

Conference Paper

Audit Report Lag and Its Determinants

Lilik Shofiyah and Ani Wilujeng Suryani

Accounting Department, Faculty of Economics, University of Malang

Abstract

Audit report lag is an important issue because it can affect the timeliness of accounting information that is used by internal and external users for their decision making. This study aims to examine the influence of profitability, solvency, company size, and the reputation of public accounting firms on the audit report lag. We collected data from 40 Indonesian mining companies annual reports from 2013 to 2017. The hypotheses were tested by using multiple regression analysis. The results show that profitability and company size have significant negative impacts on audit report lag, but solvency and reputation public accounting firm have no effect. The results of this study can be taken into consideration for companies as well as possible so that they can submit financial reports in a timely manner.

Keywords: profitability, solvency, company size, reputation public accounting firm, audit report lag

Corresponding Author:

Lilik Shofiyah

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1. Introduction

One of the financial information that is relevant and reliable is needed to create an efficient market that is timeliness, so that the timeliness is a necessity in the delivery of financial statements (Kieso, Weygandt, & Warfield, 2018). Timeliness of the company in delivering its financial statements can be measured using audit report lag, which is the time span of completion of the audit starting from the closing date of the company's books to the date stated in the audit report (Afify, 2009). Audit report lag is a global issue because in many countries there are many companies that submit financial reports that are not timely (Afify, 2009; Ahmed, 2003; Rusmin & Evans, 2017). As a result, the company will be subject to sanctions in accordance with applicable regulations if it is too late in submitting financial statements.

Companies in Indonesia are expected to be timely in submitting financial statements to avoid sanctions imposed by the *Otoritas Jasa Keuangan* (OJK). OJK has a regulation requiring issuers or public companies to submit annual financial reports no later than the end of the fourth month after the fiscal year ends (Number 29/POJK.04/2016 Article 7, paragraph 1). Companies that are late in submitting financial statements will be subject

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to administrative sanctions and certain actions of each party that violates the provisions of this OJK regulations (Articles 19 and 20).

Rules on financial reporting obligations in accordance with the theory of compliance. Compliance with their theory, a person or organization motivated to comply with applicable regulations, which as well as the company sought to timely submit financial statements (Sulistyo, 2010). Submit financial statements in a timely manner is very useful and important for the users of financial statements (Prabasari & Merkusiwati, 2017). In reality, there are still many delays in the delivery of the financial statements (Megayanti & Budiarta, 2016). In Indonesia, there were 70 listed companies that submitted financial reports later than the first quarter of 2017 (Liputan6, 18 May 2017). For this breach of regulation, the OJK gave a warning, fine and suspension to these companies (Liputan6, 18 May 2017).

Audit report lag is influenced by several factors including profitability, solvency, company size, and the reputation of the Public Accounting Firm (PAF). Companies with a high level of profitability will produce financial reports that contain good news (Affy, 2009; LS Pratt & Haryanto, 2014). This makes the company tends to submit financial reports more timely (Pramaharjan & Cahyonowati, 2015). In accordance with the theory of compliance that the company is driven by personal interests and responses to the success of obtaining profits (Syofiana dkk., 2016). In line with previous research that companies that have high profitability will experience shorter audit report lag (Afify, 2009; Dogan, Coskun, & Celik, 2007; Ismail & Chandler, 2004; Listiana & Susilo, 2012). Based on the description, the hypothesis can be formulated as follows:

H_1 : Profitability has a negative effect on audit report lag.

The high proportion of debt will increase the financial risk borne by the company (Dewangga & Laksito, 2015). High company risk indicates that the company is experiencing financial difficulties. Companies that experience this tend to delay submitting financial statements (Al-Ajmi, 2008; Al-Ghanem & Hegazy, 2011; Conover, Miller, & Szakmary 2008; Leventis, Weetman, & Caramanis, 2005; Owusu-Ansah, 2000). This causes investors to withdraw the invested shares so that the price of shares in the company goes down (Lapinayanti & Budiarta, 2018). Companies that have low solvency tend to be faster in submitting financial statements (Pratama, 2014). If the company is able to manage its debt properly and efficiently, the company will not experience financial difficulties so that the company can submit financial reports in a timely manner. This is consistent with the theory of compliance where the company will be more compliant with the regulations set by the OJK so that the audit report lag becomes

shorter (Sugita & Dwirandra, 2017). Based on the description, the hypothesis can be formulated as follows:

H₂: Solvency has a positive effect on audit report lag

Large companies are usually closely monitored by investors, regulators, and other stakeholders so that they are under bigger pressure to deliver financial reports on time (Afify, 2009; Ahmad & Kamarudin, 2003; Al-Ajmi, 2008; Dyer & McHugh, 1975; Muliantari & Latrini, 2017). This encourages large companies to prepare their financial statements more professional and quickly (Muliantari & Latrini, 2017). In accordance with the theory of compliance that large companies will be more obedient to the rules that have been established regarding the timeliness of financial statement submission (Khulaidah dkk, 2017). This is because compliance with the rules makes companies maintain its good name so that large companies have the drive to comply and the audit report lag is short (Sugita & Dwirandra, 2017). Based on the description, the hypothesis can be formulated as follows:

H₃: Company size has a negative effect the audit report lag

PAF's big four has good professionalism so as to make the quality of the audit produced better and the time spent in the audit process more efficient (Sitorus & Ardiati, 2014). This has an impact on the faster audit process carried out by the PAF's big four, the shorter the audit report lag. The audit process that will quickly make more compliant PAF's big four audit engagement letter has been agreed (Ibrahim & Suryaningsih, 2016). This is consistent with the compliance theory that explains that the auditor will comply with the engagement letter because the auditor considers that the terms of the engagement have the authority to regulate the auditor's behavior (Dewi & Hadiprajitno, 2017). Based on the description, the hypothesis can be formulated as follows:

H₄: Reputation PAF has a negative effect on audit report lag

2. Research Method

This research is an explanatory quantitative study that explains the relationship between independent variables namely profitability, solvency, company size, and reputation PAF with the dependent variable namely audit report lag. The sample used in this study is a mining company because the mining sector is one of the industries that has the largest contribution to the Indonesian economy (OkezoneEkonomi, 12 September 2018) and supports the Composite Stock Price Index (CNBCIndonesia, 29 January 2018). This makes many investors invest in the mining sector, so mining companies are assumed

to be timely in presenting financial statements. The sample used was taken using the purposive sampling method. Table 1 shows the research sample used, namely mining companies listing on the Indonesia Stock Exchange in 2013 to 2017 totaling 40 companies with 200 financial statements.

TABLE 1: Taking Research Samples.

No	Criteria	Total
1	Mining companies listed on the Stock Exchange (2013-2017)	41
2	Delisted mining companies	(1)
	Total research sample	40
	The data (40 x 5 years)	200

2.1. Independent Variables

2.1.1. Profitability (X_1)

Profitability is measured using Return on Investment (ROI) because it can reflect the efficiency of asset management which is useful for managers to control and make plans in profit-making activities (Afify, 2009; Patiku & Sambo, 2015; Priatinah & Kusuma, 2012; Subramanyam, 2014). The ROI formula is as follows (Shamsuddin, 2009):

$$\text{ROI} = \frac{\text{profit after tax}}{\text{total assets}} \times 100\%$$

2.1.2. Solvency (X_2)

Solvency is measured by using Debt to Equity Ratio (DER) because it can be used as an indicator of the level of corporate financial difficulties (Diana, 2018; Dogan et al., 2007; Modugu, Eraghbe, & Ikhatua, 2012; Rusmin & Evans, 2017). The DER formula is as follows (Higgins, 2012):

$$\text{DER} = \frac{\text{total liabilities}}{\text{shareholder equity}} \times 100\%$$

2.1.3. Company Size (X_3)

Company size is measured using market capitalization because it reflects the total value of the company (Bonson-ponte, Escobar-Rodriguez, & Borrero-Domínguez, 2008; Darmawan, 2017; Durand, 2018; Hassan, 2016). The market capitalization formula is as follows (Gujarati, Damodar, & Porter, 2010):

$$KP = \text{Ln } V_s$$

$$V_s = P_s \times S_s$$

Where:

V_s : market value

P_s : market price (stock market price i)

S_s : outstanding shares (number of shares issued)

KP: market capitalization

2.1.4. Reputation PAF (X_4)

PAF can be grouped into the big four and non big four (Puspitasari & Latrini, 2014). This study uses the PAF's big four as a proxy for reputation PAF (Rusmin & Evans, 2017; Afify, 2009; Al-Ajmi, 2008). Reputation PAF is measured by using a dummy variable; 1 for PAF's big four and 0 for PAF's non big four (Ahmed and Hossain, 2010; Farag, 2017; Ika & Ghazali, 2012; Khasharmeh & Aljifri, 2010).

