ICONENT

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THE EFFECT OF *FIRM PERFORMANCE* , *FINANCIAL DISTRESS,* AND OPERATIONAL COMPLEXITY ON *AUDIT REPORT LAG* WITH CORPORATE GOVERNANCE MECHANISM AND AUDIT QUALITY AS MODERATION

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ABSTRACT

The purpose of this study is to examine the effect of firm performance, financial distress and complexity on audit report lag with corporate governance mechanisms and audit quality as moderating variables. Firm performance proxy Tobin's and ROA, financial distress proxy Altman's, managerial ownership, board size, and audit quality. The research uses secondary data from 128 companies in Indonesia, Australia and New Zealand, which are included in the office of manufacture and mining in the S&P Capital IQ for the period 2018-2022. The sample collection technique uses a purposive sampling method. This research found that company performance and financial distress had no effect, while complexity had an effect on audit report lag. Managerial ownership has an effect on Tobin, financial distress, and complexity on audit report lag, but managerial ownership has no effect on ROA. The size of the board of directors has an effect on Tobin but has no effect on ROA, financial distress, and complexity on audit report lag. Audit quality has no effect on company performance and complexity but does affect financial distress and audit report lag.

Keywords : **Audit report lag, Firm performance, Financial distress, Complexcity, Corporate Governance Mechanisms**

INTRODUCTION

At each the year increase along increase amount issuers listed on the stock exchange indonesia, australia stock exchange, and new zealand stock exchange. This figure jump up from 2018 to 2022, where the most companies late convey report his finances is Indonesia of 92 then ranked second is the country of new zealand by 83, then followed by Australia of 67.

Report lag become attention special for company because can reduce investor confidence in company. In Indonesia, the regulations are submitted through BEI Board of Directors Decree No. Kep-00066/BEI/09-2022, annual report company must reported no later than the end of month third after date closed book annual report company. If the company late report it so given sanctions like warning written and maximum material fine of Rp. 500,000,000,- (Indonesia Stock Exchange, 2022) . Australia, the deadline company convey report its financials are listed on *Australian Stock Exchange* (ASE) through regulations set out by *the Australian Securities and Investments Commission* (ASIC) *section* 319 and *Periodic Disclosure* 4.3 – 4.7A, require company. For convey report finance and publish report finance annually at the latest at the end month third . If it's too late company charged sanctions in the form of fine in accordance with long time report or maximum of AUD $40,000,- (ASIC, 2023) . New Zealand , the deadline company convey report his finances to the stock exchange New Zealand Stock Exchange through Financial Markets Conduct Act 2013, company must For convey report annual report during time three month after date end year finance company (NZX, 2016) .

Condition this give perspective new that audit report lag no only become issue management company but also already become issue for investors. After collapse Enron, WorldCom and global audit firm Arthur Andersen, United States (US) passed the Sarbanes-Oxley Act (SOX) 2002 in effort increase quality reporting finance. Investors in Australian corporations also face failure commercial scale big similar that is the collapse of HIH Insurance is considered as collapse company the biggest in Australian (Singh & Sultana, 2011). The Australian government also responded decline quality reporting finance with implementing economic reform programs law companies, particularly the CLERP 9 (Corporate Audit and Disclosure Reform) Bill of 2004. The issue This cause reputation company will affected, so that its shares tend down price .

Based on growth data global economy 2020 – 2022 that In the Asian region, The Asian Development Bank in In 2021, the estimated total GDP of all ASEAN countries will be around 3.9 trillion US dollars or around 3.6% of global GDP. Indonesia is one of the countries in Southeast Asia that is predicted to as a developing country show performance a solid economy with grow amounting to 1.390 billion US dollars or around 5.20 percent (BPS, 2021).

Phenomenon about report lag in the company in the sector manufacturing and mining in convey report finances are still constrained in serve report finance annual that can cause audits report lag. Tolulola Lawal & Yoshikatsu Shinozawa (2022) to argue that accuracy time submission document disclosure influence price shares. Lack of accuracy time publication is phenomenon Serious Good it's in indonesia and also Australia and New Zealand, and failure for take the right action for reduce interval no handled in a way adequate by the party authorities.

Firm performance in study this measured with Tobin's Q and ROA. Company performance show ability For in a way effective, efficient and competitive exploit source power that can accessed For reach targeted goal (Abdullah & Tursoy, 2021). Research previously show that performance company find that market value can increase risk audit report lag in New (Bhuiyan & D'Costa, 2020).

