THE INFLUENCE OF INSTITUTIONAL OWNERSHIP, INDEPENDENT COMMISSIONERS, AUDITOR OPINION AND SUBSIDIARY TOWARD AUDIT DELAY

A THESIS

Presented as a Partial Fulfillment of the Requirements

to Obtain Bachelor Degree in Accounting Department

By:

Khresna Wimba Raditya

Student Number: 13312267

INTERNATIONAL PROGRAM

BUSINESS AND ECONOMICS DEPARTMENT

UNIVERSITAS ISLAM INDONESIA

YOGYAKARTA

2018

THE INFLUENCE OF INSTITUTIONAL OWNERSHIP, INDEPENDENT COMMISSIONERS, AUDITOR OPINION AND SUBSIDIARY TOWARD AUDIT DELAY

A THESIS

Presented as a Partial Fulfillment of the Requirements

To obtain the Bachelor Degree in Accounting Department

By:

KHRESNA WIMBA RADITYA

Student Number: 13312267

INTERNATIONAL PROGRAM
FACULTY OF ECONOMICS
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA

2018

THE INFLUENCE OF INSTITUTIONAL OWNERSHIP, INDEPENDENT COMMISSIONERS, AUDITOR OPINION AND SUBSIDIARY TOWARD AUDIT DELAY

A BACHELOR DEGREE THESIS

By:

KHRESNA WIMBA RADITYA

Student Number: 13312267

Defended before the Board of Examiners

On and Declare Acceptable

Board of Examiners

Examiner I

Sigit Handoyo, S.E., M.Bus August 8th, 2018

Examiner II

Suwaldiman, S.E.,M.Accy.,Ak August 8th, 2018

Yogyakarta, August 8th, 2018

International Program

Faculty of Economics

Universitas Islam Indonesia

Dean,

Dr. Jaka Sriyana, S.E., M.Si.

THE INFLUENCE OF INSTITUTIONAL OWNERSHIP, INDEPENDENT COMMISSIONERS, AUDITOR OPINION AND SUBSIDIARY TOWARD AUDIT DELAY

Presented by:

KHRESNA WIMBA RADITYA

Student Number: 13312267

Approved by:

Content Advisor

Sigit Handoyo, S.E., M.Bus August 8th, 2018

Language Advisor

Ata Muftihah, S.S., S.Pd August 8th, 2018

DECLARATION OF AUTHENTICITY

Hereby I declare the originality of the thesis; I have not presented someone else's work to obtain my university degree, nor I have presented someone else's words, ideas or expressions without any of the acknowledgments. All quotations are cited and listed in the bibliography of the thesis. If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation or its consequence.

Yogyakarta, August 8^{th}, 2018

Khresna Wimba Raditya

MOTTO

‘‘GO FOR IT. NO MATTER HOW IT ENDS, IT WAS AN EXPERIENCE’’

ACKNOWLEDGEMENTS

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Assalamu'alaikumWarahmatullahiWabarakatuh.

All perfect praise is due to Allah, the Lord of the Worlds. I bear witness than none is worthy of worship but Allah, alone with no partners. And I bear witness that Muhammad is His Messenger, may Allah exalt his mention.

Alhamdulillahirabbil'alamin, the thesis entitled ***"The influence of institutional ownership, independent commissioners, auditor opinion and subsidiary toward audit delay"*** as a partial requirement to obtain the Bachelor Degree in Accounting Department, International Program, Faculty of Economics, Universitas Islam Indonesia is finally finished.

I would like to thank everyone who has participated in making this thesis successful. Hopefully, this will be the starting point of initiating other studies. Through this occasion, I would like to address my appreciation and regards to:

1) Allah ﷻ for every blessings, guidance, and mercy so that my good intention can be addressed in order to give benefits to others, *Insha'Allah*.
2) Muhammad ﷺ as the best of mankind, who has inspired me along the way. My heart sends salutations upon you.
3) My beloved mother, Dewi Safitri, who introduced me to my creator. My beloved father, Dremo Madyo, who has been always

pushing me to do the absolute best that I possibly can. My brother, Ghera Wimba and Aglis Purusa for teaching me not to be selfish.

4) Nandang Sutrisno, SH., LL.M., M.Hum., Ph.D as the Rector of Universitas Islam Indonesia, Wiryono Raharjo, Ir., M.Arch., Ph.D. as the Former Director of International Program, Universitas Islam Indonesia and Dwipraptono Agus Harjito, Dr., Drs., M.Si. as the Dean of Faculty of Economics, Universitas Islam Indonesia.

5) Sigit Handoyo, S.E., M. Bus as my thesis advisor who always gives me constructive advices and utmost inspiration to make my study time much more meaningful.

6) Anas Hidayat, Drs., M.Bus., Ph.D. and Rokhedi Priyo Santoso, S.E.,MIDEc. as the Head and Deputy Head of Business and Economics Department IP UII for facilitating and accommodating me in the IP UII. Special appreciation for Pak Ahmad and Miss Alfi who always assist me a lot; Mas Kandri, Pak Kus, Pak Erwan, Mba Rindang and others for their very warm welcome and friendliness during my time at IP UII.

7) All IP Accounting 2013 classmates: Bagas, Faruq, Ardi, Shigeo, Nauval, Adun, Rezha, Bhayu, Intan, Putri, Rachma, Diana, Kiki, Lita, Fani, Chyntia, Delia, Ima, Dian, Nadia and Sari.

8) My beloved friends: Delia Salsabia, Fuadi Haitamy, and Putri Amalia Noverita for always be with me through thick and thin in

our stay in Jogja.

9) My beloved friends: Rasis Lasadika, Khairesa Handayu and Muhammad Baihaqil for showing me the importance of relationships and making me learn to stand up for myself.

10) My beloved Outbound Management Training Program, Pak Budi, Mas Seno, Pak Samani, Elvin, Nadif, Reza and Memed, for teaching me more about leadership and compassionate.

11) All parties whom I could not mention one by one for every support and motivation.

We ask Allah ﷻ to grant us sincerity and accept our work, and to enable us to perform all to please Him.

Yogyakarta, August 8th, 2018

Khresna Wimba R

Table of Contents

ABSTRACT

The objective of this research is to analyze the effect of institutional ownership, independent commissioners, auditor opinion and subsidiary on audit delay. The proxy of good corporate governance are institutional ownership and independent commissioners, audit opinion and subsidiary as independent variables while audit delay as dependent variable. The population in this research is company that listed in Indonesia Stock Exchange period 2016-2017. The research samples are selected using purposive sampling method. Total of samples are 105 companies in Indonesia Stock Exchange period 2016-2017. This research uses multiple regression analysis, of which result shown that institutional ownership and audit opinion variable have negative and significant effect on audit delay, while subsidiary have positive and significant effect on audit delay. On the other hand, independent board commissioner variable have insignificant effect on audit delay.

Keyword: institutional ownership, independent board commissioner, audit opinion, subsidiary, and audit delay.

CHAPTER I
INTRODUCTION

1.1. Background of the Study

Financial Report consists of income statement, retained earnings statement, statement of financial position, statement of cash flow and disclosure of company financial performance during one year period. The purpose of financial report is to provide information or data to the capital providers such as creditors and shareholders which influence to make any economic decision to related company. Financial report usually reported or published yearly by company. It is important for company in publishing their financial report which has been audited in time. The relevancies of a financial report significantly decrease if the company delay their financial report. Companies are expected to present their financial report no later than three months after the end of period (Sari, 2011).

Liputan6.com, Jakarta - Indonesia Stock Exchange (IDX) said there are 70 listed companies or issuers that have not submitted the financial statements of the first quarter of 2017. Whereas, the issuer must submit the financial statement by the end of April every year. Upon this delay, the Exchange Authority gives a warning to the companies. If the issuer is still stubborn, IDX does not hesitate to temporarily halt or suspended the stock trading of the issuer. "As many as 70 companies have not submitted the financial statements of the first quarter of 2017," said Director of IDX Assessment, Samsul Hidayat after attending the Financial Services Consumer Launching (SPKK) Financial Services Authority (OJK) at BEI Building, Jakarta, Thursday (18/5/2017) (Ariyanti, 2017).

In Indonesia the regulations concerning the timeliness of financial reporting to the public are governed under Law No. 8 of 1995 regarding capital market and the Chairman of *Badan Pengawas Pasar Modal* (BAPEPAM) No. 80/PM/1996 on periodic financial reporting obligations. Securities and Exchange Commission (SEC) regulations issued Decree Kep-431/BL/2012 stated that the annual financial statements accompanied by the accountant with a common opinion must be submitted to the SEC no later than the end of four months (120 days) after the date of the annual financial statements. Delay limit for a company to submit the annual financial report is on April 30. The regulation requires that the financial reporting to be completed in a timely manner, and then, the company must have a policy regarding to timely completion of financial statements without reducing the quality of the financial statements.

Therefore timeliness of annual reports is an important attribute to their usefulness (Hossain & Taylor, 1998). The function of financial report must be reported in time to be used by the capital providers to make an appropriate decision. As stated in the Statement of Financial Accounting Standards (PSAK, 2009), on the *Kerangka Dasar Penyusunan dan Penyajian Laporan Keuangan* (KDPPLK), that financial statements must meet the four characteristics of quality that make financial statement information be useful for some users. The Fourth characteristics are, understandable, relevant, reliable and comparable.

Therefore, the time period required to complete the audit process which will affect the length of the process of announcing the company's financial statements. The longer period of time between the issuance and the announcement of the financial statements will be less benefit of the financial statements. In such cases, the audit process can be an obstacle to the timeliness of the announcement and the submission of financial statements (Bustamam & Kamal, 2010).

