Optimization Strategies for Government Fixed Assets: A Literature Review

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Article Info	Abstract
	Fixed assets are a critical component of the resources owned by the government to achieve organizational objectives. To ensure these assets generate optimal value, the government must implement an adequate management strategy. The Government of the Republic of Indonesia has issued Government Regulation No. 28 of 2020 and Minister of Home Affairs Regulation No. 7 of 2024, alongside various other regulations established by central and regional government institutions governing asset management from planning and utilization to accountability. This study aims to identify the key challenges in managing government-owned assets and to explore strategies that can enhance the optimization of fixed assets. Adopting a qualitative descriptive method, this research is based on secondary data through a literature review of previous studies on asset management in Indonesia, as well as studies examining the factors influencing asset optimization. Although both central and regional governments have enacted policies related to asset management, several challenges remain, including regulations that lack clear guidelines for asset valuation and rental pricing, limited human resource capacity, asset planning that fails to consider long-term management, suboptimal asset management financing, weak oversight mechanisms, and insufficient coordination both within and between institutions. Effective asset optimization requires attention to several critical factors: robust asset identification processes, strategic planning that aligns with governmental needs and capacities, performance evaluation of each asset, and collaboration with the private sector. Optimizing fixed assets can significantly enhance public service delivery and act as a catalyst for regional economic growth.

Introduction

Fixed assets are one of the elements in governance that has the greatest value in local government assets. The government controls regional assets in various forms such as land, buildings, equipment and machinery, roads and networks, as well as intangible assets such as software and licenses that function in supporting the government in carrying out the function of achieving organizational goals. Government assets should be able to be optimized so that they can support economic development and support the welfare of the community (Kuntadi et al., 2022). Assets are elements that provide both financial and non-financial value to an organization (Lima & Costa, 2019). There are two types of assets, namely tangible assets and invisible assets (Heaton & Parlikad, 2020). Fixed assets are assets in the form of land, equipment and machinery, roads and networks, and others that are used by organizations in their operational activities (Hastings, 2010). So government fixed assets are an element in government that is used to support or provide value to the course of government functions to carry out various programs and activities in achieving predetermined goals. The government manages fixed assets through a combination of various capabilities and specializations in meeting the needs of carrying out government functions with the resources it has (Ali et al.,

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2015). Fixed asset management carried out has the aim that the value generated by assets owned by the government can be optimal in supporting government operations in achieving organizational goals (Petchrompo & Parlikad, 2019).

Fixed asset optimization needs to be carried out by the government through the formulation of a detailed plan in order to create benefits based on its capabilities and resources consisting of various activities, such as asset utilization, maintenance, and supervision of asset management. Asset optimization aims to make assets function and produce benefits optimally (Woodhouse, 2010).

The Government of the Republic of Indonesia has issued policies related to fixed asset management through Government Regulation Number 28 of 2020 regarding the management of state / regional property, as well as Minister of Home Affairs Regulation Number 7 of 2024 regarding the management of regional property as a guideline for agencies within the central government and local governments in carrying out asset management. However, in its implementation, there are still various problems that cause non-optimal assets owned by the government in generating value and supporting government functions.

Policy is a form of government action to achieve predetermined goals as a form of solving existing problems, and optimizing various opportunities (Wahab, 2015). Public policy is a government framework for taking various actions based on the vision, principles, and philosophy carried out through government programs (Shahriar & Khan, 2017) Therefore, the government as a policy maker certainly needs to consider various factors in formulating policies related to asset management. This needs to be done so that in its implementation, the policy is able to optimize fixed assets owned by local governments in supporting service delivery to the public. Government fixed assets have a role as a means of service delivery, a place for service providers and the public to interact, and as a catalyst for economic and social growth (Phelps, 2012).

The weak management related to asset management in Indonesia can be seen from the Audit Report of the Supreme Audit Agency which still contains asset management as one of the issues that often appear in the findings in its implementation. The main issues faced related to asset management include the lack of Human Resources capacity (Faisal & Rosmiati, 2022), the lack of components contained in the regulations set (Meo & Made, 2021), limited funding for asset management (Umam et al., 2024), weak planning related to asset management, weak coordination with stakeholders (Anartany & Suseno, 2018), and the high number of idle assets that cannot be optimized to generate value (Feijar & Priyono, 2023).

