Effect of Profitability, Solvency, Company Size and Company Age Against *Audit Report Lag* in Manufacturing Companies Listed on the IDX 2016-2019 Period

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Abstract *- This study is aimed the effect of Profitability, Solvency, Company Size and Company Age on Audit Report Lag in manufacturing companies companies that listed in Indonesian Stock Exchange (IDX) from 2016-2019. This study uses associative causal relationship research with a quantitative approach, which is measured using multiple linear regression methods with the SPSS 23 program. The data used in this study are secondary data. Samples were taken using purposive sampling technique with a total sample of 74 companies in 2016-2019. The data collection technique uses the documentation observation method through the official IDX website: www.idx.co.id and the official website of each company. The results showed that Profitability has a negative effect on the Audit Report Lag. Solvency has a positive effect on Audit Report Lag. Company size has a negative effect on Audit Report Lag. Company age has a negative effect on Audit Report Lag. While the research results*

from the simultaneous test that Profitability, Solvency, Company Size and Company Age simultaneously affect the Audit Report Lag.

Keywords*: *Audit Report Lag, Profitability, Solvency, Company Size, and Size Age

Abstrak *- This study aims to test whether the Influence Profitability, Solvency, Company Size and Age Against Corporate Audit Report Lag In Manufacturing Companies Listed on Bei period 2016-2019.*

This research uses associative causal relationship research with a quantitative approach, which is measured using multiple linear regression methods with the SPSS 23 program. The data used in this study are secondary data. Samples were taken using purposive sampling technique with a total sample of 74 companies in 2016-2019. The data collection technique uses the documentation observation method through the official IDX website: www.idx.co.id and the official website of each company. The results showed that Profitability had a negative effect on the Audit Report Lag. Solvency has a positive effect on Audit Report Lag. Company size has a negative effect on Audit Report Lag. Company age has a negative effect on Audit Report Lag. While the research results from the simultaneous test that Profitability, Solvency, Company Size and Company Age simultaneously (simultaneously) affect the Audit Report Lag.

Keywords : Audit Report Lag, Profitability, Solvency, Company Size , and Company Age

I . PRELIMINARY

Nowadays financial statements are widely used by interested parties, especially investors. Investors use financial reports in making economic decisions. In addition, to obtain an information whereby when a company announces its Financial Statements, the investor will obtain relevant information available, especially on a stock that is considered very important for investors (Poets and Latrini, 2016). By since then, reports the Financial were produced by the company should have several characteristics that make the statement of financial benefit to users. These characteristics are understandable, relevant, reliable, and trustworthy (IAI, 2015).

Purpose of Financial Statements according to Statement of Financial Accounting Standards (PSAK) No. 1 (2015: 3) is to provide information about the entity's financial position, financial performance and cash flow that is useful for most users of reports in making economic decisions. In conducting audit audits, it is common to find many obstacles such as the limited number of employees conducting the audit, the large number of audited transactions, the complexity of the transactions, and poor internal control. This is what causes the audit report to be issued longer and beyond the predetermined time limit. Therefore, the performance and controls imposed are less than optimal, both from within and outside the company, which will result in the auditing of financial statements taking a long time from the time determined by Bapepam (Artaningrum et al., 2017).

In general, financial statements include information about a company's profit or loss. Information that is published related to profit or loss that is used by investors as a material consideration in making a decision whether to buy or sell property ownership in a company. This investor's decision will affect the ups and downs of stock prices. In this case, it means that if the information on the announcement of profit or loss is published for too long, then capital market players will spontaneously give negative reactions, and consider this delay as not good enough for the company's health condition. Conversely, if the information is announced profits more quickly, then market participants will react positively and considers that the financial company is in a good health condition (Susianto, 2017).

Financial Services Authority Regulation Number: 44 / POJK.04 / 2016 concerning Submission of Annual Reports of Issuers or Public Companies discloses that go public companies that have been listed on the Indonesia Stock Exchange must submit annual financial reports that must be submitted to the Financial Services Authority no later than 90

days (3 month) since the end of the financial year. This requires go public companies to submit financial reports in a timely manner to avoid sanctions imposed by the Indonesia Stock Exchange . The existence of this regulation is expected to minimize the *audit report lag* in Indonesia .