Financial distress is condition the deterioration of the company's financial situation and if left alone will cause bankruptcy at the company. According to Nur Khamisah (Khamisah et al., 2023) shows data predictions in 2021 bankruptcy occurs in the sector mining by 62.5%. Research Desyana (D. Putri & Silaen, 2022) show that financial distress own influence positive to audit report . Difference results found by Wildan (Wildan Bani Adam et al., 2022) that is financial distress no can influence audit report lag because condition finance make the auditor permanent work in a way professional and competent in accordance with timetable time settlement audit report in appropriate time. This result is also supported by Cyntantya (Parahyta & Herawaty, 2020) with use Altman Z-Score variable, financial distress can influential negative to delay audit report .

Complex operation business company refers to the level complexity and diversity factors involved in operate a company, so that Can influence audit report lag in settlement report finance (Wildan Bani Adam et al., 2022)Research results Arinigtyastuti et al., (Ariningtyastuti & Rohman, 2021) complexity operation have a positive influence and provide impact on increasing audit report lag. Cause the more complex operation business , the longer the auditor has to finish reporting finance. Some study previously show internal and external factors external, such as role of governance company, the role of the board of directors and managerial ownership play a role as part important from governance framework company For determine performance company, financial distress and complexity operation to audit report lag (Lee & Wong, 2016) .

Study previously tend focus on analysis impact complexity operational and financial distress towards audit reports include : Asfeni et al. (2023) and Desyana (D. Putri & Silaen, 2022) find financial have a influence to audit report lag due to existence complexity operation a company. Whereas results study Anggi et al. (Risanty et al., 2023) find proof empirical financial moderated audit quality has an effect negative to audit report lag and Wildan's research (2022) find No There is performance company between financial distress and complexity operation to audit report lag.

Study empirical This in a way special to study influence firm performance, financial distress and complexity operation to audit report lag not yet rampant conducted. The purpose of study for analyze influence from firm performance, financial distress, and complexity operation to audit report lag in companies listed on the stock exchange Indonesia, Australia and New Zealand . In addition study this done for analyze effect moderation governance mechanisms and audit quality. The use of variable moderation in the form of managerial ownership and board size which are unity from governance mechanism become differentiator with study before. Difference second namely analyze performance company to audit report lag . Difference third on use company listed on the stock exchange Indonesia with comparator company listed on the stock exchange Australia and new zealand as object research. Differences fourth namely there is a number of variable control for see results analysis with use size company, solvency, liquidity, leverage and GDP.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency theory Brahmadev Panda et al., (Panda & Leepsa, 2017) explain about agency happens in all type organization except owner - managed companies, they must employ agent or manager For manage company However, agents and owners own different goals and incentives, which can cause conflict interest called asymmetry information .

Delay in related audit reports problem accuracy time company publish report his finances Because can reduce its usefulness If reported in a way too late , which will bother interest agent and director. The role of external auditors can overcome delay audit report. Therefore that, report finance audited can provided by external auditors in a way appropriate time For reduce asymmetry information (Srbinoska & Srbinoski, 2021) .

According to Jeffrey J. Reuer et al., (Reuer et al., 2012) connection between organization no only can facilitate do exchange more economy fast and do performance , but also can increase benefit term length. Signal is form other information that shows How a party use information provided to other party to give description about company. According to theory signal Tolulola Lawal and Shinozawa (Lawal & Shinozawa, 2022) find that in japan own performance report finance Good more fast delivered in a way appropriate time than do delay, so that reflect success performance company. Level of trust party external to the signal given company own great influence to strength signal said. Therefore that, theory signal this explain why company possible decide for use service accountant public for to obtain audit quality that can trusted by investors and creditors. Because there are information important, then manager try give signal information to investors and stakeholders interest others. Manager ensure that the signal conveyed is information that can reliable and unreliable easy imitated. There are two schemes for convey signal. Both in terms of direct and also No directly. Disclosure in report annual is one of method company send the signal to stakeholders interest. Framework thinking on research This is explained in Figure 1

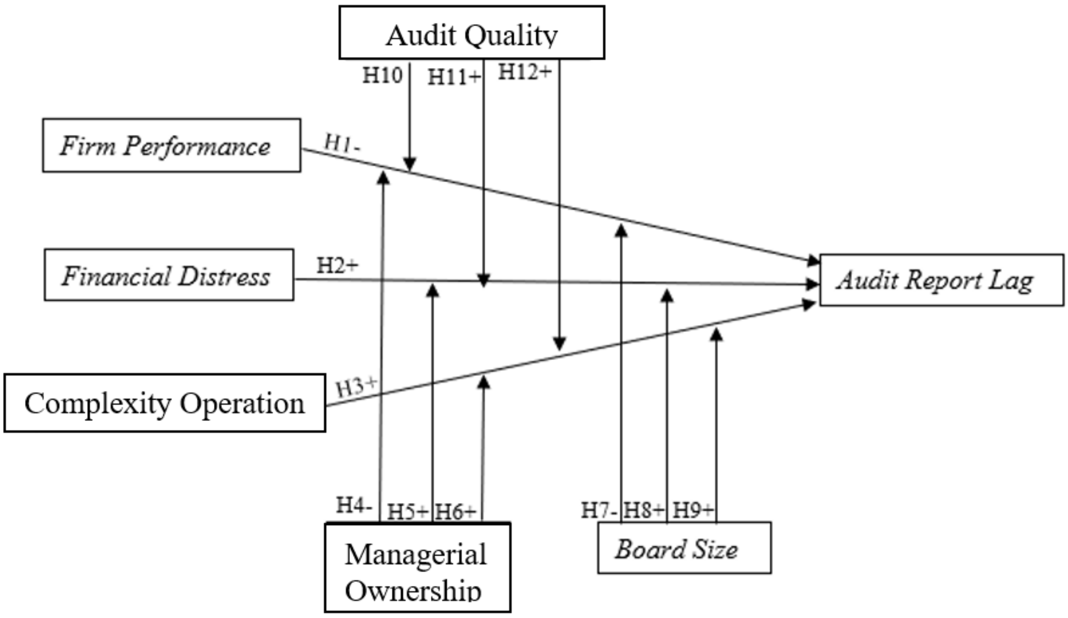

Figure 1 :
Framework thinking Influence Firm Performance, Financial Distress, and Complexity Operation to Audit Report Lag with Governance Mechanism and Audit Quality as Moderation

Firm Performance and Audit Report Lag

Firm performance with the proxy Tobin's Q can be interpreted as a description overall assets owned by the company (Akeem et al., 2020) . Tobin's Q is the relationship between the market value and the replacement value of the asset . The market can evaluate company in a way reasonable If there is The ideal number of Tobin's Q values is 1.0 .

Lawal Babatunde Akeem's (2020) research found evidence regarding the negative influence of Tobin's Q on audit report lag through sample manufacturing and mining companies. Looking at how Tobin's Q only can cause problems small on accuracy delivery report finance. There is still little research examining the impact of Tobin's Q on audit report lag for manufacturing and mining companies. So that Still need under review for can strong evidence and is the assumption that can be be novelty in the research.

Return on Asset that is ability company produce net income from a asset (Khaerunnisa & Amrulloh, 2022) . According to Desyana Putri et al., (2022) ROA can show how much big contribution asset for produce profit clean of total assets . ROA can measured through share total profit clean with total assets. Lailah Fujianti (Fujianti & Satria, 2020) say that inspection accounting carried out by the auditor will done secra slow in accordance with request companies that experience loss . However On the contrary, the auditor is asked more quickly by the company that gets big profit in inspection accountancy companies so that they can quick announce " news " both to investors and public.

Study previously by Christine Yos Febriani (2023) and Shabilla Ariningtyastuti (Ariningtyastuti & Rohman, 2021) show that ROA has level significant and has an impact on audit report lag For company manufacturing and mining . Whereas Hendrick Yohannes research (2022) own findings that ROA is not impact significant on audit report lag company mining . While that , research from Indar Khaerunnisa et al., (2022) , Ika Sulistiani et al., (2022)

and Lailah Fujianti & Indar Satria (Fujianti & Satria, 2020) find proof related influence negative performance company to report lag with ROA used as proxy . Based on from description said, then hypothesis in research This is compiled by the author as following :
H_1 .a : Tobin's Q has a negative effect on audit report lag
H_1 . b : ROA has influence negative to audit report lag

Financial Distress and Audit Report Lag

Financial distress is a financial problem experienced by a company (D. Putri & Silaen, 2022) . Meanwhile, according to Melinda (Melinda & Wijaya, 2021) financial distress is a stage where a company's financial condition declines before the company goes bankrupt. This condition occurs because the company cannot manage the business properly, resulting in losses that impact business operations and reduce cash flow rather than operational profits.

According to I Kadek Pebri Artana (2021) , financial distress using the Altman Z-Score proxy is used to determine the company's financial condition and can be used as a calculation of the company's financial forecast. The Altman Z-score was developed by Edward Altman in 1968 and is used to predict the possibility of a company going bankrupt in the next two years (2021) . The Altman Z-Score can measure how bad the company's financial condition is, because the company's Altman is stated to be at high risk of bankruptcy if the Z-score result is <1.1, then with this calculation the company will quickly make decisions to improve the condition.

Based on the findings of previous researchers including Arif Arya Bimo (2022) and I Kadek Pebri Artana (2021), it shows that significant financial distress can have an impact on audit report lag for manufacturing and mining companies . So from this explanation, the author formulates the second hypothesis as follows :
H_2 : Financial Distress own influence positive to Audit report lag

Complexity Operation and Audit Report Lag

Complexity operation is the number of segment or child branches owned by companies with the same scope work business different operations and tasks in different department units (Wildan Bani Adam et al., 2022) . The total complexity of subsidiary operations indicates that the company examines more aspects of the business in each transaction with available records, making it necessary for auditors to longer time to complete the audit.

According to Vika Yuliana Putri's research (2022) show How complexity operation company influence duration audit report, because company with more from One will extend audit report. The auditor must expand coverage audit procedures for company with level different complexities in each segment company. As explained in theory agency , delay audit report can due to complexity the height required for audit conduct the initial audit process.

Based on findings of researchers previous including Nur Khamisah (Khamisah et al., 2023)and Wildan Bani Adam (Wildan Bani Adam et al., 2022) show that complexity operation cause report report long audit finance for company manufacturing and mining, then writer compile hypothesis this that is as following :
H_3: Complexity Operation own influence positive to audit report lag

Governance Mechanisms and Firm Performance

Managerial ownership as variable moderation with indicator research by Wahyu Septian R (R & Nelvirita, 2023) is management that becomes holder share can participate at each taking decision company in a way active , such as commissioner and director. Raja Andiani et al., (Sebriwahyuni & Kurniawan, 2020) succeed prove existence role ownership managerial impact weaken influence negative caused by Tobin's Q on audit report lag.

According to Ben Kwame et al., (Agyei-Mensah, 2018) in line with theory agency in test the influence of ROA has an impact to report lag reporting finance in Ghanaian companies requires reporting on date certain No means that law always obeyed , then need done investigation How law the obeyed. Research conducted by Albert Puni (Puni & Anlesinya, 2020) there is connection negative between ownership managerial and ROA for company increase with audit report lag.

Study from Hyun Min Oh (Oh & Jeon, 2022) show results board size No can influence on ROA against audit report lag, because of larger board size big maybe also can reflect lack of efficiency and effectiveness in structure organization . If internal processes are not elaborated with ok , this is it can slow down the audit process and increase audit report lag

H_4.a : Managerial Ownership strengthens influence Tobin's Q negative against audit report lag
H $_4$.b : Managerial Ownership strengthens the negative influence of ROA on audit report lag
H_7.a : Board Size strengthen influence Tobin's Q negative against audit report lag
H_7.b : Board Size strengthen influence negative ROA against audit report lag

Governance Mechanisms and Financial Distress

Research Sessy Wira Wandi et al., (Wandi, 2022)and Shujah -Ur-Rahman et al., (Rahman et al., 2023) factor condition bad finances can impact on integrity report finance, due to the pending audit process can influence quality and reliability information finances presented to public.

Managerial ownership with complexity no own significant and influential negative on audit report lag, then can it is said ownership managerial No Can influence accuracy time delivery report finance. Because the management involved in a way direct in the process of making reliability report accurate finance (Ahmet et al., 2022).

Study from Quang Linh Huynh et al., (Huynh et al., 2022) show results board size strengthen connection positive financial distress to audit report lag because the council with size big can influence efficiency board duties and quality report finance, as well as Because financial distress own influence positive on audit report lag

H $_5$: Managerial Ownership Strengthens Influence positive financial distress on audit report lag
H $_6$: Managerial Ownership strengthens influence positive complexity operation to audit report lag
H $_8$: Board Size strengthen influence positive financial distress to audit report lag

Governance Mechanism and Complexity Operation

Lailah Fujian (Fujianti & Satria, 2020) when company own complex operations can influence audit report lag because the audit process becomes more complicated and requires long enough time to solve it . Complexity operation company identified become sufficient factors significant in influence duration time required for complete the audit.

