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Impact company size and audit opinion on audit report lag (empirical study of manufacturing companies listed on the Indonesia stock exchange in 2016–2019)

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ABSTRACT

This research examines the effect of company size and the previous year's audit opinion on audit report lag with KAP's reputation as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2016–2019. This type of research is quantitative, using secondary data taken through the IDX website. Determination of the sample in this study using a purposive sampling method, with a full selection of 136 manufacturing companies. The data analysis technique uses multiple linear regression tests using SPSS version 23 software. The results show that partially the company size and the previous year's audit opinion significantly affects audit report lag. The KAP reputation strengthens the relationship between the company size and the previous year's audit opinion with audit report lag in manufacturing companies for the 2016–2019 period.

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INTRODUCTION

Financial reports are the result of a reflection of the many transactions that occur within a company (Syaharman, 2021). The purpose of financial reports is to provide information about the financial position, financial performance, and cash flows of an entity that is useful for most users of financial statements in making economic decisions (Ikatan Akuntan Indonesia, 2015). Information contained in financial reports is said to be valid if it is presented accurately and promptly, that is, it is available when needed by investors (Kristianto and Apriwennia, 2018).

Reported on Kontan.co.id (2019) The Indonesia Stock Exchange, abbreviated as BEI, noted that only 578 listed companies submitted financial reports in the first half of 2019 on time. Until now, there are a total of 737 companies listed on the IDX. This means that only 78.4% of all issuers reported their finances in the first half of 2019 on time. IDX Company Valuation Division Head Adi Pratomo Aryanto explained that there were still 107 companies that had not reported their financial performance. Several companies listed on the IDX have special reasons for not releasing financial reports. There will be a corporate action that requires a limited review and audit of a public accountant (Kontan.co.id, 2019).

Liwel *et al*. (2018) states that audit report lag is the audit completion period, starting from the closing date of the company's books on December 31 to the date stated in the independent audit report at the company. Related to the phenomenon of completion time of financial statement audits in manufacturing companies listed on the IDX from 2016 to 2019. In 2016 the average number of completion of financial statement audits was 79 days, in 2017 the average number of completion of financial statement audits increased to 81 days, in 2018 the average number of completion of financial statement audits increased to 82 days, and in 2019 the average number of completion of financial statement audits has increased to 93 days (www.idx.co.id, 2019).

Companies that register on the Indonesia Stock Exchange (IDX) must be aware of the Financial Services Authority (OJK) regulation Number 13/POJK.03/2017 which states that issuers or public companies are required to submit an annual report to the Financial Services Authority no later than 6 (six) months after book year ends. This regulation takes effect on March 27, 2017. Imposing sanctions does not make companies disciplined in submitting their financial reports. Such as the case that occurred at the Indonesia Stock Exchange (IDX), which temporarily suspended securities trading (suspension) on the regular market and cash against 17 listed companies or issuers on trading on July 3, 2017. The suspension was carried out, bearing in mind that it was based on IDX management monitoring until June 29 2017 17 listed companies have not submitted audited financial statements as of December 31, 2016. In addition, they have not submitted fines for late submission of financial statements. This is based on provision II.6.3 of IDX regulation Number I-H regarding sanctions, the exchange has given a written warning III and a fine of IDR 150,000,000 to a listed company that is late in submitting audited financial reports as of December 31, 2016. Plus it has not paid a fine for late submission of reports the intended financial (Astuti, 2019).

Independent auditors need a certain amount of time to complete the audit work. The length of time for audit completion is measured from the closing date of the financial year or the end of the fiscal year (Windi, 2021), so that the date of issuance of the audited financial report is called the Audit Report Lag (ARL) (Abbas et al., 2019). According to Juwita *et al.* (2020) state that audit report lag is the distance between the closing date of the financial year and the date the independent auditor's report is completed. The timeliness of preparation and reporting of a financial report can affect the information value of the financial report. In this study, audit report lag is also influenced by several factors, including company size, the previous year's audit opinion, and KAP's reputation.

One of the factors that can cause audit report lag is company size. Company size is a measure that can explain how big or small a company is. The larger the size of the company, the more information available to investors in making decisions regarding stock investment (Humairoh, 2018). Related to this, large companies are required to prepare their financial reports more quickly. But apart from that, companies that have large total assets are categorized as large companies. Large total assets will also take longer for an auditor to audit the company. This cannot be avoided even though a company that has a good image wants to shorten ARL (Daratika, 2018).

