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The Impact of Audit and Financial Factors on Audit Report Lag: Evidence from Local Governments in Central Java Province

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ABSTRACT

Users of local government financial statements can experience negative consequences. The purpose of this study is to test empirical evidence on audit findings, auditor switching, local government size, leverage, profitability, audit opinion, and audit quality on audit report lag in local governments in Central Java province. This study used 30 out of 355 local governments (districts and cities) in Central Java Province during 2020 to 2022, with a total sample size of 90. This study uses secondary data collected from the audit report of the Central Java Financial Audit Agency (BPK Jawa Tengah) from 2020 to 2022. Data is collected from the electronic database service of the Information and Documentation Management Officer (E-PPID) in. The Purposive Sampling technique was used to obtain samples, and the data was analyzed using Ordinary Least Squares (OLS). According to research, audit findings, local government size, leverage, and profitability affect local government audit reports. Many variables, including solvency and auditor experience, can be further investigated. In addition, dividing the city government depending on the location of the island will provide an interesting additional audit report delay study.

Keywords: Audit Report Lag, Audit Findings, Auditor Switching, Local Government Size, Leverage, Profitabilitas, Opini Audit, Kualitas Audit

INTRODUCTION

As a regional financial responsibility, the local government's financial statements show transparent and accountable financial management. Regional financial statements provide transparency of public funds, so that the public can understand how the funds are used and measure government performance. The information contained in the financial statements helps to evaluate and make better decisions regarding resource allocation and financial planning in the future (Khasanah et al., 2022). With complete and transparent financial reports, it can help credibility and trust from both the public and investors in the local government. On the other hand, financial statements allow local governments to assess the feasibility of projects and programs to be implemented.

Audit report lag itself is the time difference between the date of the financial statement and the date of the audit opinion in the financial statements. This difference in time shows the length of the audit completion process carried out by the auditor (Venanda, 2021). Audit Report Lag is a term that describes a delay in the submission of audit reports, this occurs when the audit is not submitted according to the expected schedule or predetermined. Audit Report Lag can occur when the audit process can become more complex than anticipated, especially if institutions or local governments have complicated transactions or operations, in addition to constraints in information collection that can make delays in information collection (Fitriana et al., 2024; Muhimatul Ifada et al., 2024).

Audit Report Lag can be a problem because it can wait for the right decisions to be made by interested parties, such as shareholders, investors, or other authorities. Institutions or organizations may have difficulty in planning future activities and expenses if accurate financial information is not available in a timely manner. Delays in submitting audit reports can also affect the reputation of the institution or organization being audited. In addition, it can also cause financial losses for the institution or organization, either due to the fines imposed or due to the potential decline in the value of shares or investor confidence. The delay in local government audit reports is the interval between the end of the accounting period or fiscal year and the issuance of the Audit Results Report by SAI/BPK against the Regional Government Financial Statements (Dwi Bayu Bawono et al., 2023). The latency of the audit report can affect the relevance of the financial statements, which is one of the qualitative elements of the financial statements. The longer the local government audit report lags, the more irrelevant the audited financial statements are, which has the potential to have a negative influence on users of local government financial statements.

A common situation in audit practices in various organizations, including private institutions, public entities, and local governments when Audit Report Lag occurs, the growth and complexity of modern businesses often leads to increasingly complex transactions and operations, making the audit process more difficult and longer to complete. What auditors often face is limited resources, including personnel, time, and budget. In addition, in collecting information, auditors need proper and complete access to relevant information and documents from the audited organization. Delays in the submission of audit reports can create uncertainty and mistrust among stakeholders, including investors, creditors, and the public (Gufranita et al., 2022; Kristianingrum et al., 2022). This uncertainty can disrupt an organization's trust and reputation. Stakeholders need accurate and timely financial information to make effective decisions. Delays in audit reports can lead to disruptions in strategic planning, risk management, or resource allocation. Without timely financial information, management may have difficulty in monitoring performance and identifying risks effectively. Many contracts or regulations require the submission of audit reports that can lead to violations of contracts or regulations that can impact the business relationship or legality of the organization. These delays can also interfere with the efficiency and productivity of the organization, as it can divert resources and attention from the main business activities.

