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# Analysis of the Causes of Audit Delay in IDX30 Companies on the Indonesia Stock Exchange (IDX)

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**ABSTRACT**

The publication of financial statements has been regulated by the Indonesia Stock Exchange (IDX) and is a company obligation. Although there are regulations regarding the maximum time for the publication of audited financial statements, many companies still delay submitting these financial statements. A similar situation also occurs with companies classified under the IDX30 on the Indonesia Stock Exchange (IDX). This study explores whether the sector, profitability, and profit and loss of the company influence audit delay in IDX30 companies. This study uses a quantitative approach and purposive sampling technique for sample selection. The study population includes 30 IDX30 companies listed on the Indonesia Stock Exchange from 2018-2022. The study results indicate that the sector, profit and loss, and company profitability positively influence audit delay in IDX30 companies.

## Introduction

In the assessment of the prestige of a company, one of them can be seen from its financial performance (Gustini, 2020). Financial performance can be seen in the financial statements made by the company every quarter and is the basis for investors to predict the company's future survival (Adhika Wijasari & Ary Wirajaya, 2021). The publication of financial statements by public companies is an obligation that must be fulfilled by the Financial Services Authority Regulation No. 51/POJK.03/2017 concerning the application of sustainable finance for financial service institutions, issuers, and public companies, where financial statements must be submitted no later than 120 days after the closing of the books or at the end of the fourth month (Louwers, Blay, & Sinason, 2018). The determination of these rules has not been maximally implemented by companies listed on the Indonesia Stock Exchange (IDX). In the financial world, the delay of a company in reporting its financial statements promptly is called an audit delay (Rahmadhani & Alexander, 2023).

Audit delay is a phenomenon in the accounting field where there is a delay in completing an audit of a company's financial statements (Hermawan & Suzan, 2018). This can be caused by various factors, including the complexity of company transactions,

lack of human or financial resources, regulatory changes, or internal problems in the audit process itself. The impact of audit delays can be significant, especially regarding investor confidence in the credibility and quality of the company's financial statements. A study (Indriani, 2020) found that audit delays can negatively impact stock prices, as investors tend to feel uncertain and hesitant about delayed financial information. Therefore, company management and auditors must work together to reduce audit delays as much as possible by increasing efficiency in the audit process and identifying and overcoming obstacles that cause such delays.

A previous study conducted (Ulita & Romdioni, 2019) stated that the variables of company size, company age, profitability, solvency, profit and loss, and KAP size simultaneously had a significant effect on audit delay in IDX-listed property and real estate sector companies in 2018-2020. (Nurrahmani, Handayani, & Nusa, 2022) their research stated that the company's profit and loss variables and bankruptcy prediction did not affect the audit delay, while there were other variables, namely the type of industry that affected the audit delay in the LQ45 company case study listed on the IDX in 2017-2022. The profitability and solvency factors have been analyzed previously by (Liwe, Manossoh, & Mawikere, 2018) and (Kurniawan & Laksito, 2015). They found that these factors influence audit delay. Previous research by (Supadmo & and Arifin, 2020) and Puspita (2017) also revealed that the company's operating profit and loss had a significant influence on audit delay, although Wulandari's (2017) findings showed otherwise.

According to IDX Regulation Kep-307 / JSX / 07-2003 2003, IH number, in addition to the declining relevance of financial statements, delays in submitting financial statements also have the potential to result in companies being sanctioned by the IDX. The sanctions can vary from warnings to suspension of securities trading from the company in question, with fines as one possibility. Given the importance of timeliness in influencing the essential quality of financial statements, researchers are interested in exploring the factors that can affect audit delay. Although previous studies have examined these factors, results have varied. Therefore, researchers are interested in analyzing the results with research objectives: companies incorporated in IDX30 on the Indonesia Stock Exchange in the last five years (2018-2022). The company is an entity that significantly influences the Indonesian economy. IDX30 Index is a stock market index that includes 30 of the largest and most liquid companies listed on the Indonesia Stock Exchange (IDX). Companies that are members of IDX30 have diverse profiles, ranging from the financial, telecommunications, consumer, and energy sectors. Their presence reflects the stability of the country's economy and becomes an essential indicator of the performance of the Indonesian capital market. IDX30 is a benchmark for domestic and international investors to measure the performance of the Indonesian stock market. By following IDX30's movements, investors can gain extensive insight into market direction and trends, allowing them to make more intelligent and informed investment decisions.

The hypothesis in this study is that the company sector has a positional influence on audit delay in companies incorporated in IDX30 on the Indonesia Stock Exchange (H_1); The company's profit and loss has a positional influence on audit delay in

companies incorporated in IDX30 on the Indonesia Stock Exchange (H_2); The probability of the company has a positional influence on audit delay in companies incorporated in IDX30 on the Indonesia Stock Exchange (H_3).

