



## The Influence Of Profit And Losses, Profitability And Auditor Quality To Audit Delay

Efraim Gultom

*Universitas Pamulang, Tangerang Selatan, Banten 15417, Indonesia*

E-mail: [efraim.gultom95@gmail.com](mailto:efraim.gultom95@gmail.com)

This research was conducted to know the influence of profit and loss, profitability, and auditor quality on audit delay. The population in this research is the Property Real Estate companies listed on the Indonesia Stock Exchange in 2013-2017 as many as 20 companies taken by purposive sampling. The results showed that Property Real Estate companies listed on the Indonesia Stock Exchange in 2013-2017 that: 1) Company Size Profit and Loss has an influence on Audit Delay, 2) Profitability Profitability has no effect on Audit Delay. 3) the quality of the auditor has an influence on the audit delay, and 4) the size of the company, the solvency and the reputation of the auditor have a joint influence on Audit Delay. Based on the coefficient of determination of 0.088, it means that the independent variables simultaneously affect 8.8% of the Audit Delay and the remaining 91.2%.

**Keywords:** Audit Delay, Profit and Loss, Profitability, and auditor quality

### INTRODUCTION

The world of capital markets provides its own role in economic development. Where the role of the capital market is to mobilize funds for economic development which is manifested in its function as a liaison between investors and companies (Yanuar, 2018). The capital market provides an opportunity for parties who have a surplus of funds in society to get a higher level of liquidity and vice versa, the capital market also makes it easy for those who need funds (companies) to obtain the funds needed to invest (Sjahputra, 2019).

The purpose of conducting an audit by an independent auditor is to assess the fairness of the presentation of the financial statements issued by the company. The auditor is also required to ensure that there is no material misstatement in the financial statements. According to Arens (2013), misstatements are material if they can affect decisions made by users of financial statements.

In addition, the timeliness of issuing audited financial statements is an important factor for users of financial statements in making decisions. This is important because the audited financial report that is issued on time will greatly affect the value of the audit financial report (Syamsuri, 2020; Sujarwo, 2020). This means that the information contained in the audience's financial statements, for example, will affect the fluctuation of share prices.

The importance of timeliness in financial reporting is what investors need. The goal is to find out the company's performance both from finance and the company's overall performance. But if the

opposite happens, namely a delay, it will cause the benefits of the information presented to be reduced and inaccurate. According to Kartolo & Sugiyanto (2019), this delay occurs because the components of the financial statements are incomplete, late in submitting plans for auditing or limited review of interim financial reports, and presentation that is not in accordance with PSAK (Financial Accounting Standard Statement). For your information, according to the IDX (Indonesia Stock Exchange) statement, the audited deadline for annual financial reporting on December 31 of the previous year is March 31, after that, June 30 is the audited deadline for quarterly financial reporting as of March 31.

The Financial Services Authority (OJK) confirms to issuers and public companies to be on time in submitting financial reports or to take firm action if they are late in submitting reports. Being late will be subject to sanctions according to the rules, namely a fine of Rp. 1 million per day, this is a strict rule. So far, there has been no action from the Financial Services Authority (OJK) which provides relief for delays in submitting financial reports, all of which will be prosecuted according to regulations (Suryani, 2019; Saragih, 2019).

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

State Guidelines for compliance with timeliness in submitting annual financial reports of public companies in Indonesia are regulated in the Decree of the Chairman of Bapepam and LK Number: Kep-06 / BL / 2006 dated July 31, 2006 as updated by Decree of the Chairman of Bapepam and LK Number: Kep-346 / BL / 2011 dated July 5, 2011 stated that the annual financial report must be accompanied by an accountant's report in the framework of an audit of financial reports and submitted to Bapepam and LK and announced to the public no later than the end of the third month after the date of the annual financial statements. This regulation implies the compliance of every individual actor or organization (public company) involved in the Indonesian capital market to submit the company's annual financial reports in a timely manner to Bapepam.

