

Factors affecting Audit Report Lag with Public Accounting Firms as Moderating Variables in Banking Companies on Indonesia Stock Exchange 2015-2020



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ABSTRACT: The study analyzes the factors influencing audit report lag with public accounting firms as moderating variables. The population used is a banking company listed on the Indonesia Stock Exchange from 2015-2020. The method was used with the Purposive Sampling Method and obtained by 20 companies. The data used is a data panel consisting of cross-section and time series data assisted by the E-views 9 statistics program. The panel's data region analysis results showed that the Fix Effect Model was the right model for estimating the regression equations tested. The results showed that the Independent Board of Commissioners and Internal Audit partially had no significant effect on audit report lag. In contrast, the audit committee's variables and the company's size were partially affected significantly. The results of simultaneous analysis of the independent board of commissioners, audit committee, internal audit, and company size significantly influence audit report lag. The results of the variable analysis of The Moderation of The Public Accounting Firm weakened the variables of the Independent Board of Commissioners, and the Internal Audit Committee on Audit Report Lag, while the Public Accounting Firm strengthened the influence of Corporate Size on Audit Report Lag.

KEYWORDS: Independent Board of Commissioners, Audit Committee, Internal Audit, Company Size, Public Accounting Firm, and Audit Report Lag

INTRODUCTION

Research on the factors that affect the timeliness of the submission of financial statements has been widely carried out. The power and authority in corporate governance are comparable to giving it to shareholders, controlling them, and controlling the business. Of course, the purpose of this circumstance is to control how the authorities, managers, shareholders, and other parties connected to the organization behave in a certain setting. The following are a few findings from an earlier study on the variables that can impact a company's audit report latency. The board of commissioners has no bearing on the delay in the audit report, according to a study (J. S. Gunawan, 2020). This does not adhere to the agency hypothesis, which contends that the owner (principal) is motivated by openness, the manager's promptness, and the absence of negligence (agent). That way, the more boards there are, the more members will focus on each department and reduce audit report lag.

The audit committee is tasked with assisting and offering opinion regarding the company's performance, which is anticipated to resolve disagreements with management and enhance the overall audit quality. The audit committee is an elected member of the board of commissioners. 2019's Rosalia, Kurnia, and Andini To execute governance reforms and increase public trust in financial reporting in light of the audit committee's inability to shorten the company's audit report lag, the audit committee must independently monitor and oversee management activities connected to financial reporting. research finding 2019's Rosalia, Kurnia, and Andini The audit report latency is unaffected by the audit committee. As a result, organizations having more audit committee members do not necessarily experience an audit report lag. This is so because the audit processes carried out by the external auditor are not immediately impacted by the responsibilities and powers of the audit committee. The number of audit committee members held by the company will not change as a result of the auditor.

Internal auditors conduct audits, monitoring, and assessments of performance, risk, and governance in public and private organizations in order to demonstrate the attainment of the organization's direct objectives, namely the provision of services from the independent assessment function. Independent of routinely audited activities, the direct responsibilities of internal auditors include preventing fraud in all its forms or extensions in each of the activities assessed and recommending necessary company-

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wide improvements. A strong internal control system will lower the auditor's audit workload (Abdillah, 2019). Therefore, auditors no longer require a significant amount of time to conduct auditing financial statement tests, and this can reduce the incidence of delays in the presentation of financial statements or audit report lag for businesses (Mahendra, 2017). According to research (Mahendra & Widhiyani, 2017), internal auditors influence audit report lag positively. Research conducted by (Mahendra, 2017) indicates that internal audit has a considerable impact on audit report lag; nevertheless, the outcomes of this internal audit contradict this finding. It is possible to assess the size of a firm based on its nominal characteristics, such as its wealth and total sales throughout an accounting period. The total assets of a company can be used to determine its size (Dura, 2018). The larger the company, the longer it takes the auditor to do the audit. The more time he has to study each company's assets and complete the audit report, the better (Astuti Yuli Setyani, 2021). In (J. S. Gunawan, 2020), firm size is a classification of company scale established by total assets, market capitalization, and turnover rates. Large businesses typically have an effective internal control system so that they can monitor their operational activities. According to Maharani (2012) in (Fransiska, 2020), large organizations typically have operations that are more involved and intricate, necessitating the services of auditors with a high level of knowledge, which are typically offered by large public accounting firms such as Bigfour. Research findings (Karlina, Lindrianasari, & Gamayuni, 2018) indicate that company size has little bearing on audit report lag. The choosing of a public accounting firm is one of the methods employed by corporate management to mitigate agency issues. According to Niemi, And Sundgren (2008) in (Fransiska, 2020), the audit process can provide benefits to the company, such as enhancing effectiveness and efficiency, enhancing compliance with applicable securities regulations, and decreasing information asymmetry in the company's financial statements. Therefore, organizations require a monitoring function through external auditors, both to decrease the danger of fraud and to ensure that financial statements are presented accurately.

