

ABSTRACT

This study aims to prove the influence of profitability, financial distress, company complexity, auditor reputation, and auditor industry specialization on audit report lag. This study examines the independent variables such as profitability, financial distress, company complexity, auditor reputation, and auditor industry specialization. Moreover, there is the audit report lag variable as dependent variable. Profitability is measured using return on asset (ROA) ratio. Financial distress is measured with the ZFC equation. Company complexity is measured by the number of subsidiaries. Dummy variable as the measurements of auditor reputation. Auditor industry specialization is measured using SPEC equation by Reichelt and Wang.

This study uses the sample of manufacturing companies which listed on IDX in 2020-2022, with the final sample of 259. This number has been selected through purposive sampling method based on the criteria set on this research. The data analysis method in this study uses multiple regression linear method along with descriptive analysis and classic assumptions.

The result demonstrated in this study is profitability has a negative effect on audit report lag. Otherwise, financial distress, company complexity, auditor reputation, and auditor industry specialization have no effect on audit report lag.

Keywords: profitability, financial distress, company complexity, auditor reputation, auditor industry specialization, audit report lag