

**CHAPTER IV**  
**RESEARCH FINDINGS AND ANALYSIS**

**A. General Description of Research Object**

The object used in this study were all manufacturing companies listed on the Indonesia Stock Exchange (IDX), which were obtained by accessing the site [www.idx.co.id](http://www.idx.co.id). The research year includes data from 2015 to 2017. This is intended to better reflect current conditions.

The samples in this study were selected using purposive sampling technique in which the samples were chosen based on previously determined criteria. The process of selecting samples based on predetermined criteria can be seen in Table 4.1 below:

**Table 4.1**  
**Sample Selection Procedure**

| No.                               | Description   | Total      |
|-----------------------------------|---|------------|
| 1.                                | Manufacturing companies listed on IDX 2015-2017   | 149        |
| 2.                                | Manufacturing companies that not publish complete independent audit report and annual financial statements respectively from 2015 to 2017 | (17)       |
| 3.                                | Manufacturing companies whose financial statements were not ended on December 31  | (3)        |
| 4.                                | Manufacturing companies that not use Rupiah currency  | (24)       |
| 5.                                | Companies that do not have complete data related to research variables  | (14)       |
| 6.                                | Outlier data  | (29)       |
| Company data that can be analyzed |   | 62         |
| <b>Total sample for 3 years</b>   |   | <b>186</b> |

Manufacturing companies listed on the Indonesia Stock Exchange during the period 2015 - 2017 amounted to 149 companies. During this period there were 17 companies that did not publish complete annual reports and audited financial statements. A total of 3 companies have closed books date for financial statements that was not on December 31. There are 24 companies that used currencies other than the Rupiah. A total of 14 companies did not provide observational data needed in annual reports and audited financial statements. And as many as 29 companies had data with extreme values which then become outliers. Then the remaining 62 companies to be sampled in this study with a total of observations made as a sample of 186 companies for three years.

## B. Data Quality Test

### 1. Descriptive Statistic Analysis

In this study descriptive statistics is use to explain the amount of data, including minimum and maximum values, average values, and standard deviation of independent variables and dependent variables.

Descriptive statistical results are presented in Table 4.2.

**Table 4.2**  
**Descriptive Statistics**

|                    | N   | Minimum | Maximum | Mean   | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| ADELAY             | 186 | 60      | 98      | 80,68  | 6,684          |
| BSIZE              | 186 | 2       | 9       | 3,84   | 1,677          |
| BIND               | 186 | ,167    | ,667    | ,40930 | ,092827        |
| DUAL               | 186 | 0       | 1       | ,31    | ,464           |
| IO                 | 186 | ,020    | ,994    | ,67912 | ,202880        |
| ACOM               | 186 | ,333    | 1,667   | ,91942 | ,341925        |
| SPEC               | 186 | 0       | 1       | ,23    | ,423           |
| Valid N (listwise) | 186 |         |         |        |                |

*Source: SPSS' Output*

Based on Table 4.2 the number of samples in the study are 186 samples for all variables shown in column N. Variable Audit Delay (ADELAY) has a minimum value of 60, a maximum value of 98 and an average value of 80,68 with standard deviation 6,684. This shows that the number of auditors' time in submitting a report is 60 days at the latest and no later than 98 days with an average time of delivering an 80,68 day audit report. The average manufacturing company listed on the Indonesia Stock Exchange that has reported its audited financial statements on time, that is before 90 days, such as the regulations set by BAPEPAM and LK / OJK. Even so, there are still companies that are late in reporting their audited financial statements with a maximum value of 98 days.

The Board of Commissioner Size (BSIZE) variable has a minimum value of 2, a maximum value of 9 and an average value of 3,84 with a standard deviation of 1,677. This shows that the number of board of commissioners in one company is at least 2 people and at most 9 people with an average number of board of commissioners as many as 3,84 people. For the Independent Commissioner (BIND) variable, the minimum value is 0,167, the maximum value is 0,667 and the average value is 0,40930 with standard deviation 0,092827. This shows that the presentation of independent commissioners in a board of commissioners is at least 0,167 or 16,7% and the highest is 0,667 or 66,7% with an

average presentation of independent commissioners of 0,40930 or 40,93%.

