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EVALUATION OF THE INTERNAL CONTROL SYSTEM ON THE FUNCTION OF MEDICINE INVENTORY AT THE MOTHER AND CHILDREN'S HOSPITAL X IN MAKASSAR CITY

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Abstract

This research discusses the evaluation of the internal control system for the drug supply function at the X Mother and Child Hospital in Makassar City. The purpose of the research is to find out how the internal control system for the drug inventory function is carried out at RSIA X in Makassar City. This research uses descriptive analysis of the results of in-depth interviews with specified sources, field observations and documentation. The data used is in the form of primary data obtained from interviews and direct observation, secondary data obtained from documents related to drug supplies, acceptance documents, inventory cards, expenditure documents, and organizational structures. The results of this research indicate that RSIA X's internal control of drug supply has not been effective because there are still many things that must be added and reviewed by RSIA X, especially in ordering, receiving and storing medicines.

Keywords: *Internal Control System, Inventory*

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INTRODUCTION

Currently, companies are growing rapidly both in the service sector, manufacturing, and so on. According to Mollengraf, a company is a total of actions carried out continuously, acting outwardly to obtain income, by trading or delivering goods or entering into trade agreements(Andayanie & Baharuddin, 2022). Every company has different goals and the ways to achieve their goals are also different. In achieving its goals, companies also have competitors either from the same sector or even from different sectors (Sari et al., 2023).

One of the companies that we often encounter is hospitals. Hospitals are companies operating in the service sector. Hospitals provide services to the community, which play an important role in improving the level of public health. This sector must continue to improve the quality of services and be able to provide the best, fastest, most accurate, high-quality health services and at relatively affordable costs according to the community's capabilities. In order to meet these demands, hospitals must be able to increase efficiency and effectiveness in all areas of their services and one system that is able to manage this is a logistics management system (Angelica & Demiyati, 2023).

One of the logistics materials managed by the Hospital is pharmaceutical supplies. Inventory is the stock of goods and resources that a company uses to carry out operational and production activities (Ilyas et al., 2023). Usually, at certain times inventory is the largest asset on the balance sheet and is difficult to monetize or realize, so companies tend to keep inventory levels as low as possible (Jacobs & Chase, 2016). These pharmaceutical supplies include medicines and medical devices which are all provided in a service, namely pharmaceutical services. Medicine inventory in a hospital has a very important meaning because medicine inventory is one of the factors that influences the quality of service in a hospital.

Medicine supplies in hospitals are very important because medicine supplies are one of the factors that influence the quality of service in hospitals. Therefore, it is very important for hospitals to implement good drug inventory accounting to help them run their business activities smoothly. Without supplies, hospitals will be faced with the risk of not being able to meet the needs of their users (Indriasari et al., 2023).

Weaknesses in inventory management can result in errors in decision making or the company's ability to fulfill its financial obligations. On the other hand, valuation estimates and working capital that are not small can trigger misuse of inventory. Such as, purchases that do not comply with applicable standards, theft of inventory, or fraud when preparing inventory reports (Zulfikar Yusya Mubarak et al., 2023).

Inventory is highly susceptible to theft and damage. Therefore, internal controls are needed to ensure the availability of medicines and so that warehouse information is more reliable. Warehouse internal control can be carried out with security measures to prevent fraud, damage, theft and other misuse. Fraud in a company can be committed by people other than employees who are responsible for the security of company assets or by employees who are responsible for maintaining the security of company assets.

Internal control as a set of policies and procedures created to protect company assets from irresponsible parties and ensure accounting information is available to the public accurately in accordance with applicable regulatory provisions and management policies. All employees in the company are obliged to obey every existing rule even if this happens, the company is obliged to implement internal controls to verify whether the company's financial and operational activities are carried out in accordance with the company's management SOP. Therefore, good internal control over drug supplies must be implemented by the hospital to ensure smooth running of its operational activities.

Mother and Child Hospital (RSIA) X is one of the health service units in the city of Makassar. This hospital has been operating since 2009. RSIA However, incoming and outgoing supplies of medicines are still not managed well, so research is needed to determine internal control over the function of medicine supplies

METHODOLOGY

The type of research used in this research is qualitative research. According to the book Moleong by Bogdan and Taylor, qualitative methods are research methods that produce descriptive data in the form of written and spoken words from people and observable behavior.

