

The Effectiveness Of Local Asset Management (A Study On The Government Of Jayapura)

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ABSTRACT : *Beni Pekei. Doctorate Program in Management, Faculty of Economics and Business, Brawijaya University, 2014. The Effectiveness of Local Asset Management: A Study on the Municipal Government of Jayapura. Promotor: Djumilah Hadiwidjojo. Co-Promotor: Djumahir, Sumiati. Local autonomy has given a lot of changes to the local financial and asset management. Changes in the local local asset management are very significant mainly the ones in the region whose budget and capital expenditure is quite large, such as Jayapura. This will affect the accountability report of the heads of local region in managing the local assets. This study aims to determine: 1) the effect of the asset management implementation moderated by the quality of human resources, 2) the effect of Public Accountability moderated by the quality of human resources, and 3) the influence of monitoring and evaluation moderated by the quality of human resources. The population of this study is the governments of Jayapura, totally 36 task force. The respondent is the task force had or the Head of Regional Work Unit (SKPD), the treasurer of local asset/goods local and the staff of SKPD. The population of the study is small and it is worth doing research on all members of the population. There were 115 respondents as sample that were analyzed using a moderation regression model. The Software used was SPSS version 20. The findings of this study indicate that the influence of asset management implementation towards the effectiveness of local asset management is significant and positive. This means that the better the Asset Management implementation, the more effective the local asset management in Jayapura. Moreover, public accountability positively influences the effectiveness of the local asset management and human resources interaction positively influences asset management implementation. This means the better the public accountability supported by qualified human resources, the more effective the local asset management in Jayapura. In contrast, human resources does not significantly influence the effectiveness of local asset management, but it influences the monitoring and evaluation process. Thus, human resources plays a role as a pure moderation which strengthens the influence of monitoring and evaluation towards the effectiveness of local asset management. This means that the better the the Monitoring and Evaluation implementation supported by qualified human resources, the more effective the local asset management in Jayapura is.*

KEYWORDS: *Implementation of Asset Management, Public Accountability, Monitoring and Evaluation, Quality of Human Resources, Public Asset Management Effectiveness.*

I. INTRODUCTION.

Generally, local Governments in Indonesia in creating Good Governance should implement a clean and accountable government, that must consistently be done by the local government. In improving the performance of local government's local asset management, the government should pay attention to the management principles based on performance budget approach and the administration of local property based on the current governments accounting standards. Local asset management is the implementation of local asset or Regional Public Goods (RPG) based on the basic principles of asset management of Regional Public Goods in accordance with the basic policies set forth by the laws, government regulation, President Decree, Ministerial Decree, and other decrees, which are related to the good management of local asset as an economic potential that emphasizes the financial and economic benefits in the future, as its the function and role in the regional development as public servant. Financial statements and assets have revealed many things, including cash flow statements, budget realization, and the balance as stipulated in Government Regulation No. 24 of 2005 and Government Regulation No. 71 Year 2010 concerning the Government Accounting Standards. The government of Jayapura's Balance Sheet report has been assessed as qualified opinion by Indonesian Supreme Audit Institution (BPK) in 2008-2011. In four following years they still get the qualified opinion, this indicates that asset reports, administratively and physically, are less supportive in the head of region accountability in achieving the category of unqualified opinion or the best financial statements. Therefore, the effectiveness of local asset management in the last four years has not run well. Internationally, the local asset management has developed rapidly, but in Indonesia the local government does not completely understand the local asset management (Siregar, 2004: 518).

The main problem in local asset or regional public goods management is the disorder practice in the regional public goods data management as a manual data and local asset application data, making it difficult for the local government to know for sure the assets controlled or managed, so that the assets managed by local governments tends to be not optimally used. On the other hand, the local governments will find it difficult to develop the use of assets in the future. Therefore, there should be an organized asset management and asset identification in terms of a good and organized asset procurement, usage, evaluation, and utilization, so that the effectiveness of asset management is accountable. According to Siregar (2004), asset management is the asset inventory that consists of two aspects: the physical and the juridical/legal inventory. The aspects of the physical inventory consists of shape, magnitude, location, volume/total, type, address, etc. Mardiasmo (2004), explains that local government needs to know the number and value of its local assets, both which are currently controlled and which have not been potentially occupied or utilized.

The study on the relationship between the asset management and the effectiveness of local asset management has been conducted by some researchers. Antoh (2003) examined the asset management in the improvement of regional public goods management system in a application data as a regional public goods inventory data in Papua. In asset management, some important issues related to public spending and budget are efficiently and effectively purchased in accordance with the basic tasks of each department and agency as the users of assets (Elmi, 2003). The other research about assets was conducted by Sharpe (2003), finding that capital asset pricing models is related to the property asset price formation. Anskari (2011) conducted a research about the maximum asset utilization.

Rosdiana (2011) conducted a research entitled *The Effects of Asset Management Implementation*, this research's objective is to empirically assess its implementation towards asset management and examine its effect on the fairness of fixed assets in the balance sheet of financial statements of local governments in West Java province. Malawi and Alli (2012) conducted a research entitled *Effectiveness of Property Asset Management of Scottish Councils*. This study aimed to evaluate the effectiveness of asset management which includes the effective use of resources, The research conducted by Antoh (2003), Elmi (2003), Sharpe (2003), Anskari (2011), Rosdiana (2011), and Malawi and Alli (2012), indicate a relationship between asset management implementation and the effectiveness of local asset management. In the previous research, there has been no direct relationship between the asset management implementation and the effectiveness of local asset management. This is an opportunity to develop research that disclose the asset management implementation and the effectiveness of local asset management.

The accountability proposed by Stewart (in Triyuwono, 1999, and Nurcholis, 2000) are as follows: (1) Accountability for Probity and Legality, (2) Process Accountability; (3) Performance Accountability; (4) Program Accountability; and (5) Policy Accountability. Accountability also involves supervision functions, thus the information presented to public must possibly be audited by functional supervisory apparatus. Local asset management requires public accountability, so that people can get the picture of the amount of assets owned, also the use and the utilization of those assets. Research on the relationship of public accountability and the effectiveness of local asset management has been conducted by several researchers. Budding (2004) conducted a research on accountability, environmental uncertainty and government performance, and the findings showed that the accountability of the managers at the central level of government organizations can improve the performance of the government. Arisanti (2009), examined the quality of public accountability, and her findings showed that there is a relationship of the effectiveness of financial accounting system and public accountability.

The findings of the research conducted by Budding (2004) and Arisanti (2009) indicate that there is a relationship between public accountability and the effectiveness of the local asset management. However, previous studies have not directly disclosed the effectiveness of public accountability and local asset management. Previous studies recommends to disclose accountability with the performance and the effectiveness of the financial accounting system. This is an opportunity to examine the relationship of public accountability and the effectiveness of financial management. The important factors that should be noted in order to make the local asset management effective is organized implementation monitoring and evaluation which is equal to the function of planning (Peter and Gary, 1995). According to Conroy (1974), the success in achieving the goals is determined by the plan predominated from the function of supervision or monitoring. Monitoring and evaluation, according to Dunn (2003) as quoted from Anonymous (2009), is an activity to see someone's characteristics in an event or object activity that can be expressed with different data in achieving the goals of a particular organization. The opinions expressed by Conroy (1974) and Dunn (2003) suggests that monitoring and evaluation which are performed well can help implement the activities of organization. Furthermore, they can help achieve organizational goals. This suggests that the monitoring and evaluation can result in high effectiveness of the organization management.

The research about the influence of monitoring and evaluation towards the effectiveness of management has been conducted by several previous researchers. Peter and Gary (1995), examined the monitoring and evaluation of the local strength of the anti-poverty strategies, the findings show that monitoring and evaluation can be used as a strategy to solve the problem of poverty. This research does not directly disclose the effectiveness of the monitoring and evaluation and local asset management. Nevertheless, monitoring and evaluation can generate policies on poverty. That previous research has not intensively disclose monitoring and the effectiveness of the local asset management. This is the opportunity to examine the relationship between the monitoring and evaluation and local asset management. Human resources, according to Mondy & Noe (1990) and Dessler (1997) as quoted from Handoko (2000), in micro sense the human resource is a person or people who work or be a member of an organization called staff, employees, workers, labor and others. Human resources should be qualified and intelligent.

To achieve effectiveness, both public and private organizations need to have qualified human resources which are expected to perform tasks and provide services effectively and efficiently. In doing the work effectively, it is necessary to control the resources in order to implement organizational goals in accordance with a predetermined plan. Human resources development needs to be done to improve the skills and knowledge of human resources through training in order to ensure the achievement of organizational goals. Human resources should have knowledge, good skills by taking into account the relationships among the implementation of asset management, public accountability, monitoring and evaluation, and the effectiveness of the local asset management which is organized to achieve a good asset reports. The research conducted by Snell (2009) reveals that human resources is human skills and abilities that are directed to achieve organizational goals. Human resources is an important asset in organization management. Human resources then is expected to strengthen the implementation of asset management, public accountability, monitoring and evaluation to improve the effectiveness of local asset management significantly.

II. LITERATURE REVIEW

Assets management provides a general understanding that assets are goods or something that have economic exchange value, the commercial value or exchange value which is owned by a business entity, institution or individual (Siregar, 2004). Furthermore Mardiasmo (2004) says that in managing the assets, local government needs to understand the number and value of its local assets, both which are currently controlled and which have not been potentially occupied or utilized. Therefore, local governments need to identify and keep the value and potential of the local asset. The assets characteristics reported in the balance sheet of local government in general are all forms of wealth or economic resources controlled by local government and are used to achieve the objectives of local governance (Mahmoodi, 2010). Suhairi (2010) stated that the cycle of asset management considers all managerial options and strategies as part of the asset life, from planning to disposal of property. Sudrajat (2007), states that asset management is associated with accountability, service management, risk management and financial efficiency.

Asset Management Information System Implementation essentially is an attempt to orderly arrange asset management document and administration. Orderly documents is related to the assets and data collection efforts to provide the data/documents accompanying the existence of assets, whereas a more orderly administration is intended to build asset management procedures from the procurement, the receipt, the data changes, to the abolition of the asset (Hartono, 2010). Tilaar (1994), in *"Human Resource Development in the Globalization Era"* states that human resources is the most important asset in managing and directing other resources. This happened because of the weakness of human resources in Indonesia when it is compared to the one in developed countries.

De Soto (1996), an economist from Peru in his book *The Mystery of Capital*, states about the reason why developing countries are stuck in foreign debt (debt trap), whereas developing countries are actually rich countries. Sholeh and Rochmansjah (2010) state that the implementation of local asset/property management must fulfill the principle of public accountability. According to Sikki (1999) supervision as one of the functions of management is absolutely necessary in the administration of goods or assets. Storper's theory (July 27, 1995), *Regional Economies As Relation Assets*, states that the economic region is an asset relations, which means that economically developed regions have asset as an income source for the local in facing important phenomena such as globalization of production systems, de-industrialization and reindustrialization, a new economic space, the global-local multinational, and a large planetary flows of goods, capital and labor, local economy and economic geography, as many economies as a whole, in recent years have emerged a heterodox paradigm emerging in the middle. Maria Sumardjono SW (2001) constructed a theory about the policy of land among the regulation and implementation, the granting of land ownership.

In the asset management of local government, specifying the variables to achieve the ultimate goal of data items in the balance sheet or local asset is needed, namely:

- [1] The implementation of asset management includes a chain of events; preparation of needs planning and budgeting, procurement, storage and distribution, control, use, maintenance, utilization, administration, abolition, and changes of ownership (John M. Echols, 2004).
- [2] Public accountability, the financial statements produced by public organizations as a form of public accounting that portray comprehensive conditions of operations, financial position, and cash flow statement that exist in the financial report. In Australia National Audit Office (1996), Asset Management is a national office in Australia of which the task is doing inspection and audit performance and audit effectiveness. Carpenter (1991), Deis and Giroux (1992), state that it is the politicians who are facing competition. According to Conn (1996), accrual accounting has several drawbacks including assessment and revaluation of assets based on estimates and the use of estimates in depreciation measurement. Jones and Pendlebury (2000) state that the financial accounting techniques in the public sector use budget accounting, commitment accounting, fund accounting, cash accounting and accrual accounting.
- [3] Casely and Kumar (1987) state that there are various definition of monitoring and evaluation, but basically they are in the same principle, i.e. Monitoring is a continuous assessment of the functioning of the project activities in the context of implementation schedules and the use of activity inputs.
- [4] The quality of human resources is a major challenge in managing human resources, in effectively managing and eliminating practices that are not effective. In such conditions, leaders are required to always develop new ways to attract and retain qualified officers and staff that the agencies need in order to remain competitive. Mondy and Noe (1990) as stated in Handoko (2000) argue that human resource management is withdrawal, selection, development, maintenance, and use of human resources to achieve the goals, both individual and organizational goals. Dessler (1997), a researcher, states that human resource management is responsible for the creation of effective work in accordance with the placement in improving the performance to get creative cooperation in developing a good working relationship.

III. HYPOTHESES AND CONCEPTUAL MODEL OF THE STUDY

3.1. The Influence of Asset Management Implementation towards the Effectiveness of Local Asset Management Moderated by Human Resources

The implementation of asset management is an increase or change in managing local assets, and local asset managements also present the type or concentration of assets in the local asset management to perform a public service. Asset management has the facilities and infrastructure for government services in order to achieve a good service to the public, and must have the sustainable local asset management effectiveness supported by qualified human resources. Asset management in principle is a local government financial management, the local government financial management success depends on efficient and effective local asset management system. There are some researchers expressing their opinions, as follows:

Antoh (2003) investigated the regional public goods management system in the application data as regional public goods inventory data and data management which can be accessed fast, efficiently and effectively in its management in Papua. Through local autonomy and fiscal decentralization, it is expected that the Local Government Papua Province can further enhance its independence level in 2004, especially in its financial aspects. Therefore in the implementation, asset management has influence towards the effectiveness of the local asset management it owns qualified and ready human resources and significant accountability score. Elmi (2003) states about state asset in fiscal sustainable policy on public expenditure efficiency. Asset management is related to the provision of the service level in making changes to improve effectiveness and perception ability, as stated in Crawford (2003), Baldry (1998), and Hood (1991). In producing a good local asset report, the local government should well perform local asset management and have qualified human resources who can obtain to local assets evaluation prediction by Indonesia Supreme Audit Institution (BPK) on a very satisfactory level. The implementation of asset management is a process that consists of several elements to determine when to use those elements, in conducting guided organization management to achieve working effectiveness in attaining organizational goals, Danylo and Lemer, (1999). Hartono (2010) stated that asset management information systems is an attempt to an orderly documentation and orderly administration of asset management. If the existing management can reach a good administration, the effectiveness of the system information management will be achieved. Tilaar (1994), on "Human Resource Development in Globalization Era", stated that human resources are the most important asset in managing and directing other resources assets

According to Susanto and Ning (2008), in *Risk-Based Asset Management Company Drinking Water*, clean water or drinking water is very important for human life. Global assessment of water conditions in the world are presented at the *World Water Forum II* in the Hague in 2000, projected that by 2025 there will be a water crisis in some countries. Water crisis can happen in Indonesia if the government and the water company cannot optimally manage its main asset. According to Peter Collin Publishing (1986), Wealth of a state is all objects that can be owned or called "*anything which is owned*" namely immovable property (real property) and moving objects (personal property). *Meier and Balwin* stated that it is a human resource because human resource is the most important asset to manage other resources that exist in poor countries and developing countries.

According to Erna Permana Goddess (2010), in the implementation of a risk-based asset management and financial analysis, the reality shows the many actual cases are caused by wrong in the assets management, which cause a huge loss. For example, the optimization of resources cannot be done optimally because some problems cannot be clearly identified, making it difficult to determine whether the production equipment should be replaced or still worth maintaining. Optimal utilization of asset building can be done through the analysis of the asset potential. In 2009, asset management began to be implemented in an effort of asset management to be more effective and efficient. The influence of the relationship between the asset management implementation and the effectiveness of asset management is an ongoing basis in the financial feasibility. The concept of risk-based asset management and good corporate governance is the ability to run the operation with the various circumstances that are not definitely getting added value. This study was conducted to determine how the implementation of risk-based asset management that has been carried out and the analysis financial analysis in increasing the benefits of the asset so that decisions on the optimum asset management can be taken. From the research that has been conducted, it can be seen that the procedures in the risk-based asset management is correct, but there are still shortcomings in the implementation of data collection. Besides in the financial feasibility test execution there is a change in the Monte Carlo analysis so that the steps that must be taken are insuring, doing preventive maintenance and making of a Business Continuity Planning (BCP).

H1. Human resources (HR) moderates the influence of asset management implementation towards the effectiveness of local asset management.

3.2. The influence of Public Accountability towards the Effectiveness of Local Asset Management Moderated by Human Resources

Public accountability is supervision of the quality of local government financial report. The performance of government institution will affect fraud prevention either partially or simultaneously. Therefore, the assessment of the practical implementation of Public Sector Accounting Application is needed. Based on the above explanation, in order to be able to assess the facts over which the model is conducted, a large-scale study should be conducted both locally and nationally over the practical implementation of the accounting public sector application, whether it is in accordance with the model suggested. When it produces models with insignificant figures, need to be re-examined the factors that cause the characteristics of the facts that occurred. Then in conducting public accountability human resources must be capable to fulfill the capabilities for reviewing local financial reporting and local asset in general. The relationship of public accountability influences human resource in performing the effectiveness of local asset management, to achieve a good local financial reporting. Associated with that explanation, there are some researchers expressing the following opinions:

The research entitled "Accountability and environmental uncertainty in the performance of government" conducted by Budding (2004) found that the behavior of management at the central level through accounting used primarily in conditions such as organization behavior and organizational climate result-oriented and how to create working spirit to improve government performance. Management accountability considers the environmental uncertainty (political environment) as an obstacle to implement the qualified management. In local asset management, to achieve a good local asset report, public accountability should be conducted in showing good government accounting standards and has a human resources assessment prepared for the prediction of local assets by Indonesia Supreme Audit Institution (BPK) at very satisfactory levels. The concept of public management focuses on the introduction of incentives in government organizations which are believed to be the success of the organization with the aim to improve the effectiveness and efficiency (Dixit, 2007). Measurement placement on the results achieved by each section and managers accountability in central level is regarded as a benchmark in incentives (Hood 1995), which is ultimately to improve government organizations performance. Andrew and Lemer, (1999) explained about building public works infrastructure management systems and infrastructure management in public management.

According to Australia National Audit Office (1996), asset management is an inspection of national office in Australia doing performance audit and effectiveness audit. Witter.E., Bitter.J. and Kasprzak.C., (2003), asset management and City Government, *Proceedings of the 2003 Mid-Continent Transportation Research Symposium*, the procurement and asset management are conducted by government in transparency and integrally in each analysis. Carpenter, 1991, and Deis, Giroux, 1992, stated in increasing the demand for political and interest groups over the audited accounting information. The research conducted by Santoso (2008), entitled "The Influence of Accounting Public Sector Accountability Application towards Government Performance in Preventing Fraud" found that basically Indonesian government formation is closely linked to the mission stated in the fourth paragraph of the 1945 Constitution. The mission is the basis of the government authority in conducting the government affairs both at the central and local levels. The agencies established by the government as the implementer in handling the government affairs, is one determinant of the achievement of the mission to achieve the ideals of the Indonesian government that protect the entire Indonesian nation and the entire homeland of Indonesia, the rapid advancement of the general welfare, intelligent life of the nation and the active participation of Indonesia in realizing orderly world based on eternal peace and social justice. The work of government agencies that have been achieved, within the framework of the implementation of government affairs for the field of government which it is responsible, can be known through the information about each of the government agencies' accountability performance. Information about accountability performance of government agencies is required by the government because based on that information. The research conducted by Pambelum (2008) entitled "The Influence of International Public Sector Accounting Implementation", about the issues of good governance at the national and local levels. The agencies established by the government as the implementer to handle the government affairs, is one determinant in achieving the ideals of Indonesian. The work of government agencies that have been achieved, in order to implement local government's responsibility, can be known through the performance accountability information about each of the government agencies. Information about performance accountability of government agencies is required by the government based on such information.

H2. Human resources moderates the influence of public accountability towards the effectiveness of the local asset management.

3.3. Effect of Monitoring and Evaluation on the effectiveness of the local asset management moderated by the human resources (HR).

Monitoring and Evaluation is the achievement of performance goals with a plan that had been used only to measure the societal perspective and the internal business process perspective, such as the agency, the institution, and the office, while the financial perspective and the perspective of growth and learning performance is not measurable. The measurement results showed that there is no relationship between the measured aspect, so they are less integrated. Monitoring as a management controlling instrument is conducted by every organization or Regional Work Unit chosen as sample. Monitoring dan evaluation is conducted by using coordination meeting mechanism and field visit. However, the preparation of monitoring dan evaluation instrumentation has not been standardized, thus it is regarded as part of a standardized control mechanism. Monitoring and evaluation is strongly determined by the theme of topics in coordination meeting, or other relevant forum. There have been no agencies determined asex-officio (regarding their position, they implement in monitoring and evaluation task). Monitoring and evaluation in the institution have not been conducted comprehensively, therefore the significance of the institution to its stakeholder cannot be comprehensively pictured.

Therefore, the influence of monitoring and evaluation is not supported by human resources for the effectiveness of local asset management which is not fulfilled or insignificant. Related to that, there are some researchers delivering their opinions as follows:

According to Peter and Gary (1995), in conducting the strategy of local strenght of monitoring and evaluation, their research findings explain that anti-poverty efforts should be targeted carefully and developed precisely in order to facilitate the local authority to be able to improve the living standart of the poor. Monitoring, related to the activity of eradicating poverty; is focused on the identified and countable input and output. The local stake holders interpret the mechanism and criteria for monitoring and evaluation is differently. Therefore the influence of monitoring and evaluation supported by human resources in implementing the effectiveness of asset management is not significant. Thomas and Palfrey (1996) perceivethat it is important to develop the program and mechanism discussed and solved locally and nationally. In managing local asset to achieve a good local asset report, the government should conduct a good monitoring and evaluation and have human resource who are ready to get local assets evaluation prediction by Indonesia Supreme Audit Institution (BPK) on a very satisfactory level.

Monitoring and Evaluation according to Barry (1996) is conducting developed effectiveness of training on organization improvement. Mondy and Noe (1990) that human resource management is the utilization of human resource to achieve organization goal. Therefore, the leaders in human resource management, specifically in a certain functional era, however they are actually not the leaders of human resources. Meanwhile, the real leader of human resource is responsible for coordinating all of the human resource management in all functions and the effort to support the company in achieving their goals. Monitoring and evaluation are the guidelines of performance evaluation as the strategic part of local government management functions. By developing performance indicator and some procedures and mechanism in implementing monitoring and evaluation, it is expected that sustainable capacity development process would be achieved. Monitoring and evaluation have human resources appropriate to the function and task so that they influence the effectiveness of local asset management, however, the procedure and mechanism in monitoring and evaluation have not been supported by adequate human resource so the score achieved is not significant (Anonymous, 2009).

H3. Human resource moderates the influence of monitoring and evaluation towards the effectiveness of local asset management. Based on the explanation above, this research is considered important to be conducted. The conceptual framework of this study can be seen in the following Figure 3. 1.

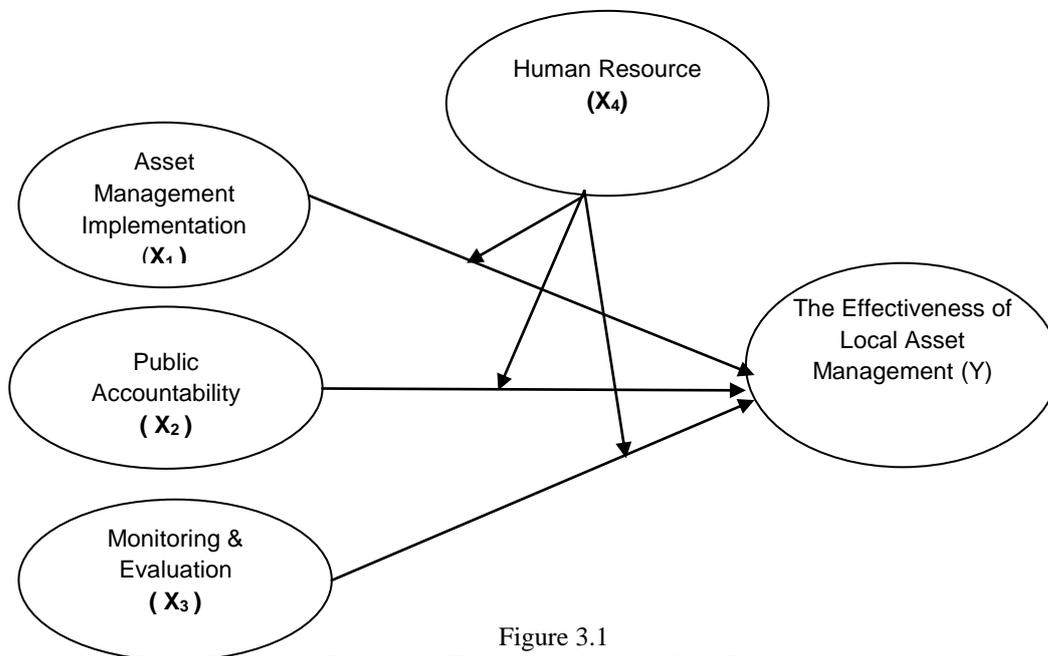


Figure 3.1
Conceptual Framework Model of the Study

IV. METHODS

4. 1. Population and Sample

The population in this study is Regional Work Unit (SKPD) in Jayapura as many as N=36. The respondent is the head of the unit or the head of Regional Work Unit, the treasurer of local asset, and a Regional Work Unit staff. This research is categorized as census research, with total respondent of 115 people and for big Regional Working Unit is represented by more than one staff.

4.2. Source of Data and Data Collection Techniques

The data used in this research is secondary data collected from local asset report and the major of Jayapura accountability report during 2008 to 2012, and primary data gained from the first source based on questionnaire fulfillment and interview. The data taken are balance sheet report, regional head report, Regional Work Unit report about local asset, and financial and asset data. The data processed includes asset management implementation, public accountability, monitoring and evaluation, human resources, and the effectiveness of local asset management.

4. 3. Data Analysis Method

The data analysis method used towards the data collected is: to get latent variable data, Confirmatory Factor Analysis is used, therefore before conducting data analysis to test the hypothesis, factor analysis is

conducted first. The software used is SPSS. The hypothesis testing in this research uses path analysis. To test the moderation model, interaction variable is used.

V. RESULTS AND ANALYSIS

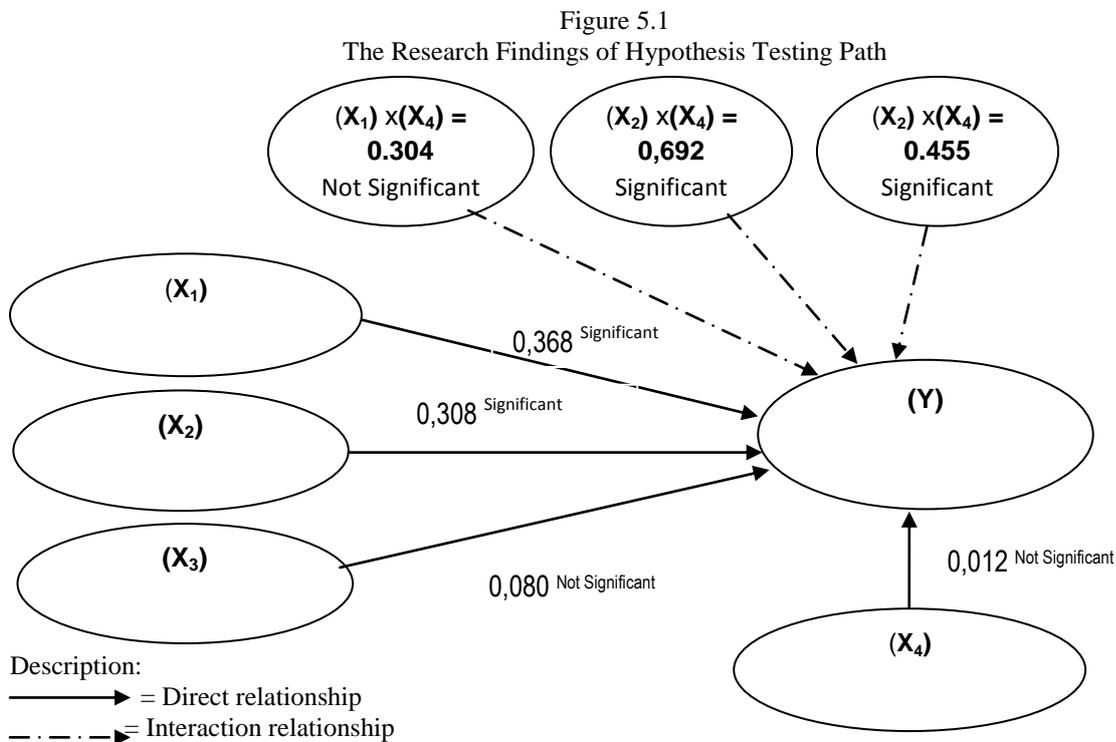
5.1. Discussion

Hypothesis testing is done with regression analysis moderation measured using SPSS program 20th version, where all assumptions are fulfilled. The findings of hypothesis testing of the study can be seen in the following table.

Table 5. 1 . The Findings of Hypothesis Testing of the Study Using Moderation Regression Analysis

| Variable | Standardized Coefficients | p-value | description |
|--------------------------------------|---------------------------|---------|-----------------|
| Asset Management Implementation (X1) | 0.368 | 0.048 | Significant |
| Public Accountability (X2) | 0.308 | 0.038 | Significant |
| Monitoring and Evaluation (X3) | 0.080 | 0.098 | Not Significant |
| Human Resource (X4) | 0.012 | 0.956 | Not Significant |
| CX1X4 | 0.304 | 0.331 | Not Significant |
| CX2X4 | 0.692 | 0.039 | Significant |
| CX3X4 | 0.455 | 0.048 | Significant |

Source: processed data (2014)



1) Hypothesis Testing 1

The first hypothesis is that asset management implementation influence the local asset management moderated by human resources. Based on the analysis findings about the moderation regression, the coefficient regression on the influence of human resources (X4) toward the effectiveness of local asset management = 0,012 (p = 0,956) is not significant. The influence of human resources interaction (X4) toward asset

management implementation(X1) on the regression coefficient = 0,304 (p = 0,331) is not significant. Thus, it can be concluded that human resources (X4) is not the moderation of the influence of asset management implementation (X1) towards the effectiveness of local asset management. Meanwhile, the influence of asset management implementation (X1) towards the effectiveness of local asset management = 0,368 (p = 048) is significant and positive. Therefore, the asset management implementation is a predictor variable. This means that the better the asset management implementation, the more effective the local asset management in Jayapura is.

2) Hypothesis Testing 2

The second hypothesis is that public accountability influences the effectiveness of local asset management moderated by human resources. Based on the analysis findings out moderation regression, the coefficient regression on the influence of human resources (X4) toward the effectiveness of local asset management = 0,012 (p = 0,956) is not significant. The influence of human resources interaction (X4) towards public accountability (X2) on the regression coefficient $t=0,692$ (p = 0,039) is significant. Thus, it can be concluded that human resources (X4) is the pure moderation of the influence of public accountability (X2) towards the effectiveness of local asset management. The characteristics of that moderation are strengthening. This is showed in the regression coefficient of the influence of public accountability (X2) towards the effectiveness of local asset management = 0,304 is also positive. This means that the better the public accountability, the more effective the local asset management in Jayapura is.

3) Hypothesis Testing 3

The third hypothesis is that monitoring and evaluation influence the effectiveness of local asset management moderated by human resources. Based on the analysis findings moderation regression, the coefficient regression on the influence of human resources (X4) toward the effectiveness of local asset management = 0,012 (p = 0,956) is not significant. The influence of human resources interaction (X4) towards monitoring and evaluation (X3) on the regression coefficient = 0,455 (p = 0,048) is significant. Thus, it can be concluded that human resources (X4) is the pure moderation of the influence of monitoring and evaluation (X3) towards the effectiveness of local asset management. The characteristics of that moderation is strengthening, this is showed in the regression coefficient of the influence of monitoring and evaluation (X3) towards the effectiveness of local asset management = 0,080 is also positive. This means that the better the monitoring and evaluation implementation supported by qualified human resources, the more effective the local asset management in Jayapura is.

5. 2 .Implication and Limitations of the Study

Asset management implementation influences the effectiveness of local asset management. This emphasizes that a good asset management plays an important role in improving the effectiveness of local asset management in Jayapura and human resources is not the moderation variable. Public accountability influences the effectiveness of local asset management directly, confirming that the better the accountability, the more effective the local asset management supported by qualified human resources. Well implemented monitoring and evaluation does not either influence or improve the effectiveness of local asset management, unless it is strengthened by qualified human resources. In this case, human resource is absolutely regarded as the moderation. The limitations of this study are: 1) this study examines the effect of the quality of human resources towards the effectiveness of local asset management considering only the asset management implementation, public accountability, and monitoring and evaluation. The influence of human resources quality is not focused on each existing variable; 2) this study is based on the data collected from the government institution in Jayapura. To examine the findings consistency, it is suggested to replicate the study on the data collected from the head of regional working unit (SKPD), treasurer of local assets, and senior staff in regional working unit (SKPD).

VI. CONCLUSION AND SUGGESTION

6. 1. Conclusion

- [1] Asset management implementation which play the the most important role is the utilization and the effort to achieve the security of local asset appropriate to the mayor's regulation, and also training, controlling and monitoring done by asset and financial technical institution as as the local head's instruction.
- [2] Public accountability plays an important role towards the effectiveness of local asset management. The public accountability supported by qualified human resource will improve the effectiveness of asset management. In implementing public accountability, the most important thing is to apply the accountability mechanism to make a good financial report.
- [3] Monitoring and evaluation conducted, should be strenghtened by human resources owned to improve the effectiveness of local asset management.

- [4] The quality of human resources owned in managing local asset of the government of Jayapura has not been so adequate. The most important in human resources are skills, talent, and the knowledge owned. Beside that, the precise employee placement, training, and the coordination are the important aspects in supporting the effectiveness of local asset management.
- [5] Local Asset Management done by the regional working unit in Jayapura has not been good. The most important in managing the local asset management are the supervision and training appropriate to the head of region.

6. 2. Suggestion

- [1] Asset management implementation needs to be improved, considering that the asset management implementation has not been optimum. The asset management implementation which needs to be improved, is the efficient management in accordance with the needs of the region. The efficiency is done in every unit of goods and service spending focusing on the low prices. Beside that, local asset procurement need to be conducted by analyzing the needs, so that there will be no unnecessary spending.
- [2] Public accountability done has not been transparent and accountable. The public accountability which is important to be improved is politics willingness, where every local government implement accountable and transparent local asset management. Besides, the employee's skills in administration and managing the local asset should be improved.
- [3] Monitoring and evaluation has not been run well, they have not played a role in improving the effectiveness of asset management. In monitoring and evaluation, the most important aspects are that the monitoring and evaluation should be conducted qualitatively and quantitatively. This means that this cannot be evaluated only from the current result, but also from the performance of asset owned. Besides, monitoring and evaluation should be conducted fast and on time, so the result of evaluation and monitoring can be followed up for improvement.
- [4] The quality of human resources owned by the government in Jayapura in managing the asset has not supported the implementation of effective working. The quality of human resource available should be improved in order to improve its role and function in doing their tasks.
- [5] Local asset management conducted by the government of Jayapura has not been effective. In managing the asset, the improvement of working performance effectiveness are needed planning and local asset inventory are needed. Besides, in asset changing ownership and asset removal/elimination should refer to the current regulation, thus the asset management can be accounted.

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