ABSTRACT

Companies' financial statements should be presented on time to be useful in stakeholders' decision making. Published financial statements should be audited by a public accountant to provide assurance to stakeholders that the financial statements already free from misstatement. Audit process is activity that takes time in its implementation until the audit report issued. This can lead into timeliness problem in submitting the financial statements to public. Total days within the end of company's fiscal year and audit report date is called by audit report lag. The aim of this study is to analyze the effect of size, audit firm status, audit complexity, audit tenure, and financial distress to audit report lag.

Population of this study included manufacturing companies listed in Indonesia Stock Exchange (IDX) since the year 2013 until 2015. Purposive sampling method is used to choose the sample for this study. This study use multiple regression model with 198 sample.

The results show a significant negative effect of size, audit firm status, and audit complexity to audit report lag. Financial distress significantly affects audit report lag positively, while audit tenure does not significantly affect audit report lag.

Keywords: Audit report lag, size, audit firm status, audit complexity, audit tenure, financial distress