

The Influence of Firm Size, Profitability, Solvency, Liquidity, and Public Accounting Firm (KAP) Reputation on Audit Delay (Empirical Study of LQ 45 Companies on the IDX in 2019-2021)

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Abstract: This study aims to analyze the effect of *firm size*, profitability, solvency, liquidity, and KAP reputation on *audit delay*. This type of research uses quantitative methods. The population in this study are LQ 45 companies listed on the Indonesia Stock Exchange for 2019-2021. The data analysis technique used in this research is multiple linear regression analysis with the help of SPSS version 20. Samples were taken as many as 21 companies with a total data of 63 for three years of observation using purposive sampling method. The results showed that profitability has a positive effect on *audit delay*, KAP reputation has a negative effect on *audit delay*. Meanwhile *firm size*, solvency, liquidity have no effect on *audit delay*.

Keywords: *Firm size*, profitability, solvency, liquidity, KAP reputation, *audit delay*.

1. Introduction

Companies listed on the Indonesian Stock Exchange or companies that *go public* have an obligation to publish financial disclosures in providing information to users through public inspection (Loupaty et al., 2021). The information submitted must be useful for users, especially potential investors, potential creditors, and users of financial statements in making decisions. Financial statements are a source of data regarding a company's commercial and financial activities over a certain period of time which are used to assess company performance (Yamashida et al., 2020). According to PSAK No. 2 concerning the Qualitative Characteristics of Financial Information, it is stated that financial information will be useful if it meets the criteria for quality characteristics, including relevance, reliability, comparability and consistency, in line with costs, expected benefits, and is material.

Based on BAPEPAM's decision letter number KEP-346/BL/2011 it is mandatory for every issuer and public company listed on the IDX to submit their financial reports to BAPEPAM from the financial statements no later than 90 days after the date of the annual financial statements. The obligation to submit company financial reports in a timely manner is also regulated in the Financial Services Authority Regulation Number 29/PJOK.04/2016 concerning Annual Reports of Issuers or Public Companies. However, issuers or companies have not fully complied with these OJK regulations, so that issuers or companies show non-compliance with the requirements for submitting financial reports. Issuer non-compliance in submitting its financial reports can be seen from the delay in submitting its financial statements after being audited.

Delays in submitting financial reports can have a negative impact on assessing company performance. The length of time it takes for auditors to audit financial statements is always related to the deadline for submission, this is referred to as *audit delay*. *Audit delay* is the amount of time required to complete an annual financial statement audit. *Audit delay* can be calculated based on the time difference between the closing date of December 31 and the date of the auditor's report recorded in the financial statements (Lestari & Nuryatno, 2018). The length of time to complete an audit is described as the period between the end of the company's financial year and the date of the auditor's report (Ulfah & Triani, 2019).

In discussing the issue of *audit delay*, there are examples of companies that experience delays in their annual financial reports, such as the case at PT Bakrieland Development Tbk (ELTY). The company was fined by the IDX for failing to submit financial reports in 2018 and failing to pay late fees. As a result, the IDX decided to temporarily stop trading in ELTY shares and issue an additional fine of IDR 150 million.

In addition, the Indonesia Stock Exchange (IDX) stated that there were 30 companies or issuers that had not submitted financial reports for the period ending December 31 2019. For this reason, these 30 companies will also be fined Rp. 150 million. The submission period for the final 2019 financial statements should have ended on March 31 2020, but on March 20 2020 the IDX issued the Decree of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00027/BEI/03-2020 regarding Relaxation of Deadlines for Submission of Financial Statements and Annual Reports. With this relaxation, the company is given until the end of April 2020

to fulfill its obligations. The 30 companies include PT ArmidianKaryatamaTbk (ARMY), PT RatuPrabuEnergiTbk (ARTI), PT Air Asia Indonesia Tbk (CMPP), PT Exploitation Energi Indonesia Tbk (CNKO), PT Cowell Development Tbk (COWL), and the complete company can be seen on the web (<https://www.cnnindonesia.com/>).

