ANALYSIS OF FACTORS AFFECTING AUDIT DELAY IN COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE DURING COVID 19

Puspita Sari[1], Yuha Nadhirah Qintharah[2*]

[1,2] Accounting, Universitas Islam 45, Indonesia

ABSTRACT

Audit delay can affect the level of relevance of information from a financial report, because the longer the time it takes to conduct an audit, the level of relevance of the information can be doubted. The length of the audit completion process can affect audit delay in submitting audited financial reports so that it can have an adverse impact on market reactions and cause uncertainty in economic decision making. The research model used in this research is quantitative. With a research sample of non-silica (food and beverage) sector companies because companies that experience fluctuating financial performance tend to decline during the Covid 19 pandemic. The data analysis technique uses multiple linear regression with the SPSS program. The results of the study state that the auditor's opinion has no significant effect on audit delay, audit tenure has no significant effect on audit delay, company size has a significant effect on audit delay.

Keywords: *Going concern audit opinion, tenure audit, company size, audit*

INTRODUCTION

Financial reports must be presented to users when they need them to make decisions, because such information loses value if it is not made available in a timely manner (Ha et al., 2018). The predictability of the future performance of a company can be determined through the dissemination of information. The importance of providing effective information is to improve company reporting through timely submission of financial information to the capital market (Oussii & Boulila Taktak, 2018). Basically, completing an audit on time indicates that the auditor must work with efficiency without sacrificing the reliability of the information generated in the financial statements (Abdillah & Mardijuwono, 2019). (Baatwah & Stewart, 2019) This shows that the adequacy of timely financial information is considered an important factor for decision makers, and the length of the audit process is a major determinant in corporate financial reporting.

The phenomenon of audit delay has an impact on the decision-making process by investors and users of company financial reports. Supposedly, this phenomenon no longer exists in companies listed on the Indonesia Stock Exchange, because the adoption of an online-based computerized system has greatly assisted in the preparation of financial reports and also accelerated the audit process according to a predetermined schedule. The purpose of this study is to examine the factors that influence audit delay, following the practice of company audit delays on the Indonesia Stock Exchange (Lestari & Nuryatno, 2018)

The factors that can affect audit delay are audit opinion, audit tenure, company size (Puryati, 2020), according to (Liwe et al., 2018) the factors influencing audit delay are company size, solvency and profitability. According to (Surbakti & Aginta, 2019) the factors influencing audit delay are company size, solvency, company profit/loss, KAP size. (Adhika Wijasari & Ary Wirajaya, 2021) auditor changes, financial distress, KAP reputation and the covid 19 pandemic.

Based on this background, several main issues arise which will be discussed in this study, including the following:

1. Is there any influence between the going concern audit opinion on audit delay?
2. Is there any influence between Audit Tenure on audit delay?
3. Is there any influence between company size and audit delay?

METHOD

The method of determining the sample in this study uses a non-probability sampling method, namely the purposive sampling technique. Purposive sampling is a sampling technique for data sources with certain considerations (Sugiyono, 2015). The criteria used for sampling in this study are:

a. Companies from the non-silicaic sector listed on the Indonesia Stock Exchange for the 2019-2021 period.
b. Companies from the non-silica sector that publish annual financial reports (annual reports) on the Indonesia Stock Exchange for the 2019-2021 period consecutively.
c. Companies from the non-silicaic sector that are not delisted from the Indonesia Stock Exchange for the 2019-2021 period.

The research model used in this study is quantitative to determine and see the effect of going concern audit opinions, tenure audits and company size on the achievement of audit delay.

By using quantitative research methods, the object of research focuses on

the influence of going concern audit opinions, tenure audits, and company size on audit delay, which can be measured and has a causal relationship between going concern audit opinions, tenure audits, company size, and audit impact. delayed. Data for this study were collected from secondary sources.

