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FACTORS AFFECTING SHARIAH AUDIT QUALITY IN ISLAMIC BANKING (Comparative Study of Islamic banking in Indonesia and Malaysia in 2017-2020)

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ABSTRAK/*ABSTRACT*

This study aims to determine the differences in the quality of sharia audits in Islamic banking in Indonesia and Malaysia based on the size of the sharia supervisory board, the size of the audit committee, the frequency of audit committee meetings, the reputation of public accounting firms, the specialization of the auditor industry and audit delays in Islamic banking in Indonesia and Malaysia during 2017-2020. This study uses quantitative data with the Mann Whitney U-test method. The results showed that there were differences in the quality of sharia audits in Indonesian and Malaysian Islamic banks based on the size of the sharia supervisory board, the reputation of public accounting firms, the specialization of the auditor industry and audit delays.

INTRODUCTION

The Muslim population in Indonesia and Malaysia is the majority population in these countries. Sharia banking is a banking system that conforms to Islamic law. Islamic banks in Indonesia as of May 2022 totaled 15 banks (Sharia Banking Statistics) while in Malaysia as of October 2022 there were 15 banks (www.bnm.gov.my). The legal basis for the development of Islamic banks in Indonesia is regulated in Law no. 21 of 2008. The development of Islamic banking in Malaysia is in accordance with the Islamic Financial Services (IFSA) Act in 2013. The IFSA aims to regulate and supervise Islamic financial institutions, payment systems, Islamic capital market supervision of sharia compliance.

Indicators of the success of the Islamic banking system can be seen from the increase in the quality of Islamic audits. Sharia audit is a process of systematic checking of compliance with Islamic principles of all activities of Islamic financial institutions which include financial reports, products, use of information technology, operating processes, parties involved in business activities of Islamic financial institutions, documentation and contracts, policies and procedures, as well as other activities (Mardian & Mardiyah, 2015). Sharia audit has the same function as conventional audit but focuses more on the compliance of Islamic financial institutions with sharia principles and requirements (Sultan, 2007). The auditing standards used by auditors in Indonesia in auditing Islamic financial institutions are still the same as auditors who audit conventional financial institutions, namely SPAP (Public Accountant Professional Standards). SPAP is prepared and issued by IAPI (Indonesian Public Accountants Association) which refers to the International Standards on Auditing (ISA) issued by IFAC (iapi.or.id). Sharia audit is carried out to determine the suitability of Islamic financial reports with Islamic financial accounting standards (SAK). The Indonesian Institute of Accountants has issued SAK Syariah as a guide in preparing and presenting financial reports for companies that carry out sharia-based transactions. SAK Syariah is based on general accounting concepts that have been adapted to sharia principles as stated in the MUI fatwa (Nurhasanah et al,

Khan (1985) in (Yaacob, 2012) states that the International Auditing Standards (ISA) which form the basis of SPAP cannot fully address the requirements of sharia auditing because the conventional auditing framework is firmly embedded in the western capitalist and secular worldview. Kemala Ratu & Meiriasari (2021) states that even though Malaysia has adopted auditing standards from AAOIFI (Accounting and Auditing Organization of Islamic Financial Institutions), based on research results it states that sharia audit practices in Islamic financial institutions in Indonesia, Malaysia and Brunei still face various challenges. auditing problem.

Nurhidayat (2021) suggests that the majority (40.2%) of Islamic banking in Malaysia use their own audit framework according to an Islamic perspective, while 38.1% use conventional auditing standards with some adjustments. Agustin Nengsih et al. (2014) stated that the problem of sharia auditing currently lies in human resources, almost all internal and external auditors find an imbalance in accounting capacity and sharia capacity for sharia regulatory agencies.

Factors that affect the quality of sharia audits consist of the sharia supervisory board, audit committee, KAP reputation, and auditor industry specialization. This research is a development of Naqiah's research (2022) and the difference lies in the addition of the independent variable audit delay.

The aim of this research is to find out the factors that influence sharia audit quality with a comparative study of sharia banking in Indonesia and in Malaysia in 2017-2020.

THEORETICAL FRAMEWORK

The theory used in this research is agency theory. Agency theory states that agency conflicts between owners and managers can be reduced by implementing Good Corporate Governance. In practice, the implementation of good corporate governance is different for each country and company because it is related to the economic, legal, ownership structure, social and cultural systems (Nurhasanah et al., 2021).

An audit quality indicator is a key indicator that allows a quality audit to be carried out consistently by public accountants through KAP (public accounting firm) in accordance with the code of ethics and professional standards and applicable legal provisions (IAPI, 2018).

A Shari'a supervisory board is an independent body of specialized jurists in Fiqh Al-Mua'amalat (Islamic commercial jurisprudence). However, the Shari'a supervisory board may include a member other than those specialized in Fiqh Al-Mua'malat, but who should be an expert in the field of Islamic financial institutions and with knowledge of fiqh Al-Mua'malat. The Sharia supervisory board is entrusted with the duty of directing, reviewing and supervising the activities of the Islamic financial institutions in order to ensure that they are compliance with Shari'a Rules and Principles. The Shari'a supervisory board shall consist of at least three members. (https://aaoifi.com/aaoifi-gs-1-sharia-supervisory-board-appointment-composition-and-report/?lang=en)

The audit committee provides independent oversight of the licensed institution's financial reporting and internal control system and ensuring checks and balances within the licensed institution. (BNM/RH/GL 001-1, Guidelines on Corporate Governance for Licensed Institutions).

Industry specialist auditors are measured in the manner used by Craswell et al. (1995) in Andreas (2012) First, the industry sample used is an industry that has a minimum of 30 companies. Second, the auditor is said to be a specialist if the auditor audits 20% of the total companies in the industry.

One of the factors that influence the quality of sharia audit is the sharia supervisory board. The sharia supervisory board is tasked with overseeing the continuity of the company so that it is in accordance with sharia principles, including ensuring that all sharia banking products and procedures comply with sharia principles. One of the procedures in Islamic banking is the procedure for procuring Islamic financial report audit services so that with this supervision a quality Islamic audit can be achieved. Violations of sharia principles not only impact the institution but also Islamic teachings (Nurhasanah et al., 2021). Circular Letter (SE) of the Financial Services Authority (OJK) No. 10/SEOJK.03/2014 concerning Assessment of Soundness Level of Sharia Commercial Banks and Sharia Business Units and Bank Indonesia Circular Letter No. 15/15/2013 concerning the Implementation of Good Corporate Governance for Islamic Commercial Banks and Bank Indonesia Regulation No. 11/3/PBI/2009 concerning Islamic Commercial Banks, article 36 states that the minimum number of sharia supervisory boards in Islamic banking in Indonesia consists of 2 people consisting of a chairman and members or a maximum of 50% of the total number of members of the board of directors. Bank Negara Malaysia regulation number BNM/RH/ED 028-7 regarding the implementation of sharia governance, explains that the minimum number of sharia supervisory boards in Malaysian sharia banking is 3 people. Thus the hypothesis that can be put forward on the basis of the explanation above is Article 36 states that the minimum number of sharia supervisory boards in Islamic banking in Indonesia consists of 2 people consisting of a chairman and members or a maximum of 50% of the number of members of the board of directors. Bank Negara Malaysia regulation number BNM/RH/ED 028-7 regarding the implementation of sharia governance, explains that the minimum number of sharia supervisory boards in Malaysian sharia banking is 3 people. Thus, the hypothesis that can be put forward on the basis of the explanation above is Article 36 states that the minimum number of sharia supervisory boards in Islamic banking in Indonesia consists of 2 people consisting of a chairman and members or a maximum of 50% of the number of members of the board of directors. Bank Negara Malaysia regulation number BNM/RH/ED 028-7 regarding the implementation of sharia governance, explains that the minimum number of sharia supervisory boards in Malaysian sharia banking is 3 people. Thus, the hypothesis that can be put forward on the basis of the explanation above is

H1: There are differences in the quality of sharia audits based on the size of the sharia supervisory boards in Indonesian and Malaysian sharia banks.

Sharia audit quality is also influenced by the audit committee. The audit committee is a supporting organ under the board of commissioners which aims to assist the board of commissioners in carrying out their duties. The audit committee can choose or replace the external auditor, conduct an objective assessment of the performance of the external auditor and so on. Based on this, the audit committee can influence the quality of sharia audits. Measurement of the audit committee can be seen from the number of audit committees and the number of meetings held by the audit committee.

The composition of the audit committee in Indonesia is regulated in the Financial Services Authority Regulation No. 55/POJK.04/2015 regarding the formation and guidelines for the implementation of audit committee work in article 4 states that the minimum number of Audit Committee members is 3 (three) members from Independent Commissioners and Parties from outside the Issuer or Public Company.The composition of the audit committee in Malaysia is regulated in BNM/RH/GL 001-1, Guidelines on Corporate Governance for Licensed Institutions which states that the minimum number of audit committees is 3 people.Thus the hypothesis that can be put forward on the basis of the explanation above is

H2: There is no difference in the quality of sharia audits based on the size of the audit committee in Indonesian and Malaysian Islamic banks.

One of the factors that influence the quality of sharia audits is the frequency of audit committee meetings. The audit committee evaluates the performance of the external auditors, reviews audit findings and others. These activities are coordinated in an audit committee meeting.The frequency of audit committee meetings is the number of audit committee meetings to discuss audit findings or ensure company activities comply with applicable regulations.Financial Services Authority Regulation No. 55/PJOK.04/2015 states that the audit committee holds regular meetings at least four times a year.Audit committee meetings in Malaysia are regulated in BNM/RH/GL 001-1, Guidelines on Corporate Governance for Licensed Institutions which states that audit committee meetings must be held at least 3 times a year.

H3: There are differences in the quality of sharia audits based on the frequency of audit committee meetings in Indonesian and Malaysian sharia banks.

The reputation of the Public Accounting Firm (KAP) showspublic trust in public accountants.KAP's reputation shows the auditor's ability to act independently and carry out audits in a professional manner. The reputation of the KAP in this study was measured using the big 4 and non-big 4 Public Accounting Firm groups. According to the results of the study (Naqiah, 2022) states that Indonesian Islamic banks only choose KAPs with international affiliates by 50% when compared to Malaysian Islamic banks, which are all banks 100% sharia prefer KAP with international affiliates. Thus, the hypothesis that can be put forward on the basis of the explanation above is

H4: There are differences in the quality of sharia audits based on the reputation of public accounting firms (KAP) in Indonesian and Malaysian Islamic banking

Sanjaya (2017) suggests that industry specialization of auditors is expertise in a particular industry or choosing a market share that focuses on a particular type of industry. One type of industry is Islamic banking. If the auditor who conducts an audit of Islamic banking is a specialist in the field of Islamic banking audit, then the audit results will be of higher quality. Specialist auditors are more likely to detect errors and irregularities that occur in financial statements, so they can assist companies in providing better profit information. Research (Naqiah, 2022) shows that overall Malaysian Islamic banks use audit services with KAP with industry specialization, namely with a percentage of 100%, while for Indonesian Islamic banks, the use of audit services with industry auditor specialization is the same as with non-specialists, namely 50 each. %. Thus, the hypothesis that can be proposed on the basis of the explanation above is:

H5: There are differences in the quality of sharia audits based on auditor industry specialization in Indonesian and Malaysian Islamic banking

Audit delay is the length or time interval to complete the audit report starting from the closing date of the financial year until the date of issue of the independent auditor's report containing the auditor's opinion in the annual report (Sitompul et al., 2021). Thus, audit delay can be measured by counting the closing days of the financial year until the independent auditor's report is published. Based on OJK regulation no. 14/POJK.04/2022 concerning submission of periodic financial reports of issuers or public companies, article 4 states that financial reports must be submitted to OJK and announced to the public no later than the end of the third month after the date of annual financial reporting. Likewise in Malaysia, based on the Islamic Financial Services Act 2013 states that annual financial reports have been audited no later than three months after the close of each financial year and before the presentation of financial statements at the general meeting (bnm.gov.my). Thus, the hypothesis that can be proposed on the basis of the explanation above is:

H6: There is no difference in sharia audit quality based on audit delay in Indonesian and Malaysian sharia banks.

