Determinant of Audit Delay: Evidance from Public Companies in Indonesia

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Abstract: *The purpose of this study is to prove the influence of audit committee, internal auditor, and independent auditor to audit delay and testing moderating effect from audit complexity on the relationship of audit commite, intern auditor, and independent auditor to audit delay. Sample of this study is consisted of 130 companies listed on the Stock Exchange in Indonesia listed in Indonesia Stock Exchange in the year 2013 to 2015 and meet certain criteria. The data of this study is Annual Report from the company. This study used Partial Least Square (PLS). The result show that audit delay of 130 public companies from 2013 until 2015 are between 6 days to 179 days. Hypothesis testing results indicate that the audit committee and the internal auditor have negative effect on audit delay, while the independent auditor does not affect the audit delay. The results of this study also show that the complexity of the audit can be a moderating variable on the relationship between internal auditors and audit delay, while the complexity of audit can't be a moderating variabel on the relationship between audit commite.*

Keywords: *Audit Delay, Audit Committee, Audit Complexity, Independent Auditor, Intern Auditor*

I.   INTRODUCTION

Public companies have an obligation to submit their financial statements to the public. Submission of the financial statements is the impact of an agency relationship between corporate managers with the investors. Jamaan (2008) states that the financial statements serve as a measuring tool, assessment as well as monitoring the performance of agents in maximizing the welfare of the principal. The obligation to submit the financial statements of public companies in Indonesia has been regulated by the Regulation of BAPEPAM LK Number X.K.6 of 2006.

BAPEPAM LK Regulation No. X.K.6 of 2006 explains that the company's financial statements that must be submitted to the public must meet the accounting standards established by the Indonesian Institute of Accountants and must be audited by public accountants. The regulation also explains that the company must be able to submit its financial statements before the time limit specified in order not to get sanction as has been arranged.

The company's obligation to publish audited financial statements poses a new problem for the company in relation to the timeliness of the submission of the specified financial statements and the time required to produce an independent auditor's report. This is because the process of generating independent audit reports takes time. The time required by an independent auditor to audit the financial statements ultimately leads to a phenomenon called audit delay.

Audit delay is a phenomenon experienced by all public companies in Indonesia. The delay audit is the time span required by the independent auditor to be able to complete the audit report on the fairness of the company's financial statements from December 31 to date on the independent auditor's report (Rachmawati, 2008). Audit delay can be a problem if the audit delay range that occurs in a company is too long which can ultimately lead to delays in the delivery of financial statements. The phenomenon of audit delay in Indonesia is also a problem for some public companies in Indonesia.

Information from the Economic Balance Sheet website (www.neraca.co.id) states that in 2013 there were 52 public companies that are late in the process of delivering financial statements in 2012. Furthermore, in 2014 there were 49 public companies late reporting financial statements for the year 2013 (www.kontan.co.id). Furthermore in 2015 there are 52 companies late to submit 2014 financial statements (www.neraca.co.id) and by 2016 there are 63 public companies on the IDX that are late reporting financial statements for 2015 (www.ipotnews.com). Delays in the delivery of financial statements in the end make the company must accept the sanctions imposed by the IDX. Table 1 presents a summary of the number of companies late in presenting the financial statements.

Year	Amount of Late	Number of Companies in IDX	Presentation
2013	52 companies	467 companies	11,135%
2014	49 companies	530 companies	9,25%
2015	52 companies	547 companies	9,51%
2016	63 companies	581 companies	10,84%

Table –I: Number of Companies Late to Submit Financial Statements

Number of public companies in Indonesia late in submitting financial reports indicate a high enough fairly serious problems related to the late submission of financial statements of public companies in Indonesia. The delay in the delivery of these financial statements is due to the delayed audit delay period in some companies. Range of audit delay time occurring within a company can be suppressed by maximizing the role of the parties directly related to the financial statement audit process like audit committees, internal auditors and the independent auditor of the company.Therefore, this study aims to re-examine the influence of audit committees, internal auditors, and independent auditors on audit delay. This study also aims to examine the moderating effects of complexity on audit committee relations, internal auditors, and independent auditors of audit delay.

