

ANALYSIS OF THE ROLE OF INTERNAL AUDITORS' FUNCTION TOWARDS THE LENGTH OF AUDIT DELAY

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ABSTRACT

The role of internal auditors' function is very important. This research investigates the effect of the function and contribution of internal auditor on audit delay. Audit delay is measured by using the number of days between a firm's fiscal yearend and the audit report date. In doing this analysis, this research used samples from 218 companies other than financial institutions listed on Indonesia Stock Exchange that published annual report at 2012. The method used was purposive sampling. The analysis was done by means of multiple regression, with dependent variable is audit delay and independent variables are of quality and contribution of internal auditor function. The results of this research show that there is no significant effect of quality and contribution of an internal auditor function in a firm on audit delay.

Key words: *Audit Delay, Quality and Contribution, Internal Auditor Function.*

ANALISIS PENGARUH FUNGSI INTERNAL AUDITOR TERHADAP KONTRIBUSI AUDITOR INTERNAL DALAM AUDIT DELAY

ABSTRAK

Peranan fungsi auditor internal'sangat penting. Penelitian ini menganalisis pengaruh fungsi internal auditor terhadap kontribusi auditor internal dalam audit delay. Audit delay diukur dengan menggunakan jumlah hari antara akhir tahun fiskal perusahaan dan tanggal laporan audit. Dalam melakukan analisis ini, peneliti menggunakan sampel dari 218 perusahaan selain lembaga keuangan yang terdaftar di Bursa Efek Indonesia yang menerbitkan laporan tahunan pada 2012. Metode yang digunakan adalah purposive sampling. Analisis dilakukan dengan cara regresi berganda, dengan variabel dependennya adalah audit delay dan variabel independennya adalah kualitas dan kontribusi hasil fungsi internal auditor. The penelitian ini menunjukkan bahwa tidak ada pengaruh yang signifikan dari kualitas dan kontribusi fungsi internal auditor di sebuah perusahaan terhadap audit delay.

Kata Kunci: *Audit Delay, Quality and Contribution, Internal Auditor Function.*

INTRODUCTION

It is a fact that timeliness is an important factor in presenting the information so that the information is still relevant for decision making. Even though there is accurate and reliable information, when the presentation is late, the information will lose its value. In this perspective, the financial statements as one of information for economic decision-making should also be served on time in order not to lose its usefulness. In addition, the timeliness of financial reporting also reduces information asymmetry.

Bapepam (the capital market supervisory authority), has set the rules of the submission of annual audited financial statements. This regulation is based on the decree of the Chairman of Bapepam-LK. KEP-346/BL/2011 About Submission of Periodic Financial Statements of Publicly Listed Companies, the annual financial statements, audited shall be submitted to Bapepam - LK and announced to the public no later than the end of the third month after the date of the annual financial statements.

The regulation above was later replaced with the rule of Bapepam-LK No.: KEP-431/BL/2012, which states that limit the delivery of the issuer's financial statements that have been audited up to 4 months after the fiscal year. There are many public companies in Indonesia which are late in submitting the annual financial statements, i.e. 133 out of 879 public companies, or about 15 % for the 2004-2006 periods (Hilmi and Ali 2010). Research conducted in 2007-2009 also found the average delivery time is 94 days of financial statements (Merdekawati and Arsajah 2011) which suggest there are many companies that are late in submitting financial reports, which exceed 90 days. Under the rules issued by Bapepam -LK. KEP-346/BL/2011, Bapepam-LK, they take seriously the problem of delay in submitting the financial statements. The seriousness of this is manifested in the form of adding sanctions for companies that many times late in submitting the financial statements.

In connection with the penalties for late

public company financial reports, the forms are not only a warning letter, but could be in the form of fines, to suspension. Late submission of financial statements is closely related to the audit function for the financial statements can not be issued until the audit is completed and signed by the auditor's report. Audit function is meant here not only independent auditor, but also the internal auditor. Internal auditors have an important role in implementing the company's internal control; this will greatly help smooth the process of auditing the financial statements for the independent auditor.

In addition to the internal auditor has the authority to provide audit evidence required by the independent auditor, the internal auditor's ability to provide audit evidence will greatly help smooth the task of an independent auditor. The existence of the function within an organization's internal auditors and independent auditors' contribution to the task of an outside independent auditor factor affecting the timeliness of financial reports. Hajiha and Rafiee (2011) found that the quality of the internal auditor function significant negative effect on the old settlement of audit (audit delay). This means that the quality function of the internal auditor, the faster completion of the audit, which further the faster delivery of the financial statements. Pizzini et al. (2011) studied the influence of the quality and contribution functions of internal auditors to audit delay. The results found evidence that the better the quality of the internal auditor function and the level of coordination and contribution of the internal auditor, then the shorter the delay to audit its financial statements.

There have been some studies on the timeliness of financial reporting which is done against the background of the Indonesia Stock Exchange. They explores less the role of the internal auditor function. For example, Wirakusuma (2004) found evidence that the existence of an internal audit completion timescales affect the annual financial statement audit or audit delay. Another example is that by Rahmawati (2008) who stu-

died the effect of the presence of internal auditors on audit delay. It provides evidence that the existence of the internal auditor does not significantly influence audit delay. This study differs from previous ones. This study not only revealed where the internal auditor is, but also test the quality of the internal auditor function that affects the completion of the audit or audit delays. Besides, it also tested the level of coordination and contribution to independent auditors.

THEORETICAL FRAMEWORK AND HYPOTHESIS

Audit Delay and the Role of the Internal Auditor

Audit delay is the time difference between the date of the financial statements by the date of the audit opinion on the financial statements (Subekti and Widiyanti 2004). In this case, the duration of the audit delay is influenced by several variables such as the scope of the audit, among others, including the size and complexity of enterprise companies. This has increased broad scope of the audit, the audit delay getting possibly longer. The duration of the audit delay is also influenced by the presence of the company's internal auditors. For companies that already optimize its internal auditor's role function, it is possible to shorten the audit delay. This is because the internal auditor's role is to assist independent auditors in carrying out his assignment.

Given the important role of the internal auditor for the company, Bapepam as a regulatory agency issued a rule requiring companies listed in Indonesia Stock Exchange to establish internal audit units. It is stated in the decision of the Chairman of Bapepam Number: Kep-496/BL/2008 about the formation and preparation of guidelines for internal audit unit. The content of the decision is that every company must have an internal audit in accordance with the size of the company and there is at least one person who acts as an internal auditor.

When a company is getting bigger, the problems faced are also increasingly com-

plex. Thus, the owner of the company cannot afford anymore to supervise directly each of the company's activities. Consequently, this condition needs a surveillance tool by establishing a supervisory function in their organizational structures. This function is referred to as the internal audit function, which is a separate position with another function. The purpose of the separation between the functions of the internal auditor position with the other function is to maintain independence in performing their duties. As such, with its core, this function oversees all activities in the company and then provides recommendations on the results of such monitoring.

The regulation has detailed the duties of the internal auditor function such as (1) develop and implement an annual plan of internal audits, (2) test and evaluate the implementation of internal control and risk management systems in accordance with company policy, (3) conduct the examination and assessment of the efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology and other activities, (4) to suggest improvements and objective information about the activities examined at all levels of management, (5) report the results of the audit and submit the report to the chief executive and the board of commissioners; 6) monitor, analyze and report on implementation of the improvements that have been suggested, (7) cooperate with audit committee; (8) develop a program to evaluate the quality of the internal audit activity is doing, and (9) carry out special inspections if necessary.

The procedure used is to perform the verification, investigation and reporting. The verification procedure is done by comparing the activity in the practice of the standard operating procedure (SOP) if it already exists. If there is no SOP, then the function of the internal auditor to design and propose a new SOPs.

