

Antecedents and Consequences of Audit Delay (Study on Mining Companies Listed on the Indonesia Stock Exchange for the Period 2017-2020)



Rr. Suprانتiningrum

Lecturer at the University of 17 August 1945 Semarang

ABSTRACT: The announcement issued by the Indonesia Stock Exchange on April 11, 2018, regarding the submission of audited financial statements ending December 31, 2017, that there are 70 listed companies have not submitted their financial statements, shows that awareness of submitting financial statements in Indonesia is still very lacking. This study aims to analyze the effect of firm size, profitability (ROE), solvency (DER), KAP size on audit delay, and the effect of audit delay on audit switching in mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2020. Population The research is on all mining companies listed on the Indonesia Stock Exchange for the period 2017-2020 that meet the criteria. The total population and sample are 19 companies, using a saturated sampling technique (census). The data collection method used is the documentation method, the data used is the annual report of mining companies listed on the Indonesia Stock Exchange in 2017-2020 totaling 77. Data processing uses SPSS 25. The results show that company size, profitability, and KAP size have a significant negative effect. on Audit Delay, solvency has no significant negative effect on audited delay, while audit delay does not affect audit switching.

KEYWORDS: audit delay, audit switching, profitability, solvency, firm size, KAP size

INTRODUCTION

An announcement issued by the Indonesia Stock Exchange on April 11, 2018, regarding the submission of audited financial statements ended December 31, 2017. The results of the audit obtained data from 70 companies that have not submitted an announcement issued by the Indonesia Stock Exchange on April 11, 2018, regarding the submission of financial statements their financial statements, one of which comes from the mining sector. Nine companies have not published their financial statements with the issuer codes ATPK, APEX, BIPI, BORN, DEWA ENRG, MEDC, CKRA, and GTBO. The announcement made by the Indonesia Stock Exchange shows that awareness of submitting financial statements in Indonesia is still very lacking, even though it has been regulated by the decision of the board of directors of PT Bursa Efek Jakarta No. Kep-306 / BEJ / 07-2004 concerning the obligation to Submit Information "The Annual Financial Statements must be submitted in the form of Audited Financial Statements, no later than the end of the 3rd (third) month after the date of the Report.

Announcement issued by the Indonesia Stock Exchange on April 11, 2018, regarding the submission of audited financial statements ending December 31, 2017, that 70 listed companies have not submitted their financial statements and one of them comes from the mining sector, namely, 9 companies have not published their financial statements with code ATPK, APEX, BIPI, BORN, DEWA ENRG, MEDC, CKRA, and GTBO issuers. The announcement made by the Indonesia Stock Exchange shows that awareness of submitting financial statements in Indonesia is still very lacking. Referring to the decision of the directors of the Jakarta Stock Exchange No. Kep-306/BEJ/07-2004 concerning Obligations to Submit Information that "Annual Financial Reports must be submitted in the form of Audited Financial Reports, no later than the end of the 3rd (third) month after the date of the Annual Financial Reports". (Clarisa & Pangerapan, 2019).

Switching audits are carried out by the company due to several factors. Tehupuring (2016), states that the dismissal of an auditor can occur due to an unfavorable relationship between the auditor and the client, high audit staff turnover, and disagreements in accounting. Sastrawan & Badera (2018) found that companies perform audit switching due to management changes, financial distress conditions, audit fees, and efforts to improve audit quality. Suspicion from external parties arises if there is a switching audit conducted outside the applicable procedures, then the cause of the switching audit needs to be known. From some of the negative sides above, the company should consider and plan before conducting a switching audit.

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Previous studies have shown inconsistent results. Tehupuring (2016) states that firm size and leverage do not affect audit delay, while return on assets and auditor quality have a negative and significant effect on audit delay, (2) audit delay has a positive and significant effect on audit switching, (3) audit delay has a positive and significant effect on audit quality, while audit switching does not affect on audit quality. Yanasari et al., (2021) in their research concluded that Profitability and Solvency have a positive effect on Audit Delay, while Size does not affect Audit Delay. Several previous studies suggest empirically testing the effect of audit delay on audit switching.

