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Company Size, Profitability, and Auditor Opinion Influence to Audit Report Lag on Registered Manufacturing Company in Indonesia Stock Exchange

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Abstract: This study aims to test empirically the influence of company size, profitability, and auditor opinion on audit report lag on manufacturing companies listed on the Indonesia Stock Exchange in 2013-2016. Population in research used is a manufacturing company listed in Indonesia Stock Exchange year 2013-2016. The technique of collecting samples using purposive sampling that produces 66 samples of the company. Statistical analysis using multiple linear regression. The results of this study indicate that the size of the company affect the audit report lag, the level of corporate profitability influence audit report lag and auditor opinion affect the audit report lag. Also simultaneously, firm size, profitability and auditor opinion affect the audit report lag.

Keywords: Company size, profitability, auditor opinion, and audit report lag.

1. INTRODUCTION

Stock Exchange activities in Indonesia are growing rapidly, one of which has an impact on increasing demand for auditing financial reports effectively and efficiently. The rapid development of companies that go public, the higher the demand for the audit of financial statements that become sources of information for investors. Companies going public are required to submit financial statements prepared in accordance with Financial Accounting Standards that have been audited by public accountants. The financial statements describe the financial position and business results of a company at a certain time or period. The financial statements should be able to meet the desires of the users or readers of financial statements. The Financial Statement must meet the qualitative characteristics of the financial statements that have been determined by the Indonesian Institute of Accountants. The Basic Framework for the Preparation and Presentation of Financial Statements, must meet four qualitative characteristics that are characteristic of financial statement information useful to the wearer. These four characteristics are understandable, relevant, reliable and comparable (Indonesian Institute of Accountants, 2014).

Regulation of the Capital Market and Financial Institution Supervisory Agency Number. X.K.2, Enclosure of Decision of the Chairman of Capital Market and Financial Institution Supervisory Agency Number: Kep/346/BL/2011 on Obligation to Submit Periodical Financial Statements. The Capital Market and Financial Institution Supervisory Agency obligates every public company listed in Capital Market to submit annual financial report accompanied by independent auditor's report to Capital Market Supervisory Agency and Financial Institution no later than the end of third month (90 days) after the date of annual financial report . If the regulation is violated, it will be sanctioned. Sanctions may include warnings, administrative sanctions, and fine sanctions..

Regulation of the Capital Market and Financial Institution Supervisory Board where the publicly listed company is required to submit the financial statements has been audited by a public accountant registered with the Capital Market and Financial Institution Supervisory Agency. In addition, on August 1, 2012, the Capital Market and Financial Institution Supervisory Board has made improvements with the attachment of the Letter of Decision of the Chairman of the Capital Market and Financial Institution Supervisory Agency Number: KEP 431/BL/2012 concerning Submission of Annual Issuer or Public Company Report stating that Any public company listed on the Indonesia Stock Exchange must submit annual reports to the Capital Market Supervisory Agency and Financial Institutions not later than 4 (four) months after the end of the financial year

Data on the Capital Market and Financial Institution Supervisory Agency where the number of issuers who are not timely in delivering the Financial Statement is quite high. From 2004 to 2006, it increased from 67 issuers to 170 issuers. Submission of the company's financial statements that go public from 2008 until the year 2016 fluctuated and tend to decrease from year to year.

The delay in sifting these financial statements could have a negative impact on market reaction and stock prices of publicly listed companies. The higher the delay in the delivery of financial statements, the more relevant the financial statement the higher the confidence level of the contents of the Financial Report. The length of time for the completion of an audit measured from the date of the closing of the fiscal year or the end of the fiscal year to the date of the issuance of the audited financial statements is called an audit report lag (Soetedjo, 2006). The longer the auditor completes the audit work, the audit report lag the company go public higher. Whenever the auditor extends the audit period by delaying the completion of the audit of the financial statements for some reason, due to the compliance of the standards to improve the quality of audits by the auditor which ultimately requires a longer time

Constraints in the presentation of financial statements to the public is the financial statements should be audited first by public accountants. Auditing standards governed by the Board of Professional Standards of Certified Public Accountants of Indonesia, one of which is the standard of fieldwork audits such as the need for recording of activities to be undertaken, adequate understanding of internal controls, collection of evidence obtained through inspection, observation, inquiry, and Confirmation, leading to an audit process that complies with the standards requires a longer audit time. The audit completion timeframe may affect the timeliness of the information being published. Aryaningsih, (2013) Financial statements that are said to be accurate when presented in a timely manner when required by users of financial statements such as investors, creditors, communities, governments, or others as the basis for decision-making.

