DIPONEGORO JOURNAL OF ACCOUNTING *Volume 13, Nomor 1, Tahun 2024, Halaman 1-15.*
http://ejournal-s1.undip.ac.id/index.php/accounting *ISSN (Online): 2337-3806*

Effect of Firm Size, Profitability, and Audit Opinion on Audit Report Lag (in Mining Company Registered in Indonesia's Stock Exchange for the Financial Year between 2017 and 2020)

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ABSTRACT

The primary objective of this research is to investigate the impact of three key factors, namely Firm Size, Profitability, and Audit Opinion, on Audit Report Lag. The study focuses on a specific subset of companies, namely those within the mining industry, which were part of the LQ-45 index and listed on the Indonesia Stock Exchange (IDX) during the years 2017 to 2020. To select a representative sample for the analysis, a purposive sampling method was employed, resulting in the inclusion of 31 mining companies in the study. The data used in this research is quantitative in nature and was collected from secondary sources, allowing for a comprehensive examination of the chosen variables. The research methodology encompassed several analytical techniques, including descriptive statistical analysis, classical assumption testing, multiple linear regression analysis, determination of the coefficient of determination (R^2), and t-testing. The findings of this study reveal that Firm Size, Profitability, and Audit Opinion had no statistically significant influence on the extent of Audit Report Lag among the selected mining companies. More specifically, the firm size variable yielded a p-value of 0.286, indicating no significant effect. Similarly, the profitability variable showed a p-value of 0.637, indicating no significant impact. Lastly, the audit opinion variable had a p-value of 0.382, suggesting that it also had no significant influence on Audit Report Lag. This study's results indicate that, within the context of mining companies listed on the IDX from 2017 to 2020, Firm Size, Profitability, and Audit Opinion did not appear to be contributing factors to the delay in the issuance of audit reports. These findings offer valuable insights for stakeholders in the mining sector and may have implications for auditing practices within this specific industry.

Keywords: *Firm Size, Profitability, Audit Opinion, Audit Report Lag*

INTRODUCTION

The world mining commodity market (metals and minerals) is experiencing "booming" prices and "unpredicted conditions" along with increasing exploration and investment activities, this also has an impact on the mining sector in Indonesia. It is not surprising, the mining sector makes a large contribution to Indonesian government.

As a country blessed with extraordinary natural wealth, Indonesia cannot be separated from the mining industry, which includes 17 items, including coal, gold, iron ore, asphalt, tin and nickel. Almost every line of life in this nation is indirectly influenced by the mining sector and its derivative industries, which contribute quite a lot of employment opportunities. It is not surprising that various foreign investors are interested in investing their funds in Indonesia to process natural resources.

The contribution of the Mining Sector Industry to Indonesian State Revenue is quite significant, based on data released by the Ministry of Energy and Mineral Resources. Realization of Non-Tax State Revenue (PNBP) for the Mining sector (Metals, minerals and coal) in December 2018 was recorded at IDR 46.6 trillion, 20% of GDP. or 146% of the 2018 target which was set at Rp. 32.1 trillion.

Several companies operating in the mining industry have been registered on the Indonesia Stock Exchange, this is done so that the company increases its value and develop in accordance with the expectations of stakeholders and shareholders. An assessment of the financial condition of a company can be done by analyzing the financial reports so that useful information can be obtained for external parties and management in order to make decisions.

There is an obligation for companies that are listed on the Indonesian Stock Exchange to submit financial reports resulting from audits within the time limit set by the Exchange Regulator. Companies going public have an obligation to publish their audited annual financial reports as a source of information for external parties to the company, one of which is investors. For investors, the information contained in the financial report is very important to use as a basis for evaluating subsequent investments.

According to Shultoni (2012), Audit Report lag is defined as the length of time between the end of the company's fiscal year and the date of the audit report, which is measured quantitatively (number of days). The Delays on the publication of financial reports are very detrimental to investors because they can give rise to information asymmetry, insider trading, and give rise to rumors that can influence market decisions. This is also reinforced by the regulations set by the Financial Services Authority (OJK) regarding the submission of financial reports.