The second procedure is to conduct an investigation. This investigation is done on

the basis of the findings contained in the above verification procedure. Furthermore, based on the results of the verification and investigation, the internal auditor will report findings and discussion of the audit committee. Companies that have a strong internal control auditor requires a relatively short time in obedience and substantive testing, thus speeding up the process of auditing the financial statements and minimize delays announcement of annual financial statements have been audited to the public (Wirakusuma 2004).

In order for the internal auditor function runs efficiently and effectively, it needs competent and independent internal auditor. Competent means auditors must have expertise in the field of auditing and have enough knowledge to the field of auditing. These competencies bias are obtained through education, training and experience. This is shown with long experience working as an internal auditor and variations task has been done. Independent auditor is a mental attitude that does not favor one party both management and users of financial statements.

The Internal Auditor's Function in the Organizational Structure

According to Nasution (2003) is also stated. It states that the position of internal auditor function within the organizational structure can be under the Board of Commissioners, Director of or under the Ministry of Finance. Internal Auditor Position function if it is under the Board of Trustees, showed a strong position in the organizational structure, because it has the functionality to control the performance of management (including managing director) who will be accountable to the board of commissioners. Meanwhile, if the position of internal auditor function is under the chief executive, the position is less favorable because the main task of the director is a great deal, so that the performance of the internal auditors are less able to function well monitored by the managing director. If the position of internal auditor function is under the finance department, usually re-

ferred to as a controller, it focuses more duties to supervise the accounting and financial performance alone.

Based on the above, then we can conclude that if the aim of the function of the internal auditor to monitor the performance of management in managing all its resources efficiently and effectively, then the best position is located at the bottom of the board of commissioners. Meanwhile, if the purpose of the establishment of the internal auditor function more emphasis to monitor financial performance, the best position is to be under the finance department. The position of the internal auditor function in the most ideal organizational structure is under the supreme leader, is under major directors.

The position of the internal auditor function in a company's organizational structure will affect the breadth of activities and functions that can be executed and this affects the attitude of independence in carrying out its functions. The higher the position of internal auditor function within the organizational structure of the company, then the function is increasingly widespread activity and attitude of independence is also higher.

Previous research on the Role of Internal Auditors

So far, timely submission of financial statements has become very important. It can not be separated from the function of the independent auditor for the financial statements can only be issued after the completion of audited and the auditor's opinion. Many factors affect the length of audit delay, but most research focuses on the content of the disclosure, the characteristics of the company (Givoly and Palmon 1982; Ashton, Graul and Newton 1989; Newton and Ashton 1989; Bamber, Namber and Schoderbek 1993), and the characteristics of the independent auditor (Ashton, Graul and Newton 1989; Newton and Ashton 1989; Bamber, Namber and Schoderbek 1993; Schwartz and Soo 1996; Knechel and Payne, 2001; Leventis, Weetman and Caramanis 2005; Ettredge, Li and Sun 2006).

The study tested the effectiveness of internal control in relation to the audit delay is done Ashton et al. (1989), Kinney and McDaniel (1993) and Ettredge et al. (2006). Ashton et al. (1989) measure of internal control by using a subjective ranking by the auditor; internal control result is significantly negatively associated with audit delay. Kinney and McDaniel (1993) using the misstatements in the financial statements quarterly as a measure of internal control, and the results show that companies restate financial statements financial reports 17 days longer than companies that do not make corrections. Ettredge et al. (2006) measured the strength of internal controls in financial reporting using material misstatement, and found that companies that experience a material misstatement longer 16 days in the delivery of the financial statements.

The quality determination of internal control is a function quality of internal auditors. In this case, internal auditor function can affect the activity of the independent auditors in two ways: reducing the risk management and the independent auditor can use the work of internal auditors, either independently or under the direction of the external auditor, the completion of the audit of financial statements (Ikatan Akuntansi Indonesia, 2010).

