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The Mediating Effects of Corporate Governance on the Relationship Between Opinion Audit and Audit Delay: A Study on Mining Companies Listed on IDX Period 2017 – 2018

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ABSTRACT

This study was chosen because it has a certain urgency and purpose, namely to find out that the mediating effect of corporate governance on the relationship between audit opinion has an influence on audit delay. The results of research tests that have been carried out show descriptive statistical results in this study related to the characteristics of the variables in the study. Regarding profitability, it was found that the Audit Delay has an average of 65.5 days within the 90 days period of the publication of the company's audit report on the Indonesia Stock Exchange. Another thing that was found was related to the independent variable, namely the average value of the Audit Opinion was 0.22 indicating that most of the audit reports had a Qualified statement. Regarding corporate governance, the proxy balance between the Independent Commissioners found that the average size of the PDKI is 35.89% which is above the 30% standard. Thus the results of descriptive statistics show that on average the implementation of audit delay, audit opinion and corporate governance is in accordance with applicable standards. With the results of the tests that have been conducted, it is found that there is no effect of audit opinion on audit delay, whereas with the mediation of governance or also known as corporate governance on audit delay, there is a significant effect. Thus, the existence of Corporate Governance fully mediates the effect of Audit Opinion on Audit Delay.

INTRODUCTION

The annual financial report is the main thing in the implementation of a company activity for businesses that go public. Publicly listed companies have responsibilities, one of which is to publish financial reports in a timely manner which have been checked by a public accountant

on a regular basis providing significant information to users. So that the audit report is a statement given by an auditor regarding the fairness or unfairness of the financial statements of the audited entity or the auditor submits that the audit has been carried out in accordance with the standard accounting rules. Fairness is defined as materiality, financial position and cash

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flow. Delay in one of the audits is the delay in completing the audit report of an independent auditor by the auditor who audits the financial statements of a company. The decision of an independent auditor is a report that relates to the assessment of the company's financial statements that have been examined by an audit.

As the case stated by Syahrizal Sidik (2019) on CNBC Indonesia.com, as many as 24 businesses listed on the Stock Exchange in Indonesia will be sanctioned or severely reprimanded by the stock exchange authority for failing to submit a financial report from one of the companies. Based on this case, the company needs to mediate from corporate governance because the effect of mediation from corporate governance can reduce audit delays caused by internal company problems.

The delay of an examination result is the delay in the audit completion schedule, seen from the annual closing date to the schedule for completing tasks outside the KAP which is carried out to become an independent auditor. Delay in the audit can also be defined as the time lag for an audit, the scheduling required by an audit to complete the results of an examination of the work value activities of financial statements made by the accounting party of a company. The maturity of this audit can be estimated by determining the date of a company's financial statements until the audit report schedule issued by a public accounting firm.

A factor that can influence audit delay includes company size, profitability, leverage, solvency, an audit opinion, the level of a public accounting firm, type of industry, change of an auditor, audit fees, public ownership and so on. This is evidenced by the amount of research that has been done regarding audit delay. (According to Ainurrizky Putri Robbitasari, Ayoib Che Ahmad, Abidin Shamharir, Pourali, Jozi, Rostami, Taherpour, and Niazi).

The delay of an audit provides an understanding that the number of annual closing schedules in the firm, among others, is the date on December 31 to the date the schedule is due for the signing of an examination report according to Ainurrizky Putri Robbitasari, (2013). As well as the length of time or not the audit delay greatly affects the difficulty of the audit manager. A large increase in distress has an impact on auditors so that it takes additional time to be able to examine the parent company and its subsidiaries, including according to Ayoib Che Ahmad and Abidin Shamharir, (2008). Meanwhile, from Stocken, (2000) stated that a completion of audit work must have a longer time span of days resulting in delays in publishing the results of financial reports to the public so that it has the effect of auditor switching. According to Pourali.,

Jozi., Rostami., Taherpour., And Niazi, (2013) stated that the firm's capacity has a negative effect on audit delay because a good or developing firm must have a better level of internal control.

