# **ABSTRACT**

Rexyansyah Arifiandika / 37140485 / 2018 / The Effect of Auditor Industry Specialization, Company Organization Complexity, Audit Opinion, Audit Firm’s Reputation on Audit Report Lag in Mining Company Listed at Indonesia Stock Exchange From 2012 to 2017/ Advisor: Sugi Suhartono, S.E., M.Ak.

Audit report lag is the period between the closing date of the financial report of the company until the date of the independent auditor's report. The financial statements are one of the important elements to be noticed by the company because the report is the basis of decision for the stakeholders. The importance of timeliness of audited financial statements can improve the relevance and reliability of financial statement’s information.

This study aims to examine the influence of industry auditor specialization, firm operating complexity, audit opinion, and audit firm’s reputation to audit report lag. This research is based on agency theory which is used to explain the relationship between two parties namely principal and agent, where the principal (company owner) appoint agent (management) to manage the company. But sometimes, the relationship between both causes an agency conflict so it takes the role of auditors as an independent party.

The lag report audit is measured by the number of days since the closing date of the company’s financial statement to the date of the independent auditor's report. The auditor industry specialization is measured by the same percentage of the same audit firm among overall companies in the industry. The complexity of a company's operations is measured by the number of subsidiaries owned by a company. Furthermore, audit opinion is measured by dummy variable by differentiating it into two groups: companies that accept unqualified opinion and accept opinions other than unqualified opinion. The audit firm's reputation is also measured by dummy variables by differentiating them into two groups: Audit firm who affiliated with The Big Four and audit firm who not affiliated with The Big Four. Samples of companies used from the mining sector during the period 2012-2017 with the number of samples of 26 companies so as to obtain as many as 156 observation data. The sampling technique used technique of Non-Probability Sampling with Purposive Sampling method. Data analysis techniques used multiple linear regression analysis to test the relationship between variables used.

After passing several tests consisting of equality coefficient test, descriptive statistical test, classical assumption test (normality, heteroskedastisitas, multikolinieritas, and autocorrelation), F test, t test, and test of coefficient of determination, its got some research result indicate that simultaneously variable of auditor industry specialization, company operating complexity, audit opinion, and reputation of KAP have an effect on audit report lag. While in partial these variables show different results.

Through the results of this study, it can be concluded that the auditor industry specialization and audit firm’s reputation proved to negatively affect audit report lag. The complexity of the company's operations proved to positively effect audit report lag. While the audit opinion is not proven to affect audit report lag.