TABLE OF CONTENTS

COVER PAGE

STATEMENT OF ORIGINALITY OF THESIS

THESIS APPROVAL

THESIS DEFENSE COMMITTEE

ABSTRACTS ..... **v**

ACKNOWLEDGEMENT ..... **vii**

TABLE OF FIGURES ..... **xiv**

LIST OF TABLES ..... **xv**

CHAPTER 1 INTRODUCTION **1**

1.1 Background 1

1.2 Research Problems 3

1.3 Research Objectives 3

1.4 Significance of Study 4

1.5 Scope of the Study 5

CHAPTER II THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT **7**

2.1 Grand Theory 7

2.1.1 Signalling Theory 7

2.1.2 Agency Theory 7

2.2 Basic Concept Definitions 8

2.2.1 Audit Report Lag 8

2.2.2 Auditor Industry Specialisation 9

2.2.3 Going Concern Opinion 10

2.3 Literature Review 10

2.4 Conceptual Framework 16

2.5 Hypothesis Development 16
2.5.1 Audit Firm Industry Specialisation and Audit Report Lag 16
2.5.2 Audit Partner Industry Specialisation and Audit Report Lag 17
2.5.3 Going Concern Opinion and Audit Report Lag 18
2.5.4 Corporate Governance Mechanism and Audit Report Lag 18
CHAPTER III RESEARCH METHODOLOGY 21
3.1 Population and Sample 21
3.2 Empirical Model 22
3.3 Operational Variable Definition 28
3.3.1 Measurement for Dependent Variable : Audit Report Lag 28
3.3.2 Measurement for Independent Variable : Audit Quality 28
3.3.3 Measurement for Moderating Variable : Corporate Governance Mechanism 31
3.3.4 Measurement for control variable 33
3.5 Method for Data Analysis 38
3.5.1 Descriptive Statistics 39
3.5.2 Regression Model Fitness Tests 39
3.6 Hypothesis Testing 43
3.6.1 F-Statistics 43
3.6.2 t-Statistics 43
3.6.3 Adjusted R-squared 44
3.7 Sensitivity Test 45
CHAPTER IV DATA ANALYSIS 46
4.1 Descriptive Statistics 46
4.2 Correlation Analysis 50
4.2.1 Pearson's Correlation Coefficient 50
4.3 Classical Assumptions Test 53
4.3.1 Normality tests 53

4.3.2 Multicollinearity Test 55
4.3.3 Heteroscedasticity Test 57
4.4 Hypothesis Testing 59
4.4.1 Model 1 analysis 59
4.4.2 Model 2 With Moderating analysis 64
4.5 Sensitivity Analysis 67
CHAPTER V CONCLUSIONS AND RECOMMENDATIONS 70
5.1 Conclusion 70
5.2 Research Limitations 71
5.3 Recommendations 72

TABLE OF FIGURES

Figure 2.1 Conceptual Framework..... 16

LIST OF TABLES

Table 2.1 List of Literary Review……. 10

Table 3.1 Research Samples…….. 22

Table 4.1 Descriptive Statistics……. 46

Table 4.2 Result of Correlation Analysis…….. 50

Table 4.3 Shapiro Francia W' Test……. 54

Table 4.4 Summary of Audit Report Lag…….. 54

Table 4.5 Shapiro-Francia W' test for Normal Data……... 55

Table 4.6 VIF of Regression Model 1……. 56

Table 4.7 VIF of Regression Model 2……. 56

Table 4.8 Breusch-Pagan Test for Heteroskedasticity……. 58

Table 4.9 Joint Regression Analysis Model 1……. 59

Table 4.10 Joint Regression Analysis Model 2……. 64