Abstract

Objectives
This thesis aims to evaluate internal control system over raw material purchasing, production process and delivery to customers in PT. ILUVA GRAVURE INDUSTRY and propose recommendations to improve the existing system.

Methods
Through field research, author seeks for strengths and weaknesses in the internal control system over raw material purchasing, production process, and delivery to customers in the Company. This is done through interviews with employees from several departments and by direct observations regarding purchasing, production, and delivery procedures at both factory and headquarter. Author also performs library research by reading materials that related to the topic.

Results
The result is that the Company has weaknesses regarding proper segregation of duty, which resulted in the existence of dual-functioning of personnel. Another weakness is regarding the forms used in the Company as they are not pre-numbered which may lead to human error and misuse by the personnel.

Conclusion
In conclusion, Company has to establish a new function to avoid dual-functioning of personnel, issue a formal Standard Operating Procedures, and provide forms that are pre-numbered to avoid any misuse by employees.

Key words: Internal control, purchasing, production, delivery, manufacturing industry.
PREFACE

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Author

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