Research conducted Daratika (2018) company size affects audit report lag. Because a company that has a larger company size has more complex company data it requires a long period for audit reports so that it can extend the audit report lag. This is in line with research conducted by Rosalia and Ardini (2019) which revealed that company size harms audit report lag. These results show that the larger the company size, the shorter the audit report lag of a company.

Apart from company size, a factor that can trigger a long time to complete an audit or an audit report lag is the previous year's audit opinion. Companies that receive a qualified opinion with exceptions will experience a longer audit completion time, this is because the audit granting process will involve negotiations with clients as well as consultation with more senior audit partners. In contrast to companies that receive unqualified opinions, the audit completion time tends to be shorter because the company will not delay the publication of financial reports

containing good news (Wardhani and Adi, 2020). An audit opinion is a conclusion given by the auditor on a series of audit tasks with an emphasis on the conformity between financial reports and generally accepted accounting standards (Wulandari dan Nuryana, 2018).

Research conducted by Fitriany and Muslih (2022) states that the auditor's opinion affects audit report lag. This shows that companies that receive an unqualified opinion (unqualified opinion) will be faster in submitting their audited financial statements. The better the audit opinion received, the lower the audit report lag that occurs. This is in line with research conducted by Pattinaja and Siahainenia (2020) which reveals that audit opinion has a significant effect on audit report lag, which means that if the opinion is unqualified (unqualified opinion), the faster the audit report lag.

The reputation of a Public Accounting Firm (KAP) is a view of the good name, achievements, and public trust of a company. A public accounting firm that is large enough can be divided according to the services provided to increase the credibility of the presentation of the financial statements using the services of a reputable public accounting firm known as The Big Four. Fortuna and Syofyan (2020) explains The Big Four are a group of the four largest international accounting and professional services firms, which handle the majority of audit work for public companies and private companies. Research conducted by Hajar *et al.* (2020) revealed that KAP's reputation affects audit report lag.

Even though many studies have discussed audit report lag in companies listed on the IDX, there are still many differences in the results obtained. The results of these studies vary, perhaps due to differences like the independent variables and the dependent variable studied, differences in the observation period, or even due to differences in the statistical analysis performed. In this study, the authors tried to research by focusing on issues regarding company size and the previous year's audit opinion on audit report lag with KAP's reputation as a moderating variable. The difference in this study is that the authors chose to examine manufacturing companies that have been listed on the IDX in the 2016–2019 period. This study uses a quantitative approach using the numbers contained in the annual report / annual financial report with the difference in previous studies, the authors chose manufacturing companies that have been listed on the IDX in the 2016-2019 period. Thus, the results of this study are expected to reflect the actual phenomenon and also to find out how significant the influence of company size and audit opinion in the previous year is on the probability of this audit report lag.

RESEARCH METHOD

The method used in this research is the quantitative analysis method, with the form of associative problem formulation in the form of causal relationships. This research uses secondary data to analyze the correlation between the variables researched. The secondary data was obtained from the Indonesia Stock Exchange through the website www.idx.co.id. The population in this research are manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2016–2019 period. While the sample in this research is a manufacturing company listed on the Indonesia Stock Exchang. The sample selection in this research used a purposive sampling method. Based on the Indonesia Stock Exchange (IDX) for the 2016–2019 period, 128 acquired manufacturing companies. Of the 128 manufacturing companies, 56 did not issue financial reports consecutively in the 2016–2019. Then 28 manufacturing companies did not use the rupiah currency in their financial statements, and 10 companies obtained outlier data. The data analysis techniques used in this research were descriptive statistical tests, classical assumption tests, and hypothesis testing using SPSS version 23 software. First, a descriptive statistical test is carried out to analyze the data by describing or describing the data that has been collected as it is without intending to make general conclusions or generalizations (Sugiyono, 2018). Second, the classic assumption test to obtain a good and usable linear regression model (Purnomo & Suhendra, 2020). The classical assumption test consists of a normality test, heteroscedasticity test, multicollinearity test, and autocorrelation

test. Finally, hypothesis testing is carried out for decision-making based on data analysis (Sugiyono, 2018). The hypothesis testing consisted of multiple linear regression analysis, coefficient of determination test (adjusted R2), correlation coefficient test, ANOVA test (f-test), individual parameter significance test (t-test), and moderating regression analysis.