II. HYPOTESIS DEVELOPMENT

2.1. The Effect of the Audit Committee to Audit Delay

The audit committee is one of the internal mechanisms of Corporate Governance which is generally under the authority of the company's board of commissioners. The decision of the National Committee on Governance Policy (2006) states that the audit committee is a group of individuals who have a responsibility in assisting the auditor in maintaining its independence from management. Thus, the audit committee within the company can improve the reliability of the company's financial statements because it is free of possible manipulation by managers.

Reliable financial statements will result in the task of independent auditors in conducting audits become easier and faster, so the audit delay time range to be short. Hashim and Rahman (2011) stated that the independence and competence of the audit committee affect the audit delay, while Apadore and Noor (2013) state that the audit committee size, and Rianti and Sari (2014) state that the number of members, competencies and gender proportions of the audit committee Negatively affect audit delay. Based on the explanation, the first hypothesis of this research is as follows:

H1. The audit committee has a negative influence on audit delay

2.2. The Effect of the internal auditor to Audit Delay

The internal auditor is a part of the internal control form within the organization. Bapepam-LK No. IX.I.7 (2008) states that the internal auditor is a unit that is responsible for giving the confidence and the consultation process independently and objectively in order to increase the value and the company's operations with a systematic approach. Thus, the company's internal auditors can create an effective corporate operations. Suharni et al (2013) states that the number of members and experience of the chairman of internal auditors affect the timeliness. Timeliness of a company's financial statements relates to the timing of the completion of the independent auditor's audit report on the financial statements. Thus, the number of members and experience of the chief internal auditor also affect the audit delay. Based on the explanation, the second hypothesis of this research is as follows:

H2. The internal auditor has a negative influence on audit delay

2.3. The Effect of the independent auditor to Audit Delay

An independent auditor is an auditor from an external party company in charge of auditing the company's financial statements. Mills (1990) states that an audit by an independent auditor is a form of monitoring to reduce agency problems and increase company value. Thus, the public company's financial statements should be audited to avoid the impact of agency problems and may increase investor confidence.

An independent auditor who audits the financial statements should have good quality so that the audit delay is not too long. The quality of the independent auditor can be measured from the size of the Public Accounting Firm and the duration of the engagement. Panjaitan et al (2013) states that large-sized public accounting firms will have a wealth of skilled auditor resources and good audit work systems. The length of the auditor's engagement with the company also affects the duration of an audit process. Ashton et al (1987) states that the longer the Public Accounting Firm's engagement with the company, the shorter the audit delay period that occurs. Based on the description, then the third hypothesis for this research is as follows:

H3. The independent auditor has a negative influence on audit delay

2.4. Moderation Effects of Audit Complexity on Relationships between Audit Committee, Internal Auditor, Independent Auditor, and Audit Delay

Audit complexity including contingency variables that need to be considered in the implementation of corporate control system. The complexity of an audit at a company can be due to the complexity of transactions owned by a company. The complexity of a company's transactions is based on the number and location of the operations unit (branch) as well as the diversification of products and markets (Ariyani and Budiartha, 2014). Audit complexity can be due to the number of subsidiaries owned by a company. Ahmad and Abidin (2008) explain that the number of client subsidiaries has an impact on the timeliness of the delivery of financial statements, this is because auditors need more time in performing its audit tasks at companies with more complex operations. Audit complexity can also be due to firm size. Kurniawan (2011) states that the operational complexity, variability and intensity of corporate transactions is influenced by the size of the company.

The audit committee may be the party conducting the supervision related to the financial information and the financial statements of the company. BAPEPAM Regulation No. IX.I.5 of 2012 explains that the audit committee is responsible for conducting a review of the company's financial information and audit implementation by internal auditors, and complaints related to the company's accounting process. Audit committees in companies with high complexity will have more complicated tasks than audit committees in companies with low audit complexity. This is because audit committees in companies with high audit complexity will conduct more complex financial information and accounting processes.

