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The Factors that Influence Audit Delay

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ABSTRACT

The purpose of this study was to determine the effect of profitability, firm size, audit opinion, auditor turnover, complexity, auditor reputation and board of directors size on audit delay. The research method uses quantitative methods. The research design consisted of descriptive design and causal design. The sampling technique used purposive sampling with a total sample of 49 manufacturing companies listed on the IDX in 2017-2021, where the sample data was 245 sample data with sample data that passed the outlier test as many as 228 sample data. Analysis of data using Multiple Linear Regression analysis with SPSS Version 24 program. The results of partial hypothesis testing show that profitability, firm size, audit opinion and auditor turnover have a negative effect on audit delay, auditor complexity and reputation have a positive effect on audit delay, and the size of the board of directors has no effect on audit delay.

Keywords: The Factors, Influence

INTRODUCTION

Financial reports are the end result of the accounting process which is information material for users such as investors, creditors, management and other users to make decisions. Financial statements also act as accountability that has been audited as well as being an indicator of a company's success. Users of financial statements need financial reports that are accurate and timely in making decisions. Delays in submitting information can lead to negative reactions from capital market players. Timely delivery of financial reports to the public is very important to maintain the relevance of information in financial reports. Due to unintentional delays in the delivery of financial reports, the information generated in the financial reports will lose the ability to influence user decisions (Abdillah, Muhammad Rifqi., 2019)

Companies listed on the Indonesia Stock Exchange (IDX) are required to submit financial reports in accordance with financial accounting standards and have been audited by independent auditors in a timely manner so that the information obtained is understandable, reliable, relevant and comparable for users of financial statements. (Annisa, 2018) Based on the regulation of the Financial Services Authority (OJK) No.29/POJK04/2016 concerning Annual Reports of Issuers or Public Companies and referring to provision II.6.3 of IDX Regulation Number I-H concerning sanctions, every issuer or public company is required to submit an annual report to the Financial Services Authority at the latest. no later than 90 days after the financial year ends. Audit delay that has passed the time specified by the OJK will be subject to sanctions in accordance with the provisions of article 19, namely giving administrative sanctions. The decision update is intended to provide faster and more accurate information to report users regarding the condition of the company. In addition, the Indonesian capital market can keep abreast of global capital market developments. However, even though the rules and sanctions have been set, there are still some companies that violate them.

Based on research data, it is known that there are still companies that are late in submitting audited financial reports which are presented in the following table:

Table 1. List of Companies Late in Submitting Audit Report On the Indonesia Stock Exchange 2017-2021

Year	Number of Companies
2017	18
2018	17
2019	10
2020	10
2021	9

Source : www.idx.com, 2021

Based on Table 1, it is known that there are still some companies that are late in submitting financial statements that have been audited by auditors registered on the Indonesia Stock Exchange from 2017-2021. It was recorded that in 2017 there were 18 companies that were late in submitting audit reports, in 2018 there were 17 companies that were late in submitting audit reports, in 2019 there were 10 companies, in 2020 there were 10 companies that were late in submitting audit reports, and in 2021 there were as many as 9 companies that were late in submitting audit reports. Companies that are late in reporting

audit reports include manufacturing companies, of which there were 2 companies in 2017, namely PT. Tiga Pilar Sejahtera Food, Tbk and PT. Eterindo Wahatama, Tbk, in 2018 there were 1 manufacturing company, namely PT. Eterindo Wahatama Tbk, in 2019 and 2020 there will be 1 company, namely PT. Tiga Pilar Sejahtera Food Tbk, and in 2021 there will be 1 manufacturing company that is late in submitting financial reports, namely PT. Eterindo Wahatama.

The phenomenon of late submission of audited financial reports reflects that there are still companies that do not comply with the Financial Services Authority (OJK) regulation No. 29/POJK04/2016 concerning Annual Reports of Issuers or Public Companies which require every issuer or public company to submit an annual report to Financial Services Authority no later than 90 days after the end of the financial year. This can have an adverse effect on companies that are late in submitting audited financial reports each year in the form of imposing sanctions in accordance with these regulations, in the form of suspension of trading in shares of related companies.