The update of this research is the data on the financial statements of mining companies listed on the Indonesia Stock Exchange from 2017 to 2020, wherein 2020 economic conditions experienced shocks and a global crisis due to the corona covid 19 pandemic. operational and financial activities of the company that allow delays in the submission of financial reports

LITERATURE REVIEW

Agency Theory (Agency Theory)

The concept of agency theory according to Scott (2015) is a relationship or contract between the principal and the agent, where the principal is the party who employs the agent to perform tasks in the interest of the principal, while the agent is the party who carries out the interests of the principal. Agency theory explains the problem of information asymmetry caused by differences in interests between the principal and the agent.

Signal Theory

Signal theory suggests how a company provides signals to users of financial statements. This signal is information about what management has done to realize the owner's wishes. The signaling theory states that good quality companies will intentionally give signals to the market, thus the market is expected to be able to distinguish between good and bad quality companies (Brigman & Houaton, 2001).

Switching audit

Audit switching is a transfer of auditors (KAP) carried out by the client company. Audit switching arises because of the mandatory audit rotation. Based on theoretical evidence, the existence of auditor rotation results in a shorter audit engagement period (audit tenure) so that the company will perform auditor switching (Tehupuring, 2016). In Indonesia, audit switching has been regulated by the Regulation of the Minister of Finance of the Republic of Indonesia Number 17/PMK.01/2008 Article 3. The duration of the provision of general audit services can be carried out by KAP which is six consecutive financial years and by a public accountant for three consecutive years. participate (Article 3 paragraph 1). Then KAP and public accountants can re-audit the client company's financial statements after one financial year does not provide audit services on the same client's financial statements (Article 3 paragraphs 2 and 3).

Audit Delay

Audit Delay is the period for completing the annual financial report audit, which is measured based on the number of days required to obtain an independent auditor's report on the company's annual financial statement audit, from the date of the company's closing year, which is December 31, until the date stated on the independent auditor's report (Melati & Ardiani Ika Sulistyawaati, 2016), (Fadhmi & Suryani, 2018) define audit delay as the length of time for completion of the audit which is calculated from the closing date of the book to the date of the audit report issued. The number of transactions that must be audited, the complexity of the transactions, and poor internal control, thus cause the audit delay to increase.

Company Size

Company size is the size of a company in various ways, including expressed by the amount of wealth (total assets), the market value of shares, number of sales in one year of the sales period, number of employees, and a total fixed book value of the company (N. W. S. E. Yanti et al., 2020). Company size is one of the factors that affect audit delay. The size of the company used in this study is measured by using the total assets or total assets of the company.

Profitability

A profitability ratio is a ratio to measure how much profit can be obtained by the company. The company's ability to generate profits will be able to attract investors to invest their funds to expand their business, on the contrary, if the level of profitability is low, it will cause investors to withdraw their funds. while for the company itself, profitability can be used as an evaluation of the effectiveness of the management of the business entity (Riyanto, 2010). In this study, profitability is proxied by Return on Assets (ROE). ROE was chosen. It provides a better measure of the company's profitability because it shows the effectiveness of management and uses equity to earn income (Kasmir, 2013).

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Solvency

Solvency according to Kasmir, (2013) is the ability of a company to fulfill all of its financial obligations when the company is liquidated. In this study, solvency is measured by the Debt Asset Ratio (DER). DER according to (Riyanto, 2010) is a ratio that shows the proportion between liabilities owned and all equity owned.

Solvency is one of the financial ratios used to measure the company's ability to pay all its obligations, both short-term and long term if the company is liquidated.

Size of Public Accounting Firm (KAP)

Public Accounting Firm (KAP) is an institution that has permission from the minister of finance to a contributor to public accountants in carrying out their work (Apriyana & Rahmawati, 2017). KAP sizes are divided into two groups, namely large KAPs (KAPs affiliated with the Big Four) and small KAPs (KAPs not affiliated with the Big Four. N. D. Yanti, (2017) explains that the big four firm sizes are as follows:

1. Delloitte Touche Tohmatsu (Deloitte) is affiliated with Osman Bing Satrio & Partners.
2. Global ernt & Young (EY) is affiliated with Purwanto, Sarwoko & Sandjaja and Purwanto, uherman & Surja.
3. Price water house Coopers (PwC) which is affiliated with Haryanto Sahari & Partners and Tanudiredja, Wibisana & Partners.
4. Klyveld Peat Marwick Goerdeler (KPMG) which is affiