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ANALYSIS OF FIXED ASSET MANAGEMENT IN FINANCIAL STATEMENTS: A CASE STUDY OF SERDANG BEDAGAI REGENCY 2023

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Abstract: *Fixed assets are an important component in a region's financial statements and balance sheets that will prove the wealth of the local government. This research is based on secondary data obtained from the Notes on the Financial Statements of Serdang Bedagai Regency for 2023. From the results of the research, fixed assets in Serdang Bedagai Regency have met the 2019 Government Accountability Standards (SAP), but several indications of problems were found such as the value of Construction in Work with a value of 0 or completed in 2023. This is unusual compared to reports in the field. Because in 2023 there is still work that is still ongoing and has not been completed, supported by some of the evidence listed in the research. In addition, the large value of damaged assets shows that the Serdang Bedagai Regency Government is lacking in maintaining asset maintenance. This research identifies fixed assets and hopes that the results of this research can be an input for the government of Serdang Bedagai Regency, especially in the fixed asset category with the aim of improving the quality of financial statements.*

Abstrak: Aset tetap merupakan komponen penting dalam laporan keuangan dan neraca suatu daerah yang akan membuktikan kekayaan pemerintah daerah setempat. Penelitian ini didasarkan pada data sekunder yang diperoleh dari Catatan atas Laporan Keuangan Kabupaten Serdang Bedagai untuk tahun 2023. Dari hasil penelitian, aset tetap di Kabupaten Serdang Bedagai telah memenuhi Standar Akuntabilitas Pemerintah (SAP) tahun 2019, namun ditemukan beberapa indikasi masalah, seperti nilai Konstruksi dalam Proses dengan nilai 0 atau selesai pada tahun 2023. Hal ini tidak biasa dibandingkan dengan laporan di lapangan. Karena pada tahun 2023 masih ada pekerjaan yang masih berlangsung dan belum selesai, didukung oleh beberapa bukti yang tercantum dalam penelitian. Selain itu, nilai aset yang rusak yang besar menunjukkan bahwa Pemerintah Kabupaten Serdang Bedagai kurang dalam pemeliharaan aset. Penelitian ini mengidentifikasi aset tetap dan berharap hasil penelitian ini dapat menjadi masukan bagi Pemerintah Kabupaten Serdang Bedagai, terutama dalam kategori aset tetap dengan tujuan meningkatkan kualitas laporan keuangan.

INTRODUCTION

The Government Accounting Standard (SAP) functions as the main guideline in the preparation of government financial statements so that the information presented is transparent, accountable and accountable (Law Number 17 of 2003 concerning State Finance, Article 32). SAP is stated in the form of a Government Accounting Standard Statement (PSAP) which is complemented by an Introduction to Government Accounting Standards and is formed based on the Government Accounting Conceptual framework. Accrual-based PSAP, as stipulated in Government Regulation of the Republic of Indonesia No. 71 of 2010 Article 1 paragraph (8), recognizes revenues, expenses, assets, debts, and equity in accrual-based financial statements as well as revenue, expenditure, and financing in the state budget implementation report and APBD. In this context, asset recording is an important component that reflects government wealth, especially fixed assets that support operations, balance sheet presentation, and public services.

Empirically, the management of fixed assets often faces obstacles in its recording, so there is a difference between the number of fixed assets recorded in the financial statements and the assets that are physically controlled. Serdang Bedagai Regency, one of the regions in North Sumatra Province, also faces a similar problem. Based on the 2023 Regional Government Financial Statements (LKPD), there are several issues that need to be considered, especially the value of fixed assets in the Construction Under Construction category.

Previous research shows that fixed asset management at the local government level still faces challenges related to recognition, measurement, and presentation in accordance with SAP and PSAP (Regional Government Financial Statements, 2023). Some studies emphasize the need for a strict record-keeping system to minimize the gap between recorded assets and physical assets. However, there are limitations in research related to the analysis of fixed asset management specifically in Serdang Bedagai Regency, so there is not a comprehensive understanding of the constraints and application of accounting principles that apply in this region which creates space for further research.

This research is important to assess the implementation of government accounting principles in the management and presentation of fixed assets in Serdang Bedagai Regency. The main objective is to identify the constraint factors that arise and evaluate the extent to which the assets remain recorded and presented according to accounting standards. The results of the research are expected to provide recommendations that

improve the quality of financial statements and accountability of regional financial management.

