



Gender-Diverse Audit Committees, Size of Public Accounting Firms, and Audit Opinions on Stock Prices Mediated by Audit Report Lag

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ABSTRACT

This research examines and assesses the connection between gender-diverse audit committees, the size of public accounting firms, and audit opinions on stock price mediated by audit report lag. The research topic explored energy companies listed on the Indonesian stock exchange (IDX). Fifty-four data from three years of observation were included. The research sample was selected with a purposive sampling technique, following three particular criteria. Data were analyzed using PLS-SEM analysis. Data processed using SmartPLS 3.2.9 application. The results of the tests showed that results were Gender-diverse audit committees did not affect Audit Report Lag. In contrast, the size of the public accounting firm and audit opinion affected the audit report lag. Gender-diverse audit committees had no direct and indirect effect on stock prices. In contrast, the public accounting firm's size and audit opinion affect stock prices directly and indirectly, and audit report lag affects stock prices.

INTRODUCTION

Self Regulatory Organization (SRO) in the Indonesian Capital Market stated that there were one million new stock investors recorded throughout 2021, the number of new investors in the capital market doubled from the previous year, sustainable capital market development through innovation by utilizing technological advances during the COVID-19 pandemic, the capital market applies technology in various trading features and services of the Indonesia Stock Exchange.

Financial statements become one of the instruments to assess the performance of an entity in a certain period for investors. Financial statements provide a wealth of information about the company's condition so that users can use it to make investment decisions. Financial statements benefit the public interest as a medium for delivering data related to the company's financial position, financial performance, and cash flow that users will use in making economic decisions (Astuti & Surtikanti, 2021).

Companies listed on the Indonesia Stock Exchange publish the company's financial statements every year. If the company does not report, it will be penalized. The report contains a summary of its finances in carrying out its operational activities for one year, and the financial statements also reveal the results of accountability from management for the use of resources entrusted to management in managing them, and financial statement information will be beneficial for those who need it if submitted immediately.

The period between the audit report's date and the book's closing date affects the timeliness of submitting financial statements containing financial data to be published. If the time required by the auditor in the audit process is long, the company will likely be late in issuing financial statements, losing its relevance (Martani et al., 2018). Therefore, submitting reports promptly is essential for companies.

Regulation No. 29/POJK.04/2016, published by the Financial Services Authority, mandates that issuers or public companies are required to file their annual financial statements within the fourth month following the conclusion of the financial year. The implementation of the financial statement regulations is scheduled for July 29, 2016. The legislation was enacted with the aim of mitigating the occurrence of delays in the submission of financial statements of public companies so that all interested parties who need financial statements can know and have the latest information about the company's condition (Azhari & Nuryatno, 2019).

Indonesia Stock Exchange Announcement No: Peng-LK-00003/IDX. PP1/05-2022, No: Peng-LK-00004/IDX. PP2/05-2022, and No: Peng-LK-00003/IDX. PP3/05-2022 related to the Audited Financial Statements submission time ending on December 31, 2021, is May 9, 2022. The number of listed companies is 785, of which 759 listed companies are required to submit companies, and the rest are not required to submit financial statements for several reasons. Of the 759 companies, there are only 668 that offer timely financial statements, and 91 still need to submit financial information.

More substantial, the submission of financial statements is one of the causes of stock price movements as a form of market reaction. Many factors and information can influence this, and this response is in the form of financial statements, so timely submission of financial statements is needed to provide signals for investors. This study aims to provide an overview and assess the relationship between variables that can cause stock price movements in a company by adding mediation variables. Some variables that affect stock prices include Gender Diverse Audit committees, Public Accounting Firm Size, Audit opinions, and audit report lag.

THEORETICAL REVIEW

Agency Theory

Assumption is that shareholders need more information about the performance and condition of the company. In contrast, the Agent, the company's management, has more information about the work environment, the company's capacity and prospects as a whole compared to the principals. The circumstance above gives rise to a disparity in information between the principal and agent, leading to the presence of information asymmetry. Agency difficulties arise when individuals or groups with divergent personal goals collaborate within multiple spheres of authority.