DATA AND RESEARCH METHODS

This study uses a comparative quantitative method. The data used is secondary data obtained from the financial reports and GCG reports of Islamic banking in Indonesia and in Malaysia in 2017 – 2020. The sample used in this study was 96 using a purposive sampling technique.

This study uses the Mann Whitney hypothesis test because the data distribution is not normal. The Mann-Whitney test is used to test the differences between two independent samples. The decision is made by: a) If the probability <0.05 then H0 is rejected, there is a significant difference between audit quality in Malaysian and Indonesian Islamic banks. b) If probability > 0.05 then H0 is accepted, there is no significant difference between audit quality in Malaysian and Indonesian Islamic banks.

Variable operationalization is described in the table below.

Table 3.1
Operational Variables

Variable Name	Indicator	Measurement
Good Corporate Governance (GCG)	DPS Board Size Audit Committee Size Audit Committee meeting	Number of DPS Board Number of Audit Committee Frequency of Audit Committee Meetings
KAP's reputation	KAP Big 4	Dummy, if Big 4 KAP = 1 Big Non-Big 4 KAP = 0
Auditor Industry Specialization	Auditors who audit 20% of the total companies in Islamic banking	Dummy, If Auditors who audit 20% of the total companies in Islamic banking = 1 Auditors who audit less than 20% of the total companies in Islamic banking = 0
Audit Delays	Audit Period	Audit Assignment Period

RESULTS AND DISCUSSION

	N	*Minimum*	*Maximum*	*Means*	*std. Deviation*
Sharia Supervisory Board	96	1.00	12.00	3.6042	1.95464
Audit Committee	96	1.00	7.00	3.7813	1.23826
Frequency of Audit Committee Meetings	96	4.00	34.00	11.4688	6.45788
KAP's reputation	96	.00	1.00	.6563	.47745

	N	*Minimum*	*Maximum*	*Means*	*std. Deviation*
Auditor Industry Specialization	96	.00	1.00	.6875	.46595
Audit Delays	96	17.00	120.00	55.2708	22.85169
Valid N (listwise)	96				

Source: Processed by SPSS (2022)

Normality test

The normality test results are described in table 4.2 below.

Table 4.2
Normality test
One-Sample Kolmogorov-Smirnov Test

		DPS size	Audit Committee Size	Frequency of Audit Committee Meetings	KAP's reputation	Industry Specialties Auditors	Audit Delays
N		96	96	96	96	96	96
Normal Parameters, b	Means	3.6042	3.7813	11.4688	.6563	.6875	3.9109
	std. Deviation	1.95464	1.25826	6.45788	.47745	.46595	.47913
Most Extreme Differences	absolute	.232	.191	.131	.420	.436	.132
	Positive	.232	.191	.131	.259	.251	099
	Negative	-.185	-.184	-.124	-.420	-.436	-.132
Test Statistics		.232	.191	.131	.420	.436	.132
asymp. Sig. (2-tailed)		.000c	.000c	.000c	.000c	.000c	.000c

Test distribution is Normal.
Source: Processed by SPSS, 2022.

Based on table 4.2, the Kolmogorov-Smirnov Test shows that the data is not normally distributed because of asymp. Sig (2-tailed) < 0.05 so that to test the data hypothesis, the test tool used is the Mann Whitney U-Test of differences described in table 4.3 below.

