

Implementation of Government Accounting Standards Statement (PSAP) Number 05 Concerning Inventory Accounting at the Minanga Community Health Center, Manado City

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ABSTRACT

This research evaluates the application of Government Accounting Standards Statement (PSAP) Number 05 concerning inventory accounting at the Minanga Community Health Center, Manado City. PSAP Number 05 regulates the recognition, measurement and disclosure of inventories in government financial reports. The methods used include observation, interviews and document analysis. The research results show that inventory recognition and measurement are in accordance with standards, such as the application of the FIFO method and acquisition costs. However, inventory disclosure in the Notes to Financial Reports (CALK) is less detailed. This research recommends improvements in disclosure to increase transparency and compliance with PSAP 05, as well as providing a reference for improving accounting practices in government health institutions.

INTRODUCTION

In the era of globalization, public demands for the implementation of good governance principles encourage the government to increase transparency and accountability in managing state finances. Changes in government accounting are the key to realizing an effective governance system, with Government Accounting Standards (SAP) as the main guide in preparing and presenting financial reports.

SAP issued by the Government Accounting Standards Committee (KSAP) through PP No. 24 of 2005 and updated to PP No. 71 of 2010, aims to make it easier for the government to prepare financial reports, which include Balance Sheet, Budget Realization Report, Cash Flow Report, and several other reports.

The importance of transparency and accountability in managing government finances, especially in managing supplies in government agencies such as Community Health Centers. Supplies owned by health center, such as medicines and medical equipment, play an important role in providing health services to the community. Therefore, proper inventory management and reporting becomes crucial to ensure the availability and efficient use of these resources.

Statement of Government Accounting Standards (PSAP) Number 05 regulates how government entities must recognize, measure and present inventories in their financial reports. This standard aims to improve the quality of government financial reports so that they can be relied on by stakeholders. "PSAP 05 establishes the basic framework used to ensure that financial reports reflect the actual condition of inventories held by government entities" (Ministry of Finance, 2015).

Minanga Community Health Center in Manado City is one of the community health centers that is the focus of this research because of its important role in providing basic health services to the local community. In recent years, the increase in the number of patients and the need for medicines and medical equipment at the Minanga Community Health Center has required better inventory management. The implementation of PSAP 05 is expected to help the Minanga Community Health Center manage and report inventory more effectively and efficiently.

This research will evaluate the extent to which the Minanga Community Health Center has implemented PSAP 05 in their inventory accounting. This research will also identify the challenges faced in implementing this standard and its impact on inventory management. It is hoped that the research results will provide useful recommendations for the Minanga Community Health Center and other community health centers in improving their inventory accounting practices.

Thus, this research is not only important from an academic perspective, but also has significant practical implications. Proper implementation of PSAP 05 will help Minanga Community Health Centers ensure that their financial reports are more transparent and accountable. This, in turn, will increase public trust in the management of resources carried out by the Minanga Community

Health Center, as well as make a positive contribution to efforts to improve the quality of health services in Manado City.

Based on the explanation of the background stated above, the researcher is interested in conducting research with the title "Application of Government Accounting Standards Statement (PSAP) Number 05 Concerning Inventory Accounting at the Minanga Community Health Center, Manado City".

LITERATURE REVIEW

Public Sector Accounting

Accounting in the public sector is defined as an entity whose financial performance involves the provision of public goods and services to meet the needs and rights of society. The public sector accounting system is used by public institutions as a tool for transparency and accountability to the public (Handayani, 2019).

Government Accounting

Government accounting is accounting that is concerned with the field of state finance, from the budget to its implementation and reporting, including all the influences it causes (Afiyani, 2020). According to Alimus (2020), government accounting specializes in recording and reporting transactions from government units and other non-profit organizations, such as: mosques, charities, foundations, hospitals and educational institutions.

Government Accounting Standards

Government Regulation Number 71 of 2010 was issued to replace and update Government Regulation Number 24 of 2005 concerning Government Accounting Standards. This regulation states that SAP is explained in the form of a Statement of Government Accounting Standards (PSAP), equipped with an Introduction to Government Accounting Standards, and prepared based on the government accounting conceptual framework. This step aims to harmonize attitudes and vision in implementing the previous standards, as well as regulate the regional government paradigm based on the values of democracy, empowerment and service, with the aim of realizing clean government.

Inventory Accounting

Inventory refers to current assets in the form of goods or equipment used to support government operations, including goods that will be sold or handed over to the public as part of services (Agustias, 2024). One method used to systematically assess inventory value is FIFO (First in First Out), which assumes that the first goods in are the first to go out. This method allows the cost of goods first purchased to be the price of goods first used, and the ending inventory value is calculated starting from the purchase price.

Statement of Government Accounting Standards No. 05

Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP) explains that SAP refers to the accounting

principles used in preparing and presenting government financial reports. PP 71 of 2010 concerning Government Accounting Standards includes two annexes, namely Appendix I which discusses Accrual-Based Government Accounting Standards, and Appendix II which discusses Cash-Based Government Accounting Standards Towards Accruals.

Supply

Inventory based on Accrual Based Government Accounting Standards (PSAP) No. 05 Paragraph 4 PP No. 71 of 2010 are current assets in the form of goods or equipment intended to support government operational activities, and goods intended to be sold and/or delivered as a service to the public.

Inventory Recognition

Inventories are recognized when potential future economic benefits are obtained by the government and have a value or cost that can be measured reliably; and when it is received or the ownership rights and/or control are transferred. At the end of the accounting period, inventory is recorded based on the results of a physical inventory. Inventory recognition is divided into 2, namely the asset approach and the expense approach (Agustias, 2024).

Inventory Measurement

Inventories are presented at cost if obtained by purchase, cost of production if obtained by self-production, and fair value, if obtained by other means such as donations/spoils. Inventory can be assessed using: a. Systematic methods such as FIFO or weighted average and b. the final purchase price if each unit of inventory is of immaterial value and of various types.

Inventory Expense

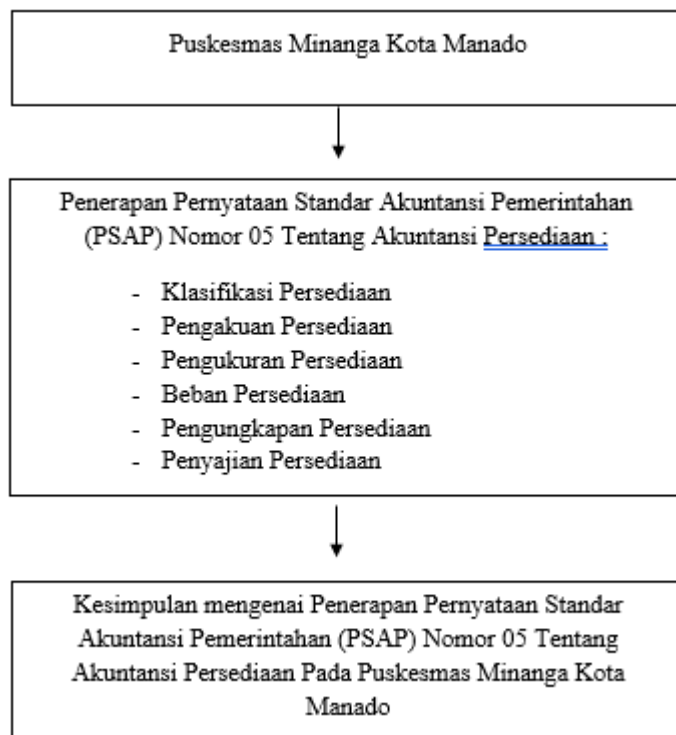
Inventory expenses are recorded at the amount of inventory usage (use of goods), i.e. it is recorded on a perpetual basis, then the measurement of inventory usage is calculated based on the record of the number of units used multiplied by the value per unit according to the valuation method used and recorded periodically, then the measurement of inventory usage is calculated based on physical inventory, namely by method of opening inventory balance plus purchase or acquisition of inventory reduced by ending inventory balance multiplied by the value per unit according to the valuation method used. Inventory expense calculations are carried out in the context of presenting the Operational Report.

Inventory Disclosure

Inventory disclosure consists of: a) Accounting policies used in measuring inventory, b) Inventory such as goods or equipment used in community services, goods or equipment used in the production process, goods stored for sale or handed over to the public, and goods still in stock. in the production process intended for sale or delivery to the public, and c) Type, quantity and value of inventory in damaged or obsolete condition.

Inventory Recording Method

Inventory is recorded in the balance sheet as a current asset. There are various methods for measuring inventory value, but the most commonly used is the FIFO (First in First Out) or LIFO (Last In First Out) method. FIFO assumes that the first goods in are the first to go out, while LIFO assumes the opposite. The choice of inventory measurement method can have an impact on the company's financial statements, especially in terms of reported net income and inventory value. Additionally, it is important for companies to maintain inventory at optimal levels that allow them to meet customer demand without incurring excessive carrying costs or risking inventory value decline. Therefore, inventory management is an important part of a company's operational and financial strategy.



Gambar 1. Conceptual Framework

METHODOLOGY

Types of Research

This type of research uses descriptive research. According to Sugiyono (2019) descriptive research is research that systematically describes the facts, situations and activities of the object being studied. This type of research only systematically describes facts, situations and activities related to the Evaluation of the Implementation of Government Accounting Standards Statement (PSAP) Number 05 concerning Inventory Accounting at the Minanga Community Health Center, Manado City.