LITERATURE REVIEW

Fixed Assets

According to the Government Accounting Standard Statement (PSAP) No. 7, fixed assets are tangible assets with a useful life of more than 12 (twelve) months that are used in government activities or for the benefit of the community. Fixed assets also include land rights and can be owned by reporting entities but utilized by other parties, such as government agencies, universities, or contractors. Assets consumed in government operations, such as materials and equipment, are not included in the category of fixed assets (PSAP No. 7). In the Indonesian Accounting Principles (PAI), fixed assets or regionally owned goods are assets that are acquired in ready-to-use or pre-built form, used for government operations, not intended for sale, and have a useful life of more than one year. Fixed assets can be in the form of non-depreciable and depreciable assets, including land, buildings, irrigation roads, and other assets, which are usually recorded based on acquisition prices (PAI, 2022). Based on Regent Regulation Number 82 of 2022, fixed assets are recognized if their economic benefits can be obtained in the future and their value can be reliably measured. Assets are presented according to acquisition costs minus accumulated depreciation, and if possible revaluation, fixed assets are adjusted in their respective accounts as well as equity. Since the year of acquisition, depreciation has been applied in line with the application of the accrual basis.

Classification of Fixed Assets

The considerable value of fixed assets and the diverse types and forms of fixed assets cause the government to be careful in classifying them. Of the various fixed assets, for accounting purposes, the following classification is carried out:

1. Tangible Fixed Assets
   a. Soil.

      Land is a fixed asset that cannot be depreciated, because it has unlimited benefits, the expense of land acquisition costs such as administrative fees or land purchases, tax fees imposed, land hoarding costs, and so on.
   b. Equipment and Machinery.

Similar to equipment and machinery, buildings and buildings must be in a ready-to-use condition with long-term benefits. The cost of acquiring buildings and buildings also includes all costs needed before use such as renovation costs, building expansion costs, and other costs before they are ready to be used.

c. Buildings and Buildings.

Similar to equipment and machinery, buildings and buildings must be in a ready-to-use condition with long-term benefits. The cost of acquiring buildings and buildings is also all costs needed before they are actually used such as renovation costs, building expansion costs, and other costs before they are ready to be used.

d. Roads, Irrigation and Networks.

Roads, irrigation, and networks are controlled by the government to be ready to be used by the general pedestrian community. The price is obtained from costs such as initial work costs with materials for construction, labor costs, planning costs, and other costs incurred until it is ready to use.

e. Construction in Progress.

Fixed assets that are still in the process of construction, which means that the work has not been completed. If the work has been completed, the value of fixed assets will be transferred or through the reclassification of fixed assets.

f. Other Fixed Assets.

Types of fixed assets that cannot be grouped into fixed assets before, but other fixed assets must also be usable in government operational activities or ready to use.

2. Intangible Assets

Intangible fixed assets are non-financial assets that do not have a physical form, but can be identified (PSAK 19/Revision 2009). Fixed assets are used to support government activities in producing goods and services and other purposes, including the use of intellectual property rights. Many intangible fixed assets are obtained from contractual rights or from the government, such as application spending, copyrights, patents, licenses and other intangible assets.

Recognition, Measurement, and Presentation of Fixed Assets

Recognition of Fixed Assets

Fixed assets need recognition in order to be reliably measured. To declare or be recognized so that it becomes a fixed asset through the basis of assessment or the following conditions:

a. Have a physical form;
b. If it does not have a physical form, but is identified;
c. Have a benefit age of more than 1 year or 12 (twelve) months;
d. The acquisition price of fixed assets can be reliably calculated;
e. Not for sale in the operational activities of the entity; and
f. Built, acquired, determined with the purpose of being used.

Recognition of fixed assets is considered if the fixed assets have been received, there is a legal transfer of control or ownership rights are clearly handed over. Supported by supporting evidence, namely legal evidence, such as land certificates, proof of motor vehicle ownership, payment documents, and documents that can prove the acquisition of fixed assets.