For internal parties or company management, financial reports are used to find out the company`s financial position in the previous year to develop appropriate company strategies and policies to make it even better. It is possible that management could potentially influence financial reports by not providing real information so that investors are interested in investing their funds in the company. Reliable financial reports are very important for investors or creditors to be able to take appropriate action in investing their funds.

The Financial Services Authority (OJK) as the stock market regulator (Indonesian Stock Exchange) annually issues regulations related to the deadline for submitting Audited Financial Reports to Issuers (companies) listed on the Indonesia Stock Exchange. One of

the regulations issued by the OJK is the Financial Services Authority Regulation (OJK) Number 29/POJK.04/2016 requiring every issuer and public company listed on the Indonesia Stock Exchange to submit annual financial reports to OJK no later than the fourth month after the last financial year.

The phenomenon that occurred was that on June 30, 2016 the Indonesia Stock Exchange (IDX) announced that there were 18 listed companies (issuers) that had not submitted their December 31, 2017 audited financial statements. The IDX recorded 18 companies that had not submitted interim audited financial reports for September 30, 2017, and had not paid fines (www.cnnindonesia.com). Of the 18 companies mentioned above, 7 listed companies are engaged in the mining sector. From the information released, it can be seen that PT. Bumi Resources, Tbk. (BUMI) submitted Audited financial statements for 2017 at the latest. PT. Bumi Resources, Tbk. (BUMI) published its 2017 financial statements on September 30, 2016. The delay in submitting financial reports was 273 days from the due date.

Audit report lag is the delay in the completion of the audit which can be calculated by the difference between the date the independent auditor's report was signed and the closing date of the annual financial statements. Audit report lag shows the length for audit completion. Accuracy accompanied by gathering sufficient and adequate evidence must be carried out in the audit process.

A company must be able to present financial reports accurately and on time. Delays in the submission of financial statements can be caused by various things, one of which is that prior to publication the financial statements must be audited by an independent auditor first so that the financial statements can be said to be fair and trustworthy by users of the report (users).

Several studies on audit delay have been carried out in Indonesia. Previous research that examines Audit Report Lag, namely research that has been conducted by Trisnawati (2010) states that Firm Size/total assets do not significantly influence Audit Report Lag. Rosalia, Sukesti and Wibowo (2018) proves that Profitability has a significant effect on Audit Report Lag. In this study, researcher is interested in adding audit opinion variable that is hypotized affect in Audit Report Lag.

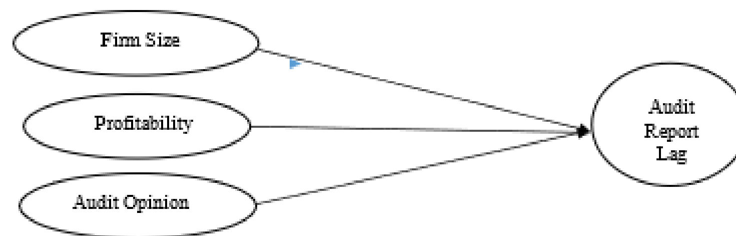
There are many factors that affect audit delay, one of which is Firm Size, which is the size of the company which is assessed from total assets, investment value, capital turnover, production equipment, number of employees, breadth of business network, market control, production output, amount of added value, amount of tax that is paid off,

and so on it turns out to be a reflection of the fact that corporations are synonymous with big companies. The decision of the chairman of BAPEPAM No. Kep. 11/PM/1997 states that small and medium-sized companies based on assets (wealth) are legal entities that have total assets of not more than one hundred billion, while large companies are legal entities whose total assets are above one hundred billion. Basically, Firm Size is only divided into three categories, namely large firms, medium firms, and small firms.

Furthermore, the factors that affect audit delay are Profitability. According to research by Lianto et al (2010), companies with a high level of profitability tend to have a shorter Audit Report Lag, this is due to the need to deliver good news as soon as possible to the public, while companies that experience losses tend to have a longer Audit Report Lag. Companies that experience losses or have a low level of profitability will have a negative impact which causes a decrease in the performance appraisal of a company.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Figure 1 Theorectical Fraework



Relationship between Variables and Hypotheses :

The Influence of Firm Size on Audit Report Lag

In measuring a company can be based on the book value of assets owned by the company. Firm Size has been found to have a potential relationship with audit lag, although the specific nature of this relationship may vary. In general, larger companies tend to have more complex operations, larger volumes of transactions, and more extensive financial reporting requirements. These factors can contribute to a longer audit process and potentially result in a longer audit lag for larger companies.

Empirical research studies have produced mixed findings regarding the relationship between Firm Size and audit lag. Some studies suggest a positive relationship, indicating that larger companies experience longer audit lags. This could be due to the increased complexity and higher volume of transactions in larger organizations, which require more extensive auditing procedures and documentation. The larger the size of a company, the

more complicated the audit process will be. Regarding the components in the Audit Report Lag, Firm Size affects all components, both scheduling, fieldwork, and reporting lag.

The existence of an influence between Firm Size and audit report lag shows that the management of large companies has an incentive to reduce delays in financial reports. Firm Size is the size of the company that can be measured by using the total wealth or total assets owned by the company.

he results of research conducted by (Kusumah et al., 2021) show that there is a positive and insignificant effect between firm size and audit report lag. The results of research conducted by Handoko & Marsella (2020) also explain that there is a positive and insignificant effect between Firm Size and audit report lag. This is in contrast to the research conducted by Menanjang et al (2019) which states that Firm Size has a negative and insignificant effect on audit report lag. The results of this study support the results of research conducted by Aryaandra & Mauliza (2018) which shows that Firm Size has no significant effect on audit report lag.

Every company that has gone public is required to submit its financial reports on time, so that later it can make the company able to complete a shorter audit report lag. Based on the description above, the hypothesis then can be formulated as follows:
H1: Firm size is positively related to audit report lag.

Effect of Profitability on Audit Report Lag

Profitability shows the ability of a company to generate profits. High profits can show good company performance and can create a good company image for investors or other interested parties in the company. **High profit will send good signal to the market making companies start audits earlier than usual so that they will shorten the audit report lag.** This makes the company to present its financial statements on time, and vice versa, a low level of profitability can trigger a setback in publishing the company's financial statements. Therefore, a low level of profitability can make a bad company image for investors. Companies in this condition will usually be more careful in presenting their financial statement information. **Therefore, companies need more time to eliminate the bad effect**. Companies in this condition also start audits later than usual so that they will prolong the audit report lag (Fujianti & Satria, 2020).

The results of research conducted by Tikollah & Samsinar (2019) state that the results of hypothesis testing indicate that profitability has a significant positive effect on audit report lag, which means that if the company earns a profit, the audit report lag will be

longer. The results of the study above are the same as the results of research conducted by Aryaandra & Mauliza (2018) which states that profitability has a positiveand significant effect on audit report lag. A company that has high profitability tends to have a longer audit report lag than a company that has low profitability. This statement is different from the results of the research by Giyanto & Rohman (2019) which is known that profitability has a negative effect on audit report lag. Research conducted by Dura (2018) also shows that profitability has a negative effect on audit report lag, indicating that companies that earn large profits tend to conduct shorter audit processes than companies that experience small profits. The longer audit lag in more profitable companies can be seen as a signal of the higher level of scrutiny and effort involved in verifying the financial statements. Profitability consists of several ratios, one of which is Return On Assets (ROA) have a relationship with agency theory, namely the higher the ROA value, the greater the profit earned company.

When the profits obtained increase, the potential time for the auditor to carry out the audit will be quite long so that the audit report lag will become longer. Based on the description above, the hypothesis can be formulated as follow:

H2: Profitability is **negatively** related to audit report lag

Effect of Audit Opinion on Audit Report Lag

Companies that receive a qualified opinion show a longer audit delay than those that receive an unqualified opinion. The worse the opinion received by the company, the longer the audited financial statements are published. According to Subekti (2005) in his research on the factors that affect audit delay in Indonesia, he concludes that audit opinion has a significant influence on the audit delay process.

Utami (2006) argues that audit opinion has a simultaneous influence on audit delay. Subekti (2005) argues that a longer audit delay is experienced by companies that receive opinions other than unqualified opinions.

Companies that receive an unqualified opinion will report financial statements on time. A good audit opinion (unqualified opinion) must state that the audited financial statements are in accordance with the provisions of financial accounting standards and there are no material deviations that can affect the making of a decision.

Agency problems occur when there is a conflict of interest between the principal and the principal agent. Each party tries to maximize their personal interests, the principal wants the final result to produce maximum profits or increase the value of the company's

investment, the agent also has an interest The goal to be achieved is to receive adequate compensation for its performance.

As an independent party, auditors are needed to assess agents in its performance regarding suitability in acting with interest's principal by providing an auditor's opinion on the financial statements presented by the agent. So does the principal have expectations for auditors to provide warnings from the start regarding the company's financial condition. Investors and report users Finance can also trust company data through financial conditions companies that have received an assessment from the auditor regarding its survival (going concern). Based on the research above, the research hypothesis is stated as follows:
H3: Auditor's opinion is **negatively** related to audit report lag.

RESEARCH METHODOLOGY

This research uses three types of variables: the dependent variable, the independent variable, and the moderating variable. Audit Report Lag is the dependent variable, while Company Characteristics is the independent variable, and Financial Distress and KAP Reputation are the moderating variables.

In this study, the object is a mining company listed on the Indonesia Stock Exchange in 2017-2020 and is also used as the population in this study with the same year of observation. The sample is representative of the population to be studied. Sampling in this study using purposive sampling method. Purposive sampling is sampling based on certain criteria. The following are the criteria used in sampling:

1. Mining Companies that publish annual financial reports for 2017-2020 consecutively
2. Mining Companies that present financial reports in Rupiah

The data used in this study is the 2017-2020 Mining Company annual report. The data used is Mining Company annual report data obtained from the website www.idx.co.id.

Research Variables and Measurement The dependent variable in this research is Audit Report Lag. Independent variables in this study are : firm size, profitabbility andopinion audits. Data analysis in this study uses descriptive statistics, classical assumption test, and hypothesis test.

RESULT AND DISCUSSIONS

Research Sample Profile

Table 1 Stages of Sample Selection with Criteria

Description	Total
Mining Companies that publish financial reports on the IDX for the 2017-2020 period	49
Mining Companies that do not publish financial reports on the IDX consecutively during the 2017-2020 period	(10)
Companies that do not present financial statements in rupiah	(8)
Number of samples	31

Source: Data Processed Results, 2022

Descriptive Statistics

Table 2 Research Variable Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
ARL (Days)	124	46.00	190.00	85.5000	31.5178
FS (Rp Trillion)	124	0.0001	102.2736	6.1022	22.4047
PRO (Index)	124	-1.5258	0.4308	0.0263	0.2185
AO (Dummy)	124	0.0000	1.0000	1.0000	0.1774
Valid N (listwise)	124				

Source: Data Processed Results, 2022

Table 2 shows the descriptive statistical results of the 124 samples in this study. Judging from the Firm Size variable, the lowest value is 0.0001 while the highest value is 102.2736, with an average value of 6,1022, and a standard deviation value of 22,4047.

The lowest PRO value is -1,5258 while the highest value is 0.4308, with an average value of 0.0263 and a standard deviation value of 0.2185.