According to (Debby Audrey Wiedjaja, 2021) The selection of a public accounting firm with a good reputation is generally large in size and affiliated with the Big Four KAPs, which are considered to be faster in detecting errors and risks, and audit completion is faster than other KAPs. Because a good auditor reputation is able to produce an effective and efficient audit quality, audit reports can be completed on time. In this study, it will be tested where KAP is a moderating variable to be able to test whether KAP strengthens or weakens the relationship between independent commissioners, audit committees, internal audit and the effect of firm size on audit report lag. Various previous studies have been conducted in various companies. To make this research different from previous research,

LITERATURE REVIEW

Audit Report Lag

Audit Report Lag is the duration between the date the company's books were closed and the date mentioned in the audit report (Debby Audrey Wiedjaja, 2021). The difference between the date the company's books were closed and the date of the independent auditor's report indicates the length of time it took the auditor to complete the audit; thus, the longer it takes the auditor to complete the audit, the longer the audit delay. According to Dyer and Mchugh (1975) in (Abdillah, 2019) there are three reasons why their research has been delayed: Count of days between the date of the financial statement and the date the auditor's report was signed. Preliminary lag: the number of days between the date of the financial statements and the date the stock exchange receives the final preliminary report; Total lag: the number of days between the date of the financial statements and the date the stock exchange receives the reports.

According to Hariani 2014 in (Dewi & Suputra, 2017), the longer it takes to publish the annual financial statements from the end of the client company's financial year, the more likely the information will leak to certain investors or even create bias. which causes rumors. Another rumor on the stock exchange. This statement is also supported by according to him, the length of the audit report lag that occurs affects investor decision making, because delays in information to investors can affect investor confidence in the capital market. Therefore, it is necessary for regulators to establish regulations that can regulate the time limit for the issuance of financial statements that must be met by issuers.

Good Corporate Governance

Good corporate governance creates positive outcomes for the company's image, the entity, and the stakeholder's expectations. Corporate Governance also necessitates the establishment of a structure for achieving goals and controlling performance in the operation of a business. Good corporate governance can motivate the board and management to achieve goals that are in the company's best interest, and shareholders must support effective oversight to urge corporations to spend their resources more efficiently (Kadim & Suratman, 2018).

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According to Regulation PER01/MBU/2011 of the Minister of State for State-Owned Enterprises: "Good Corporate Governance" Good Corporate Governance, abbreviated as GCG, refers to the principles behind a method and mechanism for operating a firm in accordance with applicable laws, regulations, and business ethics.

Independent Board of Commissioners

In accordance with Law no. 40 Th. of 2007 pertaining to Limited Liability Companies, the Board of Commissioners is a company organ responsible for conducting general and/or specific monitoring in accordance with the articles of association and advising the Board of Directors. Members of the board of commissioners are nominated and removed with the permission of the General Meeting of Shareholders (GMS), which is then submitted to the Minister of Law and Human Rights for inclusion in the mandatory list of changes in the composition of the management company. the commissioner's office Members of the GMS who are entitled to propose the board of commissioners are responsible for proposing the board's membership. The Minister of State-Owned Enterprises also governs the makeup of the Board of Commissioners; according to the appointment decision, at least 20% (twenty percent) of the Board of Commissioners/Independent Supervisory Board must be members.

Audit Committee

According to Bapepam rule No. IX.I.5, an audit committee is a committee constituted by the board of commissioners and answerable to the board in order to assist the board in carrying out its responsibilities and obligations. The number of audit committee members for issuers and public companies is also governed by Bapepam Regulation No. IX.I.5, which states that issuers and public companies must form an audit committee with at least three members, one of whom is an independent commissioner of the company and serves as the audit committee chairman.

Internal Audit

Internal audit (internal audit) is the process of examining the company's financial statements and accounting records as well as compliance with establishing top management policies and compliance with government regulations and applicable professional bond provisions carried out by the company's internal audit department according to Agoes in (Tanuka, 2018). Meanwhile, according to Sawyer 2005 in (Sinaga & Rahmawati, 2018), The function of Internal Audit is to address conditions or situations where the auditor does not understand it. Because in this case the auditor is faced with disciplines and techniques beyond the knowledge he has mastered. The objective function of internal audit is governed by the policies of management and the board of directors. Internal auditors function as management tools in controlling the company, while in the organizational structure of internal auditors it is more of a staff function (advisory function) and related functions that are directly under the board of directors, so that internal auditors do not have direct authority over other officials in the organization outside his own subordinates.