The internal auditor is the party assisting the audit committee in conducting supervision on the company's internal control. BAPEPAM Regulation No. IX.I.7 year 2008 explains that internal auditor is a unit that conducts evaluation process to internal control company independently to increase value and effectiveness of company in accounting, finance. The high audit complexity of an enterprise will impact on the duties and responsibilities of the company's internal auditors. This is because the system of control and transactions in companies with high audit complexity will be more complicated than companies with low audit complexity, so that internal auditors will take longer to conduct the process of evaluation and supervision thoroughly against the control system and corporate operations.

The independent auditor is a party directly related to the audit process of the company's financial statements, so the company must be able to appropriately choose a reputable independent auditor in order to provide benefits to the company. Mills (1990) states that an independent auditor performs an audit process with the aim of reducing agency and corporate value issues. The high audit complexity at the company affects not only the audit committee and internal auditors of the company but also affects the independent auditor. An independent auditor auditing a company with high audit complexity will take longer to obtain sufficient information and knowledge to provide an appropriate audit opinion. Thus, the timing of the audit completion process will become longer.

The explanation indicates that the influence of audit committees, internal auditors, and independent auditors is determined from the level of complexity of corporate audits. Thus, the fourth hypothesis of this study is as follows:

H4a. Audit complexity moderates the influence of the audit committee on audit delay.
H4b. Audit complexity moderates the influence of the internal auditor on audit delay.
H4c. Audit complexity moderates the influence of the independent auditor on audit delay.

Figure 1
Research Model
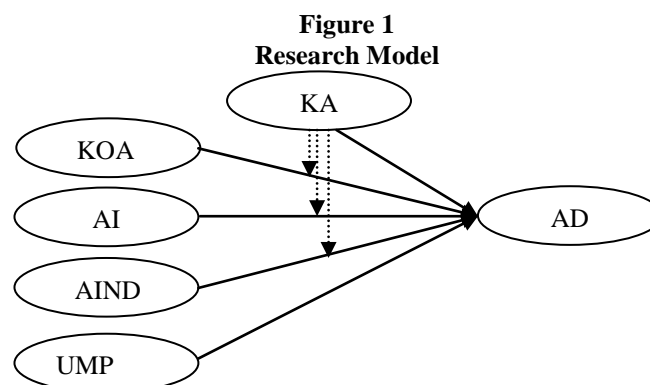
III.   RESEARCH METHOD

3.1. Type of Research

The research approach used in this research is quantitative approach. This quantitative approach is used in order to test statistically whether or not the influence of independent variables on dependent variables is

followed by the addition of moderating variables. This research is a basic research research. Basic research begins with hypothesis testing, deeper assessment, and conclusion (Jogiyanto, 2011: 7).

3.2. Population and Sample

The population used in this study is a public company listed on the Indonesia Stock Exchange (IDX), while the research sample used is a company listed on the Indonesia Stock Exchange (IDX) period 2013-2015. The technique used to determine the sample in this study is purposive sampling. The criteria used for sample determination in this study are among others:
1. Public companies are listed on the Indonesia Stock Exchange in a row from 2013 to 2015.
2. Annual reports and company financial statements are available and accessible on the Indonesia Stock Exchange website
3. In the company's annual report available data required research include data on the audit committee, public accountant, internal audit, audit complexity, and audit delay.

3.3. Research Data

The research data used in this research is secondary data, that is data in the form of annual reports obtained from the official website of Indonesia Stock Exchange (IDX) is www.idx.co.id. Data collection techniques used in this study is documentation.

3.4. Operational Definition of Variables
3.4.1. Audit Delay

Audit delay is measured by calculating the time between the closing date of December 31 fiscal year until the publication of the independent audit report on the number of days (Rachmawati, 2008).

