

Internal Control System On Drug Inventory (Case Study At The Domat Anugra Farma Pharmacy In Malang)

Hurin Febriliyanti^{1*}, Syamsul Bahri², Endah Puspitosarie³

^{1,2,3}Department Accounting, Faculty Economic and Business, University of Widyagama Malang, Malang, Indonesia

*Corresponding Author: Hurin Febriliyanti (hurinfoebri@gmail.com)

ABSTRACT

In general, a trading company can be defined as an organization that carries out business activities by buying goods from other parties or companies and then reselling them to the public, in order to get as much profit as possible. It can also be interpreted as a company that requires various types of products or goods that will be sold for consumer purposes without changing the form. Initially, the company first buys various products as needed, maintains its inventory, and distributes the products it has to customers through a buying and selling transaction. From there, trading companies get as much profit as possible, namely from the difference between the selling price and the purchase price of the products that have been sold to consumers. Internal control is an important thing that must be done by an organization so that abuse does not occur. This is intended so that the organization's assets can be protected and prevent fraud from occurring. In addition, this internal control is also intended so that all established rules are implemented by all staff of the organization. One type of control that must be carried out in an organization is control of inventory, because inventory is one of the sources of income. Inventory is one of the current assets that have sufficient risks and need serious management, especially organizations engaged in the pharmaceutical or health sector.

Keywords: Internal Control System, Inventory

INTRODUCTION

A trading company according to (Sujarweni, 2016: 73) is a company whose activities are to purchase goods and then resell the goods without changing the form at a higher price. Trading companies according to (Murti Sumarni) are trading businesses that process resources to become materials to make products that will be distributed to customers who enjoy production output. Trading business is all activities carried out in a continuous manner and act out and get output by selling products carried out in trading companies (Molengraffa). According to Hery (2016: 2) This type of company sells products (finished goods), but the company does not make / produce its own products to be sold but obtains them from other companies. (Dutch East Indies Government) argues that a trading company is an activity in the form of a trading company that will benefit from the buying and selling activities carried out by the trading company. A trading company according to (John M. Echols) is a business in the form of a trading company that will benefit from the activities carried out in the trading company.

In general, a trading company can be defined as an organization that conducts business activities by buying goods from other parties or companies and then reselling them to the public, in order to earn as much profit as possible. It can also be interpreted as a business that needs a variety of products or goods that are sold for customer needs without changing their shape or form. Internal control is an important thing that must be implemented by a group so that no misuse occurs. It is intended so that the group's assets can be protected and prevent fraud. In addition, internal control is made so that all established rules are implemented by all organizational staff (Daos & Angi, 2019). Internal control according to the Committee of Sponsoring Organization (COSO) is divided into five components, namely, the control environment, risk determination, control activities, information and communication, and supervision. So, each group needs to implement internal control so that goals can be achieved.

One type of control that must be carried out in an organization is inventory control, because inventory is one of the sources of income (Makikui et al., 2017). Inventory is an example of current assets that have sufficient risk and need serious processing, especially organizations that run in the pharmaceutical or health sector such as hospitals, health clinics, and health centers (Sirait, 2019). The stock of drugs in organizations in

this field is the most consequential part because drug stock is an aspect that affects the quality of service of a puskesmas (Fajar et al., 2017).

Implementation and internal control measures are what is needed in determining the potential for errors and instability as well as the consequences that occur to the financial statements. With good and regular internal control in processing merchandise inventory, the company leader gets information in the form of reports that are useful for increasing the effectiveness of the company, as well as helping when making decisions for accountability in leading the company.

Along with the times, many small companies come out in an informal form, for example the food business, clothing as well as health (pharmacy). Like this Domat Anugra Farma Pharmacy franchise business. Pharmacy is a place where pharmaceutical activities are carried out, distribution or distribution of pharmaceutical supplies, as well as other health supplies for the community.

Based on the above background, it is necessary to conduct further research in measuring internal control, inventory of goods, at the Domat Anugra Farma Pharmacy in Malang City by taking the title "**Internal Control System for Drug Inventory (Case Study at Domat Anugra Farma Pharmacy Malang City)**".

METHODS

A paradigm is a loose collection of a number of logically related assumptions, concepts or propositions that direct ways of thinking and research (Knipe, 2006). In general, a paradigm is a set of concepts, beliefs, assumptions, values, methods or rules that form the framework for conducting a study.

