Several Factors Affecting the Occurrence of Audit Delay

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ABSTRACT

This study aims to obtain empirical evidence regarding the effect of company size, solvency, company profit/loss, and KAP's reputation on audit delays in manufacturing companies listed on the Indonesia Stock Exchange. The population in this study were all manufacturing companies in the Food and Beverage Subsector, which were listed on the Indonesia Stock Exchange during the 2015-2017 period. The sample was selected based on the purposive sampling method. The selection of models used in this study were 12 companies. The data used in this study is secondary or quantitative, with data sources from financial reports audited by each company listed on the Indonesia Stock Exchange (IDX). The analytical method is the classical assumption test and multiple linear regression analysis. The study results show that company size, solvency, and KAP's reputation positively and significantly affect audit delay. In contrast, company profits/losses have a positive and insignificant impact on audit delay..

1. Introduction

The development of activities on the Indonesia Stock Exchange (IDX) is now growing rapidly. Many companies circulate and sell shares on the IDX. One of them has an impact on increasing the demand for audit delays in financial reports effectively and efficiently (Barus et al., 2017). With the increasing number of new companies entering the go public companies, every go public company is required to submit financial reports that have been prepared in accordance with accounting standards to the public and to the Financial Services Authority (OJK) on time (Witjaksono & Silvia, 2014) . In Law no. 8 of 1995 concerning the Capital Market states that all companies registered in the capital market are required to submit periodic financial reports to the Financial Services Authority and announce financial reports to the public.

In OJK regulation Number X.K.2 concerning Obligations to Submit Periodic Financial Statements of Issuers or Public Companies, it is stated that companies are required to submit complete periodic financial reports which include a statement of financial position (balance sheet), comprehensive income statement, report on changes in equity, cash flow statement, position report. financial statements at the beginning of the comparative period, and the notes to the financial statements. These periodic financial reports must be accompanied by an accountant's report in the framework of an audit of financial statements (Dewi & Pamudji, 2013).

Timeliness is an obligation for companies listed on the Indonesia Stock Exchange to submit financial reports periodically. The value of the timeliness of financial reporting is an important factor for the usefulness of these financial reports (Givoly, 1982; Budiyanto & Aditya, 2015). Based on the Decree of the Chairman of the Capital Market Supervisory Agency (Bapepam) and Financial Statements (LK) Number: KEP-346/BL/2011 with regulation number X.K.2, regarding the Presentation of Financial Statements, it states that a go public company registered on the Indonesia Stock Exchange (IDX) must submit an annual financial report

accompanied by an independent auditor's report to Bapepam and LK and announce it to the public no later than the end of the third month or 90 days after the closing year ends.

Audit delay is the length of time for audit completion as measured from the closing date of the financial year, until the date of completion of the independent audit report (Budiyanto & Aditya, 2015; Saragih, 2019). Puspitasari (2012) defines audit delay as the span of time for completion of the annual financial statement audit as measured by the length of days needed to obtain the independent auditor's report on the audit report on the company's financial year closing date, namely December 31 to the date stated in the independent auditor's report. Timeliness of preparation or reporting of a company's financial statements can affect the value of these financial statements.

One of the causes of audit delay is the existence of standards that require auditors to plan and carry out audits so that auditors obtain reasonable assurance that financial statements are free from material misstatement (Surbakti & Aginta, 2019). From this understanding it is further explained that the audit is a planned process, the audit is carried out to obtain adequate assurance, and the concept used by the auditor is the concept of materiality. Compliance with this audit standard can lead to a longer time for completing audit reports, but besides that it can also improve the quality of the audit results.

Audit delay can have a negative impact on market reactions (Lestari & Saitri, 2018; Modugu et al., 2012), this occurs because investors perceive delays in financial reporting as a bad sign for the company's health condition. The longer the audit delay, the longer it takes the auditor to complete the audit work. According to Verawati (2016), Audit Delay or Audit report lag that exceeds the deadline for BAPEPAM provisions, of course results in delays in the publication of financial reports. Delays in the publication of these financial reports may indicate problems in the issuer's financial statements, so that it takes longer time to complete the audit.

