**FACTORS AFFECTING ON TIMELINESS IN THE FINANCIAL STATEMENTS**

(Empirical Study: In Structure Companies Listed on the Indonesia Stock Exchange for the period 2017 - 2019)

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***Abstract*-**This study aims to examine whether the effect of Audit Opinion, Audit Quality, and Company Size on the Timeliness of Financial Statements listed on the Indonesia Stock Exchange (BEI). This research uses quantitative research with a causal research strategy. The population in this study were manufacturing companies listed on the Indonesia Stock Exchange from 2017 to 2019. The sample was determined based on the purposive sampling method with a large sample size of 24 companies so that the total observations in this study were 72 observations. The data used in this research is secondary data. Data collection techniques through the official IDX website:[www.idx.co.id](http://www.idx.co.id). This study uses the Eviews version 10. In this study, classical tests, the best estimation of the best testing model, hypothesis testing and assessment of goodness of fit through multiple linear regression analysis, partial test (t test) and coefficient of determination (). The research results prove that (1). Audit Opinion has no effect on Timeliness in Financial Statements, (2). Audit quality affects the timeliness of the financial statements, (3). Company size affects the timeliness of financial statements.

***Keywords*:** Timeliness in Financial Statements, Audit Opinions, Audit Quality and Company Size

**I. Introduction**

Financial reports are one of the information that plays an important role in the capital market investment business. The development of the capital market has led to a demand for transparency in the financial condition of every go public company. Financial reports have the objective of providing information about the financial position, performance and cash flow of a company that is useful for most users of financial statements, including management, investors, government, and several related parties who need it, in order to make economic decisions and shows the accountability of management for the use of entrusted resources. As a communication tool with important information in it, reports have several characteristics that can make these financial reports good,

The timeliness of financial reporting will have a more beneficial impact on users of financial reports and users can immediately take strategic actions that refer to the information obtained. The timeliness of financial reporting is the prone time to publish audited annual financial statements to the public from the closing date of the company's books (31 December) until the date of submission to the Company's Bapepam-LK is deemed appropriate.

If the company does not submit its financial statements on time, the company will be subject to sanctions and fines in accordance with the regulations for submitting financial reporting for companies in Law No.8 of 1995 concerning the capital market. The Capital Market Supervisory Agency (BAPEPAM) issued an attachment to the Decree of the Chairman of Bapepam in 2011 based on Number: KEP-346 / BL / 2011. In this regulation, it is stated that companies are required to submit annual financial reports no later than 120 days after the end of the financial year. This reflects the importance of timeliness of a company's financial reporting to the public.

In the phenomenon that occurs, the Indonesian Stock Exchange (IDX) is still finding bridging financial reporting by companies that have gone public. On April 9, 2015, the IDX reported a total of 52 companies that had not submitted audited financial reports as of 2014 (Nabhani, 2015). As of June 29, 2015, there were 6 manufacturing companies as of December 31, 2014 that had not submitted their financial reports, so the IDX also suspended these 6 companies (Sukino, 2015). The IDX also suspended trading in the shares of 18 listed companies because they had not provided audited financial reports for the period of December 31 (Pasopati, 2016). And there are also 17 companies that have been suspended because they have not provided audited financial reports for the 2016 period and have not paid fines late in submitting financial reports (Melani, 2017). Even though the IDX has imposed sanctions on companies that have been late in reporting their audited financial reports, the late submission of audited financial reports continues every year. Thus, this becomes crucial and becomes the company's concern in dealing with delays in financial reporting.

In the beginning, in addition to acting as the organizer, Bapepam was also a supervisor and supervisor. However, in the end this dualism within Bapepam was eliminated in 1990 with the issuance of Keppres No.53 / 1990 and Decree of the Minister of Finance No. 1548/1990. The issuance of Presidential Decree 53 on Capital Market and Minister of Finance Decree No.1548 in 1990 marked a new era for the development of the capital market. The dualism of Bapepam's function is removed, so that this institution can focus on supervising capital market development.

At the end of 2011, as an effort to reform the financial sector, the government and the House of Representatives (DPR) agreed to establish the Financial Services Authority (OJK). Then, on November 22, 2012, Law No.21 on OJK was passed. This independent institution will function from 31 December 2012, replacing the function, task and regulatory authority that has been carried out by the Ministry of Finance through the Capital Market Supervisory Agency and Financial Institutions (Bapepam-LK).

Audit quality is the probability that the financial statements contain material errors and the auditor will find and report those material errors. Audit quality where an auditor is able to find errors from the company's financial statements, as well as how much these findings are then reported and included in his audit opinion. The financial statements that are presented are very influential with the decision making by the users, and the information presented must be of high quality and free from fraud and irregularities in the financial statement misstatements. So that users of financial statements can decide or provide an opinion for a good company future.

This audit quality is the hope of users of audit services, especially the public or shareholders who have high hopes that the financial statements that have been audited by KAP are certainly financial reports that are free from material misstatement, whether caused by errors or fraud. Therefore according to (Arens et al., 2015) audit quality means how to notify audit findings and report material misstatements in financial statements.

From the auditor's point of view, an audit is considered qualified if the auditor observes the general auditing standards contained in the auditing standard statement which includes the professional quality of the independent auditor and is able to consider what is used in conducting the audit and preparing the auditor's financial statements. In conducting an audit, an auditor must have the ability and quality to maintain his mental attitude (independence) in order to be able to create quality audit results.

Company size is measured based on the size of a company by looking at the total assets or total sales owned by a company. Large companies tend to have strong internal control systems with the consequence that auditors spend less time in compliance testing and substantive testing.

**II. BASIS OF THEORY AND HYPOTHESIS DEVELOPMENT**

**Compliance Theory**

The demand for compliance with the timeliness of submitting annual financial statements of public companies in Indonesia, that Issuers or public companies whose registration statements have become effective are required to submit an annual report. This regulation is in accordance with the theory of compliance (compliance theory) put forward by Saleh (2004). There are two perspectives in the sociological literature regarding obedience to the law, which are called instrumental and normative. The instrumental perspective assumes that the individual is completely driven by self-interest and responses to changes related to behavior. The normative perspective relates to what people perceive as moral and against their personal interests (Saleh, 2004).

Compliance theory can encourage someone to better comply with applicable regulations, as well as companies that try to submit financial reports in a timely manner because apart from being a company obligation to submit financial reports on time, it will also be of great benefit to users of financial statements.

**Agency Theory**

In this theory, agency is required to provide detailed and relevant information to the principal, but in reality this is not easy because of the difference between the agent and the principal (Mahendra, 2013).

The principal's interest as a shareholder is to obtain disclosure of information by the agent regarding the company's condition in a relevant, timely and accurate manner as a basis for decision making. So, this theory is to help the audit committee if there is a conflict of interest that arises between the owner and the management. Agency theory explains the inequality of interests between the principal and the agent which can lead to agency theory problems. The main principle of this theory is to state that there is a performance relationship between the principal, namely the owner (shareholder), creditors, and investors and the agent, namely company management, in the form of a cooperation contract.

**Audit Opinion**

The auditor's opinion is the auditor's conclusion regarding the audit process that has been carried out and the opinion regarding the fairness of the content of the company's financial statements as reflected in the presentation of the company's financial statements. This shows that the auditor's opinion is a source of information. With the auditor's opinion, all parties with an interest in the company's financial statements will use the auditor's opinion contained in the audit report as a consideration in making decisions.

**Audit Quality**

Audit quality is the profitability of an auditor in determining and reporting abuses that occur in the client's accounting system. Financial reports submitted to BAPEPAM are financial reports that have been audited by a public accountant. High quality auditors must meet the Public Accountant Professional Standards (SPAP). The first general standard indicates that audits must be carried out by one or more persons who have sufficient technical expertise and training as auditors. The second general standard is to regulate the independent mental attitude of auditors in their duties. General standards which state that in conducting audits and preparing reports, auditors are required to use their professional skills carefully and thoroughly.

KAP measure is used to measure audit quality proxies. The size of KAP is divided into two, namely for KAP Big Four and those that are not KAP Big Four. The Big Four KAP used in this study are:

1. Price Water Cooper (PWC) with partners in Indonesia Haryanto, Sahari and Partners.
2. Deloitte Touche Tohmatsu with partners in Indonesia Osman, Ramli Satro and Partners.
3. Klynveld Peat Marwick Geordeler (KPMG) International with partners in Indonesia namely Siddharta, Siddharta and Wijaya.
4. Ernst and Young (EY) with partners in Indonesia Purwantoro, Sarwoko and Sandjaja.

**Company Size**

Company size is a scale in which a company can be classified as large or small according to various ways, including total assets, log size, stock market value and others. The size of the company will affect the ability to bear the risks that may arise from various situations faced by the company.

The size of the company is the larger the size of the company, the more resources it has, more accounting staff and a sophisticated information system and has a strong internal control system so that the faster the completion of financial reports.

𝑆𝑖𝑧𝑒 = 𝐿𝑛 (𝑇𝑜𝑡𝑎𝑙 𝐴𝑠𝑠𝑒𝑡)

**Auditing Standards**

According to (Arens et al., 2014), auditing standards are general guidelines to help auditors fulfill their professional responsibilities in auditing historical financial statements. This standard includes considerations regarding professional quality such as competence and independence, reporting requirements and audit evidence. The three main sets of auditing standards are the International Standards on Auditing, US Generally Accepted Auditing Standards (AICPA Auditing Standards) for entities other than public companies and the PCAOB Auditing Standards.

**Financial statements**

According to Mulyadi (2002: 61) financial statements are a presentation of financial data and include records of receipts if any, as well as to communicate the economic resources and / or liabilities of the entity at a certain time or changes in assets and / or liabilities during a certain period in accordance with the principle generally accepted accounting or a comprehensive accounting basis other than the applicable accounting principles.

Financial reporting is a financial report coupled with other information that relates, either directly or indirectly to information provided by the accounting system, such as information about company resources, earnings, current costs, information about company prospects which is an integral part with the aim of meeting the level. sufficient disclosure (Yadiati, 2010: 52).

**Punctuality**

Timeliness is related to compliance theory. Compliance with the annual financial reporting of public companies is regulated in Bapepam-LK Regulation Number XK2 and Law No.8 of 1995. With this regulation, companies should submit annual financial reports on time.

According to the Financial Services Authority (OJK) Regulation No.29 / POJK.04 / 2016 concerning the submission of an annual report which states that issuers or public companies are required to submit annual reports to OJK no later than the end of the fourth month (4) after the financial year ends.

The timeliness of financial reporting is an important characteristic of financial reporting, where financial reports are reported in a timely manner which can reduce information asymmetry (Ade Rahma et al., 2019). The longer the time delay in serving, the more likely it is that there will be insider information about the company. Various regulations regarding the obligation to submit financial reports in a timely manner along with the sanctions indicate the high commitment of regulators (regulators) in responding to cases of non-compliance in submitting financial reports, however these regulations have not been effectively implemented by companies in Indonesia.

**HYPOTHESIS DEVELOPMENT**

**The Relationship between Audit Opinions and Timeliness in Financial Statements**

**The Relationship between Audit Quality and Timeliness in Financial Statements**

Audit quality affects the decision on the timeliness of financial reports where if the level of audit quality is high, the timeliness of the company's financial reporting will be low.

This is in line with research conducted by (Jayanti, 2018), which assumes that audit quality affects the timeliness of financial statements. In this case, companies audited by big four (4) KAP are more timely in submitting financial reports. This is because large KAPs tend to complete audit tasks more quickly than non-big four KAPs.

H2:Audit quality has no significant positive effect on the timeliness of financial reports.

Based on the theory and the formation of the hypothesis that results from the relationship between the research variables above, the formation of the framework in this study shows the influence of the independent variable on the dependent variable. The independent variables in this study are the Independent Commissioner, Company Size and Audit Quality. While the dependent variable is the Punctuality of Financial Reporting Publications.