Study from Yanu Chaerul Ifan et al., (Ifan & Durya, 2022) show results board size strengthen connection positive complexity operation to audit report lag Because a company that is increasingly complicated or have > 2 child company so make increasingly long audit process as consequence from its vastness scope of the audit so that the more Lots information that must be expressed .

H_6 : Managerial Ownership strengthens influence positive complexity operation to audit report lag
H_9 : Board Size strengthen influence positive complexity operation to audit report lag

Audit Quality and Firm Performance

Study previously Made Sunarsih (Sunarsih et al., 2021) state that audit quality is not influence in a way significant Tobin's Q relationship to audit report lag . Because of the audit process company with Tobin's Q value is small No different with company with Tobin's Q value is large. Quality reporting finance can reduce time delays that may occur harm company.

Findings research by Monica Kosasih et al., (Kosasih & Arfianti, 2020) show income profit company profits tend appropriate time in convey report its finances , which reduces audit report duration . However, if business experience loss, management as agent will ask the auditor to postpone settlement report finance to avoid from discomfort company consequence news news bad. As a result, the audit report was delayed. become longer. Management will get profit from high ROA in form incentives, reputation, and convenience For operate business in the future.

H_{10}.a : Audit Quality strengthens influence Tobin's Q negative against audit report lag
H_{10}.b : Audit Quality strengthens influence positive ROA against audit report lag

Audit Quality and Financial Distress

Findings from research by Melinda et al., (Melinda & Wijaya, 2021) show that financial distress No affect on audit report lag . However audit quality as moderation can influence financial distress on audit report lag. Situation financial distress often increases question about continuity life company. The auditor may need time longer for evaluate in a way careful whether company can survive, and things This can influence audit report lag.

H_{11} : Audit Quality strengthens influence positive financial distress to audit report lag

Audit Quality and Complexity Operation

Findings from study Shabila Ariningtyastuti et al., (Ariningtyastuti & Rohman, 2021) show amount time required For finish audit report is influenced by the level of complexity operations . In other words, complexity operation impact positive at rate audit report. However with support audit quality as moderation can influence connection negative on complexity operation to audit report lag. H elp negative between complexity operations and audit report lag becomes not enough significant or even changed become positive when audit quality is improved can interpreted as sign that when better audit quality well, the auditor is able handle more Good level complexity high operational and can complete the audit with more fast. The auditor may need time longer for evaluate in a way careful whether company can survive, and things This can influence audit report lag.

H_{12} : Audit Quality strengthens influence negative complexity operation to audit report lag

Research methods

Data in study This is period 2018 to 2022 for evaluate influence Firm performance, Financial Distress, and Complexity Operation to Audit Report Lag with Governance Mechanism and Audit Quality as Moderation.

TABLE 1
RESEARCH SAMPLE SELECTION

Information	Amount
Companies listed on the IDX, ASX and NZSE Stock Exchanges	**3,864**

Companies that do not publish managerial ownership	(640)
Incomplete Data For count Variables Operational	(1,470)
Companies that have report finance No complete	(980)
Outlier Data	(134)
Total Companies that become study	128
Period Study	5
Final Observation Total	**640**

Source : Researcher Data Processing , 2023

Study This to observe companies listed on stock exchanges in the countries of Indonesia, Australia and New Zealand, which have publish report finance audited during 2018 – 2022 period on each stock exchange website in the three countries or company website. Selection company based on category sector industry used in *S&P Capital IQ* . Research This focus on coverage sector industry *manufacturing* and *mining.*

Measurement performance variable dependent , independent and moderation consisting of from *Firm performance, Financial Distress* , and Complexity Operation , *Audit Report Lag* with Governance Mechanism and Audit Quality as Moderation that is :

TABLE 2

PERFORMANCE MEASUREMENT VARIABLES

Variables	Proxy	Formula	
Audit Report Lag	ARL	ARL =	Stock exchange deadline day - Amount day report company auditor finance
Firm Performance	*Tobin's Q*	Tobin =	Market Capitalization + Total Debt / Total Assets
Firm Performance	Return On Asset	*ROA* =	Total Liabilities / 'Total Asset
Financial Distress	Altman Z-Score	*Z-Score* =	1.2A + 1.4B + 3.3C + 0.6D + 1.0E alphabet criteria are : 1. *Working Capital / Total Assets* (A) 2. *Retained Earnings / Total Assets* (B) 3. *Earnings Before Interest and Taxes (EBIT) / Total Assets* (C) 4. *Market Value of Equity / Total Liabillities* (D) 5. *Sales / Total Assets* (E)
Complexity Operation	*Complexity*	*Comp* =	Variables *dummy* , 1 = Many companies child branch , 0 = Company does not own child branch
Managerial Ownership	*Managerial Ownership*	MO =	Total shares of managers and Board of Directors / Total shares outstanding
Board Size	*Board Size*	*Bsize* =	Number of board members
Audit Quality	*Audit quality*	KA =	Variables *dummy , 1 = big four* KAP , 0 = *non-big four KAP*
Size	*Size*	Size	Ln Total Asset

Solvency	Solvency	*Sol* =	Total Debt Total Asset
Liquidity	Liquidity	*Liq* =	Current Debt Current Asset
Leverage	*Leverage*	*Lev* =	Total Debt Total Equity
GDP	GDP	*GDP* =	Total Gdp in Year

RESULTS AND DISCUSSION

Statistics Descriptive

Table data results Above , there is a sample operation as many as 640 companies , consisting of from 128 companies with period 5 years research that is 2018 to 2022

TABLE 3
STATISTICS DESCRIPTIVE

Variables	Obs	Mean	Std. Dev	Min	Max
arl	640	74.52813	24.82759	0	180
tobinq	640	1.528835	2.113471	0.1166602	33.07464
road	640	0.0269766	0.1433046	-1.095498	0.3627171
zscore	640	5.85082	4.715405	-5.840629	19.99021
comp	640	0.7890625	0.4082932	0	1
mo	640	15.66228	20.94404	0.00045	88.1591
bsize	640	7.289063	2.149179	3	10
you	640	0.5546875	0.497389	0	1
size	640	15.1865	1.925943	10.56352	21.19421
sole	640	0.2476773	0.1885297	0.0003102	1.779897
liq	640	0.3300121	1.272133	0.0000265	29.00953
Lev	640	0.5531821	1.563526	-20.90491	12.10604
gdp	640	2.915095	2.363647	-2.065512	5.308595

Source : Stata Data Processing 17, 2023

Test Results

T-test is performed at the level significant , namely at 1%, 5%, and 10% significance . The research This perform a *one-tailed* test so that For testing hypothesis , p- *value* divided by two

TABLE 4
HYPOTHESIS T TEST RESULTS

ARL_bc	Coefficient	Std. err .	t	P>t
TOBINQ	-0.1058678	0.0511242	-2.07	0.122
ROA	0.4749412	0.6154506	0.77	0.441
ZSCORE	-0.0098267	0.0147376	-0.67	0.505
COMP	-0.1291236	0.1661242	-0.78	0.001***
MO	-0.0050467	0.0021593	-2.34	0.020***
BSIZE	0.0491512	0.0196184	2.51	0.012***
KA	-0.3217653	0.0844608	-3.81	0.000***

TOBINQxMO	0.0008932	0.0005997	1.49	0.137*
ROAxMO	0.0030896	0.0085145	0.36	0.717
ZSCORExMO	0.0003876	0.0001961	1.98	0.049**
COMPxMO	0.0034483	0.0021073	1.64	0.102*
TOBINQxBSIZE	0.0095925	0.0048085	1.99	0.046**
ROAxBSIZE	-0.0318119	0.0640444	-0.5	0.62
ZSCORExBSIZE	-0.0014119	0.0018808	-0.75	0.453
COMPxBSIZE	-0.0067706	0.0189854	-0.36	0.721
TOBINQxKA	0.0050779	0.026769	0.19	0.85
ROAxKA	-0.390133	0.3135871	-1.24	0.214
ZSCORExKA	0.0151812	0.0078693	1.93	0.054**
COMPxKA	0.0173815	0.081152	0.21	0.83
** *,* *,*, significant at the 0.01 (1%), 0.05 (5%), and 0.10 (10%) levels respectively. sequentially				

DISCUSSION

Firm Performance own influence negative to audit report lag

Findings This in line with signaling theory that is disclosure information from the company's market value reflected through Tobin's Q score can give information with complete and accurate about condition ratio finance company as well as practice his business.

Findings This in line with study Arash Arianpoor et al., (Arianpoor, 2019)and Lawal Babatunde et al., (Akeem et al., 2020), previously find performance company Tobin's Q proxy can reduce audit report lag. From the findings study Here, the use of Tobin's Q can give signal about performance company to investors and is considered credible.

