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Determinants of Audit Report Lag in Indonesia

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Abstract
This research aims to determine the effect of profitability, size of the public accounting firm, company size and independent commissioners on audit report lag. The research was conducted on companies in the financial institutions sub-sector listed on the Indonesia Stock Exchange during 2019-2021. The sample was determined based on the purposive sampling method and 54 sample company data were obtained. Research data was analyzed using multiple regression analysis. The results of this research show that company size has a negative effect on audit report lag. Meanwhile, profitability, the size of the public accounting firm and independent commissioners do not have a significant effect on audit report lag. The results of this research have implication that go public companies (as large companies) must minimize audit report lag. For investors, if financial statements provided on time will be very helpful in decision making.

Keywords: Audit Report Lag, Company Size, Independent Commissioner, Profitability, Public Accounting Firm Size.

1. Introduction

1.1. Background

The need for financial statements is increasing because published financial statements are one way for investors to monitor the performance of go public companies. Financial statements aim to provide information about company performance that is useful for users of financial statements in making decisions. Issuers or go public companies are obliged to submit annual reports based on the Decree of the Chairman of the Capital Markets and Financial Institutions Supervisory Agency Number Kep-431/BL/2012. The regulations explain that annual financial statements must include annual financial statements prepared in accordance with Indonesian Accounting Standards and must be audited by a public accountant. Shareholders and the general public base their investment decisions on financial statements which also serve as a source of information about company performance.

If the time required for the financial statements audit process becomes longer, there will likely be delays in submitting financial statements to BAPEPAM and other users of financial statements. Audits need to be carried out so that financial statements can truly be accountable to various parties. Investors can respond negatively if financial statementss are submitted late. This is because audited financial statements contain important information, such as company profitability. For investors, information about profitability is used to determine whether investors

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will buy or sell shares. This means that share prices can rise or fall as a result of profitability information in financial statements. Investors may think that late of submitting financial statements is a bad sign for the company's conditions. This results in audits requiring greater precision and accuracy. This causes the audit report lag to increase.

According to Chasanah (2017) audit report lag is the time difference between the date of the financial statements and the date the audit opinion was issued in the financial statements which shows how long it takes the auditor to complete the audit. If in this time interval there is information that is not conveyed on time, it will cause information to be lost and influence the quality of decisions (Eksandy, 2017). Audited annual financial statements of Indonesian companies listed on the Indonesia Stock Exchange must be submitted to BAPEPAM (which has now been replaced by Otoritas Jasa Keuangan/OJK). As stated by the OJK in Article 7 Paragraph 2 of the Financial Services Authority Regulation Number 44/POJK.04/2016 concerning Depository and Settlement Institution Reports, which contains "Annual financial statements must be submitted to the Financial Services Authority no later than 90 (ninety) days from the final date fiscal year". Delay in submitting the annual financial statements is deemed to occur if the annual financial statements is submitted after the deadline set in the OJK Regulations. If a company is late in submitting a report in accordance with the provisions set by the OJK, the company will be subject to administrative sanctions in accordance with the provisions regulated in Financial Services Authority Regulation Number 29/POJK.04/2016 (Article 19:1-3). So it is hoped that with this regulation, companies will not be late in submitting audited financial statements, so that they can be used by users of financial statements in a timely manner. Based on IDX information, there are companies that are late in submitting financial statementss.

Table 1: Companies that are late in submitting annual financial statements in the 2019-2021 period

Period	Amount
2019	26
2020	32
2021	68

Source: IDX Data

Table 1 shows that the number of late issuer audit financial statements during 2019-2021 has increased. The phenomenon that occurred was that the Indonesian Stock Exchange (BEI) recorded that in 2019 as many as 26 issuers were late in reporting their audited financial statements, in 2020 there were 32 issuers who were not on time in submitting their audited financial statements, while in 2021 there were 68 issuers.