RESULTS AND DISCUSSIONS

Descriptive Statistical Analysis

The following are the descriptive statistics analysis results, as shown in Table 1. Descriptive statistical analyst is carried out to analyze the data by describing or describing the data that has been collected as it is without intending to make general conclusions or generalizations (Sugiyono, 2018).

Table 1. Descriptive Statistical Test Results

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
Company Size	136	25,71	32,00	28,376	1,41471
Previous Year Audit Opinion	136	0	1	0,68	0,467
KAP Reputation	136	0	1	0,29	0,454
Audit Report Lag	136	60	112	81,37	7,571
Valid N (listwise)	136				

The sample data used in this study were 136 companies. Based on the results of the analysis using the descriptive statistics listed in Table 1, it can be seen that: (a). The Audit Report Lag variable explains that the N value is 136, the lowest value is 60, the highest value is 112, the average value is 81.37, and the standard deviation value is 7.571. (b). The company size variable explains that the N value is 136. The lowest value is 25.71, namely PT Lionmesh Prima Tbk. The highest score of 32.00 is PT Gudang Garam Tbk. The average value is 28.3760, and the standard deviation value is 1.41471. (c). The previous year's Audit Opinion variable explains that the N value is 136, the lowest value is 0.00, the highest value is 1, the average value is 0.68, and the standard deviation value is 467. (d). The KAP Reputation Variable explains that the N value is 136, the lowest value is 0, the highest value is 1, the average value is 0.29, while the standard deviation value is 454.

Classical Assumption Test Results

The classical assumption test is used to test the feasibility of the regression model. The following are the results of each test contained in the classical assumption test.

Normality test

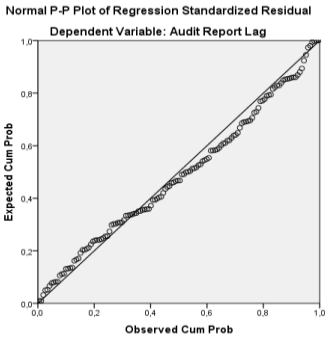

Figure 1. P-P Plot of Regression Standardized Normality Test Results

Based on Figure 1 above that the distribution of data is spread around the diagonal line, and it can be concluded that the data in this study are normally distributed. The normality test by

looking at the graph provides a subjective assessment, so the graphical test is supplemented by a one-sample Kolmogorov-Smirnov non-parametric statistical test. Following are the results of the Kolmogorov-Smirnov normality test as shown in Table 2.

Table 2. Kolmogorov-Smirnov Normality Test

One-Sample Kolmogorov-Smirnov		
		Unstandardized Residual
N		136
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	7,16568910
Most Extreme Differences	Absolute	0,063
	Positive	0,063
	Negative	-0,046
Test Statistic		0,063
Asymp. Sig. (2-tailed)		0,200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Based on Table 2 above, it shows that the Asymp Sig (2-tailed) value is 0.200 which has a value that is greater than the error rate of 0.05. Thus, it can be concluded that the data in this study are normally distributed so that the normality test is fulfilled

Heteroscedasticity Test Results

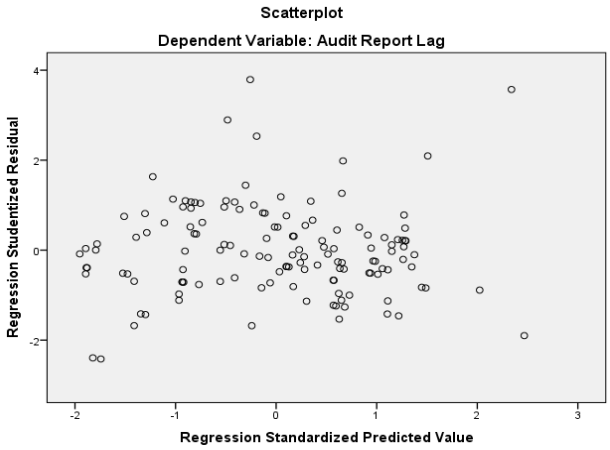

Figure 2. Scatter Plot Heteroscedasticity Test Results

Based on the results of the heteroscedasticity test in Figure 2, it can be seen that the scatterplot graph in the heteroscedasticity test shows that the dots do not have a clear pattern and spread above and below the number 0 on the Y axis. Thus, we can conclude that the variables in this study did not occur. Heteroscedasticity.

Multicollinearity Test Results

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model should have no correlation events between independent variables. This test is carried out by looking at the VIF

value between independent variables (Sugiyono, 2018). The following are the multicollinearity test results, as shown in Table 3.

Table 3. Multicollinearity Test Results

Coefficients[a]								
Model		Unstd. Coeff.		Std Coeff.	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(*Constant*)	38,56	14,18		2,71	0,007		
	CZ	1,61	0,51	0,302	3,17	0,002	0,748	1,33
	PYAO	-3,55	1,36	-0,219	-2,59	0,01	0,954	1,04
	RKAP	-2,31	1,58	-0,139	-1,45	0,147	0,748	1,33
a. Dependent Variable: Audit Report Lag								

Information:
CZ = Company Size
PYAO = Previous Year Audit Opinion
RKAP = KAP's Reputation

Based on The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model should have no correlation events between independent variables. This test is carried out by looking at the VIF value between independent variables (Sugiyono, 2018). The following are the multicollinearity test results, as shown in Table 3.

Table 3 above, it can be seen that the Company Size variable has a tolerance value of 0.748 and a VIF value of 1,336. The Previous Year's Audit Opinion variable has a tolerance value of 0.954 and a VIF value of 1.048. The KAP Reputation variable has a tolerance value of 0.748 and a VIF value of 1,337. Thus, none of the variables have a tolerance value of less than 0.01 and a Variance Inflation Factor (VIF) value of more than 10. It can be concluded that in this study there was no multicollinearity in all variables.

Autocorrelation Test Results

Autocorrelation test to find out whether there is a serial condition between the confounding variables in the regression equation. Whether the regression equation has or does not have autocorrelation, the Durbin Watson (DW) test approach will be used. (Sugiyono, 2018). The following are the autocorrelation test results, as shown in Table 4.

Table 4. Autocorrelation Test Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,323[a]	0,104	0,084	7,247	1,528

a. Predictors: (Constant), KAP's Reputation, Previous Year Audit Opinion, Company Size
b. Dependent Variable: Audit Report Lag

Based on Autocorrelation test to find out whether there is a serial condition between the confounding variables in the regression equation. Whether the regression equation has or does not have autocorrelation, the Durbin Watson (DW) test approach will be used. (Sugiyono, 2018). The following are the autocorrelation test results, as shown in Table 4.

Table 4 above, it can be seen that the results of the autocorrelation test with the Durbin-Witson test show a value of 1.528, where the number is between -2 to +2. So it can be concluded that the data in this study are free from autocorrelation.

Results of Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine whether each independent variable has a positive or negative effect on the dependent variable by using the direction of the relationship between the independent variable and the dependent variable experiencing an increase or decrease. (Sugiyono, 2018). The following are the autocorrelation test results, as shown in Table 5.

Table 5. Multiple Linear Regression Analysis

Coefficients[a]								
Model		Unstd. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	48,06	12,65		3,79	0,000		
	CZ	1,26	0,45	0,23	2,80	0,006	0,966	1,03
	PYAO	-3,77	1,36	-0,23	-2,76	0,007	0,966	1,03
a. Dependent Variable: Audit Report Lag								

Information:
CZ = Company Size
PYAO = Previous Year Audit Opinion

Based on Table 5, the results obtained from the regression coefficients above, a regression equation can be made as follows:

$$Y = 48{,}065 + 1{,}265X1 - 3{,}775X2, \quad (1)$$

This equation can be interpreted as follows: (a). The regression equation above shows a constant value of 48.065. This states that if the variable Company Size (X1) and Previous Year's Audit Opinion (X2) are considered constant (zero), then the Audit Report Lag (Y) is 48.065. (b). The regression coefficient on the Company Size variable (X1) is 1,265, this means that if the Company Size variable (X1) increases by one unit, the Audit Report Lag (Y) variable will increase by 1,265 provided that other variables are considered constant or with the Previous Year's Audit Opinion (X2) is considered a constant. (c). The regression coefficient on the Previous Year's Audit Opinion variable (X2) is –3.775, this means that if the Previous Year's Audit Opinion variable (X2) increases by one unit, the Audit Report Lag variable (Y) will decrease by 3.775 provided that other variables are considered constant or with Company Size (X1) is considered as a constant. Test Results for the Coefficient of Determination and the Correlation Coefficient.