News about cases of delays by companies in submitting their financial reports to the Financial Services Authority (OJK) are still common, even though the Financial Services Authority (OJK) and LK have extended the period for submitting financial reports. In Ipotnews.com, August 14 2012, the authority of the Indonesia Stock Exchange (IDX) said that fines for late submission of financial and other reports throughout 2012 had reached Rp 5.49 billion. In 2016, the IDX awarded fines and temporarily suspended (suspensed) trading in shares of 18 issuers for not submitting audited financial reports for the period December 31, 2015 (Apriyana & Rahmawati, 2017).

Auditing standards, according to the Generally Accepted Auditing Standards (GAAS), in particular the third general standard, state that audits must be carried out with utmost care and thoroughness. In addition, the standard field work contains a statement that an audit must be carried out with careful planning and the collection of sufficient evidence (Trianto, 2006; Syaifudin, 2019). This sometimes causes lengthy auditing processes to be carried out, so that the publication of financial reports that are expected to be as soon as possible is too late. The difference in time between the date of the financial statements and the date of the audit opinion in the financial statements indicates the length of time it took for the audit to be completed by the auditor, this condition is often referred to as audit delay.

Company size is classified based on the total assets owned by the company. Company size can be categorized into three, namely large companies, medium companies, and small companies (Harjanto, 2017). Decision of Chairman of Bapepam No. Kep. 11/PM/1997 states that small and medium enterprises are legal entities established in Indonesia which have total assets of not more than one hundred billion rupiah. Armansyah (2015) states that the audit delay will be longer if the size of the company to be audited is larger. This is related to the large number of samples that must be taken and the wider audit procedures that must be followed. In addition, large companies are in a closer scrutiny circle with legal and political authorities, so the pressure to publish their financial reports is great. In small companies, limited employees

and expertise can raise doubts about the financial statements that are produced. The auditor should carry out the audit more thoroughly. This is a factor that has the potential to extend audit delay. Companies that have larger total assets will complete the audit longer than companies that have smaller total assets, this is because the number of samples that must be taken is larger and the more audit procedures that must be taken (Hossain, 1998; Puspitasari & Sari , 2012).

Rachmawati (2008) concluded that the internal factors that affect audit delay are company size and external factors are the size of public accounting firms while the variables of profitability, solvency, internal auditors have no influence on audit delay, internal and external factors of companies such as profitability, solvency, internal auditors , company size, and KAP together have a significant influence both on audit delay and timeliness. Kartika (2009) concluded that the factor of total assets, operating profit/loss, has a negative and significant influence on company audit delay, the opinion of the auditor has a positive and significant influence on company audit delay, and the profit factor and auditor's reputation have no effect on corporate audit delays.

Solvability is a ratio that measures a company's ability to cover all of its obligations. Aryaningsih and Budiartha (2014), solvency can be interpreted as a comparison between the amount of debt and the number of assets owned by the company. When a company has a greater proportion of debt than total assets, the auditor will need more time to audit the company's financial statements due to the complexity of the debt audit procedure and the discovery of more complex audit evidence against the company's creditors. The results of the study (Puspitasari & Sari, 2012), concluded that solvency has a positive and significant effect on audit delay.

The income statement is the main report to report the performance of a company during a certain period. Information about the performance of a company, especially about profitability, is needed to make decisions about the economic resources that will be managed by a company in the future. Information about possible changes in performance is also important in this regard (Barus et al., 2017). Profit shows the company's success in carrying out its business activities for profit. Kartika (2009) concluded that company profits/losses have a negative and significant effect on audit delay. Companies that announce losses tend to experience a longer audit delay than companies that announce profits.

Public Accounting Firms (KAP) that have a good reputation are classified as KAPs which are included in the big four KAP category, where the big four KAPs are large international organizations that have global annual revenues ranging from $10 billion to $14 billion and have audited around 80% of all public companies in the United States and more than 90% of public companies with annual sales greater than $1 million (Glover, 2005; Innayati & Susilowati, 2015). The results of the study (Setiawan, 2013; Yuliyanti, 2011; Alfiani & Nurmala, 2020) prove that KAP reputation has a positive effect on audit delay, which means that companies audited by the big four KAPs will experience an increase in audit delay. This can happen related to the company's prediction that the company's financial statements will be a little difficult, so it requires more professional people to complete its financial reports. However, to complete good financial reports with more complex problems, of course, it takes a lot of time. The results of research c state that Kap's reputation has no effect on audit delay.

Based on this background, the purpose of this research is to find out whether company size, solvency, company profit/loss and KAP reputation affect the length of time for audit completion (audit delay).

