

# Artikel Bu Ernawati Test 6

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**Submission date:** 06-Jul-2022 02:20PM (UTC+0700)

**Submission ID:** 1867224286

**File name:** ARTIKEL\_BU\_ERNAWATI.docx (426.86K)

**Word count:** 7493

**Character count:** 42791

# The Effect of Legal Audit, Asset Assessment, Human Resource Competence, and Leader Commitment on the Optimization of Asset Utilization Regional Government of East Barito Regency, Central Kalimantan Province

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## ABSTRACT

The context of writing this dissertation is that regional assets are an essential element in government administration, and regional assets must be appropriately managed in their utilization, efficiency, and effectiveness in planning and distribution. Regional assets are also the primary support for PAD, so local governments must control them. This study uses a unit of analysis at the organizational level, namely the SOPD of East Barito Regency and in the Regional Asset Management Sector with a total of 26 SOPD, each of which is 4 SOPD, except the Education Office and the Public Works Office, respectively 10, and 10 sub-district 2. people. So the total population is 144 people. The technique used is a survey. In terms of research objectives, this type of research is explanatory research to analyze the causal relationship between the factors that affect the Effectiveness/Quality of MIS and Optimization of Asset Utilization. The approach used is quantitative. Measurement of indicator variables used using a Likert scale. The results showed that Legal audit, Asset Valuation, and HR Competence had a positive and significant effect on the effectiveness/quality of MIS. The better the legal audit, Asset Assessment, and HR Competency carried out by employees in managing regional assets, the higher the effectiveness of MIS, both for the quality of planning, procurement, administration, write-offs, and bookkeeping. Leadership commitment has no significant effect on the effectiveness/quality of MIS. The more substantial leadership commitment in asset management has not been able to impact increasing the effectiveness/quality of MIS. Legal Audit, Asset Valuation, HR Competence, Leadership Commitment, and Effectiveness/Quality of MIS have a positive and significant effect on Optimizing Asset Utilization.

**Keyword:** Legal Audit, Asset Valuation, Human Resource Competence And Leader Commitment, Effectiveness/Quality of MIS, Optimization of Asset Utilization.

## Introduction

Regional assets are an essential element in administering government and providing services to the public. Regional assets must be appropriately managed in utilization, efficient and effective planning, and distribution. In addition, regional assets are also the central pillar of local revenue, so local governments (Pemda) are highly demanded in terms of good regional asset management, especially regarding optimal asset management and utilization. Management of regional assets is regulated in Government Regulation of the Republic of Indonesia Number 6 of 2006 concerning Management of State/Regional Property. The Government Regulation was followed up with the Regulation of the Minister of concerning Technical Guidelines for the Management of Regional Property Home Affairs of the Republic of Indonesia Number 17 of 2007. Asset management includes planning needs and budgeting, procurement, receipt, storage and distribution, use, administration, security and maintenance, assessment, elimination, transfer, guidance, supervision and control, financing, and compensation claims. One of the activities in asset management is utilization, as stated in Permendagri Number 17 of 2007, which says that utilization Regional Property that is not used according to the main tasks and functions of the Regional Apparatus Work Unit in the form of borrowing, leasing, cooperation in utilization, building to give up, make the handover by not changing the ownership status. Optimal utilization of regional property will create employment opportunities, increase people's income, and increase/increase regional revenue.

Assessment of regional property is one of the scopes of regional property management and planning needs and budgeting, procurement, use, utilization, security and maintenance, transfer, destruction, elimination, administration and development, supervision, and control. Assessment is an activation process to provide a valuable opinion on an object of assessment in the form of regional property at a particular time. The assessment of the restricted property is carried out in the context of: first, the preparation of the provincial government balance sheet; second, utilization or transfer.

A legal audit is one of the steps taken to optimize asset utilization. Siregar (2004:519) states that a legal audit is a scope of asset management work in the form of an inventory of asset control status, asset control systems and procedures, identification and finding solutions to legal problems, and strategies to solve various legal issues related to asset control or transfer. Legalis one of the scopes of examining legal evidence of control status management asset work in the form, a system of control procedures (acquisition), asset utilization, asset transfer, asset disposal, as well as identification of problems and strategies for solving legal issues related to asset control or transfer.

A legal audit is needed after the asset inventory process is carried out. Every asset owned by the Regional Government must have a clear ownership status to prevent potential disputes or seizures from irresponsible people who want to take help belonging to the Regional Government. The asset ownership documents are in the form of certificates for land assets, Building Permits for building support, Proof of Ownership of Motorized Vehicles for machine tools assets, especially motorized vehicles, both two-wheeled and four-wheeled. Regional assets can be utilized if they are in good condition and suitable. Handayani (2007) states that the asset condition factor influences asset utilization. In its use, assets must be in good and proper condition to achieve maximum results. Regional investments with good asset conditions can support the implementation of employees' main tasks and functions to provide good public services to the community. In addition, good asset conditions can also attract parties outside the Regional Government to lease or collaborate with the Regional Government to use and utilize existing assets. Asset management carried out by the Regional Government of East Barito Regency, starting from inventory, revamping ownership documents, and assessing and reviewing asset conditions, cannot be separated from the findings previously submitted by the Supreme Audit Agency. The Supreme Audit Agency generally finds

various irregularities in managing regional assets, both in terms of use and utilization, starting from the inaccurate value of assets under management, unclear asset ownership status, the existence of unknown assets, and the number of assets whose value is also unknown. These various problems resulted in the management of regional assets becoming disorderly because they did not describe the actual situation in the field. Therefore, local governments need to prepare appropriate instruments to manage regional assets professionally, transparently, and accountably, starting from the planning, distribution, utilization, and monitoring stages. BPK findings reflect the lack of orderly asset management in 43 regions.