These situation referred to audit delay, where the length of time of the audit completion is measured from the closing date of the financial year to date of the issuance of the audit report. The longer the audit delay, the longer the auditor in completing the audit process. The importance of audit delay and timeliness in the publishing financial statements are influenced by many factors (Hossain & Taylor, 1998).

Government regulations require firms to undertake the management of corporate governance to be efficient. One method used is by implementing the good corporate governance (GCG) in the company. Principles of corporate governance in the Organization of Economic Cooperation and Development (OECD) said the five frameworks, namely the protection of the rights of shareholders, shareholder responsibility, the rights of stakeholders, disclosure and transparency, and the role and structure of the board. OECD principles are accepted as the general basis of the GCG to address a variety of different interests and cultural practices. Thus, companies that implement GCG hope to get more value in the eyes of the investor company. With corporate governance practices, companies can demonstrate and be accountable for the performance of the company to the public through the resulting financial statements and they are believed to have better quality than companies that do not implement GCG (Bemby, Abukosim, Mukhtaruddin, & Mursidi, 2013).

Nurmaida (2014) on her research found the board of independent commissioners in corporate governance mechanism affects audit delay positively.

The board of independent commissioners has rights to decide good quality audit committee to have financial report audited immediately and given the opinion in a timely manner. However, Panggabean and Yendrawati (2016); Bemby et al., (2013) found there are no association in independent commissioners to audit delay. These results are in contrast with the results of the study of Situmorang (2008) as cited in Wijayanti (2010), which stated that there is a significant negative effect of institutional ownership on audit delay. In addition to the number of members of the audit committee and institutional ownership, Wijayanti (2010) also used variable independent commissioner. It means that the structure of the company's independent commissioners has negative effects on audit delay. Furthermore, she also argued that the greater the percentage of independent commissioners, the shorter the duration of audit delay. Situmorang (2008) as cited in Wijayanti (2010) also proved that the structure of an independent commissioner has a significant negative effect on audit delay.

Furthermore, factor that affect audit delay is audit opinion. The audit opinion is an opinion on the fairness of the audited financial statements. The results of research conducted by Robert H. Ashton (1987), Reni Yendrawati (2008), Yusralaini (2010) on Widosari (2012) stated that audit opinion has a positive effect on audit delay which means that audit delay is relatively long on companies that receive a qualified opinion. Meanwhile, according to research results of Kartika (2009) found that audit opinion has a negative effect on audit delay, it is because of companies that accept unqualified opinion has a faster audit time than a company that receives a qualified opinion.

The big company usually invest their money into their subsidiaries. This type of company generally requires longer audit times as the audit scope becomes broader for holding companies. The company that has more than two subsidiaries usually requires an audit or at least becomes one of the audit objects (auditing the balance of investments in a subsidiary) (Surbakti, 2009 in Purba, 2003). Thus, the auditor takes a longer time to audit the company's financial statements.

From the above explanation, it can be concluded that audit delay has a very important role in the timeliness of audited corporate financial reporting. The longer the audit delay, the company will be too late to submit financial reports to the public, and vice versa.

This research seeks to investigate more deeply about the factors that affect the audit delay and timeliness of financial report submission and the relationship between audit delay and timeliness in the company listed on the BEI.

1.2. Problem Formulation

Based on the above description, there are several factors that affect the duration of audit delays, such as institutional ownership, independent commissioners, auditor opinion and Subsidiaries. Accordingly, this study aims to answer the following problem:

1. Does institutional ownership influence the audit delay?
2. Does auditor opinion influence the audit delay?
3. Does Subsidiaries inluence the audit delay?
4. Does independent commissioners influence the audit delay?

1.3. Research Objective

Related to the research problem of this research, the purpose of this study are to:

1. Analyze the influence of institutional ownership toward audit delay
2. Analyze the influence of auditor's opinion toward audit delay
3. Analyze the influence of Subsidiaries toward audit delay
4. Analyze the influence of independent commissioners toward audit delay

1.4. Research Contribution

In line with the above research objectives, the usefulness of this study can be described as follows:

1. For the company, it can be used as a consideration, in particular, related to the audit process prior to the audited financial statements published.
2. For the academic field, it can contribute to the development especially accounting theory which relates to the delay of publication financial report (audit delay).
3. As a reference material for the parties who will conduct deeper research on this issue.

1.5. Systematical Writing

This research discusses five chapters with systematic as follows:

It consists of chapter one which discusses introduction, chapter two contains review of related literature, chapter three depicts the research method, chapter four explains the research findings and discussions, and chapter five presents conclusion, implications, and recommendations. The description of each chapter will be explained more as follows:

Chapter I: Introduction

The first chapter of this research gives the general description of the research by explaining the background of the study, problem formulation, objective of the research, significance of the research, and systematics of writing.

Chapter II: Review of Related Literature

The second chapter of this study contains theoretical reviews to discuss the issues raised in this study, including theories and concepts that are relevant and supportive to the analysis of problem-solving in this study. It also contains the review of previous studies, hypothesis formulation, and research model.

Chapter III: Research Method

The third chapter of this study focuses on the method of conducting the research including the statistical tools used which consist of population and sample determination, research variables, and data analysis methods.

Chapter IV: Data Analysis and Discussions

The fourth chapter of this study contains the research description, research findings, and discussion. This chapter gives a general depiction of the research object in this thesis by describing the existing research findings systematically, and then the discussion is made based on the results.

Chapter V: Conclusions and Recommendations1

The fifth chapter of this study describes the conclusions and implications of the results of the analysis that have been done, and the recommendations that may be proposed and implemented for further research.

CHAPTER II
REVIEW OF RELATED LITERATURE

2.1. Theoretical Framework

2.1.1 Signaling Theory

Gestures or signals are actions taken by management companies where management knows the complete and accurate information about the company's internal and future prospects rather than investors. Therefore, the manager is obliged to provide signaling of the company's condition to its stakeholders.

The signals are granted can be done through the disclosure of accounting information such as publication of financial statements. Managers publish financial statements to provide information to the market. Generally, the market will respond to that information as a signal of good news or bad news. The given signal will affect the stock market especially the stock price of the company. If the signal management indicates good news, then it can increase stock price (Sari, 2011). On the contrary, if management signals indicate bad news can be resulting in a decrease in the company's stock price. Therefore, the signal from the company is an important thing for investors to take a decision.

Investors can make mistakes in making economic decisions if the information taken by the company's management is not accordance to the actual company conditions. In order to minimalize the occurrence of information irregularity based on signaling theory, the management must create internal controls that are able to safeguard company property and guarantee the preparation of reliable financial statements (Sari, 2011).

The main benefit of this theory is the accuracy and timeliness of the presentation of the financial statement to the public which can be a signal from the company for information which is beneficial in the need for investors in making decision. The longer audit delay causes uncertainty in price movements stock. Investors can interpret the length of audit delay due to the company has a bad news so it does not immediately publish its financial statements, which will then result in a decrease in the company's stock price.

2.1.2 Agency Theory

Agency theory is one way to determine the economics of information by extending one individual into two individuals. In the contrast, agency relationship is between managers and shareholders. Shareholders order agent to perform a service on their behalf regarding authorization in making best decision for them. Managers are more aware of internal information and the company's prospects in the future than the owners (shareholders) (Bemby et al., 2013). Therefore, managers are obligated to give signal of the condition of the company to the owner. Signals can be given over disclosure of any accounting information, such as the company's financial report. The financial report are proposed to be used by various interested parties, including the company's management. However, external users are most concerned with the financial report to evaluate the company performance. While internal users (managers) have a direct contact to the company and find out what happened so that the degree of dependence on accounting information is not for external users. This situation will lead to a condition known as asymmetric information, a condition in which the shareholders does not have necessary information about the performance of agents and can never be certain of how the business agents contribute to the actual results of the company (Sari, 2011). Therefore, the financial disclosure can be carried immediately on time and could reduce those irregularity from the data (Ahmed & Che-ahmad, 2016). The different preferences of goals become one of the key elements of agency theory, because all individuals act on their own interests and desires. Assumed as principal, shareholders are only interested in financial returns resulting from their investment in the company, while the agents are assumed not only to receive satisfaction in the form of financial compensation but also from increasingly involved in an agency relationship, like a lot of free time, interesting working conditions, club memberships, and flexible working hours(Sari, 2011). In practice, the financial statements need to be audited before they were finally published.

Truth Institute for Leadeship and Services (2007) in Bemby et al., (2013), stated that the financial statements must be audited due to several reasons. First, the differences interests among users of financial statements and management. Second, the financial statements play an important role in the decision-making process by the users of financial statements. Third, the complexity of the data, and the last statement users limited access to the accounting records. The general objective of providing the audited financial statement is to know whether the financial statements are examined fairly, in all that is material, in accordance to generally accepted accounting principles (GAAP).

2.2. Literature Review

2.2.1 Financial Statement

Weygandt and Kieso (2005) defined the financial statements as follows:

"The financial statements are the main means by which financial information communicated with outsiders. This report provides quantitative history of companies in units of money ".

Complete financial statements by Statement of Accounting Standard Finance (PSAK) No.1 consists of components of the balance sheet, income statement, statement changes in equity, cash flow statements, and notes to the financial statements. Report of finances should apply PSAK properly along with the disclosure. PSAK is required in the notes to the financial statements. These financial statements are the means of communication for management to the capital providers. The quality of communication achieved depending on the quality of the financial statements. Characteristics of report quality stated in the Statement of Accounting Standards Finance (IAI, 2009) No.1 are:

1. Understandable

   The Important quality of information contained in the financial statements is its easy to be understood by the interested users. User is assumed to have adequate knowledge of the activity economics and business, accounting, and the willingness to learn information.

2. Relevant

   To be useful, information must be relevant to meet users' needs in the decision-making process. Information must has quality of relevance, because its affects the economic decision of the user. Relevant information can be used to help evaluate the past, present, or future events.