Then, there is the latest case for financial reports ending on March 31, 2020, where 46 issuers have yet to submit their financial reports. Based on data from the Indonesia Stock Exchange (IDX), as of July 30 2020, as of July 30 2020, which had not submitted their financial statements by March 31, they had been subject to written warning II and fined Rp. 50 million. Then, until August 3, 2020, one company had not submitted an interim financial report which was reviewed in a limited manner by a Public Accountant and had been subject to a written warning I. Then, two other companies had not submitted audited financial reports and were given a time limit. Of the 43, they include PT Bank Banten Regional Development Tbk (BEKS), PT Bakrie Telecom Tbk (BTEL), PT Central Proteina Prima Tbk (CPRO), PT Bakrieland Development Tbk (ELTY), PT EterindoWahanatamaTbk (ETWA), and Complete company information can be accessed at (<https://www.cnnindonesia.com/>).

Based on several cases, the companies in Indonesia should increase corporate responsibility for submitting financial reports in a timely manner to avoid *audit delay*. (Yamashida et al., 2020) emphasized that the timeliness of a company in submitting its financial reports is very important because it can affect the value of the company's financial statements. The usefulness of these financial reports is significantly influenced by the importance of timely financial reporting. The Indonesia Stock Exchange continues to prioritize the accuracy of delivering information to the public in its various policies, so that there will be consequences for business actors who do not comply with financial report disclosure regulations. The following are several factors that are thought to have an influence on company *audit delay* including namely *firm size*, profitability, solvency, liquidity and KAP reputation.

Based on empirical evidence from research on the topic of *audit delay*, there are factors that influence the occurrence of *audit delay*. In previous research, several factors, such as in the opinion of (Sutarno et al., 2021) stated that company size, liquidity, profitability, solvency are factors that can affect *audit delay*. Then according to research results from Alisha & Muis (2020) factors such as profitability, solvency, liquidity, and company size can affect *audit delay*.

Another factor affecting *audit delay* is the reputation of the Public Accounting Firm (KAP). This is due to the Big Four KAPs having quality capabilities so that they can work efficiently in accelerating the audit process compared to Non Big Four KAPs. KAP Big Four is a Public Accounting Firm that has a good reputation. KAPs with a good reputation tend to work more professionally to be able to maintain their reputation so that they can complete the audit process on time. This can be profitable for companies that use the Big Four KAP services because it can increase investor confidence (Indrawati & Adi, 2022).

This research is a development of the research of Lubis et al (2019). The first novelty of this research is the addition of one independent variable, namely the reputation of the Public Accounting Firm (KAP). The reputation of a Public Accounting Firm (KAP), in the opinion of David & Butar (2020), explains that a company with a Public Accountant (KAP) with a good reputation, such as the Big Four KAP, is considered to complete an audit faster than other KAPs. Due to their experience and access to additional auditing resources and technology, the Big Four KAPs are able to carry out the audit process more successfully. The second novelty, this study broadens the scope of observation on the classification of companies based on LQ 45 companies registered on the Indonesian Stock Exchange (IDX) for the 2019-2020 observation period. This study aims to analyze the effect of *firm size*, profitability, solvency, liquidity, and KAP's reputation on *audit delay*.

2. Theoretical basis

Agency Theory

Agency theory was first introduced by Alchian and Demsetz in 1972 and Jensen and Meckling in 1976. Agency theory explains the concept of a contractual relationship between the principal and the agent. Agency theory is directly related to those who evaluate accessible information, and *audit delay* sets a deadline for the company's financial statements to complete the audit in a timely manner (Juwita et al., 2020).

According to Elvienne & Apriwenni (2020) an employment contract that stipulates the rights and obligations of each party according to their share can be used to implement agency theory. Agents are required to operate in the best interest of the principal at all times. On the other hand, the principle also owes the agent to provide appropriate incentives according to his rights, it is impossible to separate agency theory from *audit delay*. If information is not provided on time, the value of information in financial reports will decrease, which is closely related to audit delays and timeliness in issuing financial reports. The need for agency costs to restore investor confidence, such as expenditures for further disclosure of information, is a sign of *audit delay* for the issuer's business. Agency fees increase with the length and frequency of audit delays.

Signal Theory

Signaling theory was first put forward by Spence (1973) which stated that the sender (owner of the information) gives a signal in the form of information that describes the condition of a company that can provide benefits to the recipient (investor). According to Bahri & Amnia (2020) *Signaling theory* has the benefit of ensuring the accuracy and timeliness of presentation of company financial reports to the public which is a signal from the company to investors in making decisions. The market will usually react to the signal information as a hint of good or bad news. The stock market, especially company stock prices, will be affected by the signals sent. If management's signal predicts good news, the stock price may rise. On the other hand, if management signals bad news, the company's stock price may fall.

