

A Comparative Study of the Effect of Institutional Ownership, Audit Committee, and Gender on Audit Report Lag in Indonesia, Malaysia, and Singapore

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ABSTRACT

The purpose of this research is to analyze the negative effect of institutional ownership, audit committee, and gender on audit report lag in mining sector companies in Indonesia, Malaysia, and Singapore for the period 2012-2016. In addition, this research also analyzes the difference in mean values of audit report lag in Indonesia, Malaysia, and Singapore. The sample was taken by using random purposive sampling technique. Total population of the three countries is 67 mining sector companies. The final sample was 13 companies consisting of 5 companies in Indonesia, 5 companies in Singapore, and 3 companies in Malaysia. Multiple Linear Regression analysis was used to examine the effect of independent variables on dependent variable, while One Way-Anova was also used to examine the difference in the mean values of audit report lag. The results of this research show that institutional ownership has a negative effect on audit report lag, while audit committee and gender have no effect on audit report lag. In addition, there is no difference in the mean values of audit report lag in Indonesia, Malaysia and Singapore because they have the same regulation about the maximum number of days for companies to publish their financial reports.

ABSTRAK

Tujuan penelitian ini adalah untuk menganalisis pengaruh kepemilikan institusional, komite audit, dan gender (jenis kelamin) terhadap audit report lag di perusahaan sektor pertambangan di Indonesia, Malaysia dan Singapura untuk periode 2012-2016. Selain itu, penelitian ini juga menganalisis perbedaan nilai rata-rata audit report lag di Indonesia, Malaysia, dan Singapura. Pengambilan sampel dilakukan dengan menggunakan teknik purposive sampling acak. Total populasi yang diperoleh dari ketiga negara adalah 67 perusahaan sektor pertambangan. Sampel akhir adalah 13 perusahaan yang terdiri dari 5 perusahaan di Indonesia, 5 perusahaan di Singapura, dan 3 perusahaan di Malaysia. Analisis Regresi Linier Berganda digunakan untuk menguji pengaruh variabel independen terhadap variabel dependen, sedangkan One Way-Anova digunakan untuk menguji perbedaan dalam nilai rata-rata audit report lag. Hasil penelitian ini menunjukkan bahwa kepemilikan institusional berpengaruh negatif terhadap audit report lag, sedangkan komite audit dan gender tidak berpengaruh terhadap audit report lag. Selain itu, tidak ada perbedaan dalam nilai rata-rata audit report lag di Indonesia, Malaysia dan Singapura karena mereka memiliki peraturan yang sama tentang jumlah hari maksimum bagi perusahaan untuk mempublikasikan laporan keuangan mereka.

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1. INTRODUCTION

The most important instrument for investment decision making is audited financial statements expressed through opinion. Financial statements must have qualitative characteristics as required by Financial Accounting Standards (Indonesia: *Standar Akuntansi Keuangan / SAK*) in order to have the value of benefit. According to the Exposure Draft on Conceptual Reporting Framework (2016), the value of benefit can be achieved if the financial statements contain qualitative elements, such as comparable, verifiable, timely, and understandable, so that the financial statements are relevant and able to represent exactly what will be represented.

One of the most important qualitative attributes of financial statements is timeliness. This means that financial statements must be able to be used by users as soon as possible (Carslaw and Kaplan, 1991). In Indonesia, audited financial statements must be published in accordance with the Regulation of Financial Services Authority of Indonesia (OJK) Number 29 / POJK.04 / 2016 concerning the Annual Report of Issuers or Public Companies Article 7 stating that the issuer or public company must submit the annual report to the Financial Services Authority no later than 4 (four) months after the financial year ends.

Though procedures and regulations have been established, audit lag report (ALR) still occurs in several countries, such as Indonesia, Malaysia, and Singapore. In Indonesia there were 70 public companies that did not submit financial reports until the end of April 2017, even 18 companies did not report financial statements in 2017 (Ariyanti, 2017). In Malaysia several studies show the maximum value of audit report lag that exceeds the Listing Requirement Chapter 9.23 (a) of the Malaysia Stock Exchange, where companies must submit audited financial statements a maximum of four months after the fiscal year-end closing. The studies include those carried out by Che-Ahmad and Abidin (2008) for 442 days, Hashim and Rahman (2011) for 184 days and Apadore and Noor (2013) for 148 days. While in Singapore, research conducted by Conover et al. (2008) showed an audit report value of 1.41% in 1986-1996, even though at that time the Singapore Stock Exchange decided that the company had to submit its financial statements no later than six months after the fiscal year-end closing and now the regulation changes to four months after the fiscal year-end closing set in the Listing Requirement Chapter 2 Number

707 of the Singapore Stock Exchange.