Place and Time of Research

The location of this research was at the Minanga Community Health Center, Jalan RSUP Malalayang, Malalayang II, Malalayang, Perum Jl. Minanga Indah No.39 Blok A, Malalayang Dua, Kec. Malalayang, Manado City, North Sulawesi. The research time starts from June until it is finished.

Data Types and Sources

In general, data types are divided into two, namely qualitative and quantitative data. Qualitative data type is data that is presented descriptively or in the form of descriptions, while quantitative data type is data that is presented in the form of numbers. In this research, the type of data used by the author is descriptive qualitative data. The data sources used in this research are primary data obtained directly through field surveys conducted by the author on the objects studied and secondary data that already exists and has been published to the data user community.

Data Collection Technique

The technique that the author uses in collecting data is documentation in this research, namely official documents from the Minanga Community Health Center, Manado City and interviews that obtain information for research purposes by asking questions face to face or interviewing the respondent or the person being interviewed.

Data Analysis Methods

Data analysis is an important stage in qualitative research. The data analysis method for this research can be divided into several systematic steps. First, researchers will collect data from interviews with Minanga Community Health Center staff, Manado City regarding the principles of inventory recording applied at the community health center. The interview will focus on understanding and applying the principles of inventory recording as explained in PSAP No. 05, as well as existing internal processes and policies.

After the data from the interviews has been collected, the next step is to compare the information obtained from the interviews with the existing inventory recording data system, financial reports, and inventory reports from the Minanga Community Health Center, Manado City. This analysis aims to evaluate the suitability between the principles stated in PSAP No. 05 with actual practice carried out in the field. Data from all these sources will then be analyzed comprehensively to identify gaps or conformity between the recording carried out and the standards set out in PSAP regulation No. 05. The results of this analysis will provide a clear picture regarding the application of the Minanga Health Center, Manado City to the provisions stated in the accounting standards.

RESEARCH RESULT

General Description of Research Objects

The Minanga Community Health Center was established on February 29 2009 in Malalayang District, Manado, and serves an area of 2,544.4 km² with a

population density of 11.35/km². The work area covers four sub-districts, namely East Malalayang 1, Malalayang 1, West Malalayang 1, and Malalayang 2, with a total of 36 neighborhoods. As a primary health care center, the Minanga Community Health Center not only provides basic health services, but also runs preventive health and community education programs. Facilities include two sub-district health centers in Malalayang 2 Subdistrict and two village health posts in East Malalayang 1 and Malalayang 2. These health centers play an important role in reaching the wider community, ensuring easier access for local residents. By focusing on improving the quality of life through equitable and comprehensive health services, Minanga Community Health Center continues to strive to meet the health needs of the community in Malalayang District. Apart from that, the existence of adequate infrastructure and health personnel shows the Minanga Community Health Center's commitment to maintaining the health welfare of the community in the area.

Purpose and Objectives

The aim and objective of establishing the Minanga Health Center in Manado City is to improve access and quality of health services for the community in Malalayang District. With the establishment of this health center, it is hoped that it can meet the basic health needs of the local population through comprehensive primary health services, including prevention, treatment and rehabilitation. Minanga Community Health Center also aims to reduce health disparities in the region by providing equitable and quality services, as well as contributing to efforts to improve community health levels through sustainable health programs.

Organizational Structure

The organizational structure is prepared based on Minister of Health Regulation 43 of 2019. The Head of the Community Health Center is Dr. Helena T. P. Hutauruk. The Head of Administration and General Affairs and Personnel is Yudith Tarongki, SST and under him there is a financial division headed by Ivone Luas, S.Kep.Ns, the household division is Ivone Laoh, S.Kep. Under the Head of the Community Health Center there is also a UKM section headed by Pingkan, S.Kep.Ns and a UKP section headed by Dr. Meilitha Wantania, UKP Pharmacy and Laboratory headed by Dr. Grace Tungalow; The Community Health Center Service Network and Health Facilities Network is headed by Pingkan Emor, S.Kep.Ns.

Research Result

Based on the results of research conducted, the Minanga Community Health Center, Manado City is a recommended public health service for the Malalayang area in Manado City. The following are the results obtained regarding the elements of PSAP No. 05 on inventory accounting:

Inventory Recognition

The Minanga Health Center, Manado City, recognizes medicine supplies when the goods are received with complete documents, after carrying out budget planning. This recognition is in accordance with PSAP No. 05, where inventories are recognized when economic benefits are obtained and their value can be measured reliably.

Inventory Measurement

The inventory of medicines at the Minanga Community Health Center, Manado City is measured based on cost using the FIFO method. This measurement is in accordance with PSAP No. 05, which stipulates that inventory should be presented at cost if acquired through purchase.