Findings testing hypothesis performance company ROA proxy has influence negative to audit report lag . Indar Khaerunnisa and Amrulloh (Khaerunnisa & Amrulloh, 2022), previously find that performance company with use ROA proxy can reduce audit report lag. The results of findings This find business with high ROA tend conduct further audit processes fast compared to business with low ROA business . Business with higher ROA tall No own reason For postpone publishing report finance, even tend speed up publishing report finance.

Financial Distress own influence negative to audit report lag

Findings testing prove that financial distress with Altman Z-Score proxy no existence significant influence to audit report lag . This is can caused by conditions finance company Still Can endure during company cash flow Enough For fulfil need operational or business , time rise report finance audited and the auditor's work is not affected.

In accordance with theory agency moment company experience condition financial distress so party management can give information to investors or holders shares . The results of study This in line with research by Arif Arya Bimo et al., (Arya Bimo & Rahma Sari, 2022)and Risanty et al., (Risanty et al., 2023) shows that the existence of financial difficulties has no bearing on the length of time required before the audit report is completed . With however , even though financial distress can add time audit report lag , management company need notice related reporting finance in delivery in a way appropriate time.

Complexity Operation own influence positive to audit report lag

Test results complexity operation with proxy complexity own existence influence significant to audit report lag , study find hypothesis which states complexity own influence positive to audit report lag can accepted.

Research result This in line with research by Nur Khamisah et al., (Khamisah et al., 2023)and Putri Abidin et al., (V. Y. Putri & Abidin, 2022), previously find that complexity operation can add time For delivery report finance . The cause the more Lots child companies involved in the audit then the time it takes the auditor is getting longer to finish it.

Managerial ownership strengthens influence Firm Performance to audit report lag

Findings in line with previous research by Albert Puni et al., (Puni & Anlesinya, 2020) managerial ownership has an impact positive to *report lag* . High managerial ownership will push effective board vigilance and participation in taking decision , so that produce improvement performance finance . However results different with study Septian's Revelation (R & Nelvirita, 2023) shows that management ownership does not affect the length of publication of audited financial statements.

Findings testing the hypothesis of managerial ownership absence significant impact on the relationship between ROA and *audit report lag* can be accepted . Previous research by Desyana Putri (D. Putri & Silaen, 2022)and Indah Fujian et al., (Fujianti & Satria, 2020) in a way partial interaction variable managerial ownership with ROA influence negative and no existence significant to *audit report lag* , then every the occurrence ROA increase will push decrease in *audit report lag.* Ownership shares by party management No can cause extension time publication report finance Because can be one of method For interesting investors so that invest in companies.

Managerial ownership strengthens influence *Financial Distress* to *audit report lag*

Findings testing the managerial ownership hypothesis does not provide significant impact on the relationship between Z-Score and *audit report lag.* According to Altman, the company stated at risk tall to bankruptcy if Z-score result < 1.1. Findings show *financial distress* No has an effect on *audit report lag* . The amount ownership management company No influence how long will it take For finish report finances that have been audited ; therefore that , ownership management create a sense of responsibility answer become more big Because every decisions made under consideration with be careful not to cause problem .

Managerial ownership strengthens influence Complexity Operation to *audit report lag*

Findings hypothesis testing reveals absence of managerial ownership significant impact on the relationship between *complexity* on *audit report lag*. Previous research Yoosita Aulia (Aulia & Setiawati, 2020) in a way partial interaction variable managerial ownership with *complexity* influential negative on *audit report lag*, then it is said ownership managerial no influence accuracy company in delivery report *annual report*. With ownership management expected can work more hard use repair performance to be obtained achievement objective profit .

Board Size* strengthen influence *Firm Performance* to *audit report lag

Findings study disclose *board size* can give significant impact on Tobin's Q on audit *report lag* . The findings different findings previously by Bayelign Abebe et al., (Abebe Zelalem et al., 2022) show that variable moderation *board size* influence negative on *audit* *report lag*. The board of directors is more small tend more active, more collaborative, and create decision more fast than a larger board of directors big.