In the Audit Opinion Variable, the lowest value is 0,0000 while the highest value is 1,0000, with an average value of 1.0000, and a standard deviation value of 0.1774. The Audit Report Lag variable has the lowest value of 46 while the highest value is 190, with an average value of 85.5000, and a standard deviation value of 31.5178.

Normality Test

Table 3 Research Variable Normality Test Results

Descriptive Statistics					
Variables	N	Skewness		Result	Description
		Statistic	Std. Error		
FS	124	0,253	0,201	1,22	Normal
PRO	124	0,253	0,201	1,37	Normal
AO	124	0,312	0,201	1,29	Normal
ARL	124	0,421	0,201	2,36	Normal

Source: Data Processed Results, 2022

From table 3 above it can be seen that the Skewness statistical value divided by Std. Error. The test criteria are whether the data is normally distributed or not with the condition that if the skewness ratio is between -2.58 to +2.58, it can be concluded that the data distribution is normal. From the results of the skewness ratio above, the results are within

the range between -2.58 to +2.58, which means that the data is normally distributed (Ghozali, 2013).

Multicollinearity Test

Table 4 Multicollinearity Test Results

Variables	Tolerance	VIF	Conclusion
FS	0.525	2.233	Non-Multicollinearities
PRO	0.217	1.328	Non-Multicollinearities
AO	0.115	3.128	Non-Multicollinearities

Source: Data Processed Results, 2022

In table 4 it can be seen that each independent variable used has a tolerance value above 0.10 while the Variance Influence Factor (VIF) value is below 10 so it can be concluded that all independent variables used in this study are free from multicollinearity symptoms, so that the stages Further data processing can be carried out immediately.

Autocorrelation Test

Table 5 Autocorrelation Test Results

Model	R Square	*Durbin Watso Test*	Conclusion
1	0.759	1,421	No Autocorrelation Occurs

Source: Data Processed Results, 2022

In table 5 the value of the Durbin Watson Test is 1.421. The results obtained in the data processing stage show that the DW number is between -2 to +2. So, it can be concluded that the regression model to be formed does not detect autocorrelation symptoms.

Heteroscedasticity Test

Table 6 Heteroscedasticity Test Results

Variable	Sig	Alpha	Conclusions
FS	0,286	> 0,05	There is no Heteroscedasticity
PRO	0,637	> 0,05	There is no Heteroscedasticity
AO	0,382	> 0,05	There is no Heteroscedasticity

Source: Data Processed Results, 2022

In table 6 all independent variables that have been regressed with the dependent variable which are transformed in the form of absolute residuals have significant values above 0.05 so that it can be concluded that all independent variables have been free from symptoms of heteroscedasticity so that further data processing stages can be immediately implemented.

Hypothesis Testing Results

After all the research variables have been normally distributed and free from classic assumption symptoms, the statistical testing stage can be carried out. This study uses multiple linear regression analysis as follows:

$$ARL = \alpha + \beta 1PRO + \beta 2AO + \beta 3FS + \delta$$

Information:
ARL = Audit Report Lag
α = Constant
FS = Firm Size
PRO = Profitability
AO = Audit Opinion

Based on the research that has been done, it can be seen in the summary table 4.7 below:

Table 7 R^2 test, F test dan T test

	Multiple Regression Model	
	Regression Coefficient	**P-value**
Constant	83.287	0,0143
Firm Size	11.087	0,0086
PRO	-78.833	0,0291
Audit Opinion	-0.0463	0,1321
F-Statistic	44.841	
F-Sig	0,025	
R Squared	0,7595	

Based on the results of the R-squared test, F test and t test above, it can explain the effect of the independent variables, namely Firm Size, profitability, and Auditor's Opinion on audit report lag as the dependent variable.

Determinant Coefficient Test (test) R^2

Based on the table 7 above, it states that the R-squared value is 0.759569, meaning that the coefficient of determination for this research is 0.759569. This states that the independent variable is able to explain only 75.9569% of the dependent variable and the remaining 24,0431% is influenced by other independent variables not examined in this study.

