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The Phenomenon of Government Audit Delay in Indonesia

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Abstract

Purpose: To find out whether government size, audit findings, and the number of accounting entities have an effect on audit delay in the context of regional financial reporting.
Design/Methodology/Approach: This type of quantitative research uses multiple regression analysis techniques with the help of the e-Views version 12 application with sample observations of 102 provincial governments in Indonesia in the period 2019-2021.
Findings: The results of the study reveal that government size has a negative influence on audit delay. Different things happen to audit findings and the number of accounting entities which have a positive effect on audit delay. Government size, audit findings, and the number of accounting entities jointly influence the audit delay of provincial governments in Indonesia.
Practical Implications: This research can provide implications that provincial governments in Indonesia can be more timely in preparing financial reports so that audit delays can be minimized. The average audit delay phenomenon that occurs in provincial governments in Indonesia exceeds the applicable statutory limits, with the most occurring in 2019, namely 163 days.
Originality/Value: This research examines factors within the scope of the government sector that influence the phenomenon of audit delay in financial reports.
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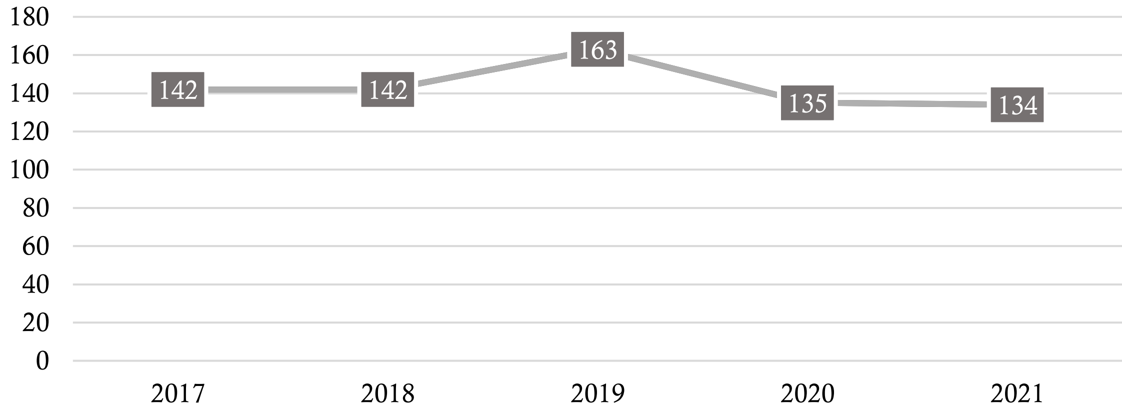
INTRODUCTION

Creating financial statements for local governments is carried out in order to obtain information thatcontributes to information users to assess accountability and make decisions. Government Regulation No. 71 of 2010, government financial statements must meet the qualitative characteristics of information ranging from information relevance, reliable,comparable, and understandable. The relevance of financial information is that it can determine user decisions in order to evaluate financial events, predict, and confirm or correct evaluation results. The significance of relevance can state that all government financial information must be statements in a timely manner.

Timeliness is required in terms of presenting quality government financial statements information. Based on recognized provisions, the relevance of financial statements for local governments published in a timely manner can be predicted from the time required by the government in preparing until the submission of the financial statements for local governments to the Financial Audit Agency (BPK) and the duration of the BPK's examination (Wicaksono and Sutaryo 2017). The publication of the audit statements requires time to examine the local government financial statements. This examination process then stretches the duration from the end date of the fiscal year to the issuance of the Audit Statements (LHP) which is called audit delay.The delay in submitting unaudited financial statements to Financial Audit Agency (BPK) exceeds the predetermined duration, which is three months after the end of the fiscal year. This lefttwo months for the statements to be audited by the Financial Audit Agency (BPK). In the end, the maximum time is five months or about 150 days to produce audited financial statements after the end of the fiscal year. The occurrence of audit delay that exceeds the threshold provisions will result in financial statements that experience delays in publication. Delayed publication indicates that there is an error in the statements, so that the completion ofthe audit takes a lot of time. Even though various regulations have been established regarding the timing of financial statements, in reality there are still several local governments that exceed the threshold of the time provisions submission of financial statements. The following can be seen in Figure 1 the average level audit delay per year as follows:



Source: Audit Statements (LHP)
Figure 1. Average Level of Audit Delay in Indonesia

Audit delay in 2019 has the highest average value of around 163 days. In 2019 the Maluku Provincial Government achieved the goal of an audit delay exceeding the threshold by 209 days. In the meantime, the West Kalimantan Provincial Government encountered the quickest audit delay, lasting 66 days.Based on the 2019 audit statements, there were 25 provincial governments that experienced an increase in audit delay. The occurrence of the audit delay phenomenon results in delays in local government financial statements which can indicate problems with the financial statements. Delays in finance statements of the local government statements can result in loss of capacity in decision making (Sutaryo and Lase 2015).

Audit delay can be influenced by many factors. Much has been found before about the effect of audit delay in the private sector, while in the government sector it is still relatively small. The variables that have implications for audit delay in the public sector include government size. Rather than having a small total amount of assets, a government with a large asset size also has a large number of transactions. This causes financial management to be more complicated, thus spending a lot of time in preparing and examining government finances.

Audit findings are problems identified by the auditor during the examination that are contained in the audit statements. Auditor checks are carried out by identifying the necessary corrective actions against deviations from recognized standards and regulations (Karlina et al. 2018). The results of the examination of audit findings require time for longer discussions before the results are presented in the audit statements, including discussions within the audit team as well as the findings of the inspection team and related governments.

Government Accounting Standard (SAP) No. 71 of 2010 states that the accounting entity is a government unit, either a budget user or goods that are obliged in terms of preparing financial statements that will eventually be consolidated. The more the number of accounting entities in local governments, the easier it will be to prepare LKPD. The local government combines the financial statements of several the number of accounting entities it owns without having to record transactions one by one that occur in the use of the budget in its local government. In the end, it can be seen how many the number of accounting entities, namely OPD in each local government, will make it easier to prepare financial statements.

Based on previous research, inconsistencies in research results are still obtained, such as (Wafa and Nugraeni 2018) stating that government size affects audit delay positively, because governments with large total assets have more transactions, causing the length of financial statements. In line with (Erniza et al. 2015) the size of the government composition will further prolong the examination and the possibility of audit delay is greater. In contrast to Vertiarani and Halim (2019) the size of the government negatively affects audit delay, because a large government can be consistent in timeliness rather than the small total assets owned by the government. (Wibowo and Purwaningsih 2019) states that there is a negative influence between government size and audit delay, because a large government is supported by good management and will reduce the duration of financial statements. Other research by Vanesha and Syofyan (2020), Marni et al. (2019), Bakar and Arza (2019), and Karlina et al. (2018), their research shows that government size cannot affect audit delay, because a large government does not mean that it can be used as an excuse for delays in submitting financial statements. Gemilang and Pramita (2021) state that government size cannot affect audit delay. The number of transactions will not necessarily affect the examination and the size of the total assets of the local government has the same pressure in the context of timely financial statements, so it cannot be used as a reference for how long the audit delay is.

Research by Gemilang and Pramita (2021), Wulandari (2021), (Wafa and Nugraeni (2018) and Karlina et al. (2018) mention that audit findings can affect audit delay. There is a confirmation process in advance regarding the audit findings that are communicated to the auditee to obtain a response to these findings. In the end, it takes longer in the examination which results in longer audit delay. In contrast to Rahmawati and Verawaty (2021) which resulted in a negative effect, because the increasing number of audit findings encourages the government to follow up on audit findings so that the number of findings in the future period can be minimized and strive for well-prepared financial statements. (Ramadhani et al. 2022) audit findings that could not affect audit delay, because the large number of audit findings in local governments does not necessarily increase the length of audit time.

Research (Hardini and Sukirman 2016) concluded that the number of accounting entities have a negative effect on audit delay, because the number of accounting entities indicates a higher quality management system to facilitate the preparation of financial statements. Research by Tullah et al. (2019) the number of accounting entities cannot affect audit delay. The small number of accounting entities creates a large workload which results in a lack of effectiveness in preparing financial statements. Meanwhile, the size of an entity will require a larger audit scope as well, resulting in a longer audit process.