Fixed Asset Measurement

The measurement of the value of a fixed asset is assessed from its acquisition costs. The earned value is derived from the total of all expenses incurred before the asset remains available for use. If the valuation with the cost of acquiring fixed assets cannot be carried out, then it uses a fair value at the time of acquisition. Such a value can be trusted if there is a legitimate and official transaction accompanied by evidence. Meanwhile, if the fixed assets are acquired based on self-development, then the asset acquisition assessment of all costs during the construction process. Costs related to the construction itself are divided into 2 categories, namely direct costs, such as material purchase costs, direct labor costs, testing costs or costs directly related to the development process. The second is indirect costs, such as project administration costs, indirect labor costs, construction security costs, planning costs or costs that support development, but do not become a physical part of fixed assets.

Presentation of Fixed Assets

The presentation of fixed assets is summarized in the balance sheet, and must be detailed in detail in the Notes to Financial Statements (CaLK). The value disclosed is the acquisition value of fixed assets, where the value of this acquisition is not always fixed or not the same because it decreases through the depreciation process. The additional information that can be attached to the Notes to Financial Statements (CaLK) is in the form of fixed asset depreciation methods, useful life assessment, comparative

analysis, and adjustment of the final value of fixed assets. Thus, financial statements will be more transparent, accountable, and do not trigger irregularities (SAP, 2019).

Fixed Asset Depreciation Method

Some of the methods of depreciation of fixed assets that are most often used in calculations are as follows:

1. Straight line method

   The depreciation calculation in this method is with the same depreciation expense value each year. The formula;

$$\frac{Nilai\ yang\ disusutkan\ (Harga\ perolehan - Nilai\ Residu)}{Umur\ manfaat\ aset}$$

2. Double decreasing balance method

   The depreciation calculation using this method uses the method of doubling or multiplying 2 times the rate of the percentage depreciation of fixed assets. The formula;

$$(2 \times \frac{100\%}{Umur\ manfaat\ aset}) \times Nilai\ Buku$$

   With additional information, the book value is obtained from the previous acquisition price minus the accumulated depreciation of fixed assets.

3. Production unit method

   The calculation with this method is the depreciation expense by referring to the number of production units, so that the value can fluctuate according to the production units produced.

$$\frac{Nilai\ Buku\ (Harga\ perolehan - Akumulasi\ Penyusutan)}{Jumlah\ Unit\ Produksi}$$

METHOD

This study uses a descriptive method with a case study approach. The object of the research is the Financial Statements of the Regional Government of Serdang Berdagai Regency for the 2023 Fiscal Year, especially in the post of fixed assets in the Balance Sheet and Notes on the Financial Statements. The research data is sourced from secondary data in the form of official documents of LKPD, Government Accounting Standards (SAP) 2019, and other official documents that have been published. The data

collection technique was carried out through a documentation study, while the data analysis used a descriptive method by comparing the presentation of fixed assets in the financial statements with the provisions stipulated in PSAP Number 07. This research is limited to fixed assets and does not cover other items in the local government's financial statements.

HASIL PENELITIAN DAN PEMBAHASAN

Results

Fixed Assets

The value of the Fixed Assets of the Government of Serdang Bedagai Regency as of December 31, 2023 is stated at IDR 2,283,973,856,116.70. This shows an increase of IDR 93,833,325,912.20 or 4.28% of the total value of Fixed Assets as of December 31, 2022 of IDR 2,190,140,530,204.50.

Table 4.1 Fixed Assets as of December 31, 2023 and 2022

(in Rp)

No.	DESCRIPTION	BALANCE 31.12.2022	BALANCE 31.12.2023	INCREASE DECLINE	%
1	Soil	360.887.196.886,00	347.727.155.886,00	(13.160.041.000,00)	-3,65%
2	Equipment and Machinery	448.721.105.693,59	510.593.446.946,59	61.872.341.253,00	13,79%
3	Buildings and Buildings	666.801.126.529,15	751.980.816.578,95	85.179.690.049,80	12,77%
4	Roads, Networks & Irrigation	2.088.659.791.502,66	2.241.532.152.523,67	152.872.361.021,01	7,33%
5	Other Fixed Assets	213.563.264.668,00	222.079.721.499,00	8.516.456.831,00	3,99%
6	Construction in Progress	11.241.709.000,00	0,00	(11.241.709.000,00)	-100%
7	Accumulated Shrinkage	(1.599.733.664.074,90)	(1.789.939.437.317,51)	(190.205.773.242,61)	1,88%
SUM		**2.190.140.530.204,50**	**2.283.973.856.116,70**	**93.833.325.912,20**	

Here are the breakdowns of each fixed asset category:

Soil

The Land Fixed Assets of the Serdang Bedagai Regency Government as of 12, 31, 2023 were listed at IDR 347,727,155,886.00, a decrease of IDR 13,160,041,000.00 or equivale ent to 3.65% of the total Land Assets as of 12, 31, 2022 of IDR 360,887,196,886.00.