Another researcher, Wirakusuma (2004), examined the existence of the internal audit division and its effect on audit delay. Based on the sample of 132 companies listed on the Jakarta Stock Exchange, he concluded that there are significant differences in the time span of the financial statements for the company that has divisions and internal auditors. Similarly, Rahmawati (2008) examines the internal and external factors that affect audit delay for the period 2003-2005. Internal factors studied were profitability, solvency, company size and the presence of internal auditors, while the external factors are the size of a public accounting firm.

The existence of an internal auditor concluded no effect on the duration of the audit delay, even though the majority of the sam-

ple companies already have internal auditors division (76 %). Although these two studies both examine the effect of the existence of a division of the length of time the internal auditor of financial reporting, but they get different results. There are two results of primary research referenced in this study, the research done Hajiha and Rafiee (2011) and research conducted Pizzini et al. (2011). Both of these studies make the internal auditor function as a focus of research.

The first study provides empirical evidence of the influence of the quality and contribution of the internal auditor function performed by the audit delay Pizzini et al. (2011). Pizzini et al. (2011) using data collected IIA (Institute of Internal Audit) via the GAIN survey 2003-2004. GAIN database is an answer to the chief audit executives (CAE) for a comprehensive survey designed to measure various aspects of the internal audit activity. Pizzini et al. (2011) proposed three hypotheses, that the hypothesis quality function of the internal auditor, the internal auditor function hypothesis contribution to audit the financial statements, and the hypothesis of determination contribution function of internal auditors. The quality of the internal auditor function thought to be negatively related to audit delay.

Audit delay is thought to be shorter if an independent auditor uses the work of internal auditors. In addition, the determination contribution is a function of the internal auditor function of the quality of the internal auditor, the risk of misstatement, and the availability of resources as well as internal auditors, external auditors. Research results prove that the quality of the internal auditor function is getting better, then the shorter audit delay anyway. Audit delay is also shown to be shorter if the external auditor to use the work of internal auditors. The influence of this contribution depends on the nature contribution between the external auditor and the internal auditor, the internal auditor quality, and the risk of material misstatement.

The second study was conducted by Hajiha and Rafiee (2011) with the location of Tehran. Hajiha and Rafiee (2011) examine the effect of the quality of the function of the internal auditor on audit delay. By modifying the questionnaire of Pizzini et al. (2011), Hajiha and Rafiee (2011) found that the objectivity and competence of internal auditors' had significant effect on longer audit delay, while the size of the internal audit function (as measured by the number of internal auditors) had no effect.

This study developed a research conducted by Wirakusuma (2004) and Rahmawati (2008), which examines the influence of the existence of the functions of internal auditors to audit delay. Wirakusuma (2004) found evidence that the existence of an internal audit completion timescales affect the annual financial statement audit (audit delay), because one of the duties of internal auditors is to examine and evaluate the adequacy of the company's internal control required by a public accountant in performing audits of financial statements.

In details, Rahmawati (2008) examined the internal factors (including company size, profitability, solvency, and internal auditors) and external factors (including size public accounting firm) towards audit delay and timeliness. The results of variables that affect audit delay is a measure of the size of the company and public accounting firm. The difference of this study with research in Indonesia by Wirakusuma (2004) and Rahmawati (2008) is located on the variable measuring internal auditors. The previous research examined the existence of the internal auditor, while this study emphasize on the quality and contribution of the functions of internal auditors to audit delay. This research will be very useful to shorten the length of time of audit completion and reduce the number of companies that are late in submitting financial statements. The company will benefit with no delay in the delivery of financial statements, both sides do not get a late fee and relevance of the financial statements.

Based on theory and previous studies, the hypotheses proposed in this study are as the following.

H1: The quality of the internal auditor function negatively affects the completion of the audit.

H2: Contribution of internal auditor's function in the audit of the financial statements negatively affects the long completion of the audit.

