

CHAPTER V

CONCLUSION

5.1 Conclusion of Research

This study aims to compare the differences audit delay that occurs in companies that undergo pseudo mandatory rotation or not. Of the 711 samples, most companies voluntarily rotate as many as 613 (86%), while 79 (11%) companies undergo pseudo mandatory rotation, and 19 (3%) companies undergo real mandatory rotation.

The results of the Tukey and Bonferroni tests show that only pseudo mandatory rotation has significant difference with voluntary rotation where the result is $0.073 < 0.1$. While real mandatory rotation has no significant difference with pseudo mandatory rotation where the result is $0.772 > 0.1$. Real mandatory rotation also has no significant difference with voluntary rotation where the result is $0.926 > 0.1$. This is because the length of audit delay of mandatory rotation is not very different from voluntary and pseudo mandatory rotation because its position is between them. In contrast, the length of audit delay of pseudo mandatory rotation and voluntary rotation differs too far. One of the reasons pseudo mandatory rotation has shorter audit delay is because most companies undergoing pseudo mandatory rotation are audited by big four PAF who have qualifications and resources with special expertise. In contrast, companies undergoing voluntary and real mandatory rotation are mostly audited by non-big four PAFs.

Based on the previous discussion, it can be concluded that there are differences in audit delay length for companies undergoing pseudo mandatory rotation with those not. The results show that pseudo rotation has the shortest audit delay while voluntary

rotation has the longest audit delay and real mandatory rotation is between them. Also the size of PAF affects the length of a company's audit delay.

5.2 Limitations

1. This study focuses only on comparing the length of audit delay affected by audit rotation. Other factors may cause the delays observed.
2. This study has difficulty in collecting data because there are some incomplete reports.
3. This study do not explain whether there is any difference on audit delay before PAF changes to new.

5.3 Suggestions

1. Re-examine the factors affecting audit delay using moderating variables such as industry type, audit fee, and audit tenure.
2. Researchers are advised to re-examine the causes of companies that often replace the auditors even though the period of use of auditor services has been extended (6 years).