The finding regarding the absence of evidence of land ownership is 11 by PP Number 6 of 2006 concerning Management of Regional Property in Article 33 paragraph (1) which states that regional property in the form of Land must be certified on behalf of the Government of the Republic of Indonesia/Regional Government concerned. For the finding of fixed assets that do not have a value that is not by Permendagri Concerning Technical Guidelines for the Management of Regional Property Attachment Roman X Number 17 of 2007, which states that if the price of goods purchased, manufactured, and derived from donations/grants is unknown, an appraisal can be carried out. By the appraisal team or by the goods manager. Based on the above findings, BPK recommends an inventory of all fixed assets to know their condition and the actual value of the support by the existing asset reports. BPK also recommends managing the ownership status of regional support to prevent the transfer of control over these regional assets. In addition, the audit agency also recommends an appraisal process for regional assets whose size and value are not known. All steps recommended by the financial audit body, starting from inventory, legal audit, assessment, and checking the condition of assets, will bring assets towards optimal utilization. Assets in good condition, complete and accurate records.

The Regional Government of East Barito Regency itself still has several problems managing its assets. In the Regional Government of East Barito Regency in 2020, there are BPK RI corrections related to legal audits, including administration of fixed assets. The land is not adequate; There are equipment and machinery grants in vehicles from private government agencies still worth Rp. 6 there are building assets and buildings in official houses that are not used at the DPRD secretariat. Asset valuation or regional property valuation is carried out in preparing regional government balance sheets, utilization, or transfer. The valuation of the restricted property in Permendagri number 19 of 2016 is referred to in article 325 paragraph (2) except for: a. utilization in the form of borrow-to-use; and b. transfer in the form of a grant. The valuation of the existing assets in East Barito has only been carried out for transfer, namely for help to be sold and heavily damaged assets to be written off. Still, a full assessment has not been carried out for lease for assets that are to be used for lease.

Based on several facts, it is very appropriate if the government takes a policy by establishing several regulations, one of which is Government Regulation of the Republic of Indonesia Number 27 of 2014 concerning Management of State/Regional Property. More specifically, the East Barito Regency Government also has a Regional Regulation as a Guide to the Management of Regional Property, namely the East Barito Regency Regulation 09 of 2020 concerning Guidelines for the Management of Regional Property. Local Government Barito Timur 2012 has collaborated with BPKP to report using the Regional MIS for regional finance and Regional MIS, the Regional MIS for Regional Assets for writing on the Asset Balance, Goods Inventory Card, and Planning and Procurement of Assets has been going well. Still, it has never Recorded any assets used to utilize regional investments in the Regional MIS of Regional Property for asset utilization.

Management of regional assets is an essential aspect of the provincial government, but not many regional governments can manage their regional assets properly; this can be due to a lack of understanding related to regional asset management, so many regions ask for help from third parties or consultants. Asset management. Because basically, regional assets can be of economic value if appropriately managed. The purpose of asset management in the future is directed at ensuring sustainable capacity development of provincial governments, so it is required to be able to develop or optimize the use of regional assets to increase original regional income, which will be used to finance activities to achieve optimal fulfillment of the duties and functions of the agency towards the public.

**Table 1.1** List Of Fixed Assets (Million Rupiah) Regional Government Of East Barito Regency

Asset Name	2017	2018	2019	2020
Land	230,205.14	248,329.75	249,363.60	249,363.60
Equipment & Machinery	218,177.29	235,473.57	264,867.02	303,397.40
Buildings & Buildings	419,472.37	430,716.30	460,033.46	486,658.35
Roads, Irrigation and Networks	630,345.06	663,888.23	722,120.04	736,023.88
Other Fixed Assets	16,407.56	18,150.74	21,832.88	21,753.97
Construction in Work	3,507.46	3,745.70	3,761.67	4,037.74
Accumulated depreciation	-366,787.27	-450,780.91	-535,190.32	-663,978.25
Total	1,151,327.60	1,149,523.38	1,186,788.36	1,137,256.70

Source: East Barito Regency

The constraint factors faced in asset management in East Barito district of human resources are the low quality, the lack of financial management personnel with educational backgrounds in economics, especially accounting, the number of employees of local government administrators generally Financial and Asset Management Personnel, in this case, goods managers, have various backgrounds. Educational background ranging from high school to graduation. Lack of basic understanding of local government financial management results in the poor financial management of the area. In terms of training or education related to local government financial management. For Goods Manager, training on asset administration has been carried out. Still, for technical results such as the Valuation of Regional Property, it cannot be carried out because of the unavailability of Asset Appraisers. In addition, employees who have received training are often transferred due to promotion/promotion or changing fields of work.

Optimization of Build Handover / Build Handover; Asset Utilization includes Lease; Utilization Cooperation; Cooperation in Infrastructure Provision ;Lease; and. Utilization of assets in East Barito is still not optimal because the types of utilization of new assets include Lease and Borrow-Use. The use of land assets has also never been leased by a third party, resulting in the finding of BPK RI's LHP. After all, there was no lease agreement and Borrow-to-use, so there was no receipt to the regional treasury; and from these findings, a new lease agreement was made administratively, and reporting on the utilization of regional assets is also still weak and not in an orderly manner.