Variable Role Duality (DUAL) which was measured using a dummy variable has a minimum value of 0, a maximum value of 1, and an average value of 0,31 with a standard deviation of 0,464. The average value of 0,31 shows that the level of role duality is quite low. Institutional ownership (IO) has a minimum value of 0,020, a maximum value of 0,994 and an average value of 0,67912 with a standard deviation of 0,202880. This shows that the presentation of institutional ownership of a company is at least 0,020 or 2% and the highest is 0,994 or 99,4% with an average institutional ownership in a company of 67,912% which is indicated to be quite high.

The Variable Audit Committee (ACOM) has a minimum value of 0,333, a maximum value of 1,667 and an average value of 0,91942 with a standard deviation of 0,341925. This shows that audit committee presentations compared to the total board of commissioners in a company is minimum 0,333 or 33,3% and maximum 1,667 or 167% with an average audit committee presentation compared to a total board of commissioners of 0,91942 or 91,942%. For Auditor Industry Specialization (SPEC) variables which are also measured using dummy variables have a minimum value of 0, a minimum value of 1 and an average value of 0,23 with a standard deviation of 0,423. The average

value of 0,23 indicates that the use of auditor services with industry specialization is still low.

## 2. Classic Assumption Test

Classic assumption test is needed as one of the requirements for conducting regression analysis, where regression analysis can only be done when meeting the classical assumption test. In this study the classical assumption test used included normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

### a. Normality Test

The normality test in this study used the Kolmogorov-Smirnov (K-S) test to test the data normality. The test results are presented in Table 4.3.

**Table 4.3**  
**Normality Test Result**  
**One-Sample Kolmogorov-Smirnov Test**

|                          |                | Unstandardized Residual |
|--------------------------|----------------|-------------------------|
| N                        |                | 186                     |
| Normal Parameters(a,b)   | Mean           | ,0000000                |
|                          | Std. Deviation | 6,32968658              |
| Most Extreme Differences | Absolute       | ,056                    |
|                          | Positive       | ,042                    |
|                          | Negative       | -,056                   |
| Kolmogorov-Smirnov Z     |                | ,768                    |
| Asymp. Sig. (2-tailed)   |                | ,597                    |

*Source: SPSS' Output*

Table 4.3 above shows that the value of Asymp. Sig. (2-tailed) obtained from the Kolmogorov-Smirnov test is equal to 0,597

which is greater than the significance level or alpha value of 5% (0,05). Then it can be concluded that the data are normally distributed and the classical assumptions of normality have been fulfilled.

b. Multicollinearity Test

In this study the multicollinearity test was tested by looking at the Variance Inflation Factors (VIF) and Tolerance values. The criteria used in this test are if the VIF value is  $< 10$  and the Tolerance value is  $> 0,10$ , it can be said that there is no multicollinearity. The results of multicollinearity testing are presented in Table 4.4.

**Table 4.4**  
**Multicollinearity Test Result**

| Model |            | Collinearity Statistics |       |
|-------|------------|-------------------------|-------|
|       |            | Tolerance               | VIF   |
| 1     | (Constant) |                         |       |
|       | Bsize      | ,211                    | 4,734 |
|       | BIND       | ,882                    | 1,134 |
|       | DUAL       | ,890                    | 1,123 |
|       | IO         | ,914                    | 1,094 |
|       | ACOM       | ,215                    | 4,641 |
|       | SPEC       | ,868                    | 1,152 |

*Source: SPSS' Output*

Table 4.4 shows that the VIF value of the Bsize variable is 4,734 and the Tolerance value is 0,211. The BIND variable has a VIF value of 1,134 and a Tolerance value of 1,123. The DUAL variable has a VIF value of 1,123 and a Tolerance value of 0,890. The IO variable has a VIF value of 1,094 and a Tolerance value of 0,914. The ACOM variable has a VIF value of 4,641 and a Tolerance

value of 0,215. And the VIF value of the SPEC variable is 1,152 and the Tolerance value is 0,868.

The test results show that each variable has a VIF value  $<10$  and a Tolerance value  $>0,10$ . So it can be concluded that there is no multicollinearity and the classical assumption of multicollinearity is fulfilled. This also means that there is no relationship between one independent variable and another independent variable.

c. Heteroscedasticity Test

In this study, to test heteroscedasticity, the Park test was used by squaring the residual values then transformed into natural logarithms which were then regression. The test results are presented in Table 4.5.

**Table 4.5**  
**Heteroscedasticity Test Result**  
**Park Test**

| Model        | Sig.       |
|--------------|------------|
|              | Std. Error |
| 1 (Constant) | ,425       |
| Bsize        | ,263       |
| Bind         | ,397       |
| Dual         | ,087       |
| Io           | ,964       |
| Acom         | ,467       |
| Spec         | ,127       |

*Source: SPSS' Output*

Table 4.5 shows the significance values of each variable where the Bsize significance value is 0,263, Bind is 0,397, Dual is 0,087, Io is 0,964, Acom is 0,467, and Spec variables are 0,127.

This shows that the significance value of each variable is greater than the significance level or alpha value of 5% (0,05). Then it can be concluded that the data in this study do not contain heteroscedasticity and the classical assumptions of heteroscedasticity are fulfilled.

d. Autocorrelation Test

In this study the correlation test used the Durbin Watson Test with the provisions  $dU < DW < 4-dU$  which means that the Durbin Watson value must be greater than the value of  $dU$  and must be smaller than the  $4-dU$  value. The Durbin Watson value obtained from the results of the autocorrelation test while the value is also obtained from the Durbin Watson statistical table by using the number of samples and independent variables to determine the value. The test results are presented in Table 4.6.

**Table 4.6**  
**Autocorrelation Test Result**

| Model | Durbin-Watson |
|-------|---------------|
| 1     | 1,975         |

*Source: SPSS' Output*

As shown in the descriptive analysis that the sample in this study were 186 with 6 independent variables. Based on this information, a  $dU$  value of 1,815 is obtained. The Durbin Watson value obtained from the test results is 1,975 which means that it meets the requirements of  $dU < DW < 4-dU$  which is  $1,815 < 1,975$

< 2,185. Then it can be concluded that the research model does not contain autocorrelation.

### C. Research's Result (Hypotheses Testing)

The hypothesis in this study was tested using multiple regression analysis, namely through the Determination Coefficient Test, Simultaneous Significant Test (F Test), and Significant Individual Parameter Test (t Test).

#### 1. Coefficient Determination Test (Adjusted R Square)

Coefficient determination test is used to determine how far the ability of independent variables in explaining the dependent variable. The test of the determination coefficient can be known by looking at the value of R Square or Adjusted R Square. Because this study uses a multiple regression analysis model, the value to be used is the value of Adjusted R Square. The results of the test coefficient of determination are presented in Table 4.7.

**Table 4.7**  
**Coefficient Determination Test Result**

#### Model Summary(b)

| Model | R       | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|---------|----------|-------------------|----------------------------|
| 1     | ,321(a) | ,103     | ,073              | 6,435                      |

Source: SPSS' Output

Table 4.7 shows that the Adjusted R Square value is 0,073 or 7,3%. This shows that the audit delay variable can only be explained by 7,3% by the variable size of board commissioner, independent commissioners, role duality, institutional ownership, audit committee,

and auditor industry specialization. While the remaining 92,7% is explained by other factors outside the research model. Other factors that influence audit delay beyond this research can be other corporate governance mechanisms because in this study there are only five mechanisms that are included as variables so that they cannot explain the delay audit variable better or cannot approach the number 1. As for other factors can be in the form of external factors outside the corporate governance such as factors from the auditor's side or audit firm because in this study only the factor of specialization auditors is used.

## 2. Simultaneous Significance Test (F Test)

Simultaneous significance test or F test in this study is used to determine the effect of independent variables all together on the dependent variable. This test is carried out using a significance value that is compared with a significance level of 5% or 0,05 where if the significance value is smaller than 0,05, it can be concluded that the independent variables jointly influence the dependent variable. The results of the F test are presented in Table 4.8.

**Table 4.8**  
**F Test Result**

### ANOVA(b)

| Model |            | Sum of Squares | df  | Mean Square | F     | Sig.    |
|-------|------------|----------------|-----|-------------|-------|---------|
| 1     | Regression | 852,272        | 6   | 142,045     | 3,430 | ,003(a) |
|       | Residual   | 7412,012       | 179 | 41,408      |       |         |
|       | Total      | 8264,285       | 185 |             |       |         |

*Source: SPSS' Output*

Based on Table 4.8 it can be seen that the calculated F value is 3,430 with a significance level of 0,003. This means that the significance value of 0,003 is smaller than the significance level or alpha value of 0,05 ( $0,003 < 0,05$ ). Then it can be concluded that the independent variables are board of commissioner size, independent commissioners, role duality, institutional ownership, audit committee, and auditor industry specialization all together or simultaneously have an influence on the audit delay dependent variable.

### 3. Partial Test (t Test)

In this study a partial test or t test is used to determine whether each of the independent variables individually has an influence on the dependent variable. This test is also carried out using a significance value compared with a significance level of 5% or 0,05 where the independent variable is considered to have an influence on the dependent variable if the significance value is less than 0,05. The results of the t test are presented in Table 4.9.

**Table 4.9**  
**t Test Result**  
**Coefficients(a)**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
|       |            | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant) | 82,649                      | 5,697      |                           | 14,509 | ,000 |
|       | Bsize      | -,376                       | ,614       | -,094                     | -,613  | ,541 |
|       | Bind       | 5,176                       | 5,428      | ,072                      | ,954   | ,342 |
|       | Dual       | ,332                        | 1,079      | ,023                      | ,307   | ,759 |
|       | IO         | -2,607                      | 2,439      | -,079                     | -1,069 | ,287 |
|       | ACOM       | -,085                       | 2,981      | -,004                     | -,028  | ,977 |
|       | SPEC       | -3,870                      | 1,201      | -,245                     | -3,222 | ,002 |

Source: SPSS' Output

Based on Table 4.9 the regression equation can be formulated as follows:

$$\mathbf{ADELAY = 82,649 - 0,376 BSIZE + 5,176 BIND + 0,332 DUAL - 2,607 IO - 0,085 ACOM - 3,870 SPEC + e}$$

Table 4.9 shows the test results for the model used in this study. The test results on the hypotheses in this study can be summarized as follows:

a. Board of Commissioner Size on Audit Delay

Based on the results in Table 4.9, the Board of Commissioner Size (BSIZE) has a regression coefficient of -0,376 with a significance value of 0,541 which is greater than the alpha value of 0,05 ( $0,541 > 0,05$ ). This means that the variable Board of Commissioner Size (BSIZE) does not have a positive significant influence on Audit Delay (ADELAY). Thus, the hypothesis (H<sub>1</sub>) is rejected.

b. Independent Commissioners on Audit Delay

The results in Table 4.9 show that Independent Commissioners (BIND) has a regression coefficient of 5,176 with a significance value of 0,342 which is greater than the alpha value of 0,05 ( $0,342 > 0,05$ ). This means that the Independent Commissioners variable (BIND) does not have a negative significant influence on Audit Delay (ADELAY). Thus, the hypothesis (H<sub>2</sub>) is rejected.

c. Role Duality on Audit Delay

Based on the results shown in Table 4.9 that Role Duality (DUAL) has a regression coefficient of 0,332 with a significance value of 0,759 which means that the significance value is greater than alpha value 0,05 ( $0,759 > 0,05$ ). This means that Role Duality (DUAL) does not have a tendency to influence Audit Delay (ADELAY). Thus, the hypothesis ( $H_3$ ) is rejected.

d. Institutional Ownership on Audit Delay

Based on the results in Table 4.9 shows that Institutional Ownership (IO) has a regression coefficient of -2,607 with a significance value of 0,287 which means that the significance value is greater than the alpha value of 0,05 ( $0,287 > 0,05$ ). This means that Institutional Ownership (IO) does not have a negative significant influence on Audit Delay (ADELAY). Thus, the hypothesis ( $H_4$ ) is rejected.

e. Audit Committee on Audit Delay

Based on the results in Table 4.9 shows that the Audit Committee (ACOM) has a regression coefficient of -0,085 with a significance value of 0,977, which means that the significance value is greater than the alpha value of 0,05 ( $0,977 > 0,05$ ). This means that the Audit Committee (ACOM) does not have a negative significant influence on Audit Delay (ADELAY). Thus, the hypothesis ( $H_5$ ) is rejected.

f. Auditor Industry Specialization on Audit Delay

Based on the results in Table 4.9, it is pointed out that Auditor Industry Specialization (SPEC) has a regression coefficient of -3,870 with a significance value of 0,002 which is smaller than alpha value 0,05 ( $0,002 < 0,05$ ). This means that Auditor Industry Specialization (SPEC) tend to have negative influence on Audit Delay (ADELAY). Thus, the hypothesis ( $H_6$ ) is accepted.