3. Reliable

   Information has a reliable quality if it is free of that sense misleading, material mistakes, and dependability of the wearer as a faithful representation of that should be presented or reasonably expected to be presented.

4. Can be compared

   Users should be able to be compared financial statements between periods to identify position and performance trends finance. Users should also be able to compare financial statements between companies. This is done to evaluate the financial position, performance, and relative financial position changes. The deadline for the issuance of the Company's financial statements in Indonesia is regulated by the Capital Market Supervisory Agency (BAPEPAM), as arranged in Law no. 8 of 1995 and BAPEPAM Regulation Number: X.K.2.

The decision of the Chairman of BAPEPAM No.80/PM/1996 on Obligation of Submission Periodical Financial Statements stated that every public company is required to submit audited annual financial statements within 120 days commencing from the date of expiry of the fiscal year. In order to provide more immediate and accurate information to investors regarding the financial condition of the issuer or public company as well as within order to keep up-to-date of global capital market developments, as of September 30^{th}, 2003 BAPEPAM issued BAPEPAM Regulation Number X.K.2.

The decision of the Chairman of BAPEPAM Number: Kep-431/BL/2012 Concerning Liability Submission of Periodical Financial Statements, financial statements must be accompanied by accountant reports with common opinions and submitted to BAPEPAM no later than the end of the fourth month (120 days) after the date of annual finance report. In BAPEPAM Regulation no. X.K.2, Attachment of Chairman Decision BAPEPAM Number: Kep-36/PM/2003 it is mentioned that financial statements which must be submitted to BAPEPAM consists of:

1. Balance sheet
2. Income statement
3. Statement of changes in equity
4. Cash flow statement
5. Other reports and explanatory material that are integral parts of the financial statements if required by that agency authorized in accordance with the type of industry
6. Notes to the financial statements

2.2.2 Audit Delay

Dyer and McHugh (1975) stated that auditor's report lag is the open interval of the number of days from the year-end to the date recorded as the opinion signature date in the auditor’s report. While in the opinion of Anuar and Kamarudin (2003), it is stated that audit delay is the length of time from a company's fiscal year-end to the date of the auditor's report. Timeliness of audited financial statement is very important for public companies that using capital markets as main source of funding. In the implementation of the audit plan, the auditor determined audit-processing time, which simply sets guidelines for the amount of time for each part of the audit which are included in budgeting (Bemby et al., 2013). Budget included in audit process, it can provide an efficient method for scheduling staff and determining the audit fee as the tool, provide guidance on various areas of audit, and provide incentives for staff to work efficiently are the benefits of proper audit-processing (Bemby et al., 2013). However, when the budget period is not used properly, it can deviate budget time because of changes occur in audit-processing. Auditor sometimes feels under pressure to meet budgeting time to demonstrate its efficiency as an auditor and help evaluate its performance. The generally accepted auditing standards as the main guidelines for auditor is more important than meeting the time budget. The length of time in completing the audit may affect the timeliness of information to be published so that it impacts the shareholders reactions to the delays of information and affect the degree of uncertainty decisions based on published information. To see timeliness, a study usually looking at the delay (lag). Dyer and McHugh (1975) used three criteria delays in their research:

1. Preliminary lag: the number of days interval between the date of the financial statements until receipt of the preliminary final report by the exchange;
2. Auditor's report lag: interval the number of days between the dates of the financial statements until the date of the auditor's report is signed;
3. Total lag: interval number of days between the dates of the financial statements up to the date of receipt of the report published on the exchange.

Audit delay is known as audit report lag. Companies which are going public must submit their annual financial statements accompanied by an auditor's opinion to BAPEPAM and announce it to the public no later than the end of the march. The purpose of an audit of financial statements is to express an opinion whether the client's financial statements have been presented in a reasonable manner in all material matters in accordance with accepted accounting principles general (Widosari, 2012). According to Mulyadi in Dewi (2013) financial statement audit includes four stages, they are:

1. Acceptance of the audit engagement

   The initial stage of an audit of financial statements is the decision to accept (or reject) the audit engagement of the client prospective or to continue or terminate the audit engagement for existing clients.
2. Audit planning

   Successful completion of an audit engagement is determined by quality audit planning made by the auditor.
3. Implementation of audit testing (stage of fieldwork)

   The main purpose of fieldwork is to obtain audit evidence about the effectiveness of internal control and fairness of financial statements client.

Auditor performs 3 kinds of testing, namely analytical testing, test of controls, and substantive testing.

4. Audit reporting

   The implementation of this phase should refer to the reporting standard. Two important steps that the auditor exercises in this audit reporting: (1) complete the audit by summarizing all the test results and drawing conclusions, (2) issuing audit reports.

2.2.3 Good Corporate Governance (GCG)

GCG is a process and organizational structure used by companies to increase the success of the business and corporate accountability. Definition of corporate governance by the OECD is referring to the division of authority among the parties that determine the direction and performance of a company, in which the parties in question are shareholders, management, and board of directors. In principle, corporate governance concerns the interests of shareholders, equal treatment of shareholders, role of all interested parties (stakeholders) in corporate governance, transparency, and explanation, and the role of the board of commissioners and the audit committee. The principles of GCG are transparency, accountability, responsibility, independence, and fairness and equity (National Corporate Governance [NCG], 2006).

The implementation of corporate governance guidelines is meant to have a purpose and benefits as follows (NCG, 2006): (1) achieving a sustainable growth of the company through a management system based on the principles of transparency, accountability, responsibility, independence, and fairness; (2) encouraging the empowerment and independence of the functions of each structure of the company which are the board of commissioners, the board of directors, and the general meeting of shareholders (GMS); (3) encouraging shareholders, the board of commissioners, and the board of directors to take decisions and actions based on the value of high moral and compliance with laws and regulations; (4) encouraging the emergence of awareness and corporate social responsibility towards society and the environment; (5) optimizing shareholder value while considering other stakeholders; and (6) improving the competitiveness of enterprises, both nationally and internationally, thus increasing confidence in the market can encourage the flow of investment and sustainable economic growth. Supporting the structures are necessary to encourage its functions. The principles of GCG are consistently necessary to improve the quality of financial reporting as well as a barrier to the fundamental value of company which reflected from performance engineering activities that may result in financial statements' failure (Bemby et al., 2013).

The government issued several regulations for public companies to achieve good corporate governance such as BAPEPAM-LK with Circular Letter no. SE-03/ PM/2000 which requires any publicly-listed company in Indonesia be to establish an audit committee with a minimum of 3 members presided over by an independent commissioner of the company and two persons from outside the company who are independent of the company. In addition, the independent circular also requires that members of the audit committee should master and have an accounting and financial background. As for State Owned Companies/Enterprise, in accordance with the Decree of the Minister of State-Owned Enterprises Number: 117/M-MBU/2002, it states that:

> "The Board of Commissioners/Board of Supervisors shall form a committee working collectively and assist the Board of Commissioners/Supervisory Board in performing its duties, assisting the Commissioner/Supervisory Board in ensuring the effectiveness of the internal control system, the duties of external auditors and internal auditors".

Therefore three factors that affect the success of the audit committee in carrying out its duties: 1) formal and written authority 2) management cooperation, and 3) the quality/competence of audit committee members. In addition, Effendi in Mumpuni (2011) also adds problems communication with commissioners, directors, internal and external auditors and others as an important aspect in the success of the audit committee's work. With the authority, independence, competence, and communication through regular meetings with related parties, the function and role of the audit committee is expected to work effectively so that the annual financial report can be completely finished and submitted to BAPEPAM on time.

In the regulation no. IX.I.5 on "Establishment and Implementation Guidance of the Audit Committee Work ", Attachment of Decision of the Chairman of BAPEPAM No: Kep-41/PM/2003, the audit committee is defined as a committee established by the Board of Commissioners in order to assist in carrying out its duties and functions. One of its tasks is improving the integrity and credibility of financial reporting. This is done by 1) supervising the reporting process including internal control systems and the use of generally accepted accounting principles; 2) overseeing the overall audit process. The explanation indicates that the audit committee has contributions to financial reporting, namely: 1) inadequate measurement of accounting measurement, 2) inadequate disclosure of improper accounting; 3) reduced management fraud and illegal acts (Yuliyanti, 2011). Therefore, with the contribution given by the audit committee it is expected to assist audit process which conducted by the auditor and ultimately can accelerate the completion of audited financial statements.

2.2.4 Audit Opinion

The opinion auditor is the conclusion of the auditor based audit results. The auditor expresses his opinion based on audits conducted under auditing standards and on his findings. Auditing standards include, among others, four reporting standards. In terms of opinion, the fourth reporting standard in the SPAP (IAI, 2001) stated that:

> "The auditor's report shall include a statement of opinion concerning the financial statements as a whole or an assertion that such statements are unable to be given. If the overall opinion was unable to be given, then the reason must be stated. In the event that the name of the auditor is associated with the financial statements, the auditor's report shall contain clear guidance on the nature of the audit work performed, if any, and the level of responsibility borne by the auditor"

An audit report is a formal tool that auditors use in communicating the conclusions about the audited financial statements to interested parties. Auditor opinion is very important for companies or other parties who need the results of audited financial statements. The auditor may choose the type of opinion to be expressed in the audited financial statements (Yuliyanti, 2011).

There are five types of audit opinions published by auditors (Mulyadi, 2002):

1. Unqualified Opinion

   Unqualified opinion is given by the auditor in the absence of restrictions within the scope of the audit and there are significant exceptions to the fairness and applicability of the generally accepted accounting principles in the preparation of the financial statements, the consistency of the applicability of the generally accepted accounting principles, as well as adequate disclosure in the financial statements.

2. Unqualified Opinion with Explanatory Language

   This opinion is given when the audit has been implemented or has been in accordance with auditing standards. The presentation of financial statements are in conformity with generally accepted accounting principles, but there are certain circumstances which require the auditor to add an explanatory paragraph (explanation) to the audit report, although it does not affect the unqualified opinion of the financial statements.