3.4.2. Committee Audit.

The audit committee variables in this study were measured using five indicators: audit committee members (KOA1), audit committee financial expertise (KOA2), meeting frequency (KOA3), audit committee independence (KOA4), and gender proportion (KOA5). The selection of these five indicators is based on research from Hashim and Rahman (2011), Apadore and Noor (2013), and Rianti and Sari (2013). KOA1 by counting the number of members of the company's audit committee. KOA2 is measured by calculating the percentage of audit committee members who have an accounting and financial background. KOA3 is measured by counting the number of audit committee meetings for a year. KOA4 is measured by calculating the percentage of independent members of the audit committee. KOA5 is measured by calculating the percentage of women on the audit committee.

3.4.3. Internal Auditor

Internal auditor variable is measured by using three indicators: number of internal auditor member (AI1), education level of internal auditor unit chairman (AI2), and experience level of internal auditor unit (AI3). Indicator indicators of internal auditors are based on previous research (Suharni et al, 2013). AI1 is measured by counting the number of members of the company's internal auditors. AI2 is measured using ordinal scale ie 1 for associate's degree, 2 for bachelor degree, 3 for master degree, and 4 for doctoral. AI3 is measured by counting the number of years the experience of the chairman of the internal auditor from the appointment year to the chairman of the internal audit at the company until the year of study.

3.4.4. Independent Auditor

Independent auditor variables are measured using two indicators: the size of the Public Accounting Firm (AIND1) and the length of the engagement (AIND2). The selection of indicators from independent auditors is based on research by Rustiarini and Sugiarti (2013). AIND1 is measured using a nominal scale of 0 for the Non Big Four Public Accounting Firm and 1 for the Big Four Public Accounting Firm. AIND2 is measured by calculating the year of the Public Accounting Firm's engagement with the company from the year of commencement until the year of the study.

3.4.5. Audit Complexity

The moderation variable in this study is audit complexity. Variable complexity of the audit in the study was measured using two indicators: the number of subsidiaries (KA1) and the size of the company (KA2). The selection of both indicators of audit complexity is based on Karang (2015) and Lestari (2015). KA1 is measured by calculating the number of subsidiaries owned by the company directly. KA2 is measured using the natural logarithm of the total assets of the firm.

3.4.6. Firm Age

The company age in this study is used as control variable. The variable of firm age in this study was measured by calculating the difference between the year of research period and the year the company started its operations (Apriyanti and Santosa, 2014).

3.5. Statistic Method

This research uses variance-based structural model (Partial Least Square). This research uses the help of WarpPLS 5.0 program in performing data processing. The process of testing phases of this hypothesis is based on the rules of Baron and Kenney (Jogiyanto, 2011: 101). The research hypothesis will be accepted if the value of p value ≤ 0.05 (5%) and coefficient value correspond to the hypotesis direction for the one tailed test. The equations in this study are as follows:

Equation H_1-H_3:

$$AD = -\gamma_1 KOA - \gamma_2 AI - \gamma_3 AIND - \beta_1 UMP + \zeta$$

Equation H_{4a}-H_{4c}:

$$AD = -\gamma_1 KOA - \gamma_2 AI - \gamma_3 AIND + \gamma_4 KA * KOA + \gamma_5 KA * AI + \gamma_6 KA * AIND - \beta_1 UMP + \zeta$$

Information:
AD	= Audit *Delay*
KOA	= Committee Audit
AI	= Internal Auditor
AIND	= Independent Auditor
KA	= Audit Complexity
UMP	= Firm Age
γ	= Laten Variable Coefficient
β	= Manifest Variable Coefficient

IV.   RESULT

4.1. Sample Description

Table-II: Number of Business being Research Samples

Information	
Number of Companies Registered on IDX until 2016	539
Number of Unlisted Companies in IDX during 2013-2015	(80)
Number of Companies Registered in IDX for 2013-2015	**459**
Total Company Data are not Accessible	(57)
Number of Companies that Do Not Provide Complete Research Data	(266)
Number of Companies in Accordance with Sample Criteria	**136**
Number of Companies that Have Outlier Data	(6)
Number of Companies can be Used As Research Sample	**130**

The number of companies that are used in this study were as many as 130 companies with a three-year study period, so the total number of observations made in this study were 390 cases. Table 2 below presents the sampling process undertaken in this study.The companies that were sampled in this study came from various industry sectors. The sample of this research is more dominated by non financial service company that is 100 company (76,92%) and the rest 30 company (23,08%) are financial service company. Non-financial services companies are dominated by manufacturing companies, while financial services companies are dominated by banking companies.