Delays in submitting an audit report to a company have adverse effects, such as a temporary suspension of stock trading by the IDX. This makes related companies unable to obtain capital input from equity from the company's stock trading activities. In addition, the delay in submitting audit reports is also detrimental to the users of audited financial statements from related companies, especially investors and the public at large who are related to making investment decisions in these companies. There are many factors that can affect audit delay, such as profitability, company size, auditor opinion, auditor turnover, company complexity, company reputation, and board size of directors.

Basically, this research is a replica and modification of research that has been conducted by (Handoyo, 2019) entitled "Determinants of Audit Report Lag of Financial Statements in the Banking Sector" to analyze the factors that influence Audit Report Lag or Audit delay. In the research by (Handoyo, 2019) using a sample of issuers whose shares were actively traded on the IDX in the 2015-2017 period with the variables profitability, auditor opinion, auditor turnover, complexity, company reputation and board size influencing audit delay. This research uses secondary data from 2015-2017 companies in the banking sector using a purposive sampling method, namely to determine the companies as samples according to research needs. The differences in this study with previous studies are found in the research object, the observation period, and the addition of the independent variables. The author adds a variable company size to this study because company size affects audit delay, when the size of the company is larger, the audit delay is shorter because it has a good internal control system. In this study the authors used a sample of manufacturing companies listed on the Indonesia Stock Exchange in 2017-2021. Based on the problems previously described and the existence of research gaps, the authors are interested in conducting more in-depth research which is then compiled in the form of a thesis research entitled "The Factors that Influence Audit Delay" (Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange in 2017-2021).

METHOD

This type of research is quantitative research. (Sugiyono, 2018) stated that quantitative research is research that uses its research methods to examine certain populations or samples,

data collection uses research instruments, data analysis is quantitative or statistical with the aim of testing research hypotheses

Population and Sample

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. The sample in this study was taken by purposive sampling technique, namely sampling based on the subjective considerations of the researcher, where the requirements of the criteria must be met as a whole so that they can be used as research samples and a total of 49 manufacturing companies were obtained.

Research Variables and Measurements

The dependent variable (fixed variable) in this study is audit delay (variable Y). Audit delay is the length of time it takes to complete audit activities on the annual financial statements, measured by the time interval between the closing date of December 31 to the date of the independent auditor's report recorded in the financial statements presented by the auditor (Handoyo, 2019).

The independent variables (independent variables) in this study consisted of 7 independent variables which included:

1. Profitability (Variable X1)
   Profitability is measured using the ratio of return on assets (ROA), which is a ratio to assess management's ability to generate profit or profit from the total assets of the company used.
2. Firm Size (X2 Variable)
   In this study, company size is seen from the large number of assets owned by the company (Lestari and Nuryatno, 2018). Proxy with the natural logarithm of total assets.
3. Auditor Opinion (Variable X3)
   The measurement of this variable uses a dummy variable, where an audit report with an unqualified opinion (WTP) provided by a Public Accounting Firm (KAP) is given a value of 1, while an unqualified opinion with explanatory language is reasonable with exceptions (qualified), unqualified opinion (adverse), and statement of not giving an opinion (disclaimer) are given a value of 0.
4. Auditors Turnover (Variable X4)
   The measurement of this variable uses a dummy variable, where companies that change auditors during the study period are given a value of 1 and those that do not change auditors are given a value of 0.
5. Complexity (Variable X5)
   The measurement of this variable uses a dummy variable, where companies that do not have subsidiaries are given a value of 0, and companies that have subsidiaries are given a value of 1.
6. Auditor Reputation (Variable X6)
   The measurement of this variable uses a dummy variable, where companies audited by Big Four KAPs are given a score of 1, and companies audited by Non Big Four KAPs are given a score of 0.
7. Size of the Board of Directors (Variable X7)
   The measurement of this variable is done by counting the number of members of the board of directors in the sample companies.

Data analysis technique

(Sugiyono, 2018) states that in quantitative research, the data analysis techniques used are clear, namely directed to answer the problem formulation or test the hypotheses that have been formulated in a study. Data analysis in this study was carried out using multiple linear regression analysis with the SPSS version 24 statistical program.

