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Administrative Discretion and Maladministration in Fixed Asset Management of Community Health Centers: A Comparative Study of Left-Behind and Non-Left-Behind Regions

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Abstract. *His study aims to analyze the practice of administrative discretion and its potential for maladministration in the management of fixed assets at Public Service Agency Regional Units (BLUD) Community Health Centers (Puskesmas), with a comparative focus on disadvantaged and non-disadvantaged areas in Bulungan Regency, Indonesia. The study addresses the legal and administrative challenges arising from the interaction between the financial flexibility granted to BLUDs and the mandatory compliance with regional asset management regulations. A qualitative approach with a comparative design and an empirical juridical perspective was employed to examine the implementation of the regulatory framework in actual administrative practice. Data were collected through semi-structured interviews, direct observation, and document analysis involving heads of Puskesmas, BLUD treasurers, asset officers, the Regional Financial and Asset Management Agency (BKAD), the District Health Office, and the Audit Board of Indonesia (BPK). Data were analyzed using qualitative techniques consisting of data reduction, data display, thematic categorization, comparative analysis, and conclusion drawing, supported by source and method triangulation. The findings indicate that administrative discretion is primarily exercised to ensure the continuity of healthcare services under geographical, infrastructural, and human resource constraints rather than to circumvent legal provisions. The risk of maladministration is predominantly associated with administrative limitations, including delayed inventory updates, inadequate asset documentation, and limited technical capacity, rather than abuse of authority. The study further reveals that the application of discretion differs between disadvantaged and non-disadvantaged areas due to contextual operational conditions. The novelty of this research lies in demonstrating that contextual administrative discretion, when exercised in good faith, properly documented, and supported by institutional supervision, constitutes an adaptive governance mechanism that*

promotes legal certainty, accountability, and continuity of public healthcare services without necessarily leading to maladministration.

Keywords: *Asset Management; Discretion; Maladministration; Regional Public Service Agency; Socio-Legal Study.*

1. Introduction

Strengthening health sector governance is a global strategic agenda to ensure the quality of public services, particularly in areas with limited access and resources (Sastrawan & Rahmah, 2026). In Indonesia, Community Health Centers (Puskesmas) play a key role as first-level healthcare providers, reaching communities even in remote areas (Salsabila et al., 2025). To improve service effectiveness and responsiveness, the government has implemented a Regional Public Service Agency (BLUD) financial management model that provides real flexibility in resource management (Bala, 2023; Sulistyowati & Suningsih, 2023). This flexibility is normatively regulated in Minister of Home Affairs Regulation (Permendagri) No. 79 of 2018, which provides autonomous space for healthcare providers to control and manage fixed assets independently as a form of financial discretion (Permatasari & Sumiati, 2023).

However, this flexibility carries a moral risk in the form of expanding room for abuse of power if broad authority is not balanced with adequate oversight, internal control, and accountability mechanisms (Assanti, 2024; Heriawan et al., 2022; Corruption Eradication Commission of the Republic of Indonesia (KPK RI), 2025; Yanti et al., 2026). Discretion is the authority granted to officials to make decisions under certain conditions when regulations do not provide detailed provisions or when there is a gap in norms (Hafendi & Silalahi, 2024; SA Putri et al., 2025). In practice, discretion is an important instrument in responding to the dynamics of public service needs that are contextual and cannot always be accommodated by formal rules (Arifin, 2025). However, the uncontrolled use of discretion and going beyond the corridor of the purpose of granting authority can lead to maladministration such as abuse of authority, procedural deviations, and inefficiency in the management of public resources (Siregar et al., 2025; Wahyudi & Ulum, 2025).

In the context of managing fixed assets at the Community Health Center (Puskesmas), this condition is crucial because the legality, security, and physical administration of fixed assets are key components in supporting the sustainability and quality of health services. A fundamental conflict of norms arises when the principle of flexibility in the financial governance of Regional Technical Implementation Units based on the Minister of Home Affairs Regulation No. 79 of 2018 must be rigidly juxtaposed with the obligation to standardize BMD administration procedures which are subject to the Minister of Home Affairs Regulation No. 19 of 2016 concerning BMD Management Guidelines as amended by the Minister of Home Affairs Regulation No. 7 of 2024. The application of the principle of flexibility to BLUD implementing units requires precision in separating the areas of operational financial authority from fixed asset administration. Legally, the independence of financial governance does not eliminate the legal status of Puskesmas assets as an integral part of regional assets subject to the corridor of macro regulations on asset administration.