Relationship of agency theory is closely related to Audit Report Lag. This relationship is reflected in the practical actions of agency theory in an employment contract containing each party's position, rights, and obligations by maximizing utility. The agent acts in a way that matches the principal's interests, and the principal provides good incentives to the agent to achieve an optimal employment contract.

Signaling Theory

Management tries to provide information in the form of relevant signals for use by investors. Then, the investor decides based on knowledge and understanding of the signals. Signals are actions company management takes to provide clues regarding the company's prospects based on management's views. Information analyzed by investors can affect The trading volume of stocks on the stock exchange, which refers to the total number of shares bought and sold within a given period. When investors view the signal as favorable data it will have a favorable effect on the company's stock price in the context of stock trading. The reverse reaction could happen if investors interpret these signals as negative news. The potential consequences of this situation are expected to be detrimental, leading to a decrease in the value of stocks.

Stock Price

Company has an effect assessed from the share price in transactions during business days on the stock exchange market determined by market participants where the participants make transactions in demand and supply of

shares. Gultom (2019), the stock price is a description of company management by company management to create a business prospect utilization to benefit and fulfill its responsibilities to owners, employees, the community, and the government (stakeholders). The stock price is one indicator for investors to own company shares. If the company's stock price is constantly rising, the store or potential investors assess the success of the company's business management. Investor confidence is very beneficial for companies because the more people who believe in the company, the desire to invest in the company is more incredible. Formula used :

$$\text{HS} = \text{Closing Price Per 31 December}$$

Audit Report Lag

According to Regulation No. 29 POJK 04/2016 of the Financial Services Authority, the timeliness of financial statement submission can be determined based on a threshold of 120 days. If a company submits its financial statements within this timeframe, it is considered to have met the requirement for timely submission. Conversely, if the company exceeds the 120-day limit, it is deemed to have submitted the financial information late. The duration of the audit process is determined by the time elapsed between the closing date of the financial year and the release of the audit report. The audit report lag refers to the duration from the conclusion of the company's financial year, which typically ends on December 31, to the publication date of the audit report. The temporal disparity between the financial statements' date and the audited financial statements date indicates the duration necessary for the completion of the audit process. The temporal discrepancy is commonly referred to as audit report lag (Hassan, 2016). The delay in the issuance of audit reports can elicit a negative reaction from the market, as it diminishes the level of confidence in investor decision-making by reducing the benefits and relevance of such reports (Dong et al., 2018). Consequently, this may lead to the circulation of uncertain rumors, which can subsequently cause fluctuations in the company's stock price. Formula used :

$$\text{ARL} = \text{Date Financial Year Ends} - \text{Date audit report published}$$

Gender-Diverse Audit Committee

The presence of women in audit committees in Indonesia remains an area that requires further enhancement. It is posited that incorporating women into corporate audit committees can potentially lead to heightened deliberation of issues and the exploration of alternative solutions. This is attributed to the notion that women tend to possess a propensity for intricate thought processes pertaining to decision-making analysis. According to Lestari and Mutmainah (2020), individuals exhibit a tendency to carefully deliberate and use a more cautious approach when addressing matters, with the aim of minimising the likelihood of encountering delays in the preparation of financial accounts. Formula used :

$$\text{GDAC} = \frac{\text{TOTAL MEMBERS OF WOMEN AUDIT COMMITTEE}}{\text{TOTAL MEMBERS OF AUDIT COMMITTEE}} \times 100\%$$

Size Of Public Accounting Firm

Public Accounting Firm (KAP) is an institution with a license as a forum for public Accountings to carry out their work by the minister of finance. Public Accounting can be in the form of individual businesses, civil partnerships, firms, and other business forms by the characteristics of the public Accounting profession regulated in Law Number 5 of 2011. A large public accounting firm will produce qualified auditors (Lestari, 2018). Companies need KAP services to ensure the reliability of their financial statements, and companies prefer to use extensive KAP services to get a positive response from investors. Formula used:

Dummy variable:

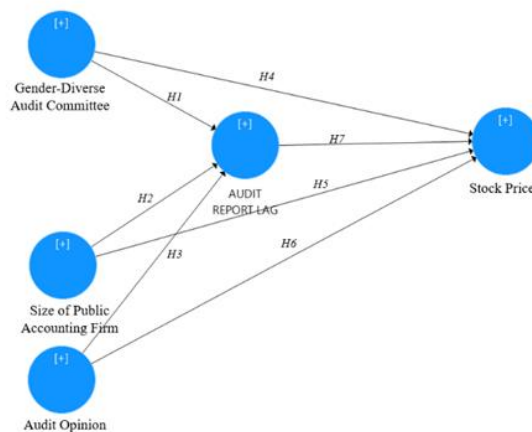
1 point for KAP Big Four and 0 Points for KAP other than Big Four

Audit Opinion

Audit Opinion is a conclusion given by the auditor based on the audit results, and the Auditor expresses an opinion based on accounting standards and considerations related to field findings. The auditor's opinion is important for parties who use financial statements, such as investors, because it is a reasonable opinion by the auditor for the company. It will make high-trust users so that they can make decisions to invest in the company. Obtaining an unqualified opinion helps publish the company's financial statements, with the entity getting an opinion other than fair without exception, which takes time in issuing financial statements. Formula used :

Dummy Variable :

1 point for Unqualified Audit Opinion and 0 points for Audit Opinion other than an unqualified opinion



Picture 1. Conceptual Framework

METHODOLOGY

This study's population comprises of 76 companies listed on the Indonesia Stock Exchange between 2019 and 2021. Purposive sampling was used to determine the sample for this study (Creswell & John, 2017). Purposive sampling is a technique for selecting samples with care. The selection criteria are Energy Sector Companies listed on the Indonesia Stock Exchange in 2022, Companies that provide complete data for this research variable, and Financial

Statements accessible by the Indonesia Stock Exchange and company websites. As research samples, there are 54 companies based on the applied criteria.

The study is trying to analyze, describe, and record empirical evidence of the relationship between Gender-Diverse Audit Committees, the Size Of Public Accounting Firms, and Audit Opinion on Audit Report Lag and Implications on Stock Price. These implications are measured by indirect effects caused by variables mediated by Audit Report Lag. Therefore, researchers developed a PLS-SEM model with mediating results to investigate indirect effects between variables X and Y, with variable Z as mediation.

RESULTS

Statistic Descriptive

Table 1. Results Statistic Descriptive

| | N | Minimum | Maximum | Mean | Standard deviation |
|-----------|---------|---------|------------|-----------|--------------------|
| GDAC (X1) | 162,000 | 0,000 | 0,667 | 0,202 | 0,231 |
| SOPA (X2) | 162,000 | 0,000 | 1,000 | 0,346 | 0,476 |
| OP (X3) | 162,000 | 0,000 | 1,000 | 0,975 | 0,155 |
| ARL (X4) | 162,000 | 44,000 | 313,000 | 108,833 | 43,287 |
| HS (X5) | 162,000 | 50,000 | 49,000,000 | 1,601,142 | 4,718,467 |

Based on the findings of the study, the independent variable gender diverse audit committee has a minimum value of 0.000 and a maximum value of 0.667, with an average value of 0.202 and a standard deviation of 0.231. This demonstrates that the sample company has between 0 and 3 female audit committee members, with a mean of 2.02% and standard deviations of 2.31 %.

Independent variable based on the study results, the minimum value for Size Of a Public Accounting Firm is 0.000 and the maximum value is 1,000, with an average value of 0.346 and a standard deviation of 0.476. This demonstrates that the sample company uses at least 0 big four KAP services and at least 1 big four public accounting firm service to audit its financial statements, with a sample average of 3.46 percent and 4.67 percent data irregularities.