According to Ahmed & Shakawat Hossain, (2010), the smaller the due date of the year or the closing date of the fiscal year is compared to the financial description publication schedule, proving the higher the usefulness obtained by users of these financial statements. Delays in publication of financial information that have been examined will result in inaccuracies in decision making based on the financial position contained in the financial information. The difference between the timing of the date of financial information and the timing of the auditor's opinion on the financial or financial description will give suggestions regarding the number of times an auditor is scheduled to complete, so it is called audit delay.

Audit delay that has exceeded the stipulated schedule will have a negative impact, namely the delay in the publication of financial information. The delay in publication is an indication of problems with the financial position, thus requiring even more time to complete the audit. The length of the schedule for completion of an audit by an audit is marked from no similarity in time to the date of financial information with the opinion schedule of the examination. This inequality can be said to be an audit delay according to Widiyanti and Subekti, (2004). In the previous test by Rahardja and Widosari Altia Shinta, (2012) added one variable, namely audit lag, to become an intervening variable and still had an effect and had no effect on audit delay.

An auditor's opinion is related to audit information which defines important information from the results of the audit. Audit The direct opinion of the auditor through the audit stage, even the auditor can conclude the opinion that should be given from the audited financial position. According to Arens Alvin and Lobbecke K James, (2008) revealed that the examination report is the last step in the results of the entire examination. Accordingly, the auditor in giving one of the expressions and must be based on the confidence or professionalism of the auditor. the expression of the results of the examination is included in the opinion paragraph on the audit information. According to Putra (2014), an opinion audit is an expression that is intended for companies to know the results of their financial information which are either fair or inappropriate. The results of the test conducted by Putra Deva Widia I Wayan, (2014). the test results indicate that the audit opinion affects the turn of an audit.

Previous examiners can prove the relationship to governance and capital structure.

But it is known that only a few get instructions for the process to take place. Not many examiners said that if governance is used and enforced to the maximum extent possible, it will improve the business capital structure, according to (Claessens & Fan, 2002). According to Stefan Arping and Zacharias Sautner, (2010) add that an increase in the level of governance will hold back and even lower a company's debt. However, there are different arguments or other opinions that if the level of corporate governance decreases it will result in an increase or increase in corporate debt (Jiraporn et al, 2012). OECD, (2004) provides an understanding of governance as a set of rules that apply to making decisions on the relationship between shareholders, managers, lenders, governments, employees and those with an interest in relation to their respective rights and responsibilities. Meanwhile, according to Muhammad Miqdad, (2012) defines good governance as having the role of structure, system, and management and is used by a part of the company to provide a joint level of the company in the long term, by always maintaining the priority of stakeholders, based on regulations. applicable laws.

Garry Goopaster, (1993) sparked the notion of mediation as a good speaker to find solutions to problems. Where a third party who does not have cooperation between the two parties or as a party to mediate a problem in terms of helping the disputing parties obtain a decision on an agreement that is not detrimental. Goopaster tries to try to put more emphasis on the meaning of outsiders, not just talking about, but a picture of the activities of outsiders for positions and third party dialogue, with the aim of holding a mediation in the search for things that benefit both parties who have a problem.

Mediation is also a process of resolving problems by going through a discussion process between the two parties with the help of a mediator and not having the power to make decisions that impose a settlement so that they only give clues to the parties in question. In reality, the implementation of mediation is still not very effective in solving problems. According to Yousef, (2000) states that one of the desires of an organization to mediate the relationship to the behavior of one of the leaders of the organization towards the level of performance so that its members are enthusiastic or satisfied with their work and the level of performance is great. The discussion in this test is how the level of effectiveness of a third party for a means of finding solutions to problems, which aims to reduce the increase in problems and to inform whether or not outsiders are successful. Particularly on the issue of the view on the nature

of industry administrators that do not measure from stakeholders.

The test results (Kaplan and Carslaw, 1991) prove that they have an intermediary in the opinion of an examiner with being late in terms of publication. An industry that receives a qualified opinion proves that the delay in publication of the audit report will be longer than that of a company that receives an unqualified argument. So that the audit delay variable greatly affects the Audit Opinion variable according to Victor Pattiasina (2017), Alvina Noor Arifa (2013), Kartika (2009), and Muttaqin (2013).