Audit Findings are the results of an audit process that finds errors, deficiencies, or non-compliance with applicable policies, procedures, regulations, or standards. These findings are based on evidence collected during the audit and analyzed by the auditor. Audit results are an important tool for managers to find and fix problems and ensure that the institution is running according to plan. Audit findings are the results of an audit process that identifies problems or irregularities in an entity. The main objectives of audit findings include several important aspects related to improvement, compliance, and risk management (Ambarwati & Nurcahyono, 2022). This is supported by research (Dwi Bayu Bawono et al., 2023) which reports that audit findings have a positive effect on audit report lag.

Audit results are crucial for management to earn more money. Auditor switching, also known as auditor switching, is when an institution or organization replaces a public accounting firm or independent auditor who conducts financial audits. This can happen for a variety of reasons, and has significant consequences for the business and related parties. Identify and correct deficiencies and ensure that the institution is running according to expectations. Switching auditors aim to ensure that the device operates correctly, safely, and efficiently. This is supported by research (Iskandar et al., 2022; Jess Wijaya Telaumbanua et al., 2020; Sastrawan et al., 2022) who reported that Auditor Switching has a positive effect on audit report lag. However, it is different from research (Fortuna & Syofyan, 2020; Harahap et al., 2022; Jehezkiel & Siagian, 2022) who reported that Auditor Switching has no effect on audit report lag.

Local Government Size refers to the size of local government, which can be measured in various aspects such as the population served, the annual budget, the number of employees, or the extent of the geographical area. This measure provides an overview of the capacity and complexity of local governments in carrying out their functions and providing services to the community (A'yun et al., 2022; Videsia et al., 2022). The purpose of size in various research contexts, especially in economics, business, and management studies, is to understand how the scale or size of an entity affects various aspects of its performance. One of the goals is to assess how the size of an entity (such as an institution, organization, or local government) affects its financial and operational performance. This is supported by research (Iskandar et al., 2022; Lisa & Lim Henra, 2020; Puteranata & Sulistiyowati, 2023) who reported that size has a positive effect on audit report lag. However, it is different from the research by (Dwi Bayu Bawono et al., 2023; Sunarsih et al., 2021; Tanujaya & Reny, 2022) who reported that size had a negative effect on audit report lag.

Leverage is a financial concept that refers to the use of borrowed funds (debt) to increase the potential return on investment. By using leverage, individuals or institutions can control assets that are larger than they could achieve with just their own capital. Leverage can be applied in a variety of contexts, including investment, business, and personal finance. Leverage in a financial and business context has several main purposes, generally referring to the use of borrowed funds to finance an institution's investments or operations, in the hope of increasing its profit potential. This is supported by research (Himawan F. Agung & Venda, 2020; Tanujaya & Reny, 2022; Venanda, 2021) who reported that leverage has a positive effect on audit report lag. However, it is different from research (Marjono & Jane, 2021; Pratiwi & Suwarno, 2024; Salsabila Zalfa Azhar

& Auliffi Ermian Challen, 2023) who reported that leverage had no effect on audit report lag.

Profitability is the ability of an institution to generate profits from its operations. This is a measure that shows how efficient and effective the institution is in generating profits from the revenue it earns after deducting all costs. Profitability is important for institutions because it demonstrates the financial health and ability of institutions to survive and thrive in the long term. Profitability objectives encompass various important aspects of an institution's operations and strategies. The main objectives in the context of business and finance include several strategic aspects that are important for the continuity and growth of the institution. This is supported by research (Ani et al., 2020; Harahap et al., 2022; Rezi et al., 2022) who reported that profitability has a positive effect on audit report lag. However, research by (Himawan F. Agung & Venda, 2020; Iskandar et al., 2022; Ratra Ardiangga, 2023) differed and reported that profitability had a negative effect on audit report lag.

An audit opinion is a statement of the auditor's opinion from the audit process that has been carried out. The auditor's opinion statement is submitted after examining the audit evidence, so that it can be concluded whether to give an opinion or not. Audit opinions are divided into two, namely: unmodified opinions and modified opinions (Sastrawan et al., 2022). The purpose of an audit opinion is to provide an independent professional assessment of the fairness and reliability of an institution's or entity's financial statements. This audit opinion is very important for various stakeholders, including management, shareholders, creditors, and investors. This is supported by research (Budi Utami, 2020; Rosa Utari Uly & Julianto, 2022; Valentine & Arief, 2021) who reported that audit opinions have a negative effect on audit report lag. However, research by (Ginting & Hutabarat, 2022; Sariningsih et al., 2021; Sunarsih et al., 2021) differed and reported that audit opinions had no effect on audit report lag.