Company Size

According to Agnes Sawir, 2004 in(Rosmala, 2017)Firm size is stated as a determinant of financial structure in almost every study for different reasons:

The size of a firm might impact the ease with which it can obtain financing from the capital market. Small businesses typically lack access to structured capital markets for bonds and stocks. Even if they have access, the launch expenses associated with selling a small quantity of securities can be a burden. If the issuance of securities is possible, modest securities can be promoted in order to price the company such that investors receive a larger return.

The size of a company impacts its negotiating leverage in financial negotiations. Large corporations typically have access to a variety of debt instruments, including lucrative special offers. The bigger the amount of money utilized, the greater the likelihood that a contract tailored to the preferences of the second party will be negotiated rather than a normal debt arrangement.

It is plausible that the influence of scale on costs and returns permits larger businesses to generate more profits. The size of the company is ultimately followed by other factors that influence the financial structure. Companies typically lack specialized personnel, do not engage in financial planning, and do not transform their accounting system into a management system. Sales, total assets, labor, and other factors, which are all highly interrelated, can be used to define a company's size.

According to kieso in(Shofiyah & Suryani, 2020)The size of the company can be determined from the size of the assets managed by the company. More than a resource that can be controlled from events that occurred in the past and from the benefits expected in the future.(Tanuka, 2018)explained that Company Size is seen from the line of business being carried out. Firm size can be maintained. Company size is a scale that can be classified.

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According to Butarbutar and Hadiprajitno (2017), the level of ease with which a firm can receive funds from the capital market can be determined by the size of the company (based on total sales, total assets, and average sales). Small businesses typically lack access to structured bond and stock financing markets. Even if they have access, the launch expenses associated with selling a small quantity of securities can be a burden. If the issuance of securities is practicable, tiny firm securities may be less marketable, necessitating pricing that provides investors with yields that generate much larger profits. According to (Lekok & Rusly, 2020), companies with big total assets are more likely to have strong internal controls in order to minimize errors, accelerate the audit process conducted by independent auditors, and reduce the audit report lag.

Public accounting firm

Definition of Public Accounting Firm (KAP) as described in PMK NUMBER 154/PMK. 01/2017 Public Accounting Firm, hereinafter abbreviated as KAP, is a business entity established under the provisions of laws and regulations and obtaining a business license based on Law Number 5 Year 20 11 concerning Public Accountants. A partner is an ally in a KAP in the form of a partnership business. A public accounting firm is a service company, the services provided are in the form of operational audit services, compliance audits, and audits of financial statements. KAP industry specialization describes the audit expertise and knowledge of an auditor which is an extensive process in auditing a particular industry Craswell et al, 1995 in (Bhuiyan & D'Costa, 2020).

Framework

Independent Commissioner is a member of the board of commissioners who does not have ties to management, other board members, or shareholders. Independent commissioner board is one aspect of corporate governance that might impact the audit report lag of a corporation. The Independent Board of Commissioners is responsible for advising the board of directors and reviewing the company's management policies, as well as the company's overall management direction.

The Audit Committee is one element of corporate governance that might influence the audit report lag of a corporation. In accordance with Bapepam rule No. IX.I.5, an audit committee is a committee constituted by and accountable to the board of commissioners in order to assist the board in carrying out its tasks and responsibilities. In accordance with Bapepam Regulation No. IX.I.5, issuers and public businesses must organize at least a three-person audit committee. The Internal Audit relationship, which is a component of corporate governance, is intended to observe and formally evaluate the governance structure, design, and operational efficacy while maintaining independence.

The internal audit is intended to ensure the company's consistency. The association between firm size and audit report lag is that companies with greater total assets will take longer to complete the audit than those with fewer total assets. This is because the greater the number of samples that must be taken and the greater the number of audit procedures that must be performed, the longer the financial statements. Board-independent commissioners, audit committee, internal audit, and company size are internal factors that may affect the length of the published financial statements.

As an independent external party, the public accounting firm is responsible for performing audits and supervising the financial reporting process. A public accountant is an independent third party from outside the organization who is hired to perform financial audits and provide comments. It is anticipated that the evaluation of financial statements until the signing of financial statements by a public accounting firm can increase the incidence of audit report lag.

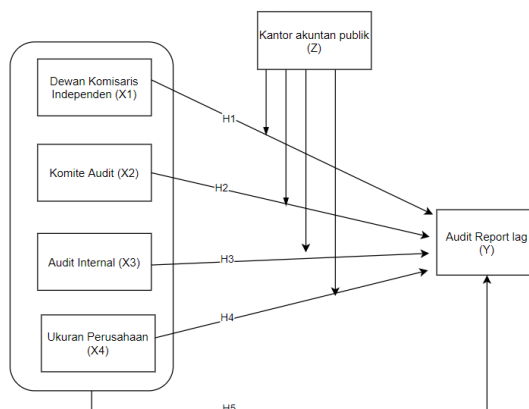


Image 1.