Utilization and optimization of regional assets can increase or boost local revenue. Therefore, asset management the future must be directed to ensure sustainable local government capacity development. Jusmin (2013) researched the effect of asset management on the optimization of fixed assets using asset inventory variables, legal audits, asset valuation, asset monitoring and control, and asset optimization. The results showed that the asset inventory, both individually and collectively, had a significant effect on optimizing local government assets. Erlini Nasution (2014) conducted a study on asset inventory, legal audit, and asset valuation with the title "The Effect of Asset Management on Asset Optimization of the Regional Mental Hospital of North Sumatra Province". The results of his research stated that partially the variables of asset inventory, legal audit, and asset valuation positively affected asset optimization. Another study regarding the effect of asset conditions on asset utilization was conducted by Handayani (2007) titled "Factors Affecting the Utilization of Land and Building Assets in Central Jakarta City Youth Center." The results of his research stated that the asset condition factor was proven to influence the utilization of the Central Jakarta City Youth Center

#### **Measurement Indicator:**

Regarding the management of regional assets that are not by the provisions that have been set. In addition to getting the spotlight from the financial audit agency, the asset problem will undoubtedly have an impact on public confidence in the local government of East Barito Regency; if these problems continue to occur and are not resolved immediately, it will undoubtedly lead to various perspectives in the community regarding the performance of the Barito Regency local government. East, and will reduce people's trust in their local government.

### **LITERATURE REVIEW**

#### **Human Resources Competence (X3)**

Competence is the individual's ability to carry out a job correctly and has advantages based on matters relating to knowledge, skills, and attitudes. According to Emron, Yohny, Imas (2017, p. 140)

Measurement Indicator:

1. Knowledge
2. Skill
3. Attitude

#### **Leader Commitment(X4)**

According to Johnson. (2006:13), In an organization's leadership, commitment can be interpreted as sincerity according to their duties and responsibilities to bring leadership together to the expected success.

#### **Measurement Indicator:**

1. Looking for challenging opportunities;
2. Dare to try and willing to take risks,
3. Leading the future,
4. Fostering a shared vision;
5. Raising community work,
6. Strengthening partners,
7. Showing an example,
8. Planning for gradual success,
9. Appreciate each role.
10. Celebrate every success.

#### **Effectiveness/Quality of MIS (Management Information System) (Z)**

The Regional Financial Information System, abbreviated as SIKD, is a system that documents, administers, and processes regional financial management data and other related data into information that is presented to the public and as decision-making material in the context of planning, implementing, and reporting local government accountability. (Presidential Regulation Number 95 of 2018). **Optimization of Asset Utilization (Y)** Asset optimization, according to Siregar (2004: 519) that asset optimization is an activity to optimize the physical potential, location, value, amount/volume, legal and economic owned by these assets.

#### **Measurement indicators:**

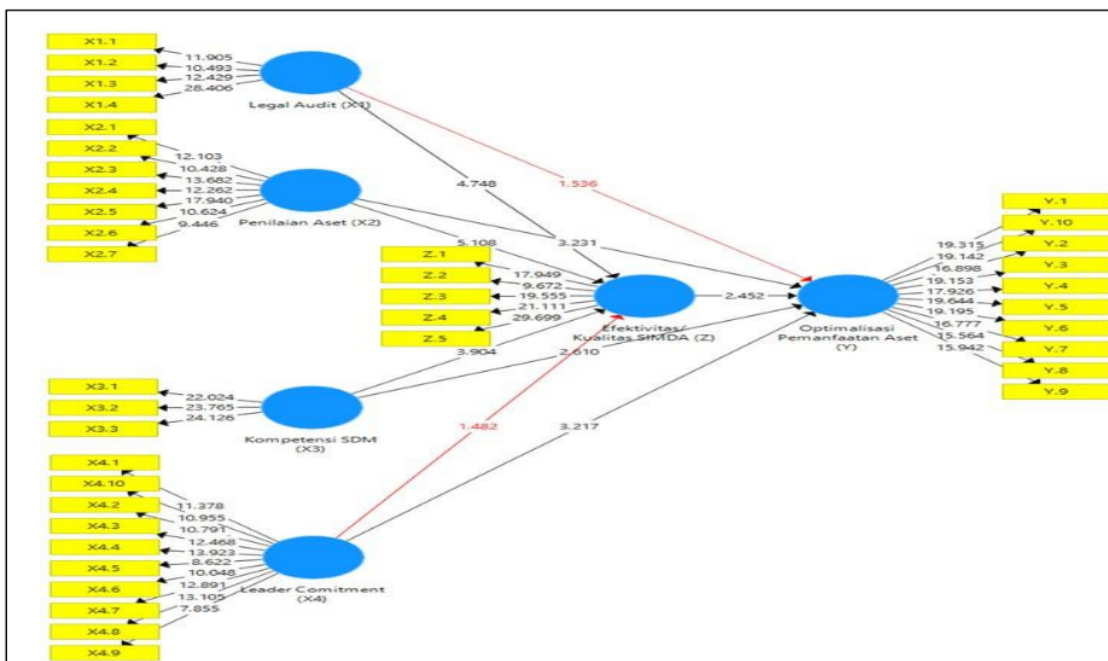
1. I plan and compile goods and maintenance requirements as outlined in the RKA.
2. I am planning the need for goods by considering the condition of existing goods and the number of employees.
3. Planning maintenance by paying attention to the condition of existing goods.
4. I plan the needs compiled based on the standardization of work facilities and infrastructure from each SOPD.
5. Researching and compiling the annual plan of goods from all parts into a List of Regional Property Needs for one fiscal year.
6. Carry out procurement and maintenance of goods based on the list of regional goods needs.

