The Impact of Firm Size on the Effect of Industry Specialization, Audit Opinion and the Size of a Public Accounting Firm (KAP) on Audit Delay in Mining Companies

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Authors’ contributions

This work was carried out in collaboration among all authors. Author AA designed the study, performed the statistical analysis, wrote the protocol, and wrote the first draft of the manuscript. Author HM managed the analyses of the study. Author ES managed the literature searches and data collecting. All authors read and approved the final manuscript.

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ABSTRACT

Many previous researchers have studied the factors causing audit delays such as company size, nature of company, audit firm size, industry specialization and etc, and the results are still inconsistent. Even researchers found that this phenomenon is still happening as many public companies did that listed on the Indonesian stock exchange. This study aims to determine the effect of industry specialization, audit opinion and size of Public Accounting Firm (KAP) on Audit Delay with firm size as a moderating variable. The sampling technique used purposive sampling and involved 33 mining companies listed on the Indonesian stock exchange. The data analysis method used moderated regression analysis (MRA). The results showed that Industrial Specialization had a positive effect on audit delay. Audit opinion does not affect audit delay. The size of the Public Accounting Firm (KAP) has a positive effect on audit delay. Firm size has no effect on audit delay. Our assumption that firm size is a moderating variable is not proven.
Keywords: Industry specialization, audit opinion, public accounting firm size (KAP), company size, and audit delay.

1. INTRODUCTION

Currently, many companies are listed on the Indonesia Stock Exchange (IDX) as go public companies. Based on data obtained from the IDX Fact Book in 2018, there are 600 Listed Companies on the Indonesia Stock Exchange (IDX). Companies that have been listed on the Indonesia Stock Exchange (IDX) are required to submit audited annual financial reports. This means that the annual financial statements have been prepared in accordance with Financial Accounting Standards and have gone through an audit process by an Independent Auditor. This is in accordance with the regulation of the Financial Services Authority (OJK) Number 29/ POJK. 04/2016 concerning the Submission of the Annual Report which is an improvement to the previous regulations of the Capital Market Supervisory Agency (BAPEPAM) and Financial Institutions (LK) Number: KEP-431/BL/ 2012 Rule Number XK2 which states that Issuers or Public Companies are required to submit an Annual Report to the Financial Services Authority no later than the end of the fourth month after the end of the financial year.

Due to the phenomenon of the development of capital market activity and the increasing number of companies that go public, the demand for audits of financial statements will increase. Financial statements are an important source of information on a company's finances in the accounting period, which is used to describe the performance and prospects of a company. Financial statements are also the basis for decision and policy making for owners, potential investors, and other users.

The audit of the financial statements by the auditor is carried out to assess the fairness of the presentation of the financial statements. An Auditor is obliged and responsible to report the results of his audit in a timely manner. The responsibility for the implementation of the auditor's duties will appear in the timely completion of the audit report. However, to carry out the audit process in accordance with the Professional Standards of Public Accountants requires a relatively long time, starting from the collection of audit evidence, completion to the signing of the audit report. This is what causes a lot of Audit Delays. Audit Delay is the time difference between the closing date of the financial statements and the date the audit opinion is issued.

This study aims to obtain empirical evidence about the factors that affect audit delay by using a sample of mining companies listed on the Indonesia Stock Exchange (IDX) in 2016 -2018, because mining companies have been the most desirable company in 2018, proven by the investment on mining companies is increasing 21.56% even when IHSG is decreasing 8.79%. In this study, the independent variables that will explain audit delay are industry specialization, audit opinion and size of public accounting firm (KAP). [1,2] stated that auditors who have had a lot of experience in conducting audits that are concentrated in a particular industry and have received training focused on a particular industry can be referred to as auditors who have specialists in an industry [2-4]. Stated that auditors who are predicated as industry specialties can complete the audit process on financial statements faster than auditors who are not industry specialties, this is because specialized auditors are believed to have the ability to detect errors better, increase efficiency and knowledge about the honesty of financial statements. [3,5,6] stated that companies audited by auditors with a high level of industry specialization have a low level of audit delay. However, research by [7] found the opposite result. Auditor Industry Specialization as an independent variable has no effect on audit delay.

According to [8], An audit opinion is an opinion given by an auditor to its clients on audited financial statements to determine whether the financial statements are unqualified or not. All go public companies obviously want an Unqualified Opinion from the auditor who examines their financial statements. This statement is in line with the results of research done by [9,10] which shows that the audit opinion has a significant effect on audit delay. When the company does not get an Unqualified Opinion, the auditor needs additional time so that reporting and publishing its financial statements will take longer. This is because auditors need additional time to negotiate with their clients and also negotiate with more senior audit partners in the audit opinion process. [3,11] stated that the size of the Public Accounting Firm (KAP) does not have a
significant effect on Audit Delay. This happens because both large Public Accounting Firms (KAP) and small Public Accounting Firms (KAP) are both based on the Public Accountant Professional Standard (SPAP) in carrying out their work. The Public Accounting Firm (KAP) itself is an institution that has a permit from the minister of finance as a forum for public accountants to carry out their work. Judging from the size, the Public Accounting Firm (KAP) is divided into 2, namely the Big Four Public Accounting Firm and the Non-Big Four Public Accounting Firm. But research by [12] found other results, the size of the Public Accounting Firm (KAP) has a significant effect on Audit Delay. The Big Four Public Accounting Firm (KAP) has a significant influence on the audit report submission period.

Many previous researchers have studied the factors causing Audit Delay. However, the results of previous studies showed inconsistent results regarding the factors that affect Audit Delay. Due to the inconsistency of the results of previous studies, it is suspected that there are other variables that moderate these factors. The moderating variable is Firm Size. Research by [13] stated that the size of the company is suspected of moderating the influence of these factors on the audit delay because the size of the company greatly influences management decisions in carrying out its operational activities, so that the company can determine the level of how easy it is for the company to obtain funds from the capital market. Companies that have large assets tend to be more free to carry out any policies. [14,15] states that companies that have small assets will have many considerations related to carrying out the company's operational activities. The size of the company is also influenced by the operational complexity, variability, and intensity of the company's transactions, which obviously will affect the speed in presenting financial reports to the public. The size of the company also reflects the company's ability to compete with its competitors because it has larger assets. Firm size also affects the allocation of larger funds to pay audit fees, so that companies with larger firm sizes tend to have shorter audit delays when compared to companies with smaller firm sizes. From the explanation above, it is estimated that Firm Size can moderate the Auditor Industry Specialization and Audit Opinion variables.

The results of previous studies described in the background show inconsistent results. There are different results among several researchers with the same variables, this causes interest in researching further about industry specialization, audit opinion and the size of a public accounting firm (KAP) as well as the size of the Firm as a moderator and its effect on audit delay in mining companies listed in Indonesia Stock Exchange 2016-2018.

2. LITERATURE REVIEW AND HYPOTHESES FORMULATION

2.1 Effect of Industry Specialization on Audit Delay

Industry specialization is an auditor who has specific knowledge about a particular industry, so that the auditor has a thorough understanding of the characteristics of companies in that industry. An auditor can be said to be a specialist in a particular industry if the auditor has attended training focused on a particular industry. Auditors who have industry specialities can lead to shorter audit delays. This is because auditors with industry specialization have more comprehensive knowledge, competence, and experience than non-industrial specialized auditors. Research by [3,4] shows that audit delay is shorter in companies audited by industry-specialized auditors. This is also in line with research by [7,16] found that auditor industry specialization has a negative effect on audit delay. Based on this description, the following hypothesis can be formulated:

H1: Industry Specialization Affects Audit Delay.

2.2 Effect of Audit Opinion on Audit Delay

Audit opinion is the opinion given by the auditor on the fairness of a financial statement presented by the client. In providing an audit opinion, an auditor must be guided by the Auditing Standards (SA) which have been prepared by the Indonesian Institute of Certified Public Accountants (IAPI). Provision of appropriate audit opinion based on appropriate Auditing Standards (SAs), including: Unmodified Opinion (SA 700) [17], Modified Opinion (SA 705) [18], Emphasis of Explanatory Paragraph (SA 706) [19].

Companies that receive an Unqualified Opinion or Unmodified Opinion tend to report or publish their financial statements on time. Meanwhile, companies that get opinions other than
Unqualified Opinions or Unmodified Opinions need longer time to report and publish their financial statements. This is because auditors need more time to negotiate with clients and also negotiate with more senior audit partners in the audit opinion process. The description is in accordance with research done by [9,10] which shows that the audit opinion has a significant effect on audit delay. Based on this description, the following hypothesis can be formulated:

H2: Audit Opinion Affects Audit Delay.