2. Literature Review

The audit of financial statements aims to determine whether a financial report has been presented and reported in accordance with generally accepted accounting principles. The role of the auditor here is to check and ensure that there are no misstatements in a financial report.

Audit quality will affect the audit report issued by the auditor. There are four categories of audit reports according to Arens (2012), namely unqualified, unqualified with explanatory paragraphs or sentence modifications, qualified with exceptions and unqualified or disclaimer of opinion. Each of these audit reports is issued under different conditions. The auditor is required to use his competence and independence to the maximum extent possible in carrying out the audit process in order to produce an appropriate opinion because the auditor's reputation is also at stake when the opinion turns out to be inconsistent with the actual condition of the company.

Audit delay is the length of time for audit completion as measured from the closing date of the financial year, until the date of completion of the independent audit report (Harjanto, 2017). Dewi (2013) defines audit delay as the span of time for completion of the annual financial report audit as measured by the length of days needed to obtain the independent auditor's report on the audit report on the company's financial year closing date, namely December 31 to the date stated in the independent auditor's report. Timeliness of preparation or reporting of a company's financial statements can affect the value of these financial statements. Audit delay is the length or span of time for audit completion as measured from the closing date of the financial year to the date of issuance of the audit report (Puspitasari & Sari, 2012). This time span caused delays in submitting financial reports to the Indonesia Stock Exchange (IDX). If the company submits financial reports that exceed the deadline for submitting financial reports set by BAPEPAM-LK, then the company is said to be late. The delay will cause a negative reaction for investors so that it will cause a delay in decision making.

One of the causes of audit delay is the existence of standards that require auditors to plan and carry out audits so that auditors obtain reasonable assurance that financial statements are free from material misstatement (Surbakti & Aginta, 2019). From this understanding it is further explained that the audit is a planned process, the audit is carried out to obtain adequate assurance, and the concept used by the auditor is the concept of materiality. Compliance with this audit standard can lead to a longer time for completing audit reports, but besides that it can also improve the quality of the audit results. Audit delay can have a negative impact on market reactions (Lestari & Saitri, 2018), this occurs because investors consider delays in financial reporting to be a bad sign for the company's health condition. The longer the audit delay, the longer it takes the auditor to complete the audit work.

This study uses total assets to measure company size. Total assets are the sum of current assets, fixed assets and other intangible assets. Companies that have larger assets report faster than companies that have smaller assets (Sastrawan & Latrini, 2016). Those who have large assets enable companies to report their audited financial reports more quickly to the public to avoid investor suspicion and public scrutiny. Company size is a function of the speed of financial reporting because the bigger a company is, the faster the company will report the results of audited financial statements because the company has many sources of information and has a good company internal control system so that it can reduce the level of errors in preparing financial reports that make it easier auditors in auditing financial statements.

According to Tambunan (2018), company sizes that are commonly used to determine the level of a company are: 1. Workforce, which is the number of permanent and honorary employees who are registered or work in the company at a certain time. 2. The level of sales, is the sales volume of a company in a certain period. 3. Total debt, is the amount of the company's debt in a certain period. 4. Total assets, are all assets owned by the company at a certain time.

Solvability is a ratio that measures a company's ability to cover all of its obligations (Nugroho et al., 2021). Aryaningsih (2014), solvency can be interpreted as a comparison between the amount of debt and the number of assets owned by the company. When a company has a greater proportion of debt than total assets, the auditor will need more time to audit the company's financial statements due to the complexity of the debt audit procedure and the discovery of more complex audit evidence against the company's creditors. Solvability analysis is focused mainly on the reaction in the balance sheet which shows the ability to pay off current and non-current debts.

According to (Kasmir, 2008; Apriyana & Rahmawati, 2017) the company's objectives are to use solvency, namely: 1. To find out the company's position on obligations to other parties (creditors). 2. To assess the company's ability to meet fixed obligations (such as loan installments including interest). 3. To assess the balance between the value of assets, especially fixed assets with capital. 4. To assess how much the company's assets are financed by debt. 5. To assess how much influence the company's debt has on asset management. 6. To assess or measure how much of each rupiah's own capital is used as collateral for long-term debt. 7. To assess how much loan funds will be billed immediately, there are many times the own capital is owned.