RESEARCH METHOD

Population and Sample

The population consists of the companies listed on the Indonesia Stock Exchange in 2012 from all types of industries and has a December 31 date of the financial statements. The sampling technique used was purposive sampling; the sample selection is done by applying the criteria in accordance with the purpose of the study (Jogiyanto 2010).

Research Variables

The variables consist of two types that are independent variables and the dependent variable. The dependent variable is the length of completion of the audit or audit delay which is measured using the number of days between the date of the financial statements and the auditors' report date (Hajiha and Rafiee, 2011; Pizzini et al. 2011; Subekti and Widiyanti 2004). The dependent variable was obtained from the auditor's report of each company.

The independent variable is the quality and contribution of the internal auditor function. Quality indicator is a function of internal auditor objectivity, competence, size and activity of the internal auditor function (Ebadid 2011). The quality of the internal auditor function was measured by looking at the independence of the internal auditor function within the company, as seen from the position of the internal audit function within the organizational structure of the company. This variable is measured by a dummy variable with value 1 if the position of internal auditor function within the organizational

structure is under the board of commissioners, and 0 if the position of internal auditor function other than under the board of commissioners (Nasution, 2003). The second independent variable is the contribution of the internal auditor function. This contribution is measured using dummy variables. When the external auditor uses the work of internal auditors to complete the audit of its financial statement is given a value of 1, and if not, then it is given 0 (Pizzini et al. 2011).

This study also uses the control variables based on previous research. Previous studies mentioned there are several other variables that also affect the duration of completion of the audit, the financial condition, risk companies (Pizzini et al. 2011; Abbott, Parker and Peters 2011; Hilmi and Ali 2010), firm size (Hajiha and Rafiee 2011; Hilmi and Ali 2010), the auditor's opinion, and audit quality (Hilmi and Ali 2010).

Financial condition is measured by the value of the Altman Z model modification as used by Sudiyanto and Puspitasari (2010) and Ramadhani and Lukviarman (2009). The model is a modification Altman model to be used for manufacturing, non-manufacturing, and corporate bond issuers in developing countries. Corporate risk (leverage ratio) measured by total debt divided by total equity or DER (debt to equity ratio), firm size measured by total assets, and the auditor's opinion is measured by a dummy variable with value 1 if the firm received a going concern opinion and the value 0 if the firm besides get going-concern opinion.

Audit quality is measured using the accrual quality as used Nindita and Siregar (2012). This study did not use a proxy measure of auditors (eg Public Accountant Offices or KAP Big 4 and non- Big 4) the quality of the audit as long as this is done because a lot of research based Partiwi (2010), Pardede (2010) and Nindita and Siregar (2012) conducted in Indonesia showed that the size or type of KAP has no effect on audit quality. That is not necessarily a big KAP produce better audit quality than small KAP. Audit quality is proxied by accruals

quality with good arguments audit quality means the firm can restrict earnings management behavior (Francis and Yu 2009). The quality of accruals calculated using the model of Kothari (Kothari, Leone and Wasley 2002).

Analysis Techniques

The two hypotheses asserted in this study were tested using multiple linear regressions with the dependent variable in the form of a long completion of the audit and the independent variables and the quality of the contribution function of internal auditors, as well as control variables. Testing tools in this research is to make use of SPSS for Windows. The regression equation in this study is as follows:

$$AD = \beta_0 + \beta_1 Q + \beta_2 C + \beta_3 FC + \beta_4 Lev + \beta_5 CS + \beta_6 AO + \beta_7 QA + \varepsilon \quad (1)$$

Description:

AD: Audit Delay

Q: Quality of Internal Control Function

C: Contributions Function Internal Auditors

FC: Financial Condition

Lev: Leverage

CS: Company Size

AO: Auditor Opinion

QA: Quality Audit

ε : error term

Hypothesis testing was done by looking at the significance of the F value and significance of t values in statistical processing of the results. It said independent variable affects the dependent variable jointly if the significance of the F value is less than 5%. However, it is said that partially independent variable affects the dependent variable when the significant value of t is less than 5%.

