

INFLUENCE OF COMPANY SIZE, PROFITABILITY, SOLVABILITY AND COMPANY AGE ON AUDIT DELAY

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Abstract– *This study aims to determine the effect of company size, profitability, solvency and company age on audit delay in banking sector companies listed on the Indonesia Stock Exchange (BEI).*

This research uses a causal research strategy (cause and effect) with a quantitative approach which is measured using a panel data regression-based method with Eviews 10 Software. In this study, the population was all companies in the banking sub-sector during the period 2014 to 2018. In this study, the population was all banking sub-sector companies during the period 2014 to 2018. The research sample was determined by the purposive sampling method and obtained 29 companies so that the number of observations in this study was 145. The sample and data used are secondary data, namely the annual financial reports published by the Indonesia Stock Exchange (IDX) and the official website of each company as well as other publications related to the research hypothesis.

Based on the research results prove that partially company size has an effect on audit delay, profitability has an effect on audit delay, solvency has no effect on audit delay, and company age has no effect on audit delay.

Key Words: *Audit Delay, Company Size, Profitability, Solvability, and Company Age*

I. INTRODUCTION

Development in the economic sector is an important factor in a country. One of the factors in increasing economic development is the capital market. The developments that occur in the capital market will certainly have an effect on business competition which will be increasingly competitive in the provision and acquisition of information that becomes the basis for decision making. This information can be in the form of financial statements prepared by the company as a form of accountability to the public for the use of its resources.

Financial Accounting Standards (Indonesian Accounting Association, 2017) states that financial reports are part of the financial reporting process. Purpose of financial statements according to the Statement of Financial Accounting Standards (PSAK) No.1 (IAI, 2017) is to provide information about the company's financial position, performance and cash flow that is useful for every user of the report in order to make economic decisions and show management's accountability for the use of resources which is trusted in them. Financial reports are said to be accurate if they are presented in a timely manner when required by users of financial reports such as the government, investors, creditors, the public, and other parties as a basis for decision making (Aryaningsih and Budiarta, 2014; and Lintang, 2018).

According to Law Number 8 of 1995 concerning the capital market, it is clearly stated that public companies are required to submit periodic reports and other insidental reports to the Capital Market Supervisory Agency (BAPEPAM), or currently it has changed to the Financial Services Authority (OJK). Where the OJK has currently been authorized as the highest authority in financial activities in Indonesia in accordance with the Law of the Republic of Indonesia Number 21 of 2011. Submission of financial reports to the Financial Services Authority (OJK) based on Financial Services Authority regulation Number 29 / POJK.04 / 2016, where in Article 7 Paragraph 1 concerning Submission of Annual Reports to the Financial Services Authority no later than the end of the fourth month (120 days) after the last financial year. Go public companies that violate the provisions of the Financial Services Authority (OJK) will be subject to sanctions in accordance with the regulations in force in the current year.

Regulations for compliance with the timeliness of presenting financial reports to the public in Indonesia are regulated in the Attachment to the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency No. KEP-431 / BL / 2012 concerning Submission of Annual Reports of Issuers or Public Companies which became effective on August 1, 2012. The regulation states that issuers or public companies whose registration statements have become effective are required to submit annual reports to the Capital Market and Financial Institutions Supervisory Agency. (BAPEPAM and LK) no later than 4 (four) months after the end of the financial year. The existence of this regulation is expected to minimize audit delay cases in Indonesia.

The characteristics of the company's financial reports are quality, relevant and guaranteed, one of which is the timeliness of the audit. But with the existence of a different time period for each auditor in completing the audit process, an audit delay appears. Delays in submitting financial statement information can cause a decrease in the level of investor confidence. Where this can affect the sale of share prices in the capital market. Investors can think of a delay in submitting financial reports as a bad sign for a company's business condition.

Delays in submitting financial reports occurred in the financial sector, especially in the banking sub-sector. The banking sector in the capital market has an important role in the Indonesian economy, especially as Indonesia is a developing country in all sectors. The Indonesia Stock Exchange (IDX) stated that it had given written sanctions to 21 listed companies that had not submitted their semi-annual financial reports as of June 2017.

One of them is PT Bank Kesejahteraan Ekonomi or BKE. In an official statement received in cash, OJK said that it had put on a written warning I (bond issuer) to BKE. This sanction was imposed on BKE because it had submitted financial reports that were not reviewed on a limited basis and were not audited, but previously planned to submit financial reports that were subject to limited review.