The size of a company can be defined as a scale which can be classified as a small company by various means, among others stated in total assets, stock market value, and others (Setiawan, 2013). In the study Modugu *et al.* (2012), explained that the total assets reflect how much wealth owned by a company and

reflects the size of the company. Puspitasari (2014), stated that the assets owned by the company have a negative impact on audit delay, where this influence is indicated by the greater the value of a company's assets the shorter the audit delay. In line with Puspitasari (2014), research conducted by Rachmawati (2008), also stated that large company size has shorter audit delay when compared to companies that have smaller size because large companies tend to pay higher audit fees.

Profitability shows the company's success in generating profit, therefore profit is good news for the company (Mellyana and Astuti, 2005). Profitability usually seen from the company's income statement, because in the income statement the company can show the performance of a company. Estrini and Laksito (2013), Setiawan (2013), stated that profitability has an effect on audit delay. This statement is supported by research by Rachmawati (2008), which explains that firms with higher profitability levels need time in auditing financial statements more quickly due to the necessity to deliver the good news quickly to the public; they also argue that auditors who face companies that experience Losses have a tendency to be more cautious in performing the auditing process.

A good audit opinion should argue that audited financial statements are in accordance with the provisions of financial accounting standards and there is no material deviation that may affect the decision making (Kusumawardani, 2013). Audit opinion is also used as a basis for consideration of decision making by the users of financial statements both external parties and internal parties (Giwang, 2014). Destina (2011), Ferdianto (2011), and Purnamasari (2012), stated that auditor opinion has an effect on audit delay. Their statement can be seen that the longer audit delay experienced by the company with the opinion of a qualified opinion, this phenomenon occurs due to the process of giving a qualified opinion or fair opinion with the exception involving the negotiation with the client, consultation with a more senior audit partner and the extent of the audit scope (Whittred, 1980). In contrast to research Lestari (2010), Kartika (2011), and Parameswari (2012), stated auditor opinion does not affect audit delay. This can be due to the opinion obtained by the company does not affect the process of auditing financial statements

Knechel and Payne (2001) divide the three components of audit report lag, including scheduling lag, fieldwork lag, and reporting lag. Scheduling lag is the time difference between the end of the company's fiscal year or the balance sheet date with the commencement of field auditor work. Fieldwork lag is the time difference between commencement of field work and completion. Reporting lag is the difference between the time of completion of field work and the date of the auditor's report. Scheduling lag indicates that the audit report lag period is influenced by management. Fieldwork lag and reporting lag indicate that the auditor is responsible for conducting the fieldwork process and as the maker of the audit report which leads to an audit report lag.

Azizah and Kumalasari (2012), found that simultaneously profitability, debt ratio, firm size, and type of industry have a significant effect on audit report lag. Partially, profitability and firm size variables significantly influence audit report lag, while debt ratio variable and industry type have no effect on audit report lag.

Sistya Rachmawati (2008) conducted a research on manufacturing companies listed on the Jakarta Stock Exchange results showed variable profitability, solvency, internal auditors, company size and the size of Public Accounting Firm against audit report lag. Siwy (2012) uses sample manufacturing companies and trading companies listed on the Indonesia Stock Exchange in 2008-2010. This research uses firm size factor, profitability, audit opinion, KAP size, and Public Accounting move result of research result that

profitability variable and audit opinion have an effect on audit report lag, while for company size variable, KAP size and KAP movement have no effect to Audit report lag.

Subekti and Widiyanti (2004) stated that late announcement of earnings impacted negative abnormal returns while faster earnings announcement had an impact on positive abnormal returns. While Iskandar and Trisnawati (2010), the length of time for completion of audit time (Audit Report Lag) will affect the timeliness in publication report information.