7. Carry out the process of regional property by taking into account the principles: efficient, effective, transparent and open competitive, fair/non-discriminatory, and accountable.
8. I am issuing a decree on the stipulation of the abolition of regional property to each user of the goods.
9. Make use of regional property that is no longer used in the main tasks and functions of the organization in the form of rent, borrow and use, cooperation in utilization, build handover, and make for handover.
10. We are safeguarding regional property administratively, physically, and legally to avoid loss, damage, misuse, usurpation, and expropriation or claims of other parties.

## Method

The design in this study uses an explanatory research approach. The consideration of this type is to analyze the causal relationship between the factors that affect the Effectiveness/Quality of the management information system and the Optimization of Asset Utilization. The approach used to study is quantitative. The primary process and method choice are because this research confirms (testing) between theory and reality by first setting the hypothesis and then testing it using statistical analysis techniques. The variables of this study were classified into independent variables, intervening variables, and dependent variables. Each variable will be used as an assessor of the object of research, namely the Regional Apparatus Organization. Unit in East Barito Regency and the Regional Asset Management Sector. The measurement of the variable indicators used is by using a Likert scale. The research method used is an analytical survey research method, which is a method in the form of a research technique. This information is collected from several samples of people, collecting it by giving questions answered directly by the person (Sugiyono, 2013: 30).

## Result



**Figure 1.**  
Bootstrapping PLS

The bootstrapping results result in a test of the significance of each path. In the 2-tailed test, the research hypothesis can be accepted if the t-value (T- statistic) of 1.96 or the p-value is smaller than the error rate ( $\alpha$ ) 5%. The following

**Table 1. Results of Hypothesis Testing Effects Between Variables**

Hip.	Effect Between Variables	Original Sample	Standard Deviation	T Statistics	P Values
H1	X1→Z	0.375	0.079	4,748	0.000*
H2	X2→Z	0.336	0.066	5,108	0.000*
H3	X3→Z	0.281	0.072	3,904	0.000*
H4	X4→Z	0.095	0.064	1,482	0.139ns
H5	X1→Y	0.122	0.079	1,536	0.125ns
H6	X2→Y	0.244	0.076	3,231	0.001*
H7	X3→Y	0.211	0.081	2,610	0.009*
H8	X4→Y	0.215	0.067	3,217	0.001*
H9	Z→Y	0.220	0.090	2,452	0.015*

Information:  
X1 :Legal Audit   X4 : Leader Commitment  
X2 : Asset Valuation   Z : Effectiveness/ Quality of MIS  
X3 : HR Competence    Y : Optimization of Asset Utilization

\*: significant at the 0.05 level                                    ns: not effective at the 0.05 level

The results of hypothesis testing using the results of PLS bootstrapping can be in Table 1 above, which can be explained as follows:

**1. The legal audit has a positive and significant effect on the effectiveness/quality of MIS in the Barito Timur district government**

The coefficient value of the effect of legal audit on the effectiveness/quality of MIS is 0.375 (positive) with t-statistics of 4.748 ( $\geq 1.96$ ) and p-value of 0.000 ( $\leq \alpha = 5\%$ ), so it is decided that legal audit has a positive and significant effect on effectiveness / MIS quality, meaning that the better the legal audit in asset management, the better the effectiveness/quality of the MIS. Based on these results, the first hypothesis, which states that legal audit affects the effectiveness/quality of MIS in the Barito Timur district government, is acceptable (h1 is accepted).

**2. Asset valuation has a positive and significant effect on the effectiveness/quality of MIS in the Barito Timur district government**

The coefficient value of the effect asset valuation on the effectiveness/quality of MIS is 0.336 (positive) with t-statistics of 5.108 ( $\geq 1.96$ ) and p-value of 0.000 ( $\leq \alpha = 5\%$ ), so it was decided that asset valuation also had a positive and significant effect on effectiveness/quality of MIS, meaning the better the asset assessment carried out by the auditor, the better the effectiveness/quality of MIS will be. Based on these results, the second hypothesis, which states that asset valuation affects the effectiveness/quality of MIS in the Barito Timur district government, is also acceptable (h2 is accepted).

**3. HR competence has a positive and significant effect on the effectiveness/quality of MIS in the Barito Timur district government**

The coefficient value of the influence of human resource competence on the effectiveness/quality of MIS is 0.281 (positive) with t-statistics of 3.904 ( $\geq 1.96$ ) and a p-value of 0.000 ( $\leq \alpha = 5\%$ ), so it is decided that human resource competence also has an effect positive and significant on the effectiveness/quality of MIS, meaning that the higher the competence of human resources in charge of asset management, the better the effectiveness/quality of MIS will be. Based on these results, the third hypothesis, which states that human resource competence affects the effectiveness/quality of MIS in the Barito Timur district government, is also acceptable (h3 is accepted).