Delays in presenting financial statements can indicate that there is a problem, so the auditor asks for more time to complete the audited financial statements. The difference between the financial statements date and the auditor's report date is called audit report lag. There are several factors that influence audit report lag. These factors can come from within the company or outside the company. Several previous studies have examined whether there is influence from internal or external factors that influence audit report lag. Internal factors include audit committee size, audit committee meeting activities, audit committee independence, audit committee qualifications, company size, and company performance. Meanwhile, external factors include the type of auditor and the auditor's opinion.

The first factor that influences audit report lag is profitability. Profitability according to Prihadi (2020:166) is the company's ability to generate profits. Profitability can be measured in various ways such as net profit margin, return on equity, return on assets, gross profit margin, earnings per share and operating profit margin (Gitman et al., 2015: 128-132). Lukman (2011:53) suggests that ROA is a measurement of a company's overall ability to generate profits with the total amount of assets available within the company. A high ROA will show the company's ability to obtain high company profits (Suparsada & Putri, 2017). Companies that generate profitability usually have a shorter audit report lag time for audit reports. This is because company profitability is considered good company news that must be quickly conveyed to users of financial statements. Vice versa, a company that reports a loss may delay the reporting time by asking the auditor to set the audit time longer than usual. This is in accordance with research conducted by Menajang et al (2019) which shows that profitability has a significant effect on audit report lag. Profitability has an opposite or negative relationship to audit report lag, where the greater the profitability, the lower the level of audit report lag. Similar results were obtained by Gantino & Susanti (2019) who confirmed that profitability had a positive effect on audit report lag. This result is different from research by Abdillah et al (2019) which proves that profitability has a negative effect on audit report lag.

The second factor that influences audit report lag is the size of the public accounting firm. According to Rizki (2020) the big public accounting firms are the big four public accounting firms. Big four public accounting firms tend to complete audit work more quickly to maintain the good name and reputation of the institution. It can be assumed that big four public accounting firms have higher quality than non-big four public accounting firms. The big four public accounting firms are considered to have access to more advanced technology and have skilled auditors and staff. Of course, the audit process will be faster with qualified auditors, thereby preventing delays in submitting annual financial statements. This is in accordance with research conducted by Gaol & Sitohang (2020) which shows that the size of the Public Accounting Firm has a positive effect on audit report lag. Different results were obtained by Lisandra et al (2019) which proves that the size of a public accounting firm has a negative effect on audit report lag. These results indicate that companies that use public accounting firms affiliated with the Big Four can submit annual reports on time and have shorter audit report lags.

The third factor that influences audit report lag is company size. Total asset value, total sales, market capitalization, number of employees, and other factors can be used to determine the size of a company (Fitri & Nazira, 2009). Large companies are usually under the supervision of investors, capital supervisors and the government, so these companies tend to complete the financial statements audit process more quickly to reduce audit report lag. Large companies certainly have an adequate internal control system, which can facilitate the audit process. The large size of the company can guarantee the timely submission of financial statements and the company can provide relevant information. It can be said that the bigger the company, the shorter the audit report lag. This is in accordance with research conducted by Lisandra et al (2019) which shows that company size has a negative effect on audit report lag. This result indicate that the larger the company size, the shorter the audit report lag. The different results were found in Effendi & Tirtajaya's (2022) research. From their research it is known that company size has a positive effect on audit report lag

Another factor that influences audit report lag is independent commissioners. According to the Indonesian Forum for Corporate Governance (FCGI), the Board of Commissioners is an important component of corporate governance which is responsible for ensuring that the company's strategy is implemented well, monitoring management operational activities, and upholding responsibilities so as to create accountability. Independent commissioners have a function, namely as a balance in making decisions whose members are a board of commissioners who come from outside the company (Kusumaningtyas & Andayani, 2015). This is in accordance with research conducted by Faishal & Hadiprajitno (2015), which shows that independent commissioners have a negative effect on audit report lag. This is different from research conducted by Dewayanto & Dzulkifli (2022) which proves that an independent board of commissioners has no effect on audit report lag.