The strict bookkeeping, inventory, and reporting of Regional Assets (BMD) required by the Minister of Home Affairs Regulation No. 19 of 2016 and the Minister of Home Affairs Regulation No. 7 of 2024 often give rise to administrative anomalies when implemented in lower-level healthcare facility operational units. Fixed asset management, including planning, utilization, maintenance, and disposal (Pasapan et al., 2025; Ramadhani & Habibie, 2026), becomes highly complex when faced with limited human resources, infrastructure, and extreme geographic conditions. In this dilemma, discretion often becomes a practical and unavoidable choice for healthcare facility leaders in making daily operational decisions (Ramadhani & Habibie, 2026). However, without a robust internal control framework, discretionary practices that deviate from the principles of good governance are certain to lead to systemic maladministration that degrades the quality of public services (Hendra & Fahlevi, 2024; Yanti et al., 2026).

This situation becomes even more relevant when linked to the disparity between underdeveloped and non-underdeveloped regions. Underdeveloped regions generally face limited access, minimal infrastructure, and low institutional capacity, which can impact decision-making and asset management patterns (Apriadi & Supriadi, 2025; Aziza & Srimarchea, 2023; Fardila et al., 2025). Conversely, non-underdeveloped regions tend to have more adequate resource support, enabling the implementation of more structured governance (Handraini et al., 2024; Syaputra & Bakhri, 2025). These differences in context have the potential to result in variations in discretionary practices and the level of risk of maladministration in the management of Community Health Center fixed assets.

This study builds an in-depth comparative legal analysis by establishing the locus on the Tanjung Selor Community Health Center UPTD as a representation of a non-disadvantaged legal area which is sharply contrasted with three health facilities, namely the Long Bia Community Health Center UPTD, the Sekatak Community Health Center UPTD, and the Bunyu Community Health Center UPTD as representations of underdeveloped areas under the administration of the Bulungan Regency Government. Legally, the working areas of Long Bia, Sekatak, and Bunyu hold legal legality as Very Remote Areas based on the Bulungan Regent's Decree No. 100.3.3.2/307 of 2025 concerning the Criteria for the Community Health Center Working Area and the Bulungan Regent's Decree No. 480/K-IV/440 of 2020 concerning the Determination of Remote and Very Remote Area Health Service Facilities.

These four locations were selected to illustrate the differences in geographic conditions, resource availability, and institutional capacity that impact fixed asset management practices. A comparative approach was used to identify differences and similarities in the use of discretion and potential maladministration across these areas. Persistent structural limitations in the Long Bia, Sekatak, and Bunyu health facilities, such as the lack of interconnected information technology networks to support electronic inventory systems, and limitations in the quantity and competency of Assistant Asset Administrators, often trigger administrative emergencies. These conditions force health facility leaders to take extraordinary measures using their official discretion to ensure the continuity of primary health care services, but are prone to violating the formal legal principles of managing Regional Assets.

Several previous studies have examined the implementation of management flexibility in healthcare facilities and its impact on service performance (Hakim & Firmanto, 2021; Khoirullisa et al., 2023; Lubis et al., 2024; Makanoneng et al., 2024). However, studies specifically linking discretion to maladministration in fixed asset management are still limited. Furthermore, comparative research highlighting the differences between underdeveloped and non-underdeveloped regions in this context is also scarce, particularly in Kalimantan, which has unique geographic and administrative characteristics. The novelty of this research lies in examining the normative boundaries between the legitimate use of discretion under Law No. 30 of 2014 concerning Government Administration and maladministration in the administration of Regionally-Owned Goods (BMD) (Minister of Home Affairs Regulation No. 19 of 2016 and Minister of Home Affairs Regulation No. 7 of 2024) in Regional Technical Implementation Units (BLUD) with financial status in very remote areas. Thus, there is a research gap that needs to be filled to provide a more comprehensive understanding of the relationship between discretion, maladministration, and asset management in the context of primary health care.

Based on this, this study aims to analyze discretionary practices in the management of Community Health Center fixed assets and identify potential maladministration by comparing conditions in underdeveloped and non-underdeveloped regions. This study also seeks to uncover contextual factors influencing these practices, including resource limitations, institutional capacity, and available oversight mechanisms.