**Relationship between Company Size and Timeliness in Financial Statements**

The framework in this research can be seen in Figure 1 below:

**Picture 1.** conceptual framework

H3

Company Size (X3)

Audit Quality (X2)

Timeliness of Financial Statements (Y)

Audit Opinion (X1)

H1

H2

1. **RESEARCH METHODS**

The research strategy used in this study was to use associative causal relationships, namely causal relationships between independent and dependent variables. Associative research is a research problem formulation that asks about the relationship between two or more variables (Sugiyono, 2017: 37). In this study the associative approach was used to determine the effect of audit opinion, audit quality, and company size on the timeliness of financial reporting in manufacturing companies listed on the Indonesia Stock Exchange for the period 2017-2019.

According to Sugiyono (2017: 80) the definition of population is an area of ​​generalization consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then draw conclusions. The population in this study is manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019. The number of companies that will be examined in manufacturing companies listed on the Indonesia Stock Exchange is 52 companies and can be accessed through[www.idx.co.id](http://www.idx.co.id).

According to Sugiyono (2017) the sample is part of the number and characteristics of the population. In this study, the method to be used to take samples is nonprobability sampling using purposive sampling method because the sample selection is done randomly according to the criteria of the researcher who will be carried out to get a representative sample.

The number of sample companies that will be included in the criteria for this study are as follows:

**Table 1.** Sample Selection

|  |  |  |
| --- | --- | --- |
| No. | Sample Selection Criteria | total |
| 1. | Manufacturing companies listed on the Indonesia Stock Exchange for the period 2017-2019 | 52 |
| 2. | Manufacturing companies that do not provide complete financial reports for 3 consecutive years. | (25) |
| 3. | Companies that are not on time in publishing financial reports for ≤120 days. | (3) |
| 4. | Companies that have complete research information according to the criteria | 24 |
|  | Amount of research data  24 issuers x 3 years | 72 |

Based on several criteria that have been determined above. So, selected the number of samples used were 24 companies. Testing the hypothesis of this study using multiple linear regression using the application*E-views Version 10* which has the following equation:

**Y = ɑ + 𝛽1OPAD +𝛽2KUAD +𝛽3UKPER + e**

Details:

Y : Punctuality (Timeliness)

ɑ : Constants

𝛽1𝛽2𝛽3 : Regression Coefficient

X1 : Audit Opinion

X2 : Quality Audit

X3 : Company Size

e : Error, level error

**Table 2.** Operional Variables

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable** | **Dimensions** | **Indicator** | **Scale** |
| Audit Opinion (X1) | Judging from the date of the audit report | Dummy variable, if the company receives an audit opinion other than unqualified then it will be given a value of 1, whereas if the company receives an unqualified opinion it will be given a value of 0 | Nominal |
| Company Size (X2) | Judging from the total assets | Size = Ln (Total Asset) | Ratio |
| Audit Quality (X3) | Judging from the auditor's letter | KUAS = dummy variable, value 1 if audited by KAP Big 4 and 0 if audited by KAP non Big 4 | Nominal |
| Timeliness of Financial Statements (Y) | Judging from the date of the financial statements to the date of the audit report | Timeliness = Date of Audit Report - Date of Financial Statements | Nominal |

1. **RESULTS**

**Descriptive Statistical Analysis**

Descriptive statistics are statistics used to analyze data by describing the data that has been collected as it is without intending to make general conclusions or generalizations (Sugiyono, 2017).

**Table 3.** Descriptive Statistics Results of Punctuality in

Financial statements

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date: 3/8/20 Time: 14:45 |  |  |  |  |  |
| Sample: 2017 2019 | |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | KWLK | C | OA | KA | UP (Total Asset) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Mean | 75.15278 | 1,000000 | 0.263889 | 0.430556 | 28,71631 |
| Median | 78.00000 | 1,000000 | 0.000000 | 0.000000 | 28,55946 |
| Maximum | 108.0000 | 1,000000 | 1,000000 | 1,000000 | 31.99599 |
| Minimum | 29.00000 | 1,000000 | 0.000000 | 0.000000 | 25.73003 |
| Std. Dev. | 14,51241 | 0.000000 | 0.443833 | 0.498629 | 1,490200 |

**Source: Eviews processing results version** 10

Based on table 3, there are 72 amounts of data used in this study. Besides that, it can also be explained as follows:

1. Description of Timeliness of Financial Statements

In this study, the timeliness of financial statements is measured using the date of the audit report - the date of the financial statements. Based on table 3, it is obtained that the average results of the timeliness of financial statements in the manufacturing companies which are the research samples are 75.15278, which means that from the total sample, the average company that becomes the research sample for submitting financial statements is 75.15 days from the limit of the day in delivery of the timeliness of financial reports. A company that is very good and does not experience any delay in the timeliness of financial statements in this sample of 29 days is PT. UNVR Tbk. Meanwhile, companies that experienced problems in the timeliness of financial reports for 108 days were PT. BUDI Tbk and PT. ALTO Tbk.