Hypothesis Development.

1. The effect of firm size on audit delay

According to Siswanto & Fatchurrochman (2021) in determining company size, you can use the total company assets used in business activities. The larger the size of the company is indicated by the higher the total assets of the company. *Audit delay* in a company will be faster if the company's asset value is getting bigger, conversely *the audit delay* will be slower if the company size is getting smaller. Company size describes the size of the scope of a company when carrying out its operations as measured by the total assets or wealth owned by the company.

According to Liwe et al (2018) , company size is defined as a simple measure determined by its wealth. Another definition of company size is a scale where the size of a company can be determined in several ways, including total assets, stock market valuation, and others (Widiastuti & Kartika, 2018) .

Company size has a large impact on *audit delay* , according to research conducted by Fanny et al (2019) showing that company size affects how long it takes to complete a financial statement audit. This situation can occur due to the existence of an internal control system in large companies so that it can reduce the error rate when preparing financial reports and also make it easier for an auditor to audit financial statements.

According to Yuliusman et al (2020) suggests that company size has an effect on *audit delay* . This was also revealed by research conducted by Putri & Setiawan (2021) which stated that company size partially had a positive and significant effect on *audit delay* . Based on this explanation, the hypotheses that can be proposed are:

H1: Firm size has an effect on audit delay

2. Effect of profitability on audit delay

According to Putri & Setiawan (2021) profitability is the ability to measure a company's profit. The higher the profitability, the more effective management performance. One of the assessments of the successful performance of a company is profitability to earn profit (Dewi & Wiratmaja, 2017) . There are several indicators to see profitability that is seen from *the return on investment* (ROI) and level *return on assets* (ROA) ratio.

A company is considered successful if it generates significant profits. Businesses that are more profitable will submit audited financial reports more quickly (Jayanti, 2018) . Profitable businesses usually disclose their financial statements more frequently because there is good news to share with investors. In order for the audit process to be completed as soon as possible, the company will fulfill all requests from the auditor. The greater the profitability, the less likely the company will experience *audit delay* (Clarisa & Pangerapan, 2019) . Profitability is the result of a large number of management policies and decisions in using the company's funding sources.

Profitability according to Shaena et al (2010) is a company's capacity to generate profits over a certain period of time at a certain level of sales, total assets, and share capital. The level of effectiveness achieved by business activities may be reflected in profitability. The income statement which is a component of financial statements and can be used by all interested parties to make financial decisions, provides an overview of the company's financial profitability. Profitable businesses usually send their financial information more quickly than less profitable ones.

In the opinion of Yanasari et al (2021), in his research, it shows that profitability positive effect on *audit delay* . The same opinion was also expressed in Susanti's research (2021) stating that profitability has a positive effect on *audit delay* . Based on this explanation, the hypotheses that can be proposed are:

H2: Profitability affects audit delay

3. Effect of solvency on audit delay

According to Clarisa & Pangerapan (2019) solvency is one of the financial ratios used to assess a company's ability to fulfill all of its short-term and long-term commitments in terms of liquidation. If a corporation has a high level of solvency but is unable to pay all of its debts, this is a sign that it has breached its

obligations. Since the going concern of the auditor's customers is involved, this will increase the level of caution in reviewing the auditor's financial statements. As a result, the amount of debt makes the audit take longer to complete or increases the likelihood that the company will experience *audit delay*.

Solvency can be tested by observing the amount of debt and total equity. The occurrence of *audit delays* in companies can occur due to an increase in the value of debt relative to capital (Lestari & Nuryatno, 2018) . Large amounts of debt can convey bad news, thereby reducing the accuracy of the auditor's work on the company's financial statements. A large debt value extends the audit cycle and advises the auditor to be more thorough and comprehensive when reviewing (auditing) financial statements for the company's ability to continue operating. Based on this, the longer *the audit delay*, the greater the solvency value.

The limited ability of corporations to guarantee their debts is indicated by the high ratio of total debt to total assets. This situation encourages the auditor to pay more attention to the possibility that the financial statements may not be trusted. Auditing debt values, on the other hand, takes more time than auditing equity. By delaying the release of its financial statements and buying time for its audit report, the length of the audit helps companies reduce risk (Yuliusman et al., 2020) .

Yuliusman et al's research (2020) show that solvency has an effect on *audit delay*. Solvability also influences *audit delay* according to opinion (Sihombing et al., 2022) . Based on this explanation, the hypotheses that can be proposed are:

H3: Solvency has an effect on audit delay

4. Effect of liquidity on *audit delay*

According to Lubis et al (2019) the ratio is called liquidity, which shows the company's ability to pay off short-term debt. The extent to which a company's current assets can be used to pay its immediate liabilities is indicated by its liquidity. Liquidity is made a comparison between short-term debt and the ability to pay off debt with current assets. The parties involved will be affected by the timely submission of reports. This data is used to test the consequences and tactics companies should implement. For example, businesses with high levels of liquidity tend to default on short-term debt.

Liquidity is known as a company's capacity to meet short-term financial obligations (Karyadi, 2017) . Despite having the ability to pay, a business may not always be able to meet all of its obligations. By comparing the total current assets with the total current liabilities, the liquidity of a business entity can be determined. According to Erita (2020) The ability of a business to settle its direct obligations with current assets is known as liquidity. Companies with a high level of liquidity and companies with a low level of liquidity both provide timely financial reports so that the directors can determine the company's ability to repay loans made by the company's creditors.

Testing liquidity as a factor affecting *the auditdelay* has been carried out by Alisha & Muis (2020) , which shows the results that liquidity has a positive effect on *audit delay*. The greater the level of liquidity to pay off short-term debt at maturity, the less likely there is pressure from stakeholders to immediately complete an audit of financial statements listed on the Indonesia Stock Exchange (IDX). As a result, the auditor will have more time to examine financial statements. Conversely, the faster the audit process moves and financial reports are issued on schedule, the less liquidity there is.

The results of research by Lubis et al (2019) show that liquidity has an effect on *audit delay* . The same thing was stated by the research of Sihombing et al (2022) showing that liquidity has an effect on *audit delay* . Based on this explanation, the hypotheses that can be proposed are:

H4: Liquidity affects audit delay

5. The influence of the reputation of the Public Accounting Firm (KAP)

A large public accounting firm can be separated into several sections based on the services offered. The Big Four, or four major accounting firms that currently perform the majority of audits for companies, are used to strengthen the credibility of the presentation of financial statements (Andiyanto et al., 2017) .

According to Sofiyanti (2022) choosing a good public accounting firm will be able to help complete the audit in a faster time . The reputation of a public accounting firm can be enhanced and clients' confidence in their ability to use their services again in the future can be maintained by timely completion. In this study a dummy variable is used to represent the reputation of the Public Accounting Firm (KAP). KAPs that fall into the category of "The Big Four" receive code 1, and those who enter the category of "Non Big Four" receive code 0.

Using the services of an auditor from a reputable KAP tends to shorten *audit delay*. This is because public accounting firms that fall into the Big Four category have a large number of competent staff and can manage audit schedules effectively. This explanation is in line with research by Alfiani & Nurmala (2020) which shows the results that the reputation of a public accounting firm has a significant positive effect on *audit*

delay . The same thing was stated by Wijasari & Wirajaya's research (2021) which showed the results that KAP's reputation had a negative effect on *audit delay*. Based on this explanation, the hypotheses that can be proposed are:

H5: The reputation of the Public Accounting Firm has an effect on audit delay

3. Methodology

This research is a quantitative research. The data used is secondary data which is in the form of financial reports obtained from the Indonesia Stock Exchange company LQ 45 in 2019-2021. The data analysis technique used in this study is multiple linear regression analysis. Sampling of this study using *purposive sampling* method with certain criteria; (1) LQ 45 companies that are consistently listed in the LQ 45 index in the 2019-2021 period. (2) Non-banking LQ 45 companies listed on the LQ 45 index in the 2019-2021 period. (3) LQ 45 companies that have made profits on the LQ 45 index in the 2019-2021 period. (4) LQ 45 companies that publish their financial reports for the 2019-2021 period. The population of this research is 59 data and based on these criteria, 21 company data samples are obtained . So that in three years of observation, namely 2019-2021, a total sample of 63 companies was obtained which could be used in research.

Table 1
 Research Sample Selection Process

No	Sample Criteria	Amount
1.	LQ 45 companies that are inconsistent are listed in the LQ 45 index in the 2019-2021 period.	(30)
2.	LQ 45 banking company listed in the LQ 45 index in the 2019-2021 period.	(5)
3.	LQ 45 companies that experienced losses in the LQ 45 index in the 2019-2021 period.	(2)
4.	LQ 45 companies that do not publish their financial reports for the 2019-2021 period.	(1)
5.	The number of samples that meet the criteria	21
6.	Total Research Sample for 3 years (21 x 3)	63

Source: Processed Data, 2023

In this study the independent variables used are *firm size*, profitability, solvency , liquidity, and reputation of the Public Accounting Firm (KAP), while the dependent variable used is *audit delay* . Based on the description above, the researcher's framework can be compiled as presented in Figure 1.1.

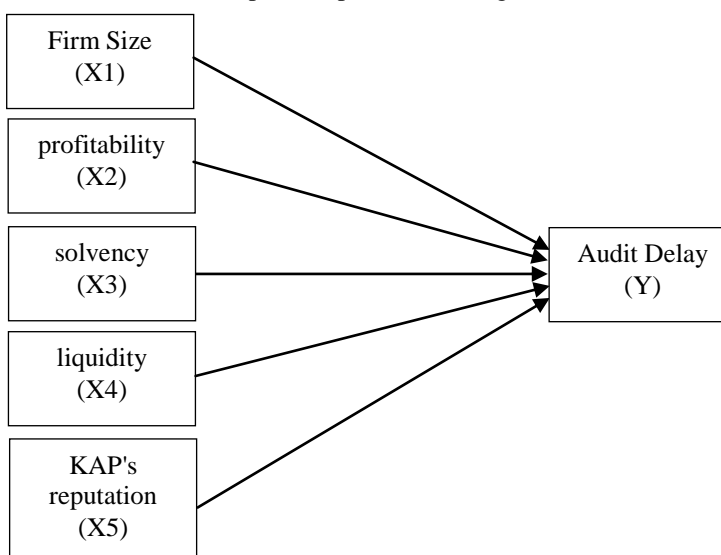


Figure 1.1 Thinking Framework

Variable Operational Definitions

Audit delays

Audit delay is the time span between the date of the financial statements issued after being audited by an independent auditor who has passed the deadline for accuracy with the deadline for publishing financial reports

in accordance with Bapepam-Laporan Finance regulations, (Rochmah& Fachriyah, 2014). The audit delay formula in this study refers to research (Setiawan & Ningsih, 2021) which uses the following formula:

$$\text{Audit Delay} = \text{Audit report date} - \text{financial statement date}$$

Firm Size

According to Octafilia & Utari (2019) company size is the size of a company that can be measured based on its nominal size, such as by using the total assets (total *assets*), the number of sales in one year of sales period, the number of employees, and the total fixed book value of the company.

Calculation of *firm size* is measured based on total assets, namely the amount of assets owned by client companies recorded in the company's financial records at the end of the period using the natural logarithm formula (Ln). Because companies usually own a large number of assets, including current assets and fixed assets, the natural logarithm is used to calculate the total value of assets. It will be easier to make measurements using logs without affecting the original value of assets according to (Fadly & Novita, 2019). Calculation formula *firm size* which refers to Erita's research (2020), as follows:

$$\text{Company Size} = \text{Ln}(\text{Total Assets})$$

Profitability

According to AW Lubis & Abdullah (2021) Profitability is the ratio used in the comparison between the profit earned and the company's total assets. Profitability can also be interpreted as the ability achieved by the company in a certain period with the aim of measuring the company's ability to generate profits.

Measuring profitability is using ROA (*Return on Assets*). *Return on Assets* is a company's ability to generate net profit from managing its assets as measured by the profitability ratio according to Loupatty et al. (2022). *Return on Assets* is a financial statistic that describes the rate of return on the use of company assets, according to Kasmir (2018: 201). The formula for calculating profitability in this study refers to Erita's research (2020). as follows:

$$ROA = \frac{\text{Net Profit For The Year}}{\text{Total Assets}} \times 100\%$$

Solvability

According to Octafilia & Utari (2019) Solvability is a comparison between total assets and total debt. Solvability reflects the company's ability to pay all of its obligations, both in the form of short-term debt and long-term debt if the company is liquidated. A company is said to be solvable if the company has sufficient assets or wealth to pay all its debts.