Table 4.3
Difference Test Mann Whitney U-Test

	Sharia Supervisory Board	Audit Committee	Frequency of Audit Committee Meetings	KAP's reputation	Auditor Industry Specialization	Audit Delays
Mann-Whitney U	7,000	992,500	970,500	460,000	520,000	830,000
Wilcoxon W	1603,000	1812,500	1790,500	2056,000	2116,000	2426,000
Z	-8,726	-.998	-1,115	-5,962	-5,554	-2.156
asymp. Sig. (2-tailed)	.000	.323	.265	.000	.000	.031

Source: Processed by SPSS (2022)

Discussion of research results

There are significant differences in the quality of sharia audits based on the size of the sharia supervisory boards in Indonesian and Malaysian sharia banks

Based on the results of hypothesis testing, it shows that there are significant differences in sharia audit quality based on the size of the sharia supervisory boards in Indonesian and Malaysian sharia banking, thus H1 is accepted. This can be explained in the following table:

Table 4.4
Comparison of the percentage size of the sharia supervisory board

Indicators	*Lots of size board supervisor sharia data*			
	N	Intervals < 3	Intervals3-12	Intervals=12
DPS_Indonesia	56	75%	25%	0%
DPS_Malaysia	40	0%	97.5%	2.5%

Source: Processed (2022)

Table 4.4 shows that the majority (75%) of the sharia supervisory boards in Indonesian Islamic banks number between 1 and 2 people, while in Malaysia the majority (97.5%) consist of 3 to 12 people. This is in accordance with the Financial Services Authority Circular No. 10/SEOJK.03/2014, Bank Indonesia Circular No. 15/15/2013 and Bank Indonesia Regulation No. 11/3/2009 PBI explains that Islamic banking in Indonesia has at least a sharia supervisory board of at least 2 people consisting of a chairman and members or a maximum of 50% of the number of members of the board of directors while the number of sharia supervisory boards in Malaysia is at least 3 people (BNM /RH/ED 028-7). The results of this study are in accordance with Naqiah's research (2022).

There is no significant difference in sharia audit quality based on audit committee size in Indonesian and Malaysian sharia banks

Based on the results of hypothesis testing, it shows that hypothesis (H2) which states that there is no significant difference in sharia audit quality based on audit committee size.

in Indonesian and Malaysian Islamic banking is rejected. This can be explained in the following table:

Table 4.5
Comparison of the percentage size of the audit committee

Indicators	Lots of size audit committee data			
	N	intervals <3	intervals 3-7	intervals =7
Audit Committee_Indonesia	56	7.2%	89.3%	3.5%
Audit Committee_Malaysia	40	10%	90%	0%

Source: Processed by SPSS (2022)

Based on the table above, it shows that the majority of the number of audit committees for Islamic banking in Indonesia (89.3%) is between 3 and 7 people, as well as in Malaysia, the majority of the number of audit committees (90%) is between 3 and 7 people. Although there is a difference but very thin. (0.7%). The results of this study are in accordance with Naqiah's research (2022).

There are significant differences in the quality of sharia audits based on the frequency of audit committee meetings in Indonesian and Malaysian sharia banks

Based on the results of hypothesis testing indicating that hypothesis (H3) there is a significant difference in the quality of sharia audits based on the frequency of audit committee meetings in Indonesian and Malaysian Islamic banking is rejected. This can be explained in the following table:

Table 4.6
Comparison of frequency of audit committee meetings

Indicator	*Lots of frequency of audit committee meeting data*			
	N	intervals < 5	Intervals 5-30	intervals >30
KA_Indonesia meeting	56	5.4%	92.8%	1.8%
KA_Malaysia meeting	40	22.5%	77.5%	0%

Source: Processed by SPSS (2022)

Based on table 4.6, it shows that the majority of Islamic banking audit committees in Indonesia (92.8%) and Malaysia (77.5%) meet between 5 and 30 times a year.The frequency of audit committee meetings is the number of meetings held to discuss audit findings or ensure supervision of company activities in accordance with the duties of the audit committee.Financial Services Authority Regulation No. 55/PJOK.04/2015 states that the audit committee holds regular meetings at least four times a year.Audit committee meetings in Malaysia are regulated in BNM/RH/GL 001-1, Guidelines on Corporate Governance for Licensed Institutions which states that audit committee meetings must be held at least 3 times a year. Although the minimum number of audit committee meetings in the two countries is slightly different, most of the number of meetings is the same, namely between 5 and 30 times a year. The results of this study are in accordance with Naqiah's research (2022).