This research uses qualitative methodology with a descriptive approach. A descriptive approach is an approach that reveals a fact or phenomenon that occurs in the field with an explanation using words. According to Moeloeng (2010) Qualitative research is research that aims to understand the phenomena experienced by research subjects, for example behavior, perceptions, motivations, actions and holistically and using descriptions in the form of words and language in a particularly natural context and by using various scientific methods.

Sugiyono (2017: 2) states that "the research method is a scientific way to obtain valid data with the intention of discovering, developing and proving a special knowledge so that in turn it can be used to understand, solve and anticipate problems". In this study, researchers used a qualitative method with a descriptive approach using existing problems. The data used in this research is primary data

This research applies a qualitative design, namely research whose center of attention depends on general principles used to investigate, discover, or describe an event. According to Creswell (2015: 4) qualitative research is a method for exploring and understanding the meaning that a number of individuals or a group of people ascribe to social or humanitarian problems.

Sugiyono (2017: 249) after the data is reduced, the next step is to display the data. In qualitative research, data presentation can be done in the form of singular descriptions, charts, relationships between categories, flowcharts and so on. According to Miles and Huberman, what is so often used to show data in qualitative research is narrative text.

Sugiyono (2017: 252) initial conclusions are said to be temporary, and will change if strong evidence is not known to encourage the next stage of information collection. But if the conclusions said at the initial stage are driven by valid and consistent evidence when the researcher returns to the field to collect data, so the conclusions put forward are credible conclusions.

RESULTS AND DISCUSSION

This research was conducted at the Domat Anugra Farma Pharmacy, which is one of the many pharmacies in Malang City.... Domat Pharmacy can be said to be one of the old pharmacies or is the first pharmacy in the Bunul area which has been around for approximately 23 years since it was formed. Domat Anugra Farma Pharmacy was established on September 9, 1999 by the Pharmacist in Charge (APJ) as well as the Pharmacy Facility Owner (PSA) of Domat Anugra Farma Pharmacy, namely Mr. Drs. Bambang Sidharta, Apt., MS and was also inaugurated by DAN DOMAT ANUGRA-V-44-14, namely Mr. R Soeharmanto (LETKOL CAM NPR 24909).

Domat Anugra Farma Pharmacy already has an official pharmacy license number, namely with the number (442.SIA/047/35.73.302/2017) and also an official pharmacy practice license number with the number

(446.APT/074.1/35.73.302/2017). Domat Anugra Farma Pharmacy is located on Jl.Hamid Rusdi No. H-23, Bunulrejo, Blimbing District, Malang City, East Java, precisely opposite the Bunul Market in Malang City with a telephone number that can be contacted, namely (0341) 322485.

Domat Anugra Farma Pharmacy Malang City is basically a business entity that trades drugs and medical devices primarily, but Domat Pharmacy also makes a side or has an additional business, namely selling food and drinks aimed at when buyers are waiting for prescriptions and queues so they can wait while drinking or eating cakes. There are also several women's and baby supplies such as (pads, pempers, baby powder, baby soap, perfume, facial cleansers, and many more). Domat Pharmacy also accepts concoctions from doctors but on condition that there must be a doctor's prescription along with an official signature and stamp.

Elements of Internal Control of Drug Inventory at Domat Anugra Farma Pharmacy Malang City:

1. The control environment over how many factors including:

- Determination of Authority and Responsibility has been carried out so that there is already a division of tasks and a work shift schedule that has been arranged in such a way.
- Control is carried out by directly checking transactions and transaction evidence.
- The organizational structure can still be said to be simple, consisting of the Pharmacist in Charge (APJ) as well as the Owner of the Pharmacy Facility (PSA), then under it is made parallel, namely the Pharmacist Assistant (AA), Procurement of Goods, Cashier, Admin, Courier. With the aim of having the same position, it's just that the jobdesk is different according to their respective parts.
- Drugs that are quickly sold (fast move) then the drug supply is also abundant, approximately 30 boxes but with a gradual order process through 3 order processes so that when billing the nominal is not too high.

2. Risk Assessment of drug supplies is carried out in consideration of the expiration time which is overcome by the FIFO method so as to reduce losses due to expired drugs, as well as efforts to sell out common drugs so that no expiration occurs.

The process of transactions and recording transactions is unfortunately still done manually, namely recording with ledgers and price cashers, not using computers so that it still allows writing errors and inaccurate results.