Table 4.2 Recapitulation of Mutation of Land Fixed Assets as of 12, 31, 2023

(in Rp)

No.	DESCRIPTION	MUTATION	SUM
1	Starting in January 2023		360.887.196.886,00
2	Soil mutation		4.426.317.471,00
3	Realization of Capital Exp. in 2023	2.403.052.472,00	
4	PSU Land Value	2.023.265.000,00	
5	Mutations Lack:		17.586.358.472,00
6	Reflation to Goods and Services	1.653.430.472,00	
7	Reflation to Other Assets	15.932.928.000,00	
	Final Balance as of 12 31, 2023		**347.727.155.886,00**

Equipment and Machinery

The value of Fixed Assets of the Serdang Bedagai Regency Government Equipment and Machinery as of December 31, 2023 was listed at IDR 510,593,446,946.59. An increase of IDR 61,872,341,253.00 or 13.79% as of December 31, 2022 amounted to IDR 448,721,105,693.59.

Table 4.3 Recapitulation of F.A of Equipment & Machinery as of 12, 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	Initial Balance as of January 1, 2023		448.721.105.693,59
2	Added Mutations		84.279.073.212,00
3	Realization of Capital Exp. for Fiscal Year 2023	75.638.565.437,00	
4	Grant Income	8.289.261.075,00	
5	Reclassification of Other Fixed Assets	169.360.700,00	
6	Cap. Exp. budgeted as Exp. on G&S	181.886.000,00	
7	Mutations Lack		(22.406.731.959,00)
8	Grants to Third Parties	(984.092.000,00)	
9	Reclassification into Goods and Services	(3.855.249.929,00)	
10	Reclassification to Other Fixed Assets	(3.993.700,00)	
11	Equipment and Machinery under one million	(7.505.219.394,00)	
12	Asset Disposal	(9.710.974.486,00)	
13	Reclassification to Building	(199.245.000,00)	
14	Reclassification into Roads, Irrigat. & Networks	(147.957.450,00)	
	Final Balance as of December 31, 2023		**510.593.446.946,59**

Buildings and Buildings

The value of Fixed Assets of Serdang Bedagai Regency Government Buildings and Buildings as of December 31, 2023 was listed at IDR 751,980,816,578.95. There was an increase of IDR 85,179,690,049.80 or equivalent to 12.77% when analyzed from data on December 31, 2022 of IDR 666,801,126,529.15.

Table 4.4 Recapitulation of Fixed Assets of Buildings & Buildings as of 12, 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	Initial Balance as of January 1, 2023		666.801.126.529,15
2	Added Mutations		100.280.519.520,80
3	Realization of Cap. Exp. for Fiscal Year 2023	63.337.090.267,80	
4	Reclassification of Construction in Progress	11.241.709.000,00	
5	Reclassification of Goods and Services	25.502.475.253,00	
6	Reclassification of Equipment and Machinery	199.245.000,00	
7	Mutations Lack		(15.100.829.471,00)
8	Asset Disposal	(1.432.767.000,00)	
9	Reclassification into Goods and Services	(7.608.995.796,00)	
10	Reclassification to Miscellaneous Assets	(2.189.957.375,00)	
11	Hibah to Third Parties	(3.869.109.300,00)	
	Final Balance as of December 31, 2023		**751.980.816.578,95**

Roads, Irrigation and Networks

The value of Roads, Networks, and Irrigation Fixed Assets of the Serdang Bedagai Regency Government as of December 31, 2023 was listed at IDR 2,241,532,152,523.67. There was an increase in value of IDR 152,872,361,021.01 or equivalent to 7.32% with a value as of December 31, 2022 of IDR 2,088,659,791,502.66.