2.3 Effect of Public Accounting Firm Size (KAP) on Audit Delay

Public Accounting Firm (KAP) is a business entity that has obtained permission from the competent authorities, in this case the minister of finance as a forum for public accountants to provide their services. The size of the Public Accounting Firm (KAP) is divided into two, namely, KAP the Big Four and KAP Non The Big Four. Based on the results of research by [12], it can be seen that the size of the Public Accounting Firm has an influence on audit delay. This can happen because the characteristics of KAP the Big Four and KAP Non the Big Four are different. KAPs that are included in The Big Four are considered to be able to work more efficiently in planning audits, have competent human resources and have better quality human resources, and are more experienced in conducting audit processes. [3,10] argues that bigger Public Accounting Firm tend to present audit reports faster than smaller KAPs because they have a good name at stake. Based on this description, the following hypothesis can be formulated:

H3: Public Accounting Firm Size Affects Audit Delay.

2.4 Effect of Firm Size on Audit Delay Auditor Industry Specialization and Audit Opinion with Audit Delay

What is meant by Firm size in this study is the size of a Firm as measured by total wealth or total assets (assets), market value of shares, number of sales in one sales period, number of workers, and total fixed book value of the Firm [20]. States that companies that have small assets will have many considerations related to carrying out the Firm's operational activities. The size of the firm is also influenced by the operational complexity, variability, and intensity of the Firm's transactions, which of course will affect the speed in presenting financial reports to the public. The size of the Firm also reflects the Firm's ability to compete with its competitors because it has larger assets. Firm size also affects the allocation of larger funds to pay audit fees (Audit Fee), so that companies with larger Firm sizes will use the services of Auditors who have Industry Specialization because they are considered more experienced so that audit delay is expected to be shorter.

Companies that have a larger Firm size tend to have better internal control. Large companies usually have a better control system in carrying out their operations. This can make it easier for the auditor to carry out the audit process and it is possible for the Firm to get an Unqualified Opinion so that the audit delay will be shorter when compared to companies with smaller Firm sizes. Based on this description, the following hypothesis can be formulated:

H4: Firm Size Affects Audit Delay.
H5: Firm Size Moderates Effect of Industry Specialization on Audit Delay.
H6: Firm Size Moderates the Effect of Audit Opinion on Audit Delay.

3. RESEARCH METHODS

3.1 Research Population and Samples

The sampling technique is purposive sampling. The criteria for the sample used in this study are 1. The population of mining companies is listed on the Indonesia Stock Exchange (IDX). 2 Mining companies that are not consistently listed on the Indonesia Stock Exchange (IDX) in 2016-2018. 3 Mining companies that are consistently listed on the Indonesia Stock Exchange (IDX) in 2016-2018, but are inconsistent in reporting financial statements for 2016-2018. The number of companies sampled is 33. Total research sample is 99

3.2 Operationalization and Measurement Variables

In this study, audit delay is defined as the length of time used to complete the audit process starting from the closing date of the book until the issuance of the audit report. In this study, audit delay is measured by:
Audit Delay = Audit Report Date – Book Close Date

In this study, industry specialization is defined as the specific ability and understanding of an auditor towards a particular industry, which is obtained through special training and the auditor's own experience in handling audit work in a particular industry. Measurement of industrial specialization in this study refers to [21]. Industry specialization auditors are identified by the percentage of total assets of clients audited by a Public Accounting Firm (KAP) in an industry [21]. Stated that auditors who are considered industry specialization auditors if the results of the above formula calculation have SPEC greater than 30 percent.

\[
\text{SPEC} = \frac{\text{Number of KAP Clients in Industry}}{\text{Number of All Issuers in Industry}} \times \frac{\text{Average Assets of KAP Clients in Industry}}{\text{Average Assets of All Issuers in Industry}}
\]

The value of industry specialization is calculated using a dummy variable. Number 1 will be given to auditors who have industry specialization and number 0 to auditors who do not have industry specialization.

The audit opinion is an opinion given by the auditor on the fairness of a company's financial statements that have been audited by an independent auditor, which will be very useful for decision-making for stakeholders. In this study, audit opinion is measured by grouping the types of audit opinions given by independent auditors to the company's financial statements and then measured using a dummy variable. Through measurement using dummy variables, companies audited by KAP the Big Four will be given a value of 1, while companies audited by KAP Non The Big Four are given a value of 0.

