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Analysis of the Effect of Profitability, Liquidity, Solvency, Company Size, and Audit Opinion on Audit Report Lag on Manufacturing Companies Listed in Indonesia Stock Exchange

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Abstract

The purpose of this study was to see if the variables of profitability, liquidity, solvency, company size, and audit opinion could be tested. From 2015-2019, manufakturing companies listed on the Indonesia Stock Exchange were used in this study. 167 companies were studied over 5 years, yielding 395 observation samples. The official website www.idx.co.id is used to collect data for this study. This study uses Multiple Linier Regresion with the SPSS type 22. According to findings of this Study, liquidity, and audit opinion have a significant impact on audit report lag, whereas profitability, solvency, and company size have no impact on audit report lag.

Keywords
profitability; liquidity; solvability; company size; audit opinion and audit report lag

I. Introduction

Timely published financial reports are the basic elements for financial statement records that have been regulated according to Capital Market Supervisory Agency regulation no. XK2, KEP-36/PMK/2003 concerning the obligation of public companies to publish their financial statements together with the auditor's opinion report no later than the third final month after the date of the financial statements or within 90 days must be audited (Sastrawan and Latrini, 2016). Information in financial statements is said to be relevant if it is timely and useful for its users. If there is a difference between the closing time of the book and this audit report, it will inform the duration of the audit process by the independent auditor. The time interval for the audit work to the date of the published audit report is called audit report lag (Tannuka, 2018).

The number of cases of companies experiencing prolonged audit report lag resulted in uncertain movements in stock prices, and gave rise to the assumption that the decline in stock prices was caused by companies that did not immediately publish their financial statements because the company had *bad news* during the audit process (Dewangga and Laksito, 2015).

The phenomenon of public companies experiencing audit report lag is quite a lot. It was discussed by Tari (2019) published in market.bisnis.com, that some of the shares marketed have been temporarily suspended by PT BEI, several companies have not issued financial reports. 4 companies, namely PT Nipres Tbk (NIPS), PT Sugih Energy Tbk (SUGI), PT Bakrieland Development Tbk (ELTY), and PT Apexindo Pratama Duta Tbk (APEX) were suspended due to not publishing their annual financial statements as of December 31, 2018 since stage 1 trading as of 1 July 2019. While 6 other companies received extensions to the suspension due to late submission of financial reports and unpaid fines, the companies are PT Evergreen Invesco Tbk (GREEN), PT Cakra Mineral Tbk (CKRA), PT Sigmagold Inti Perkasa Tbk (TMPI), PT Golden Plantation Tbk (GOLL),

PT Borneo Lumbung Energi and Metal Tbk (BORN), PT Tiga Pilar Sejahtera Food Tbk (AISA) (Silalahi and Malau, 2020). Among the 10 companies frozen by the Stock Exchange, some of them are in the manufacturing sector, where it is known that the manufacturing sector contributes a lot to the Indonesian economy.

The economic condition of the population is a condition that describes human life that has economic score (Shah et al, 2020). Economic growth is still an important goal in a country's economy, especially for developing countries like Indonesia (Magdalena and Suhatman, 2020).

Audit report lag can occur due to several things, one of which is profitability. Profitability is considered to have an influence on the submission of financial statements because companies that earn profits or losses affect investors to invest their capital. Financial reports that are released on a timely basis tend to be carried out by companies with higher profits than companies experiencing losses (Salwa Febrianti, 2020). As an example of a phenomenon in a company suspended by the IDX, namely Pt Eterindo Wahanatama Tbk (ETWA). The management of etwa in 2016 explained that the company's performance was indeed sluggish, it was recorded that the performance of all products had decreased. Sales of biodiesel products amounted to RP. 230.29 billion, decreased by 18.5% compared to 2015. In semester -1 2017, total ETWA sales were recorded at Rp.23.7 billion, decreased by 90.2% Year on Year (YoY) (kontan.co.id, 2018).

The good news for the company is knowing that the company has high liquidity, this affects the company to submit its financial statements and audit reports within the time set by the IDX. The audit report that is influenced by liquidity obtained in this study (Dura, 2017) shows that companies with high liquidity are able to meet all short-term debt well so that they do not delay the process of submitting their financial statements.