The difference in research from the previous one is in observations consisting of 34 Provincial Governments in Indonesia for the 2019-2021 fiscal year and using E-Views 12. In addition, the use of research theory, where Vanesha and Syofyan (2020) and Marni et al. (2019) used the value of information theory and research by Frasti et al. (2017) which used the upper echelons theory. Meanwhile, the use of grand theory in this study is agency theory and compliance theory. This study also does not discuss audit delay in corporate financial statements, but in the public or government sector. The timeliness of financial statements must be considered because it affects the quality of LKPD. In agencies, audited LKPDs provide information to the public and other parties on how important it is to provide financial statements in a timely manner (Asni et al. 2017). Several other considerations for conducting research related to audit delay are the phenomenon of audit delay in the Supreme Audit Agency (BPK) of the Provincial Government in Indonesia which still experiences untimeliness in issuing LHP on LKPD. This research is expected so that the Provincial Government in Indonesia can be more relevant and ensure timeliness in presenting financial statements, where in the end the inspection process can be accelerated and will not cause delays in the publication of local government financial statements.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

The theory that describes the relationship that exists between principals (shareholders) and agents (management) is defined as agency theory, Jensen and Meckling (1976). The governance relationship in this theory is experienced between the public (principal) and the government (agent). Information asymmetry is an agency problem that is often encountered. The public depends on the information provided by government, and the government is aware of the circumstances that it faces. In the public sector concept, the government, which acts as an agent, obtains a mandate for governance from the public which is useful in achieving public welfare and submitting local government financial statements. Therefore, the timeliness of financial statements is carried out as a criterion of the government's responsibility as an agent to the public as a principal. This is done so that government financial information will be useful and right on target.

Compliance Theory

Local government engagement complies with applicable laws and regulations. Compliance theory in the number of accounting entities takes responsibility for financial statements as an absolute matter on disclosing information based on laws and regulations and government accounting standards. Audit delay will be faster if theaccounting entity is compliant in submitting financial statements. This theory moves to be more compliant with applicable regulations, in line with the government's obligation to statements its finances in a timely manner. In the context of the theory of local government compliance in complying with the provisions of laws andregulations so that the audit process can minimize the number of audit findings on financial statements and can indicate good financial management.

Audit Delay

The length of time required in completing the LKPD audit is more appropriately called audit delay, which is calculated from the number of days during the issuance of the audit statements on the LKPD starting from the closing date of the fiscal year, namely December until the auditor's statements is stated. The management of the entity as the object of examination is responsible according to BPK Regulation Number 1 of 2017, which is to prepare and submit in a timely manner its financial statements. Starting three months after the end of the fiscal year must submit financial statements in accordance with the provisions to BPK which will then go through the inspection process. At the end of the examination process, it is an obligation for BPK to provide LHP on LKPD to be submitted to DPRD with a deadline of two months after receipt of LKPD. Audit delay is measured based on the number of days starting from the submission of the LKPD until the availability of the LHP by the BPK to the DPR, which shows that the audit delay deadline does not exceed May 31 (Karlina et al. 2018).

The process of examining financial statements takes time so that it can result in audit delay. Audit delay results in low quality financial information which can indicate the level of inconsistency of decisions based on published information. Audit delay that exceeds the statutory deadline will have an impact on the delay in the publication of local government financial statements, this signaling an error in the financial statements for local governments, so that the time span required for examination will be longer.

Size of Government

The size of the government is said to resemble a picture where the government is classified in to the category of a large government or a small government based on the amount of government assets as a measurement scale used. The total assets of each government are shown in the financial statements for local governments on the balance sheet for the fiscal year in question. Small government, a large government's capacity is determined by its assets. The large size of local tends to be encouraged by good management, so the audit delay will be smaller (Wibowo and Purwaningsih 2019).

Local governments with a large number of assets will relatively help government operations because large-scale local governments are required to disclose their financial statements in a timely manner. Carried out due to the substantial obligation that comes with managing the government's vast asset base, which includes financial statements. Several studies have been conducted, especially in the government sector, not only the number of assets used as a measurement of the size of a government. The size of the government can be determined by the amount of regional income, area, population density, APBD value, number of employees, and productivity levels.Natural logarithm of the total assets (Ln total assets), which is the result of converting the owned assets into an amount, is used to determine the size of the government. Assets owned by the government are as a support in providing optimal services for the community.

Audit Findings

The data collected, processed and tested in the context of conducting audits are provided analytically based on elements of recognition of usefulness for interested parties. Audit findings contain problems encountered while on-site by the auditor, by identifying deviations that require acceptable corrective action (Karlina et al. 2018).The inspection findings imply the existence of conformity or nonconformity of the implementation process. The discrepancy is in the form of problems with the objective evidence of the audit provisions in investigating the accuracy of the discovery of violated audit criteria and determining recommendations for corrective action. The audit findings contained in the audit statements on the financial statements for local governments consist of findings on weaknesses in the internal control system and findings on non-compliance with statutory provisions. Competence is better able to increase effectiveness and reduce misstatements in financial statements. This encourages more reliance on the resilience of the government's internal control system and reduces substantive testing time at the end of the period thereby accelerating the issuance of audit statements (Nouraldeen 2020).

The number of accounting entities

PP No. 71 of 2010 concerning SAP states that the number of accounting entities consists of government units that use regional/state budgets and goods that have the obligation to carry out accounting and preparation activities. Financial statements, which will later be consolidated to the statements entity. The local government is used as one of the statements entity parties with the Regional Apparatus Organization (OPD) acting as the accounting entity. The number of accounting entities, the more complexity between the number of accounting entities in carrying out the cooperation process and the difficulty in controlling financial statements by each agency. Quality resources accompanied by adequate facilities can improve the management system, so that the LKPD preparation process will be better and can reduce the audit delay that occurs (Afriani and Satyawan 2023). This research used the number of accounting entities contained in the audit report on the LKPD in each local government.

The effect of government size on audit delay

The size of the government can be described in asset ownership, the high total assets, the size of the government can also be assumed. According to Jensen and Meckling (1976), agency theory has a basic principle in the partnership between principal and agent as a "nexus of contract". The amount of assets owned by the government leads to timely statements. Governments with large total assets can be consistent in timeliness rather than small total assets owned by the government (Vertiarani and Halim 2019). The size of a large local government is driven by good management, so the audit delay will be smaller (Wibowo and Purwaningsih 2019). So it can be concluded that the size of the local government will minimize audit delay. From this description, the first hypothesis proposal is:

H1: Government size has a negative effect on audit delay

The effect of audit findings on audit delay

Audit findings can be contained in the LHP of each local government. The number of audit findings is related to compliance theory. Local governments are required to comply with laws and regulations. The compliance theory of local governments in complying with the provisions of laws and regulations so that the audit process can minimize the number of audit findings on financial statements and can indicate good financial management. Low audit findings can reduce the time for rebuttal or response to the findings that occur, thus the audit process takes place faster and the audit delay will be low. Efforts made by local governments in order to serve the community well, including by minimizing the occurrence of misstatements in the preparation of financial statements that are not reasonable as well as possible (Aprila et al. 2019). Compliance theory encourages the government to strive to publish financial statements in a timely manner. Clarification, responses, and answers to audit findings are obtained after communicating them to the auditee. Therefore, the large number of audit findings causes the length of the examination and audit delay to be more (Gemilang and Pramita 2021).

The large number of audit findings requires additional time in order to discuss the findings both within the BPK and with the local authorities before being determined in the audit statements. The relatively larger number of audit findings can cause time to respond to these findings, so that the audit delay will also increase (Wulandari 2021). So it can be said that the magnitude of audit findings can also increase audit delay. Based on this description, the second hypothesis proposal reads:

H2: Audit findings have a positive effect on audit delay

The effect of the number of accounting entities on audit delay

Compliance theory in the number of accounting entities is absolute in accounting for financial statements as financial statements compliance in accordance with laws and regulations and government accounting standards. Audit delay will be faster if the accounting entity is compliant in submitting financial statements. The number of accounting entities can make it difficult for the government to control the process of cooperation and coordination of financial statements of accounting entities.