The phenomenon that occurs is that the Financial Services Authority (OJK) still finds some delays in financial reporting by several public companies. Recorded since 9 May 2019 based on IDX data, there are 714 companies that have been listed on the Indonesia Stock Exchange (IDX), of which 692 companies are required to submit audited financial reports for the 2018 period. However, there are still companies that are absent from the obligation to submit and publish financial reports so that they do not comply with capital market regulations. IDX has sent Written Warning II and there are also companies that are subject to a fine of Rp. 50 million for the late submission (www.cnbcindonesia.com, 2019). This phenomenon should be used as a lesson for every company to submit financial reports within the time limit set by Bapepam and LK so that they do not receive administrative sanctions.

In making decisions, users of financial statements must use quality financial reports. The benchmarks of quality financial statements can be seen from the timeliness. Timely submission of reports (*timelines*) are used as a benchmark of whether the quality of financial reporting and the quality of the company (Widhiasari and Budiartha, 2016). Financial reports that are not on time can reduce the benefits for interested parties, because the reports become less relevant and reliable. If the presentation of a company's financial statements is delayed for a long time to the public, it is likely that it will cause problems for the company in the stock exchange. This problem is often called *Audit report lag* .

Research conducted by Artaningrum, Budiartha, and Wirakusuma (2017) states that solvency has a positive effect on *audit report lag.* This contradicts the research conducted by Suryanti, Astuti, and Harimurti (2018) which states that solvency has no significant effect on *audit report lag* . Research conducted by Saputryasto (2015) states that company size does not affect the *audit report lag.* This contradicts the research conducted by Suryanti, Astuti, and Harimurti (2018) which states that company size has a significant effect on *audit report lag* . Research conducted by Ni Made Shinta Widhiasari and I Ketut Budiartha (2016) states that company age has a positive and significant effect on *audit report lag* . This contradicts the research conducted by Ariani and Bawono (2018) which states that company age has no effect on *audit report lag* . So that researchers want to do research again about

the effect of profitability, solvency, company size, and company age on *audit report lag.*

Based on previous studies, there are still inconsistencies in the results obtained, so the title taken in this study is **"The Effect of Profitability, Solvency, Company Size, and Company Age on Audit Report Lag in manufacturing companies listed on the Indonesia Stock Exchange Period. 2016- 2019 "**

II. BASIS OF THEORY AND HYPOTHESIS DEVELOPMENT

2.1 Theory Basis

2. 1.1 Signal Theory

According to Spence (1973) provides an illustration of the labor market (*job market*) and suggests that companies that have a good *performance* (*superior performance*) use financial information to send signals to the market. From his research, Spence (1973) also found that the *cost of signals* on *bad news* is higher than *good news* and companies that have *bad news* send signals that are not credible. The annual report is a signal to outsiders, especially investors, which is used as a type of information. *Signaling* theory provides theoretical benefits about how a company should provide signals to users of financial statements by suggesting the timeliness of presenting financial statements to the public as a signal from the company in making investor decisions (Hartono, 2005).

2.1.2 Compliance Theory

Compliance is following a clearly regulated specification, standard or law which is usually issued by an authorized institution or organization in a particular field. There are two basic perspectives in the sociological literature regarding obedience to law, which are called instrumental and normative. The instrumental perspective assumes that the individual is wholly driven by self-interest and responses to changes in tangibles, incentives, and penalties related to behavior. The normative perspective deals with what people perceive as moral and goes against their personal interests. An individual tends to obey the laws they deem appropriate and consistent with their internal norms . It can be concluded that the issuer's compliance in reporting financial reporting is an absolute thing in fulfilling compliance with the principle of timely disclosure of information (Ariani and Bawono, 2018).

2.1.3 Profitability

Profitability is the ability of a company to generate profits effectively and efficiently (Petronila, 2007). A high profitability value indicates good management performance because it affects the management's reporting of its performance sooner or later. The process of auditing reports finances will be getting longer when the company suffered losses. In other words , companies that have low profitability will tend not to be on time in submitting their financial reports because their financial reports contain *bad news* (Ariyani and Budiartha, 2014) . Companies that experience a loss or low level of profitability will have a negative impact that causes a decline in a company's performance appraisal .