Solvability measurement is using Debt to Assets (DAR). DAR is a ratio that assesses how many assets a company has to cover its debts according to Loupatty et al. (2022). The high Debt to Assets (DER) reflects the company's high financial risk. The solvency calculation formula in this study refers to Erita's research (2020), as follows:

$$DER = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

Liquidity

According to Alisha & Muis (2018) Liquidity is the company's ability to fulfill its obligations or pay its short-term debts when they fall due. Liquidity provides good benefits for interested parties, both from company owners, investors, creditors or debtors related to the company and auditors to provide opinions on the fairness of the submission of financial statements of companies listed on the Indonesian Stock Exchange (IDX).

Liquidity measurement is using *the Current Ratio* or Current Ratio. *The Current Ratio* according to Kasmir (2018: 134) is the ratio used to assess a company's ability to collectively pay short-term obligations or debt that will mature. The formula for calculating liquidity in this study refers to Erita's research (2020), as follows:

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}} \times 100\%$$

Public Accounting Firm (KAP) Reputation

According to Marpaung et al., (2014) in Permatasari & Astuti (2019) KAP reputation can be interpreted as a benchmark that shows audit quality. The reputation of a public accounting firm is measured by the size of the public accounting firm used by the company.

The measurement of the reputation variable for the Public Accounting Firm (KAP) uses the Dummy Variable. If audited by a big 4 KAP, point 1 will be given, but if audited by a non-Big 4 KAP, point 0 will be given (Naseparat & Lestari, 2020) .

s Data Analysis Techniques

This study uses data analysis techniques which include descriptive statistics, classical assumption tests and hypothesis testing. According to (Ghozali, 2018) Descriptive statistics provide an overview of a data seen from the average value (mean), standard deviation of variance, maximum, minimum, sum, range, kurtosis and skewness. The classic assumption test used in this study is the data normality test, multicollinearity, heteroscedasticity, autocorrelation. Hypothesis testing examines the effect of two or more independent variables on the dependent variable. This study uses multiple linear regression equations which are described by the following equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e \dots\dots\dots(1)$$

Information:

- Y = *Audit Delays*
- α = Constant
- $\beta_1 - \beta_5$ = Regression coefficient
- X₁ = *Firm Size*
- X₂ = *Profitability*
- X₃ = *Solvability*
- X₄ = *Liquidity*
- X₅ = *Reputation of Public Accounting Firm (KAP)*

4. Results and Discussion

Descriptive statistics

Table 2
 Descriptive Analysis Results

	N	Minimum	Maximum	Means	std. Deviation
<i>Audit Delays</i>	63	38	147	75,38	23,233
<i>Firm Size</i>	63	29.54	33,54	31.5670	0.92299
<i>Profitability</i>	63	0.01	0.29	0.0873	0.06222
<i>Solvability</i>	63	0.13	0.74	0.3911	0.15893
<i>Liquidity</i>	63	0.34	4.97	2.1962	1.12845
<i>KAP's reputation</i>	63	0	1	0.86	0.353
Valid N (listwise)	63				

Source: Processed Data, 2023

From the table above shows the amount of data used in this study as many as 63 companies. From the results of the data above, it can be seen that *audit delay* has the highest standard deviation, namely 23.233 , meaning that *audit delay* has the highest data diversity, while *Profitability* has the smallest standard deviation, which is equal to 0.06222, meaning that *profitability* has low data diversity

Classic assumption test

Table 3`
 Normality Test Results

Variable	Asymp.Sig.(2-tailed)	Information
Unstandardized Residuals	0.792	Normal

Source: Processed Data, 2023

Based on the results of the normality test using the One-Sample Kolmogorov Smirnov Test it shows that the Asymp. Sig. of 0, 792 or 79.2 % which means the Asymp value. Sig. More than 0.05 or 5% so that these results can be said that the data is normally distributed.