In this study, firm size became the moderating variable. In this study, the measurement of firm size is calculated using the total assets (assets) owned by the client company listed in the company's financial statements at the end of the period and audited using log size. Firm size is measured using the natural log (Ln) formula which is intended to reduce excessive data fluctuations.

\[
\text{Firm Size} = \ln(\text{Total Assets})
\]

3.3 Analysis Methods

The method of analysis includes descriptive statistics and inferential statistics. Moderated Regression Analysis (MRA) analysis procedure includes model testing and hypothesis testing. With SPSS 22 tool [22,23].

4. RESULTS AND DISCUSSION

Based on the criteria applied using the purposive sampling technique, obtained a sample of 99 companies meets the criteria. When the researchers tested the classical assumptions on secondary data obtained from the financial statements of mining companies, the data was indicated to violate the Normality, Multicollinearity, Heteroscedasticity, and Autocorrelation tests. Therefore, the researchers made efforts so that the research data were normally distributed so as not to violate the classical assumption test by using the Square Root Data Transformation (SQRT) method. This aims to meet the requirements of classical assumption testing and to avoid research bias.

Descriptive statistics in this study are presented to provide information about the characteristics of the research variables. For the audit delay and firm size variables, descriptive statistics will be used to explain the minimum, maximum, mean, and standard deviation values. Meanwhile, for the variables of industry specialization, audit opinion and size of public accounting firm (KAP), descriptive statistics are used which explain the frequency of each of these variables. This is because the variable is a dummy variable. The results of descriptive statistics can be seen in Table 1.
The average time required for an auditor to complete an audit report for a mining company is 76,677 days. The shortest audit delay was 31 days experienced by the INCO company in 2018 and the longest audit delay was 144 days experienced by the GTBO company in 2016. The standard deviation for the audit delay variable is 17.46240, meaning that there is a deviation from the audit delay value to the average value of 17.46240 days. The Annual Financial Statements of mining companies listed on the Indonesia Stock Exchange (IDX) during 2016-2018 90.90% were audited by non-industrial specialization auditors. Only 9.10% of companies are audited by industry-specialized auditors. 53.5 mining companies listed on the Indonesia Stock Exchange (IDX) in 2016-2018 received Modified Opinions (in accordance with SA 705) or audit opinions with Emphasis on Explanatory Paragraphs (in accordance with SA 706). Only 46.5% of companies received Unmodified Audit Opinions (as per SA 700). 59.6% of mining companies listed on the Indonesia Stock Exchange (IDX) 2016-2018 were audited by a non-The Big Four Public Accounting Firm (KAP). On average, mining companies have total assets of 29,380. The Company Size variable has a minimum value of 25,570 owned by the PKPK company in 2018 and a maximum value of 32,200 owned by the ADRO company in 2018. The standard deviation for company size is 1.58880, meaning that there is a deviation from the company size value to the average value. it is 1.58880.

This study uses Moderated Regression Analysis (MRA) in multiple linear regression models to determine the ability of company size to moderate the effect of industry specialization, audit opinion, and size of a public accounting firm (KAP) on audit delay in mining companies listed on the Indonesia Stock Exchange (IDX) in 2016-2018. The test results are presented in the summary of the results of multiple linear regression analysis using the interaction test in Table 2.

The results of the F test calculation show that the value of the F test in the study is 6.989 with an F test significance of .000 < .05, which means that the regression model is feasible to use. Based on the results of the coefficient of determination test (R2), it shows that the R Square model value is .313 so it can be said that the industry specialization variable, audit opinion, moderated by company size and KAP size contributes to changes in the audit delay variable by 31.3%.

The results of hypothesis testing 1 obtained a variable significance of .029 < .05 with a regression coefficient (B) of .213. So it can be decided that Hypothesis 1 states that the industrial specialization variable (X1) has a positive effect on audit delay (Y). This is in accordance with the expected value. Therefore, hypothesis 1, namely the positive effect of industrial specialization (X1) on audit delay (Y) is accepted. Hypothesis 1 is accepted indicating that companies audited by industry-specialized auditors have a high level of audit delay. The mining industry has a fairly high business risk, resulting in more complex financial statements. This must be supported by good internal control, because the better the internal control, the smaller the audit risk. The complexity of financial statements can affect the performance of an auditor. Auditors who are predicated as industry specialists will be very careful to maintain their integrity by producing quality audit reports. An industrial specialization auditor will be very thorough and careful in doing his audit work. This makes the audit process take longer. In addition, based on the results of the descriptive analysis in this study, empirical evidence can be obtained that 9.90% of mining companies are audited by non-industrial-specialized auditors (KAP), thus making the audit delay longer. It is suspected that this causes industrial specialization in this study to have a positive influence on audit delay.

