Proceedings Series on Social Sciences & Humanities, Volume 26
Proceedings of International Conference on Management, Accounting, Economics, and Business (ICONOMICS 2025)
ISSN: 2808-103X

Analysis of Accounting Treatment of Drug Inventory Based on PSAP No. 5 and the Application of SOP at the Dinas Kesehatan Kabupaten Banyumas

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ARTICLE INFO

Article history:

DOI:
10.30595/pssh.v26i.1818

Submited:
July 14, 2025

Accepted:
September 02, 2025

Published:
September 10, 2025

Keywords:

PSAP No. 5; Inventory Accounting; Drug Inventory; Procurement SOP; Health Office

ABSTRACT

This study aims to analyze the accounting treatment of drug inventories at the Dinas Kesehatan Kabupaten Banyumas by examining its compliance with Government Accounting Standards Statement (PSAP) No. 5 and the agency's internal Standard Operating Procedures (SOP). The research method used is a descriptive qualitative approach with data collection techniques through interviews, observation, and documentation. The results showed that inventory recognition is carried out after the goods are fully received in accordance with the order and supported by official documents, as stipulated in Government Accounting Standard No. 5. Inventory measurement uses the acquisition cost method which includes purchase price, transportation costs, handling, and taxes, and the recording method used is First In First Out (FIFO). In addition, the disclosure and expense of inventory has been carried out according to the standard, including the recording of damaged, expired, and non-consumable goods. Recording is done on a perpetual basis, allowing real-time tracking of item mutations. This study concludes that overall, the management of drug inventories at the Dinas Kesehatan Kabupaten Banyumas has been carried out accountably and in accordance with the provisions of PSAP No. 5 and the applicable SOPs.

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1. INTRODUCTION

The public sector is a government entity responsible for providing services to the community in an equitable manner, including the health sector through regional health offices (Idrus et al., 2024). Health offices play an important role in formulating and implementing health service policies and programs at the district/city level that focus on disease prevention, health facility management, drug control, and public health education. As a non-profit agency, the health department upholds the principle of service, not profit, with the main objective of improving the welfare and quality of life of the community through equitable and regulated health services (Sinadia et al., 2018).

The health office has an important responsibility in supporting puskesmas operations through the fulfillment of facilities, infrastructure, and logistics, including the effective management of drug supplies to avoid shortages or overstocks (Dunggio et al., 2022). In Banyumas District, drug planning and purchasing is carried out based on puskesmas proposals that consider consumption patterns and disease epidemiology, with procurement through e-catalog or e-purchasing, and management by the Pharmaceutical Management Unit (UPKF), which is tasked with receiving, inspecting, storing, and distributing drugs on a regular basis (Permenkes RI No. 43 Tahun 2019). This entire process is carried out in accordance with Standard Operating Procedures (SOPs) and within a government accounting framework that refers to Government Accounting Standard Statement (PSAP) Number 05 concerning Inventory Accounting.

This study aims to analyze the accounting treatment of inventories in government agencies and evaluate the implementation of SOPs for accounting for drug inventories at the Dinas Kesehatan Kabupaten Banyumas. This study examines the conformity of financial management and reporting to the Statement of Government Accounting Standards (PSAP), and looks at how SOPs can improve efficiency, accuracy, and transparency in the management of drug inventories. Dinas Kesehatan Kabupaten Banyumas was selected as the object based on its role in coordinating a number of health centers and distributing drugs to service facilities in its working area.

2. LITERATURE REVIEW

2.1 Inventory Accounting

Inventory accounting is the process of recording, measuring, and reporting goods such as raw materials, finished goods, and semi-finished goods, which play an important role in the company's operational efficiency (Satria, 2017). There are two main recording systems: the periodic system, which only records inventory at the end of the period through physical counting, and the perpetual system, which records transactions in real time and allows inventory tracking at any time. In addition to the recording system, inventory valuation methods are also crucial, including FIFO that prioritizes first-in, LIFO for last-in, and the average method that calculates the cost of goods based on the average acquisition cost-each of which is used according to business characteristics and needs.