2.2. Dependent Variable (Y)

The dependent variable in this study is audit report lag. Audit report is the time span (days) of audit completion starting from the close date of the company book to the date stated in the audit report (Afify, 2009).

$$\text{Audit report lag} = \text{Date of audit report} - \text{Date of financial report}$$

2.3. Data Collection

This study uses secondary data taken from the official website of the Indonesia Stock Exchange (IDX) at www.idx.co.id in the form of audited financial statements from 2013 to 2017. 2013 was chosen as the beginning of the research period because one year after the rules set on in 2012 in the submission of financial statements no later than the end of the fourth month after the financial year ends (Bapepam, 2012).

2.4. Data Analysis Techniques

2.4.1. Multiple Linear Regression Analysis

This study uses multiple linear regression analysis to examine the effect of profitability, solvency, company size, and reputation PAF on audit report lag. The regression model equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

where:

Y = audit report lag

α = constant

$\beta_1 - \beta_4$ = coefficient of regression

X_1 = profitability

X_2 = solvency

X_3 = size of the company

X_4 = reputation PAF

ε = error

The multiple linear regression model can be called a good model if it meets the classic assumption tests (The classical assumption test includes the normality test, the multicollinearity test, the heteroscedasticity test and the autocorrelation test. Normality test on all variables has a value of z skewness and kurtosis between -3 and +3, so the data is normally distributed. The multicollinearity test on all variables has a tolerance value of more than 0,25 and a VIF of less than 4, so there is no multicollinearity problem. Heteroscedasticity test using scatterplot graph which does not form a clear pattern and glacier test which contains one significant variable is less than 0,05. However, this is not a problem because heteroscedasticity does not cause bias and make Ordinary Least Squares (OLS) method is not the best method among the estimations of linear regression models (Williams, 2015). The autocorrelation test has a Durbin-Watson value of more than the upper limit and less than (4-du (upper limit)) so that there is no positive or negative autocorrelation data with the decision not rejected). After the classical assumption tests, the next test is the hypothesis test.

3. Results

3.1. Descriptive Statistics

TABLE 2: Descriptive Statistics.

Variables	Minimum	Maximum	Mean	Std. deviation
X ₁ Profitability	-14,15%	18,60%	2,71%	0,07
X ₂ Solvency	1,2%	210,53%	82,14%	0,51
X ₃ Company size	24,12	31,72	28,56	1,64
Y Audit Report Lag	22,00	122,00	71,16	17,80

Table 2 shows descriptive statistics of variables in this study. The mean value of profitability is 2,71%, which shows that the average company gets a low profit because 25 of the 40 mining companies have experienced losses. The mean value of solvency is 82,14%, which means that the average mining company uses more debt than equity. This shows that the average mining company does not experience financial difficulties because the solvency ratio is below the average standard industry solvency ratio of 90% (Kasmir, 2008: 143).

The mean value of company size measured using the natural logarithm (ln) of market capitalization is 28,57. This value indicates that the size of a mining company is classified as medium, which has a market capitalization of Rp. 1-5 trillion (Japlani, 2015). 27% small companies have a market capitalization less than one trillion or ln of market capitalization of less than 27,63. Meanwhile, 13% large companies have a market capitalization more than five trillion or ln of market capitalization more than 29,24.

The minimum value of the audit report lag shows that there are companies that are very timely in presenting financial statements. This happened to PT Central Omega Resources Tbk, which has a vision to become an open mining company that has a recognized reputation both domestically and internationally (Centralomega, 2016). On the other hand, the mean value of the audit report lag shows that the average mining company in Indonesia is on time to submit an annual financial report. This is due to the existence of OJK regulations which oblige to submit financial reports a maximum of four months after the book year ends (OJK, 2016).