The audit process becomes longer due to the high level of solvency owned by the company which means the company has a large debt. Auditors need to be careful and careful in conducting audits related to corporate sustainability issues because of the high proportion of debt rather than assets. Sastrawan and Latrini (2016) said that in their research there was a positive influence on solvency on audit report lag.

The size of the company can be determined by looking at the size of the company which is determined from the total assets or market value of the company's shares. Good company internal control can certainly reduce the error rate in reporting. In general, good internal control is owned by large companies, therefore the auditors do not find problems during the audit process. So that the size of the company is considered able to affect the audit report lag. The results of research by Yulia et al., (2019) found that in their research there was a negative and significant effect on company size on audit report lag.

The last stage in the audit process is to provide an opinion on the financial statements that have been observed. Companies that obtain a qualified opinion will try to carry out intensive negotiations with their auditors so that the audit time lag becomes longer because the company gets a qualified opinion audit report lag.

Due to differences in results or the absence of conformity from several studies that have been conducted by previous researchers, it is necessary to conduct this research to obtain empirical evidence relating to the effect of profitability, liquidity, solvency, firm size and audit opinion on audit report lag in listed manufacturing companies on the Indonesia Stock Exchange.

II. Review of Literature

2.1 The Effect of Profitability on Audit Report Lag

Profitability is a calculation that shows how able a company is to get a net profit based on its total assets (Indriyani and Supriyati, 2012). Audit work that is completed in a short time tends to be carried out by companies with large profits. Companies that earn large profits are good news for the company, so the audit report lag will be shorter because the company wants to convey the good news more quickly to users of financial reports. The formula used in this study was taken from the research of Dura, (2017) using the Return on Asset (ROA) formula, namely:

$$ROA = \frac{\text{Net Profit After Tax}}{\text{Total asset}} \quad \ldots\ldots\ldots\ldots\ldots\ldots (1)$$

2.2 Effect of Liquidity on Audit Report Lag

Liquidity is used to show how capable the company is in overcoming its short-term debt (Dura, 2017). A high liquidity value explains that the company's performance is very good which produces good news, it tends to make the company submit reports in a timely manner (Tannuka, 2018). The formula used in this study was taken from the research of Yendrawati and Mahendra, (2018) using theformula, Current Ratio namely:

$$Current\ Ratio = \frac{Current\ asset}{Current\ liabities} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (2)$$

2.3 The Effect of Solvency on Audit Report Lag

Solvency is a ratio that shows the level of the company's ability to complete all company finances in order to survive in the long term (Yulia et al., 2019). The audit process is relatively longer if the amount of debt owned by the company is quite high. The formula used in this study was taken from research (Dura, 2017) using theformula, Debt to Assets Ratio (DAR) namely:

$$Debt\ to\ Asset\ Ratio = \frac{Total\ Debt}{Total\ Asset} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3)$$

2.4 Effect of Company Size on Audit Report Lag

Yendrawati and Mahendra (2018) state that company size is a measure to determine the size of a company. Good internal control is often owned by large companies that are supervised by the government, capital supervisors, and investors to avoid errors such as misstatements in financial reporting, so that auditors can carry out their work easily. The formula used in this study was taken from the research of Sastrawan and Latrini, (2016) by using Ln total assets, namely:

$$Company\ Size = Ln\ Total\ Assets \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (4)$$

2.5 Effect of Audit Opinion on Audit Report Lag

The view of the auditor expressed when assessing the fairness of the company's financial statements is called an audit opinion (Sumartini and Widhiyani, 2014). Longer audit report lag time intervals often occur in companies that obtain opinions other *than* those that obtain opinions *unqualified* on their financial statements (Tiono and Jogi, 2018).

The variable in this study is *Dummy*, where opinions other than *unqualified* are marked 0 while opinions *unqualified* are marked 1 (Sumartini and Widhiyani, 2014).