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Delay (Y)</td>
<td>31.0</td>
<td>144.0</td>
<td>76.6768</td>
<td>17.46240</td>
</tr>
<tr>
<td>Firm Size (Z)</td>
<td>25.57</td>
<td>32.20</td>
<td>29.3800</td>
<td>1.58880</td>
</tr>
<tr>
<td>Industry Specialization (X1)</td>
<td>Dummy 1</td>
<td>Dummy 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Opinion (X2)</td>
<td>46 (46.5%)</td>
<td>53 (53.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KAP Size (X3)</td>
<td>40 (40.4%)</td>
<td>59 (59.6%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Data (2020)
Table 2. Moderated regression analysis results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Constant</td>
<td>4.542</td>
<td>0.843</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X₁</td>
<td>1.573</td>
<td>1.039</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X₂</td>
<td>-0.283</td>
<td>0.473</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X₃</td>
<td>0.250</td>
<td>0.059</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z</td>
<td>0.073</td>
<td>0.097</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X₁Z</td>
<td>-0.161</td>
<td>0.122</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X₂Z</td>
<td>0.024</td>
<td>0.053</td>
<td></td>
</tr>
</tbody>
</table>

R Square (R²) 0.313
Fcalculation 6.989
Significance of F 0.000

Source: Processed Data (2020)

The results of hypothesis testing 2 obtained a variable significance of .241 > .05 with a regression coefficient (B) of -.066. So it can be decided that Hypothesis 2 states that the audit opinion variable (X2) has no effect on audit delay (Y). This is not in line with the expected value. Therefore, hypothesis 2, namely the effect of audit opinion (X2) on audit delay (Y) is rejected. Hypothesis 2 is rejected indicating that companies that get an unmodified opinion, an unmodified opinion with an emphasis on explanatory paragraphs, and a modified opinion have no effect on the timeliness of audit reporting. The type of auditor's opinion is good news or bad news on the company's managerial performance in a year, not a determining factor in the timeliness of audit reporting. To determine an opinion regarding the fairness of a company's financial statements, an auditor must collect sufficient and appropriate audit evidence so that the audit process of a company's financial statements certainly takes a relatively long time. Regardless of the results of the audit work providing an Unqualified opinion or others. So, giving an unqualified audit opinion has no effect on audit delay. Based on the results of the study, it can be concluded that Audit Opinion has no effect on Audit Delay.

The results of hypothesis testing 3 obtained a variable significance of .000 < .05 with a regression coefficient (B) of 0.263. So it can be decided that Hypothesis 3 states that the KAP size variable (X3) has a positive effect on audit delay (Y). This is in line with the expected value. Therefore, hypothesis 3, namely the effect of audit opinion (X3) on audit delay (Y) is accepted. Hypothesis 3 is accepted indicating that the higher the level of the Public Accounting Firm (KAP), the faster the time required to complete the audit report. The characteristics of the Big Four Public Accounting Firms (KAP) and non-Big Four Public Accounting Firms (KAPs) are different. KAP the Big Four are considered to be able to work more efficiently in planning audits, have competent human resources and have better quality human resources and are more experienced in conducting the audit process. In addition, the Big Four Public Accounting Firm (KAP) provides incentives to differentiate itself from non-the Big Four auditors and has expanded service quality, so that it is believed to be able to provide better audit quality compared to non-The Big Four KAPs. Based on the results of the study, it can be concluded that the size of the Public Accounting Firm (KAP) has a positive effect on Audit Delay.

The results of hypothesis testing 4 obtained a variable significance of .116 > .05 with a regression coefficient (B) of -.21. So it can be decided that Hypothesis 4 states that the firm size variable (Z) has no effect on audit delay (Y). This is not in line with the expected value. Therefore, hypothesis 4, namely the effect of firm size (Z) on audit delay (Y) is rejected. Hypothesis 4 is rejected indicating that the size of a company has no effect on the timeliness of reporting audit reports. each company is supervised by investors, regulators and other parties who use financial statements, so that both large and small companies have the same pressure on the submission of financial statements, namely the deadline for submitting financial statements set by the OJK and also regardless of the amount of assets owned by the company, will be examined in the same way according to the procedures in the audit of financial statements, so that it does not affect the timeliness of completion of the audit report (Audit Delay).
The results of hypothesis testing 5 obtained a variable significance of .192 > .05 with a regression coefficient (B) of -.161. So it can be decided that Hypothesis 5 which states that firm size variable (Z) moderates the effect of industry specialization variable (X1) on audit delay (Y) is rejected. This shows that firm size does not moderate the effect of industry specialization on audit delay. The length of the audit delay is not seen from the size of the company, but from the audit risk because the first audit process is a risk assessment. Both large and small companies, if it is not balanced with good internal control, the audit risk will be higher and will be followed by a high audit delay.