Table 3 shows that in relation to the audit firms, mining companies in Indonesia use the PAFs non big four more often than PAF's big four. Even so, companies that use PAF's big four and PAF's non big four can submit financial reports in a timely manner. These results are consistent with previous studies conducted by Chan, Luo, and Mo (2016), Hussin, Bamahros, & Shukeri (2018), and Rusmin & Evans (2017).

TABLE 3: Percentase PAF.

PAF	Frequency	Percent	Mean Lag (days)
PAF's non big four	68	50,4%	75,82
PAF's big four	67	49,6%	66,43
Total	135	100%	

3.2. Correlation Analysis

Table 4 shows that profitability is negatively correlated with the audit report lag. If profitability increases, the audit report lag decreases. Solvency is positively correlated with audit report lag, meaning that if solvency increases, audit report lag also increases. Firm size is negatively correlated with audit report lag, meaning that if company size increases, audit report lag decreases.

TABLE 4: Correlation Analysis Results.

		1	2	3	4
1	Audit Report Lag	1,000			
2	Profitability	-0,365 **	1,000		
3	Solvency	0,271 **	-0,266 **	1,000	
4	Company Size	-0,392 **	0,342 **	-0,221 *	1,000

* Correlation is significant at 0.05 ** Correlation is significant at 0.01

3.3. Test the Hyphotesis

3.3.1. Test F

The following Table 5 shows that the F value of 10,082. The p-value in the F test is less than 0,05. This shows that all independent variables jointly influence audit report lag.

TABLE 5: Test Results F.

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	10053,063	4	2513,266	10,082	0,000
Residual	32405,352	130	249,272		
Total	42458,415	134			

3.3.2. Test t

t Test results can be seen in Table 6 below.

TABLE 6: t Test results.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error			
(Constant)	149,477	27,222		5,491	0,000
X ₁ Profitability	-55,027	21,602	-0,217	-2,547	0,012
X ₂ Solvency	5,197	2,827	0,148	1,839	0,068
X ₃ Company Size	-2,801	0,959	-0,258	-2,920	0,004
X ₄ Reputation PAF	-2,208	3,086	-0,062	-0,715	0,476

Thus, the regression models based on Table 6 is as follows:

$$Y = 149,477 - 55,027X_1 - 2,801X_3 + \epsilon$$

Where:

Y = audit report lag

X₁ = profitability

X₃ = company size

ε = error

The constant value is 149,477, which means that if there are no profitability, solvency, company size, and the reputation PAF, the audit report lag is 149,477 days. R square value of 0,237 which means that profitability, solvency, company size, and reputation PAF are only able to explain 23,70% of the variation of the audit report lag.

The profitability variable has a p-value of 0,012 < 0,05 and the coefficient is negative, which means that profitability has a negative effect on audit report lag. Thus H₁ which states that profitability has a negative effect on audit report lag cannot be rejected.

The solvency variable has a p-value of 0,068 > 0,05 and the coefficient is positive, which means that solvency has no effect on audit report lag. Thus H₂ which states that solvency has a positive on audit report lag is rejected.

The company size variable has a p-value 0,004 < 0,05 and the coefficient is negative, which means that the size of the company has a negative effect on audit report lag. Thus H₃ which states that company size has a negative effect on audit report lag cannot be rejected.

Reputation PAF variable has a p-value $0,476 > 0,05$ and the coefficient is negative, which means that the reputation PAF has no effect on audit report lag. Thus H_4 which states that the reputation PAF has a negative effect on audit report lag is rejected.

4. Discussion

4.1. Effect of Profitability on Audit Report Lag

This study found that profitability has a negative effect on audit report lag, which means that companies that have the ability to generate high profits will submit financial statements in a timely manner. The results of this study indicate that the profitability of mining companies in Indonesia affects the timeliness of financial statement submission. Companies that have high profitability will be quick to submit financial reports (Melati & Sulistyawati, 2016; Listiana & Susilo, 2012). It aims to immediately provide good news to users of financial statements (Lianto & Kusuma, 2010). Conversely, companies that have low profitability are not timely in the delivery of financial statements because they contain bad news (Ariyani & Budiarta, 2014).

The results of this study are in accordance with the theory of compliance with an instrumental perspective that companies are driven by personal interests and responses to the success of earning profits (Syofiana et al., 2016). The higher the profit generated by the company, the company will submit financial statements in a timely manner according to the time period set by the OJK (Pramaharjan & Cahyonowati, 2015). This results in a shorter audit report lag. Thus, based on the results of these studies it can be concluded that there is an effect of profitability on the audit report lag of mining companies in Indonesia.