## Method

This study uses the quantitative method to obtain the significance of the influence between independent variables and dependent variables. The processed data is secondary data sourced from the consolidated financial statements of each company listed in IDX30 on the Indonesia Stock Exchange (IDX). There are three independent or independent variables, namely the company's sector, company profit and loss, and company profitability, with one dependent variable, namely audit delay. The purposive sampling technique is used by researchers to sample using several specified criteria (Bougie, 2017, p. 67). The first criterion is that the company is listed in IDX30 on the Indonesia Stock Exchange (IDX). Second, the company consecutively, namely five years (2018-2922) classified as IDX30. Third, the company has complete financial statements for five consecutive years (2018-2022). Finally, the company does not declare its consolidated financial statements in currencies other than rupiah. Thus, from these criteria, 14 companies were studied with a total sample of 70.

## Results and Discussion

This study used IBM SPSS SPSS 23 in processing the data obtained. There are four variables, of which three are independent, namely the company's sector (X_1), company profit and loss (X_2), and profitability (X_3), while one is a dependent variable, namely audit delay (Y). A descriptive statistical test was carried out, and the results are shown in Table 1. It can be seen that:

1. The audit delay showed a minimum value of 16, a maximum of 146, an average of 59.63, and a standard deviation of 28,227. In this case, the rta-average value obtained is greater than the standard deviation (59.63 > 28.227), which can be interpreted as heterogeneous data.
2. The company sector showed a minimum value of 1, a maximum of 7, an average of 3.43, and a standard deviation of 1,690. In this case, the rta-average value obtained is greater than the standard deviation (3.43 > 1.690), meaning the data is heterogeneous.
3. The company's profit and loss showed a minimum value of 1.94, a maximum of 511.70, an average of 13606.15, and a standard deviation of 117499.57. In this case, the average value obtained is greater than the standard deviation (13606.15 > 117499.57), which can be interpreted as indicating that the data is heterogeneous.
4. The company's profitability shows a minimum value of 0.37, a maximum of 46.66, an average of 8.5954, and a standard deviation of 9.32555. In this case, the average value obtained is less than the standard deviation (8.5945 > 9.32555), which can be interpreted as homogeneous data.

**Table 1**
**Descriptive Statistical Test Results**

| Descriptive Statistics | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| Audit_Delay | 70 | 16 | 146 | 59.63 | 28.227 |
| Sector | 70 | 1 | 7 | 3.43 | 1.690 |
| Laba_Rugi | 70 | 1.94 | 511.70 | 13606.15 | 117449.57 |
| Profitability | 70 | .37 | 46.66 | 8.5954 | 9.32555 |
| Valid N (listwise) | 70 | | | | |

**Kolmogorov-Smirnov Normality Test**

The results of the Kolmogorox-Smirnov normality test, contained in Table 2, state that asymp. Sig. (2-tailed) shows a figure of 0.200. This is greater than 0.05 and can mean that the resulting distribution of existing data is expected.

**Table 2**
**Kolmogorov-Smirnov Normality Test Results**

| One-Sample Kolmogorov-Smirnov Test | | |
|---|---|---|
| | | Unstandardized Residual |
| N | | 70 |
| Normal Parameters[a,b] | Mean | .0000000 |
| | Std. Deviation | 21.91260499 |
| Most Extreme Differences | Absolute | .084 |
| | Positive | .065 |
| | Negative | -.084 |
| Test Statistic | | .084 |
| Asymp. Sig. (2-tailed) | | .200[c,d] |
| a. Test distribution is Normal. | | |
| b. Calculated from data. | | |
| c. Lilliefors Significance Correction. | | |
| d. This is a lower bound of the true significance. | | |

**Uji Multicoloniniaritis**

The results of the multicollinearity test contained in Table 3 show that the company sector has a tolerance value of 0.850 with a VIF of 1,777, the company's profit and loss has a tolerance value of 0.900 with a VIF of 1,111, and profitability has a tolerance value of 0.778 with a VIF of 1,286. Theoretically, the condition as a data does not have multicollinearity if the tolerance value < 0.10 and VIF > 10. The three variables show that

the question is valid in each result, so it can be concluded that the resulting regression model does not have multicollinearity between independent variables in this study.

**Table 3**
**Multicollinearity Test Results**

**Coefficients**

| Model | | Collinearity Statistics | |
|---|---|---|---|
| | | Tolerance | BRIGHT |
| 1 | (Constant) | | |
| | Sector | .850 | 1.177 |
| | Laba_Rugi | .900 | 1.111 |
| | Profitability | .778 | 1.286 |

a. Dependent Variable: Audit_Delay

## Heteroscedasticity Test

This test is carried out to determine the suitability between variables. In this case, it is good research if there are different variances in the data; in other words, heteroscedasticity does not occur (Yunita & Amin, 2023). Table 4 shows the results of the heteroscedasticity test where the sig value. For the corporate sector, it was 0.503, the company's profit and loss was 0.251, and profitability was 0.064. Data is said to have much variance if the value of sig. > 0.05, it can be concluded that the three independent variables state a value of >0.05 so that heteroscedasticity is considered not to occur.