The approach used is descriptive data analysis which aims to collect data obtained from the company, analyze and compare it with theories obtained by researchers from literature studies and then draw conclusions as an answer to the problem formulation in this research. Descriptive data analysis takes problems or raises real problems as they existed during the research carried out to clarify the research object, in this case referring to the internal control system for the function of drug supplies at RSIA X in Makassar City.

RESULTS AND DISCUSSION

Process of Purchasing (Procurement) of Medicines

The process of purchasing medicines to support hospital needs is carried out directly when stocks are seen to have decreased and must be added immediately to avoid running out of medicine stocks. The hospital will also group drugs into 3 categories, namely: fast moving, slow moving, and urgent. This grouping makes it easier for hospitals to know which drugs need to be purchased or re-procured or added to stock first.

Medicine Storage Process

The process of storing medicines is carried out in the warehouse and carried out by the hospital pharmacy warehouse department. Storage is arranged on shelves available in the building and arranged alphabetically. Arranging medicines alphabetically to make it easier when removing medicines from the warehouse. For medicines that are susceptible or cannot tolerate room temperature, they are stored directly in the pharmacy room.

Medicines checks are carried out routinely once a month by the warehouse head. So it is hoped that all employees will play an active role in storing medicine supplies. If there is loss or damage to medicines. If there is loss or damage to medicines, the warehouse department will carry out checks again, starting from checking stock cards, then checking transfers between rooms.

Medicine Dispensing Process

The process of dispensing medicines is carried out based on an order letter from each department that requires these medicines. The order letter is updated every day and the pharmacy department must receive it in the morning so it can be processed on the same day. Then, when the medicine is dispensed, it will automatically update the inventory card in the warehouse. Authorization for the dispensing of medicines is carried out by the head of the installation requiring the medicine and also the head of the pharmacy unit.

Finance Department (Administrative Unit)

In the administration unit there is a finance section which manages all payments for purchasing medical supplies. Payment is made based on the invoice through the relevant bank channel. There are no specific accounting records for drug supplies. Recording of medicine inventory is carried out using inventory cards in the warehouse. The invoices obtained will be used as evaluation when preparing financial plans each year. In controlling all existing activities and transactions in the pharmacy section of RSIA

Assessment of Procedures for Suitability of Implementing Inventory Management

At RSIA However, in some cases the SOP may not be applicable. This is because in some cases or certain situations it will definitely violate the applicable SOP. Therefore, it is necessary to update the SOP periodically and evaluate the applicable SOP. This is because if the SOP is routinely evaluated and revised and prepared by a pharmacy team that also carries out inventory management activities, it will be better.

According to Amalia (2017), if the implementation of inventory management of goods or medicines is carried out using internal controls and in accordance with previously approved SOPs, there will be minimal errors in managing the inventory of goods or medicines. The minimum number of errors will mean that the hospital does not experience losses or only small-scale losses.

Assessment of Procedures and Implementation of Inventory Management to Meet Hospital Needs

The SOP that applies to inventory is divided into 3 parts, namely: fast moving, slow moving and death stock. This means that drugs are treated according to hospital requirements. Based on the results of interviews with sources, it is known that in RSIA X there is an SOP that regulates this so that the hospital's needs are met. The source also said that there had never been a shortage of medicine, only that it almost ran out when Covid hit and there were many patients.

However, drug damage still often occurs because there is no evaluation before recording the RKO so that drugs that are rarely dispensed are bought back in large quantities. This causes losses for RSIA X. Because RKO is used as a drug control and must be evaluated periodically.

CONCLUSION

After conducting research to evaluate internal control over medicine supplies at RSIA There are several things that still need to be improved, such as separation of documents, documents that must be completed, as well as several security tools that need to be added to increase the security of medicine supplies at RSIA -Medicines,

namely pharmaceuticals, although there are still some things that sometimes do not comply with the applicable SOP. Internal control of medicine supplies at RSIA X has met almost all hospital needs. However, there is still a need for development, especially at the evaluation stage at the procurement stage of medical supplies at RSIA X.

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