Many accounting entities can increase the merging process and statements duration, so that it will increase audit delay (Itsniawan and Suranta 2015). So the conclusion that can be drawn is that the more accounting entities, the more audit delay. From this explanation, the third hypothesis proposal reads:

H3: The number of accounting entities has a positive effect on audit delay

The effect of government size, audit findings, and the number of accounting entities on audit delay

Large government size is encouraged by good management, so audit delay will be smaller (Wibowo and Purwaningsih 2019). Many audit findings require a relatively long duration in the examination, in the end the audit delay becomes more. The number of accounting entities can increase the merging process and statements duration, resulting in more audit delay. The conclusion that can be drawn is that government size, audit findings and the number of accounting entities can simultaneously affect audit delay. From this description, the fourth hypothesis proposal reads:

H4: Government size, audit findings and the number of accounting entities have an effect on audit delay

METHODS

The type of quantitative data used is panel data. The data comes from the audit statements on the annual financial of provincial local governments in Indonesia in the 2019-2021 fiscal year. The population used in the study consisted of provinces in Indonesia for the 2019-2021 fiscal year. The purposive sampling technique is used as a sample technique on certain conditions. The provisions referred to in the sampling is the audit statements (LHP) which is available at the BPK for the 2019- 2021 period. The following are the details of the sample selection in table 1 as follows:

Table 1. Sample Selection Details

Election Requirements	Total
Provincial Government in Indonesia	38
Government that has not yet provided LHP on LKPD in 2019-2021	(4)
Number of samples	34
Number of years of research	3
Number of observation units	102

Source: Data Processed (2023)

Operational Definition of Variables

Audit delay is an independent variable in this study. Generally speaking, the benchmark for determining the length of time needed to complete the annual audit statements is to count the days from the end of the fiscal year to the BPK's release of the audit statements. Therefore, audit delay is measured based on the number of days after the December 31 book closing date. If the number of days of audit delay is high, it indicates a delay in financial statements. In contrast, audit delay with a low number of days means the timeliness of financial statements. The formula for calculating audit delay is as follows:

$$\text{AD} = \text{Date of Issuance of the LHP} - \text{Date of End of Fiscal Year} \quad (1)$$

Government size is an assessment of its size or size based on various measurement scales, such as total assets, regional income, population, area, and the value of a government's APBD. In this study, the size of the government is based on the measurement can be seen as follows:

$$\text{UPD} = \text{Ln(Total Assets)} \quad (2)$$

The amount of audit findings, weaknesses in the internal control system as well as non-compliance with legal requirements that are included in the audit statements is used to evaluate the audit findings. BPK auditors statements audit findings that have a direct and material effect on weaknesses or non-compliance with the presentation of financial statements.

The number of accounting entities must prepare financial statements as budget and goods users which are ultimately combined in the statements entity. The number of accounting entities can be seen from the LHP on LKPD which contains the number of accounting entities examined.

Data Analysis Technique

The use of data analysis techniques in this study raised multiple regression analysis models with the formula:

$$AD = \alpha + \beta_1 UP + \beta_2 TA + \beta_3 EA + \varepsilon \quad (3)$$

Where:
AD - Audit Delay
α - Constant
UP - Size of Government
TA - Audit Findings
EA - The Number of Accounting Entities
β1, β2, β3 - Coefficient
ε - Error Term

Descriptive Statistical Analysis

Table 2. Descriptive Statistical Testing Results

	Y_AD	X1_UP	X2_TA	X3_EA
Mean	144.0098	30.26765	16.65686	43.17647
Median	143.0000	30.10500	16.00000	41.00000
Maximum	209.0000	33.93000	43.00000	96.00000
Minimum	66.00000	28.48000	5.000000	27.00000
Std. Dev.	22.39718	0.963192	7.641076	12.36845
Observations	102	102	102	102

Source: Data Processed (2023)

The average audit delay (AD) deviation is 22.39718 from the mean value of 144.0098. The lowest audit delay value is 66 and the highest is 209. The government size variable (UP) has an average deviation of 0.963192 from 30.26765. The lowest value of government size is 28.48 and the highest value is 33.93.In contrast to the average deviation of audit findings data (TA) of 7.641076 from the average value of 16.65686. The average deviation of accounting entity (EA) data is 12.36845 from the average value of 43.17647 with the lowest value of accounting entity of27 and the highest value of 96.