Asset management practices carried out by the government that cannot optimize the function of assets owned lead to opportunity costs that reduce efficiency in the delivery of public services (Tran & Noguchi, 2022). Optimization of government-owned assets is important to optimize costs incurred, reduce operational costs and resources used, efficiency of the maintenance process and improve public service delivery (Nanang et al., 2023). The government as an asset manager should be able to formulate and implement asset management policies that are able to answer the needs of the government in carrying out programs in order to achieve the government's long-term goals, improve public welfare, and answer the needs of stakeholders. This research takes the formulation of problems related to problems in asset management in the Government? Second, what is the strategy of the government to be able to optimize its assets?

Methods

This research uses a qualitative approach. The author uses descriptive analysis to gain in-depth knowledge to describe the topic discussed and make conclusions on the phenomena

encountered based on the secondary data obtained. The data used in this research is secondary data from literature review. Literature review is carried out by collecting and retrieving results from previous studies related to the research conducted by the author (Snyder, 2019). The literature that will be used is previous research related to the implementation of government fixed asset management in several local governments in Indonesia, as well as research that analyzes related factors that can optimize asset management, both from national and international journals.

The author will analyze various problems related to the management of fixed assets in the government in local governments in Indonesia, then make conclusions related to problems that often occur in the management of fixed assets. On these problems the author analyzes the various components that need to be considered in answering the issues faced in an effort to optimize government fixed assets.

Results and Discussion

Fixed assets serve to provide financial or non-financial value to the organization (Lima & Costa, 2019). Fixed assets for the government are goods owned by the government in the form of land, buildings, equipment and machinery, vehicles, networks, and others that are used by the government to provide services to the community (Hastings, 2010).

Asset management consists of formulating and implementing policies on the acquisition, utilization, and disposal of government assets as well as careful planning of assets regarding the needs that can be met by assets owned or to be acquired in the future. The objectives of the government will be achieved effectively and efficiently when asset management is carried out optimally, so that the fixed assets owned by the government can support the functions of each part of the organization (Kaganova & Amoils, 2020).

Fixed asset management has several stages as explained by Polenghi et al. (2021): 1) Beginning of Life (BoL): The planning, procurement, and framework that determines the use of assets in a particular service area of government; 2) Middle of Life (MoL): The pre-planned asset is in place and performing its designated function, as well as maintenance activities and evaluation of the asset's continued functionality; 3) End of Life (EoL): At this stage the asset no longer provides a function for the organization, so it is necessary to follow up for asset disposal either by auction or destruction.

Tran & Noguchi (2020) revealed the current condition of asset management carried out by the government, where assets owned cannot be optimized. This causes the emergence of opportunity costs, which should not occur because asset optimization can streamline the delivery of public services (Tran & Noguchi, 2022).

Efficient fixed asset management, improving asset performance, and maintaining every asset owned to carry out its function need to be done by the government in supporting the organization's long-term goals in meeting the expectations of stakeholders (Nanang et al., 2023).

Implementation of Asset Management Policy in Indonesia

Effective and efficient governance by both the central and regional governments will be achieved with the availability of adequately managed facilities and infrastructure. The Government of the Republic of Indonesia has established a policy for the management of government fixed assets or state/regional property through Government Regulation Number 28 of 2020, as well as Permendagri Number 7 of 2024 for the management of regional property. These regulations contain the division of authority, stakeholders, rights and obligations of the parties involved, planning, acquisition, valuation, disclosure, use, utilization, and disposal of

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fixed assets. The regulations also include recording, monitoring, and reporting on government fixed assets. The regulations are further implemented through policies set by each ministry/agency through ministerial or agency regulations for vertical agencies, and regional regulations for local governments.