Analysis Profitability (*Profitability Analysis)* is an evaluation to yield results over the investment company. The analysis is focused on the source of the power companies and the level of income as well as involving the identification and measurement of the impact of various triggers profitability (Subramanyam, KR, 2017: 14).

2.1.4 Solvency

Solvency is the company's ability to pay all its debts, both long-term and short-term debt. If the company has a level of solvency are high, terms this means that the company has the financial risks are high. This high financial risk indicates that the company is experiencing financial difficulties which is a bad signal for investors and will affect the length of time for completing the audit of its financial statements (Cahyanti et al., 2016).

Solvency bags also will show like where the ability of a company to manage all debts both debt term short and long-term debt. If a company is able to pay its debts, it can be said that the company will be able to submit its financial reports on time (Afrida and Susanti, 2017).

2.1.5 Company Size

The size of the company is the size of a company in various ways, including the amount of assets (total assets), stock market value, total sales in one year of the sales period, number of workers, and the company's total fixed book value (Ariani and Bawono, 2018) .

The size of the company also will be a consideration for investors because many companies already have the size of the company are very large that the meaning has evolved and has many branches in different regions, so that in presenting its financial statements own experience and understanding in presenting the financial statements with the appropriate time (Artaningrum et al., 2017).

2 .1.6 Company Age

Company age is how long the company has operated. The age of the company is calculated from the date the company was founded until the time the company closed its books (Ariani and Bawono, 2018).

The age of the company is seen from how long it has been listed or published. This means that companies that have an older age are considered more capable of collecting, processing, and producing the information needed to prepare and present financial reports because they have a lot of experience in this matter, making it easier for auditors to carry out their duties on time (Ariani). and Bawono, 2018).

2.1.7 Audit Report Lag

Audit Report Lag is the time span for submitting audited financial reports to the public, namely the length of time required from the closing date of the company's financial year to the date of submission to Bapepam. If the financial report is announced to the public inappropriately or outside the predetermined time period, the information can be said to have lost its relevance (Saputryasto and Sastradipraja, 2015).

Audit report lag is an important aspect in maintaining the relevance of the information required by users of financial statements. *Audit Report Lag* or the length of time for completion of the audit performed by an auditor can be identified by calculating between the date of the financial statements to the date of the independent auditor's report. The longer the *audit report lag* can have a negative impact on users of financial reports (Ariani and Bawono, 2018).

III . METHOD A RESEARCH

3.1 Data Collection Methods and Sample Selection

This study uses secondary data obtained from annual reports and financial reports of manufacturing companies that have been published by the Indonesia Stock Exchange (IDX) or the company itself and this data can be obtained through the Indonesia Stock Exchange website, namely www.idx.co.id or through respective company website. The strategy used in this study is to use associative causal. Based on the criteria established in the period 201 6 -2 019 acquired 74 companies that meet the criteria and multiplied by 4 years to 296

sample .

3. 2 Operational Variables

According to Sugiyono (2014: 58) operational variables are anything in the form determined by the researcher to study so that information is obtained about it, then conclusions are drawn. In this study using two variables, namely the dependent variable and the independent variable. The dependent variable is *audit report lag,* while the independent variables in this study are profitability, solvency, company size and company age.

3. 2 .1 Dependent Variable / Bound (Y)

The dependent variable is the variable that is influenced or that is the result, because of the independent variable (Sugiyono, 2014: 59). The dependent variable in this study is the *audit report lag* . According to Saputryasto and Sastradipaja (2015), the *audit report lag* calculation is formulated as follows:

Audit Report Lag = Audit Report Date - The Company's Financial Year End Date

3. 2 .2 Independent Variables / Free (X)

Independent variables are variables that can stand alone and do not depend on other variables. This independent variable or independent variable has a role in influencing the dependent variable (Sugiyono, 2014: 39). The independent variables in this study are profitability, solvency, company size and company age.