3. Qualified Opinion

   The auditor provides reasonable opinions of audit report. Such exception occurs when the audit scope is limited by the client, the auditor is unable to perform important audit procedures or cannot obtain important information due to circumstances beyond the power of the client or the auditor, and the financial statements are not prepared by the generally accepted accounting principles that used in the preparation of financial statements consistently.

4. Adverse Opinion

   An unfair opinion is the opposite of an unqualified opinion. The accountant gives an unfair opinion if the client's financial statements are not prepared in accordance with generally accepted accounting principles it does not present the financial position adequately, results of operations, changes in equity, and cash flows of the client company.

5. Disclaimer

   If the auditor does not express an opinion on the auditor's financial statements, then the audit report is called a no opinion report. Conditions that cause the auditor to express no opinion are:

   a. Extraordinary restrictions on the audit environment.
   b. The auditor is not independent in relation to his client

As the auditor give an opinion to the financial statements that is audited, it is issued on the basis of evidence and invention (founding) during fieldwork. If during the course of the field work the auditor finds no problem or much distorted evidence in accordance with generally accepted accounting principles, then the auditor may be able to quickly complete his duties and then issue an audit opinion in accordance with the results obtained. But if the auditor finds irregularities, it is because of the financial statements does not accordance with generally accepted accounting principles and usually auditors will looking for more irregularities and other evidence that ultimately can affect the completion of audit time (Yuliyanti, 2011). Thus, it can be concluded that the possibility of the opinion issued by the auditor may affect the time of completion of the audit.

The results of Ashton, Willingham, and Elliott (1987) in Mumpuni (2011) Carslaw and Kaplan (1991), and Ahmad and Kamarudin (2003) in Apriliane (2015) proved that delay audits would be longer if the company accepted qualified opinions or other unqualified opinions. This phenomenon occurs because the qualified giving process involves negotiating with clients, consulting with more senior audit partners or other technical staff and extending the scope of the audit. For the condition of Indonesia, according to research of Na'im (1998) in Widosari (2012) it is found that there is no significant influence of the type of public accountant opinion on the inaccuracy of financial reporting. The result of Halim (2000) research on univariate and multi-variate test also showed that the opinion given by Public Accountant has no significant effect on audit delay.

The primary purpose of an audit of the financial statements is to express an audit opinion whether the client's financial statements are reasonably presented, in all material respects, in accordance with accounting principles generally accepted in Indonesia (Mulyadi, 2002). An audit report is a formal tool used by the auditor in communicating the conclusions about the audited financial statements to the parties concerned. Mulyadi (2002) explained that auditor's type of opinion given by the auditor depends on the audit result and there are 4 types of audit reports and the conclusion or opinion of the auditor, namely: (1) reasonable opinion without unqualified, (2) fair with qualified opinion, (3) adverse opinion, (4) disclaimer, and (5) unqualified opinion with explanatory paragraph (unqualified) opinion with explanatory paragraph).

2.2.5 Subsidiaries

Fuady (1999) in Mardiana, Purnamasari, & Gunawan (2013) defined subsidiaries as a company aims to own shares in one or more other companies and/or regulate one or more of the other companies. Subsidiary is a stand-alone company that is has its own name and issues shares of other business entities and dividends achieved with it. The parent carrier through its 40% to 50%

shareholding to control a number of subsidiaries through stock ownership of other subsidiaries. Due to a client's diversified business operations, an auditor of a client-company with a large number of subsidiaries is expected to utilize additional time. It is expected that as the complexity of the client is increasing, the auditor will spend more time to complete the audit task.

2.3. Previous Study

2.3.1 Bemby et al. (2013)

This study aims to measure the impact of corporate governance mechanisms on audit delay in companies listed on the IDX in the period of 2009-2011. Variables of GCG mechanism consist of institutional ownership, number of audit committee members, and the percentage of independent commissioners. Purposive sampling method is used in sample selection procedure. Samples comprise 42 companies listed on the IDX. The simultaneous test results show that all the variables have a significant influence on audit delay. By the partial test, number of audit committee members has significantly affected audit delay, while institutional ownership and independent commissioners have no significant effect on audit delay. This study is limited to use only three variables to study their influence on audit delay in the research period of three years.

2.3.2 Mouna (2013)

This study empirically investigates the relationship between the timeliness of the financial reporting and the corporate governance represented for companies listed on the Tunisian stock exchange during 2009. It investigates the role of the corporate governance mechanisms on the timeliness of corporate financial reporting, investigates the relationship between the company size, leverage, profitability (good news), and the timeliness of corporate financial reporting. This research found using a multivariate analysist that ownership concentration, the CEO's duality function, and good news have some impact on the interim period between the auditors'signature dates and the publication dates.

On their research, they found strong evidence by using emerging country data that the institutional ownership play insignificant role in determining the two reporting lags (Mouna, 2013).

2.3.3 Alfraih (2016)

This paper aims to examine the influence of corporate governance mechanisms on audit delay in companies listed on the Kuwait Stock Exchange (KSE) in 2013. The dependent variable in this paper is audit delay as it measured as the number of days that elapse between the end of the company's financial year and the date of the audit report. A multivariate regression model analyzes the association between audit delay and six corporate governance mechanisms, namely, joint auditor combination, board size, board independence, role duality, institutional ownership and government ownership. The research found that there is a wide range in audit delay among KSE companies, ranging from 7 to 159 days. After controlling for various company characteristics, there is a significant difference in the timeliness of audit reports depending on the combination of auditors: audit delay is significantly reduced when the audit is performed by Big-4 companies. Furthermore, the results suggest that companies with a larger board, a greater number of independent directors and where the roles of CEO and chairman are separated are more likely to produce timely financial statements. On the other hand, audit delay is significantly longer in state-owned firms. No negative association was found between institutional ownership and audit delay (Alfraih, 2016).

2.3.4 Panggabean and Yendrawati (2016)

This paper aim to find out the effect of corporate governance, tenure audit, and quality of earning towards audit delay (audit report lag) with auditor's specialization as the variable of moderation (empirical studies on manufacturing companies listed in Indonesian Stock Exchange in 2011-2013). Corporate governance authorized with the managerial ownership, independent board, institutional ownership, tenure audit and quality of earning became independent variables. Audit delay (audit report lag) became the dependent variable. The total of samples tested by 67 companies was selected by purposive sampling method. The data used is secondary data with the media in the form of financial reports of manufacturing companies. This study analyzed the company's audited financial reports by employing an analysis technique using descriptive and statistical analysis. The finding of this study indicated that the tenure audit moderated by auditor's specialization provides audit delay which is shorter than the non-specialist auditors, while managerial ownership, independent board, institutional ownership and quality of earning is not proven to be moderated by the auditor's specialization towards audit delay.

2.3.5 Dewi (2013)

The purpose of this research is to analyze the factors that affect timeliness and audit delay of financial reports of the manufacturing companies listed on the Indonesia Stock Exchange. The examined factors of this research are profitability, solvability, company size, the size of a public accounting firm and auditor's opinion as for the independent variables. While the timeliness and audit delay as the dependent variables. The analysis tool used is multiple regression analysis to measure audit delay, logistic regression to measure timeliness and correlation to measure the relationship between audit delay and timeliness. The partial hypothesis test results show that solvability, auditor's opinion, and the size of the public accounting firm have significant effect on audit delay. While size of firm and auditor's opinion have significant effect on timeliness. The correlation result shows that audit delay have a significant effect on timeliness

2.3.6 Turel (2013)

The purpose of this study is to examine the factors that affect delays in the signing of audit reports in Turkey. The audit delay is measured as a function of the number of days that elapse from the accounting period until the date when the audit report is signed. This study utilizes a sample of 508 firms listed on the Borza Istanbul in 2013. The findings indicate that the companies that report net income, that have standard audit opinion release their audited financial statements earlier. Variables such as auditor firm and leverage show no significant relationship with audit delay. The variable of audit opinion found to be have impacts on audit delay.

2.3.7 Bustamam & Kamal (2010)

This research examines the factors influence audit delay. They are leverage, subsidiaries and audit complexity. The result of this research shows that leverage, subsidiaries and audit complexity have a significant influencing to audit delay at manufacturing companies listed in Indonesia Stock Exchange. Partially, just leverage that has a significant influencing to audit delay. Whereas subsidiaries and audit complexity don’t have a significant influencing to audit delay at manufacturing companies listed in Indonesia Stock Exchange.

2.3.8 Pourali et al. (2013)

This study examines the timeliness of financial reporting of company. This study has been researched in the capital market of Iran (TSE) and has 1397 year-firm during 2004- 2010. Results show that except debt ratio which its relationship with audit delay is rejected, all the rest like size of company, earning per share changes, industry, extra-ordinary figures, audit opinion have an significant relationship with audit delay.

2.4. Hypothesis Testing

2.4.1 Institutional Ownership and Audit Delay

It has been broadly argued that institutional investors are an important corporate governance mechanism due to their ability and incentive to monitor and discipline corporate managers that contributes to the reduction of agency costs (Bemby et al., 2013; Panggabean & Yendrawati, 2016). Mouna (2013) claimed that institutional investors want a more transparent communication, for the company to show firms risks and the key success factors to better evaluate and estimate the distribution of the future cash flows.