BKE President Director Sasmaya Tuhuleley said this was due to the ongoing audit process of BKE's annual financial statements, so that BKE reported unaudited financial reports and technical errors from the company management (kontan.co.id dated 12 September 2017). This phenomenon can be observed because it is related to the timeliness of the submission of financial

reports, which is a reflection of the credibility of the quality of reported information and a reflection of the level of compliance with established regulations.

II. LITERATURE REVIEW

2.1 Theoretical basis

Signalling Theory

The signal theory was first coined by Michael Spence (1973) in his research entitled JobMarket Signaling. This theory involves two parties, namely an insider such as management who acts as a party providing a signal and an outside party such as an investor who acts as a party receiving the signal. Spence said that by giving a cue or signal, management tries to provide relevant information that can be used by investors. Then, the investor will adjust his decision according to his understanding of the signal.

Jogiyanto (2011) in Wahyuningsih (2016) states that the relationship between the publication of information, be it financial reports, financial conditions or socio-political to fluctuations in stock trading volume can be seen in market efficiency. The efficient capital market is defined as a market where the price of the securities reflects all relevant information. Therefore, the longer it takes the auditor to audit the financial statements, the longer the audit delay the company will experience. Investors will view this as bad news, which in turn will have an impact on stock price volatility.

Teori Kepatuhan

A demand for compliance with the timeliness of submitting annual financial reports of public companies in Indonesia is regulated in Law Number 8 of 1995 concerning the capital market which clearly states that public companies are required to submit periodic reports and other residential reports to the Capital Market Supervisory Agency (BAPEPAM.-), or has now changed to the Financial Services Authority (OJK).

Submission of financial reports to the Financial Services Authority (OJK) based on Financial Services Authority regulation Number 29 / POJK.04 / 2016, which in Article 7 Paragraph 1 concerning Submission of Annual Reports to the Financial Services Authority no later than the end of the fourth month (120 days) after the last financial year.

There are two basic perspectives on compliance theory, namely the instrumental perspective and the normative perspective. In the submission of a financial report, the instrumental perspective illustrates that the incentives received by the company if it submits financial reports are in accordance with applicable regulations, while in the normative perspective, it describes that companies in submitting financial reports are in accordance with applicable regulations because they are considered mandatory and because the drafting authority of these provisions dictates behavior to report their finances within a predetermined time (Mukhtaruddin et al 201,16).

Auditing

According to Arens, Elder and Beasley (2015: 2) Auditing is the collection and evaluation of evidence about information to determine and report the degree of conformity between that information and predetermined criteria. Auditing must be carried out by competent and independent people. To conduct an audit, information must be available in a form that can be verified and some standards (criteria) by which the auditor can evaluate the information.

According to Mulyadi (2016: 8) auditing is a systematic process for obtaining and evaluating evidence objectively regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and predetermined criteria, as well as

delivering the results to interested parties. From the point of view of the public accounting profession, an audit is an objective examination of the financial statements of a company or other organization with the aim of determining whether the financial statements present fairly, in all material respects, financial position, and the results of operations of the company or organization. The definition of audit according to Sukrisno Agoes (2017: 4) is an examination that is carried out critically and systematically, by an independent party, of financial reports that have been prepared by management, along with accounting records and supporting evidence, with the aim of being able to provide opinion regarding the fairness of the financial statements.

Audit Delay

Audit delay is an audit time span that indicates the length of time the auditor completes his work (Murthi and Ardhiani, 2016). Audit Delay is the time difference between the date of the financial statements and the date of the audit opinion in the financial statements indicating the length of time for completion of the audit conducted by the auditor (Saemargani, 2015). Dyer and Mchugh (in Widhiasari and Ketut, 2016) disclose three criteria or types of delays in reporting financial statements, namely:

1. Auditor's report lag is the interval of the number of days between the date of the financial statements until the date the auditor's report is signed.
2. Preliminary lag is the interval of the number of days between the date of the financial statements and the receipt of the final preliminary report by the stock exchange.
3. The total lag is the interval of the number of days between the date of the financial statements and the date when the report is published on the stock exchange.

