



Improvement of Internal Control Through Operational Standards for Procedures for Procurement of The Equipment and Services at 'D' Type Hospital in Sumenep District

Hendy Widiastoeti¹, Maulidah Narastri²

^{1,2}Faculty of Economics and Business University of 17 Agustus 1945 Surabaya
Jl Semolowaru No.45, Surabaya, Jawa Timur Indonesia^{1,2}

ARTICLE INFO

Keywords:

Standard Operating Procedures, Internal Control, Islamic Hospitals, Procurement of Goods and Services

E-mail:

hwidiastoeti@gmail.com
maulidah@untag-sby.ac.id

ABSTRACT

The purpose of this study is to contribute to the Islamic Hospital of Garam Sumenep - Kalianget related to standard operating procedures for procurement of goods and services that are not yet owned or already owned but still need improvements. Standard operational procedures for procurement of goods and services are useful for regulating the implementation of the entry and exit of goods and services and to ensure the smooth and clear mechanism of procurement of goods and services. In addition to standard operational procedures, internal control also functions as a tool to assist management with the aim of achieving a more efficient and effective work mechanism. The research method used by researchers is qualitative with a direct observation approach at the Islamic Hospital of Garam Sumenep - Kalianget. The research team hopes that the standard operational procedures for procurement of goods and services created by the research team can help the Islamic Hospital of Sumenep - Kalianget Garam in managing hospital goods and services both in the short and long term.

Copyright © 2021 Enrichment : Journal of Management.
All rights reserved.

1. Introduction

The hospital is a place of hope that many people who have a disease can be cured. The heavy duty of the hospital is to provide everything needed for the patient, to the medical staff so that harmony can be created in the service to the procurement of goods and services. Unfortunately, there are still a number of hospitals that seem to ignore standard operating procedures in various aspects, one of which is the procurement of hospital goods and services. This could have been caused by lack of strict internal control at the hospital. Sometimes, there are still hospitals that have standard operating procedures just for the sake of hospital accreditation. This resulted in documents made regarding the standard operating procedures seem to be in a hurry and did not pay attention to the proper flow.

Sumenep Garam Islamic Hospital - Kalianget as the only Islamic hospital in one district, must have a comprehensive system from staff to procurement of goods and services in order to provide the best service for patients. Hospitals must have standard operating procedures in all fields to create transparency and clarity of flow.

The research team conducted preliminary observations at the Islamic Hospital of Garam Sumenep - Kalianget, from the initial observation the research team found that the Islamic Hospital of Garam Sumenep - Kalianget already had operational standard procedures related to procurement of hospital goods and services but was inadequate and was only used as one of the hospital accreditation supplementary documents only. Standard operational procedures regarding procurement of hospital goods and services are a reference for those in the hospital environment to be able to carry out tasks in accordance with their functions and authorities. The availability of standard operating procedures can also create certainty in the availability of goods and services. standard operating procedures can also minimize errors and irregularities related to the procurement of goods and services.

The rules regarding standard operating procedures refer to government regulation number 54 of 2010 regarding procurement of government goods and services. Points that can be adopted from the regulation are: 1) Procurement of goods / services whose financing is not charged to the APBN / D; 2) Procurement of goods / services whose financing is partially or wholly charged to the APBN / D; 3) Procurement of goods / services partially or wholly financed from foreign loans / grants (PHLN) that are appropriate or not contrary to the guidelines and provisions for the procurement of goods / services from the relevant lender / grant; and 4) Procurement of goods / services for investments whose financing is partly or wholly charged to the APBN / D.

2. Literature Review

2.1 Standard Operating Procedures

According to Atmoko, standard operating procedures are a guideline and reference for carrying out tasks in accordance with the performance appraisal functions and tools, both government and non-government agencies, business entities and non-business entities by taking into account technical, administrative, and procedural benchmarks according to work procedures, work procedures and work systems in the work unit concerned. In general, the purpose of standard operating procedures is to describe in detail the tasks and work carried out repeatedly in an agency or entity. According to Santoso (2014), standard operating procedures consist of seven main points, namely: efficiency, consistency, minimization of errors, problem solving, labor protection, work maps, and defense boundaries. Following are the descriptions of each of the seven: 1) Efficiency. Efficiency is an accuracy, efficiency can be in the form of things related to activities that are expected to be more precise and in accordance with the desired goals and targets; 2) Consistency. Consistency is a decision or activity that does not change and can be calculated correctly. Consistent conditions will facilitate the measurement of profit and loss,