The income statement is the main report to report the performance of a company during a certain period (Juanita & Satwiko, 2012). Information about the performance of a company, especially about profitability, is needed to make decisions about the economic resources that will be managed by a company in the future. Profit shows the company's success in carrying out its business activities for profit.

According to (Givoly, 1982; Puspitasari & Sari, 2012) that timeliness depends on the length of time the audit and the delay in the announcement of annual profits are influenced by the contents of the financial statements. If the company announces good news containing company profits, management will tend to report on time; and if the company suffers a loss, which means bad news for the company, management tends to report it on time. Badriyah (2015) concluded that company profits/losses have a negative and significant effect on audit delay. Companies that announce losses tend to experience a longer audit delay than companies that announce profits.

Public Accounting Firms (KAP) that have a good reputation are classified as KAPs which are included in the big four KAP category, where the big four KAPs are large international organizations that have global annual revenues ranging from $10 billion to $14 billion and have audited around 80% of all public companies in the United States and more than 90% of public companies with annual sales greater than $1 million (Glover, 2005; Innayati & Susilowati, 2015). DeAngelo stated that large KAPs have better audit quality (Apriyana & Rahmawati, 2017). Companies that use KAP services such as The Big Four tend to be preferred by investors because investors consider companies with large KAPs to be able to produce good quality audits than small KAPs.

The results of Puspitasari's research (2012), prove that company size has a positive and significant effect on audit delay, which means that the greater the total assets owned by a company, the greater the audit delay, the company with larger total assets will complete the audit more quickly. longer compared to companies that have smaller total assets, because the number of samples that must be taken is larger and the more audit procedures that must be taken. These results are in line with Alvianto's research (2017), which states that company size has a positive effect on audit delay, so the hypothesis proposed is:

H1: Company size has a positive and significant effect on Audit Delay.

Effect of Solvency on Audit Delay. Solvability analysis is focused mainly on the reaction in the balance sheet which shows the ability to pay off current and non-current debts. The high solvency ratio reflects the company's high financial risk. This high risk indicates the possibility that the company will not be able to pay off its debts, both in the form of principal and interest. High company risk indicates that the company is experiencing financial difficulties, which is bad news that will affect the company's condition in the eyes of stakeholders. Bad news in the form of a high solvency ratio will make the company delay the arrival of the news to stakeholders, so that the company automatically delays the publication of its financial reports. The results of the study (Azizah, 2016; Puspitasari & Sari, 2012) state that solvency has a positive and significant effect on audit delay, so the hypothesis proposed is:

H2: Solvability has a positive and significant effect on audit delay.

Effect of Company Profit/Loss on Audit Delay. Juanita (2012) explains two reasons for the length of the audit delay, namely: First, companies that report losses try to postpone this bad news and then ask the auditors to re-examine their financial statements so that it will delay the publication of the company's financial statements. However, if the company reports profits, the company hopes that the audited financial statements can be completed as soon as possible so that the good news can be immediately conveyed to interested parties. Second, auditors who audit companies that experience losses will be more careful in the audit process if the auditor believes that the company's losses are caused by financial failures or management errors. Companies that announce losses tend to experience a longer audit delay than companies that announce profits. The results of the study (Badriyah et al., 2015; Juanita & Satwiko, 2012; Wulandari, 2017) concluded that company profits/losses have a negative and significant effect on audit delay, so the hypothesis proposed is:

H3: The company's profit/loss is negative and significant to audit delay.

Effect of KAP Reputation on Audit Delay. The results of Putro's research (2017) state that KAP's reputation has an influence on audit delay. Companies audited by the big four KAPs will experience an increase in audit delay. This can happen related to the company's prediction that the company's financial statements will be a little difficult, so it requires more professional people to complete its financial reports. However, to complete good financial reports with more complex problems, of course, it takes a lot of time. This research is the same as the research conducted (Prameswati, 2015; Putro & Suwarno, 2017) with the result that KAP's reputation affects audit delay, the hypothesis proposed is:

H4: KAP Reputation Has a Positive and Significant Influence on Audit Delay.