The imposition of sanctions on companies that are late in submitting annual reports does not discipline companies in reporting their financial statements. Quoted from the phenomenon related to audit delay that occurred in 2019, where the Indonesia Stock Exchange (IDX) noted that only 578 companies submitted their financial reports for semester I-2019 on time. To date, the total companies listed on the IDX are 737 companies. Which means that only 78.4% of the total issuers reported their finances for the first semester of 2019 on time (kontan.co.id dated August 8, 2019). To see the timeliness, usually a study looks at the timeliness of reporting. (Margaretta & Soepriyanto, 2012) in (Normalita et al, 2020).

$$\text{Audit delay} = \text{Audit Report Date} - \text{Company Book Close Report Date}$$

Company Size

Company size describes the scale that shows the size or size of a company (Hery, 2017). Company size is a scale to determine the size of a company entity which can be expressed through total assets, total revenue, total sales in one year, stock market value, etc. which describes the company's wealth. Companies with a large scale have wider activities, the volume of activity increases, the quantity of transactions within the company is getting higher so that the complexity of transactions increases (Clarisa and Pangerapan, 2019). The size of the company is formulated in the following equation (Wijaya, 2017):

$$\text{Company Size (size)} = \text{Ln Total Assets (1)}$$

Profitability

Profitability is the ratio to assess the ability of the company to seek Ratios Profitability is the ratio to assess the ability of the company to seek profit . This ratio also provides a measure of the level of management effectiveness of a company . It is indicated by the earnings were generated from sales and income investing . The essence of using this ratio is to show the efficiency of a company (Kasmir , 2017: 196).

Profitability is the ability of the company to gain profit or profit companies . Indikator which is used in determining the level of profitability of a company in the research is to use the level of

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profit generated from the company with total assets were owned by the company referred to by return on assets (ROA). The formula that is used to measure profitability by Clarisa and Pangerapan (2019) , namely :

$$\text{Return on Total Assets} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\% \quad (2)$$

Solvency

According to Kashmir (2017: 151) The ratio of solvency or leverage ratio is a ratio that is used to measure the extent to which the assets of the company dibayai with debt . That is how great the burden of debt that is borne by the company as compared to its assets . In a sense widely said that the ratio of solvency are used to measure the ability of the company to pay the entire obligation, both run short or run length apabila perusahaan dissolved (liquidated).

Indicators of solvency in research is measured by use of total debt to total assets ratio or debt to assets ratio. The ratio is to compare the amount of assets (total assets) with the amount of debt (both term short and term length). The calculation of the ratio of debt on assets or Debt to Asset Ratio (DAR) according Clarisa and Pangerapan (2019) measured by the equation as follows:

$$\text{Debt to assets ratio} = \frac{\text{Total Debt}}{\text{Total Assets}} \quad (3)$$

Company Age

The company's age is the length of time that a company operates, which can be calculated based on the date the company was founded until now or the date the audit report was issued. The age of the company is thought to affect the disclosure of intellectual capital because older companies have more experience in publishing their financial reports (Ashari and Putra, 2016). To determine the age of the company, it can be calculated with the following formula:

$$\text{Company age} = \text{year of closing book} - \text{year listed on the IDX}$$

2.2 Hypothesis Development

Effect of Company Size on Audit Delay

Company size is a scale for classifying the size of a company according to various ways, including: log total assets, log total sales, market capitalization. According to Hery (2017: 11) Company size is considered capable of influencing the value of a company, because the greater the size or scale of the company, the easier it will be for companies to obtain funding sources, both internal and external.

According to Aryaningsih and Budiarta (2014), Ilaboya and Christian (2014) (in Rosalia, et al, 2019) found that the larger the size of a company, the lower the level of audit delays due to large-scale companies having a good internal control system. In addition, the pressure from stakeholders on company performance makes management try to pay a larger audit fee which will support audit services being carried out more quickly.

H1: Firm size has an effect on audit delay

Effect of Profitability on Audit Delay

Profitability is also known as one of the factors that can affect audit delay. The level of profitability ratios can be calculated using Return On Assets (ROA) which shows that the company's ability to use an asset to generate profits for the company's operations. According to Kartika (2011) (in Murti and Widhiyani, 2016) states that the level of profit is used as a way to assess the success of company effectiveness.

Research conducted by Yogo (in Wulandari and Utama, 2016) on go public companies listed on the Indonesia Stock Exchange in 2004 with the results of his research that has proven that

profitability has a significant effect on audit delay. According to Kadir (2011) (in Devi and Suaryana, 2016) states that the higher the level of profitability of a company, the faster the company will deliver its financial statements. And companies that have high profitability can be said that the company's financial statements contain good information and if the company has good information, the submission of financial reports will be done as soon as possible or on time.