This research is a development of research conducted by Chandra & Indrastuti (2022) which shows that profitability and leverage variables have an influence on audit report lag, while auditor change, company complexity, company reputation, size of the board of directors, and company size have no influence on audit report lag. Therefore, an update was carried out from previous research, namely: 1). Replacing the independent variables with Public Accounting Firm Size, Company Size, and Independent Commissioner. The profitability variable is still used in this research. 2). In this research, financing institution sub-sector companies were used. This is because the financing institution sub-sector in carrying out operational activities must be in good financial condition so that it can be trusted by the public, so that the submission of financial statements must also be on time. In other words, the company should minimize audit report lag. Another reason for using the financing sub-sector is because financing institutions have several benefits, including that these institutions can become potential alternative sources of financing.

1.2. Literature Review

1.2.1. Agency Theory

Agency theory explains that there is a relationship between the agent (management of a company) and the principal (owner). According to (Jensen & Meckling, 1976) agency theory emerged because there was a separation between the owner as principal and the manager as agent, where both tended to have their own interests. Conflicts of interest that arise between the principal and the agent can occur due to the agent's reluctance to communicate information that is not expected by the principal, the agent has a 'endency to manipulate financial statements. In agency theory, the independent auditor acts as an intermediary between the agent and the principal. Auditors are responsible for assessing the fairness of a company's financial statements. In carrying out their duties, auditors must remain independent to maintain audit quality.

The company's audit report lag is closely related to agency theory. The risk of delays in audit reports is low if the relationship between the principal and agent is good. On the other hand, if the principal and agent relationship is not good, the risk of audit report lag becomes higher.

1.2.2. Audit Report Lag

As a company listed on the Indonesian Stock Exchange (IDX), it is mandatory for companies to publish audited company financial statements. Regarding the publication of financial statements, timeliness is very important for users of financial tatements. This is because financial statements are used as a basis for users of financial statements such as investors to make decisions.

In fact, there are still quite a lot of companies that have quite high audit report lag. The longer the audit is carried out, the longer it will take for the financial statements to be submitted to investors. This is usually called audit report lag (Desiana & Dermawan, 2020). Audit report lag can be interpreted as the period of time between the end of a company's financial year and the date of the audit report (Natonis & Tjahjadi, 2019). Sunarsih et al (2021) also define audit report lag as the length of time it takes to complete the audit carried out by the auditor, where this can be seen from the difference between the date of closing the books of the financial statements and the date of submission of the audit report.

1.3. Hypothesis Development

The concept of agency theory is closely related to principals and agents who hire agents to carry out tasks in the interests of the principal. The connection in this case is the assumption of the theory of longing that each person is moved solely for his own interests. Principals will be given incentives to sign contracts for their welfare with increased profits, while agents will be given incentives to maximize their economic and psychological needs, such as getting investigations, loans, or compensation contracts, so that agents will do whatever they can to bring out their best abilities in leading the company.

Profitability determines a company's ability to generate profits. Therefore, profit is good news for the company. Thus, the company will not delay the dissemination of information containing positive news. Companies with low levels of profitability tend to take longer to publish financial statements. This is in accordance with research conducted by Menajang et al (2019) which shows that profitability has a significant effect on audit report lag. Profitability has an opposite or negative relationship to audit report lag, where audit report lag decreases as the company's profitability increases. Similar results were obtained by Firmansyah & Amanah (2020) and Gazali & Amanah (2021) that profitability had a negative effect on audit report lag.
H1: Profitability has a negative effect on Audit Report Lag.