Conceptual Framework

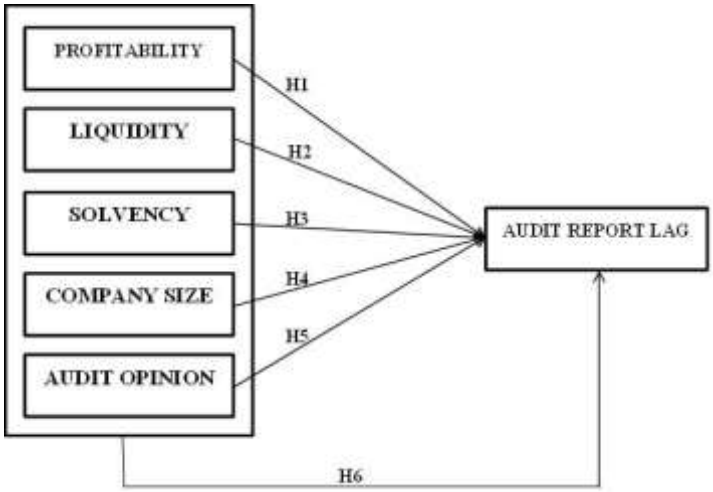

Figure 1. *Conceptual Framework*

Hypothesis

H1: Profitability has an effect on audit report lag.
H2: Liquidity affects the audit report lag.
H3: Solvency has an effect on audit report lag.
H4: Company size has an effect on audit report lag.
H5: Audit opinion has an effect on audit report lag.
H6: Profitability, liquidity, solvency, firm size, and audit opinion simultaneously affect the audit report lag.

III. Research Method

3.1 Types of Research

This research is a quantitative study with a descriptive statistical approach that uses secondary data in the form of audited annual financial statements. The data is taken from the IDX website WWW.IDX.CO.ID and other data sources from the internet.

3.2 Population and Sample

The population taken is a manufacturing company listed on the IDX during the 2015-2019 period, and uses the method Purposive Sampling in selecting the sample of this study. The sample selection process is as follows:

Table 1. Sample Selection Process

No	Information	Amount
1	Manufacturing companies listed on the IDX during the 2015-2019 period	**167**
2	Companies that do not issue audited Annual Financial Statements in the 2015-2019 period the 2015-2019 period	**(30)**

3	Companies that suffer losses during2015-2019 period	**(58)**
	Number of Samples	**79**
	Number of Periods	**5**
	Number of Observations (5x79)	**395**

3.3 Variable Operational Definition

This study consists of the dependent variable, namely audit report lag, and 5 independent variables, namely profitability, liquidity, solvency, firm size, and audit opinion.

Table 2. Operational Variables

Variables	Definitions	Indicators	Scale
Audit Report Lag (Y)	Audit report lag is the time distance from the completion of the audit process to the date the audited report is issued (Tannuka, 2018).	audit report lag = audit report date – financial statement date. (Source : Natonis dan Tjahjadi, 2019)	Ratio
Profitability (X1)	Profitability is a calculation that shows how capable a company is in earning a net profit based on its total assets (Indriyani and Supriyati, 2012).	$ROA = \frac{\text{Net profit after tax}}{total\ assets}$. Source: Dura, 2017)	Ratio
Liquidity (X2)	Liquidity is a calculation that shows how capable the company is in overcoming its short-term debt (Dura, 2017).	$Current\ Ratio = \frac{current\ asset}{current\ liabilities}$. Source: Yendrawati dan Mahendra, 2018)	Ratio
Solvency (X3)	Solvency is a ratio that shows the level of the company's ability to complete all company finances in order to survive in the long term (Yulia et al., 2019).	$DAR = \frac{Total\ Debt}{Total\ Asset}$. Source: (Dura, 2017)	Ratio
Company Size (X4)	Company size is a measure that can be measured to determine the size of a company (Yendrawati and Mahendra, 2018).	Company Size = Ln total assets Source: (Sastrawan dan Latrini, 2016)	Ratio

Audit Opinion (X5)	Audit opinion is the auditor's view expressed when assessing the fairness of the company's financial statements (Sumartini and Widhiyani, 2014).	*Unqualified opinion* : 1 Apart from *Unqualified opinion* : 0 Source: (Sumartini dan Widhiyani, 2014)	*Dummy*

3.4 Data Analysis Techniques

Analysis of this research consists of:

a. Descriptive Statistics, analysis that serves to describe or describe data.
b. Classical Assumption Test used in this study are:
   1. Normality test, used to prove whether the data is normally distributed or not (Nuryadi, S.Pd.Si., M.Pd, et al, 2017).
   2. Multicollinearity test, used to show the perfect correlation between independent variables in the model (DYAH, 2012).
   3. Autocorrelation test, designed to prove whether there is a correlation that can be seen from the residual error in the period with the error period t-1 in the regression model (Nuryadi, S.Pd.Si., M.Pd, et al, 2017).
   4. Heteroscedasticity test is used to test whether the regression model has unequal variance from the residuals of another observation.
c. This study uses multiple linear regression analysis with the following equation formula:

$$\mathbf{Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + e}$$

Information:

Y : Audit Report Lag
a : Constant
b1, b2, b3, b4, b5 : Regression coefficient of each independent variable
X1, X2, X3, X4, X5: Profitability, liquidity, solvency, firm size, opinion audit
E : error rate / error

d. The coefficient of determination is a quantity that shows the ability of the independent variable (X) to explain the dependent variable (Y), the estimated value ranges between 0 and 1.
e. Hypothesis test used are:
   1. Partial test (t test), is a method that shows the extent to which the influence of one of the independent variables clarifies the dependent variable individually or is called partial. The independent variable has a significant effect on the dependent variable if the probability value is < 5% (Indriyani dan Supriyati, 2012).
   2. Simultaneous test (f test), is a significant test that aims to prove whether or not there is a simultaneous effect on all independent variables on the dependent variable. The hypothesis is accepted if the significant value is below 5%, which means that there is an influence of the independent variable on the dependent variable.

IV. Results and Discussion

4.1 Results

a. Descriptive Statistical Analysis

Initially, there were 395 observational data, but when testing the results, the data obtained were not normally distributed, so it was necessary to eliminate some data until 132 data were obtained that met the criteria for the research sample. Descriptive statistics for each variable can be seen in the following table:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Report Lag	132	68	109	80.75	6.321
Profitability	132	.14	14.78	5.6003	3.89952
Liquidity	132	64.57	435.47	198.9112	86.84752
Solvability	132	16.52	93.32	44.3746	15.45844
Company Size	132	25.80	32.20	28.7363	1.54904
Audit Opinion	132	0	1	.98	.150
Valid N (listwise)	132				

According to the results of the descriptive test with a total sample of 132 samples, it shows that:

Variable Y, namely audit report lag with a minimum value obtained from PT Darya-Varia Laboratoria Tbk, which is 68 days in 2015, the maximum value obtained from PT Merck Sharp Dohme Pharma Tbk is 109 days in 2015, and the average audit report lag of 80.75 days with a standard deviation of 6.321.

Profitability as the X1 variable, the minimum value obtained from PT Steel Pipe Industry of Indonesia Tbk of 0.14 in 2017, the maximum value obtained from PT Ultra Jaya Industry and Trading Company Tbk of 14.78 in 2015, and the average profitability of 5,6003 with a standard deviation of 3.89952.

Liquidity as the X2 variable, the minimum value obtained from PT Pan Brothers Tbk is 64.57 in 2018, the maximum value obtained from PT Kalbe Farma Tbk is 435.47 in 2019, and the average liquidity is 198.911 with a standard deviation of 86, 84752.

Solvency as a variable X3, the minimum value obtained from PT Indospring Tbk of 16.52 in 2016, the maximum value obtained from PT Merck Sharp Dohme Pharma Tbk of 93.32 in 2015, and the average solvency of 44.3746 with a standard deviation of 15,45844.

Company size as a variable X4, the minimum value obtained from PT Pyridam Farma Tbk is 25.80 in 2017, the maximum value is obtained from PT Indofood CBP Sukses Makmur Tbk of 32.20 in 2018, and the average company size is 28.7363 with a standard deviation of 1.54904.