Enrichment: Journal of Management

journal homepage: www.enrichment.iocspublisher.org



as well as marketing regulations, therefore all those involved in it need a high degree of discipline; 3) Error Minimization. Error minimization aims to keep away all mistakes in the work environment. Standard operational procedures become a patent reference for employees in carrying out work activities in a coherent and orderly manner; 4) Problem solving; 5) Conflict in the work environment is inevitable. Standard operational procedures can be a solution in solving problems that exist in the work environment. A clear flow and proper handling contained in standard operational procedures can be a conflict resolution; 6) Labor Protection. Labor protection are definite stages which contain all the rules to protect each resource from potential liability, and various personal problems. Standard operational procedures were created to protect all matters relating to the personal problems of employees as institutional loyalties and employees as individuals individually; 6) Work Map. The work map as a concept map where all activities that have been arranged in such a way can be carried out in a daily activity that is certain. With the existence of standard operational procedures, the work map can become more focused and not widened everywhere; 7) Defense Limits. The defense limit is a preventive measure from all examinations from both the government and related parties and wants an explanation of the work map of an institution. Standard operating procedures can be a fence that can limit everything that is considered to come out of the fence within the standard operational procedures that can be done by external parties.

2.2 Procurement of Goods and Services

According to Christopher and Schooner (2007), procurement of goods and services is a series of activities to obtain goods or services in a transparent, effective and efficient manner in accordance with the needs and desires of its users. Furthermore according to Weele (2010), the procurement of goods and services is an acceptance in the form of goods and services. This can be an advantage that the right goods or services can benefit the buyer's needs if they are available in good quality and quantity, and at the right time and location. According to Budiharjo Hardjowijono and Hayie Muhammad (2008) procurement of goods and services must be based on procurement principles that are practiced in an efficient, effective manner, promoting fair competition, transparency, transparency, non-discrimination and accountability. 1) Efficiency. The principle of efficiency in the procurement of goods and services is to use available resources obtained by goods and services in quantity, quality expected, and obtained in an optimal time; 2) Effective. The principle of effective procurement of goods and services is that the available resources are obtained goods and services that have the highest benefit value; 3) Fair Competition. The principle of fair competition in the procurement of goods and services is competition between potential suppliers of goods and services based on applicable procurement ethics and norms, no fraud and practices of KKN (Corruption, Collusion and Nepotism); 4) Open. The open principle in the procurement of goods and services is to provide opportunities for all competent providers of goods and services to participate in procurement; 5) Transparency. The principle of transparency in the procurement of goods and services is the provision of complete information about the rules of the procurement of goods and services to all prospective providers of interested goods and services and the public; 6) Not discriminatory; The principle of non-discrimination in the procurement of goods and services is the provision of equal treatment to all prospective suppliers of goods and services interested in participating in the procurement of goods and services; 7) Accountability. The principle of accountability in the procurement of goods and services is the responsibility of carrying out the procurement of goods and services to related parties and the public based on the ethics, norms, and provisions of the applicable laws and regulations.

2.3 Standard Operating Procedures for Procurement of Goods and Services

According to Kenedi, et al (2017) the procurement of goods and services such as medical devices is the effort of the hospital's logistics management in meeting the needs of hospitals and users of medical devices to improve the quality of hospital services. According to the hospital management website, there are at least four scopes and stages that the hospital must provide regarding the procurement of goods and services. Namely: first: standard operating procedures regarding the preparation of procurement of goods and services; second, standard operating procedures regarding the process of procuring goods and services that require providers of goods and services; third, standard operational procedures regarding the implementation of procurement of goods and services with self-stores; the fourth standard operational procedure regarding recording and paying off debts.

2.4 Internal Control

According to Mulyadi (2013), internal control encompasses the organizational structure, methods and measures that are coordinated to safeguard the organization's wealth, examine the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies. Furthermore, based on Government Regulation No. 60 of 2008 concerning the Government Internal Control System is a manifestation of the government's commitment to improve the performance, transparency, and accountability of state financial management and clarify the role of internal control listed in Article 47 paragraph 2 of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) held on 1985 aims to provide thoughts related to risk management, internal control, and fraud prevention in financial reporting

2.5 Internal Audit

According to the Decree of the Chairman of BAPEPAM and Financial Institution Number: Kep-496 / BL / 2008, internal audit is an activity of assurance and consultation that is independent and objective, with the aim of increasing value and improving company operations, through a systematic approach, by evaluating and increasing the effectiveness of risk management, control, and corporate governance processes. According to Kuntadi (2009) if internal auditors are of good quality or have a good role, internal control will be better and naturally organizational performance will increase. Soh and Nonna (2011) in their research provide insight into the roles and responsibilities of the internal auditor (IA) as well as the functions and factors deemed necessary to ensure their effectiveness. In carrying out the duties of the internal auditor must refer to the Internal Auditor Standards. These standards are issued by the Institute of Internal Audit (IIA) or known as the Professional Practices Framework (PPF) which includes Professional Internal Audit Standards (SPAI). The role of internal audit is to assist the company in conducting audits for the benefit of management, solve some obstacles in an organization and support management's efforts to build a culture that includes ethics, honesty, and integrity.

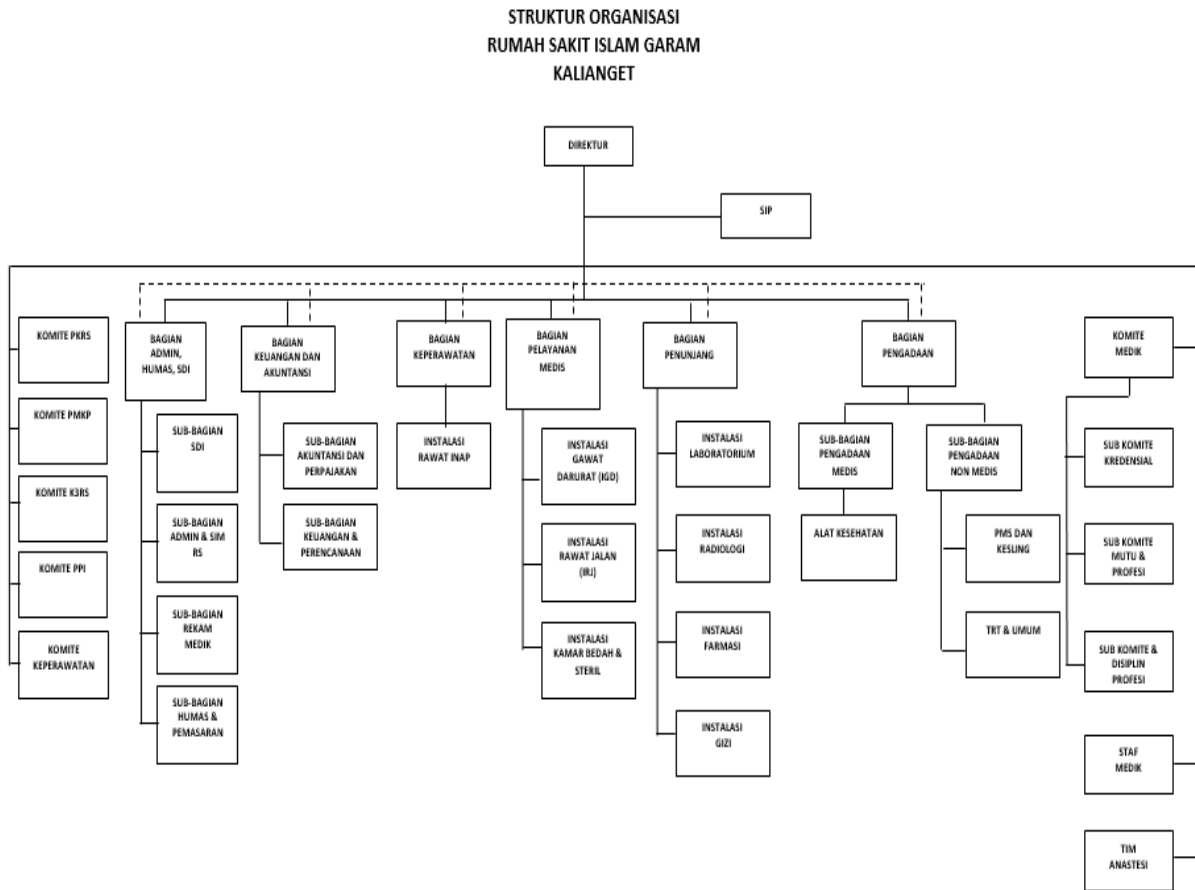



Fig 1. The Proposed Organizational Structure

Table 1.
Standard Operating Procedure

PROCUREMENT OF GOODS AND SERVICES HOSPITAL			
 RSI GARAM KALIANGET SOP	Document number	Revision number	Page 375/3
	Date of issue	Defined: President of RSI Garam Kalianget District of Sumenep <u>dr. Budi Herlambang</u>	
DEFINITION	The process of carrying out the activities of procurement of goods and services of Kalianget Garam Islamic Hospital to support the smooth operation.		
GOAL	As a reference in the steps - steps for the procurement of goods and services in accordance with applicable regulations.		
POLICY	Decree of the Director of Kalianget Garam Islamic Hospital Number. 016 / RSIKG / KEP / A / XII / 2017 concerning General Policy of the Kalianget Garam Islamic Hospital The work unit proposes the procurement of goods / services by filling out the request form to the goods and services procurement department. The procurement of goods and services unit inventory all requests from the work unit and review them. Including separating between medical and non-medical items. Next prepare / complete the proposal file, estimated costs and specifications of the goods needed.		
PROCEDURES	If the amount of the fee is between Rp. 500,000 up to Rp. 10,000,000, - the following provisions: Cost ≤ Rp. 500,000, - then the procurement uses a deposit of supporting funds (LPU) If it costs Rp. 500,000, - ≤ n ≥ 10,000,000, - then the procurement of goods and services makes the proposal of goods / services accompanied by estimated costs, specifications of the types of goods and requests for attachments from the next unit. The submission is submitted to the Director through the financial verifier, ACC forwarded to the Director for the ACC and the financial department (Treasurer) to withdraw funds, and then submit it to the procurement of goods and services for procurement.		



Enrichment: Journal of Management

journal homepage: www.enrichment.iocspublisher.org



RELATED UNIT

After the procurement of goods and services do the procurement, the next step is to make an accountability report to the Treasurer by attaching supporting documents such as payment receipt, minutes of receipt of goods and minutes of delivery of goods to units ordered in accordance with the goods and services ordered

Related Work Unit

Goods and Services Procurement Section

Financial Accounting

Treasurer

3. Research Methods

This type of research used in this study is qualitative with a case study approach at the Garam Sumenep Islamic Hospital - Kalianget. The research team will also conduct field observations for some time to explore information that can be found in the research location. The research team has consideration in choosing the method used. First: the research team has conducted preliminary research and found that the object of research can be observed with a qualitative approach. Second, the research subjects do not need statistical processing numbers with any test equipment because the research theme raised is about the standard operational procedures for procurement of hospital goods and services. Third, field observations are carried out by researchers with the aim of getting deeper information from the research object.

4. Results And Discussion

Preliminary research was conducted to find out whether the Sumenep Garam Islamic Hospital as the object of the study already had a Standard Operating Procedure (SOP) or not. This preliminary research begins by requesting data on work units that need goods and services whether the work unit makes a proposal for requests for goods and services to the Supporting Section as a part or unit of providers of goods and services needed.

The results of this preliminary study are as follows: 1) Work units that require goods and services make requests for goods and services to the Support Section; 2) The Support Section prepares the procurement proposal file, RAB, Form recipient and Estimated Price then sent to the Director; 3) The Director approves the proposal file and is disseminated to the Procurement Team for the process of selecting goods and service providers; 4) After securing suppliers of goods and services, the Procurement Team sends documents to the Support Section to issue a Letter of Appointment for Goods and Services Providers (SPPBJ); 5) Letter of Appointment of Goods and Services Provider (SPPBJ) is signed by the Director to be immediately sent to the Goods and Services Provider; 6) The goods supplier makes a guarantee of implementation, submits the results of the implementation; 7) The Financial Verification Section checks all routine procurement proposal files from the supporting department. If valid, the file shall be forwarded to the Director for approval. If invalid, the proposal file will be reviewed. Based on field observations and secondary data collection, researchers found that there are some parts of the organizational structure that can be revised again considering the old organizational structure does not yet have a medical equipment procurement division. The proposed organizational structure can be seen in Figure 1 in appendix.

