ABSTRACT

As a manufacturing company in the time of fierce competition, it is important for a company to perform the best performance possible. One of the ways to ensure this is by implementing good internal control over the company's inventory to ensure that goods sold by the company is in best quality and condition. This is especially significant in PT Kelola Mina Laut as an agro-industry business that sells its frozen seafood product in many countries around the world. Objectives of internal inventory control are safeguarding the inventory, proper reporting, and compliance to laws and regulations. These are also the purposes of an internal audit unit.

The scope of this research is limited into evaluating the compliance to laws and regulations. Based on that, the aims of this research is to observe the inventory internal control activities implemented by the internal audit unit of PT Kelola Mina Laut and evaluate whether the activities are in compliance with applicable regulations or not. The research uses observation of the company activities and documentations and analyzed the compliance by comparison evaluation of theories and standards with the implementation.

The research concludes that internal audit in PT Kelola Mina Laut has been implemented well and in compliance with standard regulations. While there are audit findings, these findings are mostly minor and manageable. All findings reported are followed by suggestions and recommendations and are monitored regularly.

Keywords: Internal Audit Compliance, Inventory Internal Control, Internal Audit Evaluation