1. Description of the Audit Opinion

In this study, audit opinion is measured using dummy variables. Where the company receives an audit opinion other than the unqualified ones contained in a company and where the company receives an unqualified opinion. Based on table 3, it is obtained that the average result of audit opinion in manufacturing companies becomes the research sample of 0.263889, which means that from the total sample, the average company that is the research sample receives an audit opinion other than unqualified.

1. Audit Quality Description

In this study, audit quality is measured using the size of KAP big4 with a value of 1 and KAP that is not big 4 with a value of 0. Based on table 3, the average results of audit quality in manufacturing companies which are the research sample are 0.430556, which means that the total sample is average. -The average number of companies that are the research samples using KAP big4 is 9 companies that use KAP big4. Meanwhile, 13 companies that use KAP are not big4.

1. Company Size Description

In this study, company size is measured by calculating the natural logarithm of total assets in a company. Based on table 3, it is obtained that the average size of the company in the manufacturing company which is the research sample has an average total asset of Rp. 28,716,310,000,000. Companies that are considered to have the largest company size in the sample of this study are seen with the total value of company assets of Rp. .000.000 is PT. ADES Tbk in 2017. Meanwhile, the company that is considered to have the smallest company size in the sample of this study is seen with a total value of company assets of IDR 25,730,000,000 is PT.ULTJ Tbk in 2019.

**Panel Data Selection Analysis**

1. **Likelihood Ratio Test**

This test is used to determine the right model between the Common Effect model and the Fixed Effect model to determine the panel data model to be used.

**Table 4** Likelihood Ratio Test Results

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Redundant Fixed Effects Tests | | |  |  |
| Equation: Untitled | | |  |  |
| Fixed effects cross-section test | | | |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Effects Test | | Statistics | df | Prob. |
|  |  |  |  |  |
|  |  |  |  |  |
| Cross-section F | | 8.493210 | (23.45) | 0.0000 |
| Chi-square cross-section | | 120.629377 | 23 | 0.0000 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Source: Eviews 10 processing results**

H0 : The right model is *Common Effect*

H1 : The right model is *Fixed Effect*

Based on table 4 above, it shows that the Chi-Square Cross-section value is 120.629377 which is greater than the Chi-Square table value with ɑ = 0.05 and df = 23 of 35.17246 (120.629377> 35.17246) and the cross-section probability value Chi-Square (0.0000) <ɑ (0.05), so it can be concluded that H0 is rejected. This means that the model used in this study is the Fixed Effect model.

1. **Hausman Test (Random Effect)**

**Table 5.**Hausman Test Results

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Correlated Random Effects - Hausman Test | | | |  |
| Equation: Untitled | | |  |  |
| Cross-section random effects test | | | |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Test Summary | | Chi-Sq. Statistics | Chi-Sq. df | Prob. |
|  |  |  |  |  |
|  |  |  |  |  |
| Random cross-section | | 10.834607 | 3 | 0.0127 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Source: Eviews 10**

H0 : The right model is *Random Effect*

H1 : The right model is *Fixed Effect*

Based on table 5 above, the value of the random Cross-section (Chi-Square Statistic) is 10.834607 which is greater than the value of the Chi-Square table with ɑ = 0.05 and df = 3 of 7.81473 (10.834607> 7, 81473), and the probability value of random cross-section (0.0127) <ɑ (0.05), so it can be concluded that H1 is rejected. This means that the most appropriate model to use in the panel model is the Fixed Effect model.