1. **Profitability (X1)**

Profitability ratio is the ratio between net income and total assets which shows how much net profit the company gets when measured from the value of its assets. The increasing value of *return on assets* shows that the company's profit rate is getting better . In this study, profitability is measured using *Return On Assets* (ROA).

$$\textit{Return on Asset} = \frac{\text{Net Profit}}{\text{Total Assets}} \text{ X } 100\ \%$$

2. *Solvency* (X2)

Solvency is the ratio between total assets and total debt. The solvency of the company in this study is measured by comparing the amount of debt (both short and long term) with the total assets (*total assets)* . This comparison figure is expressed in the *debt to total asset ratio.*

$$\textit{Debt to Asset Ratio} = \frac{\text{Total liability}}{\text{Total assets}} \text{ X } 100\ \%$$

3. Company Size (X3)

The size of the company can show how much information it contains, as well as reflect the awareness of the management regarding the importance of information, both for external parties and for internal parties. Company size is a reflection of the size of a company as measured by total assets. Firm size can be calculated using the natural logarithm (*ln*) of the total assets.

$$\textit{Size} = \text{Ln (Total Aset)}$$

4. Company Age

Company age is the length of time that a company lives, which shows that the company still exists, is able to compete in the business world and is able to maintain its business continuity and is part of the documentation that shows the objectives of the company. In this study, the age of the company is calculated from the first time the company was listed on the Indonesia Stock Exchange up to the research year.

Company Age = Research Year - Company Listing Year

3.7 Data Analysis Methods

The data analysis method used in this research is quantitative analysis method. Quantitative methods use calculations, numbers, statistics to analyze hypotheses and other analytical tools.

In this study using a computer program in data processing, the program used is SPSS 23 .

IV. RESULTS AND DISCUSSION

4.1 Data Analysis

4.1.1 Descriptive Statistical Analysis

Descriptive statistics were used to analyze the data by way depict or describe the variables in this study, the variable profitability, *leverage,* and firm size. Descriptions of these variables can be seen from the average (mean), standard deviation, minimum and maksimum.

Table 4.1 .

Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
ARL	296	.00	1.40	.8573	.18014
PROFIT	296	-1.37	.92	.0613	.13478
SOLVA	296	.12	.96	.4598	.19700
SIZE	296	17.72	32.20	26,7356	4,00788
AGE	296	.00	1.00	.6318	.48314
Valid N (listwise)	296				

Source: *SPSS Version 23 output*

The table above shows that the *audit report lag* variable shows an average value of 0.8573 per year. The minimum value is 0 , 00 and the maximum is 1.40. While the standard deviation or standard deviation shows a value of 0.18014 with N or the amount of valid data

(valid for processing) is 296 samples during the 2016-2019 period. On the profitability variable shows an average value of 0 , 0613 per year. The minimum value is -1 , 37 and the maximum is 0.92. While the standard deviation or standard deviation shows a value of 0.13478 with N or the amount of valid data (valid for processing) is 296 samples during the 2016-2019 period. The solvency variable shows an average value of 0.4598 per year. The minimum value is 0 , 12 and a maximum of 0.96. Meanwhile, the standard deviation or standard deviation shows a value of 0.1700 with N or the amount of valid data (valid for processing) is 296 samples during the 2016-2019 period. The variable company size (SIZE) shows an average value of 26.7356 per year. The minimum value is 17.72 and the maximum is 32.20. While the standard deviation or standard deviation shows a value of 4.00788 with N or the number of valid data (valid for processing) is 296 samples during the 2016-2019 period. In the company age variable (AGE) shows an average value of 0.6318 per year. The minimum value is 0.00 and the maximum is 1.00. While the standard deviation or standard deviation shows a value of 0.48314 with N or the amount of valid data (valid for processing) is 296 samples during the 2016-2019 period.

4.2 Classic Assumption Test

4.2.1 Normality Test

Test Normality is done with the purpose to test whether the regression model, the dependent and independent variables have a normal distribution or not. A good regression model is one that has normal or near normal data distribution. The results of the normality test can be seen in the table below:

Table 4.2

Kolmogorov Smirnov Statistical Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		296
Normal Parameters [a, b]	Mean	.0000000
	Std. Deviation	.17007650

Most Extreme Differences	Absolute	.099
	Positive	.099
	Negative	-.081
Statistical Test		.099
Asymp. Sig. (2-tailed)		.200 [c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance		

Source: SPSS Version 23 output

Table 4.2 shows a statistical value of 0.099 and a significant value of 0.200. Therefore, the significant value is greater than 0.05, so it can be concluded that the data tested is normally distributed and the regression model above can be accepted for further analysis .