A Public Accounting Firm is a form of public accounting organization that is licensed based on statutory regulations to provide professional services in public accounting practice. The audit quality of a Public Accounting Firm can be assessed by the size of the public accounting firm. Big four and non-big four are used to indicate the size of a public accounting firm. It is assumed

that big four public accounting firms have higher quality than non-big four public accounting firms. The big four public accounting firms are considered to have access to more advanced technology and skilled human resources. Of course, the audit process will be faster with qualified auditors, thereby preventing delays in submitting annual financial statements. This is in accordance with research conducted by Lisandra et al (2019) which proves that the size of the Public Accounting Firm has a negative effect on audit report lag. These results indicate that companies that use public accounting firms affiliated with the big four can submit annual reports on time and have shorter audit report lags.
H2: Public Accounting Firm size has a negative effect on Audit Report Lag.

Larger companies naturally have greater wealth, allowing them to support a wider variety of business activities. This has implications for the audit process, because the scope of the audit increases as the company's operations become more complex. A wider audit scope affects the procedures that must be carried out by auditors, so that larger companies also have an effect on audit report lag. Usually, large companies are subject to supervision by investors, capital regulators and the government, so these companies tend to go through the audit process of their financial statements more quickly, thereby minimizing audit report lag. This is in accordance with research conducted by Lisandra et al (2019) which shows that company size has a negative effect on audit report lag. These results indicate that the larger the company size, the shorter the audit report lag. A large company usually has an appropriate internal control system and makes it easier for auditors to do their work. Similar results were obtained by Desiana & Dermawan (2020) that there is a negative influence between company size and audit report lag.
H3: Company size has a negative effect on Audit Report Lag.

An independent board of commissioners is a supervisory board that has no relationship with the company. Having an independent commissioner will allow better control. The company's board of commissioners pays more attention to the monitoring role of the implementation of board of directors' policies. The commissioners are expected to be able to minimize agency problems that arise between the board of commissioners and shareholders. This is in accordance with research conducted by Faishal & Hadiprajitno (2015) which shows that independent commissioners have a significant negative effect on audit report lag. Where companies with a high proportion of independent commissioners will shorten the company's audit report lag.
H4: Independent Commissioners have a negative effect on Audit Report Lag.

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1.4. Research Model

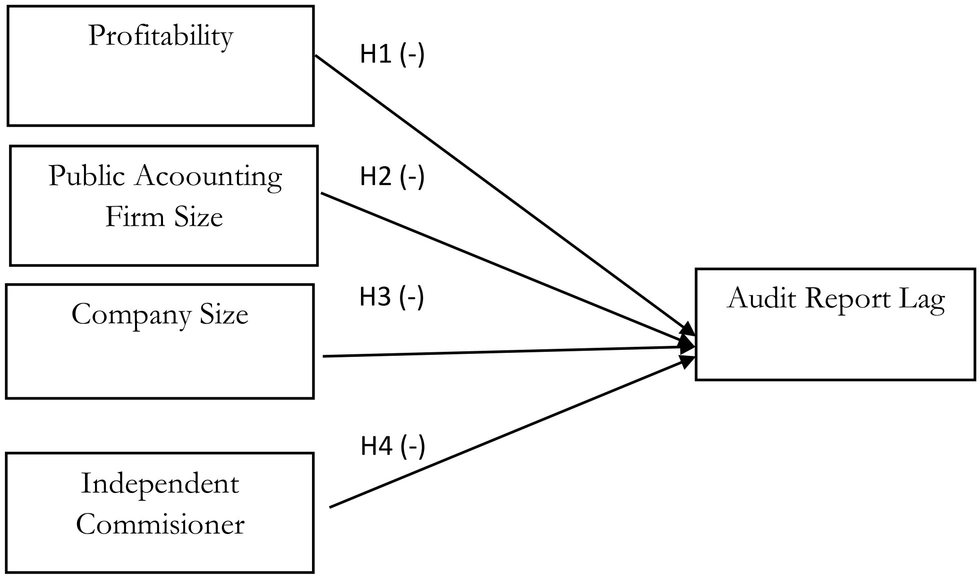

Figure 1. Research Model

2. Methods

2.1 Population dan Sample

The population in this study used companies in the financing institutions sub-sector listed on the Indonesia Stock Exchange (IDX) in 2019-2021. This data can be obtained from the official IDX website www.idx.co.id.

