ProBisnis : Jurnal Manajemen, 13 (2) (2022) pp. 128-130

Published by: Lembaga Riset, Publikasi, dan Konsultasi Jonhariono

ProBisnis : Jurnal Manajemen

Journal homepage: www.jonhariono.org/index.php/ProBisnis

The Influence of Company Size and Company Age on Audit Delay in Banking Companies Listed on the Indonesia Stock

Andrew Patrick Marunduh
Faculty of Economics and Business, Manado State University, Indonesia

ARTICLE INFO

Article history:

Received Aug 30, 2022
Revised Oct 02, 2022
Accepted Oct 20, 2022

Keywords:

Age Company
Audits Delays
Size Company

ABSTRACT

This study aims to determine: (1) Does company size affect audit delay (2) Does company age affect audit delay. (3) Does company size and company age simultaneously affect audit delay.This research uses a quantitative research type with the population taken in this study, namely banking companies listed on the Indonesia Stock Exchange in 2021. The sample selection was carried out by purposive sampling with a total sample of 34 samples. The data analysis technique used is descriptive statistics, multiple linear regression analysis, and classical assumption testing The research results show that (1) company size has a negative effect on audit delay as indicated by the regression coefficient -3.1633 and a significance value of 0.0134. (2) Firm age has a negative effect on audit delay as indicated by the regression coefficient -0.2632 and a significance value of 0.0500. (3) Company size and company age together have an effect on audit delay as indicated by a significance value of 0.001238 and an Adjusted R2 value of 0.3761., Google Trends, Spark AR, Canva, Watsap.id, and Trello. Research will then be done to find out the increase brand awareness of the company through Meta insight.

Corresponding Author:

Andrew Patrick Marunduh
Faculty of Economics and Business,
Manado State University,
Jl. Kampus Unima, Tonsaru, Kec. Tondano Sel., Kabupaten Minahasa, Sulawesi Utara 95618, Indonesia
Email: andrewmarunduh@unima.ac.id

1. INTRODUCTION

Financial Reports are corporate information needed by various stakeholders. Time is an important factor in information. Information that is too late will affect the value of the information. As information, financial reports have an important role in decision making for various parties. The publication of a financial report is also determined by how long it takes the auditor to carry out his work. If information in financial reports is conveyed quickly to the public, this information will be more useful to stakeholders as a basis for making decisions. The cause of the delay in the publication of financial reports was due to the untimely completion of audits which had a negative impact on trading in the capital market. The relevance and accuracy of financial reports will be increasingly doubted if the financial statements are further delayed for submission to the public. Postponed submission of financial reports to the public can have an impact on the level of confidence in their accuracy and relevance. The length of days for delaying the publication of financial statements is what is commonly called audit delay. the delay in submitting audited financial statements or known as audit delay is the time interval from the book closing period to the date the audited financial statements are issued.

Based on a review of the delay in issuing financial reports as written on CNBCIndonesia.com the number of companies that are late in submitting financial reports has increased every year. Based on the graph above, in 2020 there were 26 issuers that were late in submitting financial reports for the 2019 financial year, on CNBC Indonesia in 2021 there were 88 issuers that were late in submitting financial reports for the 2020 financial year, and on CNBC Indonesia that in 2022 there were as many as 91 issuers who are late in submitting financial reports for the 2021 financial year. The increase in delays in submitting financial reports from 2019 -2021 has increased very high. This phenomenon can be used as learning material in submitting financial reports so as not to exceed the set time limit.

Financial institutions are institutions that have the main function of collecting and channeling funds from excess funds to those with a shortage of funds. One type of financial institution is banking. Apart from having to fulfill the obligation to the OJK to submit annual financial reports accompanied by an independent auditor's report, banks must also comply with regulations set by the competent authority to submit financial statements that have been audited by an independent auditor. The Financial Services Authority Regulation Number 29/POJK.04/2016 requires every issuer and public company listed on the Indonesia Stock Exchange to submit annual financial reports to OJK no later than 4 (four) months after the end of the financial year. This delay is one of the reasons for the author to conduct this research.

The purpose of this study is to find out: (1) Does company size affect audit delay . (2) Does Company Age affect Audit Delay . (3) Does company size and company age affect audit delay.

2. RESEARCH METHODS

The research method used in this study is a quantitative research method, with the dependent variable being audit delay and the independent variables being company size and company age. Audit delay is the audit time span. Audit delay can be measured using the formula: Audit delay = Date of Audit Report - Date of Financial Statement. Company size is a scale for determining the size of a corporate entity which can be expressed through total assets, total revenue, total sales in one year, stock market value, and so on which describe the company's wealth. Company size is formulated in the following equation (Wijaya, 2017): Company Size (size) = Ln Total Assets, while the age of the company can be known from the difference between the year of research and the year the company was founded. To determine the age of the company, it can be calculated using the following formula : Company age = Year of Research - Year of Company Establishment (Agustia and Suryani 2018).

In this study, the population of this study were banking companies listed on the Indonesia Stock Exchange (IDX) in 2021, namely 43 companies. The sample selection technique in this study uses a purposive sampling method with the following considerations or criteria : (1) Banking companies listed on the Indonesia Stock Exchange in 2021. (2) Banking companies issuing financial reports during 2021. (3) 3. Companies banks that publish profits and liabilities in 2021. Based on these criteria, a total of 34 sample companies met the criteria put forward in this study.