In addition, both large and small companies are free to choose to use the services of an Auditor from any Public Accounting Firm (KAP) to audit their financial statements. There are no terms or conditions for auditors to sort out their clients based on the size of a client company. In addition, an industry-specialized auditor carries out his audit work in accordance with audit procedures. The length of time an auditor specializes in doing his audit work is not seen from the size of the company that is his audit client. Thus, the size of the company does not affect the length of time an auditor specializes in completing his audit report.

The results of hypothesis testing 6 obtained a variable significance of .656 > .05 with a regression coefficient (B) of .24. So it can be decided that Hypothesis 6 which states that firm size variable (Z) moderates the effect of audit opinion variable (X2) on audit delay (Y) is rejected. This shows that firm size does not moderate the effect of audit opinion on audit delay. Both large and small companies are audited according to procedures and in accordance with the Professional Standards of Public Accountants. So, not all big companies are guaranteed to get Unmodified Opinion and vice versa. The Audit Opinion received by each company is Goodnews or Badnews on the company's managerial performance in a year, not a determining factor in the timeliness of audit reporting. So that through the results of the study it can be concluded that Company Size does not moderate the influence of Audit Opinion on Audit Delay.

5. CONCLUSION, LIMITATIONS AND SUGGESTIONS

Based on the results of data analysis and discussion that have been described previously, it can be concluded that Industrial Specialization has a positive effect on audit delay, Audit Opinion has no effect on audit delay, the size of a Public Accounting Firm (KAP) has a positive effect on audit delay, firm size has no effect on audit delay, and firm size do not moderate the effect of industry specialization and audit opinion on audit delay.

The researcher hopes that this research can contribute in the theoretical field, which can add insight into audit delay and the factors that cause it. It is hoped that the level of audit delay on a company's financial statements can be suppressed and the financial statements meet the qualitative requirements of financial statements. So that the information contained in the financial statements becomes relevant to meet the needs of users in the decision-making process. Information has the quality of relevance if it can influence the economic decisions of users by helping them evaluate past, present or future events, and confirming or correcting the results of their past evaluations. Relevant means that it must also be useful for forecasting (predictive) and confirming (confirmatory) transactions related to each other.

The practical contribution of this research is aimed at Auditors and Public Accounting Firms (KAP) in order to optimize their audit performance so that they can be taken into consideration in determining policies that can be used to overcome the things that cause Audit Delays. The results of this study are expected to be considered by potential investors in deciding to invest in a mining company.

Based on the conclusions that have been delivered, the suggestions that can be given are related to the results of this study which shows that firm size does not moderate the effect of industry specialization on audit delay, it is estimated that there are other variables that influence audit risk. Future researchers are expected to be able to examine the effect of audit risk on audit delay.

The limitations of research faced by researchers while conducting research include: (1) Searching for data on the Indonesia Stock Exchange (IDX) website, www.idx.co.id is starting to be limited. Company data from 2016 back is no longer accessible, so researchers have to search for research samples on the official website of each company. (2) The study was conducted referring to the definition of audit delay that already exists.
in the literature from previous research results, where the literature is not sufficient to explain the definition of audit delay and the interpretation of audit delay itself is still biased. (3) There are not many studies that examine Audit Delay, especially those that examine the effect of Industry Specialization on audit delay. This causes limitations or few references for researchers to review the Audit Delay research. (4) Determination of industry specialization auditors only focuses on KAP which has the largest percentage of total assets of the client company and meets the minimum criteria of 30% to be said to be an industry specialization auditor. This resulted in the KAP which may also be an industry specialization auditor with another definition in a different reference to be annulled. (5) Due to the focus of research on mining companies, the results of this study cannot be used to generalize audit delays to other industrial companies in Indonesia during 2016-2018. (6) For the next researchers might be able to examine the research with other additional variables such as solvability, profitability or other firm performance variables that might give an updated result regarding audit delays.

DISCLAIMER

The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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