Sampling in this study used a purposive sampling method. The sample selection criteria are as follows (1) Financing institutions sub-sector companies listed on the Indonesia Stock Exchange in 2019-2021. (2) Financing institution sub-sector companies that report financial statements during 2019-2021.

2.2 Variable Measurement

The dependent variable used in this research is audit report lag or the length of time for completing an audit carried out by an auditor for a company's financial tatements (Ekaputri & Apriwenni, 2021). In this research, audit report lag can be measured by calculating the difference in days between the book date and the audit report date, as follows:

$$\textit{Audit Report Lag} = \text{the date of Audit Report} - \text{the date of Financial Statement}$$

The independent variables in this research consist of profitability, size of the public accounting firm, company size and independent commissioner. Profitability is the company's ability to generate profits (Prihadi, 2020: 166). In this research, profitability is measured using Return on Assets (ROA).

$$Return\ On\ Assets = \frac{Income\ After\ Tax}{Total\ Aset} \times 100\%$$

Big four and non-big four are used to indicate the size of a Public Accounting Firm. It can be assumed that the big four Public Accounting Firms have higher quality than non-big four Public Accounting Firms. In this research, the size of a public accounting firm is measured using a dummy variable, where companies audited by big four public accounting firms are given a value of 1, while companies audited by non-big four public accounting firms are given a value of 0.

The size of the company can be based on total asset value, total sales, market capitalization, number of workers and others (Fitri & Nazira, 2009). In this study, company size is measured from LN total assets.

$$\text{Company size} = Log\ Natural\ \text{Total Aset}$$

The independent board of commissioners is the percentage ratio between the number of commissioners from outside the company (independent commissioners) to the total number of members of the company's board of commissioners (Sidharta & Nurdina, 2017).

$$Ind.\ Commisioner = \frac{\text{Number of Independent Commisioner}}{\text{Number of commisioner}} \times 100\%$$

3. Results

3.1 General Description of Research Objects

The research was conducted on the sub-sector of financial institutions listed on the Indonesia Stock Exchange (BEI) with an observation period from 2019-2021. The following is the determination of the research sample:

Table 2. Research Sample

Criteria	Amount
Financing institution sub-sector companies registered on the IDX during 2019-2021	19
Financing institution sub-sector companies whose financial statements cannot be accessed	(1)
Sample	18
Period	3
Total Amount of Research Data	54

In this research, there was one company whose financial reports could not be accessed on the IDX website. Because the number of those who cannot be accessed is not significant compared to the entire sample, this does not affect the research results.

3.2. Descriptive statistics

The descriptive statistics of this research are presented in the table below:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	54	-4.214	0.125	-0.118	0.609
Public Acct. Firm Size	54	0.00	1.00	0.315	0.469
Company Size	54	20.207	31.189	27.980	2.185
Independent Commisioner	54	0.000	0.667	0.409	0.117
Audit Report Lag	54	23.0	149.0	86.407	31.697
Valid N (listwise)	54				

3.3. Classic assumption test

Testing of the equation model used in this classic assumption test includes the normality test, multicollinearity test and heteroscedasticity test. The normality test used in this research is the one sample Kolmogorov-Smirnov test. The results of this research normality test are presented in the table below:

Table 4. One-Sample Kolmogorov-Smirnov Test Results

		Unstandardized Residual
N		54
Normal Parameters[a,b]	Mean	0.000
	Std. Deviation	27.777
Most Extreme Differences	Absolute	0.102
	Positive	0.102
	Negative	-0.064
Test Statistic		0.102
Asymp. Sig. (2-tailed)		0.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Based on the Kolmogorov-Smirnov test above, the Asymp value was obtained Sig (2-tailed) is 0.2. These results show that the residual data is normally distributed because the Asymp, Sig (2-tailed) value is 0.2 > α (0.05).