Factors affecting Audit Report Lag with Public Accounting Firms as Moderating Variables in Banking Companies on Indonesia Stock Exchange 2015-2020

Hypothesis Design

Description:

- Y : Audit Report Lag
X1 : Independent Board of Commissioners
X2 : Audit Committee
X3 : Internal Audit
X4 : Company size
Z : Public Accounting Firm

Research Hypothesis

The hypothesis is an estimate of the population parameters through sample data. Based on the theoretical basis and the framework of thinking that has been described, the following hypotheses can be proposed:

- H1: There is a significant effect of the independent board of commissioners on the audit report lag of banking companies on the Indonesia Stock Exchange in 2015-2020
H2: There is a significant effect of the Audit Committee on the audit report lag of banking companies on the Indonesia Stock Exchange in 2015-2020
H3: There is a significant effect of Internal Audit on the audit report lag of banking companies on the Indonesia Stock Exchange in 2015-2020
H4: There is a significant influence on the size of the company on the audit report lag of banking companies on the Indonesia Stock Exchange in 2015-2020
H5: There is a significant effect of the independent board of commissioners, audit committee, internal audit, and company size on the audit report lag of banking companies on the Indonesia Stock Exchange.
H6: There is a significant effect of the independent board of commissioners moderated by KAP on the audit report lag of banking companies on the Indonesia Stock Exchange in 2015-2020
H7: There is a significant effect of the Audit Committee moderated by KAP on the audit report lag of banking companies on the Indonesia Stock Exchange in 2015-2020
H8: There is a significant effect of Internal Audit moderated by KAP on Audit report lag in banking companies on the Indonesia Stock Exchange 2015-2020
H9: There is a significant effect of Firm Size moderated by KAP on audit report lag in banking companies on the Indonesia Stock Exchange in 2015-2020

RESEARCH METHODS

The type of research conducted in this research is associative research. With this research it will be possible to build a theory that serves to explain, predict and control a symptom. Causal relationship is a causal relationship, one variable (independent) affects the other variable (dependent). Associative research uses quantitative or statistical analysis techniques. In this study, the independent variables were tested, namely the Independent Board of Commissioners (X1), the audit committee (X2), Internal Audit (X3), Company Size (X4), one front variable, namely Audit Report Lag (Y) and the Accountant Firm Moderation variable (Z). Public.

The population in this study are banking companies listed on the Indonesia Stock Exchange for the 2015-2020 period, both private and state-owned companies. The total population in banking companies as of 2021 is 43 companies. The criteria for selecting the sample to be studied in this study are as follows: Banking sub-sector companies listed on the Indonesia Stock Exchange in 2015-2020; Companies that publish annual financial statements on the Indonesia Stock Exchange consecutively during the observation period; The company was not delisted on the IDX during the study period; Has a structure related to the required variables.

The research method used is the documentation method in the form of secondary data collected through the website www.idk.co.id and the website of companies listed on the Indonesian stock exchange in the form of financial statements. Data regarding the library study were obtained from previous studies and supported by other literatures related to research variables. Based on the existing problems regarding the delay in financial reporting or Audit Report Lag. The variables in this study are independent variables (free (X)) and dependent variables (bound (Y)) and moderating variables (Z). independent of the dependent variable (audit report lag). In this research,

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Data that used in this study is secondary data, namely the annual reports of banking companies published on the Indonesia Stock Exchange. Data collection procedures were used to collect data according to research procedures in order to obtain the necessary data. The method of data collection in this research is to use documentation techniques based on the 2015-2020 financial statements published on the IDX through the official website www.idx.co.id taking quotes from articles, journals, previous research, studying books in libraries that support research. and past research processes and disclosures in business news, publishers, and other relevant sources. The data needed in the research is related to audit report lag and the factors that influence it.

RESULTS AND DISCUSSION

Panel Data Regression Results

Table 1. Panel Data Regression Test Results

Dependent Variable: ARL				
Method: Least Squares Panel				
Date: 02/20/22 Time: 23:40				
Samples: 2015 2020				
Periods included: 6				
Cross-sections included: 7				
Total panel (balanced) observations: 42				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-976.9658	272.7362	-3.582090	0.0011
DKI	-6.779646	14,53949	-0.466292	0.6443
KA	7.540554	1.502726	5.017916	0.0000
AI	0.202520	0.143371	1.412567	0.1677
UP	30.61741	8.524560	3.591670	0.0011
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.932123	Mean dependent var	57.19048	
Adjusted R-squared	0.910228	SD dependent var	22.67505	
SE of regression	6.793905	Akaike info criterion	6.890056	
Sum squared resid	1430,871	Schwarz criterion	7.345160	
Likelihood logs	-133.6912	Hannan Quinn Criter.	7.056870	
F-statistics	42.57110	Durbin-Watson stat	2.117610	
Prob(F-statistic)	0.000000			