4. **leader commitment has a significant effect on the effectiveness/quality of MIS in the Barito Timur district government**

The coefficient value of the influence of leader commitment on the effectiveness/quality of MIS is 0.095 with t-statistics of 1.482 ( $<1.96$ ) and p-value of 0.139 ( $>\alpha=5\%$ ), so it is decided that leader commitment has no significant effect on the effectiveness/quality of MIS, it means that the stronger the burden from the leadership, it has not had a real (significant) impact on increasing the effectiveness/quality of MIS. Based on these results, the fourth hypothesis, which states that leader commitment affects the effectiveness/quality of MIS in the Barito Timur district government, cannot be accepted (h4 is rejected).

5. **the legal audit has no significant effect on optimizing asset utilization in the Barito Timur district government**

The coefficient value of the influence of legal audit on the optimization of asset utilization is 0.122 with t-statistics of 1.536 ( $<1.96$ ) and p-value of 0.125 ( $>\alpha=5\%$ ), so it is decided that legal audit has no significant effect on optimizing asset utilization, meaning that the more both the legal audit carried out by the asset management section, has not yet had a real (significant) impact on increasing the optimization of asset utilization. Based on these results, the fifth hypothesis, which states that legal audits affect the optimization of asset utilization in the Barito Timur district government, cannot be accepted (h5 is rejected).

6. **Asset valuation has a positive and significant effect on optimizing asset utilization in the Barito Timur district government**

the coefficient value of the impact of asset valuation on optimizing asset utilization is 0.244 (positive) with t-statistics of 3.231 ( $\geq 1.96$ ) and p-value of 0.001 ( $\leq \alpha=5\%$ ), so it was decided that asset valuation had a positive and significant effect on optimizing utilization assets, meaning that the better the asset assessment carried out by the auditor, the more optimal the asset utilization will be. Based on these results, the sixth hypothesis, which states that asset valuation affects the optimization of asset utilization in the Barito Timur district government, can be accepted (h6 is received).

7. **The quality of human resources has a positive and significant effect on the optimization of asset utilization in the Barito Timur district government**

the coefficient value of the influence of the quality of human resources on the optimization of asset utilization is 0.211 (positive) with t-statistics of 2.610 ( $\geq 1.96$ ) and p-value of 0.009 ( $\leq \alpha=5\%$ ), so it is decided that the quality of human resources also has a positive effect. And significant to the optimization of asset utilization, meaning that the higher the quality of human resources for the employees of the asset management division, the more optimal the use of assets will be. Based on these results, the seventh hypothesis, which states that the quality of human resources affects the optimization of asset utilization in the Barito Timur district government, is also acceptable (h7 is accepted).

8. **leader commitment has a positive and significant effect on the optimization of asset utilization in the Barito Timur district government**

The coefficient of the influence of leader commitment on optimizing asset utilization is 0.215 (positive) with t-statistics of 3.217 ( $\geq 1.96$ ) and p-value of 0.001 ( $\leq \alpha=5\%$ ), so it was decided that leader commitment also had a positive and significant effect on optimization. Asset utilization means that the stronger the leadership commitment to asset management, the more optimal the utilization of these assets will be. Based on these results, the eighth hypothesis, which states that leader commitment affects the optimization of asset utilization in the Barito Timur district government, is also acceptable (h8 is accepted).

9. **The effectiveness/quality of MIS has a positive and significant effect on the optimization of asset utilization in the Barito Timur district government**

the coefficient of the impact of the effectiveness/quality of MIS on the optimization of asset utilization is 0.17 (positive) with t-statistics of 2.452 ( $\geq 1.96$ ) and p-value of 0.015 ( $\leq \alpha=5\%$ ), so it is decided that the effectiveness/quality of MIS also has a positive effect and significant to the optimization of asset utilization, meaning that the more effective and quality the asset management MIS is, the more optimal the asset utilization will be. Based on these results, the ninth hypothesis, which states that the effectiveness/quality of MIS affects the optimization of asset utilization in the Barito Timur district government, is also acceptable (h9 is accepted). The results of the comparative analysis of the mean and total effect variables conclude that to increase the optimization of asset utilization in the asset management department within the East Barito Regency Government, which is the highest starting priority until the lowest is:

**Order 1: Fixed asset valuation**

Asset valuation is the primary concern because it can directly impact optimizing asset utilization or indirectly through mediating the effectiveness/quality of MIS. Asset valuation itself also has the most substantial impact on optimizing asset utilization. The completeness of the application documents that are well researched, adapted to the

object of the assessment in the field, the data and information collected are relevant to the evaluation in the area and have been analyzed with appropriate and accurate methods will produce a quality appraisal report, so that at the time of presentation of the asset valuation report, will provide convenience for decision-makers to utilize assets optimally.

#### **Order 2: Improving the competence of human resources**

In this case, the competence of human resources, the employees of the asset management division, is the second concern according to the order of the total effect on the optimization of asset utilization. HR competence is a second concern because it can also have a direct or indirect impact on optimizing asset utilization through mediating the effectiveness/quality of MIS. Placement of employees who are by the educational background and skills of employees, training is carried out correctly, working by prioritizing ethics and code of ethics and without anyone's intervention, can make the abilities and skills of employees more professional, so that it will have an impact on optimal and appropriate asset utilization. Target because it has been done professionally.

