain the dependent variable. In other words, the determinant coefficient is used to measure the ability of legal audit variables (X_1), supervision and control (X_2) to influence the optimization of fixed asset management (Y).

Table 10. Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.699[a]	.489	.472	2.93953	1.880

a. Predictors: (Constant), Supervision and Control, Legal Audit

b. Dependent Variable: Optimization of Fixed Asset Management

Based on table 10, it can be seen that the magnitude of the correlation coefficient (R) is 0.699 which means that the correlation / relationship between the variables of legal audit (X_1), supervision and control (X_2) is 69.9% while the value of *Adjust R square* or the value of the coefficient of determination is 0.472 which means that the independent variable (legal audit, supervision and control) is able to explain the dependent variable (optimization of fixed asset management) of 47.2% and the remaining 52.98% can be explained by other factors not examined in this study.

Simultaneous Test (Uji F)

This F-test is used to prove the simultaneous influence between legal audit, supervision and control on optimizing fixed asset management.

Table 11. ANOVA (b)

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	512.330	2	256.165	29.646	.000[a]
	Residual	535.731	62	8.641		
	Total	1048.062	64			

a. Predictors: (Constant), Supervision and Control, Legal Audit

b. Dependent Variable: Optimization of Fixed Asset Management

Testing the effect of independent variables together on the dependent variables was carried out using the F test. The significance level used in this study was 5% (a = 0.05), while the value of the free degree (*degree of freedom = df*) numerator 2 and denominator was 64. The F value of the table at the significance level of 5% (a = 0.05), numerator 2 and denominator 64 is 8.641. The calculated F value based on the results of computer calculations is 29.646. When comparing the calculated F value and the table F value, it is known that the calculated F value is greater than the table F value (29.646 > 8.641), so it can be said that the legal audit, supervision and control variables simultaneously have a significant effect on optimizing the management of fixed assets.

Uji Parsial (Uji t)

The individual parameter significance test (statistical test t) basically shows how far the influence of one individual explanatory or independent variable is in explaining the variation of the dependent

variable. This test can be done by looking at the *p-value* of each variable. If the p-value < 0.05 then the hypothesis is accepted and if *the p-value* > 0.05 then the hypothesis is not supported. [16]

Regression model testing is used to determine whether the independent variable forming the regression model has a significant influence on the dependent variable or not. This test is conducted to test whether the variables of legal audit (X_1), supervision and control (X_2) have an influence on optimizing the management of fixed assets (Y). To test the relationship, a t test is used, which is by comparing the calculated t value with the table t. The independent variable forming the regression model is said to have a significant effect if $t_{counts} > t_{table}$ or significant level < α = 0.05. The results of the statistical test t can be seen in table 4.19.

Table 12. Individual Parameter Test Results (Uji t)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	8.413	3.840		2.191	.032
	Legal Audit	.415	.156	.325	2.668	.010
	Surveillance and Control	.857	.238	.439	3.597	.001

a. Dependent Variable: Optimization of Fixed Asset Management

Using the help of SPSS software version 25.00, obtained t-test statistics against legal audit (X_1) of 2.668 with a significance level of 0.010. The statistical value of the calculated t test is greater than that of the$_{table}$ t (2.668 > 1.998) with significantly smaller than α = 0.05. This test shows that $H_{a\ is}$ accepted so that it can be concluded that legal audit has a significant effect on optimizing the management of fixed assets.

In the supervisory and control variable (X_2) obtained a t-test statistic of 3.597 with a significance level of 0.001. The statistical value of the calculated t test is greater than that of the$_{table}$ t (3.597 > 1.998) and also significantly smaller than α = 0.05. This test shows that H a $_{is}$ accepted so that it can be concluded that supervision and control have a significant effect on optimizing the management of fixed assets.

Discussion

The Effect of Legal Audit on Optimization of Fixed Asset Management

The results showed that the legal audit was significant in optimizing fixed asset management in Papua Province, supporting previous findings [17]. The frequency of respondents' answers confirms the clarity of the status of fixed assets can optimize their management. Statements 3 and 6 recorded the highest average scores, which were 4 and 6 However, in statements 1 and 2 with the lowest average scores, 3.67 and 3.75, respectively. The overall legal audit variable had an average respondent answer of 3.82.

Legal audit in asset management involves an inventory of tenure status, transfer procedures, and resolution of related legal issues [11]. Common problems include weak tenure status, assets controlled by other parties, and unmonitored transfers. Local assets often have problems with ownership status, making them free from government control. Local governments should detect and prevent these problems early, providing a sense of security in the use and utilization of assets.