Research Model

Based on the description of the theory and previous research journals, this research model explains the relationship, in this case the effect of the independent variable (X) on the fixed variable (Y) which is presented in the following figure:

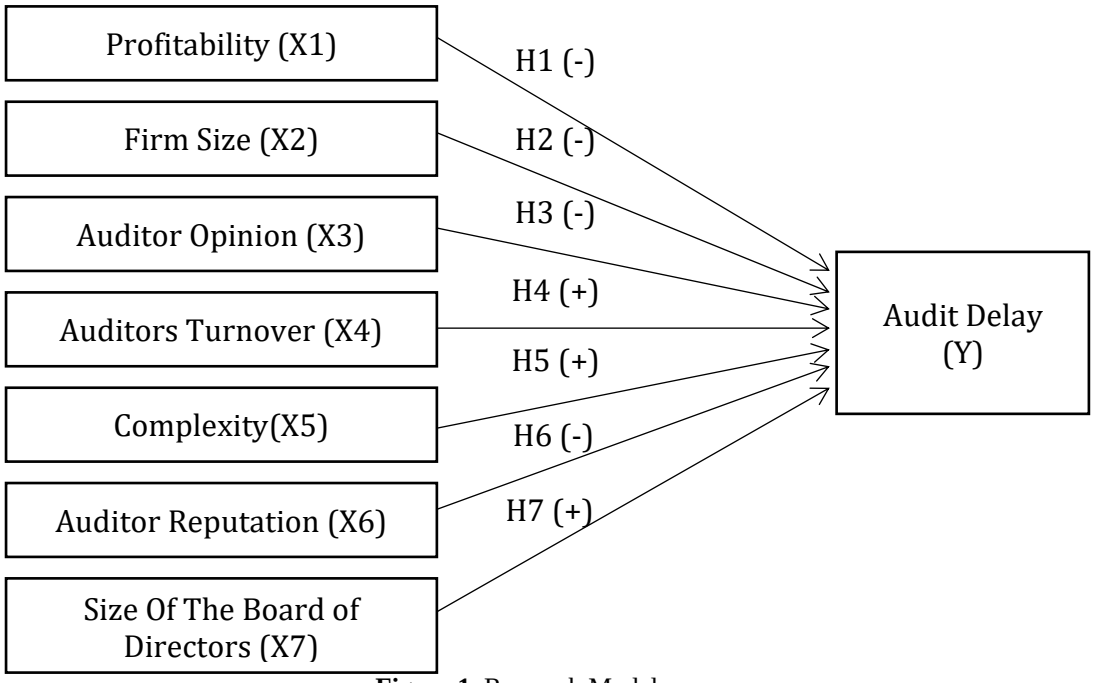

Figure 1. Research Model

Source : (Handoyo, 2019), (Khoufi, 2018)

RESULT AND DISCUSSION

The initial data of this study were 245 sample data (from the multiplication of the number of sample companies as many as 49 companies with an observation period of 5 years) then reduced by the sample data that did not pass outlier data with a total of 17 sample data, because it obtained a standardized value (z-score) sample data > -3 and > 3 so it must be handled by deleting sample data (Ghozali & Ratmono, 2017). Thus, the sample data in this study amounted to 228 sample data used for further statistical data analysis.

Research Variable Descriptive Statistics

The results of the descriptive statistical analysis of further research variables are presented in the following table:

Table 2. Descriptive Statistics of Research Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Delay (Y)	228	50	118	78.78	10.739
Profitability (X1)	228	.02	31.70	7.4252	6.44733
Firm Size (X2)	228	23.89	33.49	28.7931	1.77089
Audit Opinion (X3)	228	0	1	.75	.436
Turn Over of Auditors (X4)	228	0	1	.11	.308
Complexity (X5)	228	0	1	.76	.429
Auditor Reputation (X6)	228	0	1	.44	.497
Size of the Board Directors (X7)	228	2	13	5.73	2.363
Valid N (listwise)	228				

Source: SPSS Output Version 24

Based on Table 2, the following conclusions can be drawn:

1. Audit delay proxied by the number of days needed by the auditor, in this case the Public Accounting Firm (KAP) in auditing the annual report to releasing the audit report on the manufacturing company which is the research sample obtains an average value (mean) of 78.78. The average audit delay value indicates the length of time the audit delay does not exceed the specified time limit, which is 90 days.
2. Profitability proxied by return on assets (ROA) in the manufacturing companies that are the research sample obtains an average value (mean) of 7.42
3. Firm size (size) is proxied by the natural logarithm of total assets in the manufacturing companies that are the research sample, obtaining an average value (mean) of 28.79
4. Audit opinion on the annual financial statements that have been audited by the auditor, in this case the Public Accounting Firm (KAP) in the manufacturing company that is the sample of the study obtains an average value (mean) of 0.75
5. Turnover of auditors proxied by companies that change auditor services, in this case the change of Public Accountant Offices (KAP) in manufacturing companies that are the research sample obtains an average value (mean) of 0.11
6. The complexity of companies that are proxied by companies that have subsidiaries in manufacturing companies that are the research sample obtains an average value (mean) of 0.76
7. Auditor reputation is proxied by the category of auditors who are classified as Big Four KAPs and Non Big Four KAPs in manufacturing companies that are the study sample obtaining an average value (mean) of 0.44
8. Size Of The Board of Directors The measurement of this variable is done by counting the number of members of the board of directors in the company that are the study sample obtaining an average value (mean) of 5.73

Data analysis

Classic assumption test

Normality Test

Used to determine whether in the regression model, the residual value of the regression has a normal distribution (Santoso1 et al., 2021) The data normality test uses the One Sample Kolmogorov Smirnov test. The results of the data normality test before the data outliers are presented in the following table:

Table 3. Normality Test Before Outlier

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	245
Kolmogorov-Smirnov Z	1.895
Asymp. Sig. (2-tailed)	.002

a. Test distribution is Normal.
b. Calculated from data.

Source: SPSS Output Version 24

Based on Table 3, it is known that the value of Asym.Sig. (2-tailed) of 0.002 <alpha (0.05), then the research data is declared not normally distributed. Because the data is not normally distributed, action or treatment is taken by using outlier data.

Based on the results of the outlier test, it is known that the sample data does not pass the outlier data with a total of 17 sample data, where the issuer or sample data obtains standardized value (z-score) sample data > -3 and > 3 so that it must be handled by deleting data the sample (Ghozali & Ratmono, 2017). Thus, the sample data in this study after the outlier data were 228 sample data which were used for the next data analysis stage. The results of the data normality test after the outlier data are presented in the following table:

Table 4. Normality Test After Outliers

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	228
Kolmogorov-Smirnov Z	1.105
Asymp. Sig. (2-tailed)	.174

a. Test distribution is Normal.
b. Calculated from data.

Source: SPSS Output Version 24

Based on Table 4, it is known that after carrying out the outlier data, the Asym.Sig value is obtained. (2-tailed) of 0.174 > alpha (0.05), then the research data is declared normally distributed.

Multicollinearity Test

The multicollinearity test was used to determine whether the regression model found a correlation between the independent variables. The results of the multicollinearity test in the research model are presented in the following table:

Table 5. Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitability (X1)	.850	1.177
	Firm Size (X2)	.462	2.164
	Audit Opinion (X3)	.910	1.098
	Auditor Turn Over (X4)	.933	1.072

Complexity (X5)	.817	1.224
Auditor Reputation (X6)	.629	1.590
Board Of Directors (X7)	.514	1.944

a. Dependent Variable: Audit Delay (Y)

Source: SPSS Output Version 24

Based on Table 5, it is known that the VIF (Variance Inflation Factors) value on the profitability variable is 1,177, the company size variable is 2,164, the auditor's opinion variable is 1,098, the auditor turnover variable is 1,072, the complexity variable is 1,224, the auditor's reputation variable is 1,590, and the size variable board of directors of 1,944. If the VIF value of each variable is between 1 – 10, it can be concluded that the research model is declared free of multicollinearity symptoms.

Heteroscedasticity Test

Heteroscedasticity symptoms arise due to the unequal residual variance from one observation to another. Heteroscedasticity test criteria if the significance value is > alpha (0.05) then the data or model is free from heteroscedasticity symptoms (Ghozali & Ratmono, 2017). The results of the data heteroscedasticity test in the research model using the Park test are presented in the following table:

Tabel 6. Uji Heteroskedastisitas

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.512	2.488		-1.010	.315
	Profitability (X1)	.003	.023	.015	.143	.887
	Firm Size (X2)	.142	.095	.193	1.495	.138
	Audit Opinion (X3)	.140	.288	.048	.486	.628
	Auditor Turnover (X4)	-.415	.364	-.112	-1.138	.257
	Complexity (X5)	-.334	.295	-.117	-1.132	.260
	Auditor Reputation(X6)	.108	.284	.045	.380	.704
	Board Of Directors (X7)	-.002	.065	-.004	-.031	.975

a. Dependent Variable: LN_Residual

Source : SPSS Output Version 24

Based on Table 6, it is known that the significance value of the profitability variable is 0.887, company size is 0.138, auditor opinion is 0.628, auditor turnover is 0.257, complexity is 0.260, auditor reputation is 0.704, and board size is 0.975. If each independent variable obtains significance > alpha (0.05), then it is concluded that the research model is symptom-free of heteroscedasticity.

Autocorrelation Test

To determine whether there are autocorrelation symptoms in the model, serial correlation testing is carried out using the Durbin Watson method. The results of the data autocorrelation test in this research model are presented in the following table:

Table 7. Autocorrelation Test

Model Summary[b]

Model	Durbin-Watson
1	1.897[a]

a. Predictors: (Constant), Size of Board Directors (X7), Audit Opinion (X3), Profitability (X1), Auditors Turn over (X4), Complexity (X5), Auditor Reputation (X6), Firm Size (X2)

b. Dependent Variable: Audit Delay (Y)

Source: SPSS Output Version 24

Based on Table 7, it is known that the Durbin Watson (DW) value is 1.897a, the dL criterion value is 1.695, the dU value is 1.841. the 4-dU value (4 - 1.841) is 2.159, and the 4-dL value (4 - 1.695) is 2.305. If the DW value is in the category "1.841 (dU) < 1.897 (DW) < 2.159 (4-dU), then it is concluded that the research data "no autocorrelation".

Model Goodness Test (Goodness of Fitness)

The goodness-of-fit test of the model or goodness of fit is a test of suitability or goodness-of-fit between certain observation results with the frequency obtained based on the expected value. The model goodness test has the following indicators.

Simultaneous Significance Test

Simultaneous significance test is used to determine whether there is influence of the independent variables on the fixed variables simultaneously. A good research model if all the independent variables affect the fixed variables simultaneously. Test criteria by comparing significant with alpha (0.05). If sig < alpha (0.05), then H0 is rejected and Ha is accepted and vice versa (Ghozali, 2016: 107). The results of the simultaneous significance test are presented in the following table:

Table 8. Simultaneous Significance Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6940.970	7	991.567	11.339	.000[b]
	Residual	19238.065	220	87.446		
	Total	26179.035	227			

a. Dependent Variable: Audit Delay (Y)

b. Predictors: (Constant), Size of Board Directors (X7), Audit Opinion (X3), Profitability (X1), Auditors Turn over (X4), Complexity (X5), Auditor Reputation (X6), Firm Size (X2)

Source : SPSS Output Version 24

Based on Table 8, it is known that the Fcount value is 11.339 and a significant value of 0.000. it is known if the significance value (0.000) < alpha (0.05) then H0 is rejected and Ha is accepted. This means that there is an effect of profitability, company size, auditor opinion, auditor turnover, complexity, auditor reputation, and board size on audit delay simultaneously. Then the research model fulfills the goodness of fit feasibility.

Test the Coefficient of Determination

The coefficient of determination is used to measure the model's ability to explain variations in the dependent variable. The coefficient of determination is known from the

Adjusted R Square value of the statistical test output (Ghozali, 2016:97). The results of the test for the coefficient of determination on the model are presented in the following table:

Table 9. Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.515[a]	.265	.242	9.351

a. Predictors: (Constant), Size of Board Directors (X7), Audit Opinion (X3), Profitability (X1), Auditors Turn over (X4), Complexity (X5), Auditor Reputation (X6), Firm Size (X2)

Source: SPSS Output Version 24

Based on Table 9, it is known that the Adjusted R Square value is 0.242. This shows that the variation in the audit delay variable can be explained by 24.2% by the variables of profitability, company size, audit opinion, auditor turnover, complexity, auditor reputation and board size while the remaining 76.8% is explained by other variables not examined.

Linear Regression Analysis

Multiple linear regression analysis is used to predict the value of the variable regression coefficient of the research model, namely audit delay (variable Y), profitability (variable X1), firm size (variable X2), auditor opinion (variable X3), auditor turnover (variable X4), complexity (variable X5), reputation of the auditor (variable X6) and size of the board of directors (variable X7) as the basis for compiling the mathematical equation of the research model. In addition, multiple linear regression analysis is also used to determine the significance value of the variable as the basis for testing the hypothesis.