4.2. Variabel Description

The purpose of the variable description is to provide a brief overview of the research variables. Description of research variables described using the minimum, maximum, and mode of each variable. The minimum, maximum, and mode values of each variable are based on data from 130 companies listed on the IDX during 2013-2015. Some of the variables in this study were measured using more than one indicator based on previous research and other relevant refrentions. Table 3 presents the results of research data processing that results in minimal, maximum, and mode values of the research variables.

Table-III: Summary Description Research Variables			
2013-2015			
	Min	**Max**	**Mod**
AD	6	179	83
KOA_1	3	6	3
KOA_2	0	1	1
KOA_3	2	44	4
KOA_4	0,6	1	1
KOA_5	0	1	0
AI_1	1	194	1
AI_2	2	3	2
A_{I3}	0,08	13,67	4
$AIND_1$	0	1	1
$AIND_2$	1	7	4
KA_1	0	29	0
KA_2	99	910.000	2.155
UMP	4	104	39

4.3. Outer Model testing

The outer model test consists of variable validity test and reliability test. Outer model test begins by testing the validity of variables consisting of convergence and convergence validity test discriminant validity. The first test of the outer model is the convergence validity test. Convergence validity test aims to determine the level of correlation indicators that form a variable (Jogiyanto, 2011: 70). Convergent validity test is based on the loading factor value of each indicator that makes up a variable. Terms used to measure an indicator passed the convergence validity test that is the loading factor value of the indicator must be more than 0.7 and the value of p value less than 0.05. A variable indicator that has a loading factor value of less than 0.7 should be omitted. Table 4 presents the loading factor values of each indicator.

Table-IV: Factor Loading Value							
	KOA	**AI**	**AIND**	**KA**	**AD**	**UMP**	**p *value***
KOA1	0,833						<0,01
KOA2	0,009						0,429
KOA3	0,775						<0,01
KOA4	-0,522						<0,01
KOA5	-0,328						<0,01
AI1		0,742					<0,01
AI2		0,757					<0,01
AI3		-0,388					<0,01
AIND1			0,770				<0,01
AIND2			0,770				<0,01
KA1				0,809			<0,01
KA2				0,809			<0,01
AD					1,00		<0,01
UMP						1,00	<0,01

Indicators of KOA variables that have a factor loading value greater than 0.7 and p value 0.05 are just two indicators (KOA1 and KOA3). The indicator of the variable AI that has a factor loading value over 0.7 and p value 0.05 is only two indicators (AI1 and AI2). The indicators of the AIND variable all have a factor loading value over 0.7 and p value 0.05 (AIND1 and AIND2). Indicators of all KA variables have a factor loading value greater than 0.7 and p value 0.05 (KA1 and KA2). Thus, the KOA2, KOA4, KOA5 indicators of the KOA variable and the AI3 indicator of the AI variable are removed from each variable. The result of value loading factor and p value of each indicator after eraser some indicators that do not meet the requirement of convergent validity are presented in table 5.

Table-V: Loading Factor after Removal some Indicator							
	KOA	**AI**	**AIND**	**KA**	**AD**	**UMP**	**P value**
KOA1	0,865						<0,01
KOA3	0,865						<0,01
AI1		0,786					<0,01
AI2		0,786					<0,01
AIND1			0,770				<0,01
AIND2			0,770				<0,01
KA1				0,809			<0,01
KA2				0,809			<0,01
AD					1,00		<0,01
UMP						1,00	<0,01

Test the validity of variables which further conducted is the test of discriminant validity. The discriminant validity test is based on the comparison of AVE root values of each variable with the correlation value of one variable with the other. AVE root value must be greater than the correlation value between variables with each other. The AVE root values of each variable are shown in table 6. The AVE root values show a larger value than the correlation values between variables with each other on a single variable. Thus, the six variables have passed the discriminant validity test. This shows that there is no high correlation between variables with each other.

