



Factors that influence on audit delay (case study on LQ-45 company listed on the Indonesia Stock Exchange 2016-2019)

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ABSTRACT

This study aims to analyze the effect of company size, KAP size, and profitability on audit delay. The population used is all LQ 45 companies listed on the Indonesia Stock Exchange (IDX) in the 2016 to 2019 period. Sampling was 17 companies. The research method in this study uses descriptive statistical analysis and multiple linear regression analysis with 3 classical assumption tests. The results of this study indicate that the firm size variable has a significant positive effect on audit delay, and the profitability variable has a negative and significant effect on audit delay. Meanwhile, the KAP size variable has no effect on audit delay. Taken together, all variables (firm size, firm size, and profitability) also have an effect on audit delay.

Keywords: Company Size, KAP Size, Profitability, Audit Delay

1. INTRODUCTION

The development of the business world in Indonesia in recent years has been very rapid. This is indicated by the number of companies listed on the Indonesia Stock Exchange as go public companies. In the January 2020 period, there were 677 companies listed on the Indonesia Stock Exchange. Every company that has been listed on the IDX is required to submit financial statements that have been prepared.

Financial statements are one of the most important instruments in a company. Especially for companies that have gone public, financial reports that have been audited by public accountants have become a must to be published. The timely submission of financial statements is very important because it becomes the basis for decisions for investors. If the delay in submitting financial statements is too long, then the value of the information contained in the report is considered to be less relevant.

It is stated in the Financial Services Authority Regulation Number 29/POJK.04/2016 concerning the annual report of issuers or public companies whose statements submit an annual report to the Financial Services Authority no later than 4 (four) months after the financial year ends. If the company does not comply with these regulations, it will be subject to administrative sanctions. In accordance with Government Regulation No. 45 of 1995 concerning the Implementation of Activities in the Capital Market Sector Chapter XII article 63 letter e that every public company listed on the Indonesia Stock Exchange (IDX) will be subject to a fine of Rp. 1,000,000.00 (one million rupiah). for each day of delay in the submission of financial reports with a total fine of a maximum of Rp. 500,000,000.00 (five hundred million rupiahs).

In order to avoid these administrative sanctions, the company seeks to submit an annual report less than the time limit given by the Financial Services Authority (OJK). However, in reality there are still many companies that are late in submitting their

annual reports. As revealed by the records of the Indonesia Stock Exchange (IDX) as of August 8, 2019, there were still 107 companies/issuers that had not submitted their annual financial reports. However, several companies were late in submitting because the companies recorded financial statements for different financial years, namely in March, May, and June. If the company is late in publishing financial statements, it can indicate a problem in the financial statements. Delayed information can cause a negative reaction from capital market players, one of which is from the investor side as the party who has the ownership rights of the company. Because in general investors think that the delay in financial statements is a bad sign for the company's health condition.

The timeliness of the submission of financial statements is one of investors' benchmarks for the condition of a company. The delay in submitting financial statements is allegedly able to give negative opinions to shareholders. The possibility of poor financial conditions or low profit levels is the cause of delays in the submission of financial statements.

In the past few years, there have been many cases of delays in the submission of annual financial reports by issuers that have been listed on the IDX. This is an indication that there are problems in the financial statements that require a longer audit completion time than usual. In 2015 IDX reported that there were 52 issuers that had not submitted audited financial reports as of December 2014. In 2016 IDX noted that there were 63 listed companies or issuers who had not submitted the 2015 annual report on time until May 2, 2016. In 2017 the IDX stated that there were 70 public companies or issuers that had not submitted their financial statements for the first quarter of 2017. In 2018 the IDX stated that there were 18 companies that had not submitted their financial statements for the third quarter of 2018. In 2019 IDX stated that there were 107 companies that had not submitted their financial reports. Various studies on audit delay have been carried out. In this study, the factors that were re-examined were the effect of firm size, KAP size, and profitability on audit delay.

The reputation factor or the size of the KAP is also one of the factors influencing audit delay. The size of the KAP is divided into two, namely the big four KAP and the non-big four KAP. KAP the big four is believed to be able to work more efficiently in planning audits, has more human resources, and is more experienced in conducting audits. This is in line with research conducted by Amani & Waluyo (2016) which states that the size of KAP has a significant effect on audit delay.

The next factor is profitability, companies that experience losses tend to delay the issuance of annual financial reports to avoid stakeholder concerns. On the other hand, profitable companies tend to speed up the issuance of financial statements because this is seen as good news and will increase stakeholder confidence. Thus, it can be concluded that a high level of profitability will negatively affect audit delay. This is in accordance with research conducted by Amani & Waluyo (2016) which shows that company profitability has an effect on audit delay.

However, this is not in line with research conducted by Apriyana & Rahmawati (2017) which states that company profitability does not have a significant effect on audit delay.

Based on previous research, there is still a research gap that shows the diversity of research results on the factors that affect audit delay. On this basis, the authors re-examined the factors of company size, KAP size, and profitability on audit delay with LQ-45 companies listed on the Indonesia Stock Exchange for the 2016-2019 period as the object of research. IDX was chosen as the data source in this study on the basis of rationalization that IDX is the only representative stock market in Indonesia.

2. LITERATURE REVIEW

A. Agency Theory

This theory was first coined by Jensen & Meckling (1976) who stated the relationship between shareholders (stakeholders) as principals and management as agents. Management is a party contracted by shareholders to work in the interests of shareholders. Because they are elected, the management must be accountable for all their work to the shareholders. According to Liviani (2016) the agency relationship which is one of the oldest and most common forms of social interaction arises when there is a separation of the management function and the ownership function, where one party (agent) acts as a representative of another party (principal) in decision making. The separation of management and ownership functions will cause agency problems due to differences in interests.

B. Audit

Agoes (2012) defines audit as an examination carried out critically and systematically, by an independent party, on the financial statements that have been prepared by management, along with accounting records and supporting evidence, with the aim of being able to provide an opinion regarding the fairness of the report. the finances. Audit is a systematic process that aims to obtain and evaluate evidence collected on statements or assertions about economic actions, events and see the level of relationship between statements or assertions and reality, and communicate the results to interested parties. In practice, the Financial Statements must go through an audit process before they are finally published. In general, financial statements need to be audited so that the financial information presented in the financial statements is fair to all interested parties (Ikatan Akuntan Indonesia, 2009).

C. Audit Type

Agoes (2012) defines the types of audits in terms of the extent of the examination, audits are divided into:

1. General Audit (General Audit)

A general examination of the financial statements conducted by an independent KAP with the aim of being able to provide an opinion on the fairness of the financial statements as a whole. The audit must be carried out in accordance with the Professional Standards of Public Accountants or ISA or the Small Business Entity Audit Guidelines and take into account the Indonesian Accountant Code of Ethics, the Professional Public Accountant Code of Ethics and Quality Control Standards.

2. Special Audit (Special Audit)

A limited audit (according to the request of the auditee) conducted by an independent KAP, and at the end of the audit the auditor does not need to give an opinion on the fairness of the financial statements as a whole. The opinions given are limited to certain items or issues being examined, because the audit procedures carried out are also limited. For example, KAP is asked to check whether there is fraud in the collection of accounts receivable in the company. In this case, audit procedures are limited to examining accounts receivable, sales, and cash receipts. At the end of the audit, the KAP only provides an opinion on whether or not there is fraud in the collection of accounts receivable in the company. If there is fraud, how big is the amount and what is the mode of operation.

Judging from the type of examination (Soekrisno, 2012), audits can be divided into:

1. Management Audit (Operational Audit)

An examination of the operating activities of a company, including accounting policies and operational policies that have been determined by management, to determine whether the operating activities have been carried out effectively, efficiently, and economically.

2. Compliance Audit

An examination conducted to determine whether the company has complied with the applicable regulations and policies, both those set by the company's internal parties (management, board of commissioners) and external parties (Government, BApepam LK, Bank Indonesia, Directorate General of Taxes, and others -other). The examination can be carried out by either the KAP or the Internal Audit Division.

3. Internal Audit (Internal Audit)

Examinations carried out by the internal audit department both on the company's financial statements and accounting records, as well as compliance with predetermined management policies. Examinations conducted by internal auditors are usually more detailed than general audits carried out by KAP. Internal auditors usually do not give an opinion on the fairness of financial statements, because parties outside the company consider that the internal auditor who is an insider is not independent.

4. Computer Audit

Examination by KAP of companies that process their accounting data using the Electronic Data Processing (EDP) System. There are 2 (two) methods that can be used by the auditor:

D. Auditing Standard

Agoes (2012) states that there are three major groups of audit standards, namely:

1. General Standard

The general standards are personal and relate to the auditor's requirements and the quality of his work, and differ from standards relating to the conduct of field work and reporting. Personal standards or general standards apply equally in the field of field work implementation and reporting.

2. Fieldwork Standard

Field work standards are related to the implementation of field work audits, starting from audit planning and supervision, understanding and evaluating internal control, collecting audit evidence through compliance tests, substantive tests, analytical tests, to the completion of field work audits.

3. Reporting Standards

Reporting standards relate to issues of communicating audit results, namely:

- The auditor's report must state whether the financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia.
- The auditor's report must indicate or state, if there is an inconsistency in the application of accounting principles in the preparation of financial statements for the current period compared to the application of these accounting principles in the previous period.
- Informative disclosures in the financial statements should be considered adequate, unless otherwise stated in the auditor's report.
- The auditor's report must contain an opinion on the financial statements taken as a whole or an assertion that such a statement cannot be given. If an opinion in its entirety cannot be given, then the reasons must be stated. In the event that the name of the auditor is associated with the financial statements, the auditor's report must contain clear instructions regarding the nature of the audit work performed, if any, and the level of responsibility assumed by the auditor.

E. Audit Delay

Kartika in Armansyah & Kurnia (2015) explain that audit delay is the length of time for completion of the audit from the end of the company's fiscal year to the date the audit report is issued. If the audit delay is longer, the possibility of delays in submitting financial statements will be even greater. According to Dyer and Mc Hugh in Halim (2000) there are three delays in submitting financial statements, including:

- Preliminary lag, which is the number of days interval between the end of the financial year and the date of receipt of the preliminary financial statements by the stock exchange.
- Auditor's signature lag, which is the number of days interval between the end of the financial year and the date the auditor's report is signed.
- Total lag, which is the number of days interval between the end of the financial year and the date of receipt of the annual financial statements published on the stock exchange.

Timeliness is a quality related to the availability of information when it is needed. The time between the date of the financial statements and the audit report (audit delay) reflects the timeliness of the submission of financial statements. Information that is actually of great value can become irrelevant irrelevant if it is not available when it is needed.

Timeliness of information implies that information is available before it loses its ability to influence or make a difference in decisions. Information should be submitted as early as possible so that it can be used as a basis to assist in making economic decisions and to avoid delays in making those decisions.

Audit Delay = Audited Report Date – Financial Year End Date
(31 December 201x)

F. Company Size

Company size is the size of a company that is influenced by several things, including operational complexity, variability, and the intensity of the company's transactions which will certainly affect the speed in presenting financial statements to the public. The size of the company in this study is measured by using the value of assets (Yusuf & Suherman, 2021).

Elvienne & Apriwenni (2019) states that audit delay has a negative relationship with company size using total assets as a proxy. This means that the greater the company's assets, the shorter the audit delay. The reason is first, large companies will have good internal control so that they can minimize errors when preparing financial statements, making it easier for auditors to audit financial statements. Second, large companies have the financial resources to pay a larger audit fee in order to get faster audit services. And thirdly, large-scale companies tend to come under pressure from both investors, capital supervisors, and the government. Therefore, large companies are required to immediately publish the company's financial statements so that they can be immediately used for business decision making.

Large companies usually have a shorter audit delay than small companies. This is caused by several factors, namely the management of large-scale companies tend to be given incentives to reduce audit delay, because these companies are closely monitored by investors, capital supervisors from the government. These parties are very interested in the information contained in the financial statements. The measurement of total assets in this study is seen from the total assets of the company.

G. Public Accounting Firm Size

Companies in submitting a report or information on the company's performance to the public so that it is accurate and reliable are asked to use the services of a KAP and to increase the credibility of the report, the company uses the services of a KAP that has a reputation or good name. This is usually indicated by a KAP affiliated with a large universally accepted KAP known as the Big Four Worldwide Accounting Firm or Big Four.

The Big Four is a group of four of the largest professional services firms worldwide, offering accounting-related services, such as auditing, assurance, taxation, management consulting, advisory, actuarial, and corporate finance. The groups included in the big four are as follows:

1. Deloitte Touche Tohmatsu
2. Price waterhouse Coopers (PwC)
3. Ernst & Young (EY)
4. Klynveld Peat Marwick Goerdeler (KPMG)

Ariyanto (2018) found that audit delay does not have a negative effect on the size of KAP. This is assumed because the KAP affiliated with the Big Four KAP (large KAP) has many more competent specialist workers, but due to the large number of clients handled, the longer the audit process carried out by the Big Four KAP. On the other hand, non-Big Four KAPs tend to accept fewer clients in their audit period. However, non-Big Four KAPs do not have as many specialists as Big Four KAPs, which results in longer audits being carried out. In contrast to the results of research conducted by Amani & Waluyo (2016), that there is an influence between the size of the KAP on audit delay.

KAP size is measured using a dummy variable, namely companies audited by KAP affiliated with the big four KAP are given a dummy value of 1 and companies audited by KAP not affiliated with the big four KAP are given a dummy value of 0.

G. Profitability

Profitability shows the ability of a company to generate profits, both in relation to sales, assets, and certain share capital (Yusuf & Suherman, 2021). The company's profitability is seen from the net profit (net profit/loss after tax). According to Gitman and Joehnk in Pranata & Kurnia (2013) profitability is the relationship between revenue and costs generated by utilizing assets effectively in the production process. Companies that can generate profits or have higher profitability tend to be more timely in their financial reporting. Profitability is good news and managers will tend to report profits faster than losses. This is because the publication of these earnings can have an impact on stock prices and other indicators.

This is in line with the opinion of Ashton and Elliot in Armansyah & Kurnia (2015) that there are several reasons that encourage the decline in the publication of financial statements, namely reporting profit or loss as an indicator of good news and bad news on the company's managerial performance in a year.

According to Kasmir (2016) the profitability ratio is a ratio that assesses the company's ability to seek profit. If the company announces a loss or a low level of profitability, it will bring a negative reaction from the market by decreasing the assessment of the company's performance. However, it is different for companies that will announce profits. Companies that announce earnings will have a positive impact on the assessment of other parties on the company's performance. Profit or loss reporting can be used as an indicator of good news or bad news on management performance for one year. ROA can be calculated by the following formula:

$$\text{Return on Assets (ROA)} = \text{Net Profit} / \text{Total Assets}$$

H. Hypothesis

Based on research conducted by Saemargani & Mustikawati (2015) shows that company size has a significant positive effect on audit delay. The larger the size of the company, the more assets the company has, so there will be more audit samples that must be examined. Because the more audit samples that must be examined, there will be a possibility of increasing the period of completion of the audit carried out by the auditor. So it can be said that the larger the size of the company, the longer the audit delay.

H1: Firm size has a positive effect on audit delay.

The size of the KAP is reflected in the performance in the audit process in accordance with audit standards so that the audit results can be useful for decision making by users of financial statements. Faster audit time is a way for the firm to maintain its reputation so as not to lose clients. However, all KAPs in Indonesia carry out almost the same audit procedures, which are based on auditing standards, and comply with the applicable legal provisions in Indonesia. According to Kurniawan & Laksito (2015) the size of KAP has a negative effect on audit delay. This means that the audit delay of companies audited by the big four KAPs is shorter than that of companies audited by non-big four KAPs.

H2: KAP size has a negative effect on audit delay.

Profitability is the company's ability to earn profits in relation to sales, total assets, and own capital. Companies that have a high level of profitability tend to accelerate the publication of their financial statements because it can increase the value of the company. According to Amani & Waluyo (2016) states that profitability has a significant effect on audit delay. Companies that experience losses tend to need an auditor, in order to start the auditing process later than usual. This shows that the higher the company's profitability.

H3 : Profitability has a negative effect on audit delay

The size of the business is large, the audit delay tends to be short because the bigger the company, the company has a good internal control system so that it can reduce the error rate of financial statements, making it easier for auditors to audit financial statements. The size of KAPs that include the big four KAPs tend to present audits faster than non-big four KAPs because they have a good name that must be at stake. The higher the profitability, the audit delay tends to be short because high profitability is good news so the company will not delay in publishing the company's financial statements.

H4 : Firm size, KAP size, and profitability simultaneously have an effect on audit delay.

This study uses secondary data. Secondary data is data obtained in a ready-made form, has been collected and has been processed by other parties, usually in the form of publications. The data used in this study is secondary data in the form of audited financial statements and listed on the Indonesia Stock Exchange. The data was obtained from www.idx.co.id in 2016-2019.

The population used in this study are companies listed on the 2016-2019 LQ-45 Index which are listed on the Indonesia Stock Exchange. According to Sugiyono (2016), population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined to be studied and then conclusions are drawn. The sampling technique used in this research is purposive sampling, which means that the research sample meets certain sample criteria as desired by the researcher. Purposive sampling is a sampling technique with certain criteria where the sample is deliberately selected to represent the population. These criteria are as follows:

1. Companies classified as LQ 45 in a row from 2016 to 2019.
2. Does not have an independent auditor's report in the financial statements for the 2016-2019 period.
3. Does not include banking companies.

In this study the authors used descriptive statistical analysis techniques, classical assumptions, multiple linear regression analysis, coefficient of determination and hypothesis testing. Multiple linear regression analysis, which is a statistical method commonly used to examine the relationship between a dependent variable and several independent variables. The regression model used is as follows;

$$Y = \beta + \beta_0 X_1 + \beta_1 X_2 + \beta_2 X_3 + \epsilon$$

Information:

- Y = Audit Delay
- β_0 = Constant;
- $\beta_1, \beta_2, \beta_3$ = Regression coefficient of each independent variable;
- X1 = Company Size
- X2 = KAP Size
- X3 = Profitability
- ϵ = Standard Error

Hypothesis testing was carried out to check the significance of the regression coefficients using the F test (simultaneous) and the Individual Parameter Significance test (partial T test).

4. RESULT

A. Descriptive Statistical Analysis

The results of descriptive statistics show the minimum (min), maximum (max), average (mean), and standard deviation of each variable, both dependent and independent variables.

Table 1. Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|----|---------|---------|---------|----------------|
| Company Size | 68 | 5,57 | 21,17 | 16,2137 | 2,73662 |
| Profitability | 68 | ,01 | 46,66 | 9,6915 | 11,19519 |
| Audit Delay | 68 | 29,00 | 113,00 | 73,7500 | 16,86237 |
| Valid N (listwise) | 68 | | | | |

KAP Size

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Valid | ,00 | 17 | 25,0 | 25,0 |
| | 1,00 | 51 | 75,0 | 100,0 |
| Total | 68 | 100,0 | 100,0 | |

Source: SPSS 24 output (2021)

Based on the table above, the results are described as follows:

- The results of the descriptive analysis of the company size variable obtained a total of 68 data, with a maximum value (max) of 21.17 and a minimum value (min) of 5.57 with an average (mean) of 16,2137 and a standard deviation of 2,73662.
- The results of the descriptive analysis of the profitability variable with 68 data have a maximum value (max) of 46.66 and a minimum value (min) of 0.01 with an average (mean) of 9.6915 and a standard deviation of 11,19519.
- The results of the descriptive analysis of the audit delay variable with the same amount of data are 68, have a maximum value (max) of 113.00 and a minimum value (min) of 29.00 with an average of 73.7500 and a standard deviation of 16.86237.
- The KAP size factor is assigned a dummy value of 0 for KAPs that are not affiliated with the big four KAPs and a dummy value of 1 for KAPs affiliated with the big four KAPs. The results of descriptive statistics show that as many as 17 samples or 25.0% of all samples were audited by KAPs not affiliated with the big four KAPs and as many as 51 samples or 75.0% of all samples were audited by KAPs affiliated with the big four KAPs.

B. Classic assumption test

1. Normality test

Table 2. One-Sample Kolmogorov-Smirnov Test

| | | Unstandardized Residual |
|----------------------------------|----------------|-------------------------|
| N | | 68 |
| Normal Parameters ^{a,b} | Mean | ,0000000 |
| | Std. Deviation | 15,60374079 |
| Most Extreme Differences | Absolute | ,094 |
| | Positive | ,085 |
| | Negative | -,094 |
| Test Statistic | | ,094 |
| Asymp. Sig. (2-tailed) | | ,200 ^{c,d} |

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The results of the normality test above show the Asymp value. Sig. (2-tailed) of 0.200 which is above the 0.05 significance level, it can be concluded that the data is normally distributed.

2. Heteroscedasticity Test



Figure 1. Heteroscedasticity Test Results

The scatterplot graph above shows that there is no particular pattern on the graph. The points on the graph are relatively evenly distributed, which means that there is no heteroscedasticity disorder in the model in this study.

3. Multicollinearity Test

Table 3. Multicollinearity Test Results Coefficients^a

| Model | Collinearity Statistics | |
|---------------|-------------------------|-------|
| | Tolerance | VIF |
| 1 (Constant) | | |
| Company Size | ,964 | 1,037 |
| KAP Size | ,931 | 1,075 |
| Profitability | ,961 | 1,041 |

a. Dependent Variable: Audit Delay

Based on the table above, the calculation results show that all independent variables have a Tolerance value of 0.10. The VIF value based on the calculation results shows that all independent variables have a VIF value 10. Thus, it can be concluded that all independent variables in this study do not occur multicollinearity.

B. Multiple Regression Analysis

Regression coefficient testing aims to test the significance of the relationship between the independent variable (X) and the dependent variable (Y) either simultaneously (F test) or partially (t test) and also with the coefficient of determination test. The multiple linear regression model in this study is as follows:

Table 4. Multiple Linear Regression Analysis Results Coefficients

| | | Unstandardized Coefficients | | Standardized Coefficients |
|---|---------------|-----------------------------|------------|---------------------------|
| | | B | Std. Error | Beta |
| 1 | (Constant) | 52,560 | 12,952 | |
| | Company Size | 1,546 | ,726 | ,251 |
| | KAP Size | ,576 | 4,635 | ,015 |
| | Profitability | -,445 | ,178 | ,295 |

a. Dependent Variable: Audit Delay

From the results of multiple linear regression analysis, the linear regression equation formed is as follows:

$$Y = 52,560 + 1,546 (X1) + 0,576 (X2) - 0,445 (X3) + \varepsilon$$

From the multiple linear regression equation above, it can be analyzed as follows:

- The regression coefficient value of the firm size variable (X1) is 1.546, this means that if there is an increase in firm size as measured by total assets, it will increase the audit delay for 1.546 days.
- The regression coefficient value for the KAP size variable (X2) is 0.576, which means that if the company audited by KAP is the big four, the audit delay will increase for 0.576 days.
- The value of the regression coefficient of the profitability variable (X3) is -0.445, which means that every increase in profitability will reduce the audit delay for 0.445 days.

C. T test (Partial Test)

The results of the t-test in table 4, from the multiple linear regression equation above, it can be analyzed as follows:

- Based on the results of the t test, it can be seen that the firm size variable (X1) has a significance value of 0.037, meaning that there is a significant positive effect of firm size on audit delay, because the significance value is above 0.05, and the regression coefficient value is positive. Thus it is stated that the first hypothesis is accepted.

- Based on the results of the t test, the significance value for the variable size of KAP (X2) is 0.901, far above 0.05. Therefore, the second hypothesis does not have the effect of KAP size on audit delay. Thus it is stated that the second hypothesis is rejected.

- Based on the results of the t test, the significance value for the profitability variable (X3) is 0.015, below 0.05. This result means that profitability has a negative and significant effect on audit delay. Thus it is stated that the third hypothesis is accepted.

D. F Test (Simultaneous Test)

The F test basically shows whether all independent or independent variables included in the model have a joint effect on the dependent/bound variable (Ghozali, 2011).

Table 5. Test Results ANOVA^a

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 2737,809 | 3 | 912,603 | 3,580 | ,019 ^b |
| | Residual | 16312,941 | 64 | 254,890 | | |
| | Total | 19050,750 | 67 | | | |

a. Dependent Variable: Audit Delay

b. Predictors: (Constant), Profitability, Company Size, KAP Size

The test results above show the value of Sig. 0.019. The significance value is below the level of 0.05 indicating that the independent variables together (simultaneously) have a significant effect on audit delay.

F. Coefficient of Determination Test

The R² test (Coefficient of Determination Test) is useful for measuring how the independent variables affect the changes that occur in the dependent variable.

Table 6. Determination Test Results Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | ,379 ^a | ,144 | ,104 | 15,96527 |

a. Predictors: (Constant), Profitability, Company Size, KAP Size

b. Dependent Variable: Audit Delay

The table 6 shows the effect of the independent variables, namely company size, KAP size, and profitability, on the dependent variable, namely audit delay. The value of Adjusted R Square is 0.104, which means the ability of the independent variable to explain the dependent variance is 10.4%, in the research model. Meanwhile, 89.6% of the variance of the dependent variable has not been able to be explained by the four independent variables in this study.

5. CONCLUSION

Based on the results of the partial test (t test) and the simultaneous test (F test) of the research and discussion in the previous section, the following conclusions are obtained:

1. Firm size has a significant positive effect on audit delay in LQ 45 companies in 2016–2019 with a significance result of 0.037 below 0.05 and a regression coefficient of 1.546. This shows that the larger the size of the company being audited, the longer the audit delay will be, this is related to the more samples that must be taken and the wider the audit procedures that must be taken. So, the bigger the company size, the shorter the audit delay.

2. The size of KAP has no effect on audit delay in LQ 45 companies listed on the Indonesia Stock Exchange in 2016–2019 with a significance value of 0.901, far above 0.05. This shows that KAPs affiliated with Big Four KAPs and Non-Big Four KAPs have the same good audit quality and are independent of the audit opinions they issue, because KAPs that have a good reputation will always maintain their reputation and are always objective and independent in their work.

3. Profitability has a significant negative effect on audit delay in LQ 45 companies listed on the Indonesia Stock Exchange in 2016–2019 with a significance value of 0.015, far below 0.05 and a regression coefficient value of -0.445. This is because the greater the profits obtained by the company, the shorter the audit delay, because the company wants to convey the good news to its shareholders.

4. Simultaneous test results show that company size, KAP size, and profitability have a joint influence on audit delay in LQ 45 companies listed on the Indonesia Stock Exchange in 2016–2019. This shows that the larger the size of the company, the longer the audit delay. This is because the larger the size of the company, the more information it contains and the greater the pressure to process that information. The size of KAPs that include big four KAPs tend to present audits faster than non-big four KAPs because they have a good name that will be at stake. While the greater the profitability, the audit delay tends to be short, because high profitability is good news so the company will not delay in publishing its financial statements.

6. SUGGESTION

The suggestions that can be submitted based on this research are as follows:

1. This study only uses 3 independent variables, namely company size, KAP size, and profitability, therefore further research should add variables to be studied so that research results will be better in predicting audit delays more accurately.
2. Future research is expected to use other types of companies as objects of research to see the effect of variables on other companies.
3. For further research, it is expected to be able to add or vary the independent variables considering the value of the coefficient of determination in this study is only 10.4%.

4. For public companies, it is advisable to give the auditor flexibility to do field work before the closing date of the book. The company is also expected to help the auditor's work smooth by providing data that must be prepared in a timely manner, providing correct and reasonable answers to the auditor's questions so that the audited report can be issued faster.

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