To describe this research using the SPSS for Windows program. The analysis obtained is the average price (mean), median, mode, standard deviation, maximum value and minimum value. Classical assumption test, multiple linear regression and to test the hypothesis using the T and F tests

RESULT AND DISCUSSION

Descriptive Statistical Analysis

Based on population data from 113 companies listed on the IDX, only 79 companies have complete financial reports because these companies have been listed on the stock exchange since before the Covid 19 pandemic, while data on 34 companies have just been listed on the stock exchange in 2021, so data during the covid 19 pandemic it was incomplete and could not be processed. The analysis obtained is the average price (mean), median, mode, standard deviation, maximum value and minimum value. Based on SPSS processed data which includes audit delay, company size, audit tenure, and going concern audit opinion, it will be known the maximum, minimum, range, sum, mean value of each variable. This is as shown in table 4.1 below

Table 1. Statistic Descriptive

		AD	OAGC	AT	UP
N	Valid	158	158	158	158
	Missing	0	0	0	0
Mean		94.2152	.0253	1.3671	22.3481
Median		89.0000	.0000	1.0000	23.0000
Mode		88.00	.00	1.00	28.00
Minimum		.00	.00	1.00	14.00
Maximum		158.00	1.00	2.00	30.00

(Source: Data processed, 2023)

Based on table 1, the results of descriptive statistics for the results of going concern audit opinions (N) are 158, so the smallest (minimum) going concern audit opinion results are 0 for opinions other than unqualified and going concern audit opinions (maximum), namely 1 for audit opinion results going concern. The average auditor's opinion of 158 data is 0.0253, the results of the average value exceed the minimum value and these data indicate that there are 158 data examined by the auditor who feels that the corporate entity is quite capable of sustaining its business in the long term, with the understanding that the entity is not will experience bankruptcy in the short term and will not be liquidated.

The tenure audit results show that the number of respondents (N) is 158, so the smallest tenure audit (minimum) is 1 and the largest tenure audit (maximum) is 2. The average tenure audit of 158 respondents is 1.37, the result is more than the minimum number. . This shows that there are 158 data from which tenure audit results feel that it is sufficient for the company to cooperate with the same auditor because it has good audit performance. The longer the auditor works with the client does not affect the independence of the auditor on the audit results.

The results for company size show that the number of respondents (N) is 158, so the smallest (minimum) company size, namely Ln 14, is PT. ADES and PT AISA. and the largest (maximum) company size, namely Ln 30, is PT GOOD. The average size of the company from 158 data is 22. This shows that of the 158 data that has a company size with an average value above the minimum value, it shows that the company's data is quite large in its asset ownership. This can assist in making investment decisions and other decisions related to the value of assets.

The results of the audit delay show that the number of respondents (N) is 158, so the smallest (minimum) audit delay is 0 for PT. Jaya Agra Watie Tbk and the largest (maximum) audit delay of 158 is PT. Estika Tata Tiara Tbk. The average audit delay of 158 respondents is 94 . Descriptive data analysis on audit delay shows that the data has a fairly large range of values, from 0 to 94. Descriptive data analysis on audit delay shows that the observed data range is from 0 to 94 days. The average value is 94 days, indicating that the average audit delay is 94 days. The highest value is 158 days, indicating that there are cases where audit delays can reach this maximum time. However, the threshold is 0 days, indicating that some audits can be completed without any delay at all. In this case, descriptive data analysis can help auditors and organizations to understand the distribution and characteristics of audit delays that occur. Format gambar png/jpg.

Multiple Regression Analysis

Multiple regression analysis is used by research, when the researcher intends to predict how the condition (rise and fall) of the dependent variable, when two or more independent variables as predictor factors are manipulated. So multiple regression analysis will be carried out if the number of independent variables is at least two. We can see the model as follows:

Table 2. Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	78.245	11.414		6.855	.000
OAGC	.839	14.345	.005	.058	.953
AT	-4.820	.618	.083	-1.044	.298
UP	1.008	.410	.196	2.460	.015

(Source: Data processed, 2023)

By looking at table 4.4, the multiple linear regression equation can be compiled as follows:

AUD = 78,245 + 0.839 Going Concern Audit Opinion - 4,820 Tenure Audit + 1,008 Company Size + ε

a. constant of 78.245 states that if the variable Audit Opinion is going concern, audit tenure and company size then the audit delay is 78.245.
b. 1% going concern audit opinion change will result in a change of (0.839) audit delay. The results of the regression test showed a positive direction. This means that when the going concern Audit Opinion variable changes by 1% it will result in an increase of the value of audit delay.
c. 1% change in audit tenure will result in a change of (-4,820) audit delay. The results of the regression test show a negative direction, meaning that when the tenure audit variable changes 1%, it will result in a decrease of the audit delay value.
d. 1% change in company size will result in a change of (1,008) audit delay. The results of the regression test showed a positive direction. This means that when the variable Company Size changes by 1%. will result in an increase of the value of audit delay.

Hypothesis Testing

Testing the hypothesis in this study using multiple linear regression analysis. This aims to determine the effect of the independent variables on the dependent variable. The analysis technique was carried out using the SPSS program. In this testing, first step is F statistic test. The F statistic test basically shows how far the influence of the independent variables simultaneously explains the dependent variable.

Table 3. F Statistic Test

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	841.757	3	1947.252	2.526	.060[a]
	Residual	118720.926	154	770.915		
	Total	24562.684	157			

a. Predictors: (Constant), OPINI_AUDIT_*GOING_CONCERN, AUDIT_TENUR*, UKURAN_PERUSAHAAN

b. Dependent Variable*: AUDIT_DELAY*

Based on table 3 of the test F = 2.526 and F table df1 = 4-1 = 3 while df2 = n – k = 158 – 4 = 154 and with α = 5% then the F table is 2.66. F count 2.526 < F table 2.66 and the probability value sig 0.060 is greater than 0.05, meaning that Ho is accepted and Ha is rejected, so the going concern Audit Opinion regression model, audit tenure and company size together have no significant effect on audit delay.

Beside F Test, the next test on this research is partial test or t statistical test. The t statistical test basically shows how far the influence of one independent variable individually explains the dependent variable.

Table 4. t Statistic Test

Model		Unstandardized Coefficients			t	Sig.
		B	Std. Error	Beta		
1	(Constant)	78.245	11.414		.855	.000
	OAGC	.839	14.345	.005	.058	.953
	AR	-4.820	4.618	.083	1.044	.298
	UP	1.008	.410	.196	.460	.015

(Source: Data processed, 2023)

Discussion

1. Influence of Going Concern Audit Opinion on Audit Delay

This research is in line with research (Yanthi et al., 2020) an auditor's opinion is the result of an independent examination by an auditor of the client's company's financial statements. This opinion reflects whether the financial statements prepared by the company's management as a whole meet generally accepted accounting standards and are fair. This auditor's opinion can also be used as a reference in evaluating the company's operational performance in a certain period of time, both from an internal and external perspective. Thus, the auditor's opinion becomes the basis for decision making.

2. Effect of Tenure Audit on Delay Audit

According to (Pratiwi & Wiratmaja, 2018)"The results of this study indicate that tenure audits have no effect on audit delay. (Ariestia & Sihombing, 2021). This is due to the main focus of the auditor/KAP in their role, which is to act independently and professionally, with adequate resources. Regardless of the duration of work, every KAP or auditor on duty must provide the best service. In addition, the duration of work does not guarantee that other problems will not arise during the audit process.

3. The Effect of Company Size on Audit Delay

This research is in accordance with that conducted by (Susesti & Wahyuningtyas, 2021). This shows that there is an influence between company size and audit delay. The findings of this study are also supported by (Abdillah & Mardijuwono, 2019) which states that firm size has an effect on audit delay.

CONCLUSION

Based on the description above regarding the effect of going concern audit opinion, audit tenure and company size on audit delay as a moderator, the following conclusions can be obtained:

1. Going concern audit opinion has no effect on audit delay.
2. Tenure audits have no positive effect on audit delay.
3. Firm size has a significant positive effect on audit delay.