3. Research Method and Materials

This type of research is quantitative research. The population in this study are food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2017 period. Determination of the sample in this study was to use a purposive sampling technique, namely a sample selection method based on certain criteria according to the research objectives, where the sample is used if it meets the criteria (Sugiyono, 2015). There are 12 companies that meet the criteria as research samples. The type of data used in this study is secondary data or in the form of quantitative data with data sources from financial statements that have been audited by each company listed on the Indonesia Stock Exchange (IDX), which is time series data for the period 2015 to 2017. obtained from Indonesia Stock Exchange (www.idx.co.id). The method of collecting data in this study is the method of literature

study (data documentation) from secondary data sources. The data that has been collected will be analyzed through three stages of testing. The first stage is to perform descriptive statistical tests. The second stage is the classical assumption test which consists of (normality test, multicollinearity test, heteroscedasticity test, autocorrelation test). The third stage is to test all the hypotheses proposed in this study and will be proven through the coefficient of determination test, partial test (t test) and simultaneous test (f test).

Table 2: Operasional Variabel

4. Results and Discussion

The first stage in analyzing the research data is descriptive statistical analysis. Descriptive statistics are used to find the average (mean) and standard deviation, maximum and minimum values of the variables company size, solvency, company profit/loss, KAP reputation, and audit delay. The audit delay variable has an average of 98.2500 with a minimum value of 53.00 and a maximum of 232.00, with a standard deviation of 43.07095. The variable company size has an average of 6.3561 with a minimum value of 0.11 and a maximum of 26.07 with a standard deviation of 5.73767. The Solvency variable has an average of 0.5844 with a minimum value of 0.14 and a maximum of 2.55 with a standard deviation of 0.49274. The company's profit/loss has an average of 0.9444, with a minimum value of 0.00 and a maximum of 1.00, with a standard deviation of 0.23231. The KAP Reputation variable has an average of 0.500 with a minimum value of 0.00 and a maximum of 1.00, with a standard deviation of 0.50709.

The second stage is the classic assumption test which consists of a normality test. The data normality test is used to determine whether, in a regression model, the resulting errors have a normal distribution or not. Based on Figure 1, Normal P-P plots and standardized regression have dots spread around the diagonal line, so it can prove that regression analysis can or is feasible to use even though a few stories deviate from the diagonal line.

The multicollinearity test is used to determine whether or not there is a deviation from the classical multicollinearity assumption that there is a linear relationship between the independent variables in the regression model. The test method used in this study was looking at the regression model's inflation factor (VIF) value. The variance inflation factor (VIF) value of the three variables, namely company size, profit/loss solvency, KAP_reputation is smaller than 5, so it can be concluded that there is no multicollinearity problem between the independent variables. Furthermore, the heteroscedasticity test is used to determine whether there is deviation from the classical assumption of heteroscedasticity, namely the variance of the residuals for all observations in the regression model. The prerequisite that must be met in the regression model is the absence of symptoms of heteroscedasticity. The test method used is the Glesjer Test.

The significance value of the four independent variables is more than 0.05. Thus it can be concluded that there is no heteroscedasticity problem in the regression model. Next is the autocorrelation test. This assumption test aims to determine whether in a linear regression model there is a correlation between confounding errors in period t and errors in period t-1 (previously).

The DW value generated from the regression model is 1.877. Meanwhile, from the DW table with a significance of 0.05 and the number of data n (36), and k = 4 k (the number of independent variables) (36 - 4) = 32, the dL value is 1.1769 and the dU is 1.7323. Because the DW value (1,877) is outside the dL and dU areas, it produces definite conclusions (in the area where there is no autocorrelation).

After the results of the classical assumption test have been carried out and the overall results show that the regression model meets the classical assumptions, the third stage is to evaluate and interpret the multiple regression model. Multiple linear regression analysis in this

study was used to determine the linear relationship between the independent variables and the dependent variable whether each independent variable had a positive or negative effect and to predict the value of the dependent variable if the independent variable experienced an increase or decrease.

From the results of the regression analysis in table 7, the regression equation is obtained as follows:

$Y = α + β1X1 + β2X2 + β3X3 + β4X4$

$Y = 11.330 + 2.493\ X1 + 43.237\ X2 + 35.7810\ X3 + 20.808\ X4$

The interpretation of the regression equation is: A positive constant value of 11,330, meaning that without any independent variables (Company Size, Solvency, Profit/Loss, Reputation_KAP), the audit delay conducted by the companies studied is 11 days. The coefficient value of company size (X1) is 2,495 meaning that if the independent variable company size increases by 1%, it will cause audit delay to increase by 2 days. The coefficient value is positive, meaning that there is a positive relationship between company size (X1) and audit delays in manufacturing companies listed on the IDX. The value of the Solvency Coefficient (X2) is 43,237 meaning that if the independent variable Solvability (X2) increases by 1%, it will cause Audit Delay to increase by 43 days. The coefficient value is positive, meaning that there is a positive relationship between Solvability (X2) and Audit Delay in Manufacturing Companies Listed on the IDX. The Coefficient Value, Company Profit/Loss (X2) is 35.7810 meaning that if the independent variable Company Profit/Loss (X2) increases by 1%, it will cause Audit Delay to increase by 35 days. The coefficient value is positive, meaning that there is a positive relationship between Profit/Loss (X2) and Audit Delay in Manufacturing Companies Listed on the IDX. And the value of the KAP Reputation Coefficient (X3) is 20,808, meaning that if the independent variable KAP Reputation increases by 1%, it will cause audit delay to increase by 20 days. The coefficient value is positive, meaning that there is a positive relationship between KAP Reputation (X3) and audit delay , the higher the KAP's reputation, the higher the audit delay in manufacturing companies listed on the IDX.

The first hypothesis test (H1) shows that company size has a significant effect on audit delay in food and beverage manufacturing companies listed on the IDX. Its significance value is 0.024. This value is less than 0.05, so it can be concluded that the variable firm size has a significant effect on audit delay. So hypothesis 1 which states that company size has a positive and significant effect on audit delay can be accepted. Judging from the value of the regression coefficient of 2,493, so that the first hypothesis is tested for truth. The Solvency variable has a significance value of 0.001. So hypothesis 2 which states that solvency has a significant effect on audit delay can be accepted because it is seen from the value of the regression coefficient of 43,237.

The Company's Profit/Loss variable has a significance value of 0.064. This value is greater than 0.05, so it can be concluded that the Company's Profit/Loss variable has no significant effect on Audit Delay. So hypothesis 3 which states that the Company's Profit/Loss has a negative and significant effect on Audit Delay can be rejected. Judging from the value of the regression coefficient of 35,781, the third hypothesis which states the significant effect of company profits/losses on audit delay in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange has not been tested. And the KAP Reputation variable has a significance value of 0.020. Judging from the value of the regression

coefficient of 20,808, the fourth hypothesis which states that the significant influence of KAP reputation on audit delay in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange has been tested.

Next is the F Test (Simultaneous Test). This test is intended to find out how the independent variables consisting of the variables Company Size, Solvability, Company Profit/Loss, KAP Reputation simultaneously (together) affect Audit Delay in Manufacturing Companies Listed on the IDX.

The results of the Anova test or F test show that the F value is 17,783 with a significance value of 0.000. Because the probability or sig value shows 0.000 is smaller than 0.05, the regression model can be used to predict company size, solvency, company profit/loss, KAP reputation simultaneously or simultaneously affect audit delay in manufacturing companies listed on the IDX .

The correlation coefficient (R) = 0.835 indicates that the correlation of the independent variable Firm Size, Solvency, Profit/Loss Company, KAP Reputation with the dependent variable (Audit Delay) is very closely related and has a positive value and is close to 1.

Discussion

The results of the study show that firm size has a positive and significant effect on audit delay. Manufacturing companies in the food and beverage sub-sector listed on the Indonesian Stock Exchange (IDX) in 2015-2017 have on average large total assets. So that the auditor takes a long time to complete the audit, this is due to the larger number of samples that must be taken such as current assets, fixed assets and other intangible assets and also the increasing number of audit procedures that must be followed by the auditor. This study uses total assets to measure company size. Total assets are the sum of current assets, fixed assets and other intangible assets. Boynton and Kell stated that the audit delay will be longer if the size of the company to be audited is larger (Armansyah & Kurnia, 2015). This is related to the large number of samples that must be taken and the wider audit procedures that must be followed. This research is in line with research (Lestari & Saitri, 2018; Puspitasari & Sari, 2012) which states that company size has a significant effect on audit delay. Those who have large assets enable companies to report their audited financial reports more quickly to the public to avoid investor suspicion and public scrutiny.