**Table 4.10**  
**Summary of Hypotheses Testing Results**

| Code           | Hypotheses   | Result   |
|----------------|--|----------|
| H <sub>1</sub> | Size of board commissioner has a positive influence on audit delay             | Rejected |
| H <sub>2</sub> | Independent commissioners has a negative influence on audit delay              | Rejected |
| H <sub>3</sub> | Role duality tend to have positive influence on audit delay                    | Rejected |
| H <sub>4</sub> | Institutional ownership has a negative influence on audit delay                | Rejected |
| H <sub>5</sub> | Audit committee has a negative influence on audit delay                        | Rejected |
| H <sub>6</sub> | Auditor industry specialization tend to have negative influence on audit delay | Accepted |

**D. Research Analysis**

This study examines the influence of board of commissioner size, independent commissioners, role duality, institutional ownership, audit committee, and auditor with industry specialization on audit delay. Based on the data obtained from the test results not all independent variables in

this study have a significant influence on the dependent variable. Further discussion of the results of the study are as follows:

1. The Influence of Board of Commissioner Size on Audit Delay

The results of this study indicate that the board of commissioner size does not have a significant effect on audit delay. Then it can be concluded the hypothesis ( $H_1$ ) which is "size of board commissioner has a positive influence on audit delay" is rejected. This shows that the existence of the board of commissioners as a supervisory function regardless of how much the members is not influential to shorten the audit process time.

The insignificant influence may be due to the structure of the board of commissioners as we know it does not only consist of independent commissioners. Members of commissioners outside the independent commissioner are someone who still has a relationship with the organization such as employees or major shareholders. It assumes to make the supervisory function on the performance of the company is not functional due to a conflict of interest where people who have a relationship with the company will tend to make decisions that do not harm both the company and themselves. Another reason is because the board of commissioners as stated in the research data averages 3.84 or 3 to 4 people, which when compared to the directors and management cannot be said to be balanced so that the influence of supervision it is not effective.

Although there is no significant effect, but show that the test results there is negative effect of commissioner board size to the audit delay. The more number of members of the board of commissioners will shorten the audit delay of the company in accordance with the regression coefficient values obtained from testing which is different from what is said in the hypothesis. Large commissioners are consider to be able to monitor management policies. This is possible because the number of existing commissioners will be better in the division of monitoring tasks. In one company supervision is not only done in one part of management but many parts so that if there is a balance between the number of people who take the role of supervising with parts that must be monitored, the supervision function will be more effective in reducing behavior that will reduce the quality of corporate reporting.

The results of this study are supported by the research of Kusumah and Manurung (2016) where they found that there was no significant effect of size of board commissioners on audit delay. Faishal and Hadiprajitno (2015), Alfraih (2016), also Handoyo and Hasanah (2017) stated that the size of board commissioner had a negative influence where the larger the size of the board of commissioners will strengthen the oversight function of managerial performance and encourage the quality of corporate disclosures and shorten audits company delay. Another similar opinion was expressed by Setiawan and Nahumury

(2014) and Hilendri et al. (2017) regarding the negative influence of board of commissioner size on audit delay.

The results of this study do not support previous research by Naimi et al. (2010) and Wardhani and Raharja (2013) which stated that the more the member in the board would reduce the level of effectiveness of supervision carried out because of the difficulty in establishing coordination and making collective agreements.

## 2. The Influence of Independent Commissioners on Audit Delay

The results of this study indicate that the existence of independent commissioners does not have a significant effect on audit delay. Then it can be concluded the hypothesis (H<sub>2</sub>) which is "independent commissioners have a negative influence on audit delay" is rejected.

The average independent commissioner in this study is 41%, even though it meets the minimum requirement that regulate by OJK which is 30% but it can be considered as has not been able to maximize the function of the board of commissioners in overseeing management performance so that financial reporting cannot be accelerated. This is probably because the average number of independent commissioners has not reached half the total number of board of commissioners, of which half are people who have a relationship with the organization so that sometimes they still bring organizational interest in decision making so that supervision by the top board of commissioners company performance is not optimal.