Audit Opinion as the X5 variable gets a minimum value of 0, a maximum gets a value of 1, with an average audit opinion of 0.98 and a standard deviation of 0.150. Due to audit opinion as avariable dummy, namely variables categorized in the following table:

Table 4. Descriptive Statistics of Audit Opinion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	unqualified opinion	129	97.7	97.7	100.0
	Other than an unqualified opinion	3	2.3	2.3	2.3
	Total	132	100.0	100.0	

The table above shows that from 132 sample data, 129 obtained an unqualified opinion, and 3 other data obtained other than an unqualified opinion.

b. Classical Assumption Test

1. Normality test using themethod Kolmogorov-Smirnov, the test results are in the following table:

Table 5. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
	N	132
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	5.93533732
Most Extreme Differences	Absolute	.051
	Positive	.051
	Negative	-.032
	Test Statistic	.051
	Asymp. Sig. (2-tailed)	.200[c,d]

The results of the normality test are in Asymp. Sig. (2-tailed) which shows the number 0.200 which means the research data used is normally distributed because the value is greater than 0.05.

2. Multicollinearity test, which is used to see whether there is a correlation between variables with the condition that the VIP value is less than 10 and the tolerance value is greater than 0.01. The test results are presented in table 6 below:

Table 6. Test Results Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitability	.746	1.340
	Liquidity	.526	1.903
	Solvability	.585	1.708
	Company Size	.878	1.139
	Audit Opinion	.957	1.045

The table of multicollinearity test results above shows that all independent variables have a VIF value less than 10 and a tolerance value greater than 0.10, which means that it can be concluded that there is no multicollinearity in the independent variable in the regression model.

3. Autocorrelation test in this study using Durbin Watson (DW test). Data is said to be free of autocorrelation if it meets the requirements that DW is less than 4-du and DW is greater than du. The test results are in table 7 below:

Table 7. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.344[a]	.118	.083	6.052	1.959

The table above shows that the DW value is 1.959, and that number is greater than the value of du (1.7950) and smaller than the value of 4-du (2.205), which means that the research data does not have autocorrelation.

4. Heteroscedasticity test, this test is carried out to see if the residue in the regression model is heterogeneous or homogeneous. This test uses a Scatterplot whose results can be seen as follows:

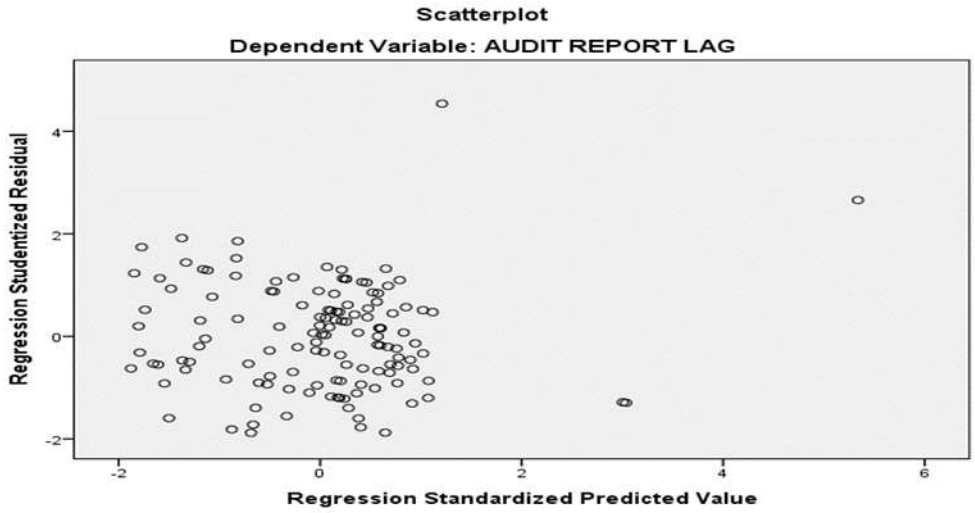

Figure 2. *Scaterplot Heteroscedasticity Test*

From the figure above, we can see that the data has no symptoms of heteroscedasticity because the scatter plot graph above shows that there is no certain pattern around the Y prediction value (ZPRED) with the residual (SRESID) and seen on the y-axis between the top and bottom, the number 0 shows the data is spread out.

c. Multiple Linear Regression Analysis

This analysis plays a role in assessing the relationship or influence between the independent variable and the dependent variable. The results of the analysis are presented in table 8 below:

Table 8. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	83.932	11.725		7.159	.000
	Profitability	.094	.157	.058	.597	.552

Liquidity	-.017	.008	-.231	-2.000	.048
Solvency	.031	.045	.075	.687	.494
Company Size	.270	.364	.066	.742	.460
Audit Opinion	-9.714	3.614	-.230	-2.688	.008

Seen from the table above, the regression equation is obtained:

ARL= 83,932 + 0,094 Profit – 0,017 Likuid + 0,031 Solva + 0,270 Ukper – 9,714 Opdit + e

The table above shows the constant value of 83,932 which explains that the value of the independent variables of profitability, liquidity, solvency, company size and audit opinion is constant, so the value of the audit report lag is 83.932. The profitability coefficient value is 0.094 which is positive, so it can be concluded that when profitability increases by 1 unit, the audit report lag increases by 0.094. The coefficient value of liquidity is -0.017 which is negative, so it can be concluded that when the company's liquidity decreases by 1 unit, the audit report lag increases by 0.017. The solvency coefficient value is 0.031 which is positive, so it can be concluded that when profitability increases by 1 unit, the audit report lag increases by 0.031. The value of the firm size coefficient is 0.270 which is positive, so it can be concluded that when the firm size increases by 1 unit, the audit report lag increases by 0.270. The coefficient value of liquidity is -9.714 which is negative, so it can be concluded that when the audit opinion decreases by 1 unit, the audit report lag increases by 9.714.

d. Coefficient of Determination

This test is carried out to see how capable the independent variable is in explaining the variance of the dependent variable. The test results are presented in table 9 below:

Table 9. Results of the Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.344[a]	.118	.083	6.052

Seen from table 9, there are Ads R-Square of 0.83, which means that the variables of profitability, liquidity, solvency, company size, and audit opinion cause changes in audit report lag to be explained as much as 8.3%, the remaining 91.7% is due to other variables.

e. Hypothesis

1. Partial Test (t Test)

To see the hypothesis of each independent variable, the test results are presented in table 10 below:

Table 10. Partial Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	83.932	11.725		7.159	.000
	Profitability	.094	.157	.058	.597	.552
	Liquidity	-.017	.008	-.231	-2.000	.048
	Solvency	.031	.045	.075	.687	.494
	Company Size	.270	.364	.066	.742	.460

Audit Opinion	-9.714	3.614	-.230	-2.688	.008

In table 10, the following explanation is obtained with a t-table worth 1.97897:

The significant value of profitability is 0.552 > 0.05 with t-count of 0.597 smaller than t-table and it can be concluded that profitability has no significant effect on audit report lag, which means H1 is rejected.

The significant value of liquidity is 0.048 < 0.05 with a t-count of 2,000 greater than t-table and it can be concluded that liquidity has a significant effect on audit report lag, which means H2 is accepted. The significant value of solvency is 0.494 > 0.05 with a t-count of 0.687 which is smaller than the t-table and it can be concluded that solvency has no significant effect on audit report lag, which means H3 is rejected. The significant value of firm size is 0.460 > 0.05 with a t-count of 0.742 smaller than t-table and it can be concluded that firm size has no significant effect on audit report lag, which means H4 is rejected. The significant value of audit opinion is 0.008 < 0.05 with a t-count of 2.688 which is greater than t-table and it can be concluded that audit opinion has a significant effect on audit report lag, which means H5 is accepted.

2. Simultaneous Test (f Test)

To see the hypothesis simultaneously from the independent variables, the test results are presented in table 11 below :

Table 11. Simultaneous Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	619.852	5	123.970	3.385	.007[b]
	Residual	4614.898	126	36.626		
	Total	5234.750	131			

It can be seen from the table above that f (Silalahi and Malau, 2020)-count obtains a value of 3.385 which is greater than f-table of 2.29 and a significant value less than sig 5%, which is 0.007 and it can be concluded that simultaneously the variables of profitability, liquidity, solvency, firm size and audit opinion affect the audit report lag so that H6 is accepted.