At the level of policy implementers, there are two main roles both in ministries / institutions and in local governments, namely goods managers and goods users. Goods managers are officials who have the authority and responsibility in formulating and determining policies and guidelines and managing state / regional property, which in state property is the minister of finance and in Local Government Fixed Assets is the Head of the Regional Finance and Asset Agency. Meanwhile, goods users are officials who have the authority to use state / regional property, which in this case is the head of each ministry / institution and the head of each Regional Apparatus Organizations in the region.

The stages of fixed asset management in Indonesia as explained in these regulations are as follows: a) Needs planning and budgeting: This stage consists of planning the procurement, utilization, maintenance, transfer, and elimination of State/Regional Property that takes into account the needs of the organization in carrying out its duties and functions; b) Procurement: Planning for State/Regional Property needs that have been formulated are then implemented through procurement of State/Regional Property needs to carry out the functions of each organization; c) Usage: This stage is the determination of the status of State/Regional Property that is entitled to be used and the administration process is carried out by each ministry / institution or Regional Apparatus Organizations as the user of goods determined by the goods manager; d) Utilization: State/Regional Property controlled by goods users, but not used for operational activities can be utilized in the form of borrowing and use, leasing, Build to Surrender (BGS), Build to Surrender (BSG), and Infrastructure Provision Cooperation (KSPI) by goods users to parties outside the user without changing ownership status; e) Safeguarding and Maintenance: Safeguarding is carried out both administratively, physically, and legally to protect the assets owned, while maintenance is the process of maintaining the condition of assets so that they can continue to produce the functions of these assets; f) Valuation: This stage is an activity carried out by the government to determine the value of assets owned in order to prepare a balance sheet or transfer assets; g) Transfer: This stage is carried out for assets that are no longer used in the operational activities of the organization through sales, grants, exchanges, or equity participation; h) Destruction: This stage is carried out when there are assets that cannot be used, transferred, or utilized through burning, drowning, stockpiling or other methods regulated by law; i) Deletion: The stage that is performed when the asset is no longer in the possession of the user of goods; j) Administration: This stage is the stage of registering and recording State/Regional Property in the status of use of each user of goods. Activities carried out are bookkeeping, inventory, and reporting carried out by both users and goods managers; k) Supervision and Control: This stage is carried out through monitoring and controlling the Use, Utilization, Transfer, Administration, maintenance, and security of State/Regional Property which is in the control of the goods user which can be done with the help of the Government Internal Supervisory Apparatus.

Fixed Asset Management Issues in Indonesia

The management of State / Regional Property still has several problems in most government agencies in Indonesia. The 2020 Semester I Supervision Results Overview Report published by the Supreme Audit Agency of the Republic of Indonesia (BPK-RI) shows that problems related to Regional Property constitute 33% of all findings on weaknesses in the control and reporting system in 518 Regional Governments. Problems that often arise are inaccurate asset

recording, assets whose whereabouts are unknown, assets in the control of other parties, and various other problems.

Problems are still often encountered in the management of fixed assets in Indonesia. Some researchers reveal various problems as follows:

Table 1. Asset Management Research Reviewed

No.	Researcher and Research Title	Problems
1	(Faisal & Rosmiati, 2022) Analysis of Regional Asset Management in an Effort to Improve the Quality of Regional Financial Statements (Case Study at the Regional Finance and Asset Agency of the Subang Regency Government)	Coordination and communication between Regional Apparatus Organizations that are not yet optimal. Socialization related to asset management policies and procedures that are still lacking. Lack of human resource competence. Frequent changes in the management of goods in Regional Apparatus Organizations in one period.
2.	(Meo & Made, 2021) Analysis of Fixed Asset Management and Implementation of Government Accounting Standards at the Malang City Regional Financial and Asset Management Agency	Lack of knowledge and understanding of human resources related to asset management. Lack of commitment from organizational leaders in asset management efforts. Frequent changes in the asset management structure. There is no asset valuation method set by the local government.
3.	(Asnawi et al., 2022) Implementation of Regional Asset Management in the Form of Land by the Regional Finance and Asset Management Agency of Pekanbaru City Based on Government Regulation Number 27 of 2014 concerning Management of State / Regional Property	Weak inventory and data collection of regional assets Limited number of human resources to manage regional assets Weakness in asset security
4.	(Noviyati & Khoirudin, 2023) Analysis of Optimization of Regional Government Assets in the Special Region of Yogyakarta	Data collection of goods that is only carried out on Regional Property, does not include the use of goods Weak security of assets controlled, so that there are assets controlled by third parties Lack of supervision over the alienation of assets
5.	(Agustin & Tarigan, 2022) Analysis of Regional Asset Management at the Regional Financial and Asset Management Agency (BPKAD) of North Sumatra Province	Asset-related planning still does not consider long-term asset use plans, as well as accurate asset valuation methods. Lack of supervision in the use of assets. There are still uses of assets that are still carried out outside the operational needs of the organization.

