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THE INFLUENCE OF COMPANY SIZE, PROFITABILITY AND KAP SIZE ON AUDIT DELAY IN PROPERTY AND REAL ESTATE SECTOR COMPANIES LISTED ON THE IDX IN 2018-2021

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Abstract:
Financial statements are records containing information about a company's financial condition in an accounting period, which can benefit some parties interested in making economic decisions. One of the responsibilities placed on firms listed on the Indonesia Stock Exchange as a kind of corporate management responsibility to the company's external stakeholders is the timely submission of financial reports. Both internal and external factors may have an impact on how accurately the financial statements of the organization are presented. Therefore, this study aims to ascertain how the firm size, profitability, and KAP size affect audit delay in companies in the property and real estate industry listed on the Indonesia Stock Exchange between 2018 and 2021. This study uses the purposive sampling technique. A sample of 35 companies is acquired annually for a total sample of 140 during the four-year study. The secondary data used in this study comes from firm financial statements, which will subsequently be subjected to multiple linear regression analysis. Using a computer application, specifically IBM SPSS Version 26. According to the study, firm size and KAP size have no statistically significant effects on audit time, whereas the profitability variable has a significant negative impact.

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

The occurrence of rapid developments in the business world and the increasing number of companies in Indonesia make competition between companies increasingly tight. Every company is competing to develop its business by doing various ways. One of the efforts made is to change the status of their company to open or go public. This effort is made so that the company can raise funds from investors, which will later help finance the company's growth amid the current business competition. Companies must be able to improve their performance from time to time to continue to receive financial support from investors. Investors can measure the performance of this company by analyzing and evaluating the company's financial statements where they carry out investment activities.

In general, companies that have changed their ownership status to open or go public should submit financial statements that have been prepared by applicable Financial Accounting Standards and have been audited by a public accountant registered with the Capital Market Supervisory Agency and the Financial Services Authority (Menajang et al., 2019). In its regulation No.29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies, the Financial Services Authority (OJK) has determined that the deadline for submitting audited annual financial reports is no later than four months after the closing year ends. So if a company submits its financial

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statements beyond the time limit set by the OJK, then by article 19, the company will be subject to administrative sanctions.

The audit process itself must be systematic in accordance with established procedures. The duration of this auditing process depends on the materiality level contained in the company's financial statements. Not only that, the delay in submitting data and information about the company to the auditor is also another reason why the audit process requires in-depth identification. The delay in submitting data and information by the company can cause the auditor to experience errors in determining the scope, so the time required by the auditor to carry out the audit process will be longer. The audit completion time span starting from the closing date of the company's financial year to the date of issuance of financial statements by an independent auditor is called audit delay (Kartika, quoted in Putri and Suryani, 2018: 2009).

Audit delay causes companies to experience delays in collecting financial reports for the Indonesia Stock Exchange and will automatically cause delays in publishing financial statements to their users. Suppose there is a delay in the publication of financial statements. In that case, the information in the report will lose its relevance because one of the essential factors in maintaining the relevance of information is timeliness. It can be concluded that the information in the company's financial statements will be very useful for its users if it is presented accurately; otherwise, the information in the company's financial statements will lose its benefits if it is not presented accurately and timely. In addition to affecting the relevance of information, the delay in the publication of the company's financial statements will also result in a decrease in investor confidence because investors will consider this to indicate that there are problems related to the company's health. It will also harm the selling price of the company's shares in the capital market.

Based on research that has been done previously, many factors can affect audit delay in a company. However, in this study, researchers will only use three variables to see how they affect audit delay. The three variables are company size, profitability and KAP size. The reason for choosing the property and real estate sector as the object of this research is because this sector is one sector that has good prospects for the future. It can be seen from the potential for the population of Indonesia, which is increasing so that development in the housing sector, apartments, offices, and shopping centers will be increasingly needed, so this research can provide some benefits if studied further.

Based on the description above, the authors chose the study's title, "The Influence Of Company Size, Profitability And Kap Size On Audit Delay In Property And Real Estate Sector Companies Listed On The Idx In 2018-2021".