4.2 Discussion

a. Effect of Profitability on Audit Report lag

The significant value of profitability is 0.552 > 0.05 with t-count of 0.597 smaller than t-table, which means H1 is rejected. This explains the partially insignificant profitability variable, so there is no effect on audit report lag. When the profitability of the company increases or decreases, it does not affect the audit report lag, which means the company still has other assets to run the company so that its life continues. But simultaneously, profitability has an influence on audit report lag. The results obtained are similar to the research of Silalahi and Malau, (2020) which states that the profitability variable has no significant effect on audit report lag.

b. Effect of Liquidity on Audit Report lag

The significant value of liquidity is 0.048 < 0.05 with a t-count of 2,000 greater than t-table, which means H2 is accepted. This explains that the liquidity variable partially and simultaneously has a significant effect on audit report lag. This can happen because the

company has a high level of liquidity, causing audit report lag. Every company must ensure high liquidity so that investors can be trusted that the company is able to settle its short obligations. The results obtained are similar to research (Dura, 2017) which states that the liquidity variable has a significant effect on audit report lag. Large internal funds are generally owned by companies that have high liquidity, so companies always use their internal funds rather than external funds to pay off their short-term obligations.

c. Effect of Solvability on Audit Report lag

The significant value of solvency is 0.494 > 0.05 with a t-count of 0.687 which is smaller than the t-table, which means that H3 is rejected. This explains that solvency has no significant effect on audit report lag. This is due to the completion of the audit report which is not determined by the high or low level of company solvency. Although the company has obligations for its debts to creditors, this does not prevent the company from completing the audit of its financial statements. The results obtained are similar to the research of Yulia et al., (2019) which states that the solvency variable does not have a significant effect on audit report lag. To protect the survival of the company cannot only be seen from its solvency ability because the company has other potentials to protect its survival.

d. Effect of Company Size on Audit Report lag

The significant value of company size is 0.460 > 0.05 with a t-count of 0.742 which is smaller than the t-table, which means H4 is rejected. This explains that company size has no significant effect on audit report lag. In general, companies that have a lot of assets are large companies, so auditors must be wiser in auditing financial statements, but due to pressure from regulations made by BAPEPAM and investors, large companies and small companies must be on time in presenting their financial statements. The results obtained are similar to the research of Yendrawati and Mahendra, (2018) which states that the firm size variable does not have a significant effect on audit report lag.

e. Effect of Audit Opinion on Audit Report lag

The significant value of audit opinion is 0.008 < 0.05 with a t-count of 2.688 which is greater than t-table which means H5 is accepted. This explains that the audit opinion variable partially and simultaneously has a significant effect on audit report lag. This is because the audit process is shorter if the company gets an unqualified opinion so that it shows that the company will issue its financial statements faster because it is presented well. The results obtained are similar to research by Dewangga and Laksito, (2015) which states that the audit opinion variable has a significant effect on audit report lag.

V. Conclusion

By conducting various data analyzes in this study, it is concluded that this research aims to determine the effect of the independent variables on profitability, liquidity, solvency, firm size, and audit opinion on audit report lag in manufacturing companies listed on the Indonesia Stock Exchange in 5 periods. (2015-2019). The results of this study found that liquidity and audit opinion variables affect audit report lag, while profitability, solvency, and firm size have no effect on audit report lag, but simultaneously, all variables in this study affect audit report lag.

Suggestion

According to the results obtained in this study, the researcher hopes that this research can be used as an inspiration to develop knowledge about several variables that have an influence on audit report lag related to manufacturing companies, realizing that the determination value of this study is very low, the researchers suggest that further research should be carried out. add years of research, can add or replace other independent variables, as well as conduct research in a different place from this research in order to obtain satisfactory results, and it is recommended for companies to be able to work with auditors to submit information needed when the audit process is carried out so that the audit process completed on time so there is no audit report lag.

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