Audit quality is the probability that an auditor finds and reports about a violation in his auditee's accounting system (Sunarsih et al., 2021). An audit opinion is an official statement issued by an independent auditor after conducting an audit of an entity's financial statements. This opinion reflects the auditor's assessment of the fairness and conformity of the financial statements with generally accepted accounting principles (GAAP or other accounting standards). The goal of audit quality is to ensure that audits are conducted to the highest standards, resulting in reliable financial statements and useful information for stakeholders. This is supported by research (Ginting & Hutabarat, 2022; Harahap et al., 2022; Pratiwi & Suwarno, 2024) who reported that audit quality has a positive effect on audit report lag. However, research by (Asyrofi & Widati, 2023; Harahap et al., 2022; Valentine & Arief, 2021) and reported that audit quality had no effect on audit report lag. This research is a development of research (Dwi Bayu Bawono et al., 2023). The difference between this study and the previous research is that in this study it adds independent variables, namely AUDIT OPINION and AUDIT QUALITY.

LITERATURE REVIEW

Institutional Theory

Institutional theory is one of the many theories used to understand the behavior of individuals and organizations (Dacin, Goodstein, & Scott, 2002). In its development, institutional theory is divided into 2 groups of views. Old-Institutional Theory (OIT) argues that institutional occurs because of the existence of values, norms and behaviors that are taken-for-granted. The New Institutional Theory (NIT) argues that institutional occurs because organizations think logically by considering classificstion, routines, scripts, schemas (Powell & DiMaggio, 1991).

Institutional Theory helps us understand the pressure to make institutions more similar, which reduces institutional diversity. Organizations in general will try to conform to standards that are easily recognized and accepted in the organizational field, to help drive the legitimacy of an organization. The formation of organizations due to institutional environmental pressures that cause institutionalization is the basis of Institutional Theory. This Institutional Theory understands the process of change and sustainability of a public sector organization in research so that it becomes one of the options. The meaning of the institution itself is explained by different descriptions according to experts. One of them is according to Scott (2003: 134) who identifies an institution as a composition of a social order that contains rules, norms, and habits. A multidimensional social structure built from symbolic elements, social activities and material resources is the meaning of an institution.

The Effect of *Audit Findings* on *Audit Report Lag*

Audit Findings are the results of an audit process that finds, deficiencies, or non-compliance with applicable policies, procedures, regulations, and standards. Based on the evidence collected during the audit and analyzed by the auditor, the audit findings were made. To find and fix problems and ensure that the institution is running according to plan, audit results are an important tool for managers. Audit findings aim at the results of the audit process that identify problems or irregularities in an entity. For the main purpose of audit findings, it includes several aspects that are related to compliance improvement, and risk management.

When there are minimal audit findings. It can be claimed that local government financial statements are managed with solid institutional governance, can produce audit reports in a short period of time. However, on the other hand, when there are many audit findings, the auditor will continue to audit the evidence and determine whether there are duplicate findings, and this will prolong the audit report lag (Dwi Bayu Bawono et al., 2023). Based on research by (Dwi Bayu Bawono et al., 2023) which reported that audit findings have a positive effect on audit report lag. An auditor is required to examine its internal controls and regulations to gain sufficient confidence in the accuracy of the financial statements. This can affect the audit report. If there are many audit findings, the auditor must continue to audit the evidence, so that it can extend the audit report. This statement is in accordance with the theory of agency. So, the research hypothesis formulated is as follows:
H1: Audit Findings have a positive effect on audit report lag.

The Effect *of Auditor Switching* on *Audit Report Lag*

A switching auditor is a client who changes its auditor without having a clear reason. It may be caused by client dissatisfaction with the services that have been provided by the old auditor (Harahap et al., 2022). With the replacement of a new auditor, it will take longer to audit the financial statements because the new auditor needs to know from the beginning the characteristics of the client institution and the systems that exist in it. The termination of the institution's contract with the old auditor requires the new auditor to communicate with the previous auditor, identify the client's reasons and gain a common understanding with the institution (Lisa & Lim Henra, 2020). The purpose of a switching auditor is to ensure that the device operates correctly, safely, and efficiently.

Audit results are crucial for management to earn more money. Auditor change is when an institution replaces a public accounting firm, an independent auditor who conducts audits of financial statements. Based on research conducted by (Iskandar et al., 2022;

Jess Wijaya Telaumbanua et al., 2020; Sastrawan et al., 2022) who reported that switching auditors have a positive effect on audit report lag. So that with the change of auditors, it can slow down the auditing of the institution's financial statements. This statement is in accordance with the theory of agency. So, the hypothesis formulated is as follows:
H2: Auditor Switching has a positive effect on audit report lag.

The Effect of Local Government Size on Audit Report Lag
Local Government Size shows the size of an institution. It can be seen from several points of view such as the total value of assets, the number of workers and so on. Local government size is the scale of entities seen at the end of the year from the total assets of the institution. The larger the institution, the wider the test sample taken by the auditor will be, so that it can make the auditor in carrying out his task of examining financial statements require a longer period (Gazali & Amanah, 2021). The purpose of size in various research contexts, especially in economics, business, and management studies, is to understand how scale or institution affects various aspects of its performance.

One of the objectives of local government size is to assess how the size of the institution affects its financial and operational performance. According to research conducted by (Dwi Bayu Bawono et al., 2023; Sunarsih et al., 2021; Tanujaya & Reny, 2022) who reported that size has a negative effect on audit report lag. Local government size provides an overview of the capacity and complexity of local governments in carrying out their functions and providing services to the community. This is in accordance with institutional theory. So, the hypothesis proposed is as follows:
H3: Local government size has a negative effect on audit report lag.

Effect of Leverage on Audit Report Lag
Leverage is a ratio used to assess how much an institution's assets are financed by debt (Kasmir, 2021). If an institution has a high level of leverage, then the risks it faces will also be greater. So, it can result in auditor concerns if potential untrustworthy financial statements are found. Therefore, the auditor will carry out a thorough audit of the institution's financial statements more thoroughly. So, it is possible to take longer (Salsabila Zalfa Azhar & Auliffi Ermian Challen, 2023). The main purpose refers to the use of loan funds to provide investment costs and institutional operations, in the hope of increasing potential profits.

By using leverage, individuals and institutions can control assets that are larger than they could achieve with personal money alone. Research by (Himawan F. Agung & Venda, 2020; Tanujaya & Reny, 2022; Venanda, 2021) who reported that leverage has a positive effect on audit report lag. Leverage in the main purpose of financial and business contexts is generally driven by the use of borrowed funds to provide for ordinary investments and institutional operations, using the expectation of increasing potential profits. This is in accordance with the theory of agency. Therefore, the hypothesis proposed is as follows:
H4: Leverage has a positive effect on audit report lag

The Effect of Profitability on Audit Report Lag
Profitability is a ratio to assess an institution's ability to seek profits in each period. This ratio can put the level of acquisition according to profit (Harahap et al., 2022). Profitability is the capacity of an organization to earn profits according to the agreement, complete resources, and owners (Manuel & Sutandi, 2018). Profitability goals encompass many important aspects of an institution's operations and strategy. Profitability is important for institutions because it demonstrates the financial health and ability of the institution to

survive and thrive over the longer term. This is supported by research (Himawan F. Agung & Venda, 2020; Iskandar et al., 2022; Ratra Ardiangga, 2023) which reported that profitability has a negative effect on audit report lag. The main objectives in the context of business and finance include aspects that are strategic for the sustainability and growth of the institution. This is in accordance with the theory of agency. So, the hypothesis proposed is as follows:
H5: Profitability has a negative effect on audit report lag

The Effect of Audit Opinion on Audit Report Lag
An audit opinion is a statement of the auditor's opinion derived from the audit process that has been carried out. The statement was made after examining the audit evidence, so that it can be concluded whether to give an opinion or not (Sastrawan et al., 2022). The purpose of an audit opinion is to provide an independent professional assessment of the fairness and reliability of an agency's financial statements. An audit opinion is a conclusion based on the auditor's evidence and findings carried out in the auditing process of auditing financial statements. Local governments tend to publish financial reports to the public in a timely manner, so that if the audited financial statements have a reasonable opinion without exception (unqualifed). This is supported by research (Ginting & Hutabarat, 2022; Sariningsih et al., 2021; Sunarsih et al., 2021) who reported that audit opinions have no effect on audit report lag. This audit opinion is very important for various stakeholders such as management, shareholders, creditors, and investors. This is in accordance with the theory of agency. So, the hypothesis is formulated as follows:
H6: Audit opinion has no effect on audit report lag