Testing Hypothesis 1, Hypothesis 2 and Hypothesis 3 by testing the Multiple Linear Regression Model

Based on table 4.7 above, it shows that the value of the regression coefficient on the firm size variable is 11.087 with a P-value of 0.0086, this shows that the p-value is smaller than alpha 0.05. So, it can be concluded that the variable firm size has a positive and significant effect on the performance of audit report lag. so that the first hypothesis (H1) is accepted.

Based on table 7 above, it shows that the regression coefficient value on the profitability variable is -78,833 with a p-value of 0.0291. This indicates that the p-value is

smaller than alpha 0.05. So, it can be concluded that the PRO variable has a negative and significant effect on audit report lag, so the second hypothesis (H2) isaccepted.

Based on table 7 above, it shows that the regression coefficient value on the Audit Opinion variable is -.0463 with a p-value of 0.1321, this shows that the P-value is greater than alpha 0.05. So, it can be concluded that the Audit Opinion variable has no effect on audit report lag, so the third hypothesis (H3) is rejected.

Discussions

Effect of Firm Size on Audit Report Lag

Based on the results of the H1 test, it is known that Firm Size has a negative and significant effect on audit report lag. This is indicated by a coefficient of -2.057 with a significance **of 0.0143** (smaller than α 0.05). This shows that hypothesis 1 is accepted and it can be concluded that firm size has a negative and significant effect on audit report lag. Thus, large companies have a high volume of transactions, so the auditor takes a long time to collect evidence of transactions, this causes the audit report lag to be longer.

The results of this study are in line with research conducted by Vieza and Paramitha (2017), Ni Putu and Wiratmaja (2017). Which states that Firm Size has a negative and significant effect on audit report lag.

According to agency theory, larger companies tend to have more resources and better internal control systems, allowing them to effectively manage their financial reporting processes. The presence of strong internal controls can reduce the time required for auditors to conduct their procedures, resulting in a shorter audit lag. Larger companies often have dedicated accounting departments, experienced personnel, and robust systems in place to facilitate timely financial reporting and auditing. Consequently, they may experience a negative relationship between Firm Size and audit lag.

In the context of signaling theory, a negative relationship between Firm Size and audit lag can be explained by the signaling effect of timely financial reporting. Timely submission of audited financial statements can be seen as a positive signal to investors and other stakeholders, indicating that the company is well-governed, transparent, and committed to maintaining good financial health. Larger companies, with greater resources at their disposal, may be better positioned to meet reporting deadlines and signal their reliability and accountability. As a result, they may have a shorter audit lag, thereby enhancing the positive signal sent to the market.

Both agency theory and signaling theory provide plausible explanations for a negative relationship between Firm Size and audit lag.

Effect of Profitability on Audit Report Lag

Based on the results of the H2 test, it is known that profitability has a negative and significant effect on audit report lag. This is indicated by a coefficient of -78,833 with a significance of 0.0291 (smaller than α 0.05). This shows that hypothesis 2 is rejected and it can be concluded that profitability has a negative and significant effect on audit report lag. The test results obtained do not support previous studies such as Togasima and Christiawan (2014) who found that profitability has no significant effect on audit report lag.

A high level of profitability is good news for the company. Companies that in their financial reporting have high profits certainly want their good news to be known to the public. The connection with the audit report lag in this case is that management shortens the scheduling lag time based on the company having a high level of profitability. And management will ask the auditor to shorten the lag for strategic decisions by issuing audit reports. Thus, causing a short audit report lag.

According to agency theory, profitable companies typically have strong financial performance, effective management, and well-functioning internal control systems. These companies are likely to have better financial reporting practices and timely completion of their financial statements, leading to a shorter audit lag. The alignment of interests between managers and shareholders in profitable companies may result in efficient and effective financial reporting processes, reducing the time needed for auditors to perform their procedures.

