

# The Effect of Information Technology, Audit Opinion, and Audit Quality on Audit Report Lag of Property and Real Estate Companies Listed on the IDX for Periode 2020-2022

Aulia Rahmadani M<sup>1</sup>  
Faculty of Economic and Business  
Hasanuddin University, Makassar, Indonesia

Nirwana<sup>2</sup>  
Faculty of Economic and Business  
Hasanuddin University, Makassar, Indonesia

Muhammad Alief Fahdal<sup>3</sup>  
Faculty of Information Technology  
Hasanuddin University, Makassar, Indonesia

**Abstract:-** This research focuses on factors that can affect audit report lag. The research method used is quantitative research method. The data used to support this research is secondary data published the company's official website and annual report on the Indonesia Stock Exchange. Methods for analyzing the problems in this study used descriptive statistical analysis techniques, classical assumption tests, multiple linear regression, correlation coefficients, determination coefficients and hypothesis testing. The partial results showed that information technology, audit opinion, audit quality influenced audit report lag. While the results of simultaneous research show that information technology, audit opinion, audit quality have a joint effect on audit report lag.

**Keywords:-** Information Technology; Audit Opinion; Audit Quality; Audit Report Lag.

## I. INTRODUCTION

The expansion that occurs in the use of information technology today causes the work we do to be completed in a short time and in the process is much more effective and efficient. This encourages companies to be able to provide all forms of information that can achieve predetermined targets. (Pratikno, 2022)

One very important source of information in the investment business in the capital market is the financial statements published in a timely manner by every go public company listed on the Indonesia Stock Exchange (Agustin, 2022). Sources of information other than timeliness of reporting, the application of the publication of the audit report can also be important information for certain parties where it is assumed that the time difference in the report with

the independent audit report is the benchmark for the time span of the audit report lag.

According to Saputri (2014), audit report lag is defined as the length of time for completion of the audit carried out by the auditor seen from the difference in the closing date of the financial year (usually 31 December) to the date of the audit opinion in the audited financial statements. Another definition of audit report lag is the number of days calculated from the end of the company's fiscal year until the auditor signs the auditor's report (Rusmin and Evans, 2017). Based on what was explained, it can be concluded that the audit report lag shows it's time it takes for the auditor to complete the audit of the company's financial statements.

The demand for compliance with the timeliness of financial reporting is an obligation for all companies going public or listed on the Indonesia Stock Exchange and has been regulated in regulation No.14 / POJK.04 / 2022 that the limit for submitting financial reports is at the end of the third month after the closing period of 31 December of the previous year.

The establishment of rules regarding the obligation to submit financial reports in a timely manner along with the sanctions, does not deter companies. In fact, every year there are still several companies that are late in reporting financial reports. It was noted that in 2019-2022 there were still many companies that were reported late in reporting financial reports and were subject to sanctions.

The Indonesia Stock Exchange (IDX) noted that, as of 30 June 2020, there were 52 listed companies that had not submitted audited financial reports as of 31 December 2020. The Indonesia Stock Exchange gave a written warning II and a fine of IDR 50,000,000 to each company as a sanction. Some of these companies are PT Bakrieland Development

Tbk (ELTY), and PT Duta Angara Realty Tbk (DART). As for PT Pollux Investasi Internasional Tbk (POLI), PT Pollux Properti Indonesia Tbk (POLL), and PT Eureka Prima Jakarta Tbk (LCGP) (Indonesia Stock Exchange, 2020).

Based on this explanation, audit report lag can be caused by various factors. One of the factors that affect audit report lag is information technology. Information technology can make it easier for companies to carry out their operational activities, besides that with the application of information technology companies can increase productivity, improve decision making, reduce operational costs, and improve the quality of relationships with customers. Companies that use information technology in their operational activities can increase efficiency, so that companies can prepare financial reports quickly and the results of the analysis will be much more accurate so that there is no delay in reporting (Pratikno, 2022).

Another factor that affects audit report lag is audit opinion. According to Arens, et al. (2017), audit opinion is a standard statement of the auditor's conclusion obtained based on the conclusion of the audit process, liquidity is a measure of the company's ability to pay short-term financial obligations in a timely manner. Companies that get an unqualified opinion will tend to report faster than companies that get opinions other than unqualified opinions.