H1: Auditor opinion has a significant effect on Audit Delay.

According to Amelia Oktrivina DS and Nelyumna (2016) who stated that with the presence of the board of commissioners or supervisors in making the form of annual financial information on the IDX, it can reduce the schedule needed by the company to issue its financial position to the capital market, and from this test it is found that the supervisory board is one of the good governance structures has an influence on the delay in inspection. Thus the independent supervisory board found an equal effect on audit delay. The supervisory board regarding the delay in an examination is caused by businesses that do not have a supervisor who will encounter a delayed audit first on the grounds that the supervisory board is considered an important thing in internal control over, which has the obligation to monitor all upper-level management activities According to Naimi (2010), Jensen and Meckling (1976), Afify (2009), Mohamad, Rohami, and Nordin (2010). H2: Corporate Governance has a significant effect on Audit Delay.

MATERIALS AND METHODS

The research was conducted in the mining industry listed on the IDX for the 2017-2018 period using data collection methods and on the use of documentation mechanisms found on the website www.idx.co.id. This test is carried out by observing the annual financial reports of mining companies to obtain the overall data needed to measure the mediating effect of corporate governance, audit opinion and audit delay. Thus the criteria for determining the test sample made, namely:

1. Mining business and included on the IDX in 2017 - 2018;
2. The mining business has published financial information using the Indonesian Rupiah;
3. The annual book in financial statements at the end of the year dated 31 December;

4. The mining industry has published consecutive annual financial reports for 2017-2018 where information and data that can be used in testing are found;
5. Likewise financial information that has been audited or examined.

The variable that used in this research are:

1. Dependent Variables

Audit delay is something that distinguishes between closed years and open years at the end of the schedule, the results of independent inspection of industry annual financial information for customers by measuring the number from the day of the annual closing schedule to the signing of the financial statement that has been examined by an examiner who independent.

2. Independent Variable

- a. Audit opinion is an expression from the auditor on consumer financial reporting by measuring dummy and industry variables by obtaining a good auditor's expression, not unless it is marked as 1 and those that are not fair or have other things marked as 0 (zero).
- b. The mediation variable in the use of this test is that the governance of an industry is proxied by the comparison of the independent supervisory board or PDKI by obtaining the ratio of the calculation of the number of independent commissioners and the total board of commissioners.

RESULTS AND DISCUSSION

In this study there is a relationship between two variables, but one variable does not affect the other variable. The research tests used are descriptive statistical tests to test the sample data and also to test the coefficient of determination to tell how big the impact on the independent variable is on the dependent variable both simultaneously and partially.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Delay	18	46.00	101.00	65.5556	14.18874
Opinion	18	.00	1.00	.2222	.42779
PDKI	18	.29	.50	.3589	.06816

The table above shows the results of descriptive statistics in this study regarding the characteristics of the variables in the study. Regarding profitability, it was found that the Audit

Delay has an average of 65.5 days within the 90 days period of the publication of the company's audit report on the Indonesia Stock Exchange. Another thing that was found was related to the independent variable, namely the average value of the Audit Opinion was 0.22 indicating that most of the audit reports had a Qualified statement. Regarding Management through Proportion Proportion of Independent Supervisors, it was found that the size or average yield of PDKI was 35.89% which was above the 30% standard. Thus the results of descriptive statistics show that on average the implementation of audit delay, audit opinion and corporate governance is in accordance with applicable standards.

Table 2. Koefisien Determinasi

Model	R	R ²	Adj. R ²	Std. Error of the Estimate
1	.056 ^a	.003	-.059	14.60247
2	.475 ^b	.226	.123	13.28868
a. Predictors: (Constant), Opinion				
b. Predictors: (Constant), Opinion, PDKI				

The model summary table above shows that from model 1 it is found that the R-Square value is .003 also means that Opinion Audit's contribution to changes in Audit Delay is 0.3%. Regarding model 2, it is found that through the mediation of Corporate Governance, it is found that the contribution of Audit Opinion, Corporate Governance to changes in Audit Delay is 22.6%.

Table 3. Significant Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.730	1	10.730	.050	.825 ^a
	Residual	3411.714	16	213.232		
	Total	3422.444	17			
2	Regression	773.608	2	386.804	2.190	.146 ^b
	Residual	2648.836	15	176.589		
	Total	3422.444	17			

The significant test results indicate that in the model there is a significant influence between the Audit Opinion on the Audit Delay. So it can be seen from the F-test value of 0.05 and found a significant value of 0.825 at $\alpha = 0.10$ or 10%. Whereas in model 2, it is found that with the mediation of Corporate Governance, it is found that the effect of Audit Opinion, Corporate Governance on Audit Delay is not significant but has a significantly better level, namely 0.146 at $\alpha = 0.10$ or 10% with F-test 2.190.

Table 4. Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	65.143	3.903		16.692	.000
	Opinion	1.857	8.279	.056	.224	.825
2	(Constant)	26.844	18.766		1.430	.173
	Opinion	7.033	7.935	.212	.886	.389
	PDKI	103.511	49.801	.497	2.078	.055

a. Dependent Variable: Delay

The significant test results show that among the four independent variables, it can be seen that in model 1 there is no and significant influence on the Audit Opinion variable on the Audit Delay with a significant value of 0.825 at a significant level of 10%. Whereas in model 2, it is found that with the mediation of Corporate Governance, it is found that there is a significant effect between Corporate Governance and Audit Delay, namely 0.055 at a significant level of 10%. Thus, the existence of Corporate Governance fully mediates the effect of Audit Opinion on Audit Delay.

In this section, the research results will be discussed based on the hypotheses that have been made in this study.

In this study, it is found that hypothesis 1 has a statement that does not have a significant effect on an Audit Opinion and Too Late an Audit. Audit Opinion is a statement of opinion from the auditor on a financial report for a certain period. The results of other examiners indicate that there is a significant effect on Audit Opinion and Audit Delay. The test results of other researchers prove (Carlsaw and Kaplan, 1991) that the appearance of an examiner's expression on being late in an examination does not support the results of this research test. Businesses that get a qualified opinion will give a clue to a longer audit delay, while the business of a company that gets an unqualified opinion is inversely proportional (Surbakti and Mashuri 2015).

In this study it was found that hypothesis 2 has a statement that there is a significant effect on Corporate Governance and Audit Delay. Corporate governance is corporate governance whose size can be proxied on several measures and one of them is the proportion of the independent board of commissioners. The results of the research test provide an indication that there is a significant effect between corporate governance and Audit Delay in model 2 for a significant level of 10%. The results of this study are supported by previous research by Amelia Oktrivina DS and Nelyumna (2016) which

revealed that the presence of supervisors at the presentation of a company's annual financial statement can reduce the time spent examining a mining industry in publishing information from its finances on the capital market through the IDX, and test results. others find that the existence of a firm supervisor will have an impact on the structural part of good management, referring to the delay of an inspection (Rahadianto, 2012).

CONCLUSIONS AND SUGGESTION

Based on the completion of the test results that have been carried out, it can be found that companies engaged in mining in Indonesia that are listed on the Indonesian capital market in the 2017-2018 period have published audit reports that experience delays or delays, but still meet the standards set. With the results of the tests that have been carried out, it is found that there is no effect of audit opinion on audit delay, while with the mediation of corporate governance on audit delay, there is a significant effect. Thus, the existence of Corporate Governance fully mediates the effect of Audit Opinion on Audit Delay.

Thus suggestions given regarding the factors affecting audit delay to companies based on the research results are as follows: So that mining businesses that are listed on the Indonesia Stock Exchange can maximize from corporate governance. In this case, the role of company commissioners in carrying out the functions of Corporate Governance is the achievement of transparency or transparency, accountability or ethical concepts, responsibility, independence or wise criteria, and fairness in all matters. For further research, it is advisable to use different or different factors and different variables to find factors that affect the delay of an audit.

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