Audit report lag is a bad thing, because it can cause financial statements to be irrelevant that can influence decisions made by the users of the financial statements. According to Sulthoni (2013), investors respond to audit report lag well, as indicated by abnormal returns and trading volume activity. Conversely, if audit report lag can be avoided, decision making will be better and information asymmetry can also be reduced (Khalid Alkhatib, 2012).

Demands from many parties, especially investors or owners, cause managers to immediately publish financial reports. Conflicts can occur because of the information asymmetry between managers and owners, where the managers have control and know all company activities, while the owners or investors can only oversee through the company's financial statements. The conflict is in line with agency theory (Jensen and Meckling, 1976).

Information asymmetry can occur when a company that previously got an opinion other than unqualified opinion which was considered a "bad news", requests additional audit procedures that will take a long time (Nelson and Shukeri, 2011). This will make the company take longer time to submit its financial statements so that it will cause the shareholders to be suspicious if the company is in a bad condition. Meanwhile, the manager will only submit a financial report that has received an unqualified opinion even though previously the company received an opinion other than unqualified opinion. Information asymmetry can be reduced if the company has institutional investors, audit committees and female leaders because these three factors can shorten audit report lag.

Institutional ownership is shares owned by companies or other institutions consisting of financial organizations, insurance companies and pension funds, college funding companies, commercial banks, mutual funds and bank assets management companies (Al-Malkawi et al., 2012). According to Alfraih (2016) and Rose (2007), institutional ownership is an effective corporate governance tool, because it is able to monitor manager's actions in running a business. Research conducted by Suparsada and Putri (2017) shows that institutional ownership has negative effect on audit report lag because the higher the institutional ownership, the more effective the supervision of managers, so that financial statements will be delivered

on time. These results are different from the results of research conducted by Alfraih (2016) which state that institutional ownership is not related to the timeliness of submission of financial statements.

Companies listed on the Stock Exchange, either the Indonesia Stock Exchange, Malaysia Stock Exchange, or the Singapore Stock Exchange, are required to form an audit committee to maintain financial reporting quality with a minimum of three members. The audit committee performs a supervisory function and provides advice to management on how to make financial reports on time (Ika and Ghazali, 2012). According to the General Guidelines for Good Corporate Governance in Indonesia (2006), the audit committee must ensure whether the financial statements are presented fairly or not, so that the material misstatement in the financial statements will be low, the materiality level set is low, and the audit evidence increases which are expected to provide confidence to the external auditor that the financial statements are adequately presented. This will reduce the external auditor's time to perform substantive tests and the audits will run faster. Several studies on the relationship between audit committee and audit report lag conducted by Ika and Ghazali (2012) and Rianti and Sari (2014) show that the existence of an audit committee can affect the timeliness of submitting financial statements. But the results of research conducted by Tias and Triani (2014) and Nelson and Shukeri (2011) show that the existence of audit committee has no effect on audit report lag because the audit committee is limited to accessing information that is useful for overseeing financial reports only.

The gender of an audit committee leader and Chief Executive Officer (CEO) is also thought to have an influence on the timeliness of submitting financial statements. According to Harjoto et al. (2015), women who serve as CEOs will publish financial reports more timely. This is because women are more sensitive to the pressure of the capital market and the workforce to immediately submit financial statements, so that female leaders are able to shorten the audit report lag. The woman who serves as the audit committee leader will always want better insurance services so that it can improve the quality of financial reports and accelerate the external auditors doing their work. Therefore, gender is supposed to be related to the timeliness of submitting financial

statements.

This research is important to conduct because the audit report lag still often occurs in Indonesia, Malaysia and Singapore. There is one variable that is thought to influence the audit report lag but has never been used in research in Indonesia, that is, the variable of gender. In addition, there are still inconsistencies in the results of the previous studies on the effect of the variables of institutional ownership and audit committee on audit report lag. Therefore, there are still spaces for empirical retesting. Comparative Study of the Effect of Institutional Ownership, Audit Committee, and Gender on Lag Report Audit in Indonesia, Malaysia and Singapore is expected to provide more knowledge so that relevant parties can publish their financial reports on time.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

Audit Report Lag

There are some proponents stating about audit report. First of all, audit report lag is defined as the period from the fiscal year-end closing to the date of the audit report (Hassan, 2016). Based on the Financial Services Authority Regulation Number 29 / POJK.04 / 2016 concerning the annual report of the issuer or public company in Article 6, in which the issuer or public company must submit the annual report as intended to the Financial Services Authority no later than 4 (four) months after the fiscal year-end closing. If the company reports its financial statements for more than four months, an audit report lag occurs that causes the company to not deliver its financial statements timely.

Another proponent is Ashton et al. (1987), arguing that the requirement that financial statement must be audited by external parties is contrary to the requirement that financial statement must be published timely, considering that auditing is a long process that requires time. In addition, conflicts that often arise after the audit process that causes longer audits are because the company gets qualified opinion resulting in disagreement between the two (Ashton et al., 1987). There are several factors that can cause audit report lag, but the main factor that underlies the audit report lag is the length of the audit process (Givoly and Palmon, 1982). Financial statements that are not timely published will lose their reliability and relevance. If financial statements lose their reliability and relevance, the financial statements are less accurate for decision

making.

More than the above arguments, another argument is also from Sulthoni (2013). Audit report lag can influence decision making taken by investors. This is evidenced by the abnormal return and trading volume activity of a company that is late in submitting its financial statements (Sulthoni, 2013). In conclusion, audit report lag is something that should be avoided by companies so that companies continue to gain trust from the public, especially investors, and to avoid sanctions from the IDX that can harm the companies.

Audit report lag is divided into three (Knechel and Payne, 2001). Figure 1 is the process of the occurrence of audit report lag:

The Effect of Institutional Ownership on Audit Report Lag

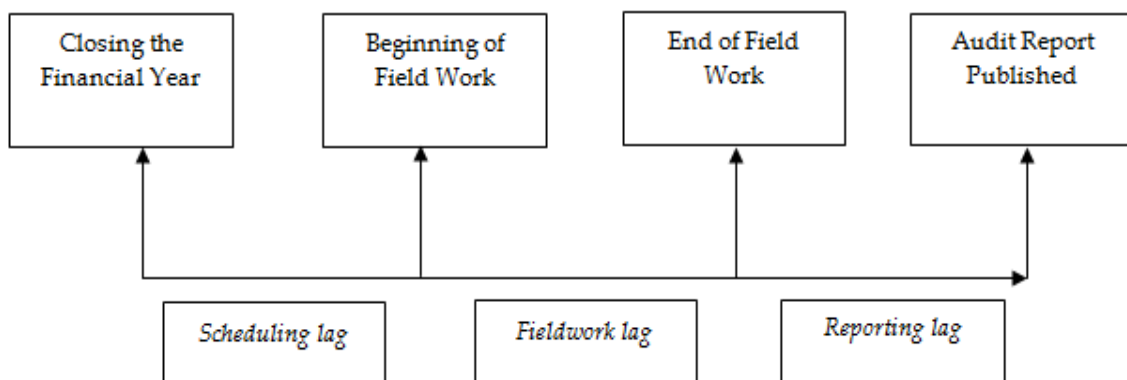
Institutional ownership is share ownership by institutions or companies, such as investment companies, banks, insurance companies, mutual fund companies and bank asset management companies. According to Suparsada and Putri (2017), institutional investors oversee company management and encourage more optimal supervision with the aim that shareholder prosperity is guaranteed. Institutional ownership as a supervisory agent is suppressed through substantial investment in the company so that the more investors who come from the institution, the greater their supervision of the actions of managers so as not to behave deviant. The same opinion was expressed by Alfraih (2016) that effective institutional investors are important corporate governance tools that can reduce agency costs through providing incentives to oversee the actions of company managers.

Institutional investors need financial statements as a decision-making tool and as a tool to monitor manager's actions. Investors will support the managers who seek to show information and the condition of the company, so investors demand that managers immediately publish their financial reports on time. In addition, according to the General Guidelines for Good Corporate Governance in Indonesia (2006), companies must report their financial statements timely and shareholders also have the right to obtain information about the companies through financial statements in a timely manner so that shareholders can make decisions regarding their investments in the companies based on accurate information. In conclusion, the presence of institutional ownership can reduce the time of submission of audited financial statements, so that conflicts of interest between shareholders (principals) and managers (agents) due to information asymmetry can be reduced. Based on the description above, the first hypothesis can be formulated as follows:

H1: Institutional ownership has a negative effect on audit report lag

The Effect of Audit Committee on Audit Report Lag

The formation of audit committee is one way to improve the quality of financial statements. In general, the task of the audit committee, according to the Financial Services Authority Regulation Number 55 / POJK.04/2015 concerning the Establishment and Work Guidelines of the Audit Committee, is to review financial statement information whether it is reasonable and in accordance



Source: Knechel and Payne (2001)

Figure 1
Process of Audit Report Lag

with the regulations set. The audit committee, consisting of independent parties and does not have a special relationship with the company, responds to any complaints relating to the accounting process and audit findings found by internal auditors. The audit committee then provides recommendations to the board of commissioners regarding matters that must be done to improve the quality of financial statements and the appointment of competent, independent and integrity accountants.