The following is the sequence of the order process:

1. Defax creation (record the items we will buy)
2. Goods arrive.
3. Matching invoices with the aim of whether they are in accordance with the order or not.
4. Pricing of each medicine.
5. The medicine is then placed in each - each according to inventory (ointments, syrups, tablets).

The process of ordering goods to PBF is carried out every day and also the delivery period by PBF is approximately that day the goods have arrived. There are approximately 30 PBFs that cooperate with the Domat Anugra Farma Pharmacy. The period of delivery of goods is (usually the goods ordered by PBF are in Malang City so they will come on that day, but if the goods ordered by PBF are outside the city, the goods will usually come the next day or the day after tomorrow).

The stages of recording drug inventory begin with:

1. When the item is ordered, each order for the item will be written in the daily ledger where the entire order process within a period of 1 day will be recorded in one ledger.
2. Then after recording the daily order, another record will be made separately according to the book on behalf of the PBF.

3. The final separation is done by distinguishing each folder for the next billing schedule and also as an archive.

In the procedure for procuring inventory, the part of making orders or ordering and also receiving goods must be differentiated, because in order not to make mistakes during the ordering process and during the process of receiving goods so that a distinction is made between the part of making orders or ordering and also the part of receiving goods. The drugs ordered have 4 types, namely Regular Drugs, Precursor Drugs, Psychotropic Drugs, Narcotic Drugs, which will be differentiated in the ordering method. All drug ordering activities must use an Order Letter (SP) where there must be a signature from the pharmacist himself and also a pharmacy stamp.

Officially all medicines ordered by the Domat Anugra Farma Pharmacy in Malang City are through Pharmaceutical Wholesalers (PBF) with approximately 30 Pharmaceutical Wholesalers (PBF) in Malang and other cities.

The procurement objectives are:

- Obtaining the necessary drugs at a reasonable cost and good quality.
- Delivery of drugs is maintained on time
- The process runs smoothly without requiring excessive time and effort.
- The availability of drugs with a variety and total sufficient to the needs with maintained quality and can be obtained when needed.

The procurement of drug supplies is in the form of:

1. The Drug Planning and Ordering process is required to use an Order Letter (SP) which is done every day, especially Fast Moving drugs can usually order approximately 30 boxes.
2. In the Ordering Process there must be a contract agreement for the billing deadline / payment period
3. Goods that have arrived after the order process must be signed + stamped by the Pharmaceutical Technical Personnel (TTK)
4. Less than 3 or 6 months usually drugs that are almost Expired (ED) will be selected.

Medicine Inventory Storage Procedure:

1. As the efficiency of the warehouse, the medicine storage is located in the cupboard at the top of the pharmacy as a storage area.
2. A lot of stock is intended for fast moving goods so that there is no running out of goods
3. 3 Storage is categorized into generic drugs, non-generic drugs, over-the-counter drugs, and specifically for narcotic drugs stored under lock and key 4.
4. For stock cards, the goods are in each medicine box to make it easier and less time-consuming when looking for them 5.
5. Stock inventory is adjusted based on purchases from consumers

Drug Inventory Control Procedures:

1. Medicines can still be sold within a period of approximately 3-6 months before the ED / Expired date, for general drugs can be tried to sell so as not to expire (colds, allergies, vitamins, flu, toothache)
2. ED / expired drugs must be destroyed / destroyed but before that it must be recorded first because if it is not recorded it can reduce profits at the end of the profit and loss stock.
3. Psychotropic drugs must be destroyed based on the permission of the health department (by making an official report) which will then be destroyed by the health department. But so far we have tried not to ed
4. If there are ED / Expired drugs in 1 whole box, they can be returned to pbf which will be replaced in the form of money, but provided that the purchase invoice is accompanied (asked to the admin) but if in 1 box there is already a sale, it cannot be returned.
5. Return of ED / Expired drugs, which is around 3 months before the date.
6. Empty drugs have been experienced during covid in 2019 - 2021 due to increased demand for goods and also limited orders. However, PBF still gives equal rations to each pharmacy so that it is equal, but if the goods from the factory are empty, you have to wait and with other alternatives, namely giving drugs with the same content with other brands that are still in stock at pharmacies (such as vitamin C, cough medicine, cold medicine, dizziness medicine, etc.).
7. The impact of drug shortages can be said to be rare because indeed for fast moving drugs will be ordered in large quantities so that there is no empty drug supply. Concocted drugs should not be stored because they are considered to be producing, there are no drugs that are produced by themselves, only in a modified form but with a prescription.

Drug Inventory Billing Procedure:

1. Various billing periods, namely from the date (14, 21, 30, 45) all depend on the time of the order of goods and also each PBF is different.
2. For Payment Flow: recorded in the invoice receipt book every day the medicine arrives> then separated for each PBF> submission of bills> payment> invoices are stored in the folder of each PBF for the next billing schedule.

Payment is usually made in the form of: cash, transfer, giro (depending on each PBF).

CONCLUSION

Based on the results of research on internal control of drug supplies at Domat Anugra Farma Pharmacy Malang City, the researchers concluded that:

1. The implementation of internal control in the drug procurement procedures of the Domat Anugra Farma Pharmacy in Malang City has been going well. Because the procurement of drugs to pharmacies is important in smooth sales. The pharmacy tries to prevent the occurrence of empty or exhausted drugs so that for Fast Moving drugs, a large number of drug orders are made.
2. The implementation of internal control in the procedure for receiving drugs at the Domat Anugra Farma Pharmacy in Malang City has been carried out well. Where checking the type of drug and the total drug ordered and carrying out the equation of the drug with the purchase invoice.
3. The implementation of internal control in the procedure for storing drug supplies at the Domat Anugra Farma Pharmacy in Malang City is adequate. Each drug is separated according to type and also alphabetically.
4. The risk assessment carried out for drug inventory is carried out in consideration of the expiration time of the drug at hand using the FIFO (First In First Out) method. Until it can reduce losses due to expired drugs. Information and communication in writing transactions is still manual not using a computer so the information obtained is not accurate and allows writing errors, but the procedure for writing transactions is quite good.
5. The division of tasks is in order even though the organizational structure can be said to be very simple.
6. Record keeping - records are neatly organized and also separated for each PBF for each map.

REFERENCES

- Sujarweni, V. Wiratna. 2016. Pengantar Akuntansi. Yogyakarta: Pustaka Baru Press.
- Sumarni, Murti dan John Soeprihanto. 2010. Pengantar Bisnis (Dasar-dasar Ekonomi Perusahaan). Edisi ke 5. Yogyakarta: Liberty Yogyakarta
- Molengraaff dalam Abdulkadir Muhammad , 2010., Hukum Perusahaan Indonesia, Bandung: PT Citra Aditya Bakti
- Hery. 2016. Analisa Laporan Keuangan Integrated and Comprehensive Edition. Jakarta: PT Gramedia Widiasarana Indonesia.
- John M. Echols dan Hassan Shadily 1996, "Kamus Inggris Indonesia" Gramedia, Jakarta
- Daos, M., & Angi, Y. F. 2019. Penerapan Sistem Pengendalian Internal Dan Perlakuan Akuntansi Persediaan Barang Dagang Pada Ud. Angkasa Raya Kupang. Jurnal Akuntansi : Transparansi Dan Akuntabilitas, 7(1), 1–14. <https://doi.org/10.35508/jak.v7i1.1298>
- Makikui, L. E., Morasa, J., & Pinatik, S. 2017. Analisis Sistem Pengendalian Internal Atas Pengelolaan Persediaan Berdasarkan Coso Pada Cv. Kombos Tendean Manado. Going Concern : Jurnal Riset Akuntansi, 12(2), 1222– 1232. <https://doi.org/10.32400/gc.12.2.18695.2017>
- Fajar, A., Suprpto, H., & Qonita, A. M. 2017. Sistem Pengendalian Intern (SPI) Terhadap Persediaan Obat Untuk Pasien Badan Penyelenggaraan Jaminan Sosial (BPJS) di UPT Puskesmas Kowel. AKTIVA Jurnal Akuntansi Dan Investasi, 2(2), 116–125.
- Mulyadi. 2017. Sistem Akuntansi. Cetakan Keempat. Jakarta: Salemba Empat.
- Heizer, J., dan B. Render. 2014. Manajemen Operasi. Salemba Empat. Jakarta.
- Knipe, S. 2006. " Research dilemmas: Paradigms methods and methodology " Issues in educational research
- Moleong, Lexy J. 2010, Metodologi penelitian kualitatif, Remaja Rosdakarya, Bandung
- Sugiyono. 2017. Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung : Alfabeta, CV.