REFERENCES

Abdillah, M. R., & Mardijuwono, A. W. (2019). The effect of company characteristics and auditor characteristics to audit report lag. 4(1), 129–144. https://doi.org/10.1108/AJAR-05-2019-0042

Adhika Wijasari, L. K., & Ary Wirajaya, I. G. (2021). Faktor-Faktor yang Mempengaruhi Fenomena Audit Delay di Bursa Efek Indonesia. E-Jurnal Akuntansi, 31(1), 168. https://doi.org/10.24843/eja.2021.v31.i01.p13

Ariestia, S., & Sihombing, T. (2021). Pengaruh Audit Opinion, Audit Tenure, Dan Profitabilitas Terhadap Audit Delay Dengan Reputasi Kantor Akuntan Publik(Kap) Sebagai Variabel Moderasi. Jurakunman (Jurnal Akuntansi Dan Manajemen), 14(1), 26. https://doi.org/10.48042/jurakunman.v14i1.59

Baatwah, S. R., & Stewart, J. (2019). Audit committee chair accounting expertise and audit report timeliness The moderating effect of chair characteristics. 27(2), 273–306. https://doi.org/10.1108/ARA-12-2017-0190

Ha, H. T. V., Hung, D. N., & Phuong, N. T. T. (2018). The study of factors affecting the timeliness of financial reports: The experiments on listed companies in Vietnam. Asian Economic and Financial Review, 8(2), 294–307. https://doi.org/10.18488/journal.aefr.2018.82.294.307

Lestari, S. Y., & Nuryatno, M. (2018). Factors Affecting the Audit Delay and Its Impact on Abnormal Return in Indonesia Stock Exchange. International Journal of Economics and Finance, 10(2), 48. https://doi.org/10.5539/ijef.v10n2p48

Liwe, A. G., Manossoh, H., & Mawikere, L. M. (2018). Analisis Faktor-Faktor Yang Mempengaruhi Audit Delay (Studi Empiris Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia). Going Concern : Jurnal Riset Akuntansi, 13(02), 99–108. https://doi.org/10.32400/gc.13.02.19105.2018

Oussii, A. A., & Boulila Taktak, N. (2018). Audit committee effectiveness and financial reporting timeliness: The case of Tunisian listed companies. African Journal of Economic and Management Studies, 9(1), 34–55. https://doi.org/10.1108/AJEMS-11-2016-0163

Pratiwi, C. I. E., & Wiratmaja, I. D. (2018). Pengaruh Audit Tenure Dan Kompleksitas Operasi Terhadap Audit Delay. E-Jurnal Akuntansi Universitas Udayana, 24(3), 1964–1989.

Puryati, D. (2020). Faktor Yang Mempengaruhi Audit Delay. Jurnal Akuntansi Kajian Ilmiah Akuntansi (JAK), 7(2), 200–212. https://doi.org/10.30656/jak.v7i2.2207

Sugiyono. (2015). Metode penelitian pendidikan (pendekatan kuantitatif , kualitatif dan r & d.

Surbakti, H. S. B., & Aginta, W. (2019). Faktor-Faktor Yang Mempengaruhi Audit Delay pada Perusahaan LQ45 yang Terdaftar di Bursa Efek Indonesia. Jurnal Wira Ekonomi Mikroskil : JWEM, 9(2), 181–190.

Susesti, D. A., & Wahyuningtyas, E. T. (2021). Analisis Profitabilitas, Ukuran Perusahaan dan Reputasi KAP Terhadap Audit Delay. Sekolah Tinggi Ilmu Ekonomi, 4, 6.

Yanthi, K. D. P., Merawati, L. K., & Munidewi, I. A. B. (2020). Pengaruh Audit Tenure, Ukuran KAP, Pergantian Auditor dan Opini Audit Terhadap Audit Delay. Jurnal Kharisma, 2(1), 148–15 Delay. Jurnal Kharisma, 2(1), 148–15