

ANALYSIS OF INVENTORY ACCOUNTING IMPLEMENTATION BASED ON GOVERNMENT ACCOUNTING STANDARDS STATEMENT NO.5 AT RSIA XYZ HOSPITAL MALANG

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Abstract

Abstract: Based on PSAP 05, inventory accounting includes current assets in the form of goods or supplies that support government operational activities, as well as items intended for sale or distribution in public services. However, inventory recognition at RSIA XYZ does not fully comply with these standards. RSIA XYZ does not implement annual budget planning; instead, it relies solely on a monthly budget, which is deemed sufficient to meet patient needs. The hospital does not comprehensively detail inventory based on monthly estimates and does not plan budgets for the following year. In recording practices, RSIA XYZ does not record actual inventory usage costs but relies only on estimated monthly budgets. Inventory is only recorded when goods arrive and are paid for, rather than at the end of the period. In managing inventory, expired or damaged drugs are categorized as unused stock. Meanwhile, for office supplies (ATK), damaged items are merely moved to the storage area without any specific record-keeping, with only basic checks performed.

Keywords: Implementation, Inventory, PSAP No. 5.

Introduction

In the service sector, companies strive to optimize the use of resources, especially inventory. Effective inventory management is crucial to prevent shortages or excess stock. Management requires accurate information to make decisions related to procurement. Inventory recording differs based on the method of acquisition. When purchased, inventory is recorded at the acquisition price. If produced in-house, it is valued at the cost of production. Inventory obtained through other means, such as grants, is recorded at fair value. Hospitals are an interesting example, often experiencing difficulties in inventory control. The main problems are lack of financial oversight and weak information systems, which hinder efficient resource management. The core of the problem is the need for an accurate inventory tracking system to support strategic decision-making.

Accounting is a systematic activity in managing financial information that includes recording, classifying, and summarizing various financial transactions within an organization. This process aims to report and interpret the results. Based on the American Institute of Certified Public Accounting (AICPA), accounting is the art of recording, classifying, and summarizing transactions in monetary terms, including interpreting various financial events that occur. In essence, accounting is a systematic way to understand and manage the financial information of an organization. (Sujarweni, 2020:2).

Government accounting is a state financial recording system that covers the entire process from budget preparation to implementation and reporting, including the various impacts it produces (Sujarweni, 2019). The main focus is to document all financial transactions that occur within the scope of government. (Hasanah and Fauzi, 2017: 1). Government accounting focuses on recording and reporting transactions in public institutions such as hospitals, schools, social organizations, and other government institutions. The main characteristic is compliance with binding laws and regulations for each organizational unit. Like financial accounting in general, government accounting must use special accounting standards. These standards have been prepared by the Government Accounting Standards Committee and stipulated in Government Regulation No. 24 of 2005. In the supervisory system, there are two inspection mechanisms: external and internal. The BPK (Supreme Audit Agency) acts as an independent external auditor, while internal agencies such as BPKP, the Inspectorate General, the Provincial Inspectorate, and the regional supervisory bodies conduct internal supervision. PP No. 24 of 2005 has been replaced by PP No. 71 of 2010. This new regulation introduces Accrual-Based Government Accounting Standards (SAP), which is a method of financial recording where economic transactions are recorded and presented in financial statements according to the time the transaction occurs, not at the time of payment or cash receipt.

Accrual-based government accounting standards are a financial recording system that records all financial transactions comprehensively. In this system, revenue, assets, expenses, liabilities, and equity are recorded at the time the transaction occurs, not when the money is received or paid. This method allows for more accurate recording in government financial statements, by recognizing revenue, expenditure, and financing according to the basis set in the APBN/APBD (State/Regional Budget). For assets, balance sheets, liabilities, and fund equity, they are recognized according to the events or environmental conditions that influence them. Cash-based accounting is a simple system where revenue is recorded when money comes in and expenditure is recorded when money goes out.

Conversely, accrual-based accounting records transactions at the time they occur, regardless of when the money is received or paid. In practice, budget reporting still uses a cash basis, while other financial reports use an accrual basis. This method is considered best international practice because it improves the reliability of the presentation of government rights and obligations.