The results of the study show that solvency has a positive and significant effect on audit delay. Manufacturing companies in the food and beverage sub-sector listed on the Indonesian Stock Exchange (IDX) in 2015-2017 had an average high amount of debt, which resulted in a relatively long audit process. The size of the debt owned by the company will cause the audit and reporting on the examination of the company's debt to take longer so that it can slow down the audit reporting process by the auditor. Juanita (2012) states that the high amount of debt owned by a company will cause a relatively long audit process. The high proportion of debt to total assets may also make the auditor need to increase prudence and greater accuracy in auditing related to the issue of going concern. When viewed from the lender's point of view, a large ratio of total debt to total assets provides a measure of the level of risk in relation to the availability of asset values that can be used as collateral. This research is in line with research conducted by (Harjanto, 2017) which says that solvency affects audit delay. This is because the size of the debt owned by the company will cause the audit and reporting on the audit of the company's debt to take longer so that it can slow down the audit reporting process by the auditor. Companies that have a high proportion of total debt compared to total assets will increase the tendency to lose. This will make the auditor be careful of the financial statements to be audited because they involve the survival of the company. This research is also in line with (Wulandari, 2017; Puspitasari & Sari, 2012) which states that solvency affects audit delay.

This means that the higher the level of solvency or the amount of debt owned by the company, the longer the audit process will take, because it indirectly makes the auditor need to be careful and thorough in auditing. In addition, it takes a long time because they have to find the source of the cause and confirm the parties (debtholders) related to the company.

The results showed that the company's profit/loss had a positive and insignificant effect on audit delay. Manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) in 2015-2017 experienced an average profit. Profit shows the company's success in carrying out its business activities for profit. Companies will like companies that declare profit versus loss. Operating profit/loss reflects the company's performance which will determine the survival of the company. However, the profit/loss of the company is not a very influential factor on audit delay. This is allegedly due to the existence of audit procedures that must be carried out by the auditor which does not differentiate the company's profit/loss. According to (Givoly, 1982; Juanita & Satwiko, 2012) that timeliness depends on the length of time the audit and the delay in the announcement of annual earnings are influenced by the contents of the financial statements. If the company announces good news containing company profits, management will tend to report on time; and if the company suffers a loss, which means bad news for the company, management tends to report it on time. The results of this study are in line with research (Kartika, 2011; Badriyah et al., 2015) which states that there is no effect of the company's profit/loss variable on audit delay. This relates to the current economic instability where most companies that experience losses are ignored in their financial statements, because losses are considered a common thing.

The results of the study show that KAP reputation has a positive and significant effect on audit delay. The Public Accounting Firm (KAP) used by companies in examining financial statements will affect the level of trust of its users. Companies audited by KAP members of the big four will publish their financial statements more quickly than companies audited by non-big four KAPs. KAPs affiliated with the big four obtain greater incentives and have greater resources, both quantitatively and qualitatively so that these KAPs can carry out audits more efficiently and effectively, and have higher flexibility in audit scheduling. There is also a reputation that they have to maintain if the audit is carried out slowly, of course it will reduce their potential in the eyes of the client. This research is in line with research (Kurniawati, 2016; Putro & Suwarno, 2017) which states that KAP reputation has a positive effect on audit delay. This is because large KAPs have a large number of employees, can audit more efficiently and effectively, have a flexible schedule that makes it possible to complete audits on time, and have a stronger incentive to complete their audits more quickly in order to maintain their reputation. So it can be concluded that companies that use the services of large KAPs (big four) tend to be timely in submitting their financial reports. In general, large KAPs (in collaboration with International KAPs) have strong incentives to complete audit tasks more quickly in order to maintain their reputation.

5. Conclusion

Based on the results of the analysis and discussion that has been described, it can be concluded that company size, solvency, and KAP reputation have a positive and significant effect on audit delay, while company profits/losses have a positive and insignificant effect on audit delay.

Based on these conclusions, the advice that can be given is for auditors, from the results of this study the factors that most influence audit delay are solvency, KAP reputation and company size. With this, the auditor is expected to be more careful about these factors so that audit delay can be minimized and financial reports can be published on time. And for companies, it is better

to continue to work professionally and conduct periodic evaluations of each performance in order to control the dominant factors affecting the length of audit delay. From the results of this study, the factors that most influence on audit delay are solvency, KAP reputation and company size. In addition, the company should be able to provide the data required by the auditor in full so that the auditor has no difficulties in the audit, the company does not make it difficult for the auditor during the audit of financial statements, and the company provides freedom for the auditor during the inspection so that it does not cause delays in reporting by the auditor which can cause an audit. delays for the company.

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