5. Conclusion

The conclusion that can be drawn from this preliminary research is the unavailability of Standard Operating Procedures (SOPs) for the provision of adequate goods and services especially for Type "D" Hospitals in Sumenep Regency. Government regulation number 16 of 2018 requires the medical equipment procurement division to support other divisions. The organizational structure that has been used for a long time also still needs improvement in several parts, namely the division of procurement of medical devices and special services for hospitals. The results of secondary data collection and field observations have led researchers to design new organizational structures that have been adapted to hospital needs. The new organizational structure does not actually change as a whole, but there are improvements made in order to become a better organizational structure. The researcher also made the standard design of operational procedures in the future be used in harmony with the improvement of the new organizational structure. Researchers hope, in the future in-depth research can be done with other methods in order to obtain far comprehensive results.

6. References

- [1] Atmoko, T. 2011. Standar Operasional Prosedur (Sop) dan Akuntabilitas Kinerja Instansi Pemerintah. Universitas Padjajaran: Bandung
- [2] Christopher & Schooner. 2007. Incrementalism: Eroding The Impediments To A Global Public procurement Market", Journal of International Law, hal. 529-529
- [3] COSO. 2013. Internal Control — Integrated Framework Executive Summary. Diakses di <https://www.coso.org/Documents/990025p-Executive-Summary-Final-May20.Pdf>. 20 Mei 2019
- [4] Hardjowijono, B & Hayie, M. 2009. Prinsip Dasar Dan Kerangka Hukum Pengadaan Barang/Jasa Pemerintah. Jakarta: Indonesia Procurement Watch
- [5] Kenedi, J. Et al. 2017. Analisis Pengadaan Alat Kesehatan di Rumah Sakit Umum Daerah Padang Pariaman Tahun 2017. Jurnal Kesehatan Andalas. 2018 Vol 7
- [6] Kuntadi, C. 2009. Peningkatan Kapasitas Auditor Internal dalam Pelaksanaan Reviu atas Laporan Keuangan. Majalah Dwiwulanan Bpk-Rino. 119/Agustus-September 2009/Tahun XXVIII
- [7] Ludfa F. et al. 2017. The Effect of Internal Control Factors on The Accountability of The Auditor at The Inspectorate of Jombang District. Jurnal Dinamika Akuntansi. Vol 9, No. 2, September 2017, hal. 166-175. P-ISSN 2085-4277. E-ISSN 2502-6224



Enrichment: Journal of Management

journal homepage: www.enrichment.iocspublisher.org



- [8] Manajemen Rumah Sakit. Manajemenrumahsakit.Net/Wp-Content/.../7.-Prosedur-Pengadaan-Barang-Dan-Jasa.Doc. Diakses 20 Mei 2019
- [9] Meikhati, E. et al. 2015. Peranan Audit Internal dan Pencegahan Fraud dalam Menunjang Efektivitas Pengendalian Internal Studi Kasus pada Yayasan Internusa Surakarta. *Jurnal Paradigma* Vol 13, No. 01, Februari-Juli 2015 hal. 77-91 ISSN 1693-0827
- [10] Mulyadi. 2013. *Sistem Akuntansi*. Jakarta: Salemba Empat. Hal 164
- [11] Peraturan Pemerintah Nomor 54 Tahun 2010 Mengenai Pengadaan Barang dan Jasa Pemerintah
- [12] Peraturan Pemerintah No. 60 Tahun 2008 Mengenai Sistem Pengendalian Intern Pemerintah
- [13] Santosa, J.K. 2014. *Lebih Memahami SOP*. Surabaya: Kata Pena.
- [14] Soh, Dominic S.B., et al. 2011. The Internal Audit Function: Perceptions of Internal Audit Roles, Effectiveness and Evaluation. *Managerial Auditing Journal*, Vol. 26 ISSN: 7, 605 –622.
- [15] Surat Keputusan Ketua BAPEPAM dan Lembaga Keuangan Nomor: Kep-496/BI/2008 Tentang Pembentukan dan Pedoman Penyusunan Piagam Unit Audit Internal.