This is in accordance with the compliance theory. The theory of compliance has been researched in the social sciences, especially in the fields of psychology and sociology, which emphasizes the importance of the socialization process in influencing the obedience behavior of an individual. According to Sugiyanto, et al (2020), compliance theory is an approach to organizational structure that integrates ideas from classical models and management participation. Meanwhile, according to H.C Kelman in Sugiyanto & Fitria (2019) compliance is defined as compliance based on the expectation of a reward and efforts to avoid possible punishments. According to (Satiman, 2019)) there are two basic perspectives in the sociological literature regarding compliance with law, which are called instrumental and normative. The instrumental perspective assumes that the individual as a whole is driven by self-interest and responses to changes in tangibles, incentives, and penalties related to behavior. The normative perspective deals with what people perceive as moral and goes against their personal interests.

Agency theory predicts and explains the behavior of the parties involved in the company. In law, an agent is a person who is employed to represent the interests of another party. Furthermore, agency theory initiated the company as a liaison of agency relationships and understands organizational behavior by monitoring how the parties involved in agency relations in the company maximize their own utility (Wolk, et al. 2004). The purpose of this research

1. To see empirically whether the company's income has an effect on audit delay.
2. See empirically whether profitability has an effect on audit delay.
3. Seeing empirically whether the quality of auditors has an effect on audit delay.
4. To see empirically whether profit or loss, profitability, auditor quality affect audit delay.

## METHODS

This type of research used in this research is quantitative research where the method used by the author is quantitative descriptive method. Descriptive research is research that aims to systematically state the situation in a particular field which is the center of the researcher's thought in fact. Quantitative research is research in the form of numbers and their management through statistics (Muis, 2010: 15). The notion of statistics is a set of methods and concepts used to collect data and interpret certain fields of activity and draw conclusions from various circumstances (Muis, 2016: 15). It can be concluded that the quantitative descriptive method is a research method used to

determine the value of data, where the data is obtained from research samples analyzed in accordance with statistical methods, then the data is described without conclusions.

In his presentation, quantitative research mostly displays and interprets numbers accompanied by pictures, tables, graphs, or other displays (: 17). Sources of research data are secondary data in the form of annual reports of Property Real Estate companies between the 2013-2017 period on the Indonesia Stock Exchange (IDX) obtained from [www.idx.co.id](http://www.idx.co.id). The criteria used in the selection of research samples are as follows:

1. Property Real Estate companies listed on the Indonesia Stock Exchange from 2013 to 2017.
2. Property Real Estate Companies that published audited reports from 2013 to 2017.
3. Property Real Estate Companies that issue financial statements in rupiah currency with the closing date of December 31, 2013 to 2017.

In this study, the normality test used the Kolmogorov-Smirnov. The basis for making a decision is to look at the probability number, provided that:

1. Probability > 0.05: the hypothesis is accepted because the data is normally distributed.
2. Probability < 0.05: the hypothesis is rejected because the data are not normally distributed.

This hypothesis testing is carried out by using the multiple linear regression analysis method, which is a statistical analysis that connects two or more independent variables with the dependent variable, with the aim of testing the influence of one variable on another (Lupiyoadi & Ikhsan, 2015, p. 156). In general, the multiple linear regression model is as follows:

$$y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information:

y = Audit Delay

a = Number Constanta

bx = regression coefficient

X 1 = profit / loss

X 2 = Profitability

X 3 = Quality of auditors

e = error

Test AdjustedR, A value close to 1 means that the independent variables provide almost all the information needed to predict the variation in the dependent variable. If there is a negative adjusted R2 value, then the adjusted R2 value is considered to be 0.

The significance test of individual parameters or commonly known as the t test aims to measure how far the influence of one independent variable individually in explaining the variation of the independent variable

The simultaneous significance test (F statistical test) aims to measure whether all the independent variables included in the model have a joint influence on the dependent variable. Simultaneous testing is done by comparing the F significance level of the test results with the significance value used in this study.

## RESULT AND DISCUSSION

Based on the criteria determined by the purposive sampling method, the population selection obtained 20 Real Estate Property companies listed on the Indonesia Stock Exchange (IDX) for 5 years, namely the period 2013 to 2017 which were sampled.