The results of multiple linear regression analysis are presented in the following table:

Table 10. Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	156.628	13.250		11.821	.000
	Profitability (X1)	-.293	.104	-.176	-2.808	.005
	Firm Size (X2)	-2.809	.516	-.463	-5.447	.000
	Audit Opinion (X3)	-6.495	1.490	-.264	-4.358	.000
	Auditor Turn Over (X4)	-.186	2.089	-.005	-.089	.929
	Complexity (X5)	9.511	1.601	.380	5.940	.000
	Audit Reputation (X6)	3.575	1.574	.166	2.271	.024
	Board Of Directors Size (X7)	.224	.366	.049	.611	.542

a. Dependent Variable: Audit Delay (Y)

Source: SPSS Output Version 24

Based on Table 10, the mathematical equation of the research model is:

AD = 156.628 - 0.293 P - 2.809 FS - 6.495 AO - 0.186 AT + 9.511 C + 3.575 AR + 0.224 BDS + 9.351 e

Information :

AD = Audit Delay (Variable Y)
α = Constant
β = Regression coefficient of independent variables
P = Profitability (Variable X1)
FS = Firm Size (X2 Variable)
AO = Auditor Opinion (Variable X3)
AT = Auditor Turnover (Variable X4)
C = Complexity (Variable X5)
AR = Auditor Reputation (Variable X6)
BDS = Board of Directors Size (Variable X7)
e = Errors

Hypothesis Testing Results

Test the hypothesis using the t test (partial test) which is used to determine whether there is influence of the independent variables on the fixed variables individually. In this study, the hypotheses tested included the first hypothesis (H1) to the seventh hypothesis (H7). The summary of the results of hypothesis testing using the t test is presented in the following table:

Table 11. Summary of t test results (partial test)

Hipotesis	B	Sig		α	Keputusan	Keterangan
Hypotesis 1 Profitability (X1) → Audit Delay (Y)	-0.293	0.005	≤	0.05	Ha Accepted	There is Influence
Hypotesis 2 Firm Size (X2) → Audit Delay (Y)	-2.809	0.000	≤	0.05	Ha Accepted	There is Influence
Hypotesis 3 Audit Opinion (X3) → Audit Delay (Y)	-6.495	0.000	≤	0.05	Ha Accepted	There is Influence
Hypotesis 4 Auditor Turnover (X4) → Audit Delay(Y)	-0.186	0.929	≥	0.05	Ha Accepted	No Influence
Hypotesis 5 Complexity (X5) → Audit Delay (Y)	9.511	0.000	≤	0.05	Ha Accepted	There is Influence
Hypotesis 6 Auditor Reputation (X6) → Audit Delay(Y)	3.575	0.024	≤	0.05	Ha Accepted	There is Influence
Hypotesis 7 Board Of Directon Size (X7) → Audit Delay(Y)	0.224	0.542	≥	0.05	Ha Accepted	No Influence

DISCUSSION

Effect of Profitability on Audit Delay

Based on Table 11, it is known that the profitability variable has a significance value of 0.005. If the significance value is 0.005 < alpha (0.05), then H0 is rejected and Ha is accepted, where the regression coefficient (β) of the profitability variable has a negative sign, meaning that profitability has a negative effect on audit delay. So the first hypothesis (H1) proposed by the researcher is proven to be accepted. This shows that companies with high profitability underlie the company's management to release audited company financial statements more quickly before the specified time limit expires or the shorter the audit delay time required as an effort to provide a signal in the form of positive news (good news) and strategy. aggressively in order to attract investment interest from investors in the stock market.

Effect of Company Size on Audit Delay

Based on Table 11, it is known that the company size variable has a significance value of 0.000. If the significance value is 0.000 <alpha (0.05), then H0 is rejected and Ha is accepted, where the regression coefficient (β) of the firm size variable has a negative sign, meaning that firm size has a negative effect on audit delay. So the second hypothesis (H2) proposed by the researcher is proven to be accepted. This shows that companies with a large scale because they have large total assets take action to more quickly release the company's financial statements that have been audited by the auditor or the shorter the audit delay time needed as an effort to provide a signal in the form of positive news (good news) related to the size of the ownership. company assets that indicate better company growth prospects in order to attract investment interest from investors in the stock market as well as to minimize pressure from external parties who closely monitor the development of large companies by releasing audit reports more quickly before the specified deadline expires.