Afify (2009) states that the audit report lag is the period of completion of the audit starting from the closing date of the book of the company until the date stated in the audit report. The existence of audit report lag resulted in the delayed publication of financial statements. The delay in the publication of financial statements may reflect a problem with the company's financial condition. The auditor is required to slow down the publication of the financial statements if the company incurs losses, while the company reporting the high profit will ask the auditor to speed up the publication of the financial statements.

According to Imam Subekti and Novi Wulandari (2004), the implementation of audits that are more in line with the standards take longer, otherwise it is incompatible with the shorter standards of time required. Ahmad and Kamarudin (2002) stated that

“Audit report lag is the length of time from a company's fiscal year end to the date of the auditor's report”.

The length of time the completion of the audit may affect the timeliness of the information To be published so that it impacts the market reaction to information delays and affects the degree of uncertainty of decisions based on published information

Lianto and Kusuma, (2010) where the results indicate that profitability, solvency, and age of the company affect the audit report lag, while the size of the company and the type of industry has no effect on audit report lag.

2. REVIEW LITERATURE

2.1. Compliance Theory

Stanley Milgram (1963) states obedience is the motivation of a person, group or organization to do or not to do something with the rules that have been established. Rahmawati (2012) argues that an individual is inclined to obey the laws they consider to be in accordance with their internal norms, normative commitment through personal morality means obeying the law because the law is deemed necessary, while normative commitment through legitimacy means obeying the rules because the law's regulation has the right To dictate behavior. In addition, the regulations of the Capital Market and Financial Institution Supervisory Agency Number KEP-431/BL/2012 where the demand for compliance of public companies against the timeliness of financial statement submission. The regulation requires the submission of annual reports by Issuers or Public Companies whose registration statements have become effective must submit annual reports to Bapepam and Financial Statements within 4 (four) months after the end of the financial year

2.2. Agency Theory

Jensen and Meckling (1976) stated that the theoretical basis used to explain the relationship between the owner and the principal has the authority to make decisions with the management that manages the company's

wealth and prepares the financial statements. In the audit process, agency theory explains the relationship between management (principal) and the independent auditor (agent). In an agency relationship there is a contract in which case one or more persons (management or principal) order another person (an independent auditor or agent) to perform a service on behalf of the principal and provide input in economic decision making. The audit report lag is closely related to agency theory whereby a company may ask the auditor to check further on the company's long-term liabilities and profitability that play an important role in the financial statements. This further investigation takes more time and will affect audit report lag.

2.3. Capital Structure Theory

Modigliani and Miller Theory (MM theory) is the theory that the capital structure is irrelevant or does not affect the value of the company. MM proposed several assumptions to build their theory (Brigham and Houston, 2001), namely:

1. No agency cost,
2. No tax,
3. Investors can borrow at the same interest rate as the company,
4. Investors have the same information as management about future prospects,
5. No bankruptcy costs,
6. Earning Before Interest and Taxes (EBIT) are not affected by the use of debt,
7. Investors are price takers, and
8. In the event of bankruptcy, assets can be sold at market value.

In capital structure theory it has been concluded that the financing mix can affect firm value. Sawir (2004) various analytical tools used in the selection of capital structure that can minimize the cost of capital, so that the value of the company to be maximum. Besides Sawir (2004) the purpose of capital structure management is to create a permanent source of funds in such a way as to be able to maximize stock prices and for the purpose of financial management to maximize the value of the company is achieved. A determination of optimal level of financial leverage or optimal funding composition by minimizing the cost of company capital is equivalent to Maximizing the market value of the company (Sawir, 2004: 43). One way to maximize the market value of a company is to slow the likelihood of an audit report lag. Large companies that have large capital of course use it to structuring a good internal control system so as to reduce the level of error in the presentation of financial statements of the company so as to facilitate auditors in auditing financial statements and with large financial resources can be used to pay the audit fee is greater In order to get a faster audit service.