6.	(Nahar & Hadiyanti, 2018) Analysis of Fixed Asset Management at the Regional Financial and Asset Management Agency in Jepara Regency	Lack of legal security on land assets. Lack of clarity regarding fixed asset recognition methods. Late fulfillment of obligations from tenants of fixed assets. Lack of understanding regarding fixed asset management policies both from internal and external organizations. Limited capacity of human resources. Non-optimal coordination between the goods manager and the accounting department of the organization.
7.	(Umam et al., 2024) Analysis of Idle Asset Management in Local Government	Lack of budget in asset maintenance, causing assets to not function optimally. There are still assets that are not used for operations but are not also managed to generate Local Own-source Revenue.
8.	(Feijar & Priyono, 2023) Management of Regional Assets in the Form of Land and Buildings as a Source of Local Original Revenue of the Depok City Government	The slow process of acquiring assets obtained through the grant process from third parties. Lack of community compliance with local government policies related to the use of government-owned land for private purposes. Infrastructure, Facilities, and Utilities (PSU) development that is not in accordance with the site plan, resulting in abandonment, or assets that are controlled by other parties without permission. Lack of coordination in the borrowing and use of land assets, leading to errors in the size of land assets loaned to third parties. Still not optimal asset utilization strategies that can increase Local Own-source Revenue.
9.	(Anartany & Suseno, 2018) Regional Idle Asset Optimization Strategy in Central Java Province	There are government-owned assets that are used by residents illegally. Mismatch in the competence of human resources who carry out asset management. Determination of rental rates that do not see the condition of the asset. Lack of budget in asset maintenance. Asset procurement planning that does not pay attention to the program to be carried out, causing assets to become *idle*. Lack of socialization of regulations related to asset management to stakeholders.

10.	(Ibrahim & Ridwan, 2020) Optimizing the Utilization of Land and Building Assets Owned by the Banda Aceh City Government	Operational costs for asset utilization are quite high when compared to the Local Own-source Revenue. obtained. Lack of asset maintenance, making assets unable to function. There is retribution collection that is not deposited to the local government by the collecting officer. Discrepancies in payment for facilities used by third parties.

Based on the problems revealed from research related to asset management in several local governments, the author concludes the main problems that occur in asset management as follows:

Human Resource Capacity

Human Resources is an important element in government asset management, because it has a function as an implementer of the policies that have been set. Local governments need to pay attention to the adequacy of Human Resources both in terms of quality which can be assessed from competence, as well as the quantity available in carrying out policies. Capacity and professionalism in asset management is a management framework and asset management practices that need to be considered so that effective and efficient asset management can be achieved (Kaganova & Amoils, 2020). Hadgraft and Kolmos (2020) divide the competencies required by asset management human resources into technical skills such as asset use skills, data processing, and education standards, as well as organizational skills such as communication, leadership, and supervision skills (Hadgraft & Kolmos, 2020). Changes in economic conditions and increased globalization of organizations require increased competence from the resources owned by the organization to learn and adapt to the latest competency-related skills and training (Laal & Salamati, 2012). Asset management personnel should have various competencies based on the level in the asset management organizational structure (Nasir et al., 2022).