There are significant differences in the quality of sharia audits based on the reputation of public accounting firms in Indonesian and Malaysian sharia banking

Based on the results of hypothesis testing indicate that hypothesis (H4) there is a significant difference in sharia audit quality based on the reputation of public accounting firms in Indonesian and Malaysian Islamic banking is accepted. This can be explained in the following table:

Table 4.7
Comparison of the reputation of public accounting firms

Indicators	Comparison reputation office accountant public		
	N	Big 4	Non-Big 4
KAP_Indonesia's reputation	14	42.85%	57.15%
KAP_Malaysia reputation	10	100%	0%

Source: Processed by SPSS (2022)

Table 4.7 shows that the majority of Islamic banks in Indonesia choose Non-Big 4 public accounting firms (KAP). On the other hand, Islamic banks in Malaysia all choose big 4 public accounting firms (KAP). This shows that there are differences in the quality of sharia audits based on office reputation public accountant (KAP) chosen by Islamic banking. The results of this study are in accordance with Naqiah's research (2022).

There are differences in the quality of sharia audits based on the auditor's industry specialization in Indonesian and Malaysian Islamic banking.

Based on the results of hypothesis testing, it shows that hypothesis (H5) there is a significant difference in sharia audit quality based on auditor industry specialization in Indonesian and Malaysian Islamic banking is accepted. This can be explained in the following table:

Table 4.8
Comparison of auditor industry specializations

Indicators	*Lots of specialization auditor's industry data*		
	N (Sharia Commercial Bank)	Auditor Industry Specialization	Non-Auditor Industry Specialization
Auditor_Indonesia Specialization	14	71.4%	28.6%
Auditor Specialization _Malaysia	10	100%	0%

Source: Processed by SPSS (2022)

Table 4.8 shows that the majority (71.4%) of Islamic banking in Indonesia use the services of auditors who have industry specialization. This is different from Islamic banking in Malaysia, which all use auditors who have industry specialization. Auditors who specialize in the Islamic banking industry understand more about Islamic banking issues so that their audits will be of higher quality.

In Indonesian Islamic banking, there are several Islamic commercial banks which inconsistently use audit services from the auditor industry specialization every year. According to (Riani and Mardian, 2017) when viewed from the SAS certification holder for an auditor in Indonesia it is still minimal because the certification regulations are still new and are in the development stage. The requirements for the auditor to audit the intended Islamic bank are to have an education or training certificate in the field of Islamic banking in accordance with the provisions of BI circular letter No.7/57/DPBS, 2 December 2005.

There is a significant difference in sharia audit quality based on audit delay in Indonesian and Malaysian sharia banking

Based on statistical calculations that have been done before, it shows that there are significant differences in audit delay between Indonesian Islamic commercial banks and Malaysian Islamic commercial banks. This is represented by the percentage of audit delay, as shown in the following table:

Table 4.9
Comparison of Audit Delays

Indicators	*Lots of audit delay data*			
	N	intervals < 20 days	intervals 20-90 days	intervals >90 days
Audit Delay_Indonesia	56	4.5%	95.5%	0%
Audit Delay_Malaysia	40	1.9%	96.2%	1.9%

Source: Processed by SPSS (2022)

The table above shows that there is a difference in the distance between closing company books and issuing audit reports (audit delay) at Malaysian Islamic banks and Indonesian Islamic banks. In Malaysia, most of the issuance of audit reports during 20-90 days after the closing of the company's books was 96.2% and more than 90 days of audit reporting reached 1.9%.

