JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

EFFECT OF COMPANY SIZE AND PROFITABILITY ON AUDIT DELAY

Ari Bramasto[*1], Muhamad Iqbal Adrian[2], Dudi Hendaryan[3], Siti Khadzartsenya[4]
Universitas Langlangbuana, Indonesia
ari.bramasto2019@gmail.com[1*] iqbal.adrian@widyatama.ac.id[2]
hendaryandudi@gmail.com[3] skhadza@gmail.com[4]

Abstract: This study is a quantitative study, which aims to determine: 1) The magnitude of the influence of Company Size on Audit delay on Property and Real Estate sector companies in Indonesia, 2) The magnitude of the effect of Profitability on Audit delay on Property and Real Estate sector companies in Indonesia, and 3) The influence of Company Size and Profitability simultaneously affects audit delays on Property and Real Estate sector companies in Indonesia. The sampling technique used is non-probability sampling with the purposive sampling method, so that 19 companies were obtained for 5 years with a total of 95 analysis units. The tests carried out in this study include descriptive statistics, validity tests, reliability tests, classical assumption tests (normality tests, heteroskedasticity tests and, multicolonierity tests), multiple linear regression tests, correlation coefficient tests, determination coefficient tests, t tests, and f tests processed using the help of SPSS (Statistical Product and Service Solutions) software for Windows version 26. The results of this study show that 1) Company Size affects audit delays in property and real estate sector companies in Indonesia. 2) Profitability affects audit delays in property and real estate sector companies in Indonesia. 3) Company Size and Profitability simultaneously affect audit delays in property and real estate sector companies in Indonesia.
Keywords: Audit Delay, Company Size, Profitability

INTRODUCTION

The capital market issues many regulations that will actually help companies to be able to develop in a good way, one of which is the company's obligation to make financial statements and submit them to the Exchange for publication. The financial statements in question are annual audited financial statements, namely annual financial statements that have been audited by a Public Accountant registered with the Financial Services Authority (OJK). Financial statements must be prepared and presented in accordance with the statement of Financial Accounting Standards (SAK) and regulations of the Capital Market and Financial Institutions Supervisory Agency (Bapepam and LK).

The obligation to submit financial statements has a time limit that has been regulated by the Exchange. Based on the Decree of the Board of Directors on the Amendment of Regulation Number I-E concerning the Obligation to Submit Information (Annex to the Decision of the Board of Directors of the Indonesia Stock Exchange Number: Kep-00015 / BEI / 01-2021 dated January 29, 2021), "The deadline for submitting the annual Audited Financial Statements, no later than the end of the 3rd (third) month after the date of the annual Financial Statements". If it passes the deadline for submitting predetermined financial statements, the company will be subject to sanctions.

Submitted: July 11, 2022; Accepted: Augustl 21, 2022;
Published: Augustl 29, 2022; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

One of the factors that slows down the delivery of financial statements to the public is the delay in completing the audit or often and better known as Audit delay. This was also revealed by Kartika (2011) in her research which said that, Audit delay is a time span for audit completion which is measured from the expiration date of the financial statements to the date of issuance of the audit report. According to Arens, et al (2015) in Felicia & Pesudo (2019) said that the length of time for completing an audit of financial statements cannot be predicted with certainty, so there is a possibility of being late. As a result of this incident, it can affect the decision-making of investors in the capital market and show the importance of the role of external auditors, namely the ability to complete audit reports in a timely manner and not reduce the quality of audits. In line with Kartika's (2009) research, large companies are expected to complete the audit process faster than small companies.

Company size is one of the factors that can affect audit delays because the size of a large company has sufficiently better resources so that it tends to avoid delays in reporting to the public. In addition, large company sizes tend to be more disciplined towards the standards imposed in their companies. Therefore, the probability of misstatement in financial statements tends to be lower than that of small-sized companies (Apriyana, 2017).

Another factor is profitability which can also affect the occurrence of audit delays. Profitability is one of the factors that many investors look at. This is because, we can calculate the amount of return on investment from the profitability value. According to Apriyana (2017), profitability is the ability of a company to make a profit by using all the resources owned by the company. The higher the profitability, the shorter the audit delay experienced by the company. This was also revealed by Amani and Waluyo (2016) who said that companies consider high profitability as good news, so companies with high profitability tend to want to publish it faster, because it can affect the company's value in the eyes of the public. Like the OJK which must encourage ASABRI to issue the latest financial statements. This is reported because asabri has suffered losses that are suspected to reach ten trillion rupiah so it has not issued financial statements since 2018. Until the news is issued, various parties are studying what happened and waiting for the complete data from the auditor. The issue that is crowded among the public is the existence of irregularities and misappropriation of funds or corruption.

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

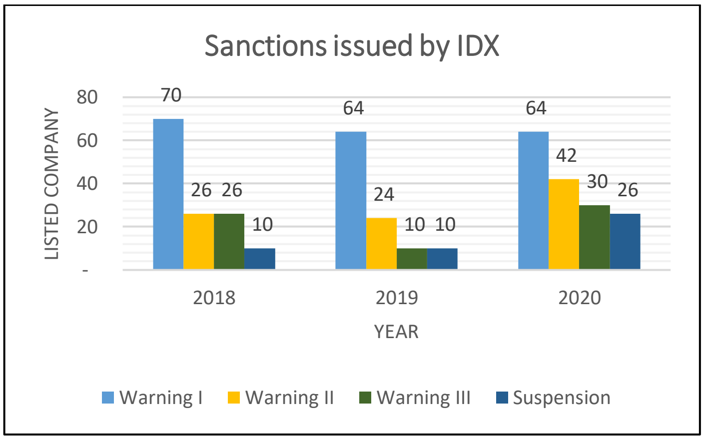

Figure 1. The amount of sanctions issued by the Exchange
Source: from various sources

Based on the data above, the average number of listed companies that are late in submitting financial statements is 66 (sixty-six) companies recorded in 2018 to 2020. The graph shows that there are still many listed companies that have not complied with the Exchange, where the sanctions imposed by the Exchange include but are not limited to delays in submitting financial statements.

Company Size is a large size of a company that is indicated or assessed by total assets, total sales, amount of profit, tax expense and others (Brigham & Houston, 2018)

The Company Size Criteria regulated in Law No. 20 of 2008 are as follows:

Table 1. Company Size Criteria *Profitability*

Company Size	**Criterion**	
	Assets (in rupiah)	**Sales per year (in rupiah)**
Micro	Max. 50 million	Max. 300 million
Small Business	>50 million – 500 million	>300 million – 2.5 billion
Medium Enterprises	>500 million – 10 billion	>2.5 million – 50 billion
Great Efforts	>10 billion	>50 billion

Source: from various sources

Profitability is a ratio for assessing a company's ability to seek profit. The use of this ratio can indicate the efficiency of the enterprise (Kasmir, 2018).

In this study, profitability will be assessed from one ratio, namely Return on Assets (ROA). ROA is calculated by dividing net profit by total assets. This ratio shows the company's ability to generate net profit based on the assets owned by a company.

This ratio focuses more on the company's ability to make a profit in its operations as a whole as well as a portion of assets whose funds come from investors, so that ROA is more representative in measuring the level of profitability (Susanto, 2016).

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

Audit delay is the time of completion of the audit which is measured in the number of days from the end date of the financial statements to the date of issuance of the audit report. According to Ashton et al (1987) in Liwe, et al (2018), Audit delay is the length of time from a company's fiscal year end to the date of the auditor's report.
In this study, the Audit delay used is auditor's report lag, which is the distance between the financial statements published to the date of publication of the audit report.

Hypothesis

H_1: Company size affects *Audit delay*
H_2: Profitability affects *Audit delay*
H_3: Company Size and Profitability simultaneously affect *Audit delay*

METHODS

Operationalization of Variables

1) Company Size

In this study, we will use measurements of total assets expressed by the logarithm of total assets. The use of natural logarithms of total assets aims to reduce excessive data fluctuations.

2) Profitability

In this study, profitability will be assessed from one ratio, namely Return on Assets (ROA). This ratio is calculated by dividing net profit by total assets.

3) Audit Delay

In this study, the Audit delay used is auditor's report lag, which is the distance between the financial statements published to the date of publication of the audit report. The time is measured in the number of days, which is calculated from the date of closing of the financial statement book minus the date of issuance of the audit report.

Table 2. Research Sample Selection

Variable	Dimension	Indicators	Scale
Company Size (X1)	Total assets of the company	Company Size = Ln (Total Assets)	Ratio
Profitability (X2)	Return on Assets Ratio	ROA = $\frac{\text{Net Profit}}{\text{Total Assets}}$	Ratio
Audit Delay (Y)	Date of audit report and date of financial statements	Audit Delay = Date of the audit report – Date of the financial statements	Interval

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

Sources and Ways of Data Collection

Data collection is performed using a secondary source. The data is collected from the official website of the Exchange, namely the www.idx.co.id, the website of the company concerned, journals, and literature related to research.

Population

The research population amounted to 78 companies, consisting of all Property and Real Estate sector companies listed on the Indonesia Stock Exchange in 2016-2020.

Sample

The sample used in the study was by *means of nonprobability sampling*. The sampling technique is carried out using *purposive sampling* techniques. Purposive sampling is a sample determination technique with certain considerations (Sugiyono, 2017). The sampling was used because not all samples had criteria that matched those determined by the author, so the authors chose *a purposive sampling* technique.

Table 3. Creteria Sample

No.	Criterion	Sum
1	*Property* and *Real Estate* Sector Companies listed on the Indonesia Stock Exchange in 2016-2020	78
2	*Property* and *Real Estate* Sector Companies that offer initial shares (IPOs) in 2016-2020	-38
3	*Property* and *Real Estate* Sector Companies that do not provide annual financial statements that have been audited by independent auditors in full and successively during the period 2016-2020	-11
4	*Property* and *Real Estate* Sector companies that consistently publish annual financial statements successively do not exceed the deadline for the kegiatan month during the period 2016-2020	-10
	Total company	**19**

Based on the criteria above, the companies that qualified for this study were as many as 19 companies. The period in this study was for 5 years from 2016 to 2020. So that the amount of data to be used is as much as 95 data.

RESULTS AND DISCUSSION

Descriptive Analysis of Company Size Research (X1)

The results showed that in 2016-2020 the highest average company size value was 31.58, namely in PT. Lippo Karawaci Tbk (LPKR), as evidenced by having the largest company size which can be seen from the highest total asset value compared to other companies. The increase in the value of the company size is caused by the increasing number of investors so as to increase the company's capital, increase in company performance, and the right investment decisions so that it has an impact on increasing the number of company assets.

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

Meanwhile, the lowest average company size value was 25.08, namely in PT. Metro Realty Tbk (MTSM), caused by a decrease in the number of investors, a decrease in the company's performance, and incorrect investment decisions, which had an impact on the decline in the number of company assets.

In addition, the results showed that the average company size in the property and real estate sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period tends to fluctuate, meaning that the size of the company every year tends to be erratic depending on the total value of assets that tend to fluctuate. The average value of the size of the enterprise of the entire sample was 29.12.

Descriptive Analysis of Profitability Research (X2)

The results showed that in 2016-2020 the highest average profitability value was 0.09, namely in PT. Pakuwon Jati Tbk (PWON), it is proven that the company is able to manage asset returns, thus causing stability with assets that increase every year and generate high net profit compared to other companies.

Meanwhile, the lowest average company size value is -0.08, namely in PT. Metro Realty Tbk (MTSM), it is proven that the company has the ability to obtain the highest deficit compared to other companies. The decrease in profitability value can be caused by the low effectiveness and efficiency of management in managing company assets, decreased company sales, high company operating costs, and other factors.

In addition, the results showed that the average profitability of property and real estate sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period tended to fluctuate, meaning that the company's ability to obtain profits in one period tended to be not optimal.

Descriptive Analysis of Audit Delay Research (Y)

The results showed that in 2016-2020 the highest average audit delay value was 114 days, indicating that PT. Bhuwanatala Indah Permai Tbk and PT. PT. Duta Anggada Realty Tbk is the company that has the longest audit completion time compared to other companies. The increase in the value of *the audit delay* was caused by various factors including the size of the company's scale, the complexity of the company's operations (many branch subsidiaries), the existence of material audit findings so as to require further audits (investigative audits), management that was not invited to cooperate in the audit process, lack of competence possessed by auditors (public accountants), debt problems, profit or loss problems, and other factors.

Meanwhile, the lowest average audit delay value was 71 days, meaning that in 2016-2020 it showed that PT. Makassar Tourism Developm Tbk is a company that has the fastest audit completion time compared to other companies.

The decrease in the value of audit delay can be caused by the small scale of the company, the high competence of the auditor (public accountant), the absence of material audit findings.

In addition, the results showed that the average audit delay in property and real estate sector companies listed on the Indonesia Stock Exchange for the 2016-2020 period was 96.

Submitted: July 11, 2022; Accepted: Augustl 21, 2022;
Published: Augustl 29, 2022; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

Table 4. Hypothesis Testing

Coefficients[a]							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,481	0,541		0,890	0,376
	Company Size	1,506	0,350	0,343	4,300	0,000
	Profitability	-1,017	0,159	-0,509	-6,383	0,000

a. Dependent Variable: *Audit delay*

Source: SPPS 2020

1) Company size affects Audit delay

The company size variable has a significance value of 0.000<0.05, and obtained $t_{calculate}$>t_{table} which is 4,300>1,986, then it can be concluded that H_1 is accepted , meaning that partially the company size variable affects the *audit delay* variable.

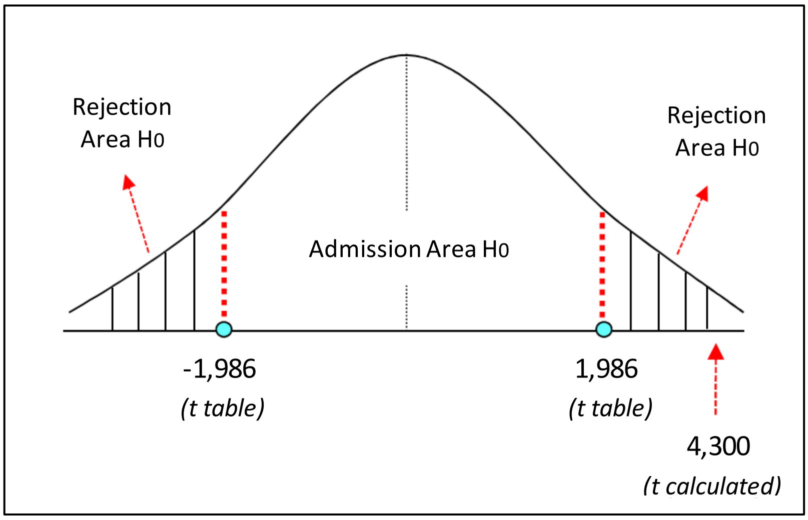

Figure 2. H1 Test Curve
Source: SPPS 2020

2) Profitability affects Audit delay

The profitability variable hasa significance value of0.000<0.05,and obtained $t_{calculate}$>t_{table} which is -6.383< -1.986, then it can be concluded that H_2 is accepted, meaning that partially the profitability variable affects the variable *audit delay*

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

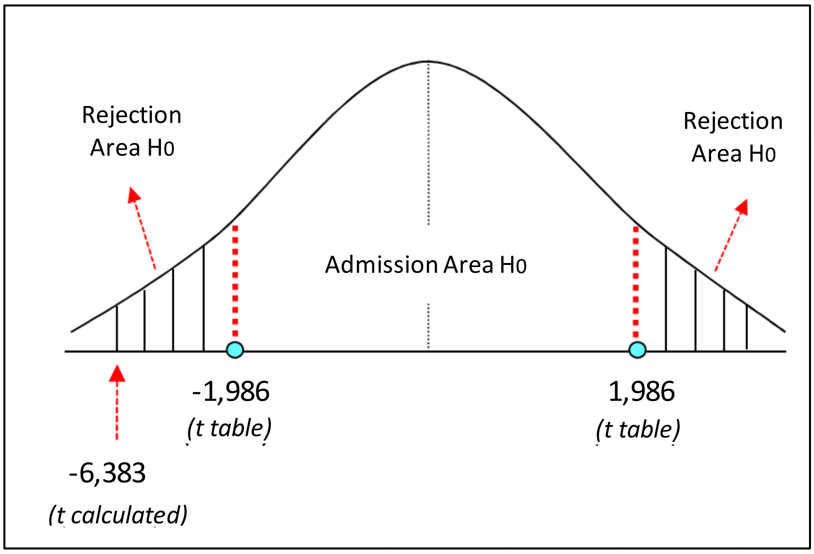

Figure 3. H2 Test Curve
Source: SPPS 2020

3) Company Size and Profitability simultaneously affect Audit delay

Table 2. Simultaneous Hypothesis Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0,553	2	0,276	34,296	,000[b]
	Residual	0,742	92	0,008		
	Total	1,295	94			

a. Dependent Variable: Audit delay
b. Predictors: (Constant), Profitability, Company Size

Source: SPPS 2020

Has a result of simultaneous hypothesis testing obtained a simultaneous regression model significance value of 0.000<0.05, and obtained F calculate>F table which is 34.296>3.100, it can be concluded that H3 is accepted, meaning that together or simultaneously the variables of company size and profitability affect the audit delay variable.

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

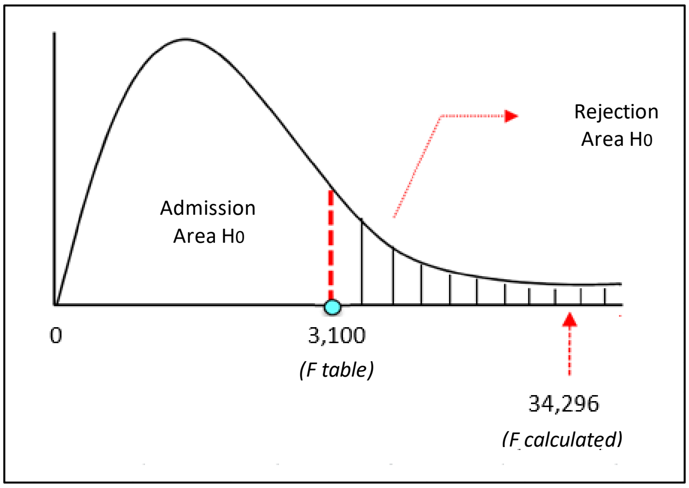

Figure 4. H3 Test Curve
Source: SPPS 2020

CONCLUSIONS

Based on the results of the analysis and discussion that has been carried out in the previous chapter, the author concludes that:

1) The results showed that the size of the company affected the *audit delay*. The size of the company has a positive influence on *the audit delay*. This means that the higher the size of the company, the higher the *audit delay*. This is because the larger the size of the company, the more complex and extensive the company's operational activities, as well as the greater the number of samples that must be taken by the audit, which has an impact on the longer the audit process.
2) The results show that profitability affects *audit delay*. The profitability of the deer has a negative influence on *audit delays*. This means that the higher the profitability, the lower the *audit delay*. This is because the high profitability illustrates the high performance of the company's management in managing the company's operational activities in generating profits so that this is *good news* for *stakeholders*, therefore management will tend to influence auditors to speed up the audit process so that the presentation of financial statements becomes more quickly published.
3) The results of the study show that the size of the company and the profitability of *property* and *real estate* companies listed on the Indonesia Stock Exchange from 2016 to 2020 jointly affect the *audit delay.*

REREFENCES.

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*, 135-150.

.

Submitted: July 11, 2022; Accepted: Augustl 21, 2022;
Published: Augustl 29, 2022; Website: http://journalfeb.unla.ac.id/index.php/jasa

JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)
Vol. 6 No.2/ August 2022
ISSN 2550-0732 print / ISSN 2655-8319 online
DOI;10.36555/ jasa.v6i2.1896

Apriyana, N., & Rahmawati, D. (2017). Pengaruh Profitabilitas, Solvabilitas, Ukuran Perusahaan, Dan Ukuran KAP Terhadap *Audit delay* Pada Perusahaan Property dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia Periode 2013-2015. *Jurnal Nominal*, 108-124.

Arens, A. A., Elder, R. J., & Beasley, M. S. (2015). *Auditing & Jasa Assurance Pendekatan Terintegrasi.* Jakarta: Erlangga.

Ashton, et al (1987). An Emprical Analysis of *Audit delay*. *Journal of Accounting Research*, 275-292.

Brigham, E. F., & Houston, J. F. (2018). *Dasar-Dasar Manajemen Keuangan*. Jakarta: Salemba Empat.

Felicia, W., & Pesudo, D. A. (2019). Mengapa Perusahaan Terlambat Menerbitkan Laporan Keuangan?. *Perspektif Akuntansi*, 71-88.

Kartika , A. (2009). Faktor-Faktor Yang Mempengaruhi *Audit delay* di Indonesia (Studi Empiris Pada Perusahaan-Perusahaan LQ 45 Yang Terdaftar Di Bursa Efek Jakarta). *Jurnal Bisnis dan Ekonomi (JBE)*, 1-17.

Kartika, A. (2011). Faktor-Faktor Yang Mempengaruhi *Audit delay* Pada Perusahaan Manufaktur Yang Terdaftar di BEI. *Dinamika Keuangan dan Perbankan*, 152-171.

Kasmir. (2018). *Analisis Laporan Keuangan*. Depok: PT Raja Grafindo Persada.

Liwe, A. G., dkk. (2018). Analisis Faktor-Faktor Yang Mempengaruhi *Audit delay*. *Jurnal Riset Akuntansi Going Concern*, 99-108.

Owusu-Ansah, S. (2000). Timeliness of corporate financial reporting in emerging capital markets: empirical evidence from the Zimbabwe Stock Exchange. *Accounting and Business Research*, 241-254.

Sugiyono. (2017). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung: CV Alfabeta.

Susanto, H., & Kholis, N. (2016). Analisis Rasio Keuangan terhadap Profitabilitas pada Perbankan Indonesia. *EBBANK*, 11-22.