Table 6. Test Results for the Coefficient of Determination (Adjusted R^2)

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,299[a]	0,090	0,076	7,277	1,534
a. Predictors: (Constant), Previous Year Audit Opinion, Company Size					
b. Dependent Variable: Audit Report Lag					

Based on Table 6 above, the results of the coefficient of determination test can obtain an Adjusted R Square value of 0.076. This shows the ability of the independent variables, namely Company Size and the Previous Year's Audit Opinion on the dependent variable Audit Report Lag of 7.6%. While the remaining 92.4% is explained by other variables outside this research model. Then a correlation coefficient test is carried out by measuring the degree of closeness between the two variables to provide an interpretation of the strength of the relationship, then the guidelines can be used as shown in Table 7.

Table 7. Guidelines for Interpreting the Correlation Coefficient

Coefficient Intervals	Relationship Level
0,00 – 0,199	Very tight
0,20 – 0,399	Low
0,40 – 0,599	Currently
0,60 – 0,799	Strong
0,80 – 1,000	Very strong

Based on Table 6, the value (R) is 0.299. This shows that there is a low relationship between company size and the previous year's audit opinion on Audit Report Lag as shown in Table 7.

Anova Test Results (Test F)

Table 8. Anova Test Results (Test F)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	694,003	2	347,001	6,552	0,002[b]
	Residual	7043,615	133	52,960		
	Total	7737,618	135			

a. Dependent Variable: Audit Report Lag
b. Predictors: (Constant), Previous Year Audit Opinion, Company Size

Based on Table 8 above, the results of the ANOVA (Analysis of Variance) or the F test above show a significance value of 0.002 <0.05. This the results of the study can be concluded that the variables of Company Size and the Previous Year's Audit Opinion simultaneously affect the Audit Report Lag variable.

Individual Parameter Significance Test Results (t-test)

Table 9. Individual Parameter Significance Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	48,065	12,659		3,797	0,000
	CZ	1,265	,450	,236	2,807	0,006
	PYAO	-3,775	1,366	-0,233	-2,765	0,007

a. Dependent Variable: Audit Report Lag

Information:
CZ = Company Size
PYAO = Previous Year Audit Opinion

In this study using a two-way test obtained a t table value of 1.97796 and a significant level of α used was 0.05. Based on

Table *9* above it is known as follows: (a). The firm size variable has a significant value of 0.006 <0.05 and a t-count value of 2.807 > 1.97796 in other words, a t-count value > t. Thus H2 is accepted, which means that the variable Firm Size has a partially significant effect on the Audit Report Lag variable. (b). The previous year's Audit Opinion variable has a significant value of 0.007 <0.05 and a t-value of -2.765 <-1.97796 in other words a t-count <t. Thus H3 is accepted, which means that the Previous Year's Audit Opinion variable has a partially significant effect on the Audit Report Lag variable.

Results of Moderation Regression Analysis

Moderating variables are independent variables that strengthen or weaken the relationship between the independent variables and the dependent variable KAP reputation moderates the relationship between Company Size and Audit Report Lag.

Table 10. Results of Moderation Regression Analysis Model 1A

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,193[a]	0,037	0,030	7,456	1,365

a. Predictors: (Constant), Company Size
b. Dependent Variable: Audit Report Lag

Table 11. Results of Moderation Regression Analysis Model 2A

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,295[a]	0,087	0,066	7,316	1,388

a. Predictors: (Constant), Company Size, KAP Reputation, Moderation1
b. Dependent Variable: Audit Report Lag

Based on

Table 10, model 1A has an R squared value of 0.037 or 3.7%. Then based on Table 11 in model 2A, a moderating variable is added so that the R square value becomes 0.087 or 8.7%, so H4 is accepted. This it can be concluded that the KAP Reputation variable strengthens the relationship between Company Size and Audit Report Lag by 5%.

KAP's reputation moderates the relationship between the Previous Year's Audit Opinion to the Audit Report Lag

Table 12. Results of Moderation Regression Analysis Model 1B

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,189[a]	0,036	0,029	7,462	1,459

a. Predictors: (Constant), Previous Year Audit Opinion
b. Dependent Variable: Audit Report Lag

Table 13. Results of Moderation Regression Analysis Model 2B

Model Summary[b]					
Model	R	R Square	AWdjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,252[a]	0,063	0,042	7,410	1,464

a. Predictors: (Constant), Previous Year Audit Opinion, KAP Reputation, Moderation2
b. Dependent Variable: Audit Report Lag

Based on

Table ***12***, model 1B has an R squared value of 0.036 or 3.6%. Then based on Table 13 in model 2B, a moderating variable is added so that the R square value becomes 0.063 or 6.3%, so H5 is accepted. Thus it can be concluded that the KAP Reputation variable strengthens the relationship between the Previous Year's Audit Opinion and the Audit Report Lag of 2.7%.