According to the General Guidelines for Good Corporate Governance in Indonesia (2006), the audit committee ensures that financial statements are presented fairly in accordance with generally accepted accounting principles and ensures that the company's internal control structure is carried out properly. If the audit committee is able to ensure that the company's internal control is good, the inherent risk and control risk are low so that financial misstatements are also low. Several other studies mention that the number of audit committees has greater strength in improving the quality of financial statements, so the misstatement is getting smaller (Rianti and Sari, 2014). The auditor will also determine the low materiality level in the financial statements, so that the audit evidence collected is getting more. Although audit evidence needed is a lot, the evidence can provide confidence to the external auditor that the financial statements are presented fairly. This can reduce the time of the external auditor to conduct substantive tests because the audit committee has guaranteed the quality of the company's financial statements so that the auditor can work faster (Nelson and Shukeri, 2011). When the audit process runs faster, the financial statements will also be published faster so that it can reduce the information asymmetry between managers and shareholders which causes a conflict of interest between the two. From the description above, the second hypothesis can be formulated as follows:

H2: Audit committee has a negative effect on audit report lag

The Effect of Gender on Audit Report Lag According to Jamilah et al. (2007), gender is a concept that distinguishes behavioral and emotional perspectives between men and women. Women tend to be more thorough and able to process information well than men.

Women are more careful in analyzing financial reports so that they can improve the quality of financial reports that can accelerate the audit process (Rianti and Sari, 2014). In addition, women who serve as audit committee tend to want higher insurance services so that they could reduce errors in their financial statements (Harjoto et al., 2015). If errors in financial statements can be reduced, the quality of financial statements will increase so that the audit process can run faster and shorten audit report lag.

Women who serve as CEOs are also thought to be able to shorten the time in submitting financial reports. According to Harjoto et al. (2015), women are more sensitive to market pressure and shareholders who want financial reports to be published in a timely manner. In addition, women focus on their reputation so that female CEOs will tend to publish audited financial statements in a timely manner. In conclusion, the existence of female CEO and female audit committee leader can reduce information asymmetry between managers and shareholders because audited financial statements can be published immediately. From the above description, the hypothesis can be formulated as follows:

H3: Gender has a negative effect on audit report lag

3. RESEARCH METHOD

Population and Sample

This study used 45 mining sector companies listed on the Indonesia Stock Exchange, 3 mining sector companies listed on the Malaysia Stock Exchange, as the population and 17 mining sector companies listed on the Singapore Stock Exchange in 2012-2016 with a total sample of 65 companies.

Sampling was conducted using a random purposive sampling method, in which the samples are chosen randomly after the elimination process is carried out based on certain criteria. The purposive sampling criteria are as follows: (1) mining sector companies listed on the Stock Exchange in 2012-2016 in a row; (2) issuing financial statements audited by independent auditors or annual reports during 2012-2016; (3) submitting financial statements for a period of 12 months; (4) submitting complete information on financial reports and annual reports. The samples that meet the criteria for purposive sampling are then randomly selected. Five companies are selected from each country, except Malaysia which is only three companies. The final samples used

are 13 companies.

Data Collection Method

The data used in this study are secondary data, the data obtained indirectly from several sources such as audited financial statements and annual reports of mining sector companies in 2012, 2013, 2014, 2015 and 2016 taken from the website www.idx.co.id, www.bursamalaysia.com, www.sgx.com, scientific journals, national symposiums, and others. The data collection method used is the documentation method. Data collection is done by studying the notes on existing documents.

Identification of Variables

The variables used in this study are independent variable and dependent variable. The independent variables are variables that affect or become the cause of the size of the value of other variables. This study uses three independent variables: institutional ownership (X1), audit committee (X2), and gender (X3) which is proxied by the gender of CEO and gender of the audit committee leader. The dependent variable is a variable whose variation is influenced by independent variables. This research uses audit report lag (Y) as the dependent variable.