In contrast to Indonesia, there are open or published decisions or rules regarding timeliness in reporting audit reports, namely BAPEPAM has tightened regulations regarding the timing of financial report reporting by issuing a copy of the Decree of the Chairman of the Capital Market Supervisory Agency and Financial Institutions NUMBER: KEP-346/BL/2011 which states that the financial statements accompanied by an independent auditor's report with a common opinion must be submitted no later than the end of the third month after the date of the annual financial report and OJK Regulation No. 14/POJK.04/2022 concerning submission of periodic financial reports of issuers or public companies, article 4 states that financial reports must be submitted to OJK and announced to the public no later than the end of the third month after the date of annual financial reporting. In the Statement of Financial Accounting Standards (PSAK) No. 1 concerning Presentation of Financial Statements, namely the purpose of financial statements to provide information regarding the financial position, financial performance and cash flows of entities that are beneficial to the majority of report users in making economic decisions, so that if there is a delay improperly in reporting, the resulting information will lose its relevance. Tehupuring & Sitanala (2016) stated that good accounting information is usually characterized by factors such as relevance, adequacy, comparability and reliability so that the information provided can be useful for decision making by various stakeholders. namely the purpose of financial statements to provide information about the financial position, financial performance and cash flows of an entity that is useful to the majority of report users in making economic decisions, so that if there is an undue delay in reporting, the resulting information will lose its relevance. Tehupuring & Sitanala (2016) stated that good accounting information is usually characterized by factors such as relevance, adequacy, comparability and reliability so that the information provided can be useful for decision making by various stakeholders. namely the purpose of financial statements to provide information about the financial position, financial performance and cash flows of an entity that is useful to the majority of report users in making economic decisions, so that if there is an undue delay in reporting, the resulting information will lose its relevance. Tehupuring & Sitanala (2016) stated that good accounting information is usually characterized by factors such as relevance, adequacy, comparability and reliability so that the information provided can be useful for decision making by various stakeholders. then the resulting information will lose its relevance. Tehupuring & Sitanala (2016) stated that good accounting information is usually characterized by factors such as relevance, adequacy, comparability and reliability so that the information provided can be useful for decision making by various stakeholders. then the resulting information will lose its relevance. Tehupuring & Sitanala (2016) stated that good accounting information is usually characterized by factors such as relevance, adequacy, comparability and reliability so that the information provided can be useful for decision making by various stakeholders.

In the data above it is known that 95.5%, which is around 20-90 days, several Indonesian Islamic banks from the 2017-2021 period have reported their audit reports on time. As for those who report less than 20 days at 4.5% and more than 90 days, namely there are 0%, in other words, Islamic banking in Indonesia has complied with all the rules for the timeliness of audit reporting from BAPEPAM and OJK rules. Thus, users of financial information can obtain accurate and timely information used to make decisions.

Based on the data and information explained above, it can be concluded that there is no significant difference between the audit delay limit in Malaysian Islamic banking and Indonesian banking, which has the same submission deadline until the end of the third month after the annual financial reporting date.

CONCLUSION

Based on the tests that have been carried out, the following conclusions can be drawn:

a. The hypothesis that there is a significant difference in sharia audit quality based on the size of the sharia supervisory board in Islamic banking in Indonesia and Malaysia (H1) is accepted.
b. The hypothesis that there is no significant difference in sharia audit quality based on the size of the audit committee in Islamic banking in Indonesia and Malaysia (H2) is rejected.
c. The hypothesis that there is a significant difference in sharia audit quality based on the frequency of audit committee meetings in Indonesian and Malaysian sharia banking (H3) is rejected.
d. The hypothesis which states that there is a significant difference in sharia audit quality based on KAP's reputation in Islamic banking in Indonesia and Malaysia (H4) is accepted.
e. The hypothesis which states that there are significant differences in the quality of sharia audits based on the industry specialization of auditors in Islamic banking in Indonesia and Malaysia (H5) is accepted.
f. The hypothesis which states that there is no significant difference in sharia audit quality based on audit delay in Indonesian and Malaysian Islamic banking (H6) is accepted.

IMPLICATIONS AND LIMITATIONS

This study does not measure the effect of the independent variables on the dependent variable. The distribution of the data in this study was not normal, so the Mann Whitney U-Test was used.

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