Effect of Auditor Opinion on Audit Delay

Based on Table 11, it is known that the auditor's opinion variable has a significance of 0.000. If the significance is 0.000 < alpha (0.05), then H0 is rejected and Ha is accepted, where the regression coefficient (β) of the auditor's opinion variable has a negative sign, meaning that the auditor's opinion has a negative effect on audit delay. So the third hypothesis (H3) proposed by the researcher is proven to be accepted. This indicates that a company that has received a qualified opinion or Unqualified Opinion (WTP) will take action to release the company's financial statements that have been audited by the auditor more quickly or the shorter the audit delay time required as an effort to provide a signal in the form of positive news.) and an aggressive strategy in order to attract investment interest from investors in the stock market.

Effect of Auditor Change on Audit Delay

Based on Table 11, it is known that the auditor turnover variable has a significance of 0.929. If the significance is 0.929 > alpha (0.05), then H0 is accepted and Ha is rejected, meaning that the change of auditor has no effect on audit delay. So the fourth hypothesis (H4) proposed by the researcher was rejected. This shows that companies that change auditors, in this case the Public Accounting Firm (KAP), which was originally a Non-Big Four KAP category, became a Big Four KAP or changed one Big Four KAP to another Big Four KAP, based more on the reasons for changing auditors in accordance with the rules. valid (mandatory) because it has met the time limit, namely 3 years so that the KAP acting as a substitute prioritizes in carrying out its auditing duties guided by the specified length of day limit, namely 90 days to release audit reports to the public

Effect of Complexity on Audit Delay

Based on Table 11, it is known that the complexity variable has a significance of 0.000. If the significance is 0.000 < alpha (0.05), then H0 is rejected and Ha is accepted, where the variable regression coefficient (β) of the complexity variable has a positive sign, meaning that complexity has a positive effect on audit delay. So the fifth hypothesis (H5) proposed by the researcher is proven to be accepted. This shows that companies that have high complexity because they have subsidiaries take longer to release company financial statements that have been audited by the auditor, in this case the Public Accounting Firm (KAP) or the longer the audit delay due to the complexity of transactions and consolidated

reports between companies and subsidiaries need to be audited one by one to obtain optimal audit results

Effect of Auditor Reputation on Audit Delay

Based on Table 11, it is known that the auditor's reputation variable has a significance of 0.024. If the significance is 0.024 < alpha (0.05), then H0 is rejected and Ha is accepted, where the variable regression coefficient (β) of the auditor's reputation variable has a positive sign, meaning that the auditor's reputation has a positive effect on audit delay. Recognizing that there are differences in the sign of the influence of the variables, where the sign in the proposed hypothesis is negative, while the sign of influence on the results of the hypothesis obtained is positive, the sixth hypothesis (H6) proposed by the researcher is proven to be rejected. This shows that companies that use the services of reputable external auditors, namely Public Accounting Firms (KAP) in the Big Four KAP category, tend to be careful in their work and prioritize auditing by referring to the specified day length limit, which is 90 days to release a report. audit to the public to provide the best audit results to maintain the auditor's reputation in the eyes of the public and investors.

The Effect of Board of Directors Size on Audit Delay

Based on Table 11, it is known that the variable size of the board of directors has a significance of 0.542. If the significance is 0.542 > alpha (0.05), then H0 is accepted and Ha is rejected, meaning that the size of the board of directors has no effect on audit delay. So the seventh hypothesis (H7) proposed by the researcher was rejected. This shows that companies that have a large or small number of boards of directors do not directly affect the auditor's performance in carrying out their duties to audit the company's annual financial statements, considering that the board of directors has a task focus on monitoring internal management policies and functions and maintaining the quality of information in audited financial reports. will be released to the public so that it does not matter how long it takes for the auditor to release the audit report as long as it does not exceed the specified time limit, namely 90 days.

IMPLICATIONS

The results of partial hypothesis testing show that profitability, firm size, audit opinion and auditor turnover have a negative effect on audit delay, auditor complexity and reputation have a positive effect on audit delay, and the size of the board of directors has no effect on audit delay.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out on the problem, the following conclusions can be drawn:

Profitability has a negative effect on audit delay. Company size has a negative effect on audit delay. Auditor's opinion has a negative effect on audit delay. Auditor change has no effect on audit delay. Complexity has a positive effect on audit delay. Auditor reputation has a positive effect on audit delay. The size of the board of directors has no effect on audit delay.

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