METHODS

The data type used in this research is quantitative, which can be measured or calculated directly and expressed numerically. The source of data used in this study is secondary data obtained from company information records, which in this case are in the form of annual financial statements of property and real estate sector companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

The sampling technique in this study was carried out by purposive sampling method, namely by setting specific criteria from the existing population. The criteria set for sampling in this study are:

1. Property and real estate sector companies listed on the IDX during the period 2018-2021

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2. Property and real estate sector companies that have submitted annual financial reports that have been audited consecutively during 2018-2021 and are accompanied by independent auditor reports therein
3. Property and real estate sector companies that use Rupiah currency to present their financial statements have a closing year ending on December 31.

By using the purposive sampling method as a sampling technique, it is obtained that there are 35 companies that will be used as research samples per year, so the total sample is 140 because the data taken is data from the past four years (2018-2021).

RESULT AND DISCUSSION

Descriptive Statistical Analysis. Descriptive statistical analysis is used to test and describe the characteristics of the data to be studied (Chandrarin, 2017). This method is used to analyze all the variables in the study so that the authors can get an overview and explanation related to the sample in general (Prasetyo, 2021).

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Delay	140	41.000	214.000	96.87857	29.550461
Company Size	140	24.971	31.750	29.09121	1.644788
Profitability	140	-0.375	0.277	0.01755	0.076616
Valid N (listwise)	140				

Source: SPSS Data Processing Results (2022)

Table 2. Descriptive Statistics (Frequency)

KAP Size					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	KAP Non-Big Four	118	84.3	84.3	84.3
	KAP Big Four	22	15.7	15.7	100.0
	Total	140	100.0	100.0	

Source: SPSS Data Processing Results (2022)

Based on tables 1 and 2, which have been presented above, the results of the descriptive statistical analysis in this study can be described as follows:

1. The minimum value of the audit delay variable is 41 days, obtained from the DMAS company (2020). The maximum value of the most prolonged audit completion period is 214 days, obtained from the MMLP company (2020). The average value of the dependent variable is 96,87857, with a standard deviation of 29,550461.
2. The minimum value of the firm size variable is 24,971, and the maximum value is 31,750, with an average of 29,09121 and a standard deviation of 1.644788. In this study, the company with the highest size value is BSDE in 2021, while the company with the lowest is MTSM in 2021.
3. The minimum value of the profitability variable is -0.375, and the maximum value is 0.277, with an average of 0.01755 and a standard deviation of 0.076616. In this study, the company that obtained the highest profitability was EMDE in 2021, while the company that obtained the lowest profitability was LPCK in 2020.
4. Based on the results of the descriptive statistical analysis of the KAP size variable that has been presented in table 2, it can be seen that there are 22 companies or 15.7% of the total sample in

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this study using audit services from KAPs affiliated with the Big Four, while 118 companies or equal to 84.3% of the total sample using audit services from KAP Non-Big Four.

Table 3. Normality Test Results

	Kolmogorov-Smirnov[a]		
	Statistic	df	Sig.
Unstandardized Residual	,077	129	,059

Source: SPSS Data Processing Results (2022)

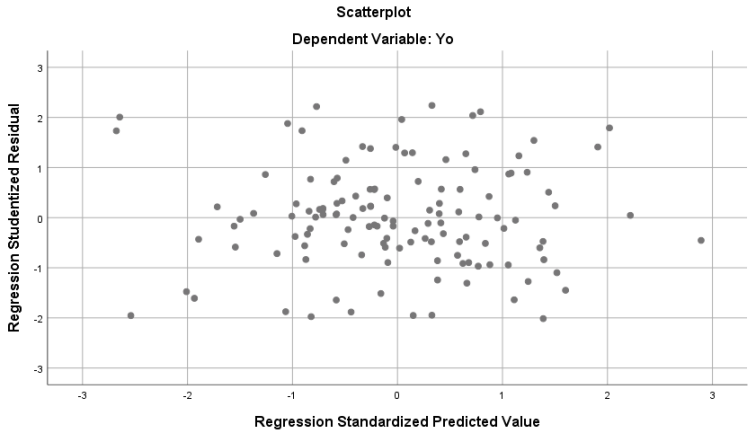
Based on table 3 above, it can be seen that the normality test carried out using the Kolmogorov Smirnov (K-S) test produces a significance value of the residual variable of 0.059 or greater than 0.050. Thus, the residual data in this study were normally distributed so that the assumption of normality is fulfilled.