Regulation

Asset management can run optimally when there are clear policies related to asset management, starting from planning to accountability for asset management. Regulations should be able to accommodate the interests of various parties, both internal and external to the organization. The components contained in the policy need to be made in accordance with the conditions faced by the government, contain clear rights and obligations, and support the achievement of organizational goals. Regulations related to asset management are guidelines that must contain how to manage and supervise assets, because good and efficient asset management can ensure assets can produce the functions needed (Nasir et al., 2022). The preparation of regulations related to asset management should consider the relevant conditions of the local government, as well as the goals that the organization wants to achieve (Kaganova & Telgarsky, 2018).

Budget Availability

Financial resources are an important component in asset management. The government needs to plan budget needs starting from asset procurement, operations in asset management, and asset maintenance, so that government-owned assets can provide functions that support the fulfillment of the needs of the government both for service delivery, and increasing regional income. The government needs to understand the business process of asset management so that

it can make both short-term and long-term funding plans for the use of assets owned (Sarpin, 2016). Expenditures incurred on assets need to be considered and planned for funding sources that will be used either internally, or carried out with the cooperation of third parties so that assets are able to carry out their functions (Kaganova & Telgarsky, 2018).

Asset Management Planning

The government needs the right strategy in an effort to achieve its goals, therefore the government should know the need for any assets that can support the running of government functions. Planning can be started by knowing the conditions faced by the government, as well as what resources are owned, so that it can be determined how to optimize the assets owned, and what assets are needed to support the achievement of government goals. Planning is not only made in the short term, but also in the long term related to the use and development of assets in the future, as well as how maintenance will be carried out so that assets can provide optimal value to the government. Procurement and use of assets without strategic planning or expert consideration will cause unexpected costs in the future, so it is necessary to manage assets that contain a development framework and portfolio of uses of assets (Kaganova & Amoils, 2020). The New Zealand Government Regulation 2021 reveals that good asset management planning can define the cycle of work that needs to be done on assets at various levels that can be implemented in a cost-effective manner. Strategic planning for asset management needs to contain information related to asset operations, the budget required for asset management, and internal controls (Nasir et al., 2022).

Asset User Compliance

Asset management requires supervision in the implementation of established policies. This is able to minimize the risk of losing control of assets and maximize the potential owned by assets. Supervision needs to be carried out internally involving implementers within the government, as well as externally to oversee compliance from external parties using assets. Monitoring of asset management compliance is needed to maximize asset potential and minimize the risks that can occur in asset management (Munn et al., 2021). The government should implement fraud risk management so that it can avoid and detect the possibility of misuse of assets (Tarjo et al., 2024). Asset managers need to think about supervision of assets from procurement to the use of assets by users (Alhazmi, 2018).

Weak Coordination

Coordination needs to be carried out in the management of assets whose use is carried out by all Regional Apparatus Organizations within the scope of local government so that the problems faced and the efforts to solve them can be known. The government should also build communication with external parties, both with fellow government agencies, as well as with the private sector and the community. These efforts are important in an effort to overcome the government's limitations in optimizing the function of assets. Cooperation with third parties and the community will be able to optimize the potential of assets in various forms. Good relationships between local governments and stakeholders will increase interactions that arise, so that needs and constraints in asset management can be identified and followed up (Tarjo et al., 2024). Munn (2021) explains that a government that has good communication skills will be able to facilitate the needs of stakeholders, as well as collaborate in asset management with various parties (Munn et al., 2021).

Optimization of Fixed Assets

Asset optimization is also a problem that causes the government to be unable to maximize the function of its assets. The government has assets in various forms such as land, buildings, and

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equipment which in the current condition cannot be maximized to support the achievement of organizational performance, as well as to produce economic functions. Bova et al (2013) in their research show that in 30 countries sampled, it shows that assets contribute an average of 67% of national GDP. However, in practice in Indonesia the number of idle assets is still quite large. The Indonesian government has actually stipulated PP No. 28 of 2020 allowing the government to utilize these idle assets to be cooperated with parties outside government agencies in the form of borrowing and use, leasing, building and leasing, building and leasing, and cooperation in infrastructure provision. However, it has not been able to be optimized to create benefits such as revenue in the form of Local Own-source Revenue, as well as the provision of facilities and infrastructure carried out with the cooperation of third parties to meet the needs of the community (Bova et al., 2013). The author concludes several strategies that can be carried out by the government in optimizing assets based on several previous studies as follows:

Asset Identification

Local governments should know the assets they have and various information about these assets. Kaganova (2018) reveals the importance of asset identification such as a list of assets owned, the condition and use of assets, computerization of asset data collection, and the completeness of information from assets. One example of a policy that can be used as a reference is the Asset Management Policy in New Zealand which requires the asset register to contain classification, location, description, unique identification, capitalization date, asset book value, and estimated useful life of the asset. The asset register should also record the location or address, size, shape, provider, age, and warranty information of the asset. Adequate information related to assets owned by the government will assist in the planning process for the use of assets to support government programs, or developed in order to obtain economic value from the assets controlled (Kaganova & Telgarsky, 2018).

Strategic Planning for Asset Use

The formulation of a strategic plan related to assets is a process in preparing the steps that the organization will take in achieving the vision and mission of the organization based on its asset resources. Nanang (2023) explains that a good asset management strategy is an effort to meet the expectations of stakeholders carried out by formulating strategies based on the resources owned, efficient management of public assets, improving asset performance in supporting the industry, optimizing maintenance of assets owned, and preparing human resources in asset management (Nanang et al., 2023). Emrouznejad and Marra (2017) reveal several important factors that need to be considered in asset planning. First is Stakeholder, planning must be an answer to the needs of stakeholders, as well as strategic issues faced by the government. Second is financing, where planning takes into account the operational costs of the assets owned, as well as how to fund these operations. Third is asset control, where the government is able to account for and control the course of asset management. Finally, asset development, where planning includes efforts to increase the capacity of asset managers, as well as plans to increase the added value of potential assets owned (Emrouznejad & Marra, 2017).

Asset management requires comprehensive planning to achieve organizational goals. This can be done by identifying the current conditions and needs of the organization and the environment, as well as continuous improvement of the resources owned by the organization.

Asset Performance Assessment

The importance of evaluation in asset optimization efforts as a means of assessing the performance of each fixed asset owned. The performance assessment of assets is twofold. The first is related to portfolio indicators of assets that assess the effectiveness of asset use,

efficiency calculated based on asset operating costs, and the condition of assets. The second is asset management indicators measured based on the efficiency of operational costs of management that can be compared with management costs from the private sector, as well as the quality of the value generated seen from the satisfaction of stakeholders. Asset performance assessment will provide guidance for the government in the process of procuring, maintaining, or disposing of assets so as to obtain the optimal composition of assets in providing value to the government in an effort to achieve goals (Kaganova & Amoils, 2020).

Organizational Structure of Asset Management

Kaganova & Amoilis (2020) revealed that the organizational structure in asset management that can be found in several countries is divided into 2 (two) forms, namely the government as the main manager, and government-owned enterprises that become managers. The government as the main manager is when the government acts as a policy maker and carries out obligations in the management of assets that have been determined such as consolidating policies, making and implementing guidelines, monitoring, and accountability in asset management. In the second model, namely when state-owned enterprises are the main managers. Business entities carry out asset management functions based on policies set by the government such as asset administration, operations, monitoring, and reporting on the use of state assets (Kaganova & Amoils, 2020).

Which organizational structure to use is based on various factors that consider the needs, conditions, and capabilities of the country. The various models used by the government must still pay attention to key things such as the role of each level in the organization, the financing of asset management, and relationships with stakeholders. When these important components can be clearly defined, it is expected that asset management will be able to run optimally (Macchi et al., 2024).

Collaboration with the Private Sector

The government controls most of the assets in its territory, both assets in the form of land, buildings, equipment and machinery, as well as assets in other forms. However, not all assets produce optimal functions due to limitations owned by the government both in terms of human resources and financial resources. The government also carries out service functions so that it is less focused on developing the value that can be generated on assets owned. Therefore, the government needs to communicate with various parties, including the private sector. Business actors need capital to run their business activities in the government area, so the government should cooperate in managing its assets so that assets can provide value to the government and the private sector. Hadgraft and Kolmos (2020) explain that the government needs to develop communication and interaction with various sectors in order to facilitate the interests of various parties (Hadgraft & Kolmos, 2020). Good communication is expected to support government collaboration in utilizing assets owned with various parties. Collaboration with the private sector is expected to support the government's limitations in maintaining assets, minimizing operational costs, utilizing assets that may not be optimally managed, and minimizing the risk of controlling assets without government permission (Ali et al., 2015).