Other causes may be that the existence of independent commissioners is only the fulfillment of the applicable regulations and those who become independent commissioners do not necessarily understand the function of the independent commissioners entirely. Another thing is that these independent commissioners are independent people who have no relationship with the organization but they do not have an understanding of the scope of work of the organization or do not have a background that can support better decision making for the company.

Kuslihaniati and Hermanto's (2016) research supports the results of this study which states that the existence of independent commissioners cannot significantly shorten audit delay. Budiasih and Saputri (2014) also stated that independent commissioners could not accelerate a company in its financial reporting. Wardhani and Raharja (2013) and Anggriani and Hermanto (2017) assumed that the existence of independent commissioners is merely the fulfillment of regulations made by the OJK so that the maximum supervision function has not been achieved. Another factor that might be considered to influence the results of this study is because the average independent commissioner is at a less productive age or has an educational or occupational background that is not related to his duties at the company as has been stated (Soebyakto et al., 2013).

On the contrary, this study does not support previous research by Afify (2009) which stated that the monitoring function carried out by the board of commissioners could improve the quality of reporting and shorten the audit period. The same results were also obtained by Swami and Latrini (2013) and Faishal and Hadiprajitno (2015) where they also found a negative influence of the independent board of commissioners on audit delay.

### 3. The Influence of Role Duality on Audit Delay

The results of this study indicate that although there is a positive effect of role duality on audit delay, role duality does not have a tendency to influence the audit delay. Then it can be concluded the hypothesis (H<sub>3</sub>) which is "role duality tend to have positive influence on audit delay" is rejected. Duality practices or the presence of commissioners who are also directors and family relationships between commissioners and directors do not have a tendency to affect the company's audit delay.

Role duality that does not affect audit delay may be due to regulations of Law No. 40 of 2007 concerning Limited Liability Companies where the system prevailing in Indonesia is more biased towards a two-tier system than a one-tier system that separates management and supervision authority. The preference of Indonesian companies to implement the two-tier system makes the separation of functions between the board of commissioners and the board of directors

so tight that there are small cases one person take the two roles in the same time. In addition, the case of role duality usually only involves one person to two people that might have family relationship, which will be difficult to make other board members take sides and follow their opinions. Moreover, the composition of the board of commissioners is independent members where they are required to work independently and protect the interests of shareholders. For this reason, even with the role of duality, it will be difficult to invite all board members to cover up the management mistakes in front of the auditors.

The results of this study are supported by a research conducted by Naimi et al. (2010) where no influence of role duality was found on audit delay. Hashim and Rahman's (2012) research also stated that there was no effect of role duality on audit delay or that companies with role duality did not extend audit delay. Kamalluarifin (2016) in his research also found that role duality did not affect the company in doing internet reporting on time.

While the results of this study do not support research of Afify (2009), Basuony et al. (2016) and Alfraih (2016). The three results of the study state that role duality tend to influence audit delay. Role duality is considered to create greater opportunities for fraudulent actions that will increase the risk for the auditor which has an impact on the length of the audit process. The difference in results may be due to

differences in the sample of companies used and the corporate governance system that is implemented.

#### 4. The Influence of Institutional Ownership on Audit Delay

The results of this study indicate that although there is a negative institutional ownership influence on the audit delay, there is no significant influence. Then we can conclude the hypothesis (H<sub>4</sub>) which is "institutional ownership has a negative influence on audit delay" is rejected.

The results of this study indicate that large share ownership by outside parties in the form of institutions cannot accelerate reporting by companies in an effort to shorten delay. It can be considered that the institution cannot carry out its supervision properly and cannot give pressure on management to report the results of the company's performance faster. The reason is probably because the average institutional investor is not a major shareholder so institutional investors do not feel that they own the company and are not interested in the company's development. Institutional investors usually only hope that the investment they invest in the company has a high level of return.

This study is supported by the results of the Soebyakto et al. (2013) where the results of the study also showed that institutional ownership did not significantly affect the company's audit delay. However, based on institutional ownership coefficient, it was stated that it had a negative effect, which means that the higher percentage of institutional

ownership will shorten the duration of delay. Anggriani and Hermanto (2017) in their research also obtained the same results. Budiasih and Saputri (2014) also mentioned that institutional ownership could not accelerate companies to publish their financial statements.