Bemby et al., (2013) stated that foreign ownership increased market competition, forcing domestic firms to restructure more quickly when company restructuring was done by improved technology. Then corporate governance will increase product quality. While Individual ownership is dominated by minority shareholders who have lower control to company policy and company structure. Therefore, the form of stable profitability, growth, dividends, and increasing stock market prices is sustainable for Institutional ownership objectives in the long-term priority rather than individual ownership. In addition Barako et al. (2006) and Rose (2007) in Alfraih (2016) argued that larger institutional ownership gives higher incentives to monitor corporate disclosure practices. Managers are encouraged to voluntarily release corporate information to meet the expectations of large shareholders. They also claims that institutional investors are effective corporate governance tools because they can self-control management, and alleviate the free-rider problem associated with dispersed ownership. Bradbury et al. (2006) in Suaryana (2005) found that greater institutional ownership reduces the incidence of absolute discretionary accruals and income increasing accruals, once again suggesting institutional owners to play an active role in monitoring management. Similarly, McConnell and Servaes (1990) in Velury, Reisch, and O'reilly (2011) argued corporate governance indicates the presence of institutional ownerships can be lower agency costs as the result effect of investors' monitoring activities. As audited financial statements are used for monitoring purposes and investment decisions, it is likely that management would choose higher-quality auditors to improve the quality of their financial reporting. Bamber, Bamber, and Schoderbek, (1993) stated that the increase in time to complete the audit will likely be compounded because auditors must also deal with the conflict between policies and auditors' daily work pressures. They found that audit delay is influenced by the business risk as the auditor connections with the client. For example, the more the client's held shares, the greater the number of investors that rely on their financial statements. This increases both the client’s and the auditor’s exposure to risk and litigation, thus the auditor’s business risk will increase. Previous studies have provided empirical evidence that institutional ownership discourage managers from distorting or enhancing accounting information. Therefore, audit delay is expected to be negatively associated with the concentration of ownership as it given the effectiveness of institutional investors as a corporate governance tool to monitor and discipline corporate managers, and their demand for the timely dissemination of financial statements. The following hypothesis is tested:

***H1**: There is a negative association between the level of institutional ownership and audit delay*

2.4.2 Auditor Opinitioon and Audit Delay

Ashton (1973) stated that companies given qualified opinion tend to have longer audit delay because logically the auditor takes time and effort to look for audit procedures when confirming the audit qualification. Companies that are given unqualified opinion tend to disclose their financial statements quickly to the public but otherwise, companies that get opinions other than unqualified opinion tend to hold their financial statements first submitted to the public.

***H2**: There is negative association between Auditor opinion and audit delay*

2.4.3 Subsidiaries and Audit Delay

The subsidiaries is a company which controls the subsidiary company. The parent company, in this case, plays a role in providing capital for the parent company and establishing the subsidiary company. With the existence of a subsidiary, if something happens to the business it runs, the parent company is only responsible for the limited shares owned by the subsidiary company. According to Surbakti (2009) in Lestari (2015), parent company holding more than 50% ownership interest in subsidiaries or having control over subsidiaries are required to submit consolidated financial statements. The parent company usually has several subsidiaries which cost more time to audit the company's financial statements than a single company or company that has no subsidiary.

The more subsidiaries that company has, the more it will increase the complexity of the audit so that auditors take a longer time to implement and complete the audit process. This is the underlying reason why the number of subsidiaries has an effect on the length of audit delay. Companies with a large number of subsidiaries will experience audit delay because it has a higher level of audit complexity so that auditors take longer to audit. Through the grouping of companies into the parent company, it is possible to increase the creation of market value of the company (market value creation). Parent company generally requires longer audit times as the audit scope becomes broader for holding companies. The company that has subsidiaries are sometimes had more than two subsidiaries and each subsidiary requires an audit or at least one of them becomes audit objects (auditing the balance of investments in a subsidiary) (Surbakti (2009) in Syah (2010)). Thus the auditor takes a longer time to audit the company's financial statements.

H3: *There is positive association between subsidiaries and audit delay*

2.4.4 Independence of Board Commissioners and Audit Delay

Independent commissioner aims to balance in decision-making particularly in the context of the defense of minority shareholders and other parties concerned. The timeliness of financial reporting can be effected by the presence of an independent commissioner on a company. If the company has an independent commissioner, the financial statements presented by the management have a tendency to be more integrated, because there is a company within the body that supervises and protects the rights of the external parties of the company’s management. Independent commissioner is needed on the board to monitor and oversee the actions of the board of directors for their opportunistic behavior (Jensen & Meckling, 1976; as cited in Bemby, 2013). Mace (1986; as cited in Bemby, 2013) found that the supervision of the management board of commissioners is generally ineffective. If the process of candidates are selected by board of management, it will cause less democratic commissioners and would be ineffective. But if the board is dominated by members from outside (independent board), then monitoring commissioners to managers would be effective as found by Weisbach (1988; as cited in Arifin, 2005), then this allows companies to present financial statements to the public faster. Wijayanti (2010) revealed that the percentage of independent commissioners does not have a significant effect on audit delay. This shows that the percentage of independent commissioners has a negative impact on audit delay, meaning that the greater the percentage of independent commissioners, the shorter the duration of audit delay. Thus, the authors design the following hypothesis:

H4*: There is a negative association between independent commissioners and audit delay*

2.5. Research Model

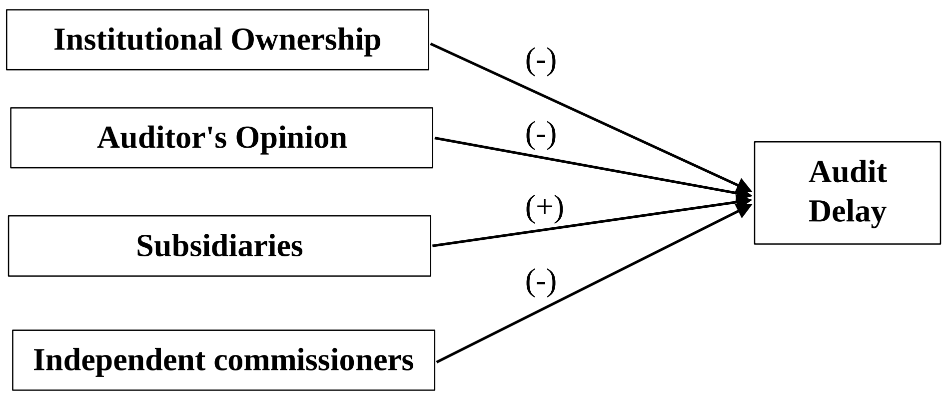

Figure 1. Research Model

CHAPTER III

RESEARCH METHOD

This chapter will present how this research will be conducted and describe the method that will be used. This chapter covers series of steps that will explain more about population and sample, research variables definition and measurement, and analysis techniques

3.1. Data Analysis

The data used in this research is the type of secondary data, they are financial statements of the company listed in Indonesia Stock Exchange (BEI) by looking at financial statement data, company performance, summary report and independent auditor report date. Previous main research has used purposive sampling technique where data retrieval is performed only once and reflects the 'portrait' of a situation at one particular moment. This research uses sample technique with purposive sampling method. Samples are selected through purposive sampling method based on certain criteria as follows:

1. Companies that have been listed in Indonesia Stock Exchange (IDX) in 2016 and 2017
2. Companies that publish annual report and financial report in the year 2016-2017
3. Companies that use Rupiah currency in their annual report.

3.2. Research Variable

In this research, there are one dependent variable and four independent variables that will be observed. The dependent variable is audit delay, whereas the independent variables are the institutional company, the board of independence, Subsidiaries, and auditor's opinion.

3.2.1 Audit Delay

This research uses audit delay as the dependent variable. The dependent variable of audit delay measured by day units. The definition of audit delay is the amount of days between the date of financial reporting and the date of the audit report. Audit delay is important because it affects the timeliness of both audit and earnings information and market efficiency. Understanding the factors underlying audit delay is likely to provide insights into audit efficiency. Furthermore, investors in emerging markets rely heavily on firm's financial statements, and investors and regulators (Bemby et al., 2013). Indonesia has a special governing body that regulates the deadline issuance of the financial statements, namely the Capital Market Supervisory Agency (BAPEPAM). Companies go public must submit financial statements yearly accompanied by opinion to BAPEPAM and announced the latest report to the public at the end of the fourth months after the date of the report financial or within 120 days. Consistent with prior research, audit delay is measured as the number of days that pass from the end of the company's financial year to the date of the audit report.

3.2.2 Institutional Ownership

Institutional ownership is defined as the percentage of shares held by institutional investors (Bemby et al., 2013). According to Chen et al. (2006) in

Abukosim (2013), it was expressed as the percentage of institutional ownership of a company that has mutual funds, investment banking, insurance, pension funds, mutual funds, and banks. Institutional ownership is measured by the percentage of shares owned by institutions of all outstanding share capital.

3.2.3 Auditor Opinion

The opinion of the auditor is an opinion on the fairness of the financial statements of a company. There are four types of auditor opinions, they are unqualified opinions, qualified opinion (with or without explanatory language), and adverse opinion and disclaimer (do not give an opinion). This variable is proxy with dummy variables. If the company get an unqualified opinion then it is given a value 0, and vice versa if it got opinion other than unqualified opinion, it will be given value 1.

3.2.4 Subsidiaries

The Subsidiaries is a parent company that has subsidiaries either directly or indirectly. This variable will be measured by total of subsidiaries owned by company. The company with no subsidiaries will be given value 0.

3.2.5 Independence of Board Commissioners

The independence of the council is expected to be obtained by the presence of commissioners independent. According to Duchin, Matsusaka, & Ozbas (2007), there is an independent commissioner that is believed to protect the interests of all shareholders. How to measure this variable is by looking at the proportion of the number of independent board of commissioners compared to the total number of board members. Data for this variable obtained from the company's annual report. This variable is signified by other variables.

3.3. Analytical Techniques

3.3.1 Descriptive Statistical Analysis

Descriptive statistics analysis is an analysis to describe the various characteristics of the data derived from the sample. Descriptive statistics analysis used to determine the value of the maximum, minimum, average, and standard deviation of each variable.

3.3.2 Classical Assumption

Classical assumption test consists of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. Classical assumptions test is used to determine whether the data to be used in the study is free from classical assumption or not.

3.3.3 Normality Test

Normality test aims to test whether there is a confounding variable or residual variable that has a normal distribution in the regression model (Ghozali, 2013). There are two ways to detect whether or not the residuals are normally distributed with graph analysis and statistical tests. Analyzing the graphs in the research is done by looking at the graph Histogram and Normal P Plot. The statistical test used to test the normality of residuals in this study is the Kolmogorov Smirnov nonparametric statistical tests.

3.3.4 Multi-collinearity Test

Multicollinearity test aims to test whether the regression model has correlation between the independent variables. Good regression models should not have collinearity among the independent variables (Ghozali, 2013). How to detect the presence or absence of multicollinearity in the regression model in this study could be done by looking at (1) the value of tolerance and the opponent (2) and the variance inflation factor (VIF).

3.3.5 Heteroscedasticity Test

Heteroscedasticity test aims to test whether there is inequality variance from residual of one observation to another observation in the regression model. If the variance of the residual of the observations is the same as the other observations, it is called homoscedasticity. If the variance of the residual of the observations is different with the other observations, it is called heteroscedasticity. A good regression model is that homoscedasticity (Ghozali, 2013).

The presence or absence of heteroscedasticity in this research can be detected by using Glejser test. Glejser test proposes to regress the residual absolute value of the independent variable.

Detecting the presence or absence of heteroscedasticity can be obtained with a significant level of 5%. According to Ghozali (2013), the criteria whether there is heteroskedasticity or not is as follow:

a. If P-value ≤ 5%, the hypothesis is accepted, it means that the independent variables have a significant effect on the dependent variable, then there is an indication of heteroscedasticity.
b. If P-value > 5%, the hypothesis is rejected, it means that the independent variables have no significant effect on the dependent variable, then, there is no indication of heteroscedasticity or it means that it is homoscedasticity.

3.3.6 Autocorrelation Test

Autocorrelation test aims to test whether the models Linear regression correlation exists between the error in t period with error in t-1 period (previous). If there is a correlation, then there is a problem called autocorrelation (Ghozali, 2011 cited in Setiawan, 2014).

In this study, the research examined the absence of symptoms autocorrelation by using Durbin-Watson test (DW test).

Null Hypothesis	**Conclusion**	**If**
There is no positive autocorrelation	Rejected	$0 < d < dl$
There is no positive autocorrelation	No Decision	$dl \leq d \leq du$
There is no negative correlation	Rejected	$4 - dl < d < 4$
There is no negative correlation	No Decision	$4 - du \leq d \leq 4 - dl$
There is no autocorrelation, positive or negative	Not Rejected	$du < d < 4\text{-}du$

3.3.7 Multiple Regression

Multiple regression analysis was used to know the influence of independent variables towards the dependent variable. The equation of multiple regression can be formulated as follows:

Y = $\alpha - \beta IO - \beta IOB + \beta SUB + \beta AO + \varepsilon$

AD = Audit Delay

α	= Constant
β	= Coefficient Regression
IO	= Institutional Ownership
IBC	= Independence of Board Commissioners
SUB	= Subsidiaries
AO	= Auditor's Opinion
ε	= Residual Error

3.3.8 Hypothesis Testing

To test the hypothesis, the researcher will test by testing the coefficient of determination (R^2), simultaneous regression test (F Test.)

Coefficient of Determination (R^2)

The coefficient of determination is a value indicating how much the independent variables can explain the variation in the dependent variable (Ghozali, 2013).The coefficient of determination can be seen in the results of the linear regression testing in the model summary table. The coefficient of determination that is seen is the value of the adjusted R^2 (Ghozali, 2013). R^2 coefficient has a value of zero to the interval ($0 \leq R^2 \leq 1$). The greater R^2 (close to 1), the better the results for the regression model and the more it is close to 0, the independent variables as a whole cannot explain the dependent variable.

3.3.9 Simultaneous Regression Test (F Test)

F-value of regression is a tool used to test whether the effect of independent variables simultaneously on the dependent variable (Ghozali, 2013). F-value can be obtained with a significant level of 5%. If the value of F is below

5% it means there is a simultaneous effect of independent variables towards the dependent variable.

CHAPTER IV

FINDINGS AND DISCUSSION

4.1. Data Descriptions

In order to test the influence of the characteristics of companies that include corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion to financial report delay, this study used a population frame (frame population) of all companies listed on IDX. Based on the criteria of sampling, 105 companies listed on the IDX were acquired as sample. The variables used in this study are corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion. Determinant coefficient is used to measure the model's ability to explain variation in the dependent variables. The coefficient is between zero and one, and it is indicated by adjusted R2.

4.2. Descriptive Statistical Analysis

The data that has been collected in the research is processed and analyzed using statistical tool that is descriptive statistic. Descriptive statistical analysis is used to describe the variables in the study. Descriptive statistical test aims to provide an overview of the variables to be studied. Processing of descriptive statistics shows the size of the sample being studied; mean (average), standard deviation, maximum, and minimum of each variable.

Mean is the sum of the value of all data divided by the number of data. Standard Deviation is the root of the sum of the squares of the difference in the value of data with the average divided by the number of data. The standard deviation measures the extent of the deviation or the spread of the data value from the mean value of the mean. If the standard deviation of a variable is high, then the data in that variable is increasingly spreading from its mean value. Similarly, if the standard deviation of a variable is lower, then the data in these variables are increasingly gathered on its mean value. The maximum is the largest value of a series of observations. The minimum is the smallest value of a series of observations. to determine the value of the maximum, minimum, average, and standard deviation of each variable as shown in table below:

Table 4.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
IBC	105	,30	1	,42	,946
IO	105	33	95	72,57	15,624
AO	105	0	1	,65	,480
SUB	105	0	15	4,23	3,829
AD	105	0	52	5,25	10,556
Valid N (listwise)	105				

N = Total data

AD = Audit Delay

IO = Institutional Ownership

IBC = Independence of Board Commissioners

SUB	= Subsidiaries
AO	= Auditor's Opinion

4.3. Classical Assumption

Classical assumption test consists of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. Classical assumptions test is used to determine whether the data to be used in the study is free from classical assumption or not.

4.3.1 Normality Test

Normality test aims to test whether there is a confounding variable or residual variable that has a normal distribution in the regression model (Ghozali, 2013). . The statistical test used to test the normality of residuals in this study is the Kolmogorov Smirnov nonparametric statistical tests. It is shown in the table below:

Table 4.2 Normality Test

One-Sample Kolmogorov-Smirnov Test

		Standardized Residual
N		105
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.97916438
Most Extreme Differences	Absolute	.134
	Positive	.127
	Negative	-.134

Kolmogorov-Smirnov Z	1.325
Asymp. Sig. (2-tailed)	.060

From the table 4.1, it can be concluded the value of significance is > 0.05, so the data is normally distributed.

4.3.2 Multi-collinearity Test

Testing can be performed by analyzing the calculation of the value of tolerance and the Variance Inflating Factor (VIF). If the VIF value > 10 and tolerance value < 0.1, then the regression model multi-collinearity occurs. Meanwhile, if the VIF value < 10 and tolerance value > 0.1, then there is no multi-collinearity (Ghozali, 2013). Follows are table of multi-collinearity test:

Table 4.3 Multicollinearity Test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	22,739	5,025		4,525	,000		
IO	-,203	,059	-,300	-3,450	,001	,854	1,171
AO	-6,779	1,978	-,308	-3,428	,001	,800	1,250
SUB	,492	,246	,178	1,996	,049	,811	1,234
IBC	-,265	,903	-,024	-,294	,770	,990	1,010

a. Dependent Variable: AD

Tables 4.2 shows the tolerance value is more than 0.1 or (>0.1) and VIF value is less than 10 or (<10). The results shows that all independent variables, IO (institutional ownership), AO (audit opinion), SUB (subsidiary), and IBC (independent board commissioners) does not occur multicollinearity problem.

4.3.3 Heteroscedasticity Test

Heteroscedasticity test aims to test whether there is inequality variance from residual of one observation to another observation in the regression model. If the variance of the residual of the observations is the same as the other observations, it is called homoscedasticity. If the variance of the residual of the observations is different with the other observations, it is called heteroscedasticity. A good regression model is that homoscedasticity (Ghozali, 2013). Table below show the data whether having heteroscedasticity or homoscedasticity:

Table 4.4 Heteroscedasticity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.477	.421		3.507	.001
IO	-.007	.004	-.186	-1.796	.076
AO	-.293	.632	-.047	-.463	.644

SUB	-.180	.151	-.123	-1.192	.236
IBC	-.161	.138	-.120	-1.170	.245

Table 4.5 shows significant value of independent variables (IO, AO, SUB, IBC) are all above 5% (0.05). It can be concluded that the data are not contain heteroscedasticity.

4.3.4 Autocorrelation Test

Autocorrelation test aims to test whether the models Linear regression correlation exists between the error in t period with error in t-1 period (previous). If there is a correlation, then there is a problem called autocorrelation (Ghozali, 2011 cited in Setiawan, 2014). Table below will explain whether the data having autocorrelation or not:

Table 4.5 Durbin Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,594[a]	,353	,327	8,660	2,098

a. Predictors: (Constant), IBC, AO, IO, SUB

b. Dependent Variable: AD

Based on above result, the value of Durbin-Watson of 2,098 will be compared with the table value of Durbin-Watson of K=4 and N=105 which are du=1.7617 which are lower than (4-du) 4-1.7617= 2.2383 which means value of 2.098 is less than 2.2383. It can be concluded that there are no autocorrelation.