The Effect of Audit Quality on Audit Report Lag
Audit quality is the probability that an auditor finds and reports on violations of his auditor's accounting system. Audit quality is the auditor's behavior in auditing the financial statements of institutions that hold the guidelines of GAAP, where the auditor finds and reports violations of the accounting system of the audited entity (Gazali & Amanah, 2021). The goal of audit quality is to ensure that audits are conducted using high standards, so that they can produce reliable financial reports and useful information for stakeholders (Evia et al., 2022; Rahma et al., 2022). Audit quality is the process of ensuring that generally accepted auditing standards are followed in every audit. Meanwhile, KAP follows audit quality control procedures that help in consistently meeting standards in each assignment. This is supported by research (Asyrofi & Widati, 2023; Harahap et al., 2022; Valentine & Arief, 2021) who reported that audit quality had no effect on audit report lag. The quality of auditors is based on trust in the independence and competence of auditors which causes clients to depend on the reports that have been made by the auditor. This is in accordance with the theory of agency. Therefore, the hypothesis formulated is as follows:
H7: Audit quality has no effect on audit report lag

RESEARCH METHOD

In this study, the type of research used is quantitative research using a descriptive approach. Quantitative research is a type of research that uses numbers in processing data to obtain structured information results (Sinambela, 2020). The descriptive approach according to (Sugiyono, 2019) is a method used to analyze or describe a research result but is not used to make a broader conclusion. In this study, the descriptive approach provides an overview of the data through values such as average, standard deviation, maximum value, minimum value, number, and range. The purpose is to confirm the relationship between *audit findings, auditor switching, local government size, leverage,* profitability, audit opinion and audit quality to audit *report lag* in local governments in Central Java in 2020-2022. The population of this study is the Regional Government in Central Java Province in 2020-2022. The sample of this study uses purposive sampling. The operational definition is as follows.

Table 1. Variable measurement

Variable	Measurement
Audit Report Lag	*Audit Report Lag* = Audit Report Date – Report Date
Audit Findings	*Audit Report Lag* = Audit Report Date – Report Date
Audit Switching	0 = When not replaced 1 = When switching
Local Government Size	*Local Government Size* = Ln (Total Aset)
Leverage	*Debt to Asset Rasio* = x 100%$\frac{Total\ hutang}{Tatal\ Aset}$
Profitability	Profitability = Surplus/deficit value in the Operational report
Opini Audit	WTP and WDP = 1 In addition to WTP and WDP = 0
Audit Quality	*Big Four* = 1

The data analysis in this study used multiple linear regression. The equation of multiple linear regression is as follows.

This study examines the hypothesis technique using the multiple linear analysis method through the support of the IBM SPSS 21 computer system. The double linear regression test was carried out twice. In the first step, the calculation in which the dependent variable directly affects the independent variables consisting of audit report lag to audit findings, audit switching, local government size, leverage, profitability, audit opinion and audit quality. Here is the regression model:

$$\mathbf{ARL = \alpha + \beta1(AF) + \beta2(AS) + \beta3(SZ) + \beta4(LV) + \beta(PF) + \beta(OA) + \beta(KA) + e}$$
$$\mathbf{EPS = \alpha + \beta1(AF) + \beta2(AS) + \beta3(SZ) + \beta4(LV) + \beta(PF) + \beta(OA) + \beta(KA) + e}$$

Information:

ARL	**:** *Audit Report Lag*
EPS	**:** *Audit Report Lag*
OF	**:** *Audit Findings*
AS	**:** *Auditor Switching*
SZ	**:** *Size*
LV	**:** *Leverage*
PF	**:** Profitability
OA	**:** Opini Audit
Ka	**:** Audit Quality
α	**:** Konstanta
β 1-3,	**:** Variable Coefficient
and	**:** *error*

RESULTS

The descriptive statistics of the variables used in this study are presented in the form of table 1. Based on the descriptive statistical analysis in Table 1, the variable data of Audit Report Lag has a lace distribution. This can be proven from the standard deviation value of 10.56675, which is lower than the mean of 57.3810, and the average local government over the past few years has experienced many relatively low audit delay phenomena can be proven by looking at the mean value, the range is close to the minimum value. Furthermore, Audit Findings has a high data distribution, with a standard deviation value of 4827484249.66578 below the average of 2389612348.0967. The range is close to the maximum value.

Audit Findings in the sample local government are relatively high. Then the variable data of Audit Switching has a standard deviation of 0.00000 because the local government does not change the audit and the auditing is carried out by the Central Java BPK. Local Government Size has a low data distribution, as evidenced by a standard deviation value of 0.42887 which is lower than the mean of 29.1193. The range is close to the maximum value.