Multicollinearity Test

Table 4
Multicollinearity Test

Variable	Collinearity Statistics		Information
	tolerance	VIF	
<i>Firm Size</i>	0.703	1.423	There is no multicollinearity
Profitability	0.884	1,131	There is no multicollinearity
Solvability	0.221	4,515	There is no multicollinearity
Liquidity	0.212	4,721	There is no multicollinearity
KAP's reputation	0.695	1,439	There is no multicollinearity

Source: Processed Data, 2023

Based on the results of the multicollinearity test in table 4, it is known that the independent variables *firm size* , profitability, solvency, liquidity, and KAP reputation show a Tolerance value greater than 0.10 and a Variance Inflation Factor (VIF) value less than 10. Then it can concluded that the data does not occur multicollinearity.

Heteroscedasticity Test

Table 5
Heteroscedasticity Test Results

Variable	Correlation Coefficient	Sig	Information
<i>Firm Size</i>	0.777	0.441	There is no heteroscedasticity
Profitability	1.027	0.309	There is no heteroscedasticity
Solvability	1,071	0.289	There is no heteroscedasticity
Liquidity	0.560	0.578	There is no heteroscedasticity
KAP's reputation	-0.227	0.821	There is no heteroscedasticity

Source: Processed Data, 2023

Based on the results of heteroscedasticity using the *Park* test in the table above indicates that all variables are independent as a significance value greater than 0.05 or 5%. Thus that the regression equation is free from symptoms of heteroscedasticity.

Autocorrelation Test

Table 6
Autocorrelation Test Results

asymp. Sig. (2-tailed)	Runs Test Value 0.252
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Source: Processed Data, 2023

Based on the results in the table above, it shows that the Asymp. Sig. (2-tailed) above the confidence level of 0.252. In accordance with the provisions of the *Runs Test test* that the value must be greater than 5% or 0.05 to be free from autocorrelation, it can be concluded that the value above is greater than 5% or 0.05, then there is no autocorrelation problem between independent variables, so the model regression is feasible to use.

Hypothesis testing

Table 7
Multiple Linear Regression Test Results a

Variable	Unstandardized B	Q	Sig.	Information
(Constant)	102,123	0.875	0.385	
<i>Firm Size</i> (X1)	0.203	0.057	0.955	H1 is rejected

Profitability (X2)	147,301	3.135	0.003	H2 is accepted
Solvency (X3)	-38,641	-1.052	0.297	H3 is rejected
Liquidity (X4)	-5,900	-1.115	0.270	H4 is rejected
KAP reputation (X5)	-20,945	-2,241	0.029	H5 accepted
Adjusted R ²			0.132	
F			2,892	
Sig			0.021	

Source: Processed Data, 2023

Based on the results of the F test, it is known that the calculated F value is 2.892 with a significant value of 0.021 < 0.05, so it can be said that the regression model used is feasible.

Based on the test results of the determinant coefficient (Adjusted R²) value of Adjusted R² of 0.132 which means that the independent variables (*firm size*, profitability, solvency, liquidity, and KAP reputation) can explain the dependent variable of 13.2% while the remaining 86.8% is influenced by other variables outside the study.

Based on the test results, the following results are obtained:

1. Firm Size (X1)

Based on the results of the significance test the t test states that *the firm size* which is proxied by Ln has no effect on *audit delay* so that H1 is rejected. Results the test shows that the t_{count} is 0.057 with a *Sig value* as big 0.955 which means > than 0.05 or 5%. Does not affect *the firm size* on *audit delay* because companies of both large and small sizes do not increase or decrease the occurrence of *audit delay*. *Firm size* or company size has no effect on *audit delay* because the auditor will carry out an examination in accordance with public accountant professional standard procedures. All companies listed on the Indonesia Stock Exchange are supervised by capital supervisors, the government and investors, so that companies with large and small total assets both have pressure to be able to publish their financial reports immediately and the company's management has worked professionally and minimized audits as much as possible. *delayed*. All companies will try to report their financial statements faster than other companies to attract the attention of investors.

The results of the research are in line with research conducted by Indrawati & Adi (2022) and Anggraeni et al (2022) which state that company size has no effect on *audit delay*.