Another factor that can affect audit report lag is audit quality. According to Maulana (2018), audit quality is the auditor's ability to provide assurance that financial reporting is free from serious data errors or fraud, and compliance with applicable professional standards is what is meant by the term audit quality, because reducing the risk of fraud and good auditing quality can increase public trust. Research conducted by previous researchers, such as that conducted by Pratikno (2022) states that audit quality has no effect on audit report lag, while research conducted by Sunarsih (2021) states that audit quality affects audit report lag. The inconsistency of the research evidence mentioned above is also a reason for researchers to form several factors that can affect other audit report lags, namely information technology, audit opinion and audit quality to be re-examined.

Based on the explanation above, it can be concluded that this research is entitled "The Influence of Information Technology, Audit Opinion, and Audit Quality on Audit Report Lag of Property and Real Estate Companies Listed on the Indonesia Stock Exchange.

## II. LITERATURE REVIEW

### ➤ *Signal Theory*

Signal theory is a theory that focuses on references or signals or signs from financial statements. The financial condition of a company can be obtained by interpreting or analyzing existing financial data. The financial data is reflected in the financial statements. The financial statements can provide an overview of the company's financial condition, where the balance sheet reflects the value of assets, debt, own

capital, and foreign capital at a certain time (S.Munawir, 2012).

When information has been received by stakeholders, they will interpret and analyze the information presented as good news or bad news.

### ➤ *Compliance Theory*

Compliance theory is defined by (Chaplin, 2014) as fulfilling, submitting willingly; willingly giving, surrendering, yielding, making a desire for conformity in accordance with the expectations or wishes of others. Compliance theory is an indicator in the level of morality of an individual in terms of obeying generally accepted rules or procedures. Based on this, compliance theory emphasizes the importance of the socialization process in influencing individual compliance behavior (Petronila, 2012).

The demand for compliance with the timing of submission of periodic financial reports by public companies to the Indonesian Financial Services Authority in Indonesia has been regulated in the Financial Services Authority Regulation Number. 14/POJK.04/2022 concern on the Annual Report of Go-Public Companies. The regulation requires compliance with every individual and organizational behavior involved in the Indonesian capital market to submit their annual financial report on time to the Indonesian Financial Services Authority accompanied by an independent auditor's financial report to the Indonesian Financial Services Authority no later than 3 (three) months after the financial year ends.

### ➤ *Audit Report Lag*

Ahmad and Kamarudin (2017) said, timeliness is an important qualitative attribute for a financial report, which requires information to be available to users of financial statements as soon as possible.

- *Dyer and Mc Hugh (1975) see Timeliness based on Three Delay Criteria as follows:*
- ✓ Total lag is the interval of days between the date of the financial statements to the date of receipt of the report published by the stock exchange.
- ✓ Preliminary lag is the interval of days between the date of the financial statements until the receipt of the final preliminary report by the stock exchange.
- ✓ Auditor's report lag is the interval of days between the date of the financial statements to the date the auditor's report is signed.

In this study, what will be analyzed is the audit report lag, because it is related to the information needed by users of financial statements in decision making.

### ➤ *Information Technology*

The definition of information technology is a tool used by companies to facilitate and accelerate carrying out their operational business activities. The use of information technology can be used as a reference by companies to encourage timely financial reporting, this is because when companies use information technology, company operations

become effective and efficient in recording and recapitulating their business activities and preparing their financial reports.

One way to be able to assess the application of information technology in a company is by looking at the presence or absence of an information technology division in the company's organizational structure. This is one of the divisions in a company, employees in the Information Technology Division (ITD) are tasked with organizing and coordinating matters of implementation, maintenance, control, and development of company information systems (Pratikno, 2022).

➤ *Audit Opinion*

According to Arens, et al, (2017), the definition of audit opinion is a statement of the external auditor's conclusion obtained based on the conclusion of the audit process on some companies. After the issuance of the audit report, there is some potential for auditor communication with client employees. The results of communication with clients can show positive and negative results. A positive result is achieved if there is a direct agreement between the client and the auditor while a negative result occurs if there is disagreement with the client.

➤ *Audit Quality*

The Auditor qualities according to the Regulation of the Minister of State for Administrative Reform No. Per/05/M. Pan/03/2008 dated 31 March 2008 is auditors who carry out

their duties and functions effectively, by preparing audit working papers, carrying out planning, coordinating, and assessing the effectiveness of audit follow-up, and consistency of audit reports.

Hogan (1997) shows that large accounting firms can provide good auditor quality, namely by reducing the occurrence of underpricing when the company conducts an Initial Public Stock Offering (IPO). This is because the attestation carried out by good quality auditors will reduce information asymmetry which is greater than that of low-quality auditors (Ruslan & Haliah, 2011).

**III. RESEARCH METHODOLOGY**

The method used in this research is a quantitative method that can be measured mathematically and statistically or numerical, because the data collection uses things related to numerical measurements. This study analyses the factors that can affect audit report lag including information technology, audit opinion and audit quality for 2019-2022. This study uses the property and real estate sector listed on the Indonesia Stock Exchange.

The data in this study are secondary data taken from the company's annual report on the property and real estate sector. The data collection method used by researchers is purposive sampling, which is a sampling technique with certain considerations.

Table 1 Sampling Results

No	Description	Total
1	Real estate & property sector companies listed on the IDX for the period 2019, 2020, 2021 and 2022	309
2	Real estate & property sector companies whose financial statement data and annual reports are not accessible in the period of the year of observation.	(52)
3	Number of companies selected to be the research sample	257
4	Outlier	(16)
5	Total Number of Test Sample	241

Source: Data processed by the Author (2023)

**IV. DISCUSSION**

The results of the research that has been conducted will be described in this section. This discussion contains the results of tests and discussions related to the effect of information technology, audit opinion, and audit quality, on audit report lag in the property and real estate sector in 2019-2022.

➤ *Descriptive Statistical Test*

The descriptive analysis test is used to provide an overview of the variables in this study, namely information technology, audit opinion, audit quality and audit report lag. The following are the results of the descriptive test:

Table 2 Descriptive Statistical Test of Dependent Variable

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Report Lag	241	41	195	100,94	27,194
Valid N (listwise)	241				

Source: Data processed by the author (2023)

Table 3 Descriptive Statistical Test of Independent Variable

Variable Dummy	N	Value	Percentage
Information Technology	0	138	57,3
	1	103	42,7
Audit Opinion	5	167	69,3
	4	71	29,5
	3	3	1,2
	2	0	0
	1	0	0
Audit Quality	0	225	93,4
	1	16	6,6

Source: Data processed by the author (2023)

Table 2 above produces descriptive test results on the audit report lag variable in property and real estate sector companies for the 2019-2022 period has an average of 100.94 with a minimum value of 41 and a maximum value of 195. The standard deviation value on the dependent variable audit report lag is 27.194, meaning that audit report lag is experienced by many property and real estate sector companies.

Table 3 above shows the test results with the frequency distribution method because the independent variables of information technology, audit opinion and audit quality use dummy variables. Information technology is an independent variable that indicates the existence of a Technology Division in a company. Companies that have a Technology Division get a value of 1, then the others get a value of 0. There are 103 companies that have a Technology Division, which is equivalent to 42.7% of the total sample, and those that do not have a Technology Division are 53.7% of the total sample.

Audit opinion is an independent variable that indicates whether the auditor gives an audit opinion to the company in the form of an unqualified opinion or gets another audit opinion. Companies with an unqualified opinion get a value of

5, fair with exceptions get a value of 4, unfair gets a value of 3, does not give an opinion gets a value of 1 and rejection gets a value of 0. In properties and real estate companies on periode 2019-2022 there were 167 companies that received an unqualified opinion, which is equivalent to 69.3% of the total sample.

Audit quality is an independent variable that indicates a company uses industry specialization auditor services or non-industry specialization auditor services. Companies with specialist auditors get a value of 1, and non-specialist auditors get a value of 0. In property and real estate companies in 2019-2022 there were 16 companies that used specialist auditor services or equivalent to 6.6% and 225 companies that used non-specialist auditor services, equivalent to 93.4% of the total sample.