Theoretical Review

The Concept of Discretion and Maladministration

Discretion is a fundamental concept in public administration which relates to the authority of officials to make decisions in certain conditions when statutory regulations do not provide clear or complete regulations.(MRA Pamungkas & Ispriyarso, 2020; SA Putri et al., 2025). From an administrative law perspective, discretion is understood as the space for freedom of action (freies Ermessen) given to officials to ensure the smooth running of government and public services.(Susiana, 2025)Discretion is important because the reality of public services is often dynamic and cannot be fully anticipated by general and rigid regulations.(Suasono et al., 2024).

Discretion is regulated in Law No. 30 of 2014 concerning Government Administration, CHAPTER VI, articles 22 to 32. Article 22 of the Law states that (1) Discretion can only be exercised by authorized Government Officials (2) Every use of Government Official Discretion aims to: a. facilitate the implementation of government; b. fill legal vacuums; c. provide legal certainty; d. overcome government stagnation in certain circumstances for the benefit and public interest.

In practice, discretion has two inseparable sides, namely discretion allows flexibility and innovation in decision-making, especially in emergency situations or resource constraints, and discretion also contains the potential for deviation if used without clear boundaries.(SA Putri et al., 2025).

Maladministration refers to behavior or actions that violate the principles of good governance.(Yanti et al., 2026)Maladministration includes various forms of deviation, such as abuse of authority, negligence, prolonged delays, discrimination, and unprofessional actions in public services.(P. Pamungkas & Chairani, 2026)Maladministration is not always synonymous with criminal acts, but can be an indicator of weak control and accountability systems in a public organization.(Hayati, 2021)As an independent state institution established under Law No. 37 of 2008, the Ombudsman has the authority to oversee the implementation of public services, receive and investigate reports of alleged maladministration, and provide recommendations that must be implemented by the reported agency. In the context of asset management, maladministration can appear in various forms, such as inaccurate asset recording, inappropriate use of assets, lack of maintenance, and the disposal of assets thatagement does not follow proper procedures.(Ramadhani & Habibie, 2026).

Public Sector Fixed Asset Man

Fixed asset management in the public sector is part of state/regional financial management, which aims to ensure the effective, efficient, and accountable use of resources. Fixed assets include all state/regional property with a useful life of more than one year, such as land, buildings, equipment, and infrastructure. Asset management encompasses a series of stages, from needs planning, procurement, use, utilization, maintenance, to disposal.(Yusnawati et al., 2024)In practice, asset management in the public sector often faces various challenges, such as limited data, weak recording systems, and a lack of integration between asset planning and utilization.(Adnan, 2025)In health facilities such as Community Health Centers, fixed assets have a vital role in supporting service operations.(N. Putri et al., 2025).

BLUD Management Pattern in Health Services

The BLUD financial management pattern is a mechanism that provides flexibility to public service units in managing finances and resources to improve the quality of services.(Sulistyowati & Suningsih, 2023)In the context of Community Health Centers, the implementation of BLUD allows managers to innovate in budget and asset management without having to be rigidly tied to conventional bureaucratic procedures.(Diskamara & Hidayat, 2023)However, it is important to emphasize that this BLUD flexibility does not normatively include excess release or relaxation of regulations regarding the legal status of fixed assets. Even though work units have BLUD status, fixed asset management at Community Health Centers remains strictly bound by BMD macro regulations.

Flexibility in a Public Service Agency (BLUD) requires a robust control system to prevent irregularities. Without adequate oversight, freedom in financial management and misinterpretation of asset flexibility can increase the risk of maladministration (Bala, 2023). Therefore, striking a balance between financial flexibility and accountability for BMD compliance is key to BLUD implementation, particularly in the management of fixed assets that hold strategic value for the sustainability of healthcare services.