4.2.2 Multicolonierity Test

Multicolonierity test is used to test whether the regression model found a correlation between independent variables (independent). 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, it can be done by looking at the tolerance value and its opposite, Variance Inflation Factor (VIF). The cut off value that is commonly used to indicate multicollinearity is a tolerance value> 0 , 10 or equal to the VIF value <10. The test results are obtained as follows:

Table 4.3

Multicolonierity Test Results

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF

1 (Constant)	1,055	.075		14,140	.000		
PROFIT	-354	.080	-265	-4,415	.000	.849	1,178
SOLVA	-147	.052	-.161	-2,835	.005	.952	1,050
SIZE	-.005	.003	-114	-1,985	.048	.929	1,077
AGE	.046	.021	.123	2,153	.032	.942	1,062

a. Dependent Variable: y

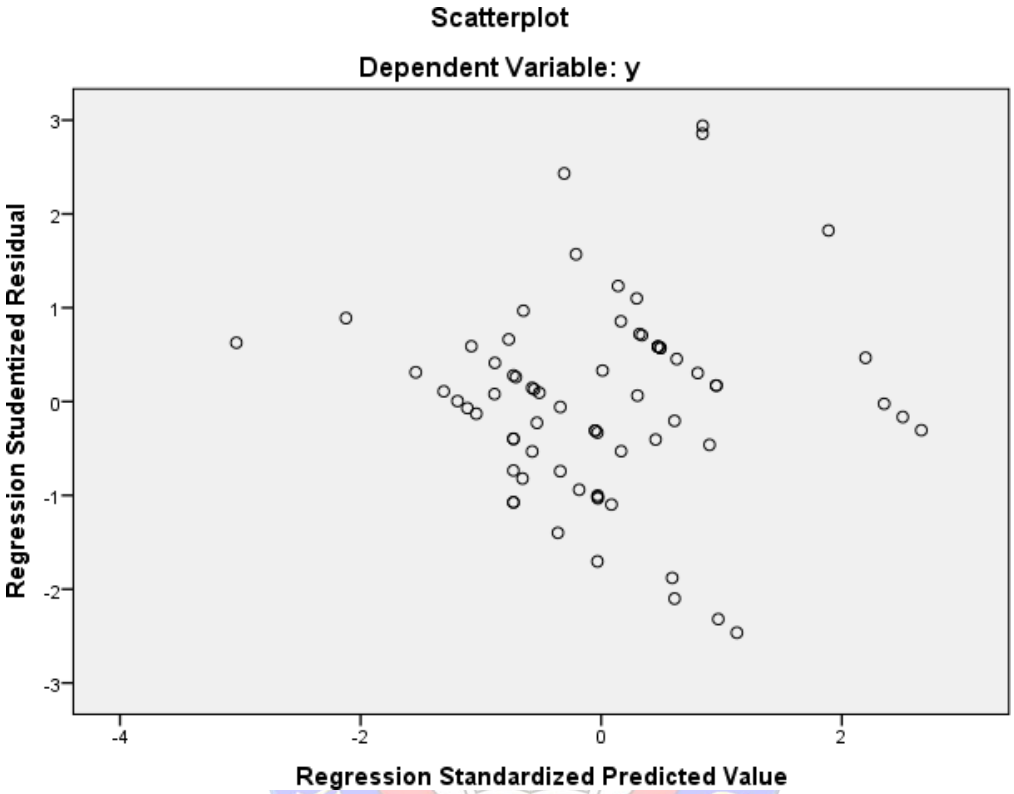
Source: SPSS Version 23 output

Based on the results of the table above, it shows that the profitability variable (profit) has a VIF value of 1.178, while the solvency variable (solva) has a VIF value of 1.050, the company size variable (size) has a VIF value of 1.077 and the company age variable (age) has a value VIF of 1.062. The table above also shows that the four variables have a *tolerance* value above 0.10. With this, it can be concluded that the independent variables (independent) used in this study are free from multicollinearity problems.

4.2.3 Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the residual variance from one observation to another is constant or the same, it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is free from heteroscedasticity. The image below is the result of the heteroscedasticity test :

Figure 4.1
Heteroscedasticity Test Results with *Scatter Plot* Graph



Source: SPSS Version 23 output

Based on Figure 4.1 shows that the sample data is randomly distributed and there is no clear pattern in the distribution of the data. The data is spread either above or below with the number 0 on the Y axis. This means there is no heteroscedasticity in the regression model, so the regression model is feasible to use.

4.2.4 Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between confounding errors in the t-1 period (previous). A good regression model is a regression that is free from autocorrelation. To determine whether there is autocorrelation in the model, a test will be carried out using the Durbin-Watson test, the results of which can be seen as follows:

Table 4.4

Autocorrelation Test Results

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.330 [a]	.109	.096	.17124	1,335

a. Predictors: (Constant), x4, x2, x3, x1

b. Dependent Variable: y

Source: SPSS Version 23 output

Table 4.4 shows that from statistical testing the *Durbin-Watson* value is 1.335. There are values (dl of 1.290) and (du of 1.320) for n = 296, and k = 4. Because *Durbin-Watson* of 1,335 is in the du <d <4-du (1,320 <1,335 <2,680, it can be concluded that the regression model in this study does not have autocorrelation problems.

4.3 Multiple Linear Regression Test

Multiple linear regression test which is intended to see the effect of profitability, solvency, company size , and company age on the *audit report lag.* The results of multiple linear regression tests can be seen in the following table :

Table 4.5

Multiple Regression Test Results

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1,055	.075		14,140	.000		

PROFIT	-354	.080	-265	-4,415	.000	.849	1,178
SOLVA	-147	.052	-.161	-2,835	.005	.952	1,050
SIZE	-.005	.003	-114	-1,985	.048	.929	1,077
AGE	.046	.021	.123	2,153	.032	.942	1,062

a. Dependent Variable: y

Source: SPSS Version 23 output

From the results of multiple linear regression tests presented in table 4.5, the following equation can be obtained:

Y = a + þ1PROFIT + þ2SOLVA + þ3SIZE + þ4AGE + e

Y = 1.055 - 0.354X1 - 0.147X2 - 0.005X3 + 0.046X4

From the above equation it can be seen that:

1. Based on the results of the above equation, a constant value of ta (a) is 1.055. This means that this constant value will remain the same (unchanged) even though the constant value of profitability (X1), solvency (X2), company size (X3), and company age (X4) is zero.
2. The profitability coefficient is -0.354, indicating that every 1% reduction in profitability will be followed by a decrease in the *audit report lag value* of 0.354.
3. The solvency coefficient is -0.147, indicating that each 1% reduction in solvency will be followed by a decrease in the value *of* the *audit report lag* of 0.147.
4. The coefficient of company size is -0.005, indicating that every 1% reduction in company size will be followed by a decrease in the value *of* the *audit report lag* of 0.005.
5. The company's age coefficient is 0.046, indicating that every 1% increase in the company's age will be followed by an increase in the *audit report lag value* of 0.354.

4.4 Hypothesis Testing

4.4.1 Partial Test (t test)

The t statistic test is to determine whether or not the effect of each independent variable individually on the dependent variable is tested at the 0.05 significance level. The results of the t statistical test can be seen in the table below, if the probability t <0.05 then

Ha is accepted, whereas if the probability t value> 0.05 then Ha is rejected.

Table 4.6
Statistical Test Results t

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1,055	.075		14,140	.000		
PROFIT	-354	.080	-265	-4,415	.000	.849	1,178
SOLVA	-147	.052	-.161	-2,835	.005	.952	1,050
SIZE	-.005	.003	-114	-1,985	.048	.929	1,077
AGE	.046	.021	.123	2,153	.032	.942	1,062

a. Dependent Variable: y

Source: SPSS Version 23 output

Based on the table above , it can be explained as follows:

1. From the results of the partial test calculation of the effect of profitability (X1) on the audit report lag (Y), a significant value of 0.000 is obtained. This shows that the significant value is 0.000 < 0.05 . Thus, for the profitability variable individually affects the audit report lag.
2. From the results of the partial test calculation of the effect of solvency (X2) on the audit report lag (Y), a significant value of 0.005 is obtained. This shows that the significant value is 0.005 < 0.05 . Thus, the solvency variable individually affects the audit report lag.
3. From the results of the partial test calculation of the effect of company size (X3) on the audit report lag (Y), a significant value is obtained of 0.048. This shows that the significant value is 0.048 < 0.05 . Thus, for the company size variable individually affects the audit report lag.
4. From the results of the partial test of the effect of company age (X4) on the audit report lag (Y), a significant value of 0.032 is obtained. This shows that the significant

value is 0.032 < 0.05 . Thus, for the variable company age individually affects the audit report lag.

4.4.2 Simultaneous Test (Test F)

F statistical test used to determine whether all the independent variables or free included in the regression model have influence together against variable dependent were tested at the level of 0.05 significance. The results of the F statistical test can be seen in the table below :

Table 4.7

F Test Results

ANOVA [a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1,040	4	.260	8,865	.000 [b]
	Residual	8,533	291	.029		
	Total	9,573	295			

a. Dependent Variable: y

b. Predictors: (Constant), x4, x2, x3, x1

Source: SPSS Version 23 output

Based on the table above, it is known that the Sig. 0.000 <0.05, the hypothesis is accepted. Thus it shows that there is a simultaneous influence between profitability, solvency, company size, and company age on the *audit report lag* .

4.4.3 The coefficient of determination (R^2)

The test of the coefficient of determination is used to measure the percentage of the influence of the independent variable in explaining the dependent variable. The model

indicated by the *adjusted R-Square value.* Testing the coefficient of determination can be obtained from the following results:

Table 4.8
Determination Coefficient Test Results

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.330 [a]	.109	.096	.17124

a. Predictors: (Constant), x4, x2, x3, x1

b. Dependent Variable: y

Source: SPSS Version 23 output

Based on the results of the table above, the R value is 0.330 or 33%. This means that the relationship or correlation between the factors that affect the *audit report lag* is weak because it is <0.50. The value of the coefficient of determination (*adjusted R-Square)* in this study has a number of 0.096 or 9.6%, which means that the *audit report lag* variable can be explained by the efficiency of profitability, solvency, company size, and company age of 9.6% while the rest is 9.6%. 90.4% (100% - 9.6%) were explained by other variables which were not analyzed in this study.

4.5 Interpretation of Research Results

4.5.1 Effect of Profitability on *Audit Report Lag*

From the results of the first hypothesis for the profitability variable, the t value is -4.415 and the t-table value is 1.968 with a significant number of 0.000 <0.05. Based on the existing hypothesis, H1 is accepted. This shows that the profitability variable has a negative effect on the *audit report lag* . It can be said that profit is good news for the company. The company will not delay the delivery of good news information. Companies that have a high level of profitability need a fast time in auditing financial statements because of the obligation to convey the good news as soon as possible to the public. So companies that produce a higher level of profitability, the *audit report lag* will be shorter than companies

with lower levels of profitability. The results of this study are in accordance with research conducted by Suparsada and Putri (2017) which states that companies that have a high level of profitability tend to accelerate the publication of their financial reports, because this is *good news* that will increase the value of the company in the eyes of interested parties such as owners of capital. or creditors.

4.5.2 Effect of Solvability on *Audit Report Lag*

From the results of the first hypothesis for the solvency variable, the t value is -2.835 and the t-table value is 1.968 with a significant number of 0.005 <0.05. Based on the existing hypothesis, H2 is accepted. This shows that the solvency variable has a positive effect on the audit report lag. This means that it indicates that the high amount of debt the company has will lead to a relatively longer audit process. The high proportion of debt to total assets may also make the auditor need to increase caution and more carefulness in auditing related to company sustainability issues.

The results of this study are in line with the research of Artaningrum et al., (2017) which states that high solvency also reflects the high financial risk of the company. Risk companies are high indicates that companies experiencing difficulties financially. It it is the news bad for the company's image in the public eye. So that management will delay its financial reporting .