Table 4. Multicollinearity Test Results

Coefficients			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Company Size	,882	1,134
	Profitability	,925	1,081
	KAP Size	,919	1,088

Source: SPSS Data Processing Results (2022)

Based on table 4 above, it can be seen that all the independent variables in this study have a tolerance value of more than 10 percent, and no variable has a VIF value of more than 10. From these results, it can be concluded that the independent variables contained in this regression model do not have a relationship or correlation with one another, so the regression model does not experience multicollinearity.



Source: SPSS Data Processing Results (2022)

Figure 1. Heteroscedasticity Test Results

From the scatterplot graph in Figure 1 above, it can be seen that the points or plots spread randomly above and below the number 0 on the Y axis so that it does not form a particular pattern.

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From this, it can be concluded that the regression model in this study did not experience heteroscedasticity.

Table 5. Autocorrelation Test Results

Runs Test	
	Unstandardized Residual
Test Value[a]	-,00109
Cases < Test Value	64
Cases >= Test Value	65
Total Cases	129
Number of Runs	56
Z	-1,679
Asymp. Sig. (2-tailed)	,093

Source: SPSS Data Processing Results (2022)

Based on table 5 above, it can be seen that the significance value shows a result of 0.093 or more than 0.05, so it can be concluded that the regression model in this study does not experience negative or positive autocorrelation or, in other words, there is no correlation in the existing regression model.

Table 6. Multiple Linear Regression Analysis Test Results

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,519	,757		3,325	,001
	Company Size	,095	,255	,032	,373	,710
	Profitability	-,094	,020	-,410	-4,821	,000
	KAP Size	-,003	,055	-,004	-,049	,961

Source: SPSS Data Processing Results (2022)

From these results, the regression equation obtained is as follows:

$$Y = 2{,}519 + 0{,}095\,X_1\ \ 0{,}094\,X_2\ \ 0{,}003\,X_3 + e$$

The regression equation above can be interpreted as follows:

1. The constant value shows a result of 2.519, meaning that if all independent variables (company size, profitability and KAP size) are 0, then the dependent variable (audit delay) will be 2.519.
2. The regression coefficient value of the firm size variable (X_1) shows a positive result, which is 0.095. If the firm size variable (X_1) increases by 1 unit, then the audit delay variable (Y) will increase by 0.095 units.
3. The regression coefficient value of the profitability variable (X_2) shows a negative result, namely -0.094. If the profitability variable (X_2) increases by 1 unit, then the audit delay variable (Y) will decrease by -0.094 units.
4. The regression coefficient value of the KAP size variable (X_3) shows a negative result, namely -0.003. If the KAP size variable (X_3) increases by 1 unit, then the audit delay variable (Y) will decrease by -0.003 units.

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Table 7. Determination of Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square
1	,404[a]	,163	,143

Source: SPSS Data Processing Results (2022)

From table 7 above, it can be seen that Adjusted R^2 has a value of 0.143. It shows that the independent variables (company size, profitability and KAP size) can have an effect of 14.3% on the dependent variable (audit delay), while the remaining 85.7% (100% - 14.3%) will be influenced by other variables outside the regression model.

Table 8. T Statistic Test

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,519	,757		3,325	,001
Company Size	,095	,255	,032	,373	,710
Profitability	-,094	,020	-,410	-4,821	,000
KAP Size	-,003	,055	-,004	-,049	,961

Source: SPSS Data Processing Results (2022)

From the partial test in table 8 above, the interpretation obtained is as follows:

1. The t-statistical test between variable X_1 (company size) and variable Y (audit delay) shows the results where the t-count obtained is 0.373 with a significance value of 0.710. Because the significance value shows that the result is greater than the predetermined value (0.710 > 0.05), the hypothesis is rejected. The X_1 variable (company size) is declared to have no significant effect on the Y variable (audit delay).
2. The t-statistical test between the X_2 variable (profitability) and the Y variable (audit delay) shows the results where the t-count obtained is -4.821 with a significance value of 0.000 because the significance value shows that the results are smaller than the specified value (0.000 < 0.05), it means that the hypothesis is accepted. The X_2 (profitability) variable is declared to affect the Y variable (audit delay) significantly.
3. The t-statistical test between the X_3 variable (KAP size) and the Y variable (audit delay) shows the results where the t-count obtained is -0.049 with a significance value of 0.961. Because the significance value shows the result is greater than the specified value (0.961 > 0.05), it means that the hypothesis is rejected and the X_3 variable (KAP size) is declared to have no significant effect on the Y variable (audit delay).