2.4. Company Size

The size of the company shows the size of a company. Indicators seen from several points of view such as total asset value, total sales, total employment, subsidiaries, and so on. The size of the company is also affected by variable operational complexity and the intensity of sales transactions. Company size using total assets refers to the research of Lianto and Budi (2010), Iskandar and Estralita (2010), Puspitasari and

Anggraeni (2012), and Dibia and Onwuchekwa (2013). Company size is measured by the natural logarithm of the company's total assets per year (Banimahd, *et al.*, 2012).

2.5. Profitability

Profitability is the net result of various policies and decisions made by companies (Brigham and Houston, 2006), where this ratio is used as a gauge of the company's ability to make a profit. Thus the measurement of a company's profitability shows the level of management effectiveness as a whole and indirectly long-term investors will be very concerned with this analysis. Profitability ratios are a group of ratios that show the combined influence of liquidity, asset management, and debt on operating results (Brigham and Houston, 2006). Kurniawan (2007) The ratio commonly used to measure and compare profitability performance is gross profit margin, operating profit margin, net profit margin, Return on Equity and Return on Assets. In addition, Christine (2012) states to be able to assess the level of profitability of the company so it can be used net profit before tax (EBIT) High profitability affect the long or fast delivery of financial statements such as research that has been done by Sulisty (2010), Rachmawati (2008), Siwy (2012), Azizah and Kumalasari (2012) and Surbakti (2009) stating that profitability affects the audit report lag

2.6. Auditor's Opinion

The audit report is a formal tool used by the auditor in communicating the conclusions about the audited financial statements to the parties concerned. Auditor opinion is very important for companies or other parties who need the results of audited financial statements. The auditor may choose the type of opinion to be expressed on the audited financial statements.

There are five types of audit report opinion published by the auditor (Mulyadi 2002: 20-22):

1. Unqualified Opinion Unqualified opinion is given by the auditor if there are no restrictions within the scope of the audit and there are exceptions Significance of fairness and acceptance of accounting principles generally accepted in the preparation of financial statements, consistency of the applicability of the accepted general accounting principles, and adequate disclosure in the financial statements;
2. Unqualified Opinion report with Explanatory Language (Unqualified Opinion Report with Explanatory Language), this opinion is given when the audit has been implemented or has been in accordance with auditing standards. The presentation of financial statements in accordance with generally accepted accounting principles, but there are certain circumstances which require the auditor to add an explanatory paragraph (explanation) to the audit report, although it does not affect the unqualified opinion of the financial statements;
3. Fair with a Qualified Opinion, the Auditor provides reasonable opinions with the exception of the audit report if The scope of the audit is limited by the client, the auditor is unable to perform important audit procedures or can not obtain important information due to conditions that are beyond the power of the client or auditor, the financial statements are not prepared on accounting principles generally accepted in the preparation of the financial statements are not consistently established;

4. An adverse opinion (Opinion), an unreasonable opinion is the opposite of an unqualified opinion. The accountant provides an unfair opinion if the client's financial statements are not prepared in accordance with generally acceptable accounting principles so as not to adequately present the financial position, results of operations, changes in equity, and cash flows of the client company;
5. Disclaimer of opinion.

2.7. Audit Lag

Indriyani and Supriyati (2012) stated that Audit report lag is the period of completion of annual financial statement audit measured by the length of days required to obtain independent auditor's report on the company's annual financial report from the date of the closing of the company's book which is December 31 until the date stamped on the report Independent auditor. Audit report lag results in reduced quality of information content contained in the financial statements thus affecting the degree of uncertainty of decisions based on published information.

Meanwhile, according to Setyahadi (2012), the length of time of completion of audit commencing from the closing date of the book year until the date of issuance of audit report is called audit report lag or audit delay. Setyorini (2008) also revealed that audit delay is defined as the time difference between the end of the fiscal year and the date of issuance of the audit report. According to Iskandar and Trisnawati (2010), the length of time for completion of audit time (Audit Report Lag) will affect the timeliness in the publication of audited financial statement information. Meanwhile, according to Wiwik (2006) and Kartika, (2011) argued that the delay in publication of financial statements is very detrimental to investors because it can increase the asymmetry of information on the market, insider trading, and raises rumors that make the market becomes uncertain. Audit report lag may affect the accuracy of the publication of information and it affects the level of uncertainty of decisions taken based on published information.