#### **Sequence 3: Strengthen leader commitment**

Leadership commitment is the third concern in order of total effect on optimizing asset utilization. Leadership commitment is the third concern because it can only directly impact optimizing asset utilization. At the same time, the result of mediating the effectiveness/quality of MIS is known to be insignificant. Leaders who like challenges, dare to take the risk of work, can foster a shared vision, can collaborate with subordinates and partners, can show examples, and can appreciate every role of employees, will make employees work with high motivation and professionalism. have an impact on optimal asset utilization because every employee likes a leader who has a strong commitment.

#### **Order 4 : Increase effectiveness/quality MIS**

The effectiveness/quality of MIS is the fourth concern in order of total effect on optimizing asset utilization. The effectiveness/quality of MIS is the fourth concern because it can only have a direct impact on optimizing asset utilization; there is no mediating variable between the two. An effective MIS, both in terms of planning, procurement, administration, write-off, and accounting quality, will produce quality information for decision-makers in asset management; this will have an impact on asset utilization decisions will be more optimal because it has been decided by taking into account information from Effective and quality MIS.

#### **Five order: Improve legal audit**

A legal audit is the last concern because the total effect on optimizing asset utilization is the smallest. An excellent legal audit has not been able to increase the optimization of asset utilization directly but must be strengthened by an effective MIS.

### **DISCUSSION**

#### **The legal audit has a positive and significant effect on the effectiveness/quality of MIS in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show that the coefficient of the effect of legal audit on the effectiveness/quality of MIS is positive and significant, so the research hypothesis which states that legal audit affects the effectiveness/quality of MIS in the East Barito Regency Government is acceptable. Thus, it is proven that for employees of the asset management division within the East Barito Regency Government, the legal audit factor has a vital role in the effectiveness/quality of MIS; the better the legal audit in asset management, the better the effectiveness/quality of the MIS will also be.

The results of this study are consistent with the statement of Afnany *et al.*, (2018) in their research, which states that internal control audits affect the quality of regional financial information systems. Fhadillah and Yudianto (2018), in their study, also note that internal control audits involve the financial accounting information system. Likewise, Sari *et al.*, (2018), Bria (2019), and Fatimah *et al.*, (2019) also prove that the internal control system affects the local government asset report information system.

#### **Asset valuation has a positive and significant effect on the effectiveness/quality of MIS in the East Barito Regency Government**



The results of testing the research hypothesis using SEM-PLS show that the coefficient of the effect of asset valuation on the effectiveness/quality of MIS is positive and significant, so the research hypothesis which states that asset valuation affects the effectiveness/quality of MIS in the East Barito Regency Government is also acceptable. Thus, it is proven that for employees of the asset management section of the East Barito Regency Government, asset valuation factors have an essential role in the effectiveness/quality of MIS; the better the asset assessment carried out by employees in managing regional assets, the effectiveness/quality of MIS will also be better.

#### **HR competence has a positive and significant effect on the effectiveness/quality of MIS in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show that the coefficient of the influence of human resource competence on the effectiveness/quality of MIS is positive and significant, so the research hypothesis which states that human resource competence affects the effectiveness/quality of MIS in the East Barito Regency Government is also acceptable. Thus, it is proven that for employees of the asset management section of the East Barito Regency Government, the competency factor has an essential role in the effectiveness/quality of MIS, the higher the competence of the employees of the asset management division, the better the effectiveness/quality of MIS will be.

The results of this study are supported by Akintoye (2012) in his research which shows that employee competence affects the quality of financial statement information systems. Nurlis (2017) stated that the higher the competence of employees, the more effective financial statement information. Sanjaya *et al.*, (2017) also noted that employee competence would make asset administration more effective in their research. At the same time, Synthia (2017), Afnany *et al.*, (2018), and Fhadillah and Yudianto (2018) state that the more competent employees are, the better the financial information system and financial accountability will be. Idward *et al.*, (2018) and Sari *et al.*, (2018) stated that employee competence will affect the quality of information on local government asset reports. Dewi *et al.*, (2019) state that employee competence affects the quality of local government financial report information. While Mutiara *et al.*, (2019) also prove that employee competence will affect the MIS of regional assets.

#### **Leader commitment has a significant effect on the effectiveness/quality of MIS in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show that the coefficient of the influence of leader commitment on the effectiveness/quality of MIS is positive but not significant, so the research hypothesis which states that leader commitment affects the effectiveness/quality of MIS in the East Barito Regency Government is unacceptable. Thus, for employees of the asset management division within the East Barito Regency Government, the leader commitment factor has a non-significant role in increasing the effectiveness/quality of MIS; the more substantial the leader's commitment does not have a significant impact on improving the effectiveness/quality of MIS.

The results of this study are not consistent with Sanjaya *et al.*, (2017) in their research which shows that commitment will affect information systems. However, the results of this study are supported by Sari *et al.*, (2018) in their research, which also proves the insignificant effect of commitment on the quality of information on local government asset reports, Fitriana & Hoesada (2019) give the same result that commitment does not significantly affect the quality of financial statement information.

The insignificant influence of the leader's commitment to the effectiveness/quality of MIS is due to the low competence of employees, especially in terms of asset management audits or asset management. The description of the respondent's profile shows that many employees are still educated in high school, and most of them are not majoring in accounting. This causes employees' knowledge of asset management to be below; their expertise is still not professional, so even though the leader has a solid commitment to asset management, the effectiveness of MIS will not increase because employees who are not competent will make the information that enters the MIS less qualified and ineffective.