4.5.3 Effect of Company Size on *Audit Report Lag*

From the results of the first hypothesis for the profitability variable, it was obtained that the t value was -1.985 and the value of the t table was 1.968 with a significant number of 0.048 <0.05. Based on the existing hypothesis , H1 is accepted. This shows that the firm size variable has a negative effect on the *audit report lag* . This means that the bigger a company , the faster it will report its audit financial statements because the company has more sources of information. This means that the larger the company's assets then the shorter the *audit report lag* for companies - companies *go public* or large companies have a good internal control system so as to reduce the error rate in the company's financial statement presentation making it easier for auditors in auditing reports finances.

This study is consistent with research Ariyani and Budiartha (2014) which states that the company's internal control system in which large will spend more little time to carry out the process of auditing. In addition, investors and company owners will also maintain

the reputation of their company by providing strict supervision so as to minimize the possibility of delays in the publication of their financial statements .

4.5.4 The Effect of Company Age on *Audit Report Lag*

From the results of the first hypothesis for the profitability variable, it was obtained that the t value was -1.985 and the value of the t table was 1.968 with a significant number of 0.048 <0.05. Based on the existing hypothesis, H1 is accepted. This can be due to a long standing company that has a lot of experience in presenting financial statements so that the audit process will be faster and the audit report will be completed in a timely manner.

The results are consistent with research Suryanti et al., (2018) which states that the Company's long- *listing* is considered more capable and experienced and skilled in collecting, processing, and generate information on the time necessary so that the auditor did not take long in the process of audit .

Ⅴ. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

This study aims to examine the effect of Profitability, Solvency, Company Size and Company Age on *Audit Report* Lag in manufacturing companies listed on the Indonesia Stock Exchange (BEI) 2016-2018. Based on hypothesis testing related to the formulation of the problem and the objectives of this study, it can be concluded as follows:

1. Profitability negative effect on *the audit report lag* in manufacturing companies are listed on the Indonesia Stock Exchange. This shows that companies that generate levels of profitability that is higher then the *audit report lag* will be shorter than firms with levels of profitability is low. Where companies that have a high level of profitability need fast time in auditing financial statements due to the need to deliver good news as soon as possible to the public so that companies will not delay the delivery of good news information and audit reports will be submitted in a timely manner.
2. Solvency has a positive effect on *audit report lag* in manufacturing companies listed on the Indonesia Stock Exchange. This shows that the larger the company's debt then the *audit report lag* will be longer due to make the auditor needs to increase the prudence -

carefulness and accuracy are deeper auditing issues related to the survival of the company

3. The size of the company a negative effect on *the audit report lag* in manufacturing companies are listed on the Indonesia Stock Exchange. This shows that the larger the size of a company then the *audit report lag* will be shorter as companies large has a system of good internal control so as to reduce the error rate in the presentation of the financial statements of the company and facilitate the auditor to perform audit report of financial then report the audit will be delivered right time.
4. Age company a negative effect on *the audit report lag* in companies manufacturing are listed in the Indonesia Stock Exchange. This shows that the longer lifespan of the company, *the audit report lag* will be shorter because the company that has been a long standing has vast experience in preparing the financial statements so that the audit will be faster and the audit report will be submitted in proper time.

5.2. Suggestion

Based on the results of the research conducted, the authors provide suggestions in this study as follows:

1. Companies are advised to pay attention to the timeliness of submitting financial statements so as not to violate regulations set by Bapepam and avoid various sanctions for late submission of audit financial reports .
2. The company is also suggested to be able to assist the auditors by providing the necessary data in their examination and providing real information, so that auditors can complete financial audits more quickly.
3. Auditors are advised to plan their work well so that the audit process can be carried out effectively and efficiently so that it can reduce the *audit report lag to a* minimum so that financial reports are published on time.

5.3. Limitations and Further Research Development

In this study there are limitations that can be developed in further research including:

1. Researchers have difficulty finding references to books for the latest year due to the Covid-19 pandemic .

2. This study uses a research period from 2016-2019. Future research is expected to follow more updated data for each year.
3. This study resulted in a relatively small *adjusted R square* value of 0.096 or 9.6%, so that further research is expected to use other independent variables that can have a greater influence on the dependent variable .

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