Table 4.5 Recap. of Mutations of F.A, Irrigation and Networks as of 12, 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	**Initial Balance as of January 1, 2023**		**2.088.659.791.502,66**
2	*Added Mutations*		180.523.843.523,00
3	Realization of Capital Exp. for Fiscal Year 2023	170.786.049.968,00	
4	Reclassification of Goods and Services	9.199.097.200,00	
5	Grants from the Province	390.738.905,00	
6	Grants from Third Parties	147.957.450,00	
7	*Mutations Lack*		-27.651.482.501,99
8	Grants to the Village Government	-27.127.891.476,00	
9	Reclassification to Other Assets	-523.591.025,99	
	Final Balance as of December 31, 2023		**2.241.532.152.523,67**

Other Fixed Assets

Other Fixed Assets in the Government of Serdang Bedagai Regency include Printed Library Materials, Arts/Culture/Sports Patterned Goods, Fixed Assets under Renovation, and Other Fixed Assets of BOS. The value of other fixed assets of the Serdang Bedagai Regency Government as of December 31, 2022 was listed at IDR 222,079,721,499.00. There was an increase of IDR 8,516,456,831.00 or equivalent to 3.99% when compared to the value of other fixed assets in 2022 of IDR 213,563,264,668.00.

Table.4.6 Recapitulation of Other Fixed Assets as of December 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	**Initial Balance as of January 1, 2023**		213.563.264.668,00
2	*Added Mutations*		8.827.057.531,00
3	Realization of Cap. Exp. for Fiscal Year 2023	8.820.207.831,00	
4	Reclassification of Machine Tools	3.993.700,00	
5	Grants from Third Parties	2.856.000,00	
6	*Mutations Lack*		(310.600.700,00)
7	Reclassification into Equipment & Machinery	(169.360.700,00)	
8	Reclassification into Intangible Assets	(141.240.000,00)	
	Final Balance as of December 31, 2023		**222.079.721.499,00**

Accumulated Shrinkage

Depreciation is applied by the Serdang Bedagai Regency Government to Fixed Assets of Buildings and Buildings, and Roads, Networks and Irrigation as well as Equipment and Machinery. The value was listed at IDR 1,789,939,437,317.51. An increase of IDR 190,205,773,242.61 or equivalent to 11.89% of the balance as of December 31, 2022 of IDR 1,599,733,664,074.90.

Table.4.7 Accumulated Fixed Asset Depreciation as of 31, 2023 and 2022

(in Rp)

NO	DESCRIPTION	BALANCE 31.12.2023	BALANCE 31.12.2022	ADD (LESS)
1	Accumulated Shrinkage Equipment and Machinery	421.266.893.897,01	380.839.414.998,40	40.427.478.898,61
2	Accumulated Shrinkage of Buildings and Buildings	371.691.352.813,00	338.231.285.396,00	33.460.067.417,00
3	Accumulated Shrinkage Roads, Networks & Irrigat.	996.981.190.607,50	880.662.963.680,50	116.318.226.927,00
	SUM	**1.789.939.437.317,51**	**1.599.733.664.074,90**	**190.205.773.242,61**

Accumulated Shrinkage of Equipment and Machinery

The Accumulated Value of Depreciation of Equipment and Machinery of the Serdang Bedagai Regency Government as of December 31, 2023 was listed at IDR 421,266,893,897.01. The increase in value amounted to IDR 40,396,603,898.61 or 10.61% from 2022 of IDR 380,839,414,998.40.

Table.4.8 Recapitulation of Accumulated Depreciation of Equipment and Machinery as of December 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	**Initial Balance as of January 1, 2023**		380.839.414.998,40
2	*Added Mutations*		50.118.953.384,61
3	Depreciation Expense for Fiscal Year 2023	50.118.953.384,61	
4	*Mutations Lack*		(9.691.474.486,00)
5	Reclassification to Miscellaneous Assets	(9.691.474.486,00)	
	Final Balance as of December 31, 2023		421.266.893.897,0

Accumulated Shrinkage of Buildings and Buildings

The Accumulated Value of Depreciation of Government Buildings and Buildings of Serdang Bedagai Regency as of December 31, 2023 is listed at IDR 371,691,352,813.00. This value has increased by IDR 33,460,067,417.00 or 9.89% from 2022 of IDR 338,231,285,396.00.

Table.4.9 Recapitulation of Accumulated Mutations of Building and Building Depreciation as of December 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	Initial Balance as of January 1, 2023		338.231.285.396,00
2	Added Mutations		33.460.067.417,00
3	Depreciation Expense for Fiscal Year 2023	35.349.299.265,00	
4	Corr. of the Initial Balance of Acc. Depreciation	(1.889.231.848,00)	
	Final Balance as of December 31, 2023		**371.691.352.813,00**

Accumulated Shrinkage of Roads, Irrigation and Networks

The Accumulated Value of Roads, Irrigation, and Government Networks of Serdang Bedagai Regency as of December 31, 2023 is listed at IDR 996,981,190,607.50. An increase of IDR 116,318,226,927.00 or 13.21% from the accumulated value of road, irrigation, and network depreciation in 2022 of IDR 880,662,963,680.50.