4.2. Effect of Solvency on Audit Report Lag

This study found that solvency does not affect the audit report lag which means that the company's ability to pay all debts does not affect the timeliness of financial statement submission. The result of this study is consistent with research conducted by Ibrahim & Suryaningsih (2016), Lienardi & Widyastuti (2015), and Melati & Sulistyawati (2016). But this result is not consistent with previous studies conducted by Al-Ajmi (2008), Al-Ghanem & Hegazy (2011), Conover et al. (2008), Jensen & Meckling (1976) which states that companies with greater debts than equity are regarded as highly leveraged and

require longer auditing time and expect high standard auditing services through the hiring of high-quality auditing firms, then incur higher agency and monitoring costs.

Solvency does not affect the audit report lag because debt owned by companies is a natural thing to happen in current economic conditions, where no company can live without debt (Pramaharjan & Cahyonowati, 2015). In 2015, one mining company is PT Bumi Resources Tbk debt, so this year and next year that company will busy doing debt restructuring (CNNIndonesia, 2015). This makes that company was forced to reduce the expansion by cutting capital expenditure (CNNIndonesia, 2015). Thus, although PT Bumi Resources Tbk in debt they are trying to be able to pay its debts by way of saving shopping so the debt the less and can submit financial statements on a timely basis. In addition, it has been explained in descriptive statistics that the average mining company does not experience financial difficulties because the solvency ratio is below the average standard solvency industry ratio of 90% (Kasmir, 2008).

The results of this study are not in accordance with the theory of compliance because companies that have high or low solvency do not affect the timing of financial statement submission. Public companies are required to be obedient in submitting financial statements in a timely manner in accordance with OJK regulations (Sugita & Dwirandra, 2017). Companies with a high level of solvency are expected to keep reporting their financial statements in a timely manner and minimize audit report lag (Pramaharjan & Cahyonowati, 2015). If the company is unable to submit financial statements in a timely manner, there will be sanctions that will be imposed on the company.

Thus, based on the results of the above research it can be concluded that mining companies in Indonesia that have high debt do not necessarily delay in submitting financial statements. Companies that successfully manage their debts properly and efficiently that company earnings will increase so that the company remains a going concern. Therefore, the company is also able to maintain its reputation by way of financial reports in a timely manner.

4.3. Effect of Company Size on Audit Report Lag

This study found that company size negatively affected audit report lag, which means that the larger the size of the company, the faster the company will submit financial statements. Vice versa, the smaller the size of the company, the longer the company in submitting financial statements. The result of this study is consistent with research Ahmed and Hossain (2010), Owusu-Ansah and Leventis (2006), and Ratnasari & Yennisa (2017). But this result is not consistent with previous studies Butarbutar & Hadiprajitno

(2017), and Tiono & Jogi (2013) which states that internal control systems and encouragement of external auditors to complete the audit work is not running. In their research, there are some large companies that have longer financial statements submission than smaller companies.

The results of this study are in accordance with the theory of compliance because the larger the size of the company, the company tends to be timely in delivering financial statements (Megayanti & Budiarta, 2016). Large companies have more sources of financial statement information, so large companies are more compliant with regulations set by the OJK (Susianto, 2017). This has an impact on the company's audit report lag becomes shorter. In addition, the good name of the company that needs to be maintained, or the requirement based on morality (Pramaharjan & Cahyonowati, 2015). Thus, based on the results of the above research it can be concluded that the size of the company Mining in Indonesia has an influence on audit report lag.

4.4. Effect of Reputation PAF on Audit Report Lag

This study found that the reputation of the firm had no effect on audit report lag which meant that companies whose financial statements were audited by the big four firm did not necessarily have audit report lag which tended to be shorter. Conversely, companies whose financial statements are audited by PAF's non big four do not necessarily have audit report lag which tends to be longer. The result of this study is consistent with research conducted by Angruningrum & Wirakusuma (2013), Carbaja & Yadnyana (2015), and Tiono & Jogi (2013). But this result is not consistent with previous studies conducted by Ahmed and Hossain (2010), Lee & Jahng (2008), and Owusu-Ansah and Leventis (2006) which states that PAF's big four has many professionals auditor who can shorten the audit process so audit report lag is short.