2. Profitability (X2)

Based on the results of the significance test the t test states that profitability is proxied by ROA effect on *audit delay* so that H2 accepted. Results the test shows that the t_{count} is 3.135 with a *Sig value* as big 0.003 which means < than 0.05 or 5%. This shows that profitability as measured using *ROA* describes the company's ability to utilize its assets to earn profits. An investor certainly has the desire to invest in companies that have a high level of profitability, with the hope that companies that have high profitability ratios will also generate high returns. Companies with high profitability tend to have short *audit delay times* because high profitability is good news so that companies will not delay publishing their financial reports.

The results of this study are in line with research Prahesti et al (2018) and research by Syhadati & Waskit (2018) which concluded that profitability had an effect against *audit delays*.

3. Solvability (X3)

Based on the results of the significance test the t test states that solvency proxied by DER has no effect on *audit delay* so that H3 rejected. Results the test shows that the t_{count} is -1.052 with a *Sig value* as big 0.297 which means > than 0.05 or 5%. Solvability shows the size of *the debt* to the company's total assets. In this study it can be seen that the size of the debt to total assets of a company does not determine how fast or slow the completion of a financial statement audit is. So that solvency does not affect the occurrence of *audit delay*, because even if the company has a large total debt or a company with a small total debt, the auditor will still carry out the audit. An auditor has been given time to carry out an audit of the company's financial statements, so there is no reason for the auditor to delay the submission of the company's financial statements.

The results of this study are in line with research Prahesti et al (2018) and Cangdra (2018) who concluded that solvency has no effect against *audit delays*.

4. Liquidity (X4)

Based on the results of the significance test the t test states that liquidity is proxied by CR does not affect *audit delay* so that H₄ rejected. Result the test shows that the t_{count} is -1.115 with a *Sig value*. as big 0.270 which means > than 0.05 or 5%. Liquidity shows the ability of a company to meet its obligations or debts, meaning that liquidity is the ability to meet its short-term needs. Based on the research results, it can be seen that the liquidity ratio is not significant to *audit delay*. This means that the high or low level of liquidity of a company does not affect the length of time it takes to complete a financial statement audit. This is because a company with a high level of liquidity does not necessarily complete the audit report process more quickly. Likewise, companies with a low level of liquidity also want to be faster in the process of completing their financial statement audits or not to exceed the regulatory limits issued by Bapepam, so that the delivery of financial reports is also faster. This is so that creditors can find out the company's performance and know the company's ability to repay loans from creditors. So that it can be said that liquidity has no impact on *audit delay*.

The results of this study are in line with research Suminar et al (2022) and Lubis et al (2019) who concluded that liquidity had no effect against *audit delays*.

5. Hood reputation (X5)

Based on the results of the significance test the t test states that the KAP's reputation is proxied by the dummy variable effect on *audit delay* so that H₅ accepted. Result the test shows that the t_{count} is -2.241 with a value of *Sig*. as big 0.029 which means < than 0.05 or 5%. KAP reputation can affect *audit delay* because a trusted public accounting firm (KAP) has partnerships with global KAPs such as the Big Four. Big Four KAPs can carry out audits more quickly than Non Big Four KAPs, this is because Big Four KAPs have the capacity, expertise, and professionalism to speed up audit procedures and reduce *audit delay*. KAPs that have a good reputation prefer to complete their reports on time to maintain public perception of KAP's reputation. Therefore, it can be concluded that companies that use the Big Four KAP services will potentially be timely in submitting their financial reports.

The results of this study are in line with research Wijasari & Wirajaya (2021) and Yamashida et al (2020) which show results that KAP's reputation has a negative effect on *audit delay*.

5. Conclusion

The conclusions of this study are as follows:

1. Firm size matters on the *audit delay* of LQ 45 companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.
2. Profitability has no effect on the *audit delay* of LQ 45 companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.
3. Solvability has no effect on the *audit delay* of LQ 45 companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.
4. Liquidity has no effect on the *audit delay* of LQ 45 companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.
5. KAP reputation has a negative effect on the *audit delay* of LQ 45 companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.

6. Suggestion

Suggestions for further research are as follows:

1. Future research can examine other variables, which can produce various alternative decision making in the occurrence of *audit delay* in a company.
2. Subsequent research can increase the number of sample companies, not only limited to LQ 45 companies, but can also extend the observation period so as to obtain a larger sample.

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