Source: Eviews9 data processing

Based on the results of the regression using the Common Effect Model above, it can be analyzed that the value of the independent board of commissioners variable (DKI) has a regression coefficient value of -6.779646 with a t-statistic value of -0.466292 with a probability value of $0.6443 > 0.05$ meaning that the independent commissioner board variable (DKI) is not significant and negative at the level of = 5%, the value of the audit committee variable (KA) has a coefficient value of 7.540554 with a t-statistic value of 5.017916 with a probability value of $0.000 < 0.05$ meaning that the audit committee variable (KA) has a positive and significant effect at the level = 5%, the value of the internal audit variable (AI) has a coefficient value of 0.202520 with a t-statistic value of 1.412567 with a probability value of $0.1677 > 0.05$ means that the internal audit variable (AI) has no effect and is significant at the level of = 5%, the value of company size (UP) has a coefficient value of 30,61741 with a t-statistic value of 3.591670 with a probability value of $0.000 < 0.05$, meaning the firm size variable (UP) positive and significant effect at the level of =5%.

The estimated regression equation is jointly tested with an Fcount value of 42.57110, meaning that together this model is significant with a probability statistic of $0.000000 < 0.05$ with an R2 value of 0.93212. This shows that the variables of the

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independent board of commissioners (DKI), audit committee (KA), Internal Audit (AI), and company size (UP) together are 93.21% and the remaining 6.79% is explained by other variables that are not included. in this equation model. With the equation:
 $ARL = -976.9658 - 6.779646*DKI + 7.540554*KA + 0.202520*AI + 30.61741*UP$

Table 2. Hypothesis Test Results

Hypothesis	Variable	Effect on ARL		Conclusion
		Coefficient	Prob.	
H1	DKI	-6,779,646	0.6443	P > 0.05 : TS
H2	KA	7.540.554	0.0000	P < 0.05 : S
H3	AI	0.202520	0.1677	P > 0.05 : TS
H4	UP	3,061,741	0.0011	P < 0.05 : S
H5	Simultaneously	F=42.57110	0.00000	P < 0.05 : S
R-squared	0.932123			

Moderation Regression Analysis

Based on the results of panel data regression that have been explained, the moderating variable aims as a variable that strengthens or weakens the independent variable against the dependent variable, by including the interaction variable, namely the multiplication of the independent variable with the moderating variable, the moderating variable with the following equation:

The independent board of commissioners variable (DKI) on audit report lag with public accounting firms, if the probability value of the interaction variable is above < 0.05 then the moderating variable strengthens the independent variable of the board of commissioners, but if the probability value is > 0.05 then the moderating variable weakens the independent variable on the dependent variable, as follows regression results on the moderated resresion analysis test:

Table 3. Moderated Regression Analysis (DKI)

Dependent Variable: ARL
 Method: Least Squares Panel
 Date: 02/20/22 Time: 23:54
 Samples: 2015 2020
 Periods included: 6
 Cross-sections included: 7
 Total panel (balanced) observations: 42

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	50.73321	17.92655	2.830059	0.0080
DKI	18.46005	32.06825	0.575649	0.5689
HOOD	16.92366	29.88147	0.566360	0.5751
M1	-39.40761	51.65528	-0.762896	0.4511

Result: Eviews9 Data Processing

Based on the results of the moderated regression analysis test, the probability value of the M1 interaction variable or the public accounting firm variable is 0.4511 > 0.05, which means that the public accounting firm variable cannot strengthen the independent board of commissioners on audit report lag. Or the public accounting firm weakens the independent board of commissioners variable on audit report lag. The audit committee variable on audit report lag with a public accounting firm, if the probability value of the interaction variable is above <0.05.

The audit committee variable (KA) on audit report lag with a public accounting firm as a moderating variable with the aim of strengthening or weakening the audit committee variable, if the probability value > 0.05 then the moderating variable weakens the independent variable on the dependent variable, if the probability value < 0.05 then the moderating variable strengthen the independent variable on the dependent variable. The following are the results of the regression on the moderated resresion analysis: with a public accounting firm as the moderating variable on the audit committee:

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$$Y = 0 + 2X_2 + Z + 2X_2 * Z + e$$

Table 4. Moderated Regression Analysis (KA)

Dependent Variable: ARL
 Method: Least Squares Panel
 Date: 02/20/22 Time: 23:59
 Samples: 2015 2020
 Periods included: 6
 Cross-sections included: 7
 Total panel (balanced) observations: 42

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	57.50823	62.20439	0.924504	0.3621
KA	1.0000000	10.57489	0.094564	0.9253
HOOD	-28.01869	68.01691	-0.411937	0.6831
M2	5.289720	10.77074	0.491120	0.6267

Result: evIEWS9 data processing

Based on the results of the moderated regression analysis test, the probability value of the M2 interaction variable or the public accounting firm variable is 0.6267 > 0.05, which means that the public accounting firm variable cannot strengthen the audit committee on audit report lag. Or the public accounting firm weakens the audit committee variable on audit report lag.