Table-VI: AVE Root Value of Research Variable

	KOA	AI	AIND	KA	AD	UMP
KOA	(0,865)	0,430	0,216	0,384	-0,342	0,287
AI	0,430	(0,786)	0,213	0,337	0,293	0,302
AIND	0,216	0,203	(0,770)	0,297	0,102	0,095
KA	0,384	0,337	0,297	(0,809)	-0,195	0,192
AD	-0,342	-0,293	-0,102	-0,195	(1,000)	-0,323
UMP	0,287	0,302	0,095	0,192	-0,323	(1,000)

The second test of the outer model testing process is the reliability test. This study emphasizes the value of composite reliability compared with the value of croncbach alpha. The value of composite realibility is considered better in the estimation of internal consistency of a variable (Jogiyanto, 2011: 72). The value of composite realibility for each variable is presented in table 7. Table 7 shows that all variables have composite realibility values above 0.7. Thus, all variables have passed the reliability test. This implies that the size of each variable has been accurate, consistent, and precise.

Table-VII: The Value of Composite Realibility

Variable	CR
Audit Committee (KOA)	0,855
Internal Auditor (AI)	0,764
Independent Auditor (AIND)	0,745
Audit Complexity (KA)	0,791
Firm Age (UMP)	1,000
Audit Delay (AD)	1,000

4.4. Goodness of Fit
The second test after outer model test is goodness of fit model. The goodness of fit test is based on the p value of APC, ARS, and AARS which should be less than 0.05 and the AVIF and AFVIF values should be less than 5. Table 8 shows the p value of APC, ARS, AARS and the value of AVIF and AFVIF which form the basis of fit model assessment.

Table-VIII: Goodness of Fit

	Value	p-value
Average Path Coefficient (APC)	0,123	0,004
Average R Square (ARS)	0,284	<0,001
Average Adjusted R Square (AARS)	0,269	<0,001
Average Variance Inflation Factor (AVIF)	1,516	-
Average Full Variance Inflation Factor (AFVIF)	1,574	-

Table 8 shows that the p value values of APC, ARS, and AARS are all less than 0.05, respectively 0.004; <0.001; <0.001. Thus, the research model is appropriate or supported (fit) with research data. The value of AVIF and AFVIF values are 1.516 and 1.574. The value of AVIF and AFVIF indicate that there is no multicollinearity in this research model.

4.5. Inner Model testing
The inner test model is based on R squared (R2) and Q squared (Q2). The value of R square (R2) for the inner equation of this research model is 0.284 which means that the variation rate of the dependent variable variables can be explained by the independent variables is 28.4%, while the rest is explained by other variables outside the proposed model. The value of Q square (Q2) for the inner equation of this research model is 0.283 which is more than zero, so the research model has good predictive validity.

4.6. Hypotesis Testing
Hypothesis testing in this study follows the rules of Baron and Kenney. The result of hypothesis testing has been done shows that there are three accepted hypothesis and three rejected hypothesis. The accepted research hypothesis is H1, H2, and H4b. The rejected research hypothesis is H3, H4a, and H4c. Table 9 presents the results of hypothesis testing research that has been done as follows:

Table-IX: Result of Hypothesis Testing			
Relationship	Coefficient	p-value	
KOA➔AD	-0,224	<0,001	One tailed
AI➔AD	-0,109	0,0075	One tailed
AIND➔AD	-0,056	0,066	One tailed
UMP➔AD	-0,208	<0,001	-
KA*KOA➔AD	0,008	0,436	Two tailed
KA*AI➔AD	-0,123	0,007	Two tailed
KA*AIND➔AD	-	-	Two tailed

Table 9 shows that hypothesis H1 is accepted because it has coefficient value of -0.224 and p value less than 0.05 that is equal to <0.001. This indicates that the audit committee proved to have a negative influence on audit delay. Thus, the better the audit committee quality the shorter the audit delay period.