Inventory is a current asset in the form of goods or supplies that support the operational activities of the government and are intended for public service. This includes various types of goods ranging from consumables to non-consumables. The scope of inventory is very broad, including: Consumer goods, ammunition, spare parts, maintenance materials, strategic inventories, and excise stamps. Inventory can be in the form of office stationery, equipment components, pipes, used components, or even semi-finished products such as agricultural tools. In essence, inventory is an important asset that supports government functions and services.

Inventory recording is done when the government obtains potential future economic benefits that have a measurable value or cost. The recording process begins when the goods are received or there is a change in ownership and control. At the end of the accounting period, the inventory records will be aligned with the actual inventory conditions. This aims to ensure the accuracy and transparency of government inventory data.

If the inventory is obtained through purchase, the inventory is displayed at the acquisition cost. Standard prices if produced internally. Fair value if obtained through other channels, such as donations or confiscation.

Recording of inventory expenses is based on actual usage. This process aims to present an accurate Operating Statement. In a perpetual recording system, the calculation of inventory usage is carried out by multiplying the number of units used by the value per unit according to the valuation method used. In this way, the organization can track and record the use of inventory systematically and transparently.

Inventory includes supplies used in the production process, goods provided for sale or distribution to the public, as well as products still in the processing stage that will later be intended for sale or dissemination to the public. This inventory condition describes the various stages and needs of goods within an organization.

Research conducted by Musrifah Aliyah (2021) examined the Application of Pharmaceutical Inventory Accounting at the Majene Regional General Hospital, showing that the hospital's drug inventory management has met applicable accounting standards. The implementation of PSAP 05 of 2010 is clearly visible through the drug supply mechanism, which is characterized by a strict inventory verification process upon receipt of goods and recording of changes in ownership.

Hizkia Mokodongan's research on Pharmaceutical Inventory Accounting at the Noongan Regional General Hospital in North Sulawesi revealed the effective implementation of PSAP NO. 05. The hospital applies accurate inventory recognition, with legitimate procedures requiring receipt of goods according to the order. This is in line with government accounting standards that stipulate inventory recognition based on potential economic benefits, the ability to measure value, and the transfer of ownership rights. In Angelina Debora Ambo's research related to the Analysis of Inventory Accounting Treatment at the Manado City Health Office, it was found that the application of inventory accounting has met the provisions of PSAP No.5. Inventory is treated as an asset in the form of goods or supplies used to support the operational activities of the government, in accordance with the definition contained in the government accounting standards.

Methods

This research applies a qualitative method with a descriptive approach (Sugiyono, 2022). The type of research aims to describe, explain, and answer problems in detail based on the philosophy of post-

positivism. The researcher acts as the main instrument in examining the object's natural condition, focusing on in-depth meaning rather than just generalizing the research results.

3.2 Research Time and Location

The research location is at the XYZ Mother and Child Hospital located at Jalan Simpang Sulfat Utara No.60 A, Malang City. This research was conducted for approximately two months, starting from October 2024 until the research process was declared complete.

3.3 Data Types, Sources, and Collection Methods

Data Types. In this research, the type of data used is qualitative data, presented in the form of words, images, or meaningful narratives. Data is obtained through various sources such as interviews, observations, documentation, and internet sources. The focus of qualitative data collection is information related to the application of inventory accounting at the XYZ Mother and Child Hospital in Malang, by exploring information from previous research and analyzing documents or historical records in various formats, including writings, images, or relevant monumental works on the research topic.

Data Sources. This research uses two data sources. First, primary data collected directly by the researcher through observation, interview, or experiment methods. Primary data becomes the main source because it has a high level of accuracy. Second, secondary data obtained indirectly from the research object, such as through websites, official government publications, or government agency documents. Secondary data serves as complementary data used to enrich information if primary data is unable to answer all research problems.

Commented [1]: who is the informant?

Data Collection Methods

The research is conducted using direct interview techniques with informants, aiming to collect comprehensive data on the production system and inventory management. Interviews are focused on aspects of ownership transfer, end-of-period recording systems, and compliance with physical inventories. Researchers explore in-depth information related to inventory measurement procedures, recording systems for acquisition costs through purchases, mechanisms for determining the cost of goods manufactured for self-produced goods, and valuation methods for special acquisitions such as donations or confiscations. Furthermore, the research continues by exploring the system of recording inventory expenses, including the calculation method and presentation in the operating report, which is then analyzed to reveal the inventory management practices at the hospital.