1. **Classic assumption test**
   1. **Normality test**

**Table 6**Normality Test Results

0

4

8

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-0.6

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72

Mean

5.12e-16

Median

0.051307

Maximum

0.515786

Minimum

-0.660489

Std. Dev.

0.209996

Skewness

-0.583157

Kurtosis

3.637327

Jarque-Bera

5.321939

Probability

0.069213

**Source: Eviews 10**

Based on the results of the normality test in table 6 above, the Skewness coefficient value is close to 0, namely -0.583157, the Kurtosis value is close to number 3, namely with a value of 3.637327, the Jarque-Bera value is smaller, namely 5.321939 than the Chi-Square value ( df) 2, namely 5.991 while the Probability value is 0.069213 which indicates the number is greater than the value ɑ = 0.05. With the results above, it can be concluded that the null hypothesis (H0) cannot be rejected, which means that the data is normally distributed.

* 1. **Multicollinearity Test**

**Table 7**Multicollinearity Test Results

|  |  |  |  |
| --- | --- | --- | --- |
|  | OA | KA | UP |
|  |  |  |  |
|  |  |  |  |
| OA | 1,000000 | 0.052151 | 0.072951 |
| KA | 0.052151 | 1,000000 | 0.331354 |
| UP | 0.072951 | 0.331354 | 1,000000 |

**Source: Eviews 10**

Based on table 7 the results of the correlation between the 3 independent variables can be concluded as follows:

1. The audit opinion variable has a correlation of 0.052151 with the audit quality variable, meaning that there is no multicollinearity between the audit opinion variable and the audit quality variable. The audit opinion variable has a correlation of 0.072951 with the firm size variable, meaning that there is no multicollinearity between the audit opinion variable and the firm size variable.
2. The audit quality variable has a correlation of 0.052151 with the audit opinion variable, meaning that there is no multicollinearity between the audit quality variable and the audit opinion variable. The audit quality variable has a correlation of 0.331354 with the firm size variable, meaning that there is no multicollinearity between the audit quality variable and the firm size variable.
3. The firm size variable has a correlation of 0.072951 with the audit opinion variable, meaning that there is no multicollinearity between the firm size variable and the audit opinion variable. The firm size variable has a correlation of 0.331354 with the audit quality variable, meaning that there is no multicollinearity between the firm size variable and the audit quality variable.
   1. **Heteroscedasticity Test**

Researchers used the Breusch Pagan Godfrey test to determine whether heteroscedasticity occurred in this study. The results of data processing can be seen as follows:

**Table 8** Pagan Godfrey Breusch Test Results

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Heteroskedasticity Test: Breusch-Pagan-Godfrey | | | | |
| Null hypothesis: Homoskedasticity | | | |  |
|  |  |  |  |  |
|  |  |  |  |  |
| F-statistic | 3.060012 | Prob. F (3.68) | | 0.0740 |
| Obs \* R-squared | 8.563905 | Prob. Chi-Square (3) | | 0.0757 |
| Scaled explained SS | 10.70164 | Prob. Chi-Square (3) | | 0.0835 |
|  |  |  |  |  |
|  |  |  |  |  |

**Source: Eviews 10**

H0 : No problem *heteroscedasticity*

H1 : There is a problem *heteroscedasticity*

Based on table 8 above, the results of the Breusch Pagan Godfrey test show that the probability value of F-statistic (F-count) is greater than ɑ = 0.05, namely 0.0757, which means that 0.0757> 0.05, so it can be concluded that H0 is accepted. means that there is no heteroscedasticity problem in this study.

* 1. **Autocorrelation Test**

The results of the Autocorrelation Test can be seen from the following table:

**Table 9** Durbin Watson Test Results

|  |  |
| --- | --- |
| *Durbin Watson Stat* | 2.333508 |

**Source: Eviews 10**

Based on table 9, the results show that the Durbin-Watson Stat value is 2.333508. This test uses observational data of 72 samples and 3 independent variables. So that it can be obtained the value of dL = 1.5029 and dU = 1.7366. So the conclusion of the Durbin Watson test can be described as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **There is positive autocorrelation** | **It can't be decided** | **There is no autocorrelation** | **It can't be decided** | **There is negative autocorrelation** |