Operational Definition of Variables

Audit Report Lag (Y)

Audit report lag is defined as the period from the fiscal year-end closing to the date the audit report is published (Hassan, 2016). The submission limit for audited financial statements is four months or 120 days after the company closes the book in accordance with the Financial Services Authority Regulation Number 29 / POJK.04 / 2016 concerning the Annual Report of Issuers or Public Companies in Article 6. Measurement of audit report lag is carried out quantitatively in number of days as follows: Report Lag Audit = number of days between the fiscal year-end closing and the date stated on the independent auditor's report (Suparsada and Putri, 2017)

Institutional Ownership (X1)

Institutional ownership is shares owned by other institutions such as financial companies, insurance companies, pension funds, college funding companies, commercial banks, mutual funds and bank asset management companies (Al-Malkawi et al., 2012). Institutional ownership puts pressure on managers to immediately publish financial reports so that

audit report lags do not occur (Rose, 2007).

Institutional ownership is measured as follows:

$$\text{Institutional Ownership} = \frac{\text{Shares owned by Institution}}{\text{Number of shares outstanding}} \times 100\%$$

Suprada and Putri, (2017)

Audit Committee (X2)

Audit Committee, according to Financial Services Authority Regulation Number 55 / POJK.04/2015 concerning the Establishment and Work Guidelines of the Audit Committee, is a committee formed by and responsible to the board of commissioners in helping carry out the duties and functions of the board of commissioners. According to research conducted by Tias and Triani (2014), the more companies that have audit committees, the more companies that have a good internal control system that can facilitate the auditor in the audit process of the client's financial statements. Audit committee is measured using:

$$\text{Audit Committee} = \frac{\text{Number of audit committee members of a company}}{\text{Total number of audit committee members}}$$

Tias and Triani, (2014)

Gender (X3)

Gender is a concept that distinguishes the behavioral and emotional perceptions between men and women (Jamilah et al., 2007). The woman who serves as chairman of the audit committee tends to want more insurance services so that her reputation would be maintained and the quality of the financial statements would be good. If the quality of the financial statements is good, the audit process will run faster and can shorten audit report lag (Rianti and Sari, 2014). Women serving as CEOs are more sensitive to market pressures and owners who want financial reports are presented on time (Harjoto et al., 2015). Measurement of gender is conducted using the dummy variable as follows:

1: female CEO
0: male CEO
1: female audit committee leader
0: male audit committee leader

(Harjoto et al., 2015)

Analysis Tool

The analysis technique used in this study is multiple linear regression analysis, because this study examines the influence of independent variables on dependent variable. In addition, this analysis can show the direction of the relationship between the independent variable and the dependent variable.

The equation of the research regression model is as follows:

$$ARL = \alpha + \beta_1(IO) + \beta_2(AC) + \beta_3(GENDER_CEO) + \beta_4(GENDER_Leader) + e$$

Note:

ARL : Audit Report Lag

A : Constant

$\beta_1, \beta_2, \beta_3$: Regression Coefficients X1, X2, X3, X4

IO : Institutional Ownership

AC : Audit Committee

GENDER_CEO : Gender of CEO

GENDER_Leader: Gender of Audit Committee Leader

ϵ : Residual or error value

4. RESEARCH RESULTS AND DISCUSSION

Descriptive analysis is used to provide an overview of the variables in this study. The number of initial data used is 65 companies. Data outliers are then carried out by discarding 18 data that have extreme value so that there are only 47 data that can be tested. Table 1 shows the results of a descriptive analysis:

Audit Report Lag (Y)

Based on Table 1, it can be seen that in Indonesia the fastest audit report lag is 76 days while the longest is 91 days. In Singapore the fastest audit report lag is 80 days while the

longest is 99 days. In Malaysia the fastest audit report lag is 77 days and the longest is 97 days. This can be seen from the minimum and maximum values. Of the three countries the fastest audit report lag is in Indonesia for 76 days while the longest is in Singapore for 99 days. Then the average audit report lag among the three countries is almost the same, ranging from 85 to 86 days.

Institutional Ownership (X1)

Based on Table 2, it can be seen that in Indonesia the smallest institutional ownership is 60% while the largest is 93% with an average institutional ownership of 0.77%. In Singapore the smallest institutional ownership is 15% while the largest is 78% with an average institutional ownership of 0.52%. Whereas in Malaysia the smallest institutional ownership is 18% and the largest is 64% with an average institutional ownership of 0.49%. It can be seen from the magnitude of the minimum value, maximum value and mean value. From the three countries the smallest institutional ownership is Singapore at 15% while the largest is Indonesia at 93%.