Table 2. Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
Audit Report Lag	45.00	101.00	57.3810	10.56675
Audit Findings	0.00	2854	2389	48274
Audit Switching	0.00	0.00	0.0000	0.00000
Local Government Size	28.39	30.22	29.1193	0.42887
Leverage	0.00	0.04	0.0109	0.00968
Profitability	98824	5548	161316	1292
Opini Audit	1.00	1.00	1.0000	0.00000
Audit Quality	0.00	0.00	0.0000	0.00000

Leverage also has a standard data distribution because the standard deviation value is 0.00968, which is smaller than the mean value of 0.0109. The mean of local governments in Central Java Province in recent years has high leverage. The range is close to the value of the maximum value.

Audit opinions in local governments have standard sample data with a standard deviation of 0.00000, because most local governments have significant qualifications. The audit quality has a standard deviation of 0.00000 because the local government in Central Java is audited by BPK Central Java which is not from the BIG4.

Table 3. Regression Results

Variable	Beta	Sig
Audit Findings	0.005	0.977
Local Government Size	0.053	0.786
Leverage	-0.104	0.545
Profability	-0.098	0.61
R Square	0.016	

DISCUSSION

The Effect of Audit Findings on Audit Report Lag

Based on Table 3, Audit Findings have a positive effect on audit report lag, with a beta value of 0005 and a sig of 0.977>0.05. So that if there are audit findings in the audit report, it will affect the delay in the audit report. Based on the results of the test, this study refers to the positive signal of disclosure of audit findings has a positive effect on audit report lag. The results of the study are in line with research (Dwi Bayu Bawono et al., 2023) which reported that audit findings have a positive effect on audit report lag.

The Effect of Local Government Size on Audit Report Lag

Based on Table 3, Local Government Size in various research contexts, especially in economics, business, and management studies is to understand how the scale or size of an agency affects various aspects of its performance. Local Government Size had a positive effect on audit report lag, with a beta value of 0.053 and a sig of 0.786>0.05. So that the wider an area is, it can affect the delay in the audit report. Based on the results of these tests, this study agrees with the research (Iskandar et al., 2022; Lisa & Lim Henra, 2020; Puteranata & Sulistiyowati, 2023) who reported that size has a positive effect on audit report lag.

Effect of Leverage on Audit Report Lag

Leverage is a financial concept that refers to the use and borrowing to increase the potential return on investment. The main goal is to finance the operation of an agency, in the hope of increasing the potential for profit. Based on Table 3, Leverage has a positive effect on audit report lag. With a beta value of -0.104 and a sig of 0.545>0.05. So that the delay in the audit report can be affected by leverage. Based on the results of these tests, this study is in line with research (Himawan F. Agung & Venda, 2020; Tanujaya & Reny, 2022; Venanda, 2021) who reported that leverage has a positive effect on audit report lag. However, it is different from research (Christanty et al., 2023; Hastuti et al., 2024; Herianto et al., 2023; Timoty et al., 2023) who reported that leverage had no effect on audit report lag.

The Effect of Profitability on Audit Report Lag

Profitability is the capacity of an organization to earn profits according to the agreement, complete resources, and owners (Manuel & Sutandi, 2018). Profitability goals encompass many important aspects of an institution's operations and strategy. Profitability is important for institutions because it demonstrates the financial health and ability of the institution to survive and thrive over the longer term. This is supported by research (Himawan F. Agung & Venda, 2020; Iskandar et al., 2022; Ratra Ardiangga, 2023) which reported that profitability has a negative effect on audit report lag. The main objectives in the context of business and finance include aspects that are strategic for the sustainability and growth of the institution.

CONCLUSION

Based on the analysis and discussion, it can be concluded that Audit Findings can affect the delay of audit reports, this is because audit findings can take longer in auditing. Local Government Size can also affect the delay in the audit report, this is because the wider the area, the more things need to be considered in auditing. It can also take longer audit time. Leverage affects the delay on the audit report. By borrowing funds to increase the effectiveness of the institution, more audits are also carried out. Profitability has a negative effect on Audit Report Lag. This is because profitability indicates the financial health and the ability of the institution to survive and thrive over a longer period. Suggestions for researchers can further reduce variables, especially in the variables of Auditor Switching, Audit Quality. In addition, future researchers may be able to add variables that can be explored. Solvency and auditor experience are variables that can be investigated.

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