For this reason, leaders, in addition to being able to set an example and be grateful for the small successes achieved, must also be able to foster a shared vision of the organization that is balanced with the welfare of employees. Organizations are more concerned with attaining the idea, but employees are more concerned with welfare. For this reason, leaders must be able to balance both vision and interest by developing the right image for all employees. The program that can be designed is related to the organizational idea that is achieved and will also improve the

welfare of employees by providing asset management incentives and giving rewards to asset managers who can manage their assets well.

#### **A legal audit has no significant effect on optimizing asset utilization in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show that the coefficient of the effect of legal audit on optimizing asset utilization is positive but not significant, so the research hypothesis states that legal audit affects optimizing asset utilization in the East Barito Regency Government, cannot be accepted. Thus, in asset management within the East Barito Regency Government, the legal audit factor has an insignificant role in increasing asset utilization; the better the legal audit has not yet given a tangible impact on the optimization of asset utilization. The results of this study are consistent with the research results of Sriastiti *et al.*, (2020), which show a legal audit which is one of the components of a legal audit.

The results of this study are not consistent with Juliadi *et al.*, (2017) in their research which proves that internal control audits do not affect asset management. Ekayanti *et al.*, (2018) also demonstrate that internal control audits jeopardize the effectiveness of asset management. Masdjojo *et al.*, (2018) show that internal control audits affect asset management. Omar *et al.*, (2018) also stated that audits involve the administration of village assets. Yuswati *et al.*, (2018) also prove that internal control audits affect the effectiveness of regional asset management, while Syaifudin *et al.*, (2020) also demonstrate that legal audits affect asset management performance.

The insignificant effect of legal audits on optimizing asset utilization is that many asset transfer procedures are not carried out according to standards, causing many regional assets whose legality is unclear. This causes legal action to be less effective due to incomplete evidence, thus causing the utilization of these assets will not be optimal. Besides that, many investments in the local government have no value, so it does not run optimally in the process of use and utilization.

In addition, the cause of the insignificant effect of legal audits on optimizing asset utilization is that employees/auditors in assessing assets focus more on examining the completeness of documents but lack the ability and lack willingness to collect data and information in the field relevant to these assets, and the ability to analyze data is also still lacking, so there is a discrepancy between the data that has been collected and the method used so that the information produced is less effective and of less quality; this will have an impact on the utilization of regional assets that are not optimal.

#### **Asset valuation has a positive and significant impact on the optimization of asset utilization in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show the coefficient of the effect of asset valuation on the optimization of asset utilization is positive and significant, so the research hypothesis states that asset valuation affects the optimization of asset utilization in the East Barito Regency Government is acceptable. Thus, it is proven that for employees of the asset management division within the East Barito Regency Government, asset valuation factors have an essential role in optimizing asset utilization; the better asset assessment carried out by employees in regional asset management, the more optimal asset utilization will be.

The results of this study are consistent with Kusnawati *et al.*, (2019) in their research which proves that asset valuation and evaluation will affect the optimization of asset management, as well as Sriastiti *et al.*, (2020) in his study also demonstrates that a reasonable asset valuation will make asset utilization more optimal.

#### **Human resource competence has a positive and significant effect on optimizing asset utilization in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show the coefficient the influence of human resource competence on the optimization of asset utilization is positive and significant, so the research hypothesis which states that human resource competence affects the optimization of asset utilization in the East Barito Regency Government can be accepted. Thus, it is proven that for employees of the asset management division within the East Barito Regency Government, the competency factor also has a vital role in optimizing asset utilization.

The results of this study are consistent with Peki *et al.*, (2014) in the research which proves that employee competence affects the effectiveness of regional asset management. Juliadi *et al.*, (2017), Andrian *et al.*, (2018), and Ekayanti *et al.*, (2018) also prove that employee competence affects the effectiveness of asset management. Masdjojo *et al.*, (2018) demonstrate that employee competence affects asset management. Omar *et al.*, (2018) also show that

high employee competence will make well-managed assets. Arifuddin *et al.*, (2019) also prove that employee competence affects the optimization of regional assets. While Leky *et al.*, (2020) and Syaifudin *et al.*, (2020) also demonstrate that competent employees will improve asset management performance.

### **Leader commitment has a positive and significant effect on the optimization of asset utilization in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show the coefficient of the influence of leader commitment on optimizing asset utilization is positive and significant, so the research hypothesis states that leader commitment affects optimizing asset utilization in the East Barito Regency Government is also acceptable. Thus, it is proven that in asset management within the East Barito Regency Government, the leader's commitment factor also has an important role in optimizing asset utilization; the stronger the leader's commitment to managing regional assets, the more optimal it is asset utilization will be.

The results of this study are consistent with Syaifudin *et al.*, (2020) in their research which shows that leader commitment will affect asset management performance. However, the results of this study contradict the results of the analysis of Ekayanti *et al.*, (2018) and Leky *et al.*, (2020), which shows that commitment does not affect asset management.