Panel Data Regression Model Selection Results

Chow Test

Determine which model is better between the common effect model (CEM) and the fixed effect model (FEM) by conducting a chow test.

Table 3. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.763392	(33,65)	0.0258
Cross-section Chi-square	65.214342	33	0.0007

Source: Data Processed (2023)

The results of model selection with the Chow Test display a Cross-Section Chi-Square probability value of 0.0007<0.05, so that in the Chow Test the bestmodel use is the Fixed Effect Model.

Hausman Test

The Hausman test was conducted to determine the best model between the random effect model (REM) with fixed effect model (FEM).

Table 4. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.755455	3	0.0208

Source: Data Processed (2023)

The results of the Hausman Test model selection display a probability value of 0.0208<0.05, so that the suitable model is the Fixed Effect Model. The use of Fixed has been selected twice, namely in the Chow Test and Hausman Test. While Common and Random were not selected at all. It can be concluded from the three models (CEM, FEM, and REM), the best use of the model is the Fixed Effect Model (FEM) in interpreting panel data regression in this study.

Panel Data Regression Analysis

Based on the Fixed Effect Model, the results of multiple linear regression withthis model can be displayed as follows

Table 5. Multiple Linear Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1936.092	809.008	2.393	0.019
X1_UP	-61.522	26.553	-2.317	0.024
X2_TA	1.597	0.423	3.779	0.003
X3_EA	1.006	0.390	2.578	0.012
Adjusted R-squared		0.379 = 37.9%		
F-statistic		2.711		
Prob (F-statistic)		0.000		

Source: Data Processed, 2023

Based on table 5, the coefficient value of variable X1 is -61.522, the coefficient value of variable X2 i s 1.597, the coefficient value of variable X3 i s 1.006 and the constant value is 1936.092. Then the results of the equation are obtained as follows:

$$Y = 1936.092 - 61.522\,X1 + 1.597\,X2 + 1.006\,X3 \quad (4)$$

The beta coefficient for Government Size (X1) is -61.522. This means that a 1% increase in X1 will result in a corresponding decrease in Audit Delay (Y). The ratio of audit findings (X2) to audit delay (Y) is 1.59. If X2 increases by 1%, audit delay (Y) will also increase. The Accounting Entity Variable (X3) has a value of 1.006. A 1% increase in X3 is accompanied by a 100.6% increase in Audit Delay (Y).

Hypothesis Testing

Test t (Partial)

Government size (X1) with a t count of -2.317 with significance 0.024<0.05. So that it states that government size (X1) has a negative and significant effect on audit delay, so hypothesis 1 is accepted. Partial test results show that audit findings (X2) are 3.779 and a significance value of 0.003<0.05, this audit findings have a positive and significant effect on audit delay so that hypothesis 2 is accepted. The t value of the accounting entity variable (X3) is 2.578 and the significance value is 0.012<0.05. This states that the number of accounting entities partially affect audit delay and hypothesis 3 is accepted.

F Test (Simultaneous)

Based on the F value of 2.711, the F count > F table is 2.711>2.697 and a significance of 0.0002<0.05. So that the size of the government, audit findings and the number of accounting entities simultaneously have an influence on audit delay. In this study hypothesis 4 is accepted.

Test Coefficient of Determination (Adjusted R-Square)

The results in the equation obtained Adjusted R-Squared of 0.379, meaning that 37.9% of the factors of examination detention can be explained by the independent variables conforming of government size, audit findings and the number of accounting entities. The rest is explained by other variables, videlicet 62.1% which are not included in this disquisition model.

