

## Audit Delay of Listed Companies On The IDX

Erma Hartika Rani<sup>1</sup>, Ni Nyoman Alit Triani<sup>2</sup>

Accounting Departement, Faculty of Economics and Business, Surabaya State University<sup>12</sup>  
Jl. Ketintang No. 2, Ketintang, Gayungan, Surabaya, Jawa Timur, 60231

**Abstract.** *The purpose of this study is to examine the effect of company size, company age, profitability, leverage, and audit tenure on audit delay. The sample in this study is selected with a purposive sampling method on the companies listed on the IDX in 2019, with a total sample of 581 companies. The method of analysis used multiple linear regressions. The result of this study indicates that company size and profitability negatively influenced audit delay. Meanwhile, the company age, leverage, and audit tenure did not affect audit delay.*

**Keywords:** *Company Size; Company Age; Profitability; Leverage; Audit Tenure; Audit Delay*

**Corresponding author.** [erma.17080694033@mhhs.unesa.ac.id](mailto:erma.17080694033@mhhs.unesa.ac.id), [nyomanalit@unesa.ac.id](mailto:nyomanalit@unesa.ac.id)

**How to cite this article.** Rani, Erma Hartika. Ni Nyoman Alit Triani (2021). Audit Delay of Listed Companies On The IDX In 2019. *Jurnal ASET (Akuntansi Riset). Program Studi Akuntansi. Fakultas Pendidikan Ekonomi dan Bisnis Universitas Pendidikan Indonesia*, 13 (1), 12-25. Retrieved from <https://ejournal.upi.edu/index.php/aset/article/view/32824>

**History of article. Received:** March 2021, Revision: May 2021, Published: June 2021

Online ISSN: 2541-0342. Print ISSN: 2086-2563. DOI : <https://doi.org/10.17509/jaset.v13i1.32824>

Copyright©2021. Jurnal ASET (Akuntansi Riset) Program Studi Akuntansi FPEB UPI.

### INTRODUCTION

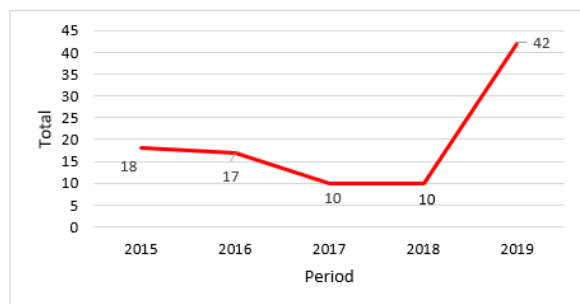
Audit delay is the long time used by the auditor in completing the audit task on financial statements. In Indonesia, the companies listed on the Indonesia Stock Exchange (IDX) are required to report the annual report to the Financial Services Authority, which is BAPEPAM-LK latest than four months after the fiscal book financial statements as shown in POJK No. 29/POJK.04/2016 regarding the Submission of Public Company Annual Reports. The sanctions for companies that are late in reporting are in Kep-307/BEJ/07-2004 provision II.6 in the form of written warning sanctions I to suspension. The suspension is lifted if the company has reported the financial statements and paid a fine. The tariff of 50 million rupiahs for the company is subject to written warning II and a fine of 150 million rupiahs for the company is subject to written warning III.

Audit delay can be used to determine the lateness of a company in delivering financial

statements. This study uses the auditor's signature lag criteria for determining the length of audit delay, which is calculated based on the range of the end date of the fiscal year to the date in the auditor's report. The auditor's timeliness in completing the audit has an impact on the benefits of a financial report. Delays in submitting financial statements will have negatively influence the company, especially for investors caused the financial statements to contain information about the company's condition being it is experiencing profit or loss. This information can be used as a tool by investors for making decisions to buy, sell, or hold on equity securities and corporate debt securities, following the general purpose of financial reporting as stated in the Exposure Draft (DE) Conceptual Framework for Financial Reporting Chapter 1 point 1.02.

Based on the annual announcement issued by the IDX, data on companies that have not

submitted the financial report on time summarized in the following graphic image:



Source: IDX (processed by author)

Figure 1. Graph of Total Companies Reporting Late

Figure 1 shows that in 2016 the number of companies that were late reporting decreased by one company. In 2017 companies were late in reporting decreased by seven companies, dominated by companies engaged in the mining sector. In 2018, the number of late companies had the same number as the previous year, dominated by companies in the mining and trade sector with three companies in each industry sector, and in 2019 it increased significantly to 32 companies, dominated by companies in the trade sector. The significant increase for the financial year of 31 December 2019 is believed to be due to the Covid-19 pandemic that began to enter Indonesia in early 2020. In response to the pandemic that occurred, the Indonesia Stock Exchange (IDX) issued Directors Decree No. Keep-00027/BEI/03-2020 concerning relaxation of the deadline for submitting the financial statement. The decision contains an extension of the time to submit financial statements by two months from the deadline.

In April 2020, IAPI published Technical Newsflash to overcome the challenges and uncertainties of a pandemic. That caused a limited scope of the audit that affected the audit process. One of the ways to do this is by applying a remote audit approach. The implementation of remote audits performed using the concept of the Internet of Things (IoT), the execution of audits conducted with electronic devices capable of transferring data via the internet as a medium.

