

ABSTRACT

Audit report lag is the time period in completing the audit work until the date of signing of the Independent Auditor's Report . The development of capital markets firms indicate the number of requests for auditing financial statements that is a source of information for all stakeholders. Good financial report has an audit report lag before 90 days, so the company has a good image in the public.

This research was conducted to measure the investment opportunities, client business segment, negative earnings, going concern audit opinion, the size of the company, and the change of auditors on audit report lag, either simultaneously or partially.

This research is descriptive verification and causality research. The unit of analysis in this study is a manufacturing firm consumer goods industry subsectors. This research using sample data which chosen through purposive sampling techniques and there are 30 firms during five years, from 2010 to 2014. This research used multiple linear regression analysis.

The results show that investment opportunities, client business segment, negative earnings, going concern audit opinion, the size of the company, and the change of auditor have effect on audit report lag. Partially, investment opportunities, business segment clients, and going concern audit opinion has no effect on audit report lag. Negative earnings, the size of the company, and the turnover auditor have positive effect on audit report lag.

Future researches can use the same independent variables with this research to know it's effect on firm performance in another industry. In addition, future researches can use another proxy for firm performance besides Altman Z-Score. For manufacturing firms basic industry and chemical sector, the firms should defend the healthy condition that refer on Altman Z-Score financial indicators which has been reached. For investors, they can use the results of this research, that is audit committee, capital structure, and dividend policy, as one of the investment decision base.

Keyword: *Audit Report Lag, Investment Opportunity, Client Business Segments, Negative Earnings, Going Concern Audit Opinion, Firm Size, Auditor Switching*