DATA ANALYSIS AND DISCUSSION

The samples used in this study were 218 of the 477 companies as the population. The descriptive statistics of the data that is processed as shown in Table 1.

Audit delay is the completion of the audit or the length of time which can be said as the timeliness of financial reports. This is calculated by using the difference between

Table 1
The Descriptive Statistics Result

Variables	N	Minimum	Maximum	Mean
Audit Delay	218	31	157	80.0826
Financial Condition	218	-31.554	294.553	12.181
Leverage	218	-30.598	64.053	1.482
Company Size	218	6.816.874.399	182,274,000,000,000	6,965,086,362,566
Audit Quality	218	-0.961	0.706	0.005

Category	Independence AI	Category	Contribution AI	Category	Audit Opinion
0	190 (87.15%)	0	126 (57.79%)	NGC	206 (94.49%)
1	28 (12.84%)	1	92 (42.21%)	GC	12 (5.51%)

the dates of the financial statements by the date of the auditor report. Based on the above descriptive statistics, audit delay sample firms have an average of 80 days. When viewed from the average, it is quite encouraging because the average is smaller than the deadline for submission of financial reports is 90 days. This means that most of the sample companies comply with the rules of the deadline for submission of financial statements issued by Bapepam - LK. Nevertheless, there are companies that deliver financial statements over the time limit is as much as 15 (6.8 %) with the longest 157 days. The percentage of companies that are late in submitting financial statements is lower than the results found Hilmi and Ali (2010), namely 15% for the period 2004-2006. In addition, Merdekawati and Arsiah (2011) found the average delivery time is 94 days financial statements for the period 2007-2009.

The company risk is measured by the leverage that DER (debt to equity ratio) and it shows the average number of 1.48. This means the value of the total debt is larger than the total value of equity. Of the 218 sample firms, which actually has a value of more than 1 DER only 90 (41 %) but some companies show very high DER value with the highest value of 64.05. Several companies showed negative value means the company DER deficit equity (as many as six companies or 2.7 %). Judging from the total assets is a measure of the company, the total

assets of the largest and the smallest is Rp6.816.874.399 is Rp182, 274,000,000,000 with an average of Rp 6, 965,086,362,566. The independent variable in this study is the quality and contribution of the internal auditor function.

Quality indicator is a function of internal auditor objectivity, competence, size and activity of the internal auditor function (Eba-id 2011). The quality of the internal auditor function was measured by looking at the independence of the internal auditor function within the company, as seen from the position of the internal audit function within the organizational structure of the company. This variable is measured by a dummy variable with value 1 if the position of internal auditor function within the organizational structure is under the commissioners, and 0 if the position of internal auditor function other than under the commissioners (Nasution, 2003).

The sample company data shows most companies of 190 (87.15 %) put divisions aside auditors under the board of directors, for example, under the chief executive, finance director, or parallel with the financial division. While only 28 (12.84 %) samples which puts the company's internal audit division directly under the board of commissioners. The contribution of the internal audit function is measured by looking at whether the internal auditor's work used to complete the audit of its financial statements (rated 1) or not (given a value of 0). Most of

Table 2
The Multiple Regression Result

Variables	t-value	Sig.
Independence AI	0.579850167	0.562699
Contribution AI	1.143832728	0.254125
Financial Condition	-0.965802198	0.335364
Leverage	1.712446855	0.088437
LogTAt	-1.910092725	0.057620
Auditor opinion	-1.901503729	0.058741
Audit Quality	-0.721860544	0.170733
Adjusted R Square	0.0395	
F Value	2.1622	
Sig.	0.03928	

Source: Data processed in 2013.

the sample companies (as many as 126 or 57.79 %) reported the result of work of the internal auditor is not used to complement the external auditor's audit of the financial statements. For variable control audit opinion, the majority of the sample companies (as many as 206 or 94.49 %) to get an audit opinion without language or the going concern explanatory paragraph.