The multicollinearity test can be carried out by looking at the Tolerance value and the Variance Inflation Factor (VIF) value. Data is considered free of multicollinearity if the Tolerance value is > 0.10 and the VIF value is < 10. The multicollinearity test is shown in the table below:

Table 5 Multicollinearity Test Results

		Collinearity	Statistics
Model		Tolerance	VIF
1	Profitability	0.618	1.617
	Public Accounting Firm size	0.567	1.764
	Company Size	0.380	2.629
	Independent Commisioner	0.906	1.103

a. Dependent Variable: Audit Report Lag

From Table 5 above, it can be seen that the Tolerance value for all independent variables is greater than 0.10 and the VIF value is less than 10. These values indicate that there is no multicollinearity in the regression model.

The heteroscedasticity test aims to determine whether the regression model deviates from classical standard requirements. It is said that heteroscedasticity does not occur if the significance value is > α (0.05). The heteroscedasticity test in this study used the Glejser test, the results of the heteroscedasticity test can be seen in the table below:

Table 6 Heteroscedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	70.214	49.429		1.421	0.162
	Profitability	-2.327	4.737	-0.085	-0.491	0.626
	Public Accounting Firm Size	1.712	6.434	0.048	0.266	0.791
	Company Size	-1.159	1.685	-0.151	-0.688	0.495
	Independent Commisioner	-40.644	20.451	-0.283	-1.987	0.052

Dependent Variable: Abs_RES

Based on the results of the Glesjer test above, the significance value of each independent variable was greater than alpha (0.05). From Table 6 it can be concluded that the regression model is free from heteroscedasticity.

3.4. Multiple Regression Analysis

The results of multiple linear regression analysis can be seen in the table below:

Table 7. Multiple Regression Analysis Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	310.954	86.381		3.600	.001
	Profitability	7.094	8.279	.136	.857	.396
	Public Accounting Firm Size	-4.083	11.243	-.060	-.363	.718
	Company Size	-7.390	2.944	-.510	-2.510	.015
	Independent Commisioner	-38.222	35.742	-.141	-1.069	.290

a. Dependent Variable: Audit Report Lag

Based on the results of the multiple linear regression analysis in table 7, the regression equation model developed in this research is as follows:

Y=310.954+7.094X1-4.083X2-7.390X3-38.222X4+e

3.5. Determination Coefficient Test (R square)

The results of the coefficient of determination test (Adjusted R2) can be seen from the table below:

Table 8 Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.482[a]	0.232	0.169	28.888

a. Predictors: (Constant), Independent Commisioner, Profitability, Public Accounting Firm, Company Size

Dependent Variable: Audit Report Lag

Based on table 8, it shows that the model coefficient of determination (Adjusted R2) is 0.169 or 16.9%. This value means that the contribution of the independent variables (profitability, size of the Public Accounting Firm, size of the company and independent commissioner) to the audit report lag is 16.9%, while the remaining 83.1% is influenced by other factors not included in the audit report lag regression model.

3.6. Model Feasibility Test (F Test)

The model feasibility test is the initial stage carried out to determine whether or not the identified regression model is feasible. The results of the model feasibility test can be seen in the table below:

Tabel 9. Result of Feasibility Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12357.801	4	3089.450	3.702	0.010[b]
	Residual	40891.236	49	834.515		
	Total	53249.037	53			

a. Dependent Variable: Audit Report Lag

b. Predictors: (Constant), Independent commisioner, Profitability, Public Accounting Firm Size, Company Size

From Table 9 the significance value (P value) is 0.010 <0.05, which means that the independent variables have an interaction in this case. Thus, it can be said to be a suitable model.