The Influence of Company Size on Audit Delay. Based on the results of the partial significance test on the effect of company size on audit delay in table 8 above, it is known that the t-count value obtained is 0.373 with a significance value of 0.710. Because the significance value of the t statistical test on the company size variable is greater than the predetermined value (0.710 > 0.05), this indicates that the company size variable does not have a significant effect on the audit delay variable, so H_1 states that "Company size harms audit delay" is rejected or in other words, the audit completion period (audit delay) in a company is not influenced by how big or small the company is.

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It is because each auditor will conduct an examination in the same way and procedure in accordance with the Professional Standards of Public Accountants, both in companies classified as having large and small total assets. In addition, regardless of the size of a company, if the company is already listed on the Indonesia Stock Exchange, then the company will be supervised by investors, the government, the public and various other parties who have an interest in the company's financial statements so that each of the companies will get the same pressure from existing external parties.

The Influence of Company Size on Audit Delay. Based on the results of the partial significance test on the effect of profitability on audit delay in table 8 above, it is known that the t-count value obtained is -4.821 with a significance value of 0.000. The significance of the t-statistical test on the profitability variable is smaller than the predetermined value (0.000 < 0.05), this indicates that this profitability variable has a significant effect on the audit delay variable. The regression coefficient value of the profitability variable shows a negative result, which is -0.094, which means that the profitability variable harms audit delay so that H_2, which states that "Profitability harms audit delay," can be accepted.

Profitability is the company's ability to profit by utilizing all its resources in a certain period. Concerning signal theory, a company's success in generating high profits is good news or good news that must be immediately informed to external parties to get a positive response. It makes the company's management tend to shorten the delay in reporting its financial statements. Thus, companies with high profitability levels are less likely to experience long audit delays. In addition, the audit process carried out on companies with a high level of profitability tends to take a short time compared to companies that experience losses in their operational activities. (Estrini and Laksito, quoted in Rahmawati, 2019).

The Influence of KAP Size on Audit Delay. Based on the results of the partial significance test about the effect of KAP size on audit delay in table 8 above, it is known that the t-count value obtained is -0.049 with a significance value of 0.961. Because the significance value of the t statistical test on the profitability variable is greater than the predetermined value (0.961 > 0.05), this indicates that the KAP size variable does not have a significant effect on the audit delay variable so that H_3, which states that "KAP size harms audit delay" is rejected or in other words, the audit completion period in a company is not influenced by the public accounting services chosen by the company.

Public Accounting Firm (KAP) is a business entity that has obtained permission from the Minister as a forum for Public Accountants to provide their services. In agency theory, audited financial statements are one of the instruments used so that conflicts between principals and agents can be resolved. For this reason, as a party conducting an audit of financial statements, an independent auditor is essential. Independent auditors from sizeable public accounting firms are likely to complete the audit process faster than auditors from small public accounting firms. However, the results of this study prove that the size of the KAP will not affect the period of completion of a company's audit. It is because in carrying out their duties as auditors of the company's financial statements, each auditor, both affiliated with the Big Four and Non-Big Four, must have the same standards by the applicable Public Accountant Professional Standards (SPAP). For this reason, the length of the audit process carried out by an independent auditor is not influenced by the type of public accounting firm chosen by a company.

CONCLUSION

Based on the results of data analysis and discussions that have been presented previously, some conclusions that can be drawn are as follows:

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1. Company size is stated to have no significant effect on audit delay in property and real estate sector companies listed on the Indonesia Stock Exchange in 2018-2021, so H_1 proposed by researchers in this study is rejected.
2. Profitability is stated to significantly affect audit delay in property and real estate sector companies listed on the IDX in 2018-2021. In addition, based on the regression coefficient value obtained, this profitability variable is also stated to have a negative relationship with the audit delay variable, so the H_2 proposed by the researcher in this study can be accepted.
3. KAP size is stated to have no significant effect on audit delay in property and real estate sector companies listed on the Indonesia Stock Exchange in 2018-2021, so the H_3 proposed by researchers in this study is rejected.

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