Setyorini (2008) also revealed that audit delay is defined as the time difference between the end of the fiscal year and the date of issuance of the audit report. Iskandar and Trisnawati (2010), the length of time for completion of Audit Report Lag will affect the timeliness in the publication of report information

3. RESEARCH METHODS

This study explains the effect of company size, company profitability and auditor's opinion on audit report lag of manufacturing sector companies listed on Indonesia stock exchange. The data source used entirely is a secondary data source, with the type of data is data in the form of audited financial statements of the companies studied. In this research, writer use SPSS application as program to analyze data.

This study explains the relationship between variables with hypothesis testing, and quantitative approach. This research is descriptive quantitative research which is emphasis on the theory test through measurement of research variables with numbers and perform data analysis with statistical procedure.

The population used in this study are 135 manufacturing companies listed on the Indonesia Stock Exchange in 2013-2016. Selection of sample using purposive sampling chosen based on criteria,

1. Manufacturing company listed on Indonesia Stock Exchange from year 2013-2016,

2. Company consecutively listed in Indonesia Stock Exchange in year 2013-2016 and company
3. Companies issuing their financial statements in rupiah currency for the period ended December 31 and audited by auditors from 2013-2016, and
4. Companies that generate profits consistently throughout the year 2013-2016 and has been audited by auditors from 2013-2016 Data collection in this research is done by some method of downloading data from Indonesia Stock Exchange website and company website.

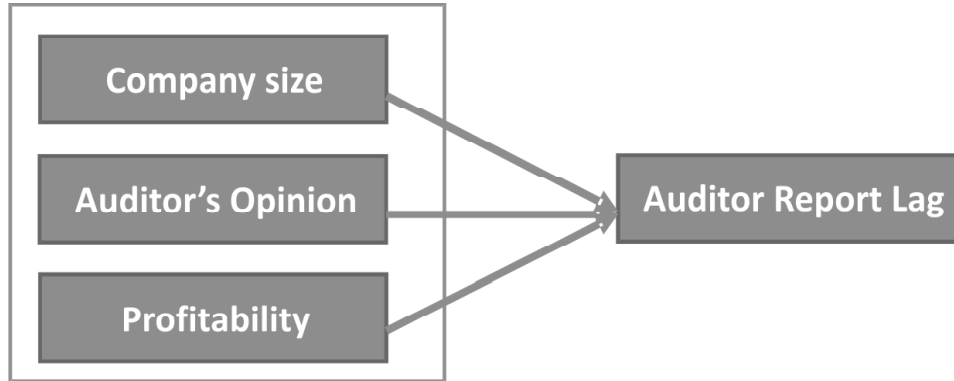


Figure 1: Research Model

3.1. Description of Research Data

The research data used is a manufacturing company listed on the Indonesia Stock Exchange during the period 2013-2016. Criteria considered in the sampling of this study can be seen in table 1.

Based on the criteria that have been determined by using purposive sampling method, then the selection process sampling, then the sample selection process obtained 66 manufacturing companies listed on the Indonesia Stock Exchange during the year 2013-2016 sampled

Table 1
Procedure and Results of Sample Selection Company

No.	Information	Year 2013-2016
1	Companies listed on the Indonesia Stock Exchange and entered into groups of manufacturing companies from 2013-2016	137
2	Companies listed on the Stock Exchange and inconsistently include audited financial statements from 2013-2016	(11)
3	Companies issued during the year 2013-2016	(2)
4	Companies that publish their financial statements are not in Indonesian currency during 2013-2016	(24)
5	Companies that do not generate profits consistently during 2013-2016	(34)
	Number of Sample	66
	Number of observations (66X3)	198

Source: Data processed, 2017.