4. Discussions

4.1. The Influence of Profitability on Audit Report Lag

The results of this research prove that profitability has no significant effect on audit report lag. The larger or smaller the level of profitability will not affect the audit report lag. This is because the timing of submission of audited financial statements does not affect the company's ability to generate profits based on the assets it owns. Because the process of auditing a company with a small level of profitability is no different from the process of auditing a company with a large level of profitability. Therefore, companies with large or small profits tend to speed up their audit process. These results are in accordance with research conducted by Desiana, Wildan Dwi Dermawan (2020) that profitability does not have a significant effect on audit report lag. The result of the research different with the result of research by Gantino & Susanti (2019) who confirmed that profitability had a positive effect on audit report lag. This result also different from research by Abdillah et al (2019) which proves that profitability has a negative effect on audit report lag.

4.2. The Influence of Public Accounting Firm Size on Audit Report Lag

The results of this research prove that KAP size does not have a significant effect on audit report lag. The larger or smaller the size of the KAP has no effect on the audit report lag. The use of big four KAPs or non-big four KAPs cannot be proof of the company's seriousness in truly following the rules and reporting financial statements correctly and on time. The big four KAPs and non-big four KAPs used by the sample companies experienced almost the same delays in submitting audit reports. Therefore, it can be said that non-big four KAPs also have professional auditors who can carry out audits efficiently, so that audit reports can be completed on time in accordance with applicable regulations. This result is in accordance with research by Fitriana & Bahri (2022) and Giyanto & Rohman (2018) that KAP size does not have a significant effect on audit report lag. The result of this research are different from the result of research conducted by Gaol & Sitohang (2020) which shows that the size of the Public Accounting Firm has a positive effect on audit report lag. The result of this research are also different from the result of Lisandra's et al (2019) research which proves that the size of a public accounting firm has a negative effect on audit report lag.

4.3. The Influence of Company Size on Audit Report Lag

The results of this research prove that company size has a significant negative effect on audit report lag. The larger the company size, the shorter the audit report lag. Large companies have a good and appropriate internal control system, which makes it easier for auditors to carry out audits. Auditors who audit the financial statements of large companies usually tend to retain clients by offering the highest level of service, including expediting audit procedures. So this indicates that auditors spend less time in the audit process. These results are in accordance with research conducted by Lisandra et al (2019) and Desiana & Wildan Dwi Dermawan (2020) that company size has a significant negative effect on audit report lag. This result indicate that the larger the company size, the shorter the audit report lag. The different results were found in Effendi & Tirtajaya's (2022) research. From their research it is known that company size has a positive effect on audit report lag.

4.4. The Influence of Independent Commissioners on Audit Report Lag

The results of this research prove that independent commissioners do not have a significant effect on audit report lag. The large or small number of independent commissioners has no effect on the audit report lag. The level of the proportion of independent commissioners does not guarantee that they can carry out more effective supervision and ultimately does not reduce the duration of the audit report lag level. This result is in accordance with research by Dewayanto &

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Dzulkifli (2022) that an independent board of commissioners does not have a significant effect on audit report lag. The results of this research are different from the results of research conducted by Faishal & Hadiprajitno (2015), which shows that independent commissioners have a negative effect on audit report lag.

5. Conclusions

Based on the research results, several conclusions can be drawn as follows: 1). Company size has a significant negative effect on audit report lag in companies in the financial institutions sub-sector listed on the Indonesia Stock Exchange in 2019-2021.2). Profitability, size of the public accounting firm and independent commissioners do not have a significant effect on audit report lag in companies in the financial institutions sub-sector listed on the Indonesia Stock Exchange in 2019-2021.

Based on the results, the Adjusted R2 value is 0.169. This means that the independent variables in this study only explain 16.9% of the variables, while the remaining 83.1% is explained by other variables not used in this study. For future research, it is hoped that more independent variables can be studied.

Company characteristics, especially company size, have an influence on the timing of submitting company financial statements. This has the implication that companies going public (as large companies) must minimize audit report lag. Several ways to shorten audit report lag, including: 1). Companies should develop an effective accounting information system. 2). Auditors design audit strategies and create audit programs efficiently so that the audit process can be completed more quickly. It is hoped that the results of this research can be used by investors as a consideration in making decisions regarding investment. For investors, information in financial statements that is provided on time will be very helpful in making decisions.

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