0 1,5029 1,7366 2.2634 2.4971 4

2,333508

Information:

K = 3 + 1 = 4 (independent variable + dependent variable)

ɑ = ​​0.05

Number of samples = 72

After viewing the DW table:

dL = 1.5029

dU = 1.7366

Based on Figure 9, it shows that the Durbin Watson value is between 4-dL and 4-dU, which indicates that autocorrelation is inconclusive and to strengthen the results of autocorrelation in this study the Breusch-Godfrey test was carried out with the following results:

**Table 10. Breusch-Godfrey Test Results**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Breusch-Godfrey Serial Correlation LM Test: | | | |  |
| Null hypothesis: No serial correlation at up to 2 lags | | | | |
|  |  |  |  |  |
|  |  |  |  |  |
| F-statistic | 2.320370 | Prob. F (2.66) | | 0.0618 |
| Obs \* R-squared | 2.972521 | Prob. Chi-Square (2) | | 0.0750 |
|  |  |  |  |  |
|  |  |  |  |  |

**Source: Eviews 10**

Based on table 10 above, the results show that the Obs \* R-squared value of 2.972521 is less than the Chi-square (df) 2 of 5.991 and the probability value is (0.0750)> ɑ (0.05), so it can be concluded that there was no autocorrelation.

**Multiple Linear Regression Analysis**

**Table 11** Results of the Multiple Regression Equation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Dependent Variable: KWLK | | |  |  |
| Method: Least Squares Panel | | |  |  |
| Date: 3/8/20 Time: 15:07 | | |  |  |
| Sample: 2017 2019 | | |  |  |
| Periods included: 3 | | |  |  |
| Cross-sections included: 24 | | |  |  |
| Total panel (balanced) observations: 72 | | | |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|  |  |  |  |  |
|  |  |  |  |  |
| C | 414,9673 | 225,114 | -1.843329 | 0.0719 |
| OA | -0.681595 | 3.171104 | 1.786589 | 0.4008 |
| KA | 8.172440 | 6.327324 | 2.191611 | 0.0031 |
| UP (Total Asset) | 16.95139 | 7,833821 | 2.263872 | 0.0358 |
|  |  |  |  |  |
|  |  |  |  |  |

**Source: Eviews 10**

Based on the results above, the results of the multiple linear regression equation are as follows:

**AD = 414.9673 - 0.681595 (X1) + 8.172440 (X2) + 16.95139 (X3) + е**

Information:

Y : Timeliness in Financial Statements (KWLK)  
X1 : Audit Opinion (OA)  
X2 : Quality Audit (KA)  
X3 : Company Size (UP)  
ɑ : Constants  
е : Error, error rate

Based on the multiple linear regression equation above, it can be analyzed the effect of each independent variable on the dependent variable as follows:

1. The constant ɑ of 414,9673 states that if the value of the Audit Opinion (X1), Audit Quality (X2), and Company Size (X3) is zero then the value of timeliness in the financial statements is 414,9673.
2. The regression coefficient X1 has a value of -0.681595 for an Audit Opinion, meaning that every time there is an increase in the value of the Audit Opinion, the timeliness value in the financial statements will decrease, assuming other variables remain.
3. The regression coefficient X2 has a value of 8.172440 for Audit Quality, meaning that every increase in the value of Audit Quality, the amount of timeliness in the financial statements will increase, assuming other variables remain.
4. The regression coefficient value X3 has a value of 16.95139 for Company Size, meaning that every time there is an increase in the value of Company Size, the timeliness of the financial statements will increase, assuming other variables remain.

**Hypothesis testing**

Tests were carried out using a significant level of 0.05 (α = 5%) and a comparison between t count and t table. The number of observations carried out by the study was 72 (n = 72), the independent variable of the study was 3 (k = 3), with a significance of 0.05, it can be determined that t table df = nk-1 (72-3-1 = 68), so that the t table value is 1.99547.

1. **Partial Testing (t test)**

This test is conducted to determine the influence of each independent variable partially on the dependent variable. The criteria in the partial test (t test) can be seen based on hypothesis testing by comparing t count with t table as follows:

* + - 1. : The independent variable has no significant effect on the dependent variable.