**Table 1. Descriptive Statistics**

	N	Min	Max	Mean	Std. Deviation
Profit and Loss	100	0	1	,35	,479
Profitability	100	,00	,98	,1387	,20050
auditor quality	100	0	1	,33	,473
Audit Delay	100	36	111	71,24	17,431
Valid N (listwise)	100				

Source: Research data, 2019

Normality test

1. If the sig 2 tailed probability value  $\geq 0.05$ , then the data distribution is normal.
2. If the sig 2 tailed probability value  $< 0.05$ , then the data distribution is not normal.

The following are the results of normality using Kolmogorof-Smirnov statistical analysis:

**Table 2. One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
Normal Parameters <sup>a,b</sup>	Mean	100
	Std. Deviation	,0000000
		16,64243881
Most Extreme Differences	Absolute	,130
	Positive	,093
	Negative	-,130
Test Statistic		,130
Asymp. Sig. (2-tailed)		,100 <sup>c</sup>

a. Test distribution is Normal

Source: Research data, 2019

**Table 3. Result of Determination Coefficient Test (R2)**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	,297 <sup>a</sup>	,088	,060	16,900	,721

Source: Research data, 2019

From the test of the coefficient of determination (R2), it is known that the adjusted coefficient of determination (Adjusted R Square) is 0.088 or 8.8%. This means that 8.8% of the dependent variable, namely audit delay, is influenced or can be explained by the independent variables, namely profit and loss, profitability, and auditor quality. While the remaining 100% - 8.8% = 91.2% influenced by other variables not examined in this study such as audit fees, audit tenure, auditor size and others.

**Table 4. T test (partial)**

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	76,382	2,830			26,991	,000
	Labarugi	-8,169	3,593	-,225		-2,274	,025
	profitabilitas	1,654	8,571	,019		,193	,847
	kualitas audit	-7,614	3,604	-,206		-2,113	,037

Source: Research data, 2019

**Table 5. F Test (Simultaneous)**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2660,134	3	886,711	3,104	,030 <sup>b</sup>
	Residual	27420,106	96	285,626		
	Total	30080,240	99			

Source: Research data, 2019

Based on the table above, it is obtained that the Fcount value is 2.092 > from the Ftable is 2.45 and the significance value is 0.030 > from 0.05. So it can be concluded that H4 is accepted, namely profit and loss, profitability, auditor quality has a significant effect on audit delay.

$$y = 76,382 - 8,169 x_1 + 1,654x_2 - 7,614x_3 + e$$

Based on the regression equation, an analysis of the effect of each independent variable can be carried out, namely profit and loss (x1), profitability (x2), and auditor quality (x3) on the dependent variable, namely audit delay (y) as follows:

1. The profit and loss regression coefficient (x1) is negative, which is 8,169. This means that for each increase in profit and loss by 1, there will be an increase in audit delay by 8,169 or 81.69%, assuming other variables are fixed.
2. The profitability regression coefficient (x2) is positive, which is 1.654. This shows that each increase in profitability is 1, it will increase the audit delay by 1.654 or 16.54%, assuming other variables remain.
3. The regression coefficient value for auditor quality (x3) is negative, which is 7,614. This means that every increase in the quality of auditors is 1, it will reduce the audit delay by 7.614 or 76.14%, assuming other variables remain.

## CONCLUSIONS

This study aims to see, analyze, and test the analysis of profit and loss, profit and loss, and the quality of auditors affecting audit delay. The population in this study were Real Estate Property Companies listed on the Indonesia Stock Exchange for the period 2013-2017 and through information on KAP reports obtained from PPPK (Financial Professional Development Center) of the Indonesian Ministry of Central Jakarta. Based on the discussion of the previous chapter and on the data that has been collected and the test results using a multiple linear model by paying attention to the problems, it can be proven empirically and can be concluded as follows:

1. Profit and Loss affect the Audit Delay of Real Estate Property Companies listed on the IDX in 2013-2017.
2. Profitability has no effect on Audit Delay in Real Estate Property Companies listed on the IDX in 2013-2017.
3. Auditor Quality has an effect on Audit Delay at Real Estate Property Companies listed on the IDX in 2013-2017.
4. Profit and Loss, Profitability, and Auditor Quality simultaneously affect the Audit Delay of Real Estate Property Companies listed on the IDX in 2013-2017.

The suggestions that researchers can give for further research related to firm value are as follows:

1. For further researchers, they are asked to add a research period of at least five years in order to see more clearly the company's behavior related to the Audit Delay scheme and can expand the research sample and not only to Real Estate Property Companies and those obtained from PPPK (Financial Professional Development Center) Indonesian Ministry of Central Jakarta only.
2. For the government, a request to further increase the supervision of companies that do tax evasion without being based on the applicable provisions with the provisions of the regulations.

## REFERENCE

- Arens, Alvin A., Elder, Randal J., Beasley, Mark S. 2008. *Auditing dan Jasa Assurance: Pendekatan Terintegrasi*, Jilid 1. Edisi Keduabelas. Jakarta: Penerbit Erlangga.
- Hakim, L., Sunardi, N. (2017). Determinant of leverage and its implication on company value of real estate and property sector listing in IDX period of 2011-2015. *Man in India*, 97(24), pp. 131-148.
- Husain, T., & Sunardi, N. (2020). Firm's Value Prediction Based on Profitability Ratios and Dividend Policy. *Finance & Economics Review*, 2(2), 13-26
- Kadim, A., Sunardi, N., & Husain, T. (2020). The modeling firm's value based on financial ratios, intellectual capital and dividend policy. *Accounting*, 6(5), 859-870.
- Kartolo, R., & Sugiyanto, S. (2019). Effect Profitabilitas Dan Pajak Terhadap Keputusan Pendanaan Dengan Growth Sebagai Variabel Moderating.



- Saragih, M. R. (2019). The Effect of Company Size, Solvency and Audit Committee on Delay Audit. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 2(2), 191-200.
- Satiman, M. (2019). Pengaruh Free Cash Flow, Good Corporate Governance, Kualitas Audit, Dan Leverage Terhadap Manajemen Laba. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 2(3), 311-320.
- Sjahputra, A. (2019). Pengaruh Komite Audit, Ukuran Perusahaan, dan Profitabilitas terhadap Voluntary Disclosure. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 2(3), 251-260.
- Sugiyanto, S., & Fitria, J. R. (2019). The Effect Karakter Eksekutif, Intensitas Modal, Dan Good Corporate Governance Terhadap Penghindaran Pajak (Studi Empiris pada Perusahaan Manufaktur Sektor Food & Beverages Idx Tahun 2014-2018). *Proceedings Universitas Pamulang*, 1(1).
- Sugiyanto, S., Maswarni, M., Nofiar, N., Yusuf, S., & Fitria, J. R. (2020). Tata Kelola Kandang Dan Pakan Serta Implikasinya Pada Penggemukan Sapi Studi pada Desa Sindanglaya Kecamatan Tanjung Siang Kabupaten Subang. *Abdi Laksana*, 1(2).
- Sujarwo, S. (2020). Menguji Determinasi Karakteristik Auditor Atas Kualitas Audit. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 3(2), 211-220.
- Sunardi, N. (2019). Relevansi Intellectual Capital terhadap Harga dan Retun Saham di Industri Perbankan Pemerintah di Indonesia. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, 3(1).
- Sunardi, N., & Febrianti, F. (2020). Likuiditas dan Kebijakan Hutang Pengaruhnya terhadap Kinerja Perusahaan dan Dampaknya Terhadap Nilai Perusahaan pada Industri Sektor Telekomunikasi di Indonesia. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, 3(3).
- Suryani, N. (2019). The Effect of Rotation Audits on Audit Quality with Audit Fee as a Moderation. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 2(1), 71-80.
- Syamsuri, S. (2020). Pengaruh Tekanan Dan Kecerdasan Emosional Terhadap Kualitas Audit Pada Kantor Akuntan Publik Di Provinsi Banten. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 3(2), 231-240.
- Yanuar, Y. (2018). Pengaruh Rasio Likuiditas, Leverage Keuangan, Operating Income, dan Efektivitas Komite Audit terhadap Financial Distress. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 1(4), 471-480.