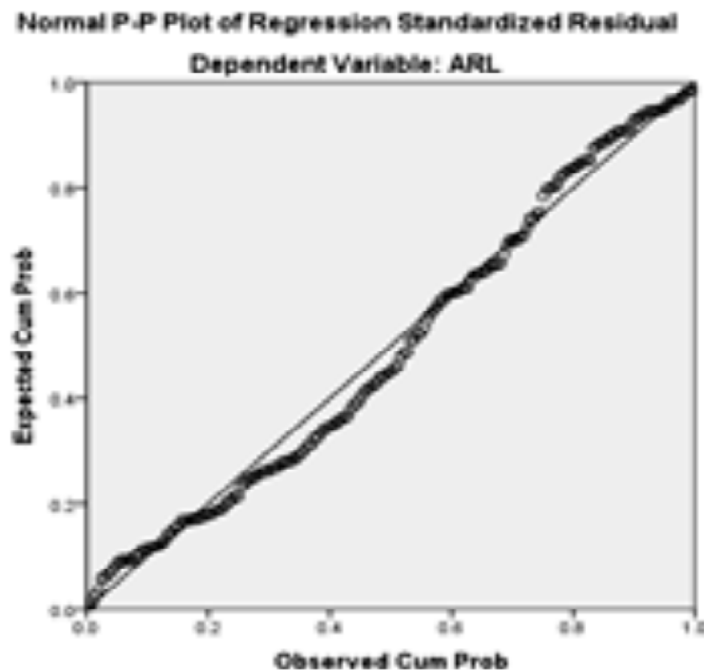


Figure 2: Normality Test

Source: Data processed, 2017.

3.2. Classic Assumption Test Results

3.2.1. Normality Test

The result of normality test with Kolmogorov Smirnov Test shows that the level of significance is 0.052 above or > 0.05 . Thus the residual values are normally distributed so that the research model is stated to have satisfied the normality assumption, where the spots appear to spread around the diagonal line and the distribution is somewhat close to the diagonal line so it can be concluded that the data in the regression model is normally distributed.

3.2.2. Multicollinearity Test

In a good regression model there should be no correlation between independent variables (Ghozali, 2016: 103). The result of Tolerance value indicates that there is no independent variable having Tolerance value less than 0.10 which means there is no correlation between independent variables. The result of Variance Inflation Factor (VIF) calculation also shows the same thing there is not one independent variable having $VIF > 10$. So it can be concluded that there is no Multicollinearity between independent variables with the regression model.

3.2.3. Heteroscedasticity Test

Heteroskedasticity tests were used to determine whether the residues in the regression model were heterogeneous or homogeneous. Based on the scatter chart above plot can be concluded that the regression model is not constrained Heteroskedasticity, because scatter diagram does not form a certain pattern.

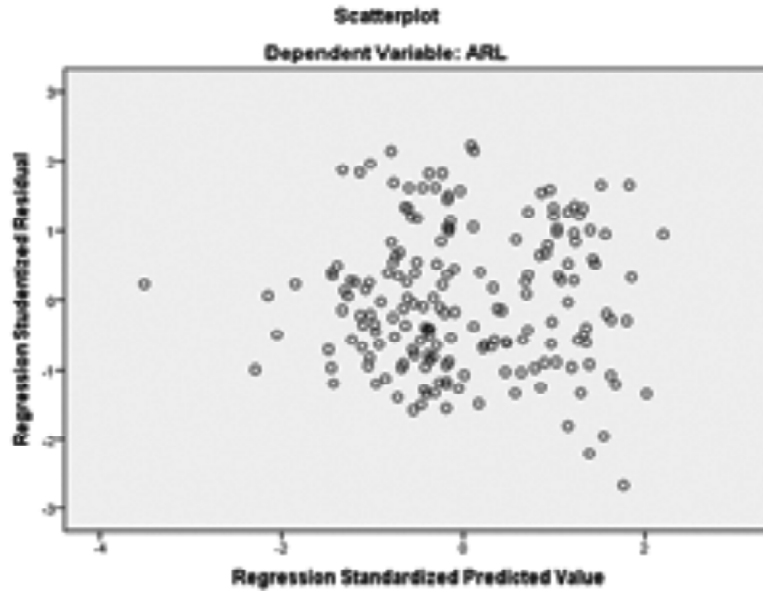


Figure 3: Multicollinearity Test

Source: Data processed, 2017.