The research uses document study techniques to collect evidence and support the analysis. This method is not directly aimed at the research subjects, but rather examines various relevant documents. The focus of data collection is on inventory documents related to sales, purchases, finished goods, consumables, and goods in the production process. The documents reviewed are divided into two categories: primary documents, which are documents written directly by the event participants, and secondary documents, which are documents compiled based on reports or stories from other parties. The document study aims to produce comprehensive analytical material through a systematic review of available documents.

Application of Inventory Accounting at RSIA XYZ Malang : Inventory Recognition

Based on the interview results, RSIA XYZ Malang recognizes inventory according to PSAP No.5 on Inventory Accounting. Inventory is recognized as a current asset when the goods are received and there is a transfer of ownership rights from the supplier to the hospital. This process is recorded in the goods receipt document (Berita Acara Penerimaan Barang) which becomes the transaction evidence, and is supported by purchase documents such as invoices and delivery orders.

Inventory Measurement

Inventory at RSIA XYZ Malang is valued at acquisition cost. For purchased goods, the inventory value refers to the purchase invoice price plus related costs such as transportation and handling costs. As for self-produced goods, the inventory value is calculated from the cost of raw materials, labor costs, and production overhead costs. Inventory recording also takes into account appropriate valuation methods, such as FIFO (First In First Out) or moving average.

Recording of Inventory Expenses

Inventory expenses are recorded based on actual usage, using the perpetual method. Every time inventory is used for the hospital's operational activities, it is recorded in the inventory card and recognized as an expense in the Operating Statement. The recognized expense value refers to the acquisition cost of the inventory according to the applied valuation method.

Presentation and Disclosure

Inventory is presented as a current asset in the Balance Sheet of RSIA XYZ Malang. The closing inventory balance is adjusted to the results of the physical inventory at the end of the accounting period. Inventory disclosure includes the accounting policies applied, the valuation method used, and a breakdown of inventory by type of goods.

Table 4.2 1 October 2024 Pharmaceutical Supply Stock

NO	Consumable supplies	Name of goods	Total
1.	Medical consumables	Medical equipment	IDR 41,082,802
2.	Medical consumables	Medical consumables	IDR 225,628,629
3.	Medical consumables	Laboratory equipment	IDR 3,739,790,228
4.	Total overall	Total	IDR 4,006,501,659

Table 4.3 Non-Medical Consumable Supplies Period October 2024

N O	Non-medical consumable supplies	Name of goods	Total
1.	Office supplies	Hvs paper, markers, printers, etc	IDR 77,107,412
2.	Electrical supplies	Lamp felting, adhesive tape, etc.	IDR 2,973,705
3.	Cleaning supplies	Colored plastic bags	IDR 26,244,900
4.	Total overall	Total IDR	IDR 103,355,285

Table 4.4 Net Total Office Supplies

VAT (11%)	IDR 7,641,275
Income Tax 22 (1.5%)	IDR 1,041,992
GRAND TOTAL	IDR 68,424,145

Table 4.5 Net Total Electrical Supplies

VAT (11%)	IDR 294,691
Income Tax 22 (1.5%)	IDR 40,185
GRAND TOTAL	IDR 2,638,829

Table 4.6 Net Total Cleaning Supply

VAT (11%)	IDR 2,600,846
Income Tax 22 (1.5%)	IDR 354,661
GRAND TOTAL	IDR 26,244,900

The hospital applies a different inventory recording system for non-medical and medical goods. For non-medical inventory such as office stationery (ATK), the recording is only done when the stock arrives at the beginning of the period, without any further recording or re-calculation when the goods become obsolete or damaged. Meanwhile, medical inventory that includes consumable items such as medicines, cotton, NHCL (infusions), dispo (syringes), and laboratory supplies, are recorded monthly in the period of October 1-31, 2024, with a limited calculation method only on the number of stocks that arrive at the beginning of the period, without any evaluation or re-recording at the end of the accounting period.

Discussion

Application of Inventory Accounting Based on PSAP NO.5

The research on the application of inventory accounting at the XYZ Mother and Child Hospital in Malang reveals that the inventory accounting process is not yet in accordance with PSAP NO.5. Government Accounting Standards Statement No. 05 explains inventory as assets that include : supplies used to support the operational activities of the government, materials to be used in the production process, work-in-progress products planned to be sold or distributed to the public, and goods provided for sales or distribution purposes within the scope of government activities.

