

Review of Village Apparatus Knowledge on the Method of Depreciating Village Fix Assets in Several Villages in Bandung and West Bandung Regencies

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***Abstract**---Regulations on depreciation of regional property have been issued, but the readiness of regional and village government officials is still questionable. The study was conducted on 24 apparatus from 8 villages. The results of the review show that the village government apparatus, affected by the depreciation of village property, especially fixed assets, is still very minimal, so it needs to be increased again by attending workshops or training, actively discussing with experts, both government agencies (Inspectorate) and universities that have economics faculty especially accounting department.*

I. Introduction

Regulation of the Minister of Home Affairs (Permendagri) number 1 regarding depreciation of regional property has been issued in 2019. The reason for the government to issue this regulation is for regional governments to present the value of fixed assets fairly in accordance with the economic benefits of assets in the financial statements of local governments. Village Government, should also implement depreciation for Village Assets, but this policy has not yet been regulated (not yet published). It is known that in the regional government, a special policy regulating depreciation was only issued in 2019. However, even though the policy has not been regulated, the village government must be prepared to implement this rule. Problems related to depreciation of fixed assets in village government, including; first, village officials who understand the knowledge of the depreciation of village assets are still very minimal in number, even many village officials who do not know it; second, the policy regarding depreciation of village assets in the village administration has not been regulated; the three village assets have not been properly inventoried. For this reason, the purpose of this study is to determine the extent to which village officials understand the method of depreciating fixed assets.

II. Literature Review

Village Property and Permanent Assets

Village Owned Goods are all goods that are purchased or obtained from the burden of the Village Revenue and Expenditure Budget or come from other legal acquisition. Fixed assets are tangible assets that have a useful life of more than 12 (twelve) months to be used in government activities or utilized by the general public.

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Village Apparatus related to Village Property

Village Property Manager, hereinafter referred to as Property Manager, is the authorized official and responsible for coordinating the management of village property. Property User is the official holder of the authority to use Village Properties. The Village User Property User Authority hereinafter referred to as the Property User Authority is the head of the work unit or official appointed by the Property User to use the Village Property that is in his best control.

Village Property Report

Village property report is a report prepared by the Property Manager, Property User / Property User Authority, which presents the position of the Village Property at the beginning and end of a period and the mutation of Village Property that occurred during that period.

The Useful Life

The useful life of fixed assets is determined for each unit of fixed assets. The determination of the useful life of fixed assets is carried out based on the useful life of fixed assets which are presented in the table of useful life of fixed assets as determined by regional head regulations. Determination of the useful life of fixed assets is done by taking into account: a. usability; b. degree of physical wear and / or obsolescence; and c. legal provisions or other similar limitations on the use of assets, from the relevant fixed assets. The determination of the useful life of fixed assets shall be carried out at least for each detail of the object of the fixed assets according to the classification and coding of regional assets. The useful life of fixed assets cannot be changed. Excluded from the provisions, changes in the useful life of fixed assets can be done in terms of: a. changes in physical characteristics / use of fixed assets; b. there is an improvement in fixed assets that increase the useful life; c. there was a mistake in determining the useful life of fixed assets that will only be known at a later date; or d. suitability between the remaining useful lives of fixed assets and the condition of fixed assets. (3) Changes in the Benefit Period as is done in the case of normal and natural causes.

Change of Benefit Period, stipulated by regional head regulation. Improvements to fixed assets that increase the useful life or capacity and / or quality of benefits change the useful life of the fixed assets. (2) Improvements, including: a. renovation; b. restoration; or c. overhaul.

Renovation is an activity of adding, repairing, and / or replacing part of the Fixed Assets. Restoration is a repair activity of Fixed Assets that are damaged while maintaining its architecture. Overhaul is the activity of adding, repairing, and / or replacing parts of machine tools with the intention of increasing the useful life, quality and / or capacity. Determination and amendment to the useful life of fixed assets referred to in carried out based on the useful life of fixed assets contained in the table of useful life of fixed assets. The Use of Fixed Asset Table is determined by regional head regulations.

Depreciation of Regional Property

Depreciation of village property is a systematic allocation of the value of a fixed asset that can be depreciated over the useful life of the asset concerned. The useful life is the period of a fixed asset that is expected to be used for government activities and / or public services or the number of production or similar units expected to be obtained from assets for government activities and / or public services.

The objects for depreciation of village assets include: a. Buildings and Buildings; b. Equipment and Machinery; c. Roads, Irrigation, and Networks; d. Other Fixed Assets: (Fixed assets under renovation and modern musical instruments) and e. Other Assets (Partnership assets with third parties; Fixed Assets that are not used in village government operations)

Depreciation of Village Property is not carried out on: a. Land Asset Equipment; b. Construction Assets in Construction c. Fixed Assets under renovation in the form of Land under renovation; d. Fixed Assets under renovation that do not add to the useful life; e. Fixed Assets in heavily damaged / obsolete conditions; f. Fixed Assets Land that is not used in government operations; and g. Fixed Assets declared lost based on valid source documents.

Fixed Assets in a heavily damaged / obsolete condition are reclassified into sub-breakdown of the object of heavily damaged / obsolete assets in the group of Other Assets in accordance with the classification and codification of Village Property. Fixed Assets Land that is not used in government operations is reclassified into sub-details of Fixed Assets objects that are not used in government operations in the Other Assets group in accordance with the classification and coding of Village Property.

Fixed Assets that are declared missing are reclassified into the sub-details of the Other Other Assets objects in the Other Assets group in accordance with the classification and coding of Village Property. Determination of the depreciable value is done for each unit of the Fixed Assets without calculating the residual value.