Independent variable based on the study's results, the Audit Opinion, has a minimum value of 0.000 and a maximum value of 1,000, with a mean value of 0.975 and a standard deviation of 0.155. This demonstrates that the sample company received zero unqualified audit opinions and at least one unqualified audit opinion with a mean value of 9.75% and 1.55% data deviations.

Mediating variable based on the study's results, the minimum value of Audit Report Lag is 44,000 and the maximum value is 313,000, with a mean value of 108,833 and a standard deviation of 43,287. This demonstrates that the sample companies submitted audited financial statements between 44 and 313 days, with an average of 108 days and a data irregularity rate of 43,287%.

Dependent variable of Stock Price ranges from 50,000 to 49,000,000, with an average value of 1,601,142 and a standard deviation of 4,718,467. This demonstrates that the sample company has a minimum share price of 50 per

share and a maximum share price of 49,000 per share, with an average share price of 1,601 per share and data irregularities of 4,718%.

Convergent Validity

Principle underlying convergent validity is that the manifest variables of a construct should be highly correlated. Convergent validity is evaluated based on the loading factor value and Average Variance Extracted (AVE) value, with criteria greater than or equal to 0.70 (>0.70).

Table 2. Convergent validity

| | Loading Factor | Average Variance Extracted (AVE) | Results |
|-----------|-----------------------|---|----------------|
| GDAC (X1) | 1,000 | 1,000 | Valid |
| SOPA (X2) | 1,000 | 1,000 | Valid |
| OP (X3) | 1,000 | 1,000 | Valid |
| ARL (Z) | 1,000 | 1,000 | Valid |
| HS (Y) | 1,000 | 1,000 | Valid |

Discriminant Validity

Discriminant validity is based on the principle that distinct construct indicator correlations should be low. The discriminant validity is evaluated based on the cross-loading value using the criterion of a cross-loading value greater than 0.70 (>0.70) and an AVE square root value greater than the correlation between variables.

Table 3. Discriminant validity

| | Cross loading | $\sqrt{\text{Average Variance Extracted (AVE)}}$ | Results |
|-----------|----------------------|--|----------------|
| GDAC (X1) | 1,000 | 1,000 | Valid |
| SOPA (X2) | 1,000 | 1,000 | Valid |
| OP (X3) | 1,000 | 1,000 | Valid |
| ARL (Z) | 1,000 | 1,000 | Valid |
| HS (Y) | 1,000 | 1,000 | Valid |

Composite Reliability

Reliability test demonstrates the measuring instrument's precision and consistency. Cronbach Alpha and Composite Reliability, with a composite reliability value criterion of greater than 0.70 (>0.70), can be used to measure the construct's reliability with a reflective indicator.

Table 4. Composite Reliability

| | Cronbach's Alpha | Composite Reliability | Results |
|-----------|-------------------------|------------------------------|----------------|
| GDAC (X1) | 1,000 | 1,000 | Reliable |
| SOPA (X2) | 1,000 | 1,000 | Reliable |
| OP (X3) | 1,000 | 1,000 | Reliable |
| ARL (Z) | 1,000 | 1,000 | Reliable |
| HS (Y) | 1,000 | 1,000 | Reliable |

R-square

R-Square or R^2 value quantifies the rate of change between the independent variable and the dependent variable. The better the predictive model of the proposed research model is, the greater the R^2 value. According to Table 5's R-Square (R^2) values, the R^2 value for audit report lag is 0.170 indicates that Audit Report lag can be explained by Gender-Diverse Audit Committees, Size of Public Accounting Firms, and Audit Opinions by 17.0%. Comparatively, the remaining 83.0% is explained by other variables not investigated in this study, and an R-Square value of 0.450 for a stock price indicates that the Stock price can be justified by 45.0% of Gender-diverse Audit Committees, Size of Public Accounting Firms, Audit Opinions, and audit report latency. In contrast, the remaining 55.0% was accounted for by variants not investigated in this study.

Table 5. R-square

| | R-square | R-square adjusted |
|-----|-----------------|--------------------------|
| ARL | 0,170 | 0,154 |
| HS | 0,450 | 0,436 |

Hypothesis Test

PLS-SEM hypothesis and mediating effects can be seen in t-statistical and probability values. For hypothesis testing using statistical significance, the t-value for the 5% alpha value is 1.96. Thus, if the acceptance/rejection criterion of hypothesis I, H_a is accepted if the t-statistic > 1.96 and H_0 is rejected if the t-statistic < 1.96 as well as to determine the sign or not used probability, significant if the p-value < 0.05 and insignificant if $p > 0.05$. In hypothesis test, the path coefficient is used to see the direct effect and the total indirect effect for the indirect effect.

Table 6. Path Coefficient

| | Original Sample (O) | T-Statistics (O/STDEV) | P Values |
|-------------|------------------------|-----------------------------|----------|
| GDAC -> ARL | 0,103 | 0,651 | 0,258 |
| SOPA -> ARL | -0,402 | 3,334 | 0,001 |
| OP -> ARL | -0,141 | 2,560 | 0,006 |
| GDAC -> HS | -0,181 | 0,846 | 0,200 |
| OP -> HS | -0,009 | 0,295 | 0,384 |
| SOPA -> HS | -0,552 | 2,682 | 0,004 |
| ARL -> HS | -0,522 | 4,930 | 0,000 |

Table 7. Total Indirect effect

| | Original Sample (O) | T Statistics (O/STDEV) | P Values |
|-------------------|---------------------------|-----------------------------|-------------|
| GDAC ->ARL -> HS | -0,054 | 0,693 | 0,245 |
| SOPA -> ARL -> HS | 0,209 | 2,433 | 0,008 |
| OP -> ARL -> HS | 0,073 | 2,247 | 0,013 |

DISCUSSION

Effect of Gender-Diverse Audit Committee on Audit Report Lag

Gender-diverse audit committee had a t-statistic value of 0.651, less than 1.96, and a p-value greater than 0.05, according to the test results. It can be concluded that the gender-diverse audit committee has no appreciable effect on the audit report latency; therefore, the **H1 hypothesis is rejected**. Companies in the energy sector listed on the Indonesia Stock Exchange for 2019-2021 with female audit committee members do not reduce the audit report lag, nor does gender diversity in the audit committee impact the audit report lag.

Due to the absence of distinctions in company performance from the perspective of gender diversity, the findings of this study have no bearing. As the audit committee is not directly involved in audits, it does not influence the timeliness of submitting audit reports. The perspective of Audit Committees that consist of only men (homogeneous) tends to produce inappropriate decisions, whereas heterogeneous audit committees will be able to make decisions with good ideas (Santiani & Muliarta, 2018), which accelerates audit report lag is not proven in this study because gender-diverse audit committees do not play a significant role in reducing audit time.

Effect Of Size Of Public Accounting Firm on Audit Report Lag

The size of public accounting had a t-statistic value of 3,334, more significant than 1,96, and a p-value of 0.001, less than 0.05. Consequently, it can

be concluded that the size of the KAP significantly influences the audit report lag, and thus the **H2 hypothesis is accepted**; energy sector companies listed on the Indonesia Stock Exchange for the period 2019-2021 demonstrate that energy sector companies using Big four services tend to have a shorter audit report lag than energy sector companies using non-big four KAP services.

The size of public accounting firms influences the audit report lag is influenced by the size of public accounting firms because the indicators used to evaluate auditors are KAP affiliated with KAP Big Four and KAP not affiliated with KAP Big Four. According to research conducted by (Adinata & Sugiyanto, 2019; Tannuka, 2018), the size of a public accounting firm affects audit report lag. Consequently, KAP is affiliated with four large KAPs with experienced, numerous, and qualified personnel in order to reduce the audit report lag period.

Effect of Audit Opinion on Audit Report Lag

Test results showed that the audit opinion had a t-statistic value of 2.560, more significant than 1.96, and a p-value of 0.006, more diminutive than 0.05. then it can be concluded that the audit opinion has a significant influence on the audit report lag, and thus the **H3 hypothesis is accepted**; energy sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period that get an unqualified audit opinion will experience a shorter audit report lag than and companies that get an audit opinion other than fair without exception will experience a longer audit report lag.