Audit Committee (X2)

Based on Table 3, it can be seen that in Indonesia the number of audit committee members during the study period is the same, 3 people. In Singapore the fewest audit committee members are 3 people while the most are 4 people with an average number of audit committee members ranging from 3 to 4 people (3.43). Whereas in Malaysia the fewest audit committee members are 3 people and the most are 7 people with an average audit committee ranging from 4 to 5 people

Table 1
Descriptive Statistics of Audit Report Lag

	N	Minimum	Maximum	Mean	Std. Deviation
ARL Indonesia	18	76.00	91.00	85.33	4.959
ARL Malaysia	23	80.00	99.00	86.22	5.893
ARL Singapore	6	77.00	97.00	86.33	6.919
Valid N (listwise)	47				

Source: Processed data SPSS

Table 2
Descriptive Statistics of Institutional Ownership

Dependent Variable	N	Minimum	Maximum	Mean	Std. Deviation
INSTI_INDONESIA	18	0.60	0.93	0.7739	0.12636
INSTI_SINGAPORE	23	0.15	0.78	0.5117	0.17647
INSTI_MALAYSIA	6	0.17	0.64	0.4933	0.21097
Valid N (listwise)	43				

Source: Processed data SPSS

(4.5). This can be seen from the magnitude of the minimum value, maximum, and mean value. The three countries have the fewest audit committee members of 3 people. This is because there are regulations that require every company to have an audit committee of at least 3 people. However, Malaysia has the most audit committee members of 7 people.

Gender

Based on Table 4, number 0 has a frequency of 14 or 77.8%, which means that about 77.8% of mining sector companies in Indonesia are chaired by male CEOs, while number 1 in the table above has a frequency of 4 or 22.2%, which means that 22% of mining sector companies in Indonesia is chaired by

female CEOs. Based on Table 5, number 0 has a frequency of 17 or 94.4%, which means that about 94.4% of audit committees in Indonesian companies are chaired by men, while number 1 in the table above has a frequency of 1 or 5.6%, which means that 22% of the audit committees in Indonesian companies are headed by women.

Based on Table 6, it can be seen that the gender of both CEO and Chair of the Audit Committee in Singapore are 100% male. This can be seen from the number 0 having a frequency of 23 or 100%.

Based on the descriptive table above it can be seen that the gender of both CEO and Chair of the Audit Committee in Malaysia are 100% male. This can be seen from the number 0

Table 3
Descriptive Statistics of Audit Committee

	N	Minimum	Maximum	Mean	Std. Deviation
COMMITTEE_INDONESIA	18	3.00	3.00	3.00	0.000
COMMITTEE_SINGAPORE	23	3.00	4.00	3.43	0.507
COMMITTEE_MALAYSIA	6	3.00	7.00	4.50	1.643
Valid N (listwise)	43				

Source: Processed data SPSS

Table 4
Descriptive Statistics of the Gender of CEO in Indonesia

	Frequency	Percent	Valid Percent	Cumulative Percent
.00	14	77.8	77.8	77.8
Valid 1.00	4	22.2	22.2	100.0
Total	18	100.0	100.0	

Source: Processed data SPSS

Table 5
Descriptive Statistics of the Gender of the Chair of Audit Committee in Indonesia

	Frequency	Percent	Valid Percent	Cumulative Percent
.00	17	94.4	94.4	94.4
Valid 1.00	1	5.6	5.6	100.0
Total	18	100.0	100.0	

Source: Processed data SPSS

Table 6
Descriptive Statistics of the Gender of CEO and the Chair of Audit Committee in Singapore

	Frequency	Percent	Valid Percent	Cumulative Percent
0	23	100.0	100.0	100.0
Valid 0	23	100.0	100.0	100.0

Source: Processed data SPSS

Table 7
Descriptive Statistics of the Gender of CEO and Chair of Audit Committee in Malaysia

	Frequency	Percent	Valid Percent	Cumulative Percent
0	8	100.0	100.0	100.0
Valid 0	8	100.0	100.0	100.0

Source: Processed data SPSS

having a frequency of 0 or 100%.