3.2.4. Multiple Regression Test Results

Based on table 2 obtained the regression equation as follows:

$$\text{Audit Report Lag} = 96,258 + 15,752 \text{ Audit Opinion} + 2,15 \text{ Company Size} + 25,542 \text{ Profitability} + \text{error}$$

The result of regression equation above shows audit report lag value where audit opinion variable, profitability and firm size is 0 then audit report lag is 96,258 days, indicating that every increase of audit opinion is 1 unit will increase audit report lag equal to 15,752, A company of 1 unit then it will increase audits report lag by 2,150, and increase profitability of 1 unit then it will increase audit report lag by 25,542

The results of determination coefficient test show the value of R of 0.756 on the research model and the coefficient of determination of 0.742. Where 74.2% of firm size variables, profitability, and audit opinions explain audit report lag.

Table 2
Multiple Regression Test Results

Variabel	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Audit report lag	96.258	17.529		5.323	0.000
Company Size	2.150	1.126	0.25	4.03	0.044
Profitability	25.542	12.717	0.34	2.783	0.048
Audit Opinion	15.752	1.811	0.28	4.452	0.000

Source: Data processed, 2017.

Table 3
Model Summary^b

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.756 ^a	.745	.742	20.243	3.232

a. Predictors: (Constant), Profitability, Company Size, Audit Opinion.

b. Dependent Variable: Audit Report Lag.

Source: Data processed, 2017.

Table 4
Descriptive Statistics

	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Audit Report Lag</i>	198	78.82	20.978
<i>Opinion Audit</i>	198	0.95	0.668
<i>Company Size</i>	198	37.29	3.5172
<i>Profitability</i>	198	0.232	0.242223
<i>Valid N (list wise)</i>	198		

Source: Data processed, 2017.

Audit report lag is the time frame in completing the audit work until the date of issuance of audit report. Audit report lag has an average value of 78.82 days with a standard deviation of 20.978. This shows that there is a deviation of 20.978. Profitability is a predictable possibility for profit or profit. The higher the profitability ratios the profits generated will be greater. Profitability has an average value of 0.232 with a standard deviation of 0.242223. This shows that there is a deviation of 0.242223. Company size is the size of a company that can be seen from the amount of total assets owned by the company. The size of the company has an average value of 37.29 with a standard deviation of 3.5172. This shows that there is deviation of 3,5172.

4. DISCUSSION OF RESEARCH RESULTS

4.1. Effect of Company Size on Audit Report Lag

The result of *t* test presented shows that the value of $\beta_1 = 2.150$ with significance of *t* test equal to 0,044 which shows smaller than real level in this research that is 0,05. This shows that the firm's size variables have a positive effect on audit report lag or in other words the larger the size of the company, the higher audit report lag. This study is in accordance with the theory of capital structure where the purpose of capital structure management is to create a permanent source of funds in such a way as to be able to maximize stock prices and for the purpose of financial management to maximize corporate value achieved (Sawir 2004: 43). One way to maximize a company's market value is to speed up the report lag audit time. This conclusion is in accordance with the research of Azizah and Kumalasari (2012), Sistya Rachmawati (2008), Noor Sulisty (2010) and Malinda Dwi Apriliane (2015) which showed similar results. The conclusion is certainly in accordance with the previous logic that states that company size affect the audit report lag where large companies tend to want audit results reported faster. This can be caused by the existence of a

strong internal control system of the company because in this study the average inhabited by companies that belong to large categories, so that the submission of audited financial statements has been determined time.

4.2. Effect of Company Profitability on Audit Report Lag

The result of t test presented shows that the value of $\beta_1 = 25.542$ with significance of t test is 0,048 which shows smaller than real level in this research is 0,05. This shows the profitability variable has a positive effect on the audit report lag or in other words the greater the profitability, the higher audit report lag. The results of this study in line with research Lianto and Kusuma (2010) indicate that profitability affect the audit report lag. Companies that report high earnings tend to expect audited financial statements to be completed as soon as possible because of the demand to immediately deliver the good news to the public. The results of Sistya Rachmawati (2008) and Noor Sulisty (2010), Azizah and Kumalasari (2012) and Surbakti (2009) studies stated that profitability influences audit report lag. This result is in accordance with previous theoretical logic which states that high profitability shows how much profit obtained so audit report lag will be shorter because the company wants to more quickly deliver the “good news” to its shareholders. Several previous studies have also suggested that some companies that suffer losses require the auditor to set the time to publish the financial statements longer for various reasons. Subekti and Widiyanti (2004), Parwati and Suhardjo (2009) also show that profitability affects audit report lag. Companies that report earnings tend to ask the auditor to immediately complete the audit because of the demand to immediately convey to the public that audit report lag will be shorter. While companies that declare losses will tend to be more cautious in conducting the auditing process so that it will ask the auditor to set the audit time longer than usual (Wirakusuma, 2004).