H2: Profitability has an effect on audit delay

Effect of Solvency on Audit Delay

According to Andiyanto. et al (2017) the leverage or solvency ratio shows a company's ability to meet all of the company's financial obligations. Generally, there are two leverage ratios, namely debt to total assets and debt to total equity. A company that is not solvable is a company whose total debt is greater than its total assets.

According to Kurnia (2017) the leverage ratio is a ratio that shows how a company is able to manage its debts in order to make a profit and is also able to pay off its debts. The company is said to be capable if the company has sufficient assets to pay all its debts. Conversely, if the proportion of debt is greater than the assets owned by the company, it will result in losses and may increase the auditor's prudence on the financial statements to be audited.

H3: Solvency has an effect on audit delay

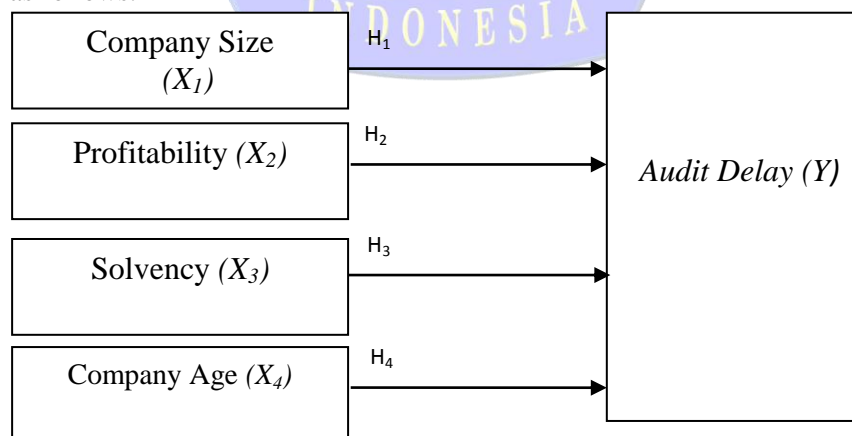
Effect of Company Age on Audit Delay

The age of the company is a time that has been achieved since its inception to an infinite time. The age of the company shows the ability of a company to face the challenges of the business world, the longer the company operates, the company can automatically survive in the tough business competition and gain public acceptance (Ratih, 2017).

Companies that have been established for a long time, meaning that they have an older age, tend to be faster in obtaining data, analyzing, processing data within the company to produce the necessary financial statement information. Because the company already has more experience than other companies. Thus, it will spur the company to be faster in presenting financial reports on time.

H4: Company age has an effect on audit delay

Based on the description of the hypotheses described above, the conceptual framework can be described as follows:



Picture 2.1 : Conceptuan Freamwork

Description : —————> In Partial

III. RESEARCH METHODS

This study uses a strategy that is causal in nature with a quantitative approach technique. Research with causal relationships is a causal relationship with the independent variable and the dependent variable (Sugiyono, 2018: 64). The data used in this study are secondary data from bank financial reports and financial reports that have been audited by auditors published during the period 2014 - 2018 . Data collection techniques are carried out by collecting information from literature in libraries and documentation techniques, namely financial reports which can be downloaded at <https://www.idx.co.id/> . The population in this study were 43 companies in the banking sub-sector listed on the IDX in the 2014 -2018 period , with a sample of 29 companies.

The data obtained were analyzed quantitatively to test the research hypothesis with statistical methods. The data analysis technique used in this research is panel data regression technique, namely, a combination of time series and cross section using Eviews software . The general form of the panel data regression equation model used is as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon \dots (6)$$

Information:

Y = Audit Delay

α = Constant coefficient

β_1 = Firm Size regression coefficient

X1 = Company Size

β_2 = Profitability regression coefficient

X2 = Profitability

β_3 = Solvency regression coefficient

X3 = Solvency

β_4 = Company Age Coefficient

X4 = Company Age

ϵ = Error rate (error)

IV RESEARCH RESULTS

4.1 Descriptive Statistics

From the results of descriptive statistical testing on five variables with a research sample of 145 , the descriptive statistics were obtained according to the table below:

Table 1
Descriptive Statistics Test Results

	AUDIT DELAY	SIZE COMPANY	PROFITABILITY	SOLVENCY	AGE COMPANY
Mean	58.09655	31.81392	0.012629	0.837224	4900.738
Median	58	31.94871	0.011271	0.8424	4188
Maximum	90	35.46901	0.031343	0.936502	13151
Minimum	7	28.29966	0.001277	0.614457	173
Std. Dev.	23.83692	1.7354	0.007729	0.048746	3290.797
Observations	145	145	145	145	145

Source: Panel Data Regression output with Eviews version 10.