In the context of signaling theory, a negative relationship between profitability and audit lag can be attributed to the signaling effect of financial performance. Profitable companies are often seen as more reliable and credible by investors and other stakeholders. Timely completion of audits and issuance of audited financial statements can act as a positive signal, indicating the company's financial strength and stability. Companies with higher profitability may be motivated to maintain their positive image and signal their financial health by minimizing audit lag.

Both agency theory and signaling theory support the idea that profitable companies are more likely to have shorter audit lags. Profitability reflects a company's ability to generate income, manage resources efficiently, and maintain good financial health, which can translate into effective financial reporting processes and timely completion of audits.

Based on the results of the H3 test, it is known that Audit Opinion has no effect on audit report lag. This is indicated by a coefficient of -0.0037 with a significance of **0.1321** (greater than α 0.05). This shows that hypothesis 3 is accepted and it can be concluded that audit opinion has no effect on audit report lag. This means that any unqualified audit opinion received by the company will affect the length of time it takes to complete the audit.

The objective of the auditor is to provide an opinion on financial statements. In carrying out an audit, an auditor has an obligation to obtain sufficient and competent audit evidence to support a decision about the fairness of presentation in financial statements (Boyton, 2002). Therefore, audit opinion has no effect on audit report lag, this is because the auditor has worked professionally. So that any audit opinion issued by the auditor will not affect the length of time for completing the audit.

The results of this study are in accordance with the research of Rustiarini and Mita (2013) which shows that audit opinion has no effect on Audit Report Lag. To determine fairness and issue an audit opinion, an auditor must of course collect complete and accurate evidence so that the auditing process of financial statements the client certainly requires quite a long time.

From the research results obtained by researchers, it appears that the significance value of 0.1321 is greater than the α value of 0.05, with a negative β coefficient value of -0.0463. This means that audit opinion has no effect on audit report lag.

According to agency theory, a negative relationship between audit opinion and audit lag can be explained by the behavior and incentives of management. Companies that receive favorable audit opinions, such as unqualified opinions, typically demonstrate strong internal control systems and accurate financial reporting. These companies are likely to have effective management practices and timely completion of financial statements, leading to a shorter audit lag. The alignment of interests between managers and shareholders in maintaining a favorable audit opinion can result in efficient financial reporting processes.

According signaling theory, a negative relationship between audit opinion and audit lag can be attributed to the signaling effect of a favorable opinion. Companies that receive unqualified audit opinions signal to investors and other stakeholders that their financial statements are reliable and free from material misstatements. Timely completion of audits and issuance of unqualified opinions can act as a positive signal, indicating the company's commitment to transparency and good financial health. These companies may have strong incentives to minimize audit lag in order to maintain their positive image and signal their credibility to the market.

Both agency theory and signaling theory suggest that companies with favorable audit opinions are more likely to have shorter audit lags. The presence of strong internal controls, accurate financial reporting, and a commitment to transparency can result in the efficient and timely completion of audits.

CONCLUSION

This study aims to investigate the connections among Firm Size, Profitability, Audit Opinion, and Audit Lag within the field of auditing and financial reporting. This reveals a significant negative effect of Firm Size on Audit Lag. Larger companies, characterized by their extensive operations and organizational complexities, tend to experience shorter durations for the audit process. This finding suggests that auditors, equipped with more resources and specialized expertise, are able to efficiently navigate the complexities posed by larger entities, expediting the issuance of audit reports and enhancing overall audit efficiency.

This study has uncovered a significant negative effect of Profitability on Audit Lag. Companies with higher profitability demonstrate shorter durations for the audit process. This observation suggests that financially robust organizations, with stronger financial performance, present fewer complexities and risks to auditors, leading to a more efficient and timely audit.

Interestingly, our analysis has shown that Audit Opinion has no effect on Audit Lag. Regardless of the type of audit opinion issued (e.g., qualified, unqualified, adverse, or disclaimer opinions), there is no discernible impact on the duration of the audit process. This finding implies that auditors' assessments and reporting decisions do not significantly influence the overall duration of the audit engagement.

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