4.3.5 F Test

F-value of regression is a tool used to test whether the effect of independent variables simultaneously on the dependent variable (Ghozali, 2013). F-value can be obtained with a significant level of 5%. If the value of F is below 5% it means there is a simultaneous effect of independent variables towards the dependent variable. Table below will explain whether the effect of independent variables simultaneously on the dependent variable:

Table 4.6 F-Test Simultaneous

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4090,451	4	1022,613	13,636	,000[b]
	Residual	7499,111	100	74,991		
	Total	11589,562	104			

a. Dependent Variable: AD

b. Predictors: (Constant), IBC, AO, IO, SUB

The result of above table shows that the significant value of F is below of 5% and F-value is more than 2.4472 (k=4; n=105) which means there is a simultaneous effect of independent variables on dependent variable.

4.3.6 Multiple Regression

Multiple regression analysis was used to know the influence of independent variables towards the dependent variable. The determination of multiple regression can be seen on table below:

Table 4.7 Multiple Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	22,739	5,025		4,525	,000
	IO	-,203	,059	-,300	-3,450	,001
	AO	-6,779	1,978	-,308	-3,428	,001
	SUB	,492	,246	,178	1,996	,049
	IBC	-,265	,903	-,024	-,294	,770

a. Dependent Variable: AD

$$Y = 22{,}739 - 0{,}203X_1 - 6{,}779X_2 + 0{,}492X_3 - 0{,}265X_4$$

The equation shows that the value of the company was affected by the corporate governance corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion. These results can be explained as follows:

1) Constant value of 0.353 indicates that when corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion is constant, then the audit delay amount will be 0.353. It means that corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion, has probability of having audit delay 35.3%;
2) Coefficient of institutional ownership (which is a proxy of corporate governance) is -0.203, it means if the company's institutional ownership

increases, the company’s audit delay will decrease by -0.203 or -20.3%;

3) The audit opinion is -6.779, it means that the company with unqualified audit opinion and the probability of audit delay will decrease by -6.779.
4) Coefficient subsidiaries is positive: 0.492. It means that if the company which has 1 or more than one subsidiaries, the probably of audit delay will increase; and
5) Coefficient independent board of commissioners (which is a proxy of corporate governance) is negative (-0.265) which means that if the existence of independence board of commissioners increases, the company’s audit delay will decrease -0.265.

4.3.7 T-Test

Partial regression test (t test) is a test used to determine whether there is the effect partially of each independent variable on the dependent variable.

T-test in this research uses a significance level of 5%. According to Ghozali (2013), the criteria of T-test is as follow:

a. If P-value ≤ 5%, the hypothesis is accepted, it means that the independent variable is said to have a significant effect toward the dependent variable.
b. If P-value > 5%, the hypothesis is rejected, it means that the independent variable is said to have no significant effect toward the dependent variable

Based on the results of this study, the coefficient determinant (adjusted R2) was obtained only for 0.327 or 32.7%. It means that audit delay is affected by the corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion to financial report delay by 32.7% of and 67.3% is explained by other variables. F-test of hypothesis testing is used to see if the overall independent variables have a significant effect on the dependent variable. The results of processing the data find that corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion have a significance level of less than 0.05. Thus, the analysis in this study showed that the independent variables of corporate governance (which is represented by institutional ownership, and Independence board commissioners), subsidiaries, and audit opinion have a significant effect toward audit delay firms listed on the IDX in the period of 2016-2017. A decision criterion for this test is the probability of a significance level of less than 5%. Thus, H0 is rejected and Ha is accepted. T-statistic tests are used to determine the effect of institutional ownership, and Independence board commissioners, subsidiaries, and audit opinion as independent variables toward audit delay as the dependent variable.

4.4. Hypothesis Test

Based on this test, board commissioners and audit opinion have no significant effect toward audit delay while institutional ownership and subsidiaries has a significant effect toward audit delay, it means that institutional ownership and subsidiaries has an effect on audit delay on companies listed on the IDX in the period of 2016-2017, while board of commissioners and audit opinion have no significant effect toward audit delay, since both variables do not affect the company's audit delay. It means in particular that board commissioners and audit opinion does not affect the companies listed on the IDX toward audit delay in the publishing corporate financial report. Each effect of independent variables toward dependent variable are explained as follow:

1. Effect of Institutional ownership on audit delay

Ho1: $\beta 1 \geq 0$; There is no negative association between the level of institutional ownership and audit delay

Ha1: $\beta 1 < 0$; There is a negative association between the level of institutional ownership and audit delay

Based on the calculation result shown in Table 4.7, obtained p-value value of t-test from supplier selection variable equal to 0.001. Because the value of p-value is lower than the significant level α = 5% or (0,001< 0.05), then Ho1 is rejected and Ha1 is accepted which means There is a negative association between the level of institutional ownership and audit delay.

2. The effect of the audit opinion on audit delay

Ho2: $\beta 2 \geq 0$; There is no negative association between audit opinion and audit delay

Ho2: $\beta 2 < 0$; There is a negative association between audit opinion and audit delay.

Based on the result of the calculation shown in the table 4.7, obtained p-value value of t-test of supplier selection variable 0.001. Since the p-value is greater than the significant level α = 5% or (0,001> 0.05), Ho2 is rejected and Ha2 is accepted which means There is negative association between audit opinion and audit delay.

3. The effect of subsidiary on audit delay

Ho3: $\beta 3 \geq 0$; There is no positive association between subsidiaries and audit delay

Ha3: β3<0; There is positive association between subsidiaries and audit delay

Based on the results of the calculations shown in the table 4.7, obtained value p-value t-test results of supplier selection variables of 0.049. Since the p-value is less than the significant level α = 5% or (0.049 <0.05), Ho3 is rejected and Ha3 is accepted, it means there is positive association between subsidiaries and audit delay.

4. The effect of independent board commissioners on audit delay

Ho4: β4≥0; There is no negative association between Auditor opinion and audit delay.

Ha4: β4<0; There is negative association between Auditor opinion and audit delay.

Based on the results of the calculations shown in the table 4.7, obtained that value p-value t-test results of supplier selection variables is 0.770. Because the p-value is greater than the significant level α = 5% or (0.770> 0.05), Ho4 is accepted and Ha4 is rejected, it means there is no negative association between independent board commissioners and audit delay.

4.5. Discussion

This section will discuss about the result that the researcher found. The sub-chapter of this discussion will discuss on matters relating to the answer of the research hypothesis, but previously will discuss about the results of descriptive analysis. The result of descriptive research which shows that Audit Delay that happened in company listed in BEI (Indonesia Stock Exchange) in 2016-2017 is on average 5.25 days. The length of time required for the submission of audited annual financial statements averages 1 day later than BAPEPAM regulations which is 90 days from the closing date of the company's books. Based on the results of this study, it can be concluded that the average public company in Indonesia has been trying to comply with the rules set by BAPEPAM. They submit audited financial statements in a timely manner. The results of hypothesis testing are described as follows:

4.5.1 Institutional Ownership affects audit delay

Institutional ownership significantly affects audit delay negatively, because larger institutional ownership gives higher incentives to monitor corporate disclosure practices. According to Bemby et al (2013), Managers are encouraged to voluntarily release corporate information to meet the expectations of large shareholders. Barako et al. (2006) also argued that institutional investor's large stake gives them stronger incentives to monitor corporate disclosure practices. It has been found by Bradbury et al. (2006) that greater institutional ownership reduces the incidence of absolute discretionary accruals and income increasing accruals, therefore institutional owners play an active role in monitoring management. The institutional ownership aim for long-term objectives in the form of stable profitability, growth, dividends, and increasing stock market prices is maintainable. The greater number of investors that rely on their financial statements will increases both the client's and the auditor's experience to risk and litigation. Therefore, higher shares were held by outside ownership (other institutions) will have higher control in the management process and implementing GCG (Bemby et al, 2013). Previous studies have provided empirical evidence that institutional ownership discourage managers from distorting or enhancing accounting information. Therefore, audit delay is expected to be negatively associated with the concentration of ownership. The effectiveness of institutional investors results as a corporate governance tool to monitor and discipline corporate managers, and their demand for the timely distribution of financial statements. However, this result is not consistent with the research result of Mouna (2013) which found that there are no significant negative association of institutional ownership on audit delay.

4.5.2 Audit opinion affects audit delay

Audit opinion significantly affects audit delay .Because companies are not receiving unqualified opinion that were expected to have a longer audit delay. It is explained by the research from Anuar & Kamarudin (2003) that it is because opinions other than unqualified opinions are considered bad news and the auditor will involve negotiations with clients, consultation with more senior auditor partners or technical staff, and expand the scope of the audit, so that audit process will be longer. Another case with companies which has unqualified opinion, the company will report the opinion on time because it is considered as good news. Furthermore, an unqualified opinion must argue that the financial statements have been audited in accordance with the provisions of the financial accounting standards and there is no material deviation that may affect the decision-making. It is consistent with previous study, according to Turel (2011) and Kartika (2009) on their research finding and analysis which provides strong support for the notion that the financial statements are delayed when other unqualified opinion is given.

4.5.3 Subsidiary affects audit delay

Subsidiary affects audit delay negatively. The company that has more than two subsidiaries will have at least one of them becomes audit objects. According to Mardiana, Purnamasari, & Gunawan (2013) in the parent company that has several subsidiaries the time used to audit the company's financial statements longer than a single company or company that do not have a subsidiary. It means more subsidiaries, the more it will increase the complexity of the audit, so that auditors take longer time to implement and complete the audit process. Syah (2010) in his study also concluded that subsidiaries has negative effect on audit delay. Companies with a large number of subsidiaries will experience audit delay because it has a higher level of auditing complexity so that auditors need longer time to audit it. This is the underlying reason why the number of subsidiaries has an effect on the length of audit delay.

This is in line with research conducted by Ahmad & Che-ahmad (2009) which stated that subsidiaries influence audit delay because the process of preparing consolidated financial statements up to the process of closing the book will take a relatively longer time.