Internal Audit (AI) variable on audit report lag with public accounting firms as moderating variable with the aim of strengthening or weakening the internal audit variable, if the probability value > 0.05 then the moderating variable weakens the independent variable on the dependent variable, if the probability value < 0.05 then the moderating variable strengthen the independent variable on the dependent variable. The following are the results of the regression on the moderated regression analysis test with a public accounting firm as the moderating variable:

$$Y = 0 + 3X_3 + Z + 3X_3 * Z + e$$

Table 5. Moderated Regression Analysis (AI)

Dependent Variable: ARL
 Method: Least Squares Panel
 Date: 02/21/22 Time: 00:00
 Samples: 2015 2020
 Periods included: 6
 Cross-sections included: 7
 Total panel (balanced) observations: 42

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	39.41544	12.04077	3.273499	0.0026
AI	0.237003	0.207977	1.139561	0.2629
HOOD	-555.2839	391.7201	-1.417553	0.1660
M3	16.95930	12.20154	1.389931	0.1741

Result: evIEWS9 data processing

Based on the results of the moderated regression analysis test, the probability value of the M3 interaction variable or the public accounting firm variable is 0.1741 > 0.05, which means that the public accounting firm variable cannot strengthen internal audit against audit report lag. Or the public accounting firm weakens the internal audit variable on audit report lag.

Firm Size Variable (UP) on audit report lag with public accounting firm as a moderating variable with the aim of strengthening or weakening the firm size variable, if the probability value > 0.05 then the moderating variable weakens the independent variable

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on the dependent variable, if the probability value < 0.05 then the moderating variable strengthen the independent variable on the dependent variable. The following are the results of the regression on the moderated resresion analysis using a public accounting firm as the moderating variable:

$$Y = 0 + 3UP + KAP + 3UP * KAP + e$$

Table 6. Moderated Regression Analysis (UP)

Dependent Variable: ARL
 Method: Least Squares Panel
 Date: 02/21/22 Time: 00:01
 Samples: 2015 2020
 Periods included: 6
 Cross-sections included: 7
 Total panel (balanced) observations: 42

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-43.52127	92.18680	-0.472099	0.6401
UP	4.118144	2.835002	1.452607	0.1561
HOOD	-89.60410	4.455789	-20.10959	0.0000
M4	0.975200	0.047497	20.53195	0.0000

Results: eviews9 data data processing

Based on the results of the moderated regression analysis test, the probability value of the interaction variable M4 or the public accounting firm variable is 0.0000 < 0.05, which means that the public accounting firm variable can strengthen company size against audit report lag.

Table 7. Best Panel Data Regression Model Test

Test	Model Type	Count	Prob/Sig	□	Results	Conclusion
Regression Equation (ARL)						
Chow test	CEM VS FEM	F: 25.679466	0.0000	0.05	FEM	FEM
Hausman test	FEM VS REM	Chi-square: 29.170329	0.0000	0.05	FEM	
LM test	BRAKE VS CEM	Lm hits: 18.19780	0.0000	0.05	CEM	

DISCUSSION

Influence of the Board of Commissioners Independent Audit Report Lag

Results partial regression Lack of audit report timeliness is unaffected by the Board of Commissioners' independence. This is demonstrated by the t-test findings, which yielded a t-count value of -0.466292 with a probability value of 0.6443 > 0.05 and a regression coefficient of -6.779646. This indicates that the number of independent commissioners has no bearing on the audit report lag of banking companies listed on the Indonesia Stock Exchange.

Empirically this research is supported by research results(Isnania, Sukarmanto, & Maemunah, 2018),(Mahendra & Widhiyani, 2017)and(J. S Gunawan, 2020)which states that the independent board of commissioners has no effect on audit report lag. This is not in accordance with agency theory, which states that the owner (principal) is driven by transparency, absence of negligence, and timeliness of the manager (agent). That way, the more boards there are, the more members there will be who will focus more on each department and reduce audit report lag.

This research is also not in line with the research conducted(Kusumah & Manurung, 2017)The existence of an independent board of commissioners with a high percentage in the company is indicated to be able to monitor management's opportunistic behavior, improve the quality of disclosure in financial statements and reduce the benefits of hiding information. In line with research from(Handayani, 2016)that the board of commissioners has a positive and significant effect on Audit Report

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Lags, according to him that the greater the proportion of independent commissioners, the lower the audit report lags in a company.

Based on the discussion above, it can be concluded that the hypothesis of the independent board of commissioners partially has no significant effect on audit report lag. Then H1 in the regression equation is rejected.

Influence of the Audit Committee on Audit report lag

Results The partial regression shows that the audit committee variable has an effect on audit report lag, the audit committee can have a positive and significant effect. This is evidenced by the results of the t-test with a t-count value of 5.017916 with a probability value of $0.00000 > 0.05$ with a regression coefficient value of 7.540554. This means that the audit committee has a positive and significant effect on audit report lag in banking companies listed on the Indonesia Stock Exchange.

Thing This shows that the performance of the audit committee in assisting the board of commissioners can affect the lag in the company's financial reporting. This means that the company's audit committee with educational background and expertise in accounting and finance can shorten the audit report lag in assisting the company in submitting the results of the audit of financial statements. Empirically this research is supported (Gunarsa & Dwijaya, 2017) and (Abdulrahman, Raweh, & Safinaz) the audit committee has a negative effect on audit report lag and states that the larger the size of the audit committee, the company will not be late in publishing its financial statements

Results This study is not in line with the results of the study (J. S. Gunawan, 2020) that the audit committee has no effect on audit report lag. This is because the duties and authorities of the audit committee do not have a direct impact on the audit procedures carried out by the external auditor, the auditor will not have an impact on the number of audit committee members owned by the company. The results of this study agree with the research conducted by (Butarbutar & Hadiprajitno, 2017), (Silalahi & Malau, 2020), (Rosalia, Kurnia, & Andini, 2019) and (Kusumah & Manurung, 2017) the audit committee variable has no significant effect on audit report lag, where the insignificant is positive which means that the larger the audit committee, the longer the audit report lag. This indicates that a larger proportion of the audit committee results in a longer audit process.

Based on the above discussion, it can be concluded that the audit committee variable partially influences the audit report lag positively and significantly. This means that H2 in the regression equation is accepted.

Effect of Internal Audit on Audit report lag

Results The partial regression shows that the internal audit variable cannot affect the audit report lag. This is evidenced by the results of the t-test with a t-count value of 1.412567 with a probability value of $0.1677 > 0.05$ with a regression coefficient value of 0.202520. This means that internal audit has no positive and significant effect on audit report lag in banking companies listed on the Indonesia Stock Exchange.

Empirically research is supported by research results (Mahendra & Widhiyani, 2017) stated that internal audit had no effect on audit report lag. In accordance with applicable regulations. This includes the task of testing the quality and reliability of financial reports, existing policies and procedures, as well as ensuring an effective internal control system in every function, including safeguarding the company's assets and the possibility of data leakage as well as carrying out routine and comprehensive checks on the level of the company's assets. The Company's operational efficiency will not affect the delay in financial reporting. This research is in line with research. The greater the proportion of internal audit, the faster the audit report or the absence of audit report lag.

This research is not consistent with what has been done (J. S. Gunawan, 2020), which argues that a good performance firm has a competent audit structure as well, so that it can properly display the company's financial statements and so that public accountants can. Submit financial reports without delay. And backed by the findings of (Noviarty, Puspitasari, & Heniwati, 2021), which say that internal auditors play a crucial role in decreasing potential for irresponsible parties to distort financial statements through the review process and internal control. According to agency theory, the temptation to alter financial figures is driven by agency difficulties in agency relations (management and head).

Based on the above discussion, it can be concluded that the internal audit variable has no partial effect on audit report lag. This means that H3 in the regression equation is rejected.

The Effect of Company Size on Audit Report Lag

Results Partial regression shows that there is an effect of firm size variable on audit report lag, firm size can have a positive and significant effect. This is evidenced from the results of the t-test with a t-count value of 3.591670 with a probability value of $0.0011 > 0.05$ with a regression coefficient value of 30,61741. Thus the effect of company size on audit report lag is significant.

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Research is supported by what is done (Rosalia, Kurnia, & Andini, 2019) and (Noviarty, Puspitasari, & Heniwati, 2021) that the size of the company shows, the higher the size of the company, the audit report lag of a company will be shorter. Large-scale companies have a good internal control system that can support the presentation of financial statements more quickly with a smaller error rate in the presentation of financial statements, besides that pressure from investors encourages companies to publish financial reports on time. In line with research (Wulandari, Nugroho, & Dwihandoko, 2020) and (Tanuka, 2018) company size has a significant negative effect on audit report lag. Because in submitting financial reports, large companies are usually more consistent and timely than small companies.