Based on the results of descriptive statistics in the table above, it can be seen that for the dependent variable audit delay shows a minimum value of 7 owned by the East Java Regional Development Bank Tbk in 2015 and 2016. The maximum value of 90 is owned by Bank Bukopin Indonesia Tbk in 2017 and Bank Bumi Arta Tbk in 2014. While the average value obtained is 58.09655 with a standard deviation of 23.83692, where the standard deviation value is relatively smaller than the average value, so it can be concluded that the audit delay data deviation is relatively good.

The independent variable in the form of company size is obtained with a minimum value of 28.29966 owned by Bank Ina Perdana Tbk in 2014. Meanwhile, the maximum value held by Bank Dinar Indonesia Tbk in 2017 is 35.46901. The average value obtained from the size of the company is 31.81392 with a standard deviation of 1.7354. This shows that the statistical results of the value of company size during the 2014-2018 period are well distributed, and the standard deviation value which is smaller than the average value shows that the deviation of company size data is relatively good.

The independent variable of profitability shows a minimum value of 0.001277 owned by Bank Bukopin Indonesia Tbk in 2017. While the maximum value held by Bank Central Asia Tbk in 2018 is 0.031343. The average value obtained from profitability is 0.012629 with a standard deviation of 0.007729. This shows that the statistical results of the value of profitability during the 2014-2018 period are well distributed, and the standard deviation value which is smaller than the average value shows that the deviation of profitability data is quite good.

The independent variable in the form of solvency is obtained with a minimum value of 0.614457 owned by Bank Ina Perdana Tbk in 2017. While the maximum value held by Bank Bukopin Indonesia Tbk in 2017 is 0.936502. The average value obtained from solvency is 0.837224 with a standard deviation of 0.048746. This shows that the statistical results of the solvency value during the 2014-2018 period are well distributed, and the standard deviation value which is smaller than the average value shows that the deviation of the solvency data is relatively good.

The independent variable in the form of company age is obtained with a minimum value of 173 owned by Bank Dinar Indonesia Tbk in 2014. While the maximum value held by Bank Pan Indonesia Tbk in 2018 is 13151. The average value obtained from the age of the company is 4900,738 with standard deviation of 3290,797. This shows that the statistical results of the age value of the company during the 2014-2018 period are well distributed, and the standard deviation value which is smaller than the average value shows that the deviation of the solvency data is relatively good.

4.2 Classic Assumption Test

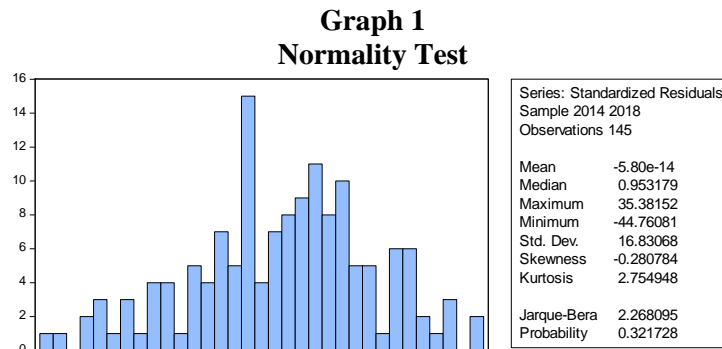
1. Normality tesT

The normality test is used to test and find out whether the data from the dependent and free variables are normally distributed or not. In this study, the normality of the data was tested using the histogram graph method and the Jarque-Bera test. The basis for making normality test decisions is as follows (Ghozali, 2018: 161):

1. If the probability value is > 0.05 (greater than 5%), then the data can be said to be normally distributed.
2. If the probability value is < 0.05 (less than 5%), it can be said that the data is not normally distributed.

One way to see the normality of the data is by looking at the distribution of data (points) on the diagonal axis of the graph or by looking at the histogram of the residuals.

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Source: Panel Data Regression output with Eviews version 10

Looking at the histogram graph and the jarque fallow statistical test (JB-Test) based on graph 1 of the normality test, it can be seen that the probability value is 0.321728 where the probability value is greater than 0.05, namely $0.321728 > 0.05$, it can be concluded that the data is normally distributed. The results of the histogram graph above show a probability value greater than 0.05, namely, $0.565988 > 0.05$, which means that the data in the study were normally distribut.