The Covid-19 pandemic that began to enter Indonesia in early March 2020 affected the continuity of energy sector company activities. Still, the Covid-19 pandemic also affected the independent auditor's report published by the auditor. Energy sector companies receive independent auditors' reports in which there is an emphasis paragraph explaining that there is material uncertainty about the impact of the situation caused by the coronavirus outbreak.

In his audit report, in the emphasis section of a matter, the auditor also brings his attention to what the company conveys in the Notes to the Financial Statements. In the Notes to Financial Statements, energy sector companies explain the coronavirus pandemic against companies and entities regarding the impact of the virus pandemic and also reveal the plans drawn up and measures taken in response to this condition.

Independent audit report also brought attention to the accumulation of losses that were not small, plus the Covid-19 pandemic, where this condition indicated a material uncertainty that could cause doubts about the ability of the company and subsidiaries to maintain significant viability. Companies that receive audit opinions other than reasonable without exception will affect the length of the audit report lag due to auditor negotiations with clients and discussions with senior auditors. Because this process takes a long time, there will be reports for companies receiving audits and unqualified fair opinions. Audit opinion affects audit report lag because when the company obtains an opinion other than fair without exception, the auditor will look for evidence of the cause of the issuance of a statement other than adequate without exception.

Searching for evidence and audit findings will undoubtedly take time to indicate an audit delay.

This study's results align with research conducted by (Safitri & Triani, 2021), which shows that audit opinions affect audit report lag. Audit opinion signals investors to find out how the company is doing. Audit opinions tend to potentially provide damaging information about the company and encourage auditors to resolve those opinions through negotiation and discussion with interested parties. This prolongs the audit process when the auditor finds or suspects the company due to findings, so it takes much time. The auditor will provide an audit report at the end of the examination in the form of opinion sheets & financial statements. The opinion sheet is the auditor's responsibility; the auditor will provide an opinion on the fairness of the financial statements.

Audit Report Lag Mediates Gender-Diverse Audit Committee on Stock Prices

Results of the test conducted showed that the gender-diverse audit committee had a total t-statistic value effect of 0.864 less than 1.96, a p-values value of 0.194 greater than 0.05, and an indirect t-statistic value effect of 0.6931.96 and p-values of 0.245 > 0.05. The H4 hypothesis is therefore rejected as the gender-diverse audit committee has no direct or indirect effect on stock prices. Energy sector firms listed on the Indonesia Stock Exchange during the period 2019-2021 with female audit committee members do not affect stock prices directly or indirectly.

This indicates that the signal theory does not accept that gender diversity does not give positive or negative signals for investors to invest in the company. The existence of gender diversity in the ranks of audit committee members is one of the efforts for the company's role to provide new perspectives in improving governance and contribute more to business decision-making.

Perspective of women who are always cautious is considered to reduce the company's risk in making decisions, including business decisions related to audits, especially audit report lag which will later have an impact on stock prices (Francis et al., 2014; Fellner & Maciejovsky, 2007; Eckel & Grossman, 2002) were not proven in this study.

Audit Report Lag Mediates Effect Of Size Of Public Accounting Firm On Stock Price

Test results showed that the KAP size had a t-statistic value of 1.610, more diminutive than 1.96, and a p-value of 0.055, more significant than 0.05. then it can be concluded that the size of KAP does not affect stock prices; thus, the H5 hypothesis is rejected if it has a direct impact. In contrast, the size of KAP on stock prices mediated by audit report lag has a statistical T of 2.433 > 1.96. It has a p-value of 0.008 > 0.05 means that it can be concluded that the size of KAP affects the stock price of energy sector companies for the 2019-2021 period listed on the Indonesia Stock Exchange, and the **H5 hypothesis is accepted**.