The results of this study cannot support of the theory of compliance which explains that the auditor will comply with the engagement letter because the auditor considers that the terms of the engagement have the authority to regulate the auditor's behavior (Dewi & Hadiprajitno, 2017). The existence of an engagement letter between the auditor and the company makes the audit process in accordance with the agreed time (Ibrahim & Suryaningsih, 2016). PAF's big four has more professional auditors, thus making the audit quality produced better and the time spent in the audit process more efficient (Pramaharjan & Cahyonowati, 2015). However, in this study it was seen that not only the PAF's big four had professional auditors, but auditors on PAF's non big four were also required to act professionally. Thus, based on the results of the above research it

can be concluded that mining companies in Indonesia whose financial statements are audited by PAF's big four or PAF's non big four can submit financial reports in a timely manner.

5. Conclusions

5.1. Conclusions

This study aims to examine the influence of profitability, solvency, company size, and the reputation PAF on audit report lag in Indonesia mining companies from 2013 to 2017. Based on the results of the analysis conducted, it can be concluded that the timeliness in submitting financial statements is one of the important things for the company. In addition, timeliness also benefits the users of financial statements because they can immediately obtain information in the form of financial statements. This should motivate all companies to be able to submit financial statements in a timely manner, so as to provide benefits for the company itself that has maintained its reputation and avoided sanctions against regulations set by the OJK.

Based on testing that has been done, there are four conclusions. First, profitability has a negative effect on audit report lag. These results are consistent with previous research which found that a company's ability to generate high profits tends to deliver financial statements in a timely manner. In addition, the results of this study are in accordance with the theory of compliance with an instrumental perspective that the company is driven by personal interests and responses to the success of earning profit. This should motivate companies that have low profitability to be able to submit financial statements in a timely manner if they get high profits. Thus, companies that have low profitability can also comply with regulations set by the OJK.

Second, solvency has no effect on audit report lag. These results are consistent with previous research which found that a company's ability to repay all of its debts had no effect on the timing of financial statement submission. In addition, the results of this study are not in accordance with the theory of compliance because companies that have both low and high solvability do not have an influence on the timing of financial statement submission. However, these results indicate that companies that manage their debt well, company profits tend to increase. Thus, the company tends to submit financial statements in a timely manner and remains going concern.

Third, company size has a negative effect on audit report lag. These results are consistent with previous research which states that the larger the company, the faster

the company submits financial statements. In addition, the results of this study are also in accordance with the theory of compliance because the larger the size of the company, the company will be timely in delivering financial statements. With the reputation of large companies that need to be safeguarded, or necessity based on morality. This should be able to motivate small companies to be able to submit financial reports in a timely manner in accordance with the time period set by the OJK. Thus, all companies can obey the rules set by the OJK.

Fourth, reputation PAF has no effect on audit report lag. These results are consistent with previous research which found that companies that use PAF's big four and PAF's non big four do not affect the timing of financial statement submission. In addition, the results of this study cannot support of the compliance theory which explains that the organization will comply with the engagement letter because the auditor considers that the terms of the engagement have the authority to regulate the auditor's behavior. However in this study it is seen that all PAF have Professional auditors, auditors who adhere to the agreed rules according to the engagement letter with the company. Thus, even though reputation PAF does not affect audit report lag, OJK regulations are expected by the company to deliver financial statements in a timely manner if the auditor has carried out the audit process in accordance the agreed time on the engagement letter.

The results of this study can be taken into consideration in decision making by several parties. For investors, companies that can submit financial statements in a timely manner will be a good signal so that investors can invest their funds in the form of securities or shares. For auditors, timeliness can be used as consideration for completing and reporting audit reports. For further researchers, it can be used as a reference in conducting further research related to audit report lag. For readers, it is hoped that they can add insight and knowledge about the factors that affect audit report lag.

5.2. Limitation and Suggestions

This study has two limitations. The first limitation is that research data has been omitted due to outliers. Future studies are expected to try other tests or other treatments for outliers. The second limitation is the use of the Ordinary Least Squares (OLS) method which is not the best method in this study due to heteroscedasticity. Future studies should try to use methods other than the OLS method such as the Least Trimmed Squares (LTS) method.

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