Residual value, is the book value of a fixed asset at the end of the useful life. The value that can be depreciated is based on the semester and annual book values. In the event of an adjustment in the value of the Fixed Assets as a result of the addition or reduction in the quality and / or value of the Fixed Assets and errors in the inclusion of the quantity and / or value of the Fixed Assets, changes in the value of the Fixed Assets are calculated in the depreciable value.

The results of adjustments to Depreciation of Fixed Assets are accompanied by adjustments to the Financial Statements and Village Property Reports based on government accounting standards.

Depreciation Method

Depreciation of Fixed Assets is carried out using the straight-line method. The straight-line method is done by allocating the depreciable value of fixed assets divided by the useful life.

Calculation and Recording of Depreciation of Fixed Assets

The calculation and recording of Depreciation of Fixed Assets are carried out for each Fixed Asset. The period of calculating depreciation of fixed assets is at least done per semester. The results of the calculation and recording of depreciation of fixed assets are used as material for the preparation of the Village Government Financial Report. The calculation and recording of Depreciation of Fixed Assets are carried out in units of rupiah with rounding up to the smallest rupiah units. The calculation of Depreciation of Fixed Assets is carried out from the acquisition of Fixed Assets until the end of the Benefit Period of Fixed Assets.

The calculation of Depreciation of Fixed Assets is carried out on Intracomptable Fixed Assets and Extractible Fixed Assets. The results of the calculation of the Extractible Fixed Assets Depreciation are not presented in the Regional Government Financial Report.

Presentation and Disclosure of Depreciation of Fixed Assets

Presentation and disclosure of the results of the Depreciation calculation are presented in the Village Government Financial Statements based on accrual-based government accounting standards. Depreciation calculation results are presented in the form of accumulated depreciation of fixed assets. Accumulated Depreciation is a deduction factor for the value of Fixed Assets presented in the Village Property Report.

Fixed Assets and Fixed Assets that have been reclassified into Other Assets whose entire value has been depreciated do not necessarily write off. Write-off of Fixed Assets and Fixed Assets that have been reclassified into Other Assets, are carried out in accordance with statutory provisions regarding the management of Village Assets

III. Research Methodology

The study was conducted in 8 (eight) villages in the districts of Cimenyan, Bale Endah, Katapang and Lembang. The number of respondents was 24 people, consisting of village secretaries, heads of financial affairs, heads of planning affairs, and heads of general affairs.

The research method uses a descriptive approach, so the analysis also uses descriptive statistical analysis. Data collection methods are carried out by distributing questionnaires and interviews, and observations.

IV. Research Results and Discussion

Research Result

Result Table

Number	Statement	Answer		%
		Yes	No	
1	Minister of Home Affairs Regulation Number first in year 2019	15	9	62.5
2	Causes of the issuance of Permendagri no.1 / 2019	5	19	20.8
3	Village items	24	0	100.0
4	Fixed Assets	20	4	83.3
5	Economic age / useful life	4	20	16.7
6	Determination of the useful life of fixed assets	1	23	4.2
	Changes in the useful life of fixed assets	5	19	20.8
8	Renovation of fixed assets	24	0	100.0
9	Restoration of fixed assets	2	22	8.3
10	Overhaul of fixed assets	0	24	-
11	Table of useful life	0	24	-
12	Depreciation of village property	4	20	16.7

13	Objects for depreciation of village property	8	16	33.3
14	Excluded from depreciation	4	20	16.7
15	Depreciation methods	4	20	16.7
16	Residual value / residual value	4	20	16.7
17	Calculation of fixed assets at least per semester	0	24	0
18	When the Calculation of Depreciation of Fixed Assets is made from the acquisition of Fixed Assets until the end of the Useful Period of Fixed Assets	7	17	29.2
19	Accumulated depreciation of fixed assets	4	20	16.7
20	Presentation of accumulated depreciation	2	22	8.3

V. Discussion

From the table above, it can be seen that, knowledge and understanding of the village apparatus related to depreciation of fixed assets is still not optimal, this is due to the educational background of the apparatus not from accounting majors, or even though they have studied depreciation of fixed assets when they attend high school in the social/special majors. the accounting / financial department of the apparatus has forgotten that knowledge, the regulation on depreciation of regional property has only been issued in 2019, has not been socialized in the village administration, and in the village government has not been issued / has not been regulated regarding the depreciation of village property.

Based on the results of interviews with village officials, they told me that many apparatuses had just served as chief of financial affairs. The causes include mutation of position, saturated with old jobs, wanting a new staff, different job challenges, there are also apparatus who resign, there are new employees who are appointed as head of financial affairs after the election of the village head. Some of these reasons, become the cause of the financial apparatus thirst for knowledge related to accounting, especially the depreciation of fixed assets. And warmly welcome the training/workshop activities offered by universities in the area around the village administration.

VI. Conclusion

Based on the results of the study, it can be concluded, the knowledge and understanding of the village apparatus related to the depreciation of village property is still lacking

Suggestion

The Ministry of Home Affairs immediately conducts socialization related to the depreciation of regional property to the regional government, so that the local government responds immediately, by making a derivative application of Permendagri No. 1 of 2019 in the form of regional regulations. Also make / issue rules on depreciation of village property.

For colleges / universities, increase training activities / workshops, sharing knowledge about fixed assets and depreciation of fixed assets, to the village government apparatus, so that officials understand knowledge about fixed assets and depreciation even though the policy has not been regulated / published

The Village Apparatus, actively conducting discussions, asked to be given training / workshops with village facilitators and universities closest to the village administration area. Related to the knowledge needed in village government.

REFERENCES

- [1] Government regulation number 1 of 2010 concerning government accounting standards
- [2] Permendagri number 1 of 2019 concerning depreciation of regional assets
- [3] Permendagri number 1 of 2016 concerning asset management