The size of the public accounting firm shows that companies in the energy sector use the services of the big four, and non-big four public Accounting does not directly influence stock prices. Public accounting firms are measured using

public accounting firms affiliated with the Big Four Public Accountings and public accounting firms not affiliated with the Big Four Public Accounting. KAP affiliated with the Big Four KAP shortened the audit report lag in line with the H2 hypothesis and has no direct influence on stock prices.

Research results from (Chandra & Arisman, 2016) companies whose annual reports are audited by Big Four public accounting firms impact stock prices after the publication of financial statements are proven in this study.

Audit Report Lag Mediates Effect of Audit Opinion on Stock Price

Tests' results show that the audit opinion has a total t-statistic value effect of 2.160, more diminutive than 1.96, and a p-value of 0.016, more diminutive than 0.05, so it can be concluded that the audit opinion has no impact on stock prices. Thus the H6 hypothesis is rejected if it has a direct effect. In contrast, the audit opinion on stock prices mediated by audit report lag has a statistical T of $2.433 > 1.96$ and a p-value of $0.008 < 0.05$. Thus the **H6 hypothesis is accepted**. It can be concluded that audit opinions affect stock prices mediated by audit report lag in energy sector companies for the 2019-2021 period listed on the Indonesia Stock Exchange.

An audit opinion is an auditor's opinion about the fairness of financial statements. According to the H3 hypothesis and research results (Belinda & Lahaya, 2022), audit belief affects audit report lag with a reasonable audit opinion, and financial statements are published on time and without delay. In this study, Audit Opinion affects stock prices, and it can be said that investors have other factors in making investment decisions that result in stock price movements.

Effect of Audit Report Lag on Stock Price

The results of the test indicated that the audit report lag had a t-statistic of 4.93, which was greater than 1.96, and a p-value of 0.000, which was less than 0.05. Consequently, it can be concluded that audit report lag influences stock prices; therefore, the H7 hypothesis is supported. Companies in the energy sector listed on the Indonesia Stock Exchange for the period 2019-2021 with a shorter audit report lag will generate market responses in the form of stock price movements because their financial statements contain all relevant information.

According to signal theory, financial statements contain company information and, when published, can serve as a signal for investors and other economic decision-makers. A report will contain information if it has the potential to cause a market reaction, such as a change in stock prices. If the publication of a financial statement has a positive effect, as measured by an increase in stock prices, then the announcement is a bullish sign. Nonetheless, if the information has a negative impact, the report is considered a negative signal.

CONCLUSIONS AND RECOMMENDATIONS

On the basis of the research and discussion, it can be concluded that the gender-diverse audit committee has no direct on audit report lag or indirect effect on stock price. This demonstrates that gender diversity in the company does not shorten the audit report lag, indicating that the audit committee's

performance is not affected by the gender composition of the audit report lag committee. Size of public accounting has a significant effect on audit report lag and stock price, both directly and indirectly. This demonstrates that companies audited by The Big Four accounting firms will have a shorter audit report lag period than those audited by non-Big Four firms. Audit opinion directly affects on audit report lag and indirectly on stock price, indicating that the company with the best audit opinion will have a shorter audit report lag due to the absence of audit findings, resulting in a quicker signing of the independent audit report. Audit report lag influences stock prices, indicating that faster delivery of financial reports will impact daily stock price movements on the Indonesian stock exchange. Audit opinion variables and size of public accounting, which are mediated by audit report lag, also indirectly affect stock prices due to variables. This is one of the factors that investors consider when making decisions.

Companies shorten the audit report lag so that the publication of financial statements is faster because the information in the financial statements will affect the company's stock price on the Indonesia stock exchange. Investors are expected to understand the factors that affect financial reports so that they can be one of the factors for decision-making.

FURTHER STUDY

Based on the results of the study, it is expected that the companies studied will be more comprehensive by adding samples of companies reviewed, such as combining several company sectors, not only energy sector companies, and adding other variables that can affect the delay in the audit report in submitting the company's audited annual information such as financial distress, corporate social responsibility (CSR), chief financial officer (CFO), control systems internal, etc.

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