Audit with the IoT concepts the audit evidence is a digital format. That has an impact on the timeliness of receiving the audit evidence. The audit team and client planning meetings were held online, considered alternative communication channels so that the confidentiality of information is maintained, and discussed changes in audit planning that have to affect the grace period for submitting the audit report.

The company size describes the company as large or small, measured by the total assets as stated in POJK No. 53 / POJK.04 / 2017. Carslaw & Kaplan (1991) in New Zealand and Bonson-Ponte et al., (2008) in Spain states that company size negatively influenced audit delay. Meanwhile, research conducted by Yohanar & Asyik (2017) and Saemargani & Mustikawati (2019) stated that company size did not affect audit delay.

The company age is calculated from the range of the company listed on the IDX for the first time up to the research year (Santosa & Kurnia, 2013). Bahri et al., (2018) stated that the company age positively influences audit delay. However, Amani & Waluyo (2016) and Manalu & Majidah (2018) proved that the company age negatively impacts audit delay.

Profitability shows the company's profits obtained through the use and utilization of its assets (Brigham & Houston, 2019). Che-Ahmad & Abidin (2008) in Malaysia and Alfraih (2016) in Kuwait states that profitability negatively influenced audit delay. In contrast, Handoko et al., (2019) proved that profitability did not influence audit delay.

Leverage is a ratio that measures debt management in a company (Brigham & Houston, 2009). Research conducted by Abdullah (2006) in Malaysia and Al-Ajmi (2008) in Bahrain stated that leverage positively influences audit delay. Meanwhile, Astuti (2016) and Lestari & Putu (2017) prove that leverage did not affect audit delay.

Audit tenure is the length of the auditor's engagement with the client (Van Johnson, Khurana, & Reynolds, 2002). Lee et al., (2009)

and Wan-Hussin & Bamahros (2013) stated that audit tenure negatively influenced audit delay. In contrast, Dao & Pham (2014) and Rosyid (2017) prove that audit tenure did not impact audit delay.

The existence of a phenomenon that happens is a reason for researchers to research audit delay topics. Besides, the different results of previous studies make researchers examine further the factors that cause audit delay. In this study, the researchers tested several factors of audit delay : company size, company age, profitability, leverage, and audit tenure. The difference between this research and previous studies is variables in this study tested for companies in all industrial sectors listed on the IDX in 2019. The purpose of this study is to determine the effect of company size, company age, profitability, leverage, and audit tenure against audit delay.

The importance of timeliness in submitting financial statements makes this research important to do. Beside that, the economic situation caused by the Covid-19 pandemic has motivated researchers to research audit delay.

The results of this study can be used for the company as information about the importance of internal control, so the companies can implement good internal control to anticipate factors that cause audit delay. For the auditor as a reference for factors that affect the length of the audit process that can be used as a reference in audit planning, so the auditor can complete the audit on time and for academics as reference material for further research.

**LITERATURE REVIEW**

**Signaling Theory**

Signaling theory is a signal given by management to investors regarding the company condition as an analytical tool in the investment decision-making process and avoiding differences in information between management and investors or asymmetric information (Brigham & Houston, 2019). The financial report is a document that can be used by management as a medium to signal good news or bad news.

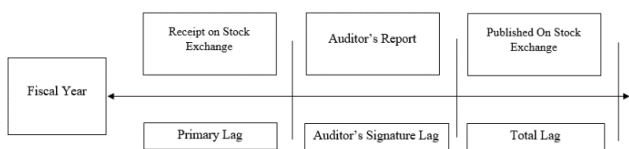
**Lending Credibility Theory**

An audit can increase the credibility of financial statements. Audited financial reports increase the stakeholder’s trust in the information presented, that the information is a fair representation (Hayes, Dassen, Schilder, & Wallage, 2004). Submission of an audited financial report on time shows that the company has good quality work in fulfilling its obligations, namely submitting the financial report on time.

**Audit Delay**

Abernathy et al., (2016) define the audit delay as the length of time from the end of the company's fiscal year to the date of the audit report, then is used as a determinant of the timeliness of financial reporting. Audits must be completed on time so the financial report can be reported and published on time. If the financial statements are late in reporting the value has the potential to be irrelevant to the company's condition or the current economic conditions.

According to Dyer et al., (1975), the criteria for late reporting financial statements are divided into three. Preliminary lag, calculated based on the span of the end date of the fiscal year to the date the report received by the capital market. Auditor's signature lag, calculated based on the span of the end date of the fiscal year until the date stated on the auditor's report. The total lag, calculated based on the span of the end date of the fiscal year to the date of the report published by the capital market.



Source: Dyer dan McHugh (1975)

Figure 2. The Criteria Pattern of Audit Delay

**Company Size**

According to Tiono & Jogi (2012), the company size can be seen through its total assets, total sales, and total employees. The size of the company is divided into three, namely small firms, medium firms, and large firms. Financial

Services Authority Regulation No. 53/POJK.04/2017 states that small companies are legal entities that have total assets not more than IDR 50.000.000.000,00. Medium companies have total assets of IDR 50.000.000.000,00 to IDR 250.000.000.000,00 and large companies are legal entities that have total assets of more than IDR 250.000.000.000,00. The higher the total assets owned by the company, means that the operational activities are more complex and generate more information. So the company has a good level of internal control and has a low level of risk (Bonson-Ponte et al., 2008). In line with this theory, the auditor does not need to expand the audit scope and the auditor does not need to increase the sample to find audit evidence so that the auditor can complete the audit on time.

### **Company Age**

The company age is the length of time a company has established to develop and operate (Trisnadevy & Satyawan, 2020). According to Santosa & Kurnia (2013), it is calculated based on the company period being listed on the IDX for the first time until the research year. Mazkiyani & Handoyo, (2017) stated that companies that have been listing on the IDX for a long time are more experienced with problems related to information processing and understand how to solve those problems. Besides, the company has more flexibility in dealing with the changes that will occur. That makes the company able to present its financial report on time.

### **Profitability**

The level of profitability can be measured using the profitability ratio. The profitability ratio provides an idea of how profitable the company is in operating and utilizing its assets (Brigham & Houston, 2019). According to Carslaw & Kaplan (1991), companies with a high level of profitability tend to submit financial reports more quickly because companies have to convey the good news to the public, especially to investors. The company that experiences a loss has a high business risk and if the loss is believed to increase financial failure, the auditor must act more

carefully during the audit process so that the audit process can take a long time.

### **Leverage**

Leverage is a ratio used to measure debt management in a company (Brigham & Houston, 2009). A company that has a high leverage ratio means that the company has a high probability of default. That indicates that the company's finances are experiencing difficulties and is bad news for the company and investors. According to Ashton et al., (1987) auditors are more careful when auditing companies with high debt levels that impact increasing the auditing time.

### **Audit Tenure**

Audit tenure is the length of the auditor's relationship (engagement) with the client (Van Johnson et al., 2002). According to Wan-Hussin & Bamahros (2013) auditors with long tenure believed to have a more understanding of the company include the company's operations activities, so the auditors can reduce delays in submitting financial statements. Meanwhile, according to Rosyid (2017), a long auditor assignment in a company is not a reference that auditors better understand the company's operations. The auditor's tenure is long enough to cause the auditor to be less independent and professional. In Indonesia, the audit engagement period is regulated in OJK Regulation No. 13/POJK/2017 concerning the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities. The regulation states the provision of audit services for financial statements by the same public accountant is no longer than three consecutive years.

### **Hypothesis Development**

#### **Influence of Company Size on Audit Delay**

Yendrawati & Mahendra (2018) and Lai et al., (2020) state that company size negatively influences audit delay because large-scale companies are more concerned with stakeholders, which can pressure auditors to complete assignments on time. Meanwhile,

Yohanar & Asyik (2017) and Astuti & Puspita (2020) stated the company size did not influence audit delay. This is because the companies listed on the IDX with large and small assets are monitored by external parties such as investors, capital supervisors, and the government. It shows that all companies experience the same pressure in submitting financial reports on time. From the research gap, the hypothesis proposed is:

**H<sub>1</sub>:** Company Size has a significant effect on audit delay

#### **Influence of Company Age on Audit Delay**

Companies that have been listed on IDX for a long time are believed to have more experience in collecting and processing financial information. Imaniar & Kurnia (2016) stated that the longer the company age, the company has undergone many changes during its operational activities, so more flexibility in adjusting the changes will occur. This allows the company to submit financial reports on time. Krisnanda & Ratnadi (2017) and Octaviani & Supriono (2017) state that the company age negatively influences audit delay because it has sufficient experience and is more skilled in collecting, processing, and producing information when needed. Meanwhile, Kuswanto & Manaf (2015) stated the company age did not influence audit delay. From the research gap, the hypothesis proposed is:

**H<sub>2</sub>:** Company age has a significant effect on audit delay

#### **Influence of Profitability on Audit Delay**

The profitability level in this study is measured by the proxy of Return on Assets (ROA). Che-Ahmad & Abidin (2008) based on their research in Malaysia stated that profitability negatively impacts audit delay. That is because profitable companies are believed to issue financial reports quickly to show that the company is performing well which support by good internal company controls. In contrast, Saputra et al., (2020) state that profitability did not influence audit delay. From the research gap, the hypothesis proposed is:

**H<sub>3</sub>:** Profitability has a significant effect on audit delay

#### **Influence of Leverage on Audit Delay**

Leverage is measured by proxy for debt to equity. Based on research by Abdullah (2006) in Malaysia and Al-Ajmi (2008) in Bahrain, leverage positively influences audit delay. According to Ashton et al., (1987) auditors are more careful when auditing a company with a high level of debt, and it causes increases in the time of the audit. Meanwhile, the results of research conducted by Astuti (2016) and Lestari & Putu (2017) state that leverage did not influence audit delay. From the research gap, the hypothesis proposed is:

**H<sub>4</sub>:** Leverage has a significant effect on audit delay

#### **Influence of Audit Tenure on Audit Delay**

Audit tenure is the length of the auditor's relationship (engagement) with the client (Van Johnson et al., 2002). Lee et al., (2009) stated that audit tenure negatively influences audit delay because auditors with long tenure have a better understanding of their client operating systems, thus more efficient in implementing the audit process. In contrast, research by Dao & Pham (2014) and Tryana (2020) states that audit tenure did not influence audit delay. From the research gap, the hypothesis proposed is:

**H<sub>5</sub>:** Audit tenure has a significant effect on audit delay

## **RESEARCH METHOD**

### **Population and Sample**

This study uses a quantitative approach. The population used in this study is publicly traded companies listed on the IDX in 2019 with a purposive sampling technique. The sample criteria in this study are companies listed on the IDX in 2019 and companies that report financial statements in 2019.

Table 1. Research Sample

No	Description	Total
1	Go public companies listed on the IDX in 2019	666
2	Companies that newly registered on the IDX in 2019	(55)
3	Companies that are listed on the IDX but have not issued audited 2019 financial reports	(24)
4	Outlier	(6)
<b>The total sample used in this study</b>		<b>581</b>

Source: Prepared by Author

### Data Analysis Technique

The data analysis technique to test the data feasibility using the classic assumption test. The test includes the normality test, multicollinearity test, and heteroscedasticity test. Meanwhile, to test the research hypothesis using multiple linear regression tests with the following equation:

$$DELAY = a_0 + a_1SIZE + a_2AGE + a_3ROA + a_4LEV + a_5TENURE + \varepsilon$$

Where :

- $\alpha$  = Constanta
- AGE = Company Age
- DELAY = Audit Delay
- LEV = Leverage
- SIZE = Company Size
- TENURE = Audit Tenure
- ROA = Profitability
- $\varepsilon$  = Error Term

### Variable and Measurement

#### Audit Delay

Audit delay in this study uses the auditor's signature lag criteria, which is the interval between the end date of the fiscal year to the date listed in the auditor's report (Dyer et al., 1975). In this study, audit delay transformed to Ln audit delay.

### Company Size

Company size can be seen through the total assets, total sales, and total employees (Tiono & Jogi, 2012). To measure the company size uses the natural logarithm of the company's total assets.

$$Size = \ln \text{ Total Assets}$$

### Company Age

The company age is calculated based on the company period listed on the IDX for the first time until the research year (Santosa & Kurnia, 2013).

### Profitability

Profitability provides an idea of how profitable a company is in operating and utilizing its assets (Brigham & Houston, 2019). This study uses the proxy Return on Assets (ROA) to measure the profitability ratio.

$$ROA = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$$

### Leverage

Leverage is a ratio used to measure debt management in a company (Brigham & Houston, 2009). This study uses a proxy debt to asset ratio in measuring the level of corporate leverage.

$$DAR = \frac{\text{Total Liabilities}}{\text{Total Assets}} \times 100\%$$

### Audit Tenure

Audit tenure is the length of the auditor's relationship (engagement) with the client (Van Johnson et al., 2002). Audit tenure is measured using a dummy variable if the company is audited by the same public accountant for less than three years given a value of 1 and a value of 0 given for the company audited by the same public accountant for three years.

## RESULTS AND DISCUSSION

### Descriptive Statistics

Tabel 2. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
DELAY	581	3,14	5,61	4,5154	0,373
SIZE	581	22,441	34,887	28,672	1,896
AGE	581	1	108	15,04	11,097
ROA	581	-479,870	41,632	-0,339	27,332
LEV	581	0,177	9.7340,646	241,510	4.054,528
TENURE	581	0	1	0,78	0,415
Valid N (listwise)	581				

Source: The Results of SPSS Data Processing

Table 2 shows that the number of company data used in the study was 581 companies. The descriptive statistical results of the audit delay (DELAY) have a minimum value of 3,14 or 23 days, that company is Bank Mandiri (Persero) Tbk. (BMRI) and a maximum value of 5,61 or 272 days, that is Trikonsel Oke Tbk. (TRIO) with a mean value of 4,515 or 97,62 days and standard deviation of 0,37300.

The company size (SIZE) in table 2 has a minimum value of 22,441 is Semen Baturaja (Persero) Tbk. (SMBR) and a maximum value of 34,887, that is Bank Rakyat Indonesia (Persero) Tbk. (BBRI) with a mean value of 28,672 and standard deviation is 1,896.

The company age variable (AGE) in table 2 has a minimum value of 1 year which is 57 companies. The maximum value is 108 years, which is BRISyariah Tbk. (BRIS) with a mean value of 15,04 and standard deviation of 11,097.

Table 2 shows that the profitability variable (ROA) has a minimum value is -479,870%, which is Global Teleshop Tbk. (GLOB) and a maximum value of 41,632%, that is Multi Bintang Indonesia Tbk. (MLBI) with a mean value of -0,339% standard deviation of 27,332117.

The leverage (DAR) in table 2 has a minimum value of 0,177%, that is Sumber Energi Andalas Tbk. (ITMA) and a maximum value of 9.7340,646%, that is Bakrie Telecom Tbk. (BTEL) with a mean value of 241,510% and standard deviation of 4.054,528.

The audit tenure (TENURE) in table 2 using a dummy variable, has a minimum value of 0 that the company has with three years engagement periods totaling 128 companies. The maximum value is 1 for the companies with an engagement period of fewer than three years, a total of 453 companies. The mean value is 0,78 and standard deviation is 0,415.

**Classical Assumption Test Results  
Normality Test**

The results of processing data for the normality test using one-sample Kolmogorov-Smirnov test resulted in a significant value of  $0.000 < 0,05$ , which means that the data was not normally distributed. According to Ghazali, (2018) data can normally be distributed by transforming data and deleting the outlier. In this study, the transformed data is the dependent variable which is audit delay then converted into a natural logarithmic form and deleted six outliers from the total sample, so the number of the samples used in the study was 851 samples. Furthermore, a normality retest and the results are as shown in the following table:

Table 3. The Results of One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	581
Asymp. Sig (2-tailed)	0,084

Source: The Results of SPSS Data Processing

Table 3 shows a significant value of 0,097. The significant value is higher than 0,05, which concluded that the data is normally distributed and can continue the other classical assumptions test.