2. Research Methods

This study uses a qualitative approach with a comparative design to analyze discretionary practices and potential maladministration in the management of fixed

assets at Community Health Centers (Puskesmas). This approach was chosen because it is able to explore complex and contextual administrative phenomena, and allows for comparisons between underdeveloped and non-underdeveloped areas. An empirical juridical approach is applied specifically to dissect the implementation of normative provisions for BMD governance under the legal umbrella of the Minister of Home Affairs Regulation No. 19 of 2016 and the Minister of Home Affairs Regulation No. 7 of 2024 as well as the financial flexibility of UPTD BLUD based on the Minister of Home Affairs Regulation No. 79 of 2018 in the social reality of health facility institutions. The focus of the research is on the UPTD Tanjung Selor Health Center as a representation of non-disadvantaged areas and three very remote health facility implementation units, namely the UPTD Long Bia Health Center, the UPTD Sekatak Health Center, and the UPTD Bunyu Health Center as representations of disadvantaged areas based on the legal basis of the Bulungan Regent's Decree No. 100.3.3.2/307 of 2025 and the Bulungan Regent's Decree No. 480/K-IV/440 of 2020.

Data collection techniques were conducted through in-depth interviews, observations, and documentation studies. Semi-structured interviews were conducted with purposively selected key informants, including the Health Office, asset managers at the Regional Finance and Asset Agency (BKAD), and internal parties at Community Health Centers (Puskesmas) such as Puskesmas heads, BLUD treasurers, and regional asset managers. As an instrument to strengthen the validity and depth of qualitative analysis, this study relied on objective internal documentation studies of the Asset Data Reconciliation Report (Rekon), Handover Report (BAST), Inventory Cards (KIB), and Inventory Lists (DIB) attached to each Puskesmas. Observations were conducted to understand the direct practice of using discretion in the physical management of assets in the field, while documentation studies included a review of item lists, internal mutation records, and related regulations.

The data sources in this study consist of primary and secondary data. Primary data were obtained from interviews and field observations, while secondary data came from official documents, audit reports, and relevant laws and regulations. Secondary regulations that were reviewed in depth include Law No. 30 of 2014, Regulation of the Minister of Home Affairs No. 79 of 2018, Regulation of the Minister of Home Affairs No. 19 of 2016, and Regulation of the Minister of Home Affairs No. 7 of 2024. The selection of informants was based on their direct involvement in the fixed asset management process and understanding of the administrative decision-making mechanisms in each institution.

Data analysis was conducted using qualitative analysis techniques through the stages of data reduction, data presentation, and conclusion drawing. The collected data were coded and categorized based on key themes, namely forms of discretion, indications of maladministration, and contextual factors influencing these practices. Next, a comparative analysis was conducted across research locations to identify differences and similarities in fixed asset management practices. To ensure data validity, this study employed source and method triangulation techniques, comparing information from various actors and available documents.

3. Results and Discussion

3.1. Discretionary Practices in Fixed Asset Management in Community Health Centers in Disadvantaged and Non-Disadvantaged Areas

Fixed asset management in primary healthcare facilities is a crucial component in supporting the sustainability of public services. Interviews with all informants revealed that fixed asset management at the Bulungan Regency Community Health Center (UPTD) complies with the provisions for managing Regional Property, specifically Minister of Home Affairs Regulation No. 19 of 2016, as amended by Minister of Home Affairs Regulation No. 7 of 2024, and is supported by various regional regulations concerning the financial management of Public Service Agencies (BLUD). However, the implementation of these provisions demonstrates different dynamics between community health centers in non-disadvantaged and disadvantaged areas. These differences are influenced by geographic conditions, the availability of human resources, supporting facilities, and the demands of healthcare services that require rapid decisions.

Interviews with community health center heads indicate that discretionary practices at the Tanjung Selor Community Health Center Technical Implementation Unit (UPTD), which represents a non-disadvantaged region, are relatively limited. Urgent asset needs are generally resolved through coordination with the Health Office and the Regional Personnel Agency (BKAD), followed by leveraging the flexibility of the Regional Public Service Agency (BLUD)'s financial management in accordance with applicable regulations. The main obstacles encountered are related to the limited competence of asset managers and the limited availability of medical equipment providers in North Kalimantan, which continues to require time for procurement, even without significant geographic constraints.

In contrast, discretionary practices at the Long Bia, Sekatak, and Bunyu Community Health Centers (UPTD), representing underdeveloped areas, demonstrated a higher level of intensity. Limited transportation access, difficult geographic access, unstable internet connections, limited availability of goods and services, and a shortage of administrative staff mean that asset management procedures cannot always be implemented optimally. Under certain circumstances, community health center heads make operational decisions such as accelerating procurement, borrowing medical equipment from other facilities, emergency repairs to service assets, or completing administrative tasks gradually after services are completed. All of these actions are taken to ensure the continuity of health services to the community.

These findings indicate that discretionary practices are more influenced by operational conditions than by the existence of regulations. In non-disadvantaged areas, discretion is more often manifested in the form of administrative coordination and the utilization of BLUD flexibility. Conversely, in underdeveloped areas, discretion develops as a form of adaptation to regional limitations, allowing health services to continue to be provided even if administrative procedures cannot be fully completed in a timely manner.

The treasurer perspective demonstrates that discretionary practices remain within the framework of compliance with regional financial management regulations. All treasurers explained that asset procurement must be in accordance with the Budget Business Plan (RBA) or Budget Implementation Document (DPA), accompanied by

complete accountability documents, and adhere to applicable payment mechanisms. However, under certain conditions, particularly in underdeveloped areas, urgent service needs require intensive coordination with the Health Office and the Regional Personnel Agency (BKAD), adjustments through budget shifts or changes, and expedited administrative processes to ensure uninterrupted services.

A similar situation was also reported by asset managers. All informants stated that the recording, inventory, labeling, reconciliation, and reporting of fixed assets had been carried out in accordance with regulations. However, limited human resources, changes in asset management, internet network disruptions, and delays in document delivery meant that some administrative steps could not always be completed simultaneously with asset use. Therefore, the labeling and recording processes were often completed after healthcare services had been provided.

One form of operational discretion identified was the practice of utilizing components from damaged assets to repair other assets that experienced sudden damage to ensure uninterrupted health services. This action was taken because the procurement process takes a relatively long time, while the service needs are urgent. After the action was taken, the asset manager still reported the situation to management as a basis for preparing administrative and replacement procurement. This finding indicates that discretionary practices at the operational level are more directed at maintaining service continuity than ignoring administrative requirements.

The perspectives of the Health Office and the Regional Personnel Agency (BKAD) indicate that the flexibility of BLUD financial management does not eliminate the obligation of community health centers to administer Regional Assets. The Health Office emphasized that the use of discretion must comply with the provisions of Law No. 30 of 2014 concerning Government Administration, while the BKAD emphasized that all assets obtained through BLUD funds must still be recorded, assessed, and reported in accordance with the provisions. Regular coaching, consultation, mentoring, and asset reconciliation are seen as mechanisms to maintain a balance between service flexibility and administrative accountability.

However, there are differing views between regulators and implementers. Informants at the community health center level primarily highlighted various operational constraints requiring procedural adjustments, while the Health Office and Regional Personnel Agency (BKAD) argued that the existing regulatory framework is, in principle, adequate, allowing any adjustments to be addressed through coordination, consultation, and administrative guidance.

The Supreme Audit Agency (BPK) perspective offers a different perspective in assessing discretionary practices. According to BPK auditors, administrative actions taken outside of normal mechanisms are not automatically categorized as violations as long as they are carried out in good faith, documented, and do not involve abuse of authority or state losses. In the audit process, the BPK prioritizes the principle of substance over form, namely considering the substance of the action, operational conditions, and objectives of public service rather than solely examining formal administrative compliance.

Overall, the research results indicate that discretionary practices in managing fixed assets at community health centers in Bulungan Regency represent a form of administrative adaptation to the differing operational conditions between

underdeveloped and non-underdeveloped areas. In non-underdeveloped areas, discretion primarily involves expediting administrative processes and inter-agency coordination. Meanwhile, in underdeveloped areas, discretion has evolved into a mechanism that enables health services to continue despite geographical, resource, and infrastructure limitations. These findings demonstrate that regional characteristics influence the form and intensity of discretionary practices, but all informants consistently prioritize compliance with regulations as the basis for all decision-making.

3.2. Potential for Maladministration in Fixed Asset Management

The research results show that discretionary practices in fixed asset management do not directly lead to maladministration. The potential for maladministration arises more as a consequence of the organization's limited capacity to optimally manage assets. Therefore, the problems identified are more likely to stem from administrative weaknesses and resource limitations than from abuse of authority.