Inventory Disclosure

Disclosure of supplies at the Minanga Community Health Center, Manado City is not fully in accordance with PSAP No. 05, especially in details of medical devices and printed materials. Even though there is a monthly stock taking, the disclosures in the notes to the financial statements (CALK) are still lacking in detail.

Inventory Expense

Inventory expenses at the Minanga Community Health Center, Manado City are recorded according to inventory usage, as presented in the operational report. This is in line with PSAP No. 05 which regulates the recording of inventory expenses based on the number of units used and the value per unit.

DISCUSSION

Based on the results of research analysis obtained from interviews with three informants, the age of inventory at the Minanga Community Health Center, Manado City is in accordance with the Statement of Government Accounting Standards (PSAP) No. 05 states that inventories are assets in the form of goods or equipment (supplies) used in the context of government operational activities. Supplies at the Minanga Health Center, Manado City, are stored for use, in the form of medicine supplies used for medical needs in the Malalayang sub-district as well as supplies of equipment used to meet the operational needs of the Manado City Minanga Health Center. The Minanga Health Center, Manado City, has budgeted reserve supplies to anticipate this extraordinary event and recognizes medicine reserves as supplies.

Inventory recognition at the Minanga Community Health Center, Manado City, is in accordance with Government Accounting Standards Statement (PSAP) No. 05 states that the Minanga Health Center, Manado City, recognizes the supply of medicines when the goods are received together with the complete documents, the Minanga City Health Center Manado carries out stock taking every month on the 25th. Inventory measurements at the Minanga Health Center, Manado City are in accordance with the Statement of Government Accounting Standards (PSAP) No. 05 states that inventory at the Minanga Community Health Center, Manado City is presented based on acquisition cost. Inventory is

obtained through purchases and is detailed in the e-catalog. Minanga Health Center, Manado City uses the FIFO method in calculating its inventory.

However, inventory disclosure at the Minanga Community Health Center, Manado City is not appropriate based on Government Accounting Standards Statement (PSAP) No. 05 stated that it was not appropriate due to insufficient detailing of existing inventories in the notes to the financial statements. The inventory load at the Minanga Community Health Center, Manado City, is in accordance with the Government Accounting Standards Statement (PSAP) No. 05 states that the calculation of the burden on the Minanga Community Health Center, Manado City, is also included in the operational report, every inventory expenditure is recorded at the unit output multiplied by the value seen using the FIFO approach.

The implementation of inventory accounting at the Minanga Community Health Center, Manado City has not fully met the expected standards. This is mainly due to the lack of detail in the inventory report in the Notes to Financial Reports (CALK), which does not include complete details regarding medical devices, valuables and printed materials. Even though aspects of inventory recognition and measurement, such as the use of the FIFO method, have been implemented correctly, disclosures in CALK still need to be improved to ensure transparency and clarity of information. By improving the details of these disclosures, financial reports will be more accurate and provide more useful information for all stakeholders.

CONCLUSIONS AND RECOMMENDATIONS

Based on research conducted at the Minanga Community Health Center, Manado City regarding the implementation of Government Accounting Standards Statement (PSAP) No. 05 concerning inventory accounting, it has been found that its implementation does not fully fulfill all elements of inventory accounting disclosure. The following are the conclusions drawn. Inventory recognition at the Minanga Community Health Center, Manado City is carried out when the inventory items have been received and are in accordance with the order requested. This is in accordance with PSAP No. 05, which states that inventories are recognized when potential future economic benefits accrue to the government, have a value or cost that can be measured reliably, and when ownership or control of the goods is transferred. Inventory measurements at the Minanga Community Health Center, Manado City are in accordance with Government Accounting Standards Statement No. 05 because the inventory calculation uses the FIFO method. Disclosure of inventory reports at the Minanga Community Health Center, Manado City is still not in accordance with PSAP No. 05. This is evidenced by the lack of detail in the presentation of inventories in the notes to the financial statements.

After conducting research related to the application of Government Accounting Standards Statement No. 5 on inventory accounting at the Minanga Community Health Center, Manado City, suggestions that can be given are as follows:

1. Minanga Community Health Center, Manado City should include the number of medical devices, valuable objects and printed materials in the notes to the financial report to provide clearer and easier to understand details.
2. This research only focuses on the application of inventory accounting, with the limitation that the researcher does not follow the process of implementing the accounting cycle directly. It is hoped that further research can expand the scope of research to provide further research material that is more comprehensive and interesting.

ADVANCED RESEARCH

This research only focuses on the application of inventory accounting, with the limitation that the researcher does not follow the process of implementing the accounting cycle directly. It is hoped that further research can expand the scope of research to provide further research material that is more comprehensive and interesting.

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