2.2 Standard Operating Procedure (SOP)

Standard Operating Procedures (SOPs) are work guidelines designed to ensure that the implementation of tasks takes place consistently, accurately, and in accordance with organizational quality standards. In the context of health services, SOPs function as work references that are aligned with organizational functions and as a tool for evaluating the performance of health services based on technical, administrative, and procedural indicators to encourage accountability, responsiveness, and good governance (Taufiq, 2019). In addition, the SOP is a document that details daily operational steps to prevent errors and support the achievement of organizational goals through a structured and systematic work process (Subandi & Rahmawati, 2024).

2.3 Statement of Government Accounting Standards (PSAP)

Statement of Peraturan Pemerintah Republik Indonesia Nomor 24 Tahun 2005, as stipulated in Government Regulation No. 71 of 2010, establishes the principles of accounting for government-owned inventories, which include recognition, measurement, disclosure, and recording of inventory expenses. Inventories are recognized when there are future economic benefits and the value can be measured reliably, and are recorded based on the physical inventory results at the end of the period. Measurement is based on acquisition cost, standard cost, or fair value, depending on how the goods are acquired. The financial statements must disclose the measurement policy of inventories, the types and conditions of inventories, and their use in public services. Inventory expenses are recorded based on usage, either through perpetual or periodic recording systems, with valuation methods such as cost per unit or physical check results as the basis for calculation.

3. Research Methodology

This study uses a qualitative descriptive method with a case study approach, which aims to understand and describe in depth the characteristics and context of a significant phenomenon or event (Sugiyono, 2020). The research was conducted directly at the Dinas Kesehatan Kabupaten Banyumas, located at Jalan R.A. Wiryaatmaja No. 4, Banyumas, with primary data collection in the form of SOPs, documents on drug procurement, ordering, and payment, as well as interviews with the pharmacy sub-section to explore the practices of recording, recognizing, measuring, disclosing, and expensing inventory. Observation techniques were applied to directly observe operational procedures, while documentation and literature study were used to strengthen the findings through references from official archives and relevant academic literature.

4. Results and Discussions

4.1 Medicine Management Procedures at the Dinas Kesehatan Kabupaten Banyumas

In practice, the drug management procedures at the Dinas Kesehatan Kabupaten Banyumas have been carried out in accordance with the applicable Standard Operating Procedures (SOPs) of the agency, particularly in terms of planning, procurement, and distribution. The process of preparing the Drug Requirement Plan (RKO) is based on drug usage data and disease patterns reported by community health centers, and verified by the pharmacy sub-division as a form of internal control. Drug procurement is aligned with budget allocations and regulations, beginning with the disbursement of funds through a Fund Disbursement Note, followed by the order of drugs in an orderly manner via a Purchase Order to official pharmaceutical distributors, all of which are administratively documented.

Medicine reception is carried out by UPKF through physical inspection and recording in official reports as valid evidence, in accordance with SOP provisions. Distribution is carried out based on verified requests, and an electronic recording system is used consistently to monitor real-time stock. Internal controls, such as segregation of duties between departments, regular reporting, routine stock taking, electronic recording, and handling of damaged drugs, are implemented to ensure efficiency, transparency, and quality of healthcare services.