Table.4.10 Recapitulation of Accumulated Mutations of Road, Irrigation, and Network Shrinkage as of December 31, 2023

(in Rp)

NO	DESCRIPTION	MUTATION	SUM
1	Initial Balance as of January 1, 2023		880.662.963.680,50
2	Added Mutations		118.277.580.539,00
3	Depreciation Expense for Fiscal Year 2023	118.277.580.539,00	
4	Mutations Lack		(1.959.353.612,00)
5	Cor. of the Initial Balance of Acc. Depreciation	(1.959.353.612,00)	
	Final Balance as of December 31, 2023		**996.981.190.607,50**

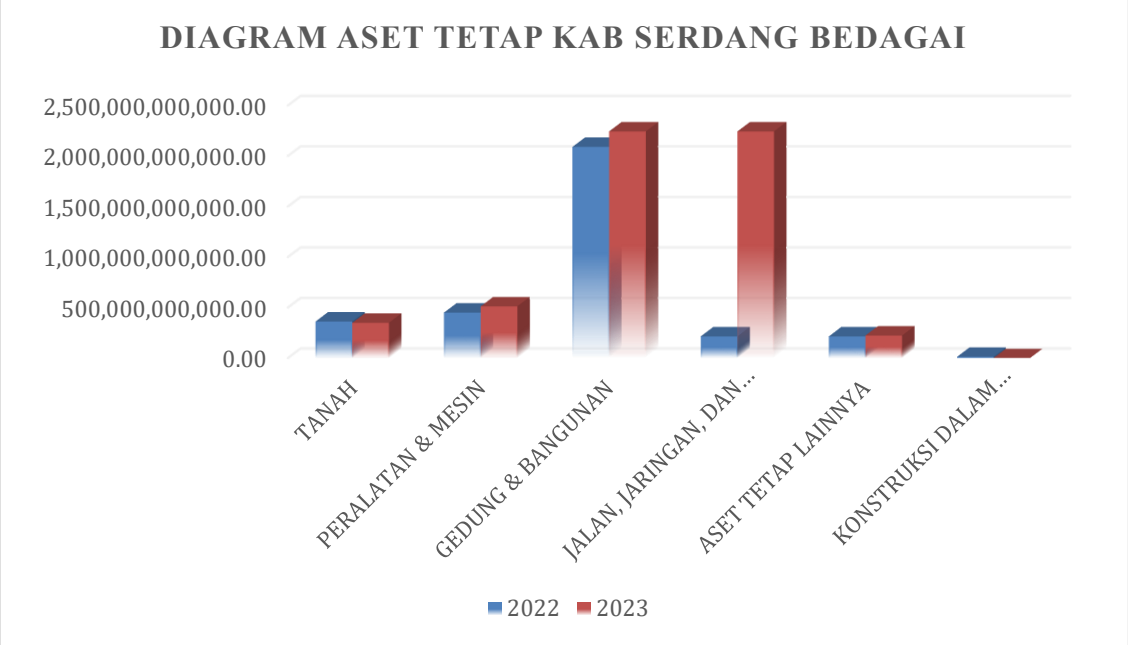
Overall Source of Fixed Asset Data: Notes on the Financial Statements of Serdang Bedagai Regency for the 2023 Period and the Regional Financial and Asset Management Agency 2024

Fixed Asset Depreciation Method

Based on the analysis of the Serdang Bedagai Government's Fixed Assets, the local government implements a policy of depreciation of fixed assets which includes the categories of Equipment and Machinery, Buildings and Buildings, as well as Roads, Irrigation, and Networks. Depreciation calculations are carried out systematically every year with a relatively constant depreciation expense value. This shows that the Serdang Bedagai Regency Government applies a straight-line method in calculating the depreciation of its fixed assets. The calculation in this method is with the same depreciation expense value every year. The formula;

Depreciation by the straight-line method is a depreciation method commonly used by government agencies because it results in the imposition of depreciation costs that are fixed over the useful life of the asset, so that this reflects the use of asset benefits evenly every year. This depreciation method is also in line with the provisions of Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP), especially the Government Accounting Standard Statement (PSAP) Number 07 concerning Fixed Assets, which recommends the use of the straight-line depreciation method as the main depreciation method for public sector institutions.

Discussion



In the total share of fixed assets, Serdang Bedagai Regency experienced an increase of 4.28% compared to the total fixed assets in the previous year or 2022. This means that this percentage increase shows that it is focused on increasing the value of fixed assets that become the wealth of local governments. There are triggers that cause asset values to increase rapidly, one of which is due to local government capital expenditure on fixed assets (Government Regulation Number 71 of 2010 and STIESIA Student Journal). Thus, it can be in accordance with the research of Mursyidi (2009) and Sitorus Siregar (2023), that the increase in fixed assets is directly proportional or in line with capital expenditure.

Based on the recapitulation data of Serdang Bedagai Regency Fixed Assets as of December 31, 2023, the Road, Irrigation, and Network categories are the fixed assets with the highest value, which has increased with the largest value compared to the previous year, which is an increase of 7.32% from 2022. The value of Roads, Irrigation and Networks is around 98.14% of the total

fixed assets for the 2023 period. This reflects the focus of the local government on the development of road and network infrastructure as the main support for community activities and encouraging regional economic growth.

Meanwhile, the most significant decrease occurred in the Land category, where it decreased by IDR 13,160,041,00.00 (3.65%) from the value in 2022 caused by the process of mutation and reclassification to other categories. From these results, it can be seen that the transfer for its use has met the operational requirements of Regent Regulation Number 82 of 22 concerning Accounting Policy.

The accumulated value of depreciation from fixed assets in 2023 increased by 11.89% compared to 2022. This increase is in line with the increase in the number of tangible fixed assets. In addition, the Serdang Bedagai Regency Government conducts depreciation using the straight-line method, the calculation is systematically according to the useful period and accumulated depreciation, showing that it is in accordance with PSAP Number 7 concerning Fixed Assets.

It can be concluded that from the data of the Notes on the Financial Statements of the Regional Government of Serdang Bedagai Regency for the 2023 Fiscal Year, it has met the requirements and criteria for fixed assets according to SAP (Government Accounting Standards) based on recognition, measurement of fixed assets, and presentation of fixed assets.

However, irregularities were found in the fixed asset information, specifically the category of Construction Fixed Assets Under Construction where the value is listed as 0 or construction in 2023 which means that everything has really been completed. This is inconsistent with some practices in the field or contrary to reality. Because some studies such as the 2013 Minahasa Regency LKPD by Siregar and Saerang which stated that there is unfinished development will be categorized in Construction in Progress. This is also because in one year it is very difficult to complete the construction if there is no disturbance at all in the field conditions. Supported by other evidence in waspada.co.id article. dated June 26, 2024 contains about the Serdang Bedagai Regency Government which continues the construction of 54 km of roads, 6 bridge units, and 1,447 km of drainage. There are still constructions that are in the process of being completed, or have only been partially completed so they should not be declared with a value of 0 in Construction In Progress.

Assets were also recorded as severely damaged with a value of IDR 65,012,978,510.73, an increase of 3.92% or IDR 2,449,508,963.19 than the value of assets on December 31, 2022 of IDR 2,563,469,547.54. This means that these damaged assets cannot be used optimally or optimally, so they require repairs and repairs to the assets, which ultimately requires the government to allocate more budget to these damaged assets. If it is not possible for the condition of the asset to become unsuitable for use, it will be deleted. This statement shows that the Government is not capable enough to maintain assets, maintaining sustainable value benefits.

CONCLUSION

From the results of data and research conducted on the Notes on the 2023 Serdang Bedagai Financial Statements, the Serdang Bedagai Regency Government attached financial statements in accordance with PSAP (Government Accounting Standard Statement) Number 7. However, a Construction In Progress value of 0 means that all construction has been completed in 2023 is a false statement. The Serdang Bedagai Regency Government should evaluate construction projects for value compatibility with existing data. Also, the considerable value of Heavily Damaged Assets means that the Serdang Bedagai Government needs to increase supervision and safeguard the usefulness of the value of assets as regional assets. Therefore, this requires a physical audit of the assets to prevent the same problems from happening in the future.

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