

## ABSTRACT

An effective internal control can provide assurance to company's goals and objectives to achieve efficiency and effectiveness and to give value added to company. As of state-owned enterprise, PT. PG. Rajawali I must have an internal audit unit which function is as the internal control agent of the company. The existence of Internal Audit Unit (IAU) is a must for state-owned enterprise to assist the Directors to maintain the internal control and to give recommendations to management as counterpart, in order to create efficiency and effectiveness to company's operational activities.

This research reviews the Internal Audit Unit (IAU) PT. PG. Rajawali I effectiveness in 2010. Author used 11 IAU effectiveness indicators based on "*Pedoman Penilaian Efektivitas Satuan Pengawasan Intern BUMN/BUMD*" to assess effectiveness based on internal auditor's perspectives. And author also derives perspectives from auditees, Director and External Auditor to get opinion about IAU PT. PG. Rajawali I.

The result from assessment, it shows that from 11 indicators above, IAU PT. PG. Rajawali I effectiveness got the mark 80% with predicate "effective". From the assessment based on auditee's perspectives, IAU PT. PG. Rajawali I get mark 70.3 which is "moderate effective". There are some aspects that IAU PT. PG. Rajawali I need to improve and evaluate to get better effectiveness to support their function as internal control. Those aspects are external and internal review for quality control and coordination with external auditor.

Keywords: Internal Audit Unit, Effectiveness, Internal Control