2. Multicollinearity Test

Ghozali (2018: 107) states that the multicollinearity test aims to test whether the regression model found a correlation between independent (independent) variables. A good regression model should not have a correlation between the independent variables, to detect the presence or absence of multicollinearity in the regression model, namely::

- a. If the correlation value > 0.80 then there is a multicollinearity problem;
- b. If the correlation value < 0.80 , multicollinearity does not occur.

**Table 2
Multicollinearity Test**

	SIZE_COMPANY	PROFITABILITY	SOLVENCY	SOLVENCY
SIZE_COMPANY	1	0.429286929	0.10570873	0.367640097
PROFITABILITY	0.429286929	1	-0.228647584	0.056491658
SOLVENCY	0.10570873	-0.228647584	1	0.167673304
SOLVENCY	0.367640097	0.056491658	0.167673304	1

Source: panel data regression output with Eviews version 10

Based on the results of the table above, it shows that the independent variables company size, profitability, solvency and company age are free from the multicollinearity test because they have a correlation value below 0.80.

3. Heteroscedastity Test

he heteroscedasticity test aims to test whether in the regression model there is an inequality of residual variance from one observation to another (Ghozali, 2018: 120). A good regression model is homoscedasticity or heteroscedasticity does not occur. To detect the presence or absence of heteroscedasticity in this study, the Glejser test was used. Heteroscedasticity testing with the Glejser test can be done with the following conditions:

- 1. If the probability value at $Obs * R\text{-squared} > 0.05$ then there is no heteroscedasticity.
- 2. If the probability value at $Obs * R\text{-squared} < 0.05$ then heteroscedasticity occurs.

Table 3
Heteroscedasticity Test

Heteroskedasticity Test: Glejser

F-statistic	5.95402	Prob. F(4,140)	0.2182
Obs*R-squared	21.0806	Prob. Chi-Square(4)	0.2473
Scaled explained SS	20.4588	Prob. Chi-Square(4)	0.2794

Source: panel data regression output with Eviews version 10

Based on the results of the Glejser test in table 4.4 above, it can be seen from the probability value that the chi square has a value of 0.2473, thus it can be concluded that the research data used does not have heteroscedasticity symptoms, because the probability value on Obs * R-squared is greater than 0.05, namely 0.2473 .

4. Autocorrelation Test

The autocorrelation test aims to test whether in the liner regression model there is a correlation between confounding error in period t and confounding error in period t-1 (previous). A good regression model is a regression model that is free from autocorrelation. To test the presence or absence of autocorrelation symptoms in this study, it can be detected using the LM test, especially for observations over 100 observations.

This test is indeed more appropriate to use than the DW test, especially if the sample used is relatively large and the degree of autocorrelation is more than one. The LM test will produce Breusch-Godfrey statistics, so the LM test is sometimes called the Breusch-Godfrey test (Ghozali, 2018: 112):

Table 4
Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	26.70145	Prob. F(2,138)	0.1823
Obs*R-squared	40.45612	Prob. Chi-Square(2)	0.1956

Source: panel data regression output with Eviews version 10

Based on the results of the Breusch-Godfrey test in table 4.5 above, it can be seen from the probability value that the chi square has a value of 0.1956, thus it can be concluded that the research data used does not have autorrelation symptoms, because the probability value on Obs * R-squared is greater than 0.05, namely 0.1956 > 0.05

4.3 Panel Data Regression Analysis

Table 5
Results of Panel Data Regression Analysis and t test

Dependent Variable: AUDIT_DELAY
Method: Panel EGLS (Cross-section random effects)

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Date: 07/13/20 Time: 11:33
Sample: 2014 2018
Periods included: 5
Cross-sections included: 29
Total panel (balanced) observations: 145
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COMPANY_SIZE	-6.462026	1.702408	-3.79582	0.0002
PROFITABILITY	-1107.358	272.8952	-4.05781	0.0001
SOLVENCY	-15.96273	32.38643	-0.49288	0.6229
AGE_COMPANY	-1.593205	0.000828	-0.01924	0.9847
C	291.1064	57.72779	5.042743	0

Source: panel data regression output with Eviews version 10

Based on the results of the panel data regression analysis above, the panel data regression equation can be formulated as follows:

$$\text{Audit Delay} = 291.1064 - 6.46203 \text{ Company Size} - 1107.36 \text{ Profitability} - 15.9627 \text{ Solvency} - 1.59321 \text{ Company Age}$$

Based on the panel data regression equation above, it can be analyzed as follows:

1. A constant of 291,1064 can be interpreted that if the size of the company, profitability, solvency and age of the company is equal to 0 (value = 0) then the audit delay has a value of 291,1064.
1. The firm size variable has a coefficient value of -6.46203 with a negative coefficient which explains the result that any increase in company size with the assumption that other independent variables remain (value = 0) will reduce the audit delay by 6.46203.
2. The profitability variable has a coefficient value of -1107.36 with a negative coefficient which explains that if each increase in profitability assumes that other independent variables remain (value = 0), it will reduce the audit delay by 1107.36.
3. Solvency variable has a coefficient value of -15.9627. The regression coefficient value illustrates that any increase in solvency with other independent assumptions remains (value = 0) will reduce the audit delay by 15.9627.
4. The company age variable has a coefficient value of -1.59321. The coefficient value illustrates that each increase in Company Age with the assumption that other independent variables remain (value = 0) will reduce the audit delay by 1.59321.

4.4 Hypothesis Testing

1. T test

The t statistical test aims to determine the effect of company size (X1), profitability (X2), solvency (X3), company age (X4) on audit delay (Y) partially (individually). The t test can be done by comparing the t count with the t table at a significant level of 5% with the testing criteria used as follows (Ghozali, 2018: 78)

- a. If $t_{count} < t_{table}$ and $p\text{-value} > 0.05$ then H_0 is accepted and H_1 is rejected, which means that one of the independent variables does not significantly affect the dependent variable.
- b. If $t_{count} > t_{table}$ and $p\text{-value} < 0.05$ then H_1 is accepted and H_0 is rejected, which means that one of the independent variables affects the dependent variable significantly.

It is known that the number of observations is ($n = 145$), the number of independent variables is ($n = 4$), then the formula, then the formula for degree of freedom ($df = nk - 1$) is $145 - 4 - 1 = 140$ with a significance level of $0, 05$ then the t table is 1.977050 . Based on the explanation and table 5 above, the resulting hypothesis is as follows:

1. The first hypothesis in this study is that firm size has an effect on audit delay. The result of statistical test shows that the value of t is greater than t table ($-3.79582 > 1.977054$) and the probability result is smaller than the significance level ($0.0002 < 0.05$). So it can be concluded that Company Size has a negative effect on Audit Delay. Based on the test results above, it can be concluded that H_1 which states that Company Size has a negative effect on Audit Delay, accepted.
2. The second hypothesis in this study is that profitability has an effect on Audit Delay. The results of statistical tests show that the value of t is greater than t table ($-4.057814 > 1.977054$) and the probability results are smaller than the significance level ($0.0001 < 0.05$). So it can be concluded that Profitability has a negative effect on Audit Delay. Based on the test results above, it can be concluded that H_2 which states that Profitability has an effect on Audit Delay is accepted.
3. The third hypothesis in this study is that solvency has an effect on Audit Delay. The result of the t statistical test shows that the t -count value is smaller than the t -table ($-0.492883 < 1.977054$) and the probability result is greater than the significance level ($0.6229 > 0.05$). So it can be concluded that Solvency has no effect on Audit Delay. Based on the test results above, it can be concluded that H_3 which states that Solvency has an effect on Audit Delay, is rejected.
4. The fourth hypothesis in this study is company age has an effect on audit delay. . The results of the t statistical test show that the t -count value is smaller than the t -table ($-0.019236 < 1.977054$) and the probability result is greater than the significance level ($0.9847 > 0.05$). So it can be concluded that company age has no effect on audit delay. Based on the above test results, it can be concluded that H_4 which states that company age affects the audit delay, is rejected.

2. Determination Coefficient Test

Table 6
Determination Coefficient Test Results

Dependent Variable: AUDIT_DELAY
Method: Panel EGLS (Cross-section random effects)
Date: 07/13/20 Time: 11:33
Sample: 2014 2018
Periods included: 5
Cross-sections included: 29
Total panel (balanced) observations: 145
Swamy and Arora estimator of component variances

INFLUENCE OF COMPANY SIZE, PROFITABILITY, SOLVABILITY AND COMPANY AGE ON AUDIT DELAY

R-squared	0.557289	Mean dependent var	20.94
Adjusted R-squared	0.536069	S.D. dependent var	13.14
S.E. of regression	11.482650	Sum squared resid	18459.16
F-statistic	12.124690	Durbin-Watson stat	1.73
Prob(F-statistic)	0.000000		

Source: panel data regression output with Eviews version 10

Based on table 4.14, the coefficient of determination seen from adjusted R² is 0.536069 or 53.6069%, which means that all independent variables are able to explain the variation of the dependent variable by 53.6069% while the remaining 46.3931% (100% - 53.6069%) is explained by other independent variables that are not included in this research model.

V. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the interpretation of the results of the research that has been done, the following conclusions can be drawn:

1. Company size has an effect on Audit Delay. The regression test results show that the company size variable has a negative and significant effect on audit delay with a regression coefficient of -6.462026. This shows that the larger the company size indicated by the total assets owned by the company, the smaller the audit delay. This is influenced by the wealth in a company significantly to the time span of submitting audit reports on the financial statements of a company and a larger company has a better internal control system so that it can reduce errors in the presentation of financial statements.
2. Profitability has an effect on audit delay. The regression test results show that the profitability variable has a negative and significant effect on audit delay with a regression coefficient of -1107.358. This shows that the greater the profitability shown by the company's Return on Assets (ROA), the smaller the audit delay. This proves that companies that have a high level of profit will tend to report their financial statements faster because there is good news that must be conveyed to stakeholders immediately.
3. Solvency level has no effect on audit delay. The regression test results show that the Solvency variable does not have a significant and negative effect on audit delay with a regression coefficient of -15.96273. This means that the greater the solvency shown by the company's Debt to Assets Ratio (DAR), the lower the audit delay. This means that an increase or decrease in the solvency of a company is not considered a factor that determines audit delay, because the appointed auditor has certainly had the appropriate time to complete the debt auditing process of a company.
4. Company age has no effect on audit delay. The regression test results show that the company age variable has no significant and negative effect on audit delay with a regression coefficient of -1.593205. This means that changes in the age of the company are not considered a factor that determines audit delay. However, it can be seen from the quality of audit evidence in the form of the quality of management in a company in meeting the needs of an audit conducted by an auditor.

Suggestion

Based on the above conclusions, suggestions that can be taken regarding the research results are as follows::

1. For banking companies listed on the Indonesia Stock Exchange to further improve financial performance, especially profitability and solvency, because the aspects of

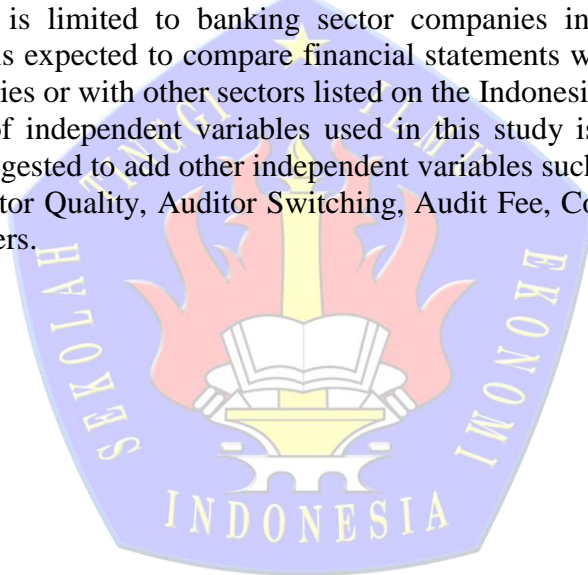
profitability and solvency will determine the response of investors. In addition, companies must have auditors who have a good reputation so that the audit delay can be smaller.

2. Further researchers are expected to add more variations to other variables that are thought to affect audit delay to get better results, use a longer time series in order to describe the actual conditions over the long term and add to the sample company category and use the population of all listed companies. on the IDX so that research results can be generalized to all sectors.
3. Although there have been sanctions regarding the date of submission of financial reports for companies listed on the Indonesia Stock Exchange (IDX), there are still several companies according to the phenomenon written in this study that are late in submitting their financial reports, it is hoped that in the future, companies listed on the IDX can comply with regulations. issued by the Capital Market Supervisory Agency (BAPEPAM) and other regulations. This applies not only to companies in the banking sector, but also to companies operating in other sectors.

Research Limitations

This study has several limitations, including:

1. This research is limited to banking sector companies in Indonesia, for future researchers it is expected to compare financial statements with banking companies in other countries or with other sectors listed on the Indonesia Stock Exchange.
2. The number of independent variables used in this study is very limited. Further research is suggested to add other independent variables such as KAP Size, Auditor Opinion, Auditor Quality, Auditor Switching, Audit Fee, Company Value, Current Ratio, and others.



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