**Multicollinearity Test**

Table 4 shows that all independent variables have a tolerance value of more than 0,10 and a VIF value less than 10. It concluded that the multicollinearity test is fulfilled.

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF
SIZE	0,892	1,121
AGE	0,964	1,038
ROA	0,934	1,071
LEV	0,982	1,018
TENURE	0,998	1,002

Source: The Results of SPSS Data Processing

**Heteroscedasticity Test**

Table 5. Heteroscedasticity Test Results

Variable	Sig.
SIZE	0,071
AGE	0,463
ROA	0,056
LEV	0,301
TENURE	0,799

Source: The Results of SPSS Data Processing

The results in table 5 show that all independent variables have a significant value of more than 0.05. It concluded that the regression model does not contain heteroscedasticity.

**Results of Multiple Regression Analysis**

Based on table 8, the regression model obtained as follows:

$$\text{DELAY} = 6,081 - 0,055\text{SIZE} + 0,000\text{AGE} - 0,002\text{ROA} + 0,000004\text{LEV} + 0,012\text{TENURE} + \epsilon$$

**Determination Coefficient Test Results (R<sup>2</sup>)**

In table 6, the Adjusted R Square value shows that the dependent variable can explain the independent variables by 0,107 or 11%, and the remaining 89% explained by variables other than in this study.

Table 6. Result of The Coefficient of Determination

Model	R	R Square	Adjusted R Square
1	0,338	0,115	0,107

Source: The Results of SPSS Data Processing

**F Test Results**

Table 7. F Test Results

Model	df	Mean square	F	Sig.
Regression	5	1,849	14,882	0,000
Residual	575	0,124		
Total	580			

Source: The Results of SPSS Data Processing

Based on table 7, the F value is 14,882 with a significance of 0,000. A significant value less than 0,05 concluded that the regression model is simultaneous and can predict the variable of audit delay.



**T-Test Results**

Table 8. T-test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	Constant	6,081	0,233		
SIZE	-0,055	0,008	-0,279	-6,718	0,000
AGE	0,000	0,001	-0,004	-0,102	0,919
ROA	-0,002	0,001	-0,118	-2,897	0,004
LEV	0,000	0,000	0,042	1,073	0,284
TENURE	0,012	0,035	0,014	0,353	0,724

Source: The Results of SPSS Data Processing

Based on table 8, the variable company size (SIZE) and profitability (ROA) negatively influenced audit delay, because the significant value is  $< 0,05$  with a negative coefficient value. Meanwhile, the company age (AGE), leverage (LEV), and audit tenure (TENURE) variables did not influence audit delay, because the significant value is  $> 0,05$ .

**Discussion**

**Influence of Company Size (SIZE) on Audit Delay**

The t-test results for the company size variable (SIZE) in table 8 show that the company size negatively influenced audit delay, so hypothesis 1 is accepted. The higher the company size means the lower the audit delay range. The company size reflects the level of diversification of the product, the number of subsidiaries, and the company's increasingly complex operational activities level, so the company has good internal control. In the internal control system, there is the application of policies and procedures to achieve operations objectives, reporting objectives, and compliance objectives. That can reduce audit risk so the company can produce higher-quality financial reports. Companies that have high total assets also show that the company's finances are relatively stable, which can generate higher profits. So the company is better able to pay the audit fee so that the auditor's work is completed on time.

Based on the research data, the highest total asset value of the company is 34,887 for a company engaged in the finance sector with an audit delay for 24 days and the lowest total asset value of the company is 22,441 for a company engaged in the basic industry and chemical sectors with an audit delay for 45 days. These results support research from Candraningtiyas et al., (2017), Yendrawati & Mahendra (2018), and Lai et al., (2020) which state the company size negatively influences audit delay because large-scale companies tend to have a good internal control system and more attention by stakeholders so that by reporting financial reports on time, it can protect the company's reputation in public. The results of the study also strengthen the signaling theory and lending credibility theory because the timely delivery of financial reports can show that the company has a good level of work quality so that it can create trust in society in meeting information needs.

**Influence of Company Age (AGE) on Audit Delay**

Based on table 8, the t-test results of the company age variable (AGE) show that company age did not influence audit delay. The company age is seen from the length of time a company has listed on the IDX. The longer the company is listed on the IDX the more often the company makes the financial reports, so it has more experience in collecting and processing the information needed. This accelerates the

company in submitting its financial reports. However, the length of time a company listed on the IDX did not guarantee the timeliness of submission of financial reports. This is because the length of time to submit financial reports is not only based on the company age, but also considers other aspects such as the level of company profitability, company size, and the quality of management in managing company information systems.