Results research is not in line with what was done (Astuti Yuli Setyani, 2021) The size of the company is not a benchmark for companies in reporting their financial statements, the company still has the same responsibility, which is that it must submit its financial statements on time.

Based on the above discussion, it can be concluded that the firm size variable partially affects the audit report lag positively and significantly. This means that H4 in the regression equation is accepted

The effect of independent board of commissioners, audit committee, internal audit, and company size together on audit report lag.

Results simultaneous regression of independent board of commissioners (DKI), audit committee (KA), internal audit (AI) and company size (UP) have an effect on audit report lag. This is evidenced from the results of f-statistics 42.57110 with a probability value of 0.000000 < 0.05 with an R2 value of 0.932123 which means that together the independent board of commissioners (DKI), audit committee (KA), internal audit (AI) and company size (UP) affect the audit report lag. With a percentage of 93% can influence and 7% can be influenced by other variables that are not involved in the study. Thus, the influence of the independent board of commissioners (DKI), audit committee (KA), internal audit (AI) and company size (UP) is positive and significant, so the regression equation H5 is accepted.

Good Corporate Governance is the basis for transparent and healthy business activities. The Company strives to ensure that the implementation of corporate governance complies with the applicable regulations in the capital market as well as the guidelines that have been prepared by a number of institutions dealing with corporate governance. The values of transparency, accountability, responsibility, independence, as well as fairness and equality must be implemented at every level of the organization and every business activity. This is a company commitment that must be maintained to maintain the trust of customers, shareholders, bondholders, business partners and other stakeholders.

Public Accounting Firms Can Moderate the Influence of the Independent Board of Commissioners on Audit Report Lag (M1)

Results Moderation regression shows that the interaction between independent commissioners and public accounting firms has a probability value of 0.5123 < 0.05 and a t-statistic value of 0.657347. Based on these results, public accounting firms are unable to moderate or weaken the influence of independent commissioners on the audit report lag of banking companies listed on the IDX, so hypothesis H6 in the moderation equation is rejected.

Public Accounting Firms can Moderate the Effect of the Audit Committee on Audit Report Lag (M2)

Results Moderation regression shows that the interaction between the audit committee and the public accounting firm has a probability value of 0.6779 < 0.05 with a t-statistic value of -0.416385. Based on these results, public accounting firms are unable to moderate or weaken the influence of the audit committee on audit report lag in banking companies listed on the IDX, so hypothesis H7 in the moderation equation is rejected.

Public Accounting Firms can Moderate the Effect of Internal Audit on Audit Report Lag (M3)

Results Moderation regression shows that the interaction between internal audit and public accounting firms has a probability value of 0.9100 < 0.05 with a t-statistic value of 0.113290. Based on these results, public accounting firms are unable to moderate or weaken the influence of internal audit on audit report lag in banking companies listed on the IDX, so hypothesis H8 in the moderation equation is rejected.

Public Accounting Firm Moderates the influence of Company Size on Audit Report Lag (M4)

Results different regressions are shown empirically, the interaction of the public accounting firm variable (M4) strengthens firm size on the Audit Report lag with a probability value of 0.0011 < 0.05 and a statistical value of 3.591670. Based on these results, public accounting firms are able to moderate company size on audit report lag in banking companies listed on the IDX, so hypothesis H9 in the moderation equation is accepted.

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CONCLUSION

Based on the research and testing of hypotheses using panel data to determine the elements that can influence Audit Report Lag using public accounting firms as moderating variables in banking corporations in 2015-2020, the following conclusion can be made: The findings of the panel data regression test indicate that the independent board of commissioners has no meaningful effect on the audit report latency of the company. The empirical evidence supporting the research premise that the independent board of commissioners influences audit report lag. The findings of the panel data regression test indicate that the audit committee has a considerable influence on the audit report lag of the company. This is consistent with both the empirical evidence and the hypothesis that the audit committee influences audit report latency. Furthermore, The findings of the regression test on panel data indicate that internal audit has no significant effect on the audit report latency of the organization. The empirical findings that support the research hypothesis that internal audit has an effect on audit report latency are as follows:

The findings of the panel data regression test indicate that the size of the firm has a substantial effect on the audit report latency of the company. This supports the findings and the theory that firm size influences audit report delays. The results of the panel data regression test indicate that an independent board of commissioners, audit committee, internal audit, and firm size all have a significant impact on audit report lag concurrently. According to the theoretical findings and study hypotheses, the independent board of commissioners, audit committee, internal audit, and firm size all influence audit report lag simultaneously or cooperatively.

The results of the public accounting firm's moderation test weakened the independent board of commissioners against audit report lag, the results of the public accounting firm's moderation test weakened the audit committee against audit report lag, the result of accountant office moderation against audit report lag, and the moderating results of the public accounting firm weakened the company's size against audit report lag.

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