: The independent variable has a significant effect on the dependent variable.

rejected and accepted if tcount > t table or sig <0.05 meaning that the independent variable has an effect on the dependent variable.

|  |  |
| --- | --- |
|  |  |

1. First Hypothesis (H1)

: Audit opinion has no significant effect on the timeliness of the report.

: Audit Opinion has a significant effect on the Timeliness of the Report.

Audit Opinion has a tcount of 1.786589 (Table 4.13 t-Statistic). This result is smaller than the t-table value of 1.99547 can be seen from the t table (attachment 5) (t count <t table), the value (1.786589 <1.99547) and the probability result of 0.4008 (Table 14.13) is greater than 0.05 (0.4008> 0.05). Therefore it is accepted and rejected, so it is concluded that the Audit Opinion has no significant effect on the Timeliness of the Report.

1. Second Hypothesis (H2)

: Audit quality has no significant effect on the timeliness of the report.

: Audit quality has a significant effect on the timeliness of the report.

Audit quality has a t count of 2.191611 (Table 4.13. T-Statistic). This result is greater than the t-table value of 1.99547 can be seen from the t table (Appendix 5) (tcount> ttable), the value (2.191611> 1.99547) and the probability result of 0.0031 (Table 14.13) is smaller than 0.05 (0.0031 <0.05). Therefore it is rejected and accepted, so it is concluded that Audit Quality has a significant effect on the Timeliness of the Report.

1. Third Hypothesis (H3)

: Company size has no significant effect on the timeliness of the report.

: Company size has a significant effect on the Timeliness of the Report.

Company size has a t count of 2.263872 (Table 4.13. T-Statistic). This result is greater than the t-table value of 1.99547 can be seen from the t table (Appendix 5) (tcount> ttable), the value (2.263872> 1.99547) and the probability result of 0.0358 (Table 14.13) is smaller than 0.05 (0.0358 <0.05). Therefore it is rejected and accepted, so it is concluded that company size has a significant effect on the timeliness of the report.

* + - 1. **Coefficient of Determination (R2)**

**Table 12.**Determination Coefficient Test Results

|  |  |
| --- | --- |
| **Adjusted R-squared** | 0.752286 |

**Source: Eviews 10**

Based on table 12, it states that the Adjusted R-squared value is 0.752286, meaning that the coefficient of determination in this study is 0.752286, this means that the independent variable is able to explain the dependent variable only by 75.2286% and the remaining 24.7714% is influenced by other independent variables not examined in this study.

1. **CONCLUSION AND LIMITATIONS**

**CONCLUSION**

1. Audit Opinion has no significant effect on Timeliness in the Financial Statements of manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period. Basically a company that gets an opinion other than unqualified can submit its financial report on time. There is a rule by Bapepam that states that a company must submit a financial report along with an audit opinion from an accountant so that the audit opinion is not a consideration for the company in submitting its financial statements. If the company does not want to be penalized for violating Bapepam regulations, the company must immediately submit its financial report because if it is not submitted immediately, it will be subject to sanctions in the form of fines that must be paid by the company for its delay.
2. Audit quality has a significant effect on timeliness in the financial statements of manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period. This indicates that the quality of audits originating from Big Four and non-Big Four KAPs will always carry out the same audit procedures in the Auditing Standards (SA No.001 section 150) which has been updated in accordance with the convergence of IFRS to PSAK so that it tends to be more conservative. in completing audit work to maintain the reputation and quality of the audit.
3. Company size has a significant effect on Timeliness in Financial Statements of manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 Period. This suggests that the larger the size of a company, the more likely the company will deliver its financial reports on time, and the smaller the size of the company as measured by the total asset value, the company tends to be late in submitting its financial statements.

**LIMITATIONS**

Based on the limitations of the above research, the researcher can provide suggestions to further researchers in order to develop further research, namely:

1. For the financial reports for the 2017-2019 period have not been fully published on www.idx.co.id, therefore the authors only took 24 samples from 52 populations in manufacturing companies.
2. The independent variables used in this study are limited to three variables, namely Audit Opinion, Company Size and Audit Quality.
3. The research period used in this study is only 3 years, namely 2017-2019.
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