The data in this study states that the shortest company age from all industrial sectors is one year, with the longest audit delay of 188 days is a company engaged in the miscellaneous industry sector. The shortest audit delay is 48 days for a company engaged in the trade, service & investment sectors. The longest company age is 108 years for a company engaged in the finance sector, with the number of audit delays being 34 days. On the other side, a company with 39 years of age engaged in the miscellaneous industry sector has an audit delay of 118 days and 182 days. These results support the research conducted by Astuti (2017) and Pattinaja & Siahainenia (2020) which states that company age did not influence audit delay because the existing complexity of financial statements does not guarantee the companies that operate for longer periods are faster in submitting financial reports. Besides, companies that have been operating for longer periods have good management systems and have more experience so that they are considered capable of providing financial reports. The results of the study also strengthen the lending credibility theory because audited financial reports can increase the credibility of financial reports and if the financial reports are submitted on time, it can increase public confidence that these financial reports are representative of results that are carried out fairly and are relevant to current economic conditions.

### **Influence of Profitability (ROA) on Audit Delay**

The t-test results in table 8 show that the profitability variable (ROA) negatively impacts audit delay, so hypothesis 3 is accepted. The

higher the profitability value, the lower the audit delay range. Profitability reflects how profitable the company is in operating and utilizing its assets. The higher the company's profitability, the better the company's performance and financial condition. This condition is good news for companies and investors, so companies tend to submit their financial reports more quickly. Besides, investors tend to prefer companies to have high profitability values because they are considered more capable of generating high profits. That also gives the company many opportunities to attract more investors.

Based on the data in the study, the highest profitability value was 41,632% for a company engaged in the consumer goods industry sector with audit delay for 52 days and the smallest profitability value of -479,870% for a company engaged in the trade, service & investment sectors with an audit delay for 212 days. This supports the research conducted by Alfraih (2016) and Suparsada & Putri (2017) stating that profitability negatively impacts audit delay because there are demands from higher parties. Besides, a high profitability level is good news that makes spurring companies quickly report their financial statements. The results of the study also strengthen the signaling theory. Because submitting financial reports on time can provide a signal for users of financial reports regarding a company's condition that can be used as an analytical tool in the investment decision-making process and financial reports are a medium to show good news or bad news.

### **Influence of Leverage (LEV) on Audit Delay**

The t-test results on the leverage variable (LEV) in table 9 show that leverage did not impact audit delay. The leverage value of a company illustrates the company's difficulty in meeting its debts, this is bad news for investors. To maintain investor confidence in the company, the company submits financial reports on time as a form of compliance with applicable regulations. On the other side, the higher leverage value also shows that the company's financial risk is getting

bigger and it can increase the length of audit work because auditors are more careful when auditing.

Based on the data in the study, the highest leverage value was 9.7340,646% for a company engaged in the infrastructure, utilities, and transportation sectors with an audit delay of 178 days and the smallest leverage value of 0,177% for a company engaged in the trade, service & investment sector with audit delay for 120 days. On the other side, leverage with a value of 289,987% in companies engaged in the consumer goods industry sector has an audit delay of 36 days. These results support the research conducted by Ayemere & Elijah (2015), Astuti (2016), and Lestari & Putu (2017) which states that leverage did not impact audit delay because the company's ability to complete its debts does not affect the length of time audit work. The results of the study also strengthen the signaling theory and lending credibility theory. Companies with high leverage levels are bad news. It illustrates that the companies are experiencing bad financial conditions, by submitting audited reports can increase the credibility of the financial reports.

### **Influence of Audit Tenure (TENURE) on Audit Delay**

The t-test results in table 8 show that the audit tenure variable did not affect audit delay. Public accountants who have a long tenure are believed to have a better understanding of the company's operations so that the audit process can be carried out efficiently. However, the long tenure of public accountants indicates that the auditors are less independent and professional. Also, auditors in carrying out their duties are required to be professional so that the length of the engagement period does not affect the audit process. In Indonesia the public accountant tenure is regulated in POJK No. 13/POJK/2017 which states that the longest public accountant tenure is three years and the 2020 Public Accountant Professional Code of Ethics Section 540 also regulates the long-lasting relationship between personnel (including peer rotation) and audit clients.

Based on data in this research from 581 companies, 453 companies from all industrial sectors have an engagement period of fewer than three years. The remaining 128 companies from all industrial sectors have an engagement period of three years. The company with an engagement period of fewer than three years has the longest audit delay for 272 days in a company engaged in the trade, service & investment sector, and the shortest audit delay for 23 days in the finance sector. Companies with a three years engagement period have the longest audit delay of 182 days while companies engaged in the property, real estate, and building construction and miscellaneous industry sector. The shortest audit delay is 24 days for a company in the finance sector. These results support the research conducted by Habib & Bhuiyan (2011) and Bhoor & Khamees (2016) proved that audit tenure did not affect audit delay. The long term of public accountants' tenure can lead to a lack of independence and professionalism in carrying out their duties. The results of the study strengthen the signaling theory and lending credibility theory. By completing audit assignments quickly, the financial reports can be submitted on time. Financial reports submitted on time are useful for information users because they describe the current condition of the company. Also, audited financial reports can increase the credibility value of financial statements.

### **CONCLUSION**

Based on the discussion of the data analysis results, obtained that company size (SIZE) negatively associated with audit delay, the company age (AGE) did not affect audit delay, profitability (ROA) negatively associated with audit delay, leverage (LEV) did not affect audit delay, and audit tenure (TENURE) did not affect audit delay.