The government needs to optimize its fixed assets to facilitate various stakeholders' interests because fixed assets act as a catalyst for economic and social growth (Phelps, 2012). This happens because fixed assets are a means for the government to deliver public services such as community meeting places, trade activities, delivery of community creativity, improving community skills, and so on. Infrastructure is also a regional fixed asset that serves to facilitate the distribution of goods from producers to consumers, as well as various other activities.

Conclusion

Fixed assets are an important component in supporting the achievement of the government's short- and long-term goals. The Government of the Republic of Indonesia has established policies related to asset management and has been adopted by all central and local government agencies to regulate the management of assets from each agency. Broadly speaking, the policy has regulated from planning, management, and accountability related to fixed asset management.

Various previous studies related to the implementation of fixed asset management show that there are still several main issues that need to be answered by the government as the manager and user of goods. First, the regulations set have contained an outline of how asset management is carried out, but there are still some crucial things that have not been accommodated, such as the method of valuation of fixed assets and the formulation of rental rates for the use of fixed assets. The preparation of regulations also pays less attention to the capacity of the resources owned, as well as the needs of stakeholders so that policies cannot be implemented optimally. Second, there is still a lack of capacity of Human Resources who manage fixed assets, both in terms of the number of personnel needed to manage assets, as well as the adequacy or suitability of competencies possessed by personnel who manage assets. This is due to the lack of competency development efforts and frequent personnel changes, so that the need for re-learning time for personnel who occupy new positions. As a result, the sustainability of the management pattern that has begun to be built is hampered.

Third, the budget availability to run the asset management cycle is limited. The government still does not prioritize asset management, the budget is still focused on implementing organizational programs and activities. The government has also not intensely built relationships with the private sector and the community that should be able to collaborate in carrying out asset management, so that many assets are idle and cannot function optimally. Fourth, weak asset planning. The government does not pay attention to the long-term management of assets, how to finance asset operations, and their use in the future. As a result, assets cannot generate optimal value after a period of time. Fifth, the lack of supervision over asset management has led to the frequent occurrence of government assets in the control of other parties without the government's permission. This results in the cost of case settlement, as well as asset operations that are hampered because it takes time to resolve the problems that occur. Sixth, the lack of coordination, both internally and with external parties. The control of assets by Regional Apparatus Organizations within the local government should be based on the needs of each OPD, but there is often a lack or excess of assets used by several Regional Apparatus Organizations, thus hampering the functions of Regional Apparatus Organizations that actually need assets. Communication with external parties is also still rarely carried out to develop the potential of assets owned by the government in managing and producing benefits for both parties.

The government needs to create a strategy in asset management so that it can optimize the value generated, by paying attention to several important elements. The government must be able to identify the assets it owns, along with all the information that can be needed in developing asset management policies. Strategic planning for asset management and utilization should include concrete steps, taking into account the needs of stakeholders and the capacity of resources. The organizational structure of the government asset manager should consider the role of each level in the organization, and define the various components in the asset management cycle. The government also needs to assess the performance of each asset owned, so that it can determine the follow-up that needs to be done on the government's asset portfolio. The private sector also needs to be considered in asset management, so the government should build communication

in order to identify the needs of the private sector, and align with the resources that can be provided by the government in meeting these needs. This is expected to provide positive reciprocity between the government and the private sector for collaborative asset management. Optimizing asset management requires policies that accommodate the needs of the government and stakeholders. Implementation of these policies requires commitment and efforts from various parties and adequate supervision. Optimal asset management is expected to be able to make government-owned assets able to support organizational functions and answer the needs of stakeholders, so that assets can be a catalyst for economic growth to improve community welfare, and provide adequate public services.

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