Research Discussion

This research was conducted to obtain empirical evidence regarding the effect of Company Size and the Previous Year's Audit Opinion on Audit Report Lag with KAP's reputation as a moderator. The analytical method used is multiple linear regression testing and MRA (Moderated Regression Analysis) testing. The results of the research that has been done are as follows.

Company Size and The Previous Year's Audit Opinion have a significant simultaneous effect on Audit Report Lag

Based on the results of the first hypothesis test (H1), it can be concluded that company size and the previous year's audit opinion have a significant effect simultaneously on audit report lag. This is evidenced by the calculated F value > F table (6.552 > 3.06) and systematically obtained a significance value < level of significance (0.002 < 0.05). Based on this analysis, it can be concluded that there is a joint effect of Company Size and the Previous Year's Audit Opinion on Audit Report Lag.

Company size has a partially significant effect on Audit Report Lag.

Based on the second hypothesis (H2) it can be concluded that company size has a partially significant effect on audit report lag. This is evidenced by the value of t count > t table (2.807 > 1.97796) and systematically obtained significance value < level of significance (0.006 < 0.05). Based on this analysis, it can be concluded that companies with larger company sizes have more complex company data, which requires a longer period for audit reports. So that it can extend the audit report lag. The results of this study are in line with previous research conducted by Daratika (2018) that company size has a significant effect on audit report lag.

The Previous Year's Audit Opinion has a significant effect on Audit Report Lag

Based on the third hypothesis (H3) it can be concluded that the Previous Year's Audit Opinion has a partially significant effect on Audit Report Lag. This is evidenced by the value of t count > t table (2.765 > 1.97796) and systematically obtained significance value < level of significance (0.007 < 0.05). Based on this analysis, it can be concluded that a company with an unqualified opinion has a faster audit report lag. The results of this study are in line with previous research conducted by Pattinaja an Siahainenia (2020) that audit opinion has a significant effect on audit report lag.

KAP's reputation can moderate the relationship between company size and Audit Report Lag

Based on the results of the regression test using the MRA test on model 1A, it shows that the R square value is 0.037 or 3.7%. Meanwhile, after adding the moderating variable to model 2A, the R square value becomes 0.087 or 8.7%. Then H4 is accepted, thus it can be concluded that the KAP Reputation variable strengthens the relationship between Company Size and Audit Report Lag by 5%. The results of this study may indicate that Public Accounting Firms with a good reputation tend to have competent resources to carry out audit procedures better so that audited reports can be completed on time.

KAP's reputation can moderate the relationship between the Previous Year's Audit Opinion and the Audit Report Lag

Based on the results of the regression test using the MRA test on model 1B, it shows that the R square value is 0.036 or 3.6%. Meanwhile, after adding the moderating variable to model 2B, the R square value becomes 0.063 or 6.3%. Then H5 is accepted, thus it can be concluded that the KAP Reputation variable strengthens the relationship between the previous year's audit opinion and audit report lag of 2.7%. The results of this study can indicate that the size of the KAP's reputation will strengthen the occurrence of the previous year's audit opinion in a company which results in a lengthy audit reporting process.

CONCLUSION

Based on the results and discussion of the influence of Company Size and Audit Opinion in the Previous Year on Audit Report Lag with KAP Reputation as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange, abbreviated BEI, 2016 - 2019. The results of this research conclude that company size and the previous year's audit opinion simultaneously affect audit report lag. Company size has a partial effect on audit report lag. The

previous Year's Audit Opinion has a partial effect on audit report lag. Then, based on the results of the MRA test, the KAP Reputation variable enhances the relationship between Company Size and Audit Report Lag, and the KAP Reputation variable enhances the relationship between Previous Year's Audit Opinion and Audit Report Lag. With the research limitations of adjusted R^2 having a small value of less than 50%, it is hoped that further research can add variations to other variables that affect Audit Report Lag and expand research samples to other company sectors at the same time intervals.

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