Meanwhile this study does not support the results of research conducted by Swami and Latrini (2013), Devriyanti (2017) and Surpasada and Putri (2017) which show a significant negative effect on yours audit delay. This could be because the presentation of the average institutional ownership in this study was still low at 0,67912. As for the research of Devriyanti (2017) the presentation of institutional ownership amounted to 53,44189 and Surpasada and Putri (2017) amounted to 70,9816.

In terms of the presentation of the ownership, this study is smaller compared to the previous two studies. The small presentation of the average institutional ownership in this study which might make the institution does not have enough strength or influence so it cannot give pressure to the management to improve the quality of performance and accelerate the execution of financial statements. The instability of the institution encouraged management to immediately accelerate the completion of the company's reporting which later made the institution unable to shorten the duration of the company's audit delay.

## 5. The Influence of the Audit Committee on Audit Delay

The results of this study indicate that the audit committee does not have a significant influence on audit delay. Then it can be concluded the hypothesis (H<sub>5</sub>) which is "audit committee has a negative influence on audit delay" is rejected.

The audit committee that consisting of independent members is assigned to assist the duties of the board of commissioners to improve the quality of supervision in companies where they are assigned to review financial information and ascertaining whether they meet the applicable standards (FCGI, 2001). The committee was formed by the board of commissioners themselves based on OJK regulations that every public company must have at least three people as an audit committee. However, in line with the board of commissioners that does not affect the audit delay, this study shows that the audit committee also does not affect audit delay.

The absence of the influence of this audit committee on audit delay may be due to a lack of understanding of the duties and functions of the audit committee members themselves so that the maximum role of the audit committee has not been created. The establishment of an audit committee can also only be a fulfillment of applicable regulations but has not fully become a supervisory function for the performance of the company's management. In addition, audit committees are only assigned to oversee and review whether the presentation of financial statements

meets the applicable standards, in practice they are not directly involved in the process of preparing financial statements. So that they are not authorized and do not have the ability to speed up the presentation of financial statements by management which makes them not significantly affect the length of the company's audit delay.

The results of this study support the research of Setiawan and Nahumury (2014) which stated that the audit committee had no effect on audit delay. They argued that this happened because the audit committee was only limited to the fulfillment of regulations made by BAPEPAM – LK or now is OJK, so that the functions implemented were not yet effective. Astasari and Nugrahanti (2015) also Indarti (2017) showed the same results in their research that audit committees did not affect audit delay.

While the results of the study do not support the study of Soebyakto et al. (2013), Haryani and Wiratmaja (2014), Sidharta and Nurdina (2017), and Purba (2018). This study shows the influence of the audit committee on audit delay in which the audit committee can reduce the duration of audit delay.

#### 6. The Influence of Auditor Industry Specialization on Audit Delay

The results of this study indicate that auditors with specialized auditors tend to have negative influence on audit delay. Then it can be concluded the hypothesis (H<sub>6</sub>) which stated "auditor industry specialization tend to have negative influence on audit delay" is

accepted. These results can be interpreted that the use of auditors with specialization of an industry tend to shorten the duration of audit delay.

Specialized auditors are those who have expertise in auditing an industry that they obtain not only from the knowledge they already have but the experience of auditing many companies that have same type of business. This experience made them understand the condition of the company better not only the accounting system used by the company but also the characteristics and nature of the business being run. When auditors have the knowledge and experience in auditing a type of company, they can better align their understanding between management and shareholders so that the risk due to information asymmetry cause by agency theory can be minimized. This understanding will also make auditors specialization to understand the company's business risks better so that audit planning can be carried out more efficiently. Besides, industry specialization auditors will need less time to get to know the company to be audited compare to the non-specialization auditor. Using less time to get to know the audited company during the audit process will then shorten the duration of the company's audit delay.

The results of this study support the research of Habib and Bhuiyan (2011), Sanjaya and Suprasto (2016), Rusman and Evans (2017) which mentioned the negative influence of industry specialization auditor use on audit delay. Primantara and Rasmini (2015) argued that industry

specialization auditors have a better ability to find out errors and frauds found in the company's financial information.

While this study does not support Rahadiano's (2012) research, Karami et al. (2017) and Septianita et al. (2017). These studies found that industry specialization auditors cannot shorten audit delay. In addition, Tridiyanto and Nazaruddin (2015) also revealed that auditors industry specialization tend to have no influence on improving the integrity of financial statements so that they could not minimize audit risk which would make the auditor unable to shorten the audit period.