Good governance principles, such as legal certainty, emphasize the importance of clear ownership status in assets. Permendagri Number 47 of 2021 emphasizes the need for security, including legal security by completing proof of ownership status. Although the results showed that legal audits had no effect on asset optimization, this was not in line with the Permendagri, which highlighted the importance of proof of ownership to prevent disputes and seizures. The Papua Provincial Government, despite having suboptimal findings from BPK

examinations related to fixed assets, needs to make a change of view and improve understanding of the security of asset use by having clear proof of ownership, in accordance with established standards for land and building assets.

The importance of efficient and effective regional asset management involves the stages of inventory and legalization to ensure asset data is accurate and in accordance with the law. Legal audit, as part of asset management, includes an inventory of control status, asset transfer systems and procedures, and resolution of related legal issues. In this study, the legal audit cycle is discussed including legal foundations, systems, and procedures to ensure legality and clear asset control status.

The Effect of Supervision and Control on the Optimization of Fixed Asset Management

Supervision and control have a positive and significant effect on optimizing the management of fixed assets in the local government of Papua Province. These results are in line with other studies and supported by respondents' responses, which show statements 4 and 5 have the highest-grade point average, while statements 1 and 2 have the lowest grade point average. The frequency of supervisory and control variables showed an overall average value of respondents' answers of 4.14. A frequent problem in local government is supervision and control. The local government of Papua Province has improved the performance of goods managers by developing an asset management system to respond to this. In the event that all OPDs are within the scope of the local government, Papua Province is obliged to record all capital expenditures or goods expenditures that occur to facilitate supervision. The results of goods or capital expenditure will be entered into the application after OPD and BPKAD Asset Field reconcile with each OPD so that everything can be arranged clearly and quickly at the time of reporting, where asset reporting is often an obstacle in preparing government financial statements.

Assets need to be supervised by leaders or superiors to ensure program implementation in accordance with regulations. Supervision of fixed assets of the Papua Provincial Government is very important to optimize management and prevent misappropriation. The supervision process follows the Technical Guidelines for Regional Property Management and government audit standards. The Inspectorate is responsible for assessing the effectiveness, efficiency and economicality of task implementation and providing inspection recommendations with reference to SA-AIPI. (Standard Audit Auditor Interent Government of Indonesia).

Supervision and control of the utilization and transfer of assets is one issue that is often highlighted by local governments today. One effective means to improve the performance of this aspect is the development of the Regional Management Information System (SIMDA). Through the Regional Management Information System (SIMDA). Transparency of work in asset management is guaranteed without the need for fear of weak supervision and control. In this Regional Management Information System (SIMDA), the four aspects are accommodated in the system by adding aspects of supervision and control. So that every handling of one asset, is clearly monitored, starting from the scope of handling to who is responsible for handling it. This is expected not to cause corruption, collusion, nepotism (KKN) within the local government.

5. CONCLUSION

Based on the results of data analysis conducted related to compliance in asset management, the following conclusions can be drawn:

1. Legal audit has a significant effect on optimizing the management of land and building fixed assets in the Papua Provincial Government. This shows that if the fixed assets of land and buildings in the

Papua Provincial Government have a clear status, they can optimize the management of fixed assets.

2. Supervision and control have a significant effect on optimizing the management of fixed assets in the local government of Papua Province. This means that, if the supervision and control of fixed assets can be carried out properly, it can optimize the management of fixed assets of the local government of Papua Province.

Research Limitations

This research has been attempted to be conducted correctly and in accordance with scientific guidelines. However, this study still has some limitations that can be used as a reference for future research. In order to obtain better results, here are some limitations in the study:

1. This research was only conducted on OPD in the Papua provincial government.
2. This study only used questionnaire techniques, so it could not obtain more detailed and in-depth information related to obstacles Expected obstacles in optimizing the management of fixed assets in Papua Province.

Suggestion

Based on the results of the study and related to the limitations of this study, further suggestions can be proposed that are expected to be useful as follows:

1. The Regional Government of Papua Province is faced with being able to conduct an inventory or census of fixed assets owned every five (5) years, so that data on fixed assets of the Regional Government of Papua Province (both in use and utilization) can be more reliable and accountable.
2. The Regional Government of Papua Province is expected to provide recommendations for BPKAD as the Assistant Manager of Regional Property and the Treasurer of Goods as the Management of Regional Property to attend training on asset valuation, so that in the future the Regional Government of Papua Province will not use the services of an independent appraiser in assessing its regional assets.
3. In the legal audit variables, statements 1 and 2 have the lowest average value, thus the Regional Government of Papua Province is expected to be able to examine and/or assess any transaction data related to other parties, especially those related to legal aspects and can manage ownership certificates for land assets owned.

In the supervisory and control variables, statements 1 and 2 have the lowest average value, thus the Regional Government of Papua Province is expected to monitor the process of managing regional property and can monitor the process of managing regional property effectively.

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