RESULTS OF ANALYSIS AND DISCUSSION

The number of sample used in this study is 13 samples with a total of 65 data. However, the data do not meet the classical assumption test because they only fulfill the multicollinearity requirements. Therefore, the data outliers are carried out. Data outliers are done by looking at the Casewise Diagnostics table and then discarding the extreme data that have Audit Report Lag (ARL) value significantly different from predictive value. The data on outliers are 18 data, so that the final data obtained are 47 data. The data that do not have extreme values are then re-tested using the classical assumption. After retesting, it is found that the data meet the classical

assumption test requirements so that the F Test, the coefficient of determination, and t test could be carried out. The results of the F Test can be concluded that the regression model is not fit. It can be seen from the sig value of $0.126 > 0.05$. This result is also reinforced by the result of the coefficient of determination (R^2) which shows a value of 7.4%. This means that the dependent variable is influenced by other variables outside the model by 92.6% so that the regression model does not have good ability to explain the dependent variables.

The t test aims to determine the effect of independent variable partially on the dependent variable. The results of this test indicate that Institutional Ownership has a negative effect on audit report lag, while the Audit Committee and Gender have no effect on

Table 8
Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	96.505	4.268		22.610	0.000
	INSTI	-9.511	4.364	-0.353	-2.180	0.035
	COMMITTEE	-1.419	1.009	-0.203	-1.407	0.167
	GENDER_CEO	0.846	3.242	0.043	0.261	0.795
	GENDER_LEADER	-2.542	5.451	-0.066	-.0466	0.643
Sig. F		0.126				
Adjusted R Square		0.074				

Source: Processed data SPSS

Table 9
One Way-Anova Test

Sum of Squares		Df	Mean Square	F	Sig.
Between Groups	9.222	2	4.611	0.143	0.867
Within Groups	1421.246	44	32.301		
Total	1430.468	46			

Source: Processed data SPSS

Table 10
Descriptive Statistics of One Way-Anova

ARL	N	Mean	Std. Deviation	Std. Error
Indonesia	18	85.33	4.959	1.169
Singapore	23	86.22	5.893	1.229
Malaysia	6	86.33	6.919	2.824
Total	47	85.89	5.576	0.813
Fixed Effects			5.683	0.829
MODEL		Random Effects		0.829 ^a

Source: Processed data SPSS

audit report lag. The following is a discussion of each variable:

Institutional Ownership has a negative effect on Audit Report Lag

From the results of data processing with SPSS 21 in Table 8, the sig value is $0.035 > 0.05$ and the t value is -2.180, so it can be concluded that H1 is accepted, which means that institutional ownership has a negative effect on audit report lag.

This is in accordance with the hypothesis that institutional investors oversee company management and encourage more optimal supervision with the aim that shareholder prosperity is guaranteed (Suparsada and Putri, 2017). Institutional investors need financial reports as a decision-making tool and as a tool to monitor manager's actions. Investors, through the General Meeting of Shareholders (GMS), will support the existence of management that seeks to show information and the condition of the company, so investors demand that managers immediately publish their financial statements in a timely manner. In addition, the company also has an obligation to investors to immediately publish its financial reports timely in accordance with the General Guidelines for Good Corporate Governance in 2006. So, the higher the institutional ownership, the faster the company to submit its financial statements. The results of this study are in line with the results of research conducted by Suparsada and Putri (2017) but are not in line with the results of research conducted by Alfraih (2016) which state that institutional ownership does not affect the duration or speed of audit report lag.

Audit Committee has no effect on Audit Report Lag

Based on Table 8, the sig value is $0.167 > 0.05$, so it can be concluded that H2 is rejected, which means that the audit committee has no effect on audit report lag. According to data, most mining sector companies have audit committee consisting of 3-4 people, although there is one company that has a total of 7 people, that is, in Malaysia Smelting Berhad, but the period of time the company submits financial statements is 77 days. While PT. Central Omega Resources Tbk. only has audit committee consisting of 3 people but can submit its financial statements within 76 days after closing the book.