The results of this study are expected to contribute information about the factors audit delay, that are useful for the company as information about the importance of internal control, so the companies can implement good internal control to anticipate factors that cause

audit delay. For the auditor as a reference for factors that affect the length of the audit process that can be used as a reference in audit planning, so the auditor can complete the audit on time and for academics as reference material for further research.

The limitations of this study are, only using five independent variables dominated by the company side and just using one research year.

Based on those limitations, the suggestions for further researchers to use the research year more than one year and use other variables than in this study.

## REFERENCES

- Abdullah, S. N. (2006). Board composition, audit committee and timeliness of corporate financial reports in Malaysia. *Corporate Ownership and Control*, 4(2 A), 33–45.
- Abernathy, J. L., Barnes, M., Stefaniak, C., & Weisbarth, A. (2016). An International Perspective on Audit Report Lag: A Synthesis of the Literature and Opportunities for Future Research. *International Journal of Auditing*. <https://doi.org/10.1111/ijau.12083>
- Al-Ajmi, J. (2008). Audit and reporting delays: Evidence from an emerging market. *Advances in Accounting*, 24(2), 217–226. <https://doi.org/10.1016/j.adiac.2008.08.002>
- Alfraih, M. M. (2016). Corporate governance mechanisms and audit delay in a joint audit regulation. *Journal of Financial Regulation and Compliance*, 24(3), 292–316. <https://doi.org/10.1108/JFRC-09-2015-0054>
- Amani, F. A., & Waluyo, I. (2016). Pengaruh Ukuran Perusahaan, Profitabilitas, Opini Audit, dan Umur Perusahaan Terhadap Audit Delay (Studi Empiris pada Perusahaan Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia pada Tahun 2012-2014). *Jurnal Nominal*, 5(1). <https://doi.org/10.21831/nominal.v5i1.11482>
- Andreska, Y. (2019). “Pengaruh Audit Tenure, Ukuran Kap, Leverage, Profitabilitas, dan Size Terhadap Audit Delay Pada Perusahaan Manufaktur Yang Terdaftar di Bei Periode 2014-2017.” *Skripsi*, 8(5), 55.
- Ashton, R. H., Willingham, J. J., & Elliott, R. K. (1987). Reports An Empirical Analysis of Audit Delay. *Journal of Accounting Research*, 25(2), 275–292.
- Astuti, P., & Puspita, E. (2020). Reputasi Audit Sebagai Pemoderasi Pengaruh Laba Operasi, Audit Tenure, Dan Ukuran Perusahaan Terhadap Audit Delay. *Jurnal PETA*, 5(2), 66–78.
- Astuti, Y. S. (2016). Faktor-Faktor yang Memengaruhi Audit Delay pada Perusahaan Manufaktur Yang Go Publik Di BEI. *Jurnal Ilmu & Riset Akuntansi*, Vol.5(6), 1–17.
- Ayemere, I. L., & Elijah, A. (2015). Corporate Attributes and Audit Delay in Emerging Markets: Empirical Evidence from Nigeria. *International Journal of Business and Social Research*, 5(3), 1–10. <https://doi.org/10.18533/ijbsr.v5i3.712>
- Bahri, S., Hasan, K., & Carvalho, B. De. (2018). Pengaruh Ukuran Perusahaan, Profitabilitas, Solvabilitas, dan Ukuran Kantor Akuntan Publik terhadap Audit Delay. *Conference on Innovation and Application of Science and Technology*, 9(2), 33–49. <https://doi.org/10.31937/akuntansi.v9i2.728>
- Bonson-Ponte, E., Escobar-Rodrguez, T., & Borrero-Domnguez, C. (2008). Empirical Analysis of Delays in the Signing of Audit Reports in Spain. *International Journal of Auditing*, 12(2), 129–140. <https://doi.org/10.1111/j.1099-1123.2008.00375.x>
- Brigham, E. F., & Houston, J. F. (2009). *Fundamentals of Financial Management Concise 6th Edition*.
- Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of Financial Management 15 Edition. Cengage Learning*.
- Carslaw, C. A. P. N., & Kaplan, S. E. (1991). An Examination of Audit Delay: Further Evidence from New Zealand. *Accounting and Business Research*, 22(85), 21–32.

- <https://doi.org/10.1080/00014788.1991.9729414>
- Che-Ahmad, A., & Abidin, S. (2008). Audit Delay of Listed Companies: A Case of Malaysia. *International Business Research*, 1(4), 32–39. <https://doi.org/10.5539/ibr.v1n4p32>
- Dao, M., & Pham, T. (2014). Audit tenure, auditor specialization, and audit report lag. *Managerial Auditing Journal*, 29(6), 490–512. <https://doi.org/10.1108/MAJ-07-2013-0906>
- Dyer, J. C., Mchugh, A. J., Iv, J. C. D., & Mchugh, A. J. (1975). The Timeliness of the Australian Annual Report times. *Journal of Accounting Research*, 13(2), 204–219.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25* (9th ed.). Semarang: Badan Penerbit Universitas Diponegoro.
- Handoko, B. L., Deniswara, K., & Nathania, C. (2019). Effect of profitability, leverage, audit opinion and firm reputation toward audit report lag. *International Journal of Innovative Technology and Exploring Engineering*, 9(1), 2214–2219. <https://doi.org/10.35940/ijitee.A4787.119119>
- Hayes, R., Dassen, R., Schilder, A., & Wallage, P. (2004). *Principal of Auditing: An Introduction to International Standards on Auditing*.
- Imaniar, F. Q., & Kurnia. (2016). Faktor-Faktor Yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan. *Jurnal Ilmu Dan Riset Akuntansi*, 5(6), 1–18.
- Krisnanda, I. G. W., & Ratnadi, N. M. D. (2017). Pengaruh Financial Distress, Umur Perusahaan, Audit Tenure, Kompetensi Dewan Komisaris Pada Kecepatan Publikasi Laporan Keuangan. *E-Jurnal Akuntansi Universitas Udayana*, 20(3), 1933–1960.
- Kuswanto, H., & Manaf, S. (2015). Faktor-Faktor Yang Mempengaruhi Ketepatan Waktu Penyampaian Laporan Keuangan Ke Publik (Studi Empiris Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2010-2013). *Journal of Chemical Information and Modeling*.
- Lee, H.-Y., Mande, V., & Son, M. (2009). Do Lengthy Auditor Tenure and the Provision of Non-Audit Services by the External Auditor Reduce Audit Report Lags? *International Journal of Auditing*, 13(2), 87–104. <https://doi.org/10.1111/j.1099-1123.2008.00406.x>
- Lestari, K. A. N. M., & Putu, W. S. (2017). Analisis Pengaruh Ukuran Perusahaan, Profitabilitas, Solvabilitas, Kualitas Auditor dan Audit Tenure Terhadap Audit Delay pada Perusahaan Manufaktur di Bursa Efek Indonesia Periode 2012-2015. *Jurnal Ilmiah Manajemen & Bisnis*, 23(1), 1–11.
- Manalu, D. A., & Majidah. (2018). Analisis Yang Mempengaruhi Audit Delay (Studi Empiris pada Perusahaan Sektor Pertambangan yang Terdaftar di Bursa Efek Indonesia Periode 2012-2016). *E-Proceeding of Management*, 5(3), 2061–2068.
- Mazkiyani, N., & Handoyo, S. (2017). Audit report lag of listed companies in Indonesia stock exchange. *Jurnal Aplikasi Bisnis*, 17(1), 77–95. <https://doi.org/10.20885/jabis.vol17.iss1.art5>
- Octaviani, S., & Supriono, E. S. dan. (2017). Faculty of Economics Riau University. *JOMFekom*, 4(1), 1945–1959.
- Rosyid, M. (2017). Pengaruh Audit Tenure, Tingkat Solvabilitas Terhadap Audit Delay dengan Spesialisasi Auditor Sebagai Variabel Pemoderasi. *Publikasi Ilmiah*.
- Saemargani, F. I., & Mustikawati, R. I. (2019). Pengaruh Ukuran Perusahaan, Profitabilitas, Solvabilitas Dan Opini Auditor Terhadap Audit Delay. *Jurnal Analisa Akuntansi Dan Perpajakan*, IV No 2(2). <https://doi.org/10.25139/jaap.v2i2.1397>
- Santosa, M. P., & Kurnia, R. (2013). Pengaruh Faktor Internal Dan Eksternal Perusahaan Terhadap Audit Delay Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2009 – 2011. *Jurnal ULTIMA Accounting*, 5(1), 19–35.

- <https://doi.org/10.31937/akuntansi.v5i1.140>  
Saputra, A. D., Irawan, C. R., & Ginting, W. A. (2020). Pengaruh Ukuran Perusahaan, Opini Audit, Umur Perusahaan, Profitabilitas dan Solvabilitas Terhadap Audit Delay. *Owner (Riset Dan Jurnal Akuntansi)*, 4(2), 286–295.
- <https://doi.org/10.33395/owner.v4i2.239>  
Tiono, I., & Jogi, Y. (2012). Faktor-Faktor yang Mempengaruhi Audit Report Lag di Bursa Efek Indonesia.
- Tryana, A. L. (2020). Pengaruh Audit Tenure, Profitabilitas, dan Leverage Terhadap Audit Delay Pada Perusahaan Manufaktur Sub Sektor Semen Tahun 2015-2019. *Jurnal Ekonomi Dan Bisnis Indonesia*, 5(2), 38–40.
- Van Johnson, E., Khurana, I. K., & Reynolds, J. K. (2002). Audit-Firm Tenure and the Quality of Financial Reports. *Contemporary Accounting Research*, 19(4), 637–660.
- <https://doi.org/10.1506/LLTH-JXQV-8CEW-8MXD>  
Wan-Hussin, W. N., & Bamahros, H. M. (2013). Do investment in and the sourcing arrangement of the internal audit function affect audit delay? *Journal of Contemporary Accounting and Economics*, 9(1), 19–32. <https://doi.org/10.1016/j.jcae.2012.08.001>
- Yendrawati, R., & Mahendra, V. W. (2018). The Influence of Profitability, Solvability, Liquidity, Company Size, and Size of Public Accountant Firm on Audit Report Lag. *The International Journal of Social Sciences an Humanities Invention*, 5(12), 5170–5178. <https://doi.org/10.18535/ijsshi/v5i12.13>
- Yohanian, E., & Asyik, N. F. (2017). Pengaruh Profitabilitas , Solvabilitas , Size , Komite Audit , Kompleksitas Operasi dan Opini Auditor Terhadap Audit Delay. *Jurnal Ilmu Dan Riset Akuntansi*, 6, 1–19.