➤ *The Effect of Information Technology on Audit Report Lag*

The steps taken to be able to determine the effect of information technology variables on variable audit report lag in this study are to test the hypothesis using the t test, which is as follows:

Table 5 Information Technology Variable t Test

Coefficients						
Model		Unstandardized Coefficients		Standard Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Informa-tion Techno-logy	-0.094	0.028	-0.174	-3.364	0.001

a. Dependent Variable: Audit Report Lag

Source: Data processed by the Author (2023)

Based on table 5 above, it can be seen that this study results in the independent variable information technology having an influence on the audit report lag of property and real estate companies on the Indonesia Stock Exchange in the 2019-2022 period. This is because the significance value of 0.001 is smaller than 0.05. Signal theory states that the existence of a high amount of information technology can produce good signals to users of the company's financial statements to minimize the risk of audit report lag, and the low amount of information technology in a company can produce bad signals for users of the company's financial statements, to increase the risk of audit report lag. The results

in this study, namely information technology, have an influence on audit report lag in line with signal theory. Based on compliance theory, seen from the results of this study, it can be concluded that high or low information technology can affect a company's compliance in complying with the regulations set by the Indonesian Financial Services Authority to minimize the risk of audit report lag.

➤ *The Effect of Audit Opinion on Audit Report Lag*

What is done to be able to determine the effect of the audit opinion variable on the audit report lag in this study is to conduct a hypothesis test using the t test, which is as follows:

Table 6 Audit Opinion Variable t Test

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Audit Opi-nion	-0.264	0.056	-0.247	-4.752	0.000

a. Dependent Variable: Audit Report Lag  
 Source: Data processed by the author (2023)

The test results on the table 6 above, it can be seen that this study results in the independent variable audit opinion having an influence on the audit report lag of properties and real estate companies on the IDX in the 2019-2022 period. This is because the significance value of 0.000 is smaller than 0.05. Signal theory states that if the company gets an unqualified audit opinion, it can produce good signals to users of the company's financial statements to minimize the risk of audit report lag, and companies that get audit opinions other than unqualified in a company can produce bad signals for users of the company's financial statements, to increase the risk of audit report lag. The results in this study, namely audit

opinion has an influence on audit report lag in line with signal theory. Based on compliance theory, judging from the results of this study, it can be concluded that companies with unqualified audit opinions can affect a company's compliance in complying with the regulations set by the Indonesian Financial Services Authority to minimize the risk of audit report lag.

➤ *The Effect of Audit Quality on Audit Report Lag*

What is done to determine the effect of audit quality variables on audit report lag in this study is to conduct a hypothesis test using the t test, which is as follows:

Table 7 Audit Quality Variable t Test

Coefficients						
Model		Unstandardized Coefficients		Standard Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Quality Audit	-0.264	0.027	-0.515	-9.973	0.000

a. Dependent Variable: Audit Report Lag  
 Source: Data processed by the Author (2023)

The results in table 7 above after the t test, it can be seen that this study results in the independent variable audit quality having an influence on the audit report lag of property and real estate companies on the Indonesia Stock Exchange in the 2019-2022 period. This is because the significance value of 0.000 is smaller than 0.05. Signal theory states that if a company with a specialist auditor, the audit quality will be better so that it can produce good signals to users of the company's financial statements and can minimize the risk of audit report lag, and companies with non-specialist auditors, the audit quality of a company can produce bad signals for users of the company's financial statements, and can increase the risk of audit report lag. The results in this study, namely audit opinion, have an influence on audit report lag in line

with signal theory. Based on compliance theory, seen from the results of this study, it can be concluded that companies with good audit quality can affect a company's compliance in complying with the regulations set by the Indonesian Financial Services Authority to minimize the risk of audit report lag.

➤ *The Effect of Information Technology, Audit Opinion, Audit Quality on Audit Report Lag*

The following are the results of hypothesis testing with the f test in this study to determine the effect of information technology, audit opinion, audit quality on audit report lag simultaneously:

Table 8 Test F

ANOVA						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.592	3	2.197	49.461	0.000b
	Residual	10.529	237	0.044		
	Total	17.122	240			

a. Dependent Variable: Audit Report Lag  
 b. Predictors: (Constant), Audit Quality, Audit Opinion, Information Technology

Source: Data processed by the author (2023)

The results of the research that has been conducted using the simultaneous test in table 8 above, it can be seen that all independent variables, namely information technology, audit opinion and audit quality simultaneously have an influence on the audit report lag of property and real estate sector companies on the Indonesia Stock Exchange in the 2019-2022

period. This is because the significance value generated for the information technology variable, audit opinion and audit quality on audit report lag produces a value of 0.000, where the value is smaller than 0.05. This shows that audit report lag in property and real estate sector companies will occur if information technology, audit opinion and audit quality

change together. The conclusion that can be drawn from the results of this test is that information technology, audit opinion and audit quality simultaneously have a significant effect on audit report lag in companies engaged in the property and real estate sector on the Indonesia Stock Exchange in the 2019-2022 period.

## V. CONCLUSION

This study aims to determine the effect of information technology variables, audit opinion, audit quality on audit report lag of companies engaged in the properties and real estate sector listed on the IDX in periode 2019-2022. Based on the results of the research and discussion above, the following are the conclusions:

- Information Technology influences audit report lag in properties and real estate companies on the IDX in the 2019-2022 period.
- Audit Opinion influences the audit report lag of properties and real estate companies on the IDX the 2019-2022 period.
- Audit quality affects the audit report lag of property and real estate companies on the Indonesia Stock Exchange in the 2019-2022 period.
- Technology, audit opinion, audit quality together influence the audit report lag of properties and real estate companies on the IDX in the 2019-2022 period.

## REFERENCES

- [1]. Arens, Alvin A., Randal J. Elder, Mark S. Beasley, and Amir A. Jusuf. 2017. *Audit and Assurance Services: An Integrated Approach (Indonesian Adaptation)*. Book 1. Jakarta : Salemba Empat.
- [2]. Ahmad, R.A.R. dan K.A.B. Kamarudin. 2017. *Audit Committee Financial Expertise and Audit Report Lag: Malaysia Further Insight*. Malaysia: MARA University of Technology.
- [3]. Indonesia Stock Exchange, Annual Financial Report 2019, 2020, 2021 and 2022. (accessed at <http://www.idx.co.id>).
- [4]. Chaplin, J. P. (2014). *Complete Dictionary of Psychology*. Translator. In Jakarta: PT Raja Grafindo Persada.
- [5]. Diana Agustin, N. Heriyah, Azwani Aulia. (2022). Leverage, Liquidity, and Managerial Ownership of Financial Reporting Timeliness. Volume 22 No. 01 April 2023.
- [6]. Dyer, J. C. IV & A. J. McHugh. 1975. "The Timeliness of The Australian Annual Report". *Journal of Accounting Research*. 2(3). pp. 204-219.
- [7]. Hogan, Chris E. 1997. Cost and Benefits of Audit Quality in IPO Market : A Self Selection Analysis, *The Accounting Review*, pp 67 – 86
- [8]. Muhammad Teguh Pratikno. Sekar Mayangsari. (2022). The Effect of Information Technology, Performance, and Audit Quality on Audit Report Lag. Vol. 2 No. 2 October 2022 : pp : 461-474.
- [9]. Munawir S., *Financial Information Analysis*. (2012). Jakarta, Erlangga, 2012
- [10]. Petronila, Thio Anastasia. 2012. *Company Scale Analysis, Audit Opinion, and Age of Top Companies. Accountability*. March 2012
- [11]. Regulation of the State Minister of State Apparatus Empowerment No. Per/05/M.Pan/03/2008 dated March 31, 2008
- [12]. Financial Services Authority Regulation Number (PJOK) No. 14/POJK.04/2022 concerning Annual Report of *Go-Public* Companies (accessed in [www.ojk.go.id](http://www.ojk.go.id))
- [13]. Ruslan Ashari, Hamid Habbe, Haliah. (2011). *The Influence of Expertise, Independence, and Ethics on the Quality of Auditors at the North Maluku Provincial Inspectorate*. S1 Thesis in Accounting, Hasanuddin University, 2011.
- [14]. Rusmin & Evans, John. 2017. "Audit Quality and Audit Report Lag: Case of Indonesian Listed Companies". *Asian Review of Accounting*. Vol. 25. No. 2. pp.191-210.
- [15]. Saputri, O. D. (2014). *Analysis of factors affecting audit delay*. Journal of the Faculty of Economics and Business, Diponegoro University.