4.5.4 Independent board commissioners affects audit delay

Independent board of commissioners do not effects audit delay negatively. Independent commissioner has a positive direction, but its effect on audit delay is not significant. The results of this study do not support the theory that the proportion of independent commissioners affects audit delay. Carcello, Hermanson, Neal, and Richard A. Riley, (2002) stated that independent directors take their monitoring role more seriously and are more supportive of external auditors. They are ready to pay for a higher-quality auditor to protect their reputation capital, avoid legal liability and promote the interests of shareholders. This contribution that nonexecutive directors made in constraining earnings management is to improve the quality of reporting. Daniel, (2003); and Rosser, (2003) added that corporate governance implementation in Indonesia is relatively weak. Bemby et al (2013) argued that the weak of corporate governance in Indonesia is caused by the role of independent commissioner is not running well, since most of the independent commissioners are more than 50 years old, and they are less effective in guiding process; and that the board members did not even carry out its oversight role which is fundamental to the board of directors. This can be seen in the fact that there are many board members which do not have the ability, and cannot demonstrate its independence and failed to represent the interest of other stakeholders other than the majority of shareholders, and often considered to have no benefit. (Panggabean & Yendrawati, 2016). According to Harjoto & Lee (2015), there is impact of gender and ethnic diversity in corporate leadership and boardrooms on audit fees and audit delay. The differences of gender and ethnic diversity are likely to capture differences in the level of risk tolerance, overconfidence, diligence and monitoring intensity. Indonesia with many ethnic diversity may result in different performance of independent commissioners.

CHAPTER V

CONCLUSION AND RECOMENDATION

5.1. Summary and Conclusions

This research was conducted to see whether institutional ownership, auditor opinion, subsidiary and independent commissioners has an influence on audit delay in companies listed on the IDX in the period of 2016-2017. Based on the results of research and data analysis, it can be summed up as follows:

(1) Institutional ownership structure has significant effect toward audit delay in companies listed on the IDX in the period of 2016-2017. This is evidenced by the significant value of 0.01 which is less than 0.05;

(2) Audit opinion has a significant effect toward audit delay in companies listed on the IDX in the period of 2016-2017. This is evidenced by the significant value of 0.01 which is less than 0.05;

(3) Subsidiaries has significant effect toward audit delay in companies listed on the IDX in the period of 2016-2017. This is evidenced by the significant value of 0.049 which is less than 0.05;

(4) The independent commissioners has no significant effect toward audit delay in companies listed on the IDX in the period of 2016-2017. This is evidenced by the significant value of 0.773 which is greater than 0.05

5.2. Limitations and Suggestions

Based on the above conclusions, some suggestions can be submitted as follows:

(1) Samples were taken only for a period of two years and future research should extend the time period to be better in explaining the phenomenon

of audit delay;

(2) In this research, the audit delay phenomena were influenced by institutional ownership, audit opinion, subsidiary and independent commissioner, as 32.7% and 67.3% were influenced by other variables.

For further research, other independent variables should be added to study their influence on audit delay, such as industry, size, auditor quality, audit going-concern opinion. Further research examine the same sample of companies over a period of time to ascertain the tendency in their timely reporting behavior.

References

Ahmad, A. C., & Che-ahmad, A. (2009). *Audit Delay of Listed Companies : A Case of Audit Delay of Listed Companies : A Case of Malaysia*. http://doi.org/10.5539/ibr.v1n4p32

Ahmed, M. I., & Che-ahmad, A. (2016). *Effects of Corporate Governance Characteristics on Audit Report Lags*, *6*, 159–164.

Alfraih, M. M. (2016). *Corporate Governance Mechanisms and Audit Delay in a Joint Audit Regulation*, (2001). http://doi.org/10.1108/JFRC-09-2015-0054

Anuar, K., & Kamarudin, B. (2003). *Audit Delay and The Timeliness of Corporate Reporting: Malaysian Evidence*, *(August)*, 1–17.

Apriliane, M. D. (2015). *Analisis Faktor-Faktor yang Mempengaruhi Audit Delay*, 30-32-54.

Ashton, R. H. (1973). *Judgment formation in the evaluation of internal control: An application of Brunswik's lens model*, 238–243.

Bamber, E. M., Bamber, L. S., & Schoderbek, M. P. (1993). *Audit Structure and Other Determinants of Audit Report Lag : An Empirical Analysis*, *12*(Spring), 1–19.

Barako, D., Hancock, P. and Izan, H.Y. (2006), *"Factors influencing voluntary corporate disclosure by Kenyan companies", Corporate Governance: An International Review*, Vol. 14 No. 2, pp. 107-125.

Bemby, B., Abukosim, Mukhtaruddin, & Mursidi, I. (2013). *Good Corporate Governance (GCG) Mechanism and Audit Delay: An Empirical Study on Companies Listed on the Indonesia Stock Exchange (IDX) in the Period of*

2009-2011, *9*(11), 1454–1468.

Bradbury, M., Mak, Y.T. and Tan, S.M. (2006), *"Board characteristics, audit committee characteristics and abnormal accruals"*, Pacific Accounting Review, Vol. 8 No. 2, pp. 47-68

Bustamam, & Kamal, M. (2010). *Pengaruh Leverage, Subsidiaries dan Audit Complexity Terhadap Audit Delay*, *3*(2).

Carcello, J. V., Hermanson, D. R., Neal, T. L., & Richard A. Riley, J. (2002). *Board Characteristics And Audit Fees.*

Carslaw, C. A. P. N., & Kaplan, S. E. (1991). *An Examination of Audit Delay : Further Evidence from New Zealand*, 21–35.

Daniel, W.E. (2003), *"Corporate governance in Indonesian listed companies – a problem of legal transplant"*, Bond Law Review, Vol. 5 No. 1, pp. 345-75.

Dewi, K. M. (2013). *Analisis Faktor-Faktor yang Mempengaruhi Ketepatan Waktu dan Audit Delay Penyampaian Laporan Keuangan*, 11-19-40.

Duchin, R., Matsusaka, J. G., & Ozbas, O. (2007). *When Are Outside Directors Effective ?* ∗ , 33–48.

Dyer, J. C., & McHugh, A. J. (1975). *The Timeliness of the Australian Annual Report times*, *13*(2), 204–219.

Fama, E. F., & Jensen, M. C. (1983). *Separation of Ownership and Control*, *26*(2), 301–325.

Ghozali, I. (2013). *Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23*. Semarang: Badan Penerbit Universitas Diponegoro.

Harjoto, M. A., & Lee, R. (2015). *The impact of demographic characteristics of CEOs and directors on audit fees and audit delay*, *30*(8), 963–997.

http://doi.org/10.1108/MAJ-01-2015-1147

Hossain, M. A., & Taylor, P. J. (1998). *An Examination of Audit Delay : Evidence from Pakistan.*

Kartika, A. (2009). *Faktor-Faktor yang Mempengaruhi Audit Delay di Indonesia, 16*(1), 1–17.

Mardiana, W., Purnamasari, P., & Gunawan, H. (2013). *Pengaruh Ukuran Perusahaan, Holding Company dan Ukuran Kantor Akuntan Publik terhadap Audit Delay*, 280–289.

Mouna, A. (2013). *Financial Reporting Delay and Coprorate Governance: Evidance From Tunisia*, *5*(4).

Mumpuni, R. (2011). *Analisis Faktor-Faktor Yang Mempengaruhi Audit Delay Pada Perusahaan NonKeuangan di Bursa Efek Indonesia Tahun 2006-2008*.

Nurmaida. (2014). *Effect Of Good Corporate Goverance Againts Financial Reporting Timeliness In Manufacturing Companies*, 2–6.

Panggabean, A. P., & Yendrawati, R. (2016). *The Effect of Corporate Governance, Tenure Audit and Quality of Earnings Towards Audit Delay with Auditor's Specialization as The Variable of Moderation*, *1*(1).

Pourali, M. R., Jozi, M., Rostami, K. H., Taherpour, G. R., Niazi, F., Branch, C., … Noori, A. M. (2013). *Investigation of Effective Factors in Audit Delay : Evidence from Tehran Stock Exchange (TSE)*, *5*(2), 405–410.

Rosser, A. (2003), *"Coalitions, convergence, and corporate governance reform in Indonesia"*, Third World Quarterly, Vol. 24 No. 2, pp. 319-37.

Sari, H. C. (2011). *Analisis Faktor-faktor Yang Berpengaruh Terhadap Jangka Waktu Penyelesaian Audit*, 15-28-80.

Setiawan, A. (2014). *Faktor-Faltor yang Mempengaruhi Audit Report Lag pada Perusahaan,* 43–56.

Suaryana, A. (2005). *Pengaruh Komite Audit Terhadap Kualitas Laba*, 1–22.

Syah, E. S. M. (2010). *The Effects of Solvability, Public Ownership, Auditor Switching and Holding Company Toward Audit Delay*, 3–12.

Turel, E. T. (2011). *An Empirical Analysis of Audit Delay in Turkey*, (February).

Velury, U., Reisch, J. T., & O'reilly, D. M. (2011). *Institutional Ownership and the Selection of Industry Specialist Auditors*, 35–36.

Widosari, S. A. (2012). *Analisis Faktor-Faktor yang Berpengaruh Terhadap Audit Delay pada Perusahaan Manufaktur di Bursa Efek Indonesia Tahun 2008-2010*, 14-31-60-91.

Wijayanti, M. P. (2010). *Analisis Hubungan Auditor-Klien: Faktor-Faktor yang Mempengaruhi Auditor Switching di Indonesia*, 29-38-63.

Yuliyanti, A. (2011). *Faktor-faktor yang Berpengaruh Terhadap Audit Delay,* 12-15-45-74.

APPENDIX