### **The effectiveness/quality of MIS has a positive and significant effect on the optimization of asset utilization in the East Barito Regency Government**

The results of testing the research hypothesis using SEM-PLS show the coefficient of the effect of MIS effectiveness/quality on optimizing asset utilization is positive and significant, so the research hypothesis which states that MIS effectiveness/quality affects the optimization of asset utilization in the East Barito Regency Government is also acceptable. Thus, it is proven that in asset management within the East Barito Regency Government, the effectiveness/quality factor of MIS has a vital role in optimizing asset utilization; the more effective and quality MIS is, the more optimal the asset utilization will be.

The results of this study are consistent with Pekei *et al.*, (2014) in their research which proves that asset management affects the effectiveness of regional asset management. Juliadi *et al.*, (2017) and Richard (2017) also show that web-based MIS will affect asset management optimization. Andrian *et al.*, (2018) show that the regional financial management information system will affect management performance. Ekayanti *et al.*, (2018) also prove that the information system will affect asset management effectiveness. Masdjojo *et al.*, (2018) also demonstrate that a sound information system will improve the quality of asset management. Yuswati *et al.*, (2018) prove that an effective information system will make regional asset management more optimal. Apriliana *et al.*, (2019) demonstrate that the MIS of state property will affect the quality of asset management. Leky *et al.*, (2020) show that asset MIS will affect asset optimization. While Syaifudin *et al.*, (2020) also prove that information systems are essential to optimize asset utilization.

## **CONCLUSION**

The purpose of the study was to analyze the effect of legal audit, asset valuation, human resource competence, and leader commitment on the effectiveness/quality of MIS and optimization of asset utilization within the East Barito Regency Government. Based on the results of research and discussion that have been described in the previous chapter, it can be concluded as follows:

1. The legal audit has a positive and significant effect on the effectiveness/quality of MIS. The better the implementation of legal audits carried out by employees in managing regional assets, the higher the effectiveness of MIS, both for planning, procurement, administration, deletion, and quality accounting information. This conclusion is supported by Afnany *et al.*, (2018), Fhadillah and Yudianto (2018), Sari *et al.*, (2018), Bria (2019), and Fatimah *et al.*, (2019), which conclude that the audit affects the local government asset report information system.
2. Asset valuation has a positive and significant effect on the effectiveness/quality of MIS. The better the asset assessment carried out by employees/auditors in managing regional assets, the higher the effectiveness of the MIS, both for planning, procurement, administration, write-off, and accounting quality. This conclusion is supported by Fhadillah and Yudianto (2018), who conclude that asset valuation affects asset accountability information.
3. Human resource competence has a positive and significant effect on the effectiveness/quality of MIS. The higher the competence of employees in asset management, the higher the effectiveness of MIS, both for

planning, procurement, administration, write-off, and accounting quality. This conclusion is supported by Akintoye (2012), Nurlis (2017), Anjaya *et al.*, (2017), Synth (2017), Afnany *et al.*, (2018), and Fhadillah and Yudianto (2018), Idward, *et al.*, (2018), Sari, *et al.*, (2018), Dewi, *et al.*, (2019), and Mutiara, *et al.*, (2019) which concludes that employee competence will affect the MIS of regional assets, thereby making asset administration more effective.

4. *Leader commitment* has a significant effect on the assets, the more optimal the utilization of these assets. This conclusion is supported by Pekei *et al.*, (2014), Juliadi *et al.*, (2017), Richard (2017), Andrian *et al.*, (2018), Ekayanti *et al.*, (2018), Masdjojo *et al.*, (2018), Yus Wanita, *et al.*, (2018), Apriliana, *et al.*, (2019), Leky, *et al.*, (2020), and Syaifudin *et al.*, (2020) which also concludes that information systems are critical to increasing the effectiveness/quality of MIS. The stronger the leader's responsibility to asset management, the less it can impact, increasing the effectiveness/quality of the MIS. This conclusion is supported by Sari *et al.*, (2018) and Fitriana & Hoesada (2019), which conclude that human resource commitment does not significantly affect the quality of information.
5. Legal audits do not significantly affect the optimization of asset utilization. The better the legal audits carried out by employees in asset management, the more they have not been able to impact optimizing the utilization of regional assets. This conclusion is not supported by all previous studies, namely Juliadi *et al.*, (2017), Ekayanti *et al.*, (2018), Masdjojo *et al.*, (2018), Umar *et al.*, (2018), Yus Wanita *et al.*, (2018), and Syaifudin, *et al.*, (2020) which concludes that the audit will affect the performance of asset management.
6. Asset evaluation has a positive and significant effect on optimizing asset utilization. The better the asset assessment carried out by employees/auditors in managing regional assets, the more optimal the utilization of regional assets. This conclusion is supported by Kusnawati *et al.*, (2019) and Sriastiti *et al.*, (2020), which conclude that reasonable asset valuation will optimize asset utilization.
7. Human resource competence has a positive and significant effect on optimizing asset utilization. The higher the competence of employees in the asset management section, the more optimal the utilization of regional assets. This conclusion is supported by Pekei *et al.*, (2014), Juliadi *et al.*, (2017), Andrian *et al.*, (2018), Ekayanti *et al.*, (2018), Masdjojo *et al.*, (2018), Umar *et al.*, (2018), Arifuddin, *et al.*, (2019), Leky, *et al.*, (2020), and Syaifudin *et al.*, (2020) which concludes that competent employees will improve asset management performance.
8. *Leader commitment* has a positive and significant effect on optimizing asset utilization. The stronger the leader's responsibility to asset management, the more optimal the utilization of these assets will optimization of asset utilization.

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