4.3. Effect of Auditor Opinion on Audit Report Lag

The result of t test presented shows that the value of $\beta_1 = 15.752$ with the significance of t test of 0.000 which shows a smaller number than the real level in this study is 0,05. This shows that the audit opinion variable has a positive effect on the audit report lag or in other words the company gets unqualified opinion audit opinion, hence the higher audit report lag. The results of this study are consistent with Christine and Lidya (2012) research which states that companies given qualified opinion tend to have longer audit report lag, because logically it can be said that auditors need time and effort to look for audit procedures when confirming audit qualification. Companies that are given unqualified opinion tend to want to disclose their financial statements quickly to the public but otherwise companies that get opinions other than unqualified opinion tend to hold their financial statements first to be submitted to the public. Company management is concerned about the company's financial information to be presented to the parties in need. In order to provide financial information in trust, the company's management requires the help of a public accountant to provide an assessment and opinion on the fairness of the financial statements. Carlsaw and Kaplan (1991) research for firms that do not accept the type of unqualified opinion (WTP) accountant opinion will show a longer audit report lag than those receiving unqualified opinion. Togasima and Christiawan (2014) audit opinion is the responsibility of the auditor and included in the category fieldwork lag and reporting lag. The results of Siwy's research (2012), Wiwik Utami (2006), Andi Kartika (2009), Saputri (2012), Alvina Noor Arifa (2013) and Malinda Dwi Apriliane (2015) suggest that auditor opinion has an

effect on audit report lag. This result is in accordance with the logic of previous theory which states that companies that accept opinions other than unqualified opinion experience a longer audit report lag. The process of giving opinion other than unqualified opinion will involve negotiation with the company, consultation with the more senior audit partner so it takes a long time. While in companies receiving unqualified opinion opinion, audit report lag time tends to be shorter because unqualified opinion opinion is considered good news, so company will not delay in publishing its financial report in Indonesia Stock Exchange (IDX). Apriliane (2015) which shows that auditor's opinion has an effect on audit report lag.

5. CONCLUSION

Based on the results of data analysis and testing conducted in this study, it can be concluded that:

1. shows the firm's size variables positively affect audit report lag or in other words the larger the size of the company, the higher audit report lag,
2. Profitability variables have a positive effect on audit report lag or in other words the greater the profitability, the higher audit report lag,
3. show the variable of audit opinion has a positive effect on audit report lag or in other words the company get unqualified opinion audit opinion, Audit report lag, and
4. firm size, profitability and audit opinion have positive effect on audit report lag.

The implications of research for company management need to be more efficient and effective in managing the company to produce positive earnings changes, which will then increase the Return On Assets and share price, which ultimately will lower Audit Report Lag, more carefully in making loans. Because the level of corporate capital dependence on external parties will be greater. Investors are more cautious about companies that publish their financial statements for too long, because there is the possibility of companies earning management or creative accounting for the financial statements presented to look better than the previous period, be cautious in companies that have a large portion of total debt, Because it can increase the financial risk that is the risk of repayment of the loan, and if the financial condition is not healthy can lead to mistake management and fraud. In addition, investors need to be aware that all companies have the potential for late publication of financial statements.

The Public Accounting Firm should design an efficient and effective Audit and Audit Strategy strategy so that the audit of financial statements can be completed more quickly and the company is not late in publishing them.

This study has limitations using only four independent variables of firm size, profitability, and audit opinions while still present many variables and other factors that could affect Audit Report Lag. And observations are only made on manufacturing companies, the observation period in this study is only in four years (2013-2016) as well limitations of reference in support of the theories used in this study.

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