

ABSTRACT

The purpose of this paper is to examine and analyze the factors that effect audit report lag. The factors used in this study are selected by looking at the corporate governance, characteristics of the company and the characteristics of an auditor.

Corporate governance were proxied by the score CG-Index, company characteristics used are financial condition, accounting complexity, and profitability, whereas auditor characteristics used are auditor reputation, audit tenure, and auditor industry specialization. Populations of this study were all trade, services, and investment sector companies listed in Indonesian Stock Exchange in 2018-2020. Based on purposive sampling method, the number of sample is 297 samples. Multiple linear regression method was used to analyze this study. In addition, this study add a test to see the difference in the average audit report lag between before and after the relaxation of the deadline for submitting the annual financial statements.

The results showed that partially variables of the corporate governance and profitability had a significant negative effect on audit report lag while variables of financial condition, accounting complexity, and audit tenure had a significant positive effect on audit report lag. Meanwhile, variables of the auditor reputation and auditor industry specialization did not show significant influence on audit report lag. Additional analysis results show that there is a significant difference between the average audit report lag before and after the relaxation of the deadline for submitting the annual financial statements.

Keywords: corporate governance, financial condition, accounting complexity, profitability, auditor reputation, audit tenure, auditor industry specialization, audit report lag