4.2 Analysis of Accounting Treatment of Drug Inventories Based on PSAP No. 5

4.2.1 General Definition of Inventory Based on PSAP No. 5

Table 4. 1 General Definition of inventory

No	Indicator	Category	Explanation
1	Inventory is an asset in the form of: a. Goods or supplies used in government operations. b. Materials or supplies to be used in the production process. c. Goods in the production process intended for sale or delivery to the public. d. Goods stored for sale or delivery to the public in the context of government activities.	in accordance with PSAP No. 5	The supplies at the Dinas Kesehatan Kabupaten Banyumas are assets used in government operations, and medicines are stored as supplies to be distributed to the community in health service programs, in order to carry out the government's public service functions.
2	Inventory includes goods or equipment purchased and stored for use, such as consumables such as office stationery, non-consumables such as equipment components and pipes, and used goods such as used components.	in accordance with PSAP No. 5	Supplies at the Dinas Kesehatan Kabupaten Banyumas are categorized as goods that are purchased and stored to support the implementation of public services in the health sector. These medicines are consumables that have a shelf life and are used regularly in the implementation of government programs to meet the needs of health centers and health services in Banyumas District under the auspices of the Dinas Kesehatan Kabupaten Banyumas.
3	Goods stored by the government for strategic reserve purposes such as energy reserves (oil) or for contingency purposes such as food reserves (rice) are recognized as inventories.	in accordance with PSAP No. 5	The supply of medicines at the Dinas Kesehatan Kabupaten Banyumas is budgeted and managed as part of the local government's strategic reserves in the health sector. The supply of medicines is also prepared to anticipate urgent needs such as disease outbreaks, natural disasters, or spikes in demand for medical services, in line with the concept of storing goods for the purpose of preparedness and anticipation of extraordinary events, and recognizing medicine reserves as supplies.

4.2.2 Inventory Recognition Based on PSAP No. 5

Table 4. 2 Inventory Recognition

No	Indicator	Category	Explanation
1	Inventories are recognized: a. When the potential future economic benefits are obtained by the government and have a value or cost that can be reliably measured.	in accordance with PSAP No. 5	Dinas Kesehatan Kabupaten Banyumas acknowledges the supply of medicines after the medicine acceptance process has been completed in full, along with all supporting

No	Indicator	Category	Explanation
	b. When received or the right of ownership and/or control is transferred.		documents required for administrative purposes.
2	At the end of the accounting period, inventory is recorded based on the results of a physical inventory count.	in accordance with PSAP No. 5	The supply of medicines at the Dinas Kesehatan Kabupaten Banyumas is managed in an orderly and accountable manner, with adjustments made to records based on the results of physical inventories. Medicine supplies are managed through periodic stock-taking every three months to ensure consistency between administrative records and physical conditions in the field, as well as to support internal control over medicine supplies.

4.2.3 Inventory Measurement Based on PSAP No. 5

Table 4. 3 Inventory Measurement

No	Indicator	Category	Explanation
1	Inventories are stated at: 1. Acquisition cost if purchased. 2. Standard cost if produced internally. 3. Fair value if obtained by other means such as donation/confiscation.	in accordance with PSAP No. 5	Dinas Kesehatan Kabupaten Banyumas obtains its drug supplies through purchases, which are recorded at acquisition cost, i.e., the total cost incurred until the drugs are ready for use or distribution. The acquisition cost includes the purchase price, transportation costs, handling costs, and taxes related to the acquisition of supplies.
2	Inventories can be recognized using: a. Systematic methods such as FIFO or weighted average. b. The last purchase price if each unit of inventory is immaterial and of various types.	in accordance with PSAP No. 5	The supply of medicines at the Dinas Kesehatan Kabupaten Banyumas is accounted for using the FIFO method, which is a system whereby the first medicines to enter the supply warehouse are the first to be issued/distributed.

4.2.4 Inventory Disclosures Based on PSAP No. 5

Table 4. 4 Inventory Disclosures

No	Indicator	Category	Explanation
1	The financial statements disclose: a. The accounting policies used in measuring inventories. b. Further explanation of inventory such as goods or equipment used in public services, goods or equipment used in the production process, goods stored for sale or delivery to the public, and goods still in the production process intended for sale or delivery to the public. c. The condition of inventory, namely the type, quantity, and value of inventory in damaged or used condition.	in accordance with PSAP No. 5	The supply of medicines at the Dinas Kesehatan Kabupaten Banyumas is recorded using the first-in, first-out (FIFO) method in accordance with applicable accounting policies. Inventory is classified by type, such as generic drugs, program drugs, and disposable medical supplies. At the end of the fiscal year, the recorded value of inventory is presented at cost. Additionally, a physical condition test has been conducted to identify damaged, expired, or separately disclosed inventory in the notes to the financial statements.

4.2.5 Inventory Expense Based on PSAP No. 5

Table 4. 5 Inventory Expense

No	Indicator	Category	Explanation
1	Inventory expenses are recorded as usage (use of goods).	in accordance with PSAP No. 5	The Dinas Kesehatan Kabupaten Banyumas records inventory costs as usage, whereby inventory is used to support health service operations and is charged as operational expenditure when it is actually used.
2	Inventory costs are calculated for the purpose of presenting operational reports.	in accordance with PSAP No. 5	The calculation of the cost of medicine inventory at the Dinas Kesehatan Kabupaten Banyumas is based on the actual usage during the reporting period, which is used as the basis for presenting operational reports.
3	a. If inventory is recorded on a perpetual basis, then the measurement of inventory usage is calculated based on the number of units used multiplied by the value per unit according to the valuation method used. b. If inventory is recorded periodically, then inventory usage is calculated based on a physical check, namely by adding the opening inventory balance plus purchases or acquisitions of inventory and subtracting the closing inventory balance, multiplied by the value per unit according to the valuation method used.	in accordance with PSAP No. 5	Medicine supplies at the Dinas Kesehatan Kabupaten Banyumas are recorded on a perpetual basis, where usage costs are calculated based on the total units used during the reporting period, multiplied by the price per unit based on the FIFO (First In, First Out) inventory valuation method. This approach enables accurate and real-time recording.

4.3 Implementation of SOPs at the Dinas Kesehatan Kabupaten Banyumas

The management of drug procurement at the Dinas Kesehatan Kabupaten Banyumas involves RKO planning, which forms the basis for procurement through a Fund Disbursement Note and Purchase Order to suppliers. This process is accompanied by invoices as proof of transaction, as well as a report on the receipt and inspection of goods to ensure the quality and suitability of the drugs before they are stored by the UPKF using the FEFO method. Following this, medications are distributed to healthcare facilities based on verified requests, and all these processes are recorded in an electronic system to ensure data accuracy and reporting.

Documents supporting this process include: Medical Goods Application Form, Purchase Order, Invoice, Purchase Note, Goods Receipt and Inspection Report, and Goods Handover Report. Each plays a role in ensuring the legality of transactions, stock traceability, and financial transparency. The Logistics Information System (Simlog) facilitates real-time monitoring, while the effectiveness of procurement and supplier quality are evaluated regularly to prevent stock shortages, support budget efficiency, and maintain the quality of government pharmaceutical services.

The implementation of drug inventory accounting at the Banyumas District Health Office refers to PSAP and Ministry of Health regulations, using the FIFO method for recording inventory values and FEFO for recording drug distribution to prevent expiration. The procurement mechanism is evaluated through effectiveness analysis and logistics and financing risk mitigation strategies.

4.4 Inventory Recognition

According to PSAP No. 5 on Inventory, inventory is recognized when potential economic or social benefits are obtained and its value can be reliably measured. Recognition is made when goods are fully received and qualify as current assets used for public services or transferred to other parties. The recognition process is usually based on physical inspection and completeness of transaction documents. At the Dinas Kesehatan Kabupaten Banyumas, recognition is made after the medicine is fully received as ordered through the e-catalog or direct procurement (Kemenkes RI, 2014). Quality, quantity, and condition checks of the goods form the basis for initial recording in SIMLOG. Once the criteria are met, payment is made once per contract for budget efficiency and transparency. The RKO from the community health center serves as the basis for planning, with farmamin validation as internal control.

4.5 Inventory Measurement

According to PSAP No. 5 on Inventory, inventory is measured at acquisition cost if obtained through purchase, including the price of goods, transportation, handling, and related taxes. If obtained from donations or confiscations, inventory is measured at fair value. The valuation method is used so that the presentation of inventory values reflects the total actual costs. At the Dinas Kesehatan Kabupaten Banyumas records medicines based on comprehensive acquisition costs, including taxes and transportation costs. If medicines are not available in the e-catalog, procurement is carried out based on procurement value provisions (direct procurement, direct appointment, or tender). Medicines are recorded using the FIFO method in the perpetual system in SIMLOG, so that stock values and movements are recorded in real-time and accurately.