**Table 4**
**Heteroscedasticity Test Results**

**Coefficients**

| Model | | Say. |
|---|---|---|
| 1 | (Constant) | |
| | Sector | .503 |
| | Laba_Rugi | .251 |
| | Profitability | .064 |

a. Dependent Variable: Audit_Delay

## Aji Telescope Watson

This autoregulation test is used to see whether the data presented shows a positive or negative correlation. The results of the Durbin-Watson test in Table 5 show a value of 1.813. This value in Durbin Watson's theory is dw. In the Durbin-Watson test theory table for three independent variables with 70 samples, the resulting dl value is 1.7028. It can be seen that the results are due < dw < (4-du) or 1.7028 < 1.813 < 2.2972, so the resulting conclusion is that in this study, autocorrelation is carried out.

**Table 5**
**Aji Telescope Watson**

| Model Summary | | | | | |
|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. The error of the Estimate | Durbin-Watson |
| 1 | .630[a] | .397 | .370 | 22.405 | 1.813 |
| a. Predictors: (Constant), Profitabilitas, Laba_Rugi, Sektor | | | | | |
| b. Dependent Variable: Audit_Delay | | | | | |

**Multiple Linear Regression Test**

It can be seen in Table 6, which is the result of the multiple linear regression test or anova test. The table shows that the value of audit delay shown by the name constant is 55,622. The value is obtained from the form of a multiple linear equation with the following coefficient value:

1. The coefficient on the company's sector variable is 8,467 with a positive value, which can be interpreted as audit delay will increase by 8,467.
2. The coefficient on the company's profit and loss variable of -1.215E-12 with a negative value, which can be interpreted as audit delay, will be reduced by -1.215E-12.
3. The coefficient on the company's profitability variable is -0.988 with a negative value, which can be interpreted as an audit delay that will be reduced by -0.988.

**Table 6**
**Multiple Linear Regression Test**

| Coefficients | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
| Model | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | 55.622 | 7.004 | | 7.941 | .000 | | |
| | Sektor | 8.467 | 1.731 | .507 | 4.892 | .000 | .850 | 1.177 |
| | Laba_Rugi | -1.215E-12 | .000 | -.506 | -5.020 | .000 | .900 | 1.111 |
| | Profitabilitas | -.988 | .328 | -.326 | -3.011 | .004 | .778 | 1.286 |
| a. Dependent Variable: Audit_Delay | | | | | | | | |

**Model Feasibility Test (Test F)**

It can be seen in Table 7, which shows the result of the model feasibility test (F) or hypothesis test. The table shows the value of sig. of 0.000, which is less than the alpha value of 0.05 (0.000 < 0.05) by the requirements of the regression model so that this study is considered feasible. The conclusion that can be drawn is that the three independent

variables (company sector, company profit and loss, and profitability) affect the dependent variable (audit delay).

**Table 7**
**Model Feasibility Test (Test F)**

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 21845.147 | 3 | 7281.716 | 14.506 | .000[b] |
| | Residual | 33131.196 | 66 | 501.988 | | |
| | Total | 54976.343 | 69 | | | |

a. Dependent Variable: Audit_Delay

b. Predictors: (Constant), Profitabilitas, Laba_Rugi, Sektor

**Individual Significant Test (T-Test)**

It can be seen in Table 8, which shows the result of the individual significant test (Test T). In this study, the significant level used was 0.025 or 2.5%. The company sector shows a sig value of 0.000, which means < 0.025, so it is stated that the company's sector variable affects the audit delay. The company's profit and loss shows a sig value of 0.000, which means < 0.025, so it is stated that the company's profit and loss variable affects the audit delay. The company's profitability shows a sig value of 0.004, which means < 0.025, so it is stated that the company's profitability variable affects the audit delay. In this t-test, it can be concluded that the three independent variables affect the dependent variable.

**Table 8**
**Individual Significant Test (T-Test)**

**Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | 55.622 | 7.004 | | 7.941 | .000 | | |
| | Sektor | 8.467 | 1.731 | .507 | 4.892 | .000 | .850 | 1.177 |
| | Laba_Rugi | -1.215E-12 | .000 | -.506 | -5.020 | .000 | .900 | 1.111 |
| | Profitabilitas | -.988 | .328 | -.326 | -3.011 | .004 | .778 | 1.286 |

a. Dependent Variable: Audit_Delay

**Coefficient of Determination Test (R^2 Test)**

It can be seen in Table 9, which is the result of the coefficient of determination test (Test R^2). The resulting adjusted R square value is 0.370 or 37%. This indicates that 37% of the causes of audit delays are the company's sector, company profit and loss, and company profitability. The remaining 63% was due to other factors or variables not in this study.

**Table 9**
**Coefficient of Determination Test (R^2 Test)**

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .630[a] | .397 | .370 | 22.405 |

a. Predictors: (Constant), Profitabilitas, Laba_Rugi, Sektor

b. Dependent Variable: Audit_Delay

## Conclusion

The study consists of three independent variables, namely the company's sector, company profit and loss, and profitability, to see the influence on the dependent variable, namely audit delay. The object of this research is a company incorporated in IDX30 and listed on the Indonesia Stock Exchange (IDX) within five years (2018-2022). Based on the results and discussion in this study, it can be stated that the company's sector affects audit delay, the company's profit and loss affect audit delay, and the company's profitability affects the audit delay.

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