Research result *board size* strengthens the negative influence of ROA on *audit report lag*. The results of this study can be interpreted that the level of size directors as proxy from the increasingly larger *board size* can result in problem coordination in the company . Research by Hyun min oh et al., (Oh & Jeon, 2022) This in accordance with findings study *board size* can reduce influence negative caused by ROA on *audit report lag* . But different with research by Indar Khaerunnisa et al., (Khaerunnisa & Amrulloh, 2022) that *board size* No own influence ROA on *audit report lag.*

Board Size strengthen influence negative _Financial Distress_ to _audit report lag_

Findings show *board size* strengthen influence negative *financial distress* on *audit report lag.* Some company to form committee finance or audit committee for handle issues finance in a way specific. Presence committee This can overcome a number of possible obstacles arise consequence large board size . Circumstances *financial distress* often create uncertainty and confusion among board members. Research by Quang Linh hyunh et al., (Huynh et al., 2022) This different with results findings study that *board size* can own influence positive caused by *financial distress* in *audit report lag.*

Board Size strengthen influence negative Complexity Operation to _audit report lag_

Findings *board size* strengthen influence negative complexity operation on *audit report lag.* Although large board size, if members of the board have relevant specialization and expertise with complexity operation company , they Possible can give effective contribution . Research by Yanu Chaerul et al., (2022) and Ngatno Apriatni et al., (Ngatno et al., 2021) This different with results findings study, *board size* can own influence positive caused by complexity operation on *audit report lag.*

Audit quality strengthens influence negative _Firm Performance_ to _audit report lag_

Findings audit quality strengthen influence negative Tobin's Q on *audit report lag.* Audit quality is factor important in the audit process, research show that audit quality is not in a way direct influence *audit report lag* in context connection with Tobin's Q. The results of the research found by Ni Made Sunarsih et al., (2021) and Sulistiani et al., (Sulistiani et al., 2022) in accordance with findings study that audit quality can own influence negative caused by Tobin's Q on *audit report lag.*

Findings audit quality strengthen influence negative ROA on *audit report lag*. Quality auditors can help company in identify and fix problem possible finances affect ROA, so that can speed up the audit process and reduce *audit report lag*. Findings research by Monica Kosasih et al., (Kosasih & Arfianti, 2020) different with findings study This audit quality can own influence positive caused by ROA on *audit report lag.*

Audit quality strengthens influence negative _Financial Distress_ to _audit report lag_

Findings audit quality strengthen influence positive *financial distress* to *audit report lag*. High audit quality tend have careful approach on detection and management risk . When the company experience *financial distress*, high audit quality can help auditors identify more beginning potential problems and risks finances that can influence report finance and speed up the audit process. The findings of the study Melinda et al., (Melinda & Wijaya, 2021) in accordance findings results study audit quality can own influence positive caused by *financial distress* on *audit report lag.*

Audit quality strengthens influence negative Complexity Operation to *audit report lag*

Findings audit quality strengthen influence negative complexity operation on *audit report lag.* Due to this reason that , the more big level audit quality , the more the audit can finish more fast settlement audit report time finance although company own level business its more operations complex . Qualified auditors can more efficient in handle aspect complexity operations . The results of the research findings Shabila Ariningtyastuti et al., (Ariningtyastuti & Rohman, 2021) different results findings study find audit quality can influential positive caused by complexity operation on *audit report lag.*

CONCLUSION, LIMITATIONS AND IMPLICATIONS

Conclusion

Based on testing and discussion findings , research find proof : *Firm Performance* with proxy Tobin's Q has influence negative to *audit report lag* . *Firm Performance* proxy ROA also has influence negative to *audit report lag. financial distress* Altman Z-Score proxy no have influence significant to *audit report lag.* Complexity operational influence in a way significant on *audit report lag.* Ownership managerial significant against Tobin's Q and *audit report lag* , but ownership managerial No influential positive between ROA and audit *report lag* . Ownership managerial give influence significant Z-Score on *audit report lag* . Ownership managerial No influential significant on influence complexity to *audit report lag* . *Board size* can significant to connection between Tobin's Q and *audit report lag* . *Board size* influential negative *Return On Assets* (ROA) against *audit report lag* . *Board size* strengthen influence negative *financial distress* and complexity operational on delay audit report . Audit quality strengthens influence negative Tobin's Q and ROA and complexity operational on *audit report lag* , audit quality affects *financial distress* .

Implications For future research

Intended For company , it is expected results study Can made into information in frame overcome *audit report lag* that occurs in company consequence from impact *firm performance* , *financial distress* and complexity operation . Intended for investors, results study This Can made into source information for investors who want to do investment in a company in order to be able to see risks . Intended For researcher Next , research results This Can become guidelines and references addition For donate contribution related importance accuracy time in minimize *audit report lag* . Therefore that , it is expected in the research Next , the use of sample extended research and period study can used throughout companies in developing and developed countries .

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