4.6 Inventory Disclosure

According to PSAP No. 5 on Inventory, financial statements must disclose the measurement method, physical condition, changes in inventory value, and policies used in inventory management. The aim is to provide transparency regarding the assets owned and their use in public services. At the Dinas Kesehatan Kabupaten Banyumas regularly conducts stock takes to ensure physical and system data consistency, records damaged or expired medicines, and uses SIMLOG for digital stock monitoring. Accounting policies, recording methods (FIFO and FEFO), and inventory management evaluation results are disclosed periodically in financial statements to ensure accountability and data reliability.

4.7 Inventory Expenses

According to PSAP No. 5 on Inventory (in relation to Operational Reports), inventory expenses are recorded based on actual usage during the reporting period. This usage forms the basis for recording expenses in financial reports, reflecting actual usage in government operational activities. Dinas Kesehatan Kabupaten Banyumas implements a perpetual recording system that directly reduces the inventory balance when medicines are dispensed. SIMLOG automatically records distribution transactions to health facilities. Expenses are recorded based on verified usage amounts, supporting budget efficiency and cost control with data that can be analyzed for improvements in pharmaceutical logistics.

5. CONCLUSIONS

5.1 Conclusions

Based on the analysis results, the procurement and management of drug supplies at the Dinas Kesehatan Kabupaten Banyumas have been carried out in a systematic manner and in accordance with the applicable Standard Operating Procedures (SOPs) and following a structured process. Each stage, from planning to procurement of medicine needs, has been carried out in an orderly and documented manner. This demonstrates the implementation of systematic procedures and supports the principles of transparency and accountability in medicine procurement. The application of accounting for inventory at the Dinas Kesehatan Kabupaten Banyumas also complies with the provisions of PSAP No. 5 on Inventory, as reflected in the following aspects:

1. The inventory recognition at the Dinas Kesehatan Kabupaten Banyumas recognizes the supply of medicines after the goods have been fully received and in accordance with the request, accompanied by the relevant documents. This practice is in accordance with the recognition principle in PSAP No. 5 concerning Inventory, which states that inventory is recognized when future economic benefits are obtained and its value or cost can be reliably measured.
2. The measurement of inventory at the Dinas Kesehatan Kabupaten Banyumas is that inventory is presented at acquisition cost, calculated based on the purchase price plus other directly attributable costs such as transportation, handling, and taxes. The Banyumas District Health Office uses the First In, First Out (FIFO) recording method, which is in line with the standards set out in PSAP No. 5 for inventory measurement.
3. Disclosure of inventory at the Dinas Kesehatan Kabupaten Banyumas is recorded in detail, including recording damaged, expired, or substandard drugs, so that the information disclosed in the report truly reflects the actual inventory conditions.
4. Inventory expenses at the Dinas Kesehatan Kabupaten Banyumas are calculated based on actual usage. Medicines used to support health services are charged as operational expenses when used, not at the time of purchase, as stipulated in PSAP No. 5, which emphasizes expense recognition based on actual utilization. In terms of inventory recording, the Banyumas District Health Office uses a perpetual inventory system, meaning that every transaction involving the receipt and issuance of medicines is recorded in the system in real-time.

5.2 Suggestions

As a follow-up to the analysis and conclusions presented, the following recommendations have been formulated to strengthen the effectiveness of inventory management and encourage improvements in accounting practices within the Dinas Kesehatan Kabupaten Banyumas:

1. Dinas Kesehatan Kabupaten Banyumas is advised to continue strengthening the implementation of Standard Operating Procedures (SOPs) in accordance with PSAP No. 5, particularly in the areas of inventory recording, recognition, and disclosure.
2. To enhance effectiveness, it is recommended that the inventory recording system, especially the digital-based system, be continuously developed and fully integrated with health service units. This is important to ensure the availability of accurate, up-to-date, and real-time monitorable data.
3. Dinas Kesehatan Kabupaten Banyumas is expected to regularly conduct technical training and supervision to improve human resource capacity in order to maintain consistency and understanding of the applicable SOP and government accounting provisions.

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