3. RESULTS AND DISCUSSIONS

3.1 Effect of Company Size (X1) on Audit Delay (Y)

Based on the research results, it can be concluded that company size has a negative effect on audit delay. This is in line with research conducted by Nina Devina & Fidiana (2019), saying that company size has a negative effect on audit delay. The results of this study indicate that banking companies with a large scale have broader activities, the volume of activity increases, the quantity of transactions within the company is higher so that transaction complexity increases, and large companies are more consistent in being on time than small companies in informing their financial reports.

3.2 Effect of Firm Age (X2) on Audit Delay (Y)

Based on the research results, the company age variable has a negative effect on audit delay. This is in line with research conducted by Sri Wahyuningsih (2016) which states that company age has a negative effect on audit delay. This means that the longer a company has been operating, the more experience the company has in publishing its financial statements compared to younger companies that do not have much experience, as a result, companies that are older will report their financial statements faster so that audits shorter delay.

3.3 Effect of Company Size, and Company Age on Audit Delay

Company size and company age together influence the audit delay of banking companies. In other words, an increase or decrease in company size, profitability, solvency, and company age will affect audit delay. This is in line with research conducted by Cahyanti DN, Sudjana N., Azizah DF (2016) which states that simultaneously all variables affect Audit Delay.

For banking companies with a large scale or size, the audit delay tends to be short because the bigger the company, the company has a good internal control system and the company can also make the company's operating activities more effective, making it easier for auditors to audit financial statements. Companies that have a longer lifespan have more experience so they know more about the need for company information in the publication of financial reports, the smaller the Audit Delay that occurs.

4. CONCLUSION

The limitation of this research is the relatively short research time so that the researchers have not explored other factors that influence audit delay .

Suggestions that can be conveyed by researchers are (1) So that companies can improve their internal control so that auditors can save time on inspections to avoid increasing the length of Audit Delay . (2) So that further researchers can develop tests of other factors that affect audit delay and may be able to expand or select populations in other business sectors.

REFERENCES

Agoes, S. (2017). Auditing: Petunjuk Praktis Pemeriksaan Akuntan Oleh Akuntan Publik, Buku 1, Edisi 5. Jakarta: Salemba Empat.

Apriyana, N. (2017). Pengaruh Profitabilitas, Solvabilitas, Ukuran Perusahaan, Dan Ukuran Kap Terhadap Audit Delaypada Perusahaan Properti Dan Real Estateyang Terdaftar Di Bursa Efek Indonesia Periode 2013-2015. Jurnal Nominal, Vol. VI, No. 2, 108-124.

Ashari, P. M dkk. (2016). Pengaruh Umur Perusahaan, Ukuran Perusahaan, Profitabilitas, Leverage dan Komisaris Independen Terhadap Pengungkapan Modal Intelektual. E-Jurnal Aluntansi Universitas Udayana, Vol. 14, No. 3, 1699-1726.

Aritonang, J. P. (2019). Analisis faktor-faktor yang mempengaruhi audit delay studi empiris pada perusahaan perbankan yang terdaftar di Bursa Efek Indonesia. Medan: Universitas Sumatera Utara.

Cahyanti D. N dkk. (2016). Pengaruh Ukuran Perusahaan, Profitabilitas, dan Solvabilitas terhadap Audit Delay. Jurnal Administrasi Bisnis (JAB) September 2016,Vol.38,No. 1, 68-73.

Clarisa, S dan Sonny Pangerapan. (2019). Pengaruh Ukuran Perusahaan, Solvabilitas, Profitabilitas, Dan Ukuran Kap Terhadap Audit Delay Pada Perusahaan Sektor Pertambangan Yang Terdaftar Di Bursa Efek Indonesia. Jurnal EMBA Juli 2019, Vol.7 No.3, 3069 – 3078.

Christianto, K. (2019). Analisis faktor-faktor yang mempengaruhi audit dilay pada perusahaan perbankan yang Terdaftar dibursa Efek Indinesia. Medan: Universitas Sumatera Utara.

Devina, N dan Fidiana. (2019). Pengaruh Ukuran Perusahaan, Profitabilitas, Ukuran KAP, Audit Tenure dan Solvabilitas Terhadap Audit Delay. Jurnal Ilmu dan Riset Akuntansi, Vol. 8 No. 2, 1-17.

Sugiyono. (2019). Metode Penelitian Kuantitatif, Kualitatif R&D. Bandung: Alfabeta.

Wareza, M. (2021). *Bandel! 88 Emiten Belum Setor Lapkeu 2020, Ini Daftarnya.* https://www.cnbcindonesia.com/market/20210611130445-17- 252378/bandel-88-emiten-belum-setor-lapkeu-2020-ini-daftarnya, di aksespada 2 Agustus 2022 pukul 07.33 PM.

Wijaya, L. K. A., & Wirajaya, I. G. A. (2021). Faktor-Faktor yang Mempengaruhi Fenomena Audit Delay di Bursa Efek Indonesia. E-Jurnal Akuntansi. E- Jurnal Akuntansi, 31(1), 168-181.