

TABLE OF CONTENTS

Title Page.....	i
Validation Sheet.....	ii
Thesis Originality Declaration.....	iv
Acknowledgement.....	v
Abstract.....	viii
Table of Contents.....	ix
List of Tables.....	xv
List of Figures.....	xvi
Appendix.....	xvii
 CHAPTER 1: INTRODUCTION	
1.1 Research Background.....	1
1.2 Research Problem.....	7
1.3 Research Objectives.....	7
1.4 Research Contribution.....	8
1.5 Research Framework.....	8
 CHAPTER 2: LITERATURE REVIEW	
2.1 Auditing.....	10

2.1.1 Internal Control.....	10
2.1.1.1 COSO Internal Controls Framework.....	12
2.1.1.2 Defining Scopes and Objectives of Internal Audit.....	19
2.1.1.3 Limitations of Internal Control.....	21
2.1.2 Definition.....	21
2.1.3 Internal Audit.....	22
2.1.4 Types of Auditor.....	22
2.2 The Role of Internal Auditor.....	23
2.2.1 Differences Between Internal Auditor and External Auditor.....	25
2.2.2 Standar Professional Internal Audit (SPAI).....	26
2.2.3 Attribute Standards.....	26
2.2.4 Performance Standards.....	28
2.3 Audit Implementation.....	30
2.4 Corporation.....	36
2.4.1 Corporation's Definition.....	36
2.4.2 Organizational Structure.....	37
2.4.3 Accountability in an Organization Structure.....	40

2.4.4 The role of board directors.....	40
2.5 Purchasing Management.....	41
2.5.1 Purchasing Management Definition.....	41
2.5.2 Purchasing Management Function.....	42
2.5.3 Job and Responsibilities of Purchasing Management.....	43
2.5.4 Inventory Control Methods.....	44
2.5.5 Purchasing Procedures.....	45
2.6 Previous Research.....	46
2.7 Conceptual Framework.....	50
CHAPTER 3: RESEARCH METHODOLOGY	
3.1 Research Design.....	51
3.2 Research Scope.....	52
3.3 Data Types and Sources.....	53
3.4 Data Collection Method.....	53
3.5 Data Analysis.....	54
CHAPTER 4: RESULT AND DISCUSSION	
4.1 Organization Overview.....	56

4.1.1 Brief Organization History.....	56
4.1.2 Vision and Mision.....	57
4.1.3 Organizational Structure.....	58
4.1.4 Internal Audit Organization Structure.....	59
4.2 Research Result Description.....	59
4.2.1 Purchasing Management.....	59
4.2.2 Purchasing Management Method.....	60
4.2.3 Purchasing Management Performance.....	60
4.2.4 Function, Jobs, Responsibilites, and Authorities of Internal Audit.....	61
4.2.5 Guidelines for Conducting Internl Audit.....	63
4.2.6 Scope and Objectives of Internal Audit.....	64
4.2.7 Internal Audit Planning.....	64
4.2.8 Internal Audit Implementation.....	64
4.2.8.1 Implementation Procedures.....	64
4.2.8.2 Implementation.....	66
4.2.8.3 Internal Audit Reporting.....	66
4.3 Discussion.....	68

4.3.1 Purchasing Management Method.....	69
4.3.2 Purchasing Management Report.....	69
4.3.3 Function, Jobs, Responsibilities, and Authorities of Internal Audit.....	70
4.3.4 Internal Audit Guidelines.....	72
4.3.5 Internal Audit Planning.....	73
4.3.5.1 Internal Audit Planning Phase.....	74
4.3.5.2 Internal Audit Preliminary Survey.....	75
4.3.6 Planning Audit Program.....	75
4.3.7 Internal Audit Implementation.....	77
4.3.8 Internal Audit Report.....	78
4.4 Performance Assessment.....	81
4.5 Researcher's Limitations.....	82
 CHAPTER 5: CONCLUSION AND RECOMMENDATIONS	
5.1 Conclusion.....	83
5.2 Recommendations.....	83
5.3 Implications.....	85
Bibliography.....	

Appendix.....



LIST OF TABLES

Table 4.1	:Evaluation of function, jobs, responsibilities, and authorities.....	70
Table 4.2	: Evaluation of internal audit guidelines.....	72
Table 4.3	: Evaluation of Internal Audit Report.....	79



LIST OF FIGURES

Figure 2.1	: COSO Internal Control Framework.....	12
Figure 2.2	: COSO Pyramid Internal Control Framework.....	18
Figure 2.3	: Functional Structure.....	38
Figure 2.4	: Divisional Structure.....	39
Figure 2.5	: Matrix Structure.....	40
Figure 2.6	: Conceptual Framework.....	50
Figure 4.1	: PT. X Intenal Audit Structure.....	58
Figure 4.2	: Internal Audit Organization Structure.....	59

APPENDIX

Appendix 1 : Surat Keterangan Penelitian

Appendix 2 : Preliminary Survey

Appendix 3 : Internal Audit Procedure

Appendix 4 : Interview with Internal Auditor

Appendix 5 : Internal Audit Planning

Appendix 6 : Internal Audit Program

Appendix 7 : Audit Findings

Appendix 8 : Internal Audit Report