Based on interviews at RSIA XYZ Malang, it is known that the hospital categorizes its inventory into three categories: office stationery (ATK), medical equipment, and medicines. In budgeting, the hospital does not make plans based on needs, but only records inventory according to the monthly incoming stocks, with a predetermined monthly budget.

Based on interviews at RSIA XYZ Malang, it is known that the hospital categorizes its inventory into three categories: office stationery (ATK), medical equipment, and medicines. In budgeting, the hospital does not make plans based on needs, but only records inventory according to the monthly incoming stocks, with a predetermined monthly budget.

Inventory Recognition. In accordance with PSAP 05, the XYZ Mother and Child Hospital records pharmaceutical inventory when the goods are received with complete documentation. At the end of the accounting period, the inventory data is reconciled based on the results of the physical inventory, ensuring the conformity of the budget that has been used each month.

Inventory Measurement. Based on PSAP, inventory must be presented at acquisition cost, especially for goods obtained through purchases. At the XYZ Mother and Child Hospital in Malang, drug inventory is obtained through purchases with details adjusted to the estimated monthly budget. The hospital considers the prepared budget estimates to be sufficient to meet the patients' needs each month, so they do not carry out budget planning for the following year. This approach indicates that the hospital has a relatively stable and predictable budgeting pattern.

Inventory Expenses. In PSAP No. 5 regarding inventory, inventory expenses must be recorded according to the actual usage amount. However, the XYZ Mother and Child Hospital has not fully implemented this provision. The hospital still records inventory based on the predetermined monthly budget estimates, not based on the actual usage costs. This indicates a difference between the applicable accounting standards and the implementation in the hospital.

Inventory Disclosure. In accordance with PSAP, the financial statements must detail various inventory categories. The scope includes supplies for public services, supporting materials for the production process, goods prepared for sale or distribution to the community, and work-in-progress products planned to be marketed or distributed to the community.

Table 4.7 Indicators of the Application of Inventory Accounting based on PSAP NO.5

No	Indicator	Explanation	Result
1.	Inventory Recognition	Because the hospital has a reference to a predetermined monthly budget, XYZ Hospital does not prepare a budget for the following year. However, the hospital recognizes drug stocks when the goods are actually received along with all the required documents. In preparing the drug budget, the hospital must calculate the purchased stocks to ensure that the budget spent is in accordance with the projected monthly budget.	no
2.	Inventory Measurement	Purchases are made to obtain drug stocks at XYZ Hospital. Since the estimated monthly budget is considered sufficient to cover the monthly patient demand, the hospital does not plan a budget for the following year because the overall drug inventory is not documented according to the budget.	no
3.	Inventory Expenses	This statement is related to the hospital's report because the hospital records inventory based on the expected monthly budget needs and not based on the actual consumption cos.	no
4.	Inventory Disclosure	The hospital carries out inventory disclosure through monthly stock taking. Based on the information from the warehouse section,	no

		inventory recording is done simply, which is only recording the goods upon arrival and payment, not at the end of the accounting period. Handling of damaged or unusable goods is done by placing expired drugs into the unused drug stock. As for damaged office stationery, only checking and moving to the warehouse is done without a formal recording process.	
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Conclusion and Recommendation

Based on the research on the Application of Inventory Accounting at the XYZ Mother and Child Hospital in Malang, the following findings were made. *Inventory Recognition*: The hospital does not fully follow PSAP NO.5. The budgeting system is based solely on a self-determined monthly benchmark, without a comprehensive annual planning. *Inventory Measurement*: The hospital does not detail all inventories according to the monthly budget estimates. Planning the budget for the following year is ignored because the current estimates are considered sufficient to meet patient needs. *Inventory Expenses*: Recording is not based on actual usage costs, but rather on the predetermined monthly budget estimates. *Inventory Disclosure*: Recording is only done when the goods arrive and are paid for, not at the end of the period. Expired or damaged medicines are included in the unused drug stock, while damaged office stationery is only moved to the warehouse without official recording.

Based on the research findings, some recommendations for the XYZ Mother and Child Hospital in Malang are *firsts*, Implement a full inventory recording evaluation by applying complete bookkeeping in accordance with the applicable regulations. *Second*, Improve internal control related to inventory, so that the recording becomes more easily understood. *Third*, Re-evaluate inventory management and prepare reserve budget estimates to anticipate events beyond control.

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