

ABSTRACT

Internal control is needed in every company to ensure that the company runs smooth, effective, and efficient. The internal control is assessed by internal audit who made sure that the system in the company is running effectively and efficiently, furthermore complies with any law and regulations. This research is conducted to evaluate the effectiveness of internal auditor in PT. X, especially in their purchasing management. In evaluating the effectiveness, the researcher interviewed the internal auditors and collects secondary data from PT. X. After conducting the research, researcher found that both the purchasing management and internal auditor is not effective enough. The purchasing management did meet almost all the requirement, procedure, and standard for effective management, but some fraud has been found in the purchasing management. On the other hand, the internal auditor did not meet some of the guidelines, procedure, and reporting format. It needs improvement in terms of objective, planning and audit report. With all the analysis that has been done, it can be concluded that the purchasing management and the internal auditor needs improvement in order to perform better, so that the effectiveness and efficiency can be achieved.

Keywords: internal auditor, internal control, effective, evaluation, purchasing management.