At the Tanjung Selor Community Health Center (UPTD), a non-disadvantaged area, the potential for maladministration is primarily related to the limited competence of asset managers, most of whom are health workers with additional duties. However, this risk can be relatively minimized through easier coordination with the Health Office and the Regional Personnel Agency (BKAD), technical assistance, and regular data reconciliation. Conversely, at the UPTDs of Long Bia, Sekatak, and Bunyu Community Health Centers, the potential for maladministration is influenced by geographic conditions, limited internet access, limited personnel, and the vast service areas, which often result in delays in updating inventory data, asset labeling, and data synchronization.

These findings were further reinforced by the perspectives of treasurers and asset managers. Most informants stated that asset procurement complied with applicable regulations, but challenges persisted, including delayed reporting, discrepancies between reports and the physical condition of assets, changes in asset managers, limited historical asset data, and reconciliation processes requiring coordination with various parties. Furthermore, information system disruptions and limited digitalization mean that some records are still manually recorded, potentially leading to delays in data synchronization.

Despite the various administrative obstacles identified, there were differing views at the implementation level regarding the boundary between administrative errors and maladministration. Some informants believed that administrative discrepancies due to limited resources could not be categorized as maladministration as long as they were promptly corrected and accounted for. Conversely, other informants argued that any deviation from formal procedures still had the potential to constitute an administrative violation. These differences indicate that understanding of the scope of discretion and maladministration is not yet fully uniform at the community health center level.

From the local government's perspective, the Health Office emphasized that delays in updating the Inventory Card (KIB) and Room Inventory Card (KIR) are essentially a form of administrative negligence that must be immediately corrected. However, the Office also believes that improving administrative compliance requires strengthening institutional capacity through coaching, technical guidance, and improving the competence of asset managers. Similarly, the Regional Health Agency (BKAD) believes

that potential maladministration is best prevented through regular monitoring, mentoring, and asset reconciliation rather than through a repressive approach.

The BPK's perspective emphasizes that not all procedural irregularities can be directly categorized as maladministration. Auditors clearly distinguish between administrative weaknesses and abuse of power. Administrative weaknesses are tolerable as long as they are not intentional, do not result in state losses, and do not involve misuse of assets. Conversely, abuse of power is considered to occur when there is an act of deliberately manipulating the status or condition of assets for personal gain.

These findings indicate differing perspectives between actors. At the community health center level, the risk of maladministration is more understood as a consequence of operational limitations in managing assets. In contrast, regulators emphasize the importance of compliance with administrative procedures through guidance and supervision, while auditors place greater emphasis on the substance of actions, good faith, and the presence of elements of abuse of authority in determining the presence of maladministration.

Overall, the research results indicate that the potential for maladministration in fixed asset management in Bulungan Regency is more influenced by organizational capacity, geographic conditions, limited human resources, and administrative systems than by discretionary practices themselves. Therefore, strengthening asset management competencies, improving information systems, enhancing inter-agency coordination, and providing ongoing guidance are crucial steps to minimize the risk of maladministration without compromising the flexibility of health services, particularly in community health centers in underdeveloped areas.

3.3. Contextual Factors Influencing Discretionary Practices

The research results show that discretionary practices in fixed asset management are influenced by several interrelated factors: human resource capacity, geographic and infrastructure conditions, institutional capacity, and regulatory aspects. These four factors determine how community health center heads balance the need for health services with the obligation to comply with administrative requirements for managing Regional Assets (BMD). Thus, discretionary practices are more influenced by operational conditions than by the desire to bypass administrative procedures.

The most dominant factor is limited human resources. Nearly all informants explained that asset management is still handled by healthcare workers as an additional task, resulting in uneven technical skills in BMD administration. This situation impacts the inventory process, labeling, updating KIB and KIR, and preparing asset reports, which still require ongoing guidance and training. From the perspective of treasurers and asset managers, these competency limitations are further exacerbated by personnel turnover and a suboptimal asset management system.

The next factor is geographic location and infrastructure availability. These obstacles are particularly experienced by the Long Bia, Sekatak, and Bunyu Community Health Centers, which face limited access to transportation, internet access, and distribution of goods, as well as high operational costs. These conditions cause the procurement, inventory, reporting, and maintenance of assets to take longer than at the Tanjung Selor Community Health Center, which is located in a non-disadvantaged area. However, in non-disadvantaged areas, there are still challenges such as limited medical

equipment suppliers in North Kalimantan, which makes the procurement of certain assets difficult.

In addition to internal health center factors, institutional capacity also influences discretionary practices. All informant groups emphasized the importance of coordination between health centers, the Health Office, and the Regional Public Service Agency (BKAD) through consultation, asset reconciliation, and technical assistance. Treasurers and asset managers also hoped for simplified administrative procedures, improved information system integration, ongoing training, and technical guidance on asset management in emergencies to ensure service needs can be met without compromising accountability.

From a regulatory perspective, most community health center heads believe that the provisions regarding BMD management do not fully accommodate operational conditions in underdeveloped areas. Conversely, the Health Office believes that existing regulations provide adequate guidance, eliminating the need for special administrative policies for community health centers in remote areas. According to the Office, a more appropriate solution is to strengthen human resource capacity and provide supporting infrastructure, including improving communication network access to support app-based reporting.

The BKAD's perspective also indicates that, at the time of the study, no administrative relaxation was necessary for community health centers in underdeveloped areas. The BKAD assessed that the asset management system could be implemented through an online application supported by an internet connection, while the quality of administration was more influenced by the professionalism of the asset manager. Therefore, the BKAD recommended that asset management functions not be concurrently held by health workers, so that asset management could be carried out more optimally without disrupting health services.

In contrast to this administrative perspective, the Supreme Audit Agency (BPK) considers geographic conditions and infrastructure limitations as factors that remain important in the audit process. The auditor explained that the assessment is not solely based on procedural compliance but also utilizes a substance-over-form approach. Therefore, delays in asset labeling or updating KIB and KIR are not automatically considered violations if they can be objectively explained, supported by adequate evidence, and no indication of asset misuse is found.

Overall, the research results indicate that discretionary practices in fixed asset management at the Bulungan Regency Community Health Center Technical Implementation Unit (UPTD) are influenced by a combination of human resources, geographic conditions, institutional capacity, and regulations. The differing perspectives between the community health centers, the Health Office, the Regional Personnel Agency (BKAD), and the Supreme Audit Agency (BPK) indicate that the primary challenge lies not in the existence of regulations, but rather in how they are implemented under diverse operational conditions. Therefore, strengthening the competence of asset managers, improving inter-agency coordination, developing supporting infrastructure, and refining technical guidelines are crucial factors in minimizing the need for discretion while maintaining accountability in fixed asset management.

Discussion

The research findings indicate that discretionary practices in managing fixed assets at the Bulungan Regency Community Health Center (Puskesmas UPTD) emerged as a consequence of the demands of continuing public services despite various operational constraints. This finding aligns with the concept of discretion in administrative law, which states that government officials are given freedom of action (freies Ermessen) to address regulatory gaps or limitations in order to ensure the smooth running of government and public services (MRA Pamungkas & Ispriyarso, 2020; Susiana, 2025). In community health centers in underdeveloped areas such as Long Bia, Sekatak, and Bunyu, limited access to transportation, internet access, availability of goods providers, and a lack of human resources mean that asset management procedures cannot always be implemented optimally. Under these conditions, community health center heads and asset managers take operational steps aimed at maintaining the continuity of health services, such as conducting emergency repairs, borrowing medical equipment, manual reconciliation, and completing administrative tasks in stages. This finding shows that discretion functions more as an instrument to overcome service stagnation than as a form of administrative deviation, as is the purpose of discretion in Law No. 30 of 2014.Thus, discretion is a crucial legal instrument for regions with extreme geographical barriers to avoid public service failures.

This study also shows that discretionary practices are inseparable from the principle of accountability. Despite adjustments to administrative procedures, almost all informants emphasized that every action is preceded by coordination with the Health Office or BKAD, accompanied by the preparation of supporting documents, and accounted for through applicable administrative mechanisms. This situation indicates that the flexibility exercised does not constitute unlimited freedom, but rather remains within the corridors of administrative law. This finding reinforces the view that discretion must be used proportionally and have clear boundaries to prevent abuse of authority (SA Putri et al., 2025).Therefore, these limitations need to be formalized into the concept of "measured discretion" which prioritizes good faith as a key element of legal defense for implementers in the field.

From a maladministration perspective, the research findings indicate that the various administrative obstacles encountered were more likely caused by limited organizational capacity than by abuse of authority. Issues such as delays in updating KIB and KIR (Vehicle Registration Certificates), limited historical asset data, information system disruptions, and dual-position asset managers are all examples of administrative weaknesses arising from limited human resources and infrastructure. These findings align with the view that maladministration is not always synonymous with criminal activity but is often an indicator of weak organizational control and accountability systems (Hayati, 2021). Therefore, the administrative weaknesses identified in this study are more appropriately understood as governance issues rather than abuse of authority.

The research findings are further strengthened by the perspective of the Supreme Audit Agency (BPK), which clearly distinguishes between administrative weaknesses and abuse of power. Auditors emphasized that administrative delays or manual reconciliations are not automatically considered maladministration as long as they are carried out in good faith, do not result in state losses, and there are no indications of asset misuse. Conversely, abuse of authority is only considered to have occurred if

there is an element of deliberate intent to obtain personal gain, for example, changing the status of a viable asset to severely damaged in order to be removed from the government asset list. These findings indicate that the assessment of maladministration is not only based on procedural compliance, but also considers the purpose, substance, and impact of the administrative actions taken. This approach aligns with the concept of maladministration, which emphasizes deviations from the principles of good governance, rather than simply administrative imperfections (Yanti et al., 2026; P. Pamungkas & Chairani, 2026).The substance-over-form approach applied by the BPK auditors in this context is a concrete manifestation of substantive justice. Going forward, this perspective must be formalized into internal Standard Operating Procedures (SOPs) within the Regional Civil Service Agency (BKAD) and the Health Office, so that implementing officers in the field do not experience "administrative fear" when required to take legally valid emergency actions.

On the other hand, this study also shows that the implementation of the BLUD financial management model has provided flexibility for community health centers in meeting service needs through revenue management and procurement. However, this flexibility does not change the legal status of fixed assets as Regional Property, which must still be recorded, inventoried, and accounted for in accordance with BMD management regulations. Interviews with the Health Office and the Regional Personnel Agency (BKAD) indicate a shared view that BLUD flexibility only applies to financial management, while fixed asset administration remains subject to regulations on Regional Property management. This finding supports the theory that BLUD flexibility must be balanced with an adequate control system to prevent administrative deviations or errors in asset management (Sulistyowati & Suningsih, 2023; Diskara & Hidayat, 2023; Bala, 2023).

Overall, this study shows that discretionary practices in fixed asset management at the Bulungan Regency Community Health Center Technical Implementation Unit (UPTD Puskesmas) are not influenced by regulatory weaknesses, but rather by differences in human resource capacity, geographic conditions, infrastructure availability, and the effectiveness of inter-agency coordination. Therefore, efforts to minimize the risk of maladministration are not sufficient only through enforcing compliance with procedures, but also require strengthening the competence of asset managers, improving information systems, ongoing technical assistance, and more effective coordination between the community health center, the Health Office, the Regional Personnel Agency (BKAD), and supervisory officials. This approach will maintain a balance between the flexibility of service that is characteristic of BLUD and the accountability of fixed asset management as part of good governance.The transformation from mere formal compliance to substantial compliance through strengthening institutional capacity is key to ensuring that community health centers in the 3T regions do not continue to be trapped in administrative dilemmas.

4. Conclusion

Based on the research results, it can be concluded that the practice of discretion in managing fixed assets at the UPTD Puskesmas with BLUD status in Bulungan Regency is a legitimate administrative instrument to ensure the continuity of health services, especially in underdeveloped areas, as long as it is implemented in accordance with administrative law provisions, based on good faith, and can be accounted for. This study shows that the potential for maladministration is more influenced by limitations

in human resources, infrastructure, institutional capacity, and geographical conditions than by abuse of authority. The flexibility of BLUD financial management supports the fulfillment of health service needs, but does not reduce the obligation to comply with the provisions for managing Regional Property. The novelty of this study lies in the assertion that the boundary between discretion and maladministration in managing fixed assets is not only determined by compliance with administrative procedures, but must also consider the principles of good faith, proportionality, and the main objectives of providing health services, especially at Puskesmas in underdeveloped areas with limited resources and infrastructure.Therefore, a policy transformation is needed from enforcing formal compliance to substantial compliance through the formalization of "measured discretion" in regional operational standards, to ensure that geographical constraints are no longer a barrier to accountability in the provision of public services.

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