RESULT AND DISCUSSION

Effect of Government Size on Audit Delay

Partially, variables can affect audit delay with the results of t count by -2.317 with a significance of 0.024<0.05, then H1 is accepted. It was found that there is an unidirectional relationship between government size and audit delay, where the small size of the government causes the audit delay to be greater. Large governments can be consistent in timeliness than small governments (Azaharia and Sulardi 2021). Good control helps large governments minimize errors in the financial statement presentation. Furthermore, there is a lot of pressure on the government's financial performance, therefore management is trying to publish financial statements more quickly, which will shorten the audit's delay. Research by Vertiarani and Halim (2019), Wibowo and Purwaningsih (2019) and Siregar (2015) which states that government size has a negative effect on audit delay is in line with the results of this study. However, the results of this study contradict research conducted by Wafa and Nugraeni (2018) where government size has a positive effect on audit delay. In contrast, Gemilang and Pramita (2021) and Fuad and Wiradinata (2020) concluded that government size has no effect on audit delay, because it is not a benchmark for how long the audit delay is and will not affect the examination of financial statements.

The Effect of Audit Findings on Audit Delay

Partial results show that audit findings are 3.779>1.984 with a significance of 0.003<0.05, thus audit findings have a positive and significant effect on audit delay so that H2 is accepted. There is a positive or unidirectional relationship between audit findings and audit delay, where the greater the audit findings, the greater the audit delay. Usually audit findings contain problems encountered during the examination. The number of audit findings requires a longer duration before it is determined, either within the audit team or with the local authority in responding to the findings. So that it takes longer in the examination and can cause the longer the audit delay. The non-compliance of public sector entities (auditees) in responding to the auditor's questions, providing the required paperwork, answering audit findings promptly, or replying to audit engagement letters causes the length of audit delay (Cohen and Leventis 2013; Fully and David 2020). This is in line with the research of Gemilang and Pramita (2021), Wulandari (2021), Wafa and Nugraeni (2018) and Karlina et al. (2018) that audit findings have an effect on audit delay. This study does not support Ramadhani et al. (2022) and Frasti et al. (2017) that audit findings are not significant to audit delay, most likely due to measurements based on the number of cases in audit findings only.

The Effect of Accounting Entity on Audit Delay

The accounting entity has a positive effect on audit delay, by showing a significance of 0.0122<0.05, and t count > t-table, namely 2.578480>1.984467, so H3 is accepted. The link to a large accounting entity will prolong the audit delay. Audit delay is faster if the accounting entity is compliant in submitting financial statements. If there are many accounting entities, it can make it difficult for local governments to control the financial statements of each accounting entity with the statements coordination process. The number of accounting entities can increase the merger process, so that it will increase the audit delay. This study does not support research conducted previously by (Tullah et al. 2019) saying audit delay has no effect on the number of accounting entities.

The effect of government size, audit findings, and the number of accounting entities on audit delay

Based on the test results by conducting the F-test, the probability amount (F- statistic) is 0.0002<0.05, and f count is 2.711>2.697 so it can be concluded that the variables of government size, audit findings and the number of accounting entities simultaneously have an influence on the audit delay of the Provincial Government in Indonesia. This supports the theory described by Vertiarani and Halim (2019). Governments that are capacitated with large total assets will be more consistent in their statements timeliness, in contrast to governments with smaller asset scales that inform finance. The substantial total assets show this effect, which reduces the audit delay. The findings of Wibowo and Purwaningsih's (2019) study are further supported by the results of a parallel test for variables relating to local government size that also influence audit delay. The present study is consistent with the research conducted by Wafa and Nugraeni (2018), which determined that the combination of the local government's size, audit findings, and audit opinion significantly influences the duration of the audit.

CONCLUSION

Large government size has good management that can shorten the number of days that government financial statements audits take to complete. The quantity of audit findings is acquired by a longer discussion time to give responses and the examination process. Local governments with a large number of the number of accounting entities need to carry out a process of cooperation and coordination between the number of accounting entities, resulting in a longer statements time.

This study has limitations, namely that researchers do not use all levels of local government in Indonesia, such as provinces, districts and cities in order to have more representative research results. In addition, there is a coefficient of determination of only 37.9% between government size, audit findings, and the number of accounting entities on audit delay. This suggests adding other variables in suppressing audit delay, analogous as adjudicator quality which allows for farther effective results as a factor that is also told by audit delay.

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