The audit committee has no influence on

audit report lag. It is because each country already has an audit committee charter that regulates the duties of the audit committee. In general, the task of the audit committee is to ensure that financial statements are fairly presented in accordance with generally accepted accounting principles and ensure that the company's internal control structure is carried out properly, so that the audit committee members only carry out tasks that have objectives as stated on the audit committee charter. In addition, when viewed from the companies' annual reports under study, the audit committee has a different number of meeting variants. PT. Central Omega Resources Tbk., which has three members of audit committee, meets 8 times during a financial reporting period with attendance rate of 100%. Malaysia Smelting Berhad, which has seven members of audit committee, meets five times with attendance rate 100%. The audit committee conducts meetings to discuss if there are problems found in the preparation of financial statements. More meetings need to held and all members attend the meeting, so that the problems in preparing financial statements can be addressed immediately, the financial reports can be completed quickly, and the financial statements tend to be correct. However, if the company has a large number of audit committee members but the frequency of meeting is rare and not attended by all members, then the problems in preparing financial statements are not immediately resolved and the preparation of financial statements becomes long. So it is suspected that there are other factors in the audit committee, in addition to the number of members that are able to influence audit report lag. The results of this study are in line with the results of research conducted by Nelson and Shukeri (2011) and Tias and Triani (2014). However, the results of this study are not in line with the results of research conducted by Ika and Ghazali (2012) and Rianti and Sari (2014).

Gender has no effect on Audit Report Lag

The results of data processing using SPSS 21 in Table 8 show that GENDER_CEO has a sig value of $0.795 > 0.05$ and GENDER_LEADER has a sig value of $0.643 > 0.05$, so it can be concluded that H3 is rejected, which means that both the gender of CEO and the gender of the chair of audit committee do not affect the audit report lag. Gender of CEO does not affect the audit report lag because

there are regulations that require public companies to submit financial statements within four months after the company closes the book, so that both female and male CEOs will submit financial reports before that period because there are regulations that bind. In addition, from the study sample there was only one company led by a female CEO, that is, PT. Toba Bara Sejahtera Tbk. So, it does not reflect a significant difference between gender differences. Meanwhile, the gender of the chair of audit committee has no influence on audit report lag because all the research samples during the study period had male audit committee leaders, but only one company that had female audit committee leader, that is, PT. Dian Swastika Sentosa Tbk. in 2013. So, this does not reflect the difference between male and female audit committee leader.

There is no difference in the mean values of Audit Report Lag in Indonesia, Malaysia and Singapore.

One Way-Anova test is used to determine whether or not there are differences in the average in two or more kinds of population. Before conducting a one way ANOVA test, the data tested must be normally distributed, the data must be homogeneous, the data have the same variance, and the tested sample must be independent. From the results of the One Way Anova test in Table 9, it can be seen that the value of sig is $0.867 > 0.05$, so it can be concluded that H_0 is accepted, which means that there is no difference in the average audit report lag among the three countries: Indonesia, Singapore and Malaysia. This is evidenced by the mean value of audit report lag in table 10, where Indonesia has a mean value of 85 days and 86 days for Malaysia and Singapore.

The absence of an average difference among the three countries is allegedly due to the regulation of the submission of financial statements. In Indonesia the Financial Services Authority Regulation Number 29 / POJK.04 / 2016 concerning Annual Report of Issuer or Public Company, in Malaysia regulation in Malaysia Stock Exchange Listing Requirement Chapter 9.23 (a) and in Singapore regulation in Singapore Stock Exchange Listing Requirement Chapter 2 Number 707 concerning the Annual Report, equally stipulate that public companies must submit their financial statements at maximum of four months after the close of the company's financial year. If the public companies submit their financial statements

exceeding the specified time period, the companies are threatened to be delisted from the Securities Exchange board. So, mining sector companies in Indonesia, Singapore and Malaysia will submit their financial statements before 120 days after the close of financial year.

5. CONCLUSION AND SUGGESTION

It can be seen that partially only the variable of institutional ownership that has an influence on audit report lag, while the variables of audit committee and gender have no influence on audit report lag. Based on the results of the One Way Anova test, it can be seen that there is no difference in the average audit report lag in Indonesia, Malaysia, and Singapore.

Suggestions for further research are: (1) audit report lag occurs due to a long audit process related to auditor size, therefore it is suggested that further research use the auditor size as an independent variable that is thought to affect audit report lag; (2) this study measures the audit committee using the number of the members only, while there are other audit committee attributes, such as the frequency of meetings which is also expected to affect the audit report lag. So, it is suggested that further research use the frequency of audit committee meetings as a measurement of an audit committee or an independent variable; (3) the data of the gender of the CEO and the chair of the audit committee are less varied, so it would be better if the sample or research period are expanded so that more data on gender difference can be obtained and the results of the study would be better. In addition, in this study gender is only seen from the highest level of conservatism between men and women, so it is suggested that further research add other factors in measuring gender, such as competency levels, work experience or professional background, to get more optimal results; and (4) based on the results of the classical assumption test, it can be seen that there are several data outliers because they have extreme values, so it is recommended that further research use other test tools such as data polling so that no data is wasted or the data used is not biased.

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