The results as shown in Table 2 are based on the multiple linear regression analysis with SPSS for windows. The results of hypothesis testing showed the independent variables, i.e. the quality of the internal auditor function (proxied by the independence of the internal auditor function) and the contribution of the internal auditor function has no effect on the dependent variable, namely the audit delay. These results do not support Pizzini et al. (2011) and Hajiha and Rafiee (2011). Several control variables have an influence on audit delay, but its influence is weak with 10 % significance that the company's risk (leverage), firm size (log total assets), and the auditor's opinion.

The quality of the internal auditor function in this study was measured by looking at the independence of the internal auditor, as seen from the position of internal auditor function within the organizational structure of the company. No significant influence of the quality of the internal auditor function is viewed from the position in the organizational structure most likely due to the sample

companies put in the position of internal auditor function under the chief executive, as many as 87.15 % (190 out of 218 companies).

The main job of a director is very complex, so that if the position of internal auditor function is under the chief executive, it is possible that lower monitoring the performance of the functions of internal auditors. The low role will lead the independent auditors to need more time to carry out the audit testing, thus affecting the length of the delivery of the audit results. The ideal position in order to be independent internal auditor is under the board of commissioners (Nasution, 2013). By being under the commissioners, the function of the internal auditor can be independent and can broaden the scope, even its own board of directors.

The second independent variable used in this study is the contribution of the internal auditor function. Most of the sample firms (57.79 % or 126 out of 218 companies) surveyed did not use the work of internal auditors to support the assignment of the independent auditors. Internal auditors assigned to assist the audit committee of the company. The audit committee is responsible to the board of commissioners.

As it has been noted, the decision in selecting the external auditors and coordinate the work of the external auditor is the authority of the audit committee, the internal audit function of the contribution of the ex-

ternal auditor's work here is relatively small (not significant). One possible explanation is the type of relationship between the internal auditor and the external auditor, the internal auditor acts as external auditor team members are meant to be under the supervision of the external auditor. Pizzini (2011) found that the coordination of internal auditors and the external auditors affecting audit delay.

CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

In general, it can be concluded that the settlement length of audits in companies listed on the Indonesia Stock Exchange is not affected by the quality and contribution of the internal auditor function. The quality of the internal auditor function is measured from the internal auditor independence in the majority of the sample companies have not demonstrated a high role of the independent auditor assignment. This resulted in the assignment of the independent auditors more so affect the completion of the audit.

However, the contribution of the internal auditor function in the sample companies is low. The contribution in this case is viewed from the use of the work of internal auditors by an independent auditor. This is caused by the implementation of a rule requiring the establishment of internal auditors which are not in uniform. Thus, the understanding of the assignment has not been made in full. Consequently, the auditor's role in the assignment of the independent auditor is also low.

The limitations deal with the independent variable by measuring the quality of the internal auditor function. This uses only one size only, namely independence. There are many measurement instruments that can still be used to look at the quality of the internal auditor function, such as objectivity, competence, size, and activity of the internal auditor function (Ebaid, 2011). So that subsequent studies could use the above measurements. This is because the company is still very low disclosures related to objectivity, competence, size and activity of the internal auditor function.

The next limitation is the measurement of the contribution of the independent variables dealing with internal auditor function. This study uses only the size of the internal auditor uses the work of the independent auditor and those which do not. Other measurements can be done by looking at the involvement and cooperation between internal and independent auditors in carrying out audit assignments, doing partial audit together, perform together audit planning, risk control and perform together.

The establishment and optimization of the company's internal auditor function is indispensable. The optimization of this role can support the assignment of the independent auditors in the completion of the audit. Time of completion of the audit by the independent auditors will be more profitable for the company, because it will reduce the cost of the audit (audit fee) for a shorter time audit assignment. In addition, the faster completion of the audit assignment will fulfill timeliness of submission of financial reports to Bapepam-LK also higher, so that the risk of sanctions from Bapepam-LK will also be lower.

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