Table 9 shows that hypothesis H2 is accepted because it has coefficient value of -0.109 and p value less than 0.05 that is equal to 0.0075. This indicates that the internal auditor proved to have a negative influence on audit delay. Thus, the better the quality of internal auditors the shorter the audit delay time range.

Table 9 shows that H3 hypothesis is rejected because it has p value greater than 0.05 ie 0,066. This indicates that the independent auditor is not proven to have a negative influence on audit delay.

Table 9 shows that H4a is rejected because it has a value of p value greater than 0.05 that is equal to 0.436. This indicates that the complexity of the audit is not proven to have a moderating effect on the audit committee's influence on audit delay.

Table 9 shows that H4b is accepted because it has a value of p value less than 0.05 which is 0.007 and the value of value coefficient is -0.123. This indicates that audit complexity is shown to have a negative moderation effect on the influence of internal auditors on audit delay. Thus, the higher the complexity of audit the smaller the influence of internal auditors on audit delay.

Table 9 shows that independent auditor variables are not included in moderation testing because independent auditor variables have no effect on audit delay. This is based on the Baron and Kenny rules (Jogiyanto, 2011: 101) independent variables that have no influence on the dependent variable can not be tested on moderation testing. Thus, the hypothesis H4c is directly rejected. This indicates that there is no interaction between audit complexity and the independent auditor in influencing audit delay. Based on the results of hypothesis testing of this study, then the final equation of this study are as follows:

$$AD = -0,224\ KOA - 109AI - 0,123\ KA * AI - 0,208\ UMP + e$$

V. DISCUSSION
5.1. The Effect of the Audit Committee to Audit Delay
The negative impact of the audit committee on audit delay can occur due to the agency relationship between the investor and the company manager. The audit committee is a party established with the aim of reducing the occurrence of agency problems between the principal and the agent. Jensen and Meckling (1976) argue that agency problems that occur in agency relations are information asymmetry (information asymmetry) and conflict of interest (conflict of interest). Thus, the audit committee is formed to reduce the existence of information asymmetry and the conflict of interest that occurs between the principal and the agent.

Rule IX.1.5. The Decree of the Chairman of Bapepam in 2012 states that the audit committee is responsible for assisting the board of commissioners in relation to internal control, internal audit, external audit monitoring, and financial information reporting. Thus, the application of a good audit committee to the company will be able to create reliable financial statements. Reliable corporate financial statements will ultimately facilitate and accelerate audits conducted by independent auditors. This is because the opportunities of independent auditors in finding material misstatements will be smaller, so the audit of financial statements will be shorter.

5.2. The Effect of the Internal Auditor to Audit Delay
Internal auditors have a negative influence on audit delay because the internal auditor's role is important in reducing the chances of manipulation in the financial statements due to the agency problem in the agency relationship through the evaluation and control process. The agency issues that occur in agency relations are information asymmetry and conflict of interest (Jensen and Meckling, 1976). The internal auditor is responsible for providing independent and objective consultation and consultation processes in order to improve the company's value and operations systematically, through the process of evaluating and improving the effectiveness of internal control and good corporate governance (BAPEPAM-LK Rule Number IX.I.7, 2008). Thus, the process of evaluation and control by the internal auditor will result in the company's activities free of deviation. The operational process of the company that has been free from deviation will make the financial statement information generated by the company increasingly in accordance with applicable accounting

standards. The condition of the financial report of the company that has been in accordance with the applicable accounting standards will facilitate and accelerate the audit process conducted by the independent auditor, thereby shortening the audit delay timeframe.

5.3. The Effect of the Independent Auditor to Audit Delay

The third hypothesis test results of this study did not prove empirically the argument that the size of the public accounting firm of the Big Four requires a shorter time to conduct audits more efficiently and flexibility that is higher (Gilling, 1997). The result of the third hypothesis of this study also failed to demonstrate empirically the argument that public accounting firm that has an engagement longer in a company will have information and sufficient knowledge of the information, so that it will shorten the audit process conducted (Panjaitan et al, 2013). The result of the third hypothesis is also contrary to the explanation of agency theory that a link between problems in the agency relationship and the audit by an independent auditor. Mills (1990) states that an audit by an independent auditor is a form of monitoring to reduce the agency problem and enhance shareholder value.

The results of the third hypothesis test of this study do not succeed in proving empirically the argument of the linkage between independent auditors with audit delay based on agency theory and arguments from some previous research can be caused by several reasons. The first reason is the increase in competition between Public Accounting Firm. Tighter competition nowadays makes all Big Four or Non Big Four Public Accountants strive to provide services with a high level of professionalism (Rustiarini and Sugiarti, 2013). Thus, the size of the Public Accounting Firm can not be the only indicator to determine the quality of the independent auditor. The second reason is the length of the Public Accounting Firm's engagement with the public company that is being sampled for too long reaching the maximum length of engagement that has been set in the PMK No. 17 of 2008. The assignment of the Public Accountant Office or the same public accountant for a long time to reach the maximum limit The specified engagement will cause the auditor to become less independent and professional while performing his duties, so that the independent auditor can not complete the task in a timely manner and extend the audit delay timeframe (Rustiarini and Sugiarti, 2013).

5.4. Moderation Effects of Audit Complexity on Relationships between Audit Committee, Internal Auditor, Independent Auditor, and Audit Delay

The audit complexity is not proven to have a moderating effect on the audit committee's impact on audit delay because the audit committee is not directly involved in the audit process whether audited by an internal auditor or an audit conducted by an independent auditor. Rule Number IX.I.5 of 2012 states that the audit committee is in charge of assisting the board of commissioners to supervise internal audit and external audit of the company. Thus, the number of subsidiaries and company sizes that may affect the complexity of the audit will have no significant impact on the improvement of the audit committee's duties.

The audit complexity variables have moderate effects on the influence of internal auditors on audit delay because audit complexity is a contingency factor that needs to be considered in the application of the company's internal control system. Fisher (1998) states that the design of the company's control system depends on the organizational context that exercises such control. Thus, the complexity of the audit can affect the performance of internal auditors as one of the parties who have responsibilities related to corporate control.

The audit complexity variables formed by firm size and number of subsidiaries proved to have no moderating effect on the independent auditor's relationship to audit delay because in this study the independent auditor variable has no effect on audit delay. Thus, the 4c hypothesis of this study is directly rejected. Thus, the results of this study indicate that there is no interaction between audit complexity and independent auditors in affecting audit delay.

VI.   SUMMARY & CONCLUSION

This study is aimed at testing and proving the influence of audit committee, internal auditors, and independent auditors to audit delay. This study also aims to examine the moderating effects of audit complexity on the influence of audit committees, internal auditors, and independent auditors on audit delay. The study was conducted on 130 companies listed on the Indonesia Stock Exchange in 2013 until 2015, so the number of observations made is 390 cases.

Audit delay range that occurs in 130 public companies listed on the Stock Exchange during 2013-2015 is 6 days to 179 days. This indicates that the audit delay duration experienced by public companies may result in delays in the delivery of financial statements. Thus, the delay time of this audit delay should be of particular concern to company managers.

The results show that only audit committee and internal auditor can influence the company's audit delay range. The results of this study indicate that the better the quality audit committee and internal auditor company, the shorter the audit delay time range. The results did not succeed in proving that independent

auditors could influence audit delay ranges. The results also show that audit complexity only moderates the influence of internal auditors on audit delay.

VII.   RECOMMENDATION

Limitations of this study need to be considered as a basis for evaluation in the development of the next research. The first limitation of this research is related to the availability of information concerning internal auditors of public companies. Data on internal auditor information from companies listed on the Indonesia Stock Exchange are still very rarely found in the company's annual report. Thus, further research can combine secondary data with primary data. The second limitation is related to the decrease in the number of companies used as research samples because it has data outliers. Number of companies that have data outlier is 6 companies from 136 companies that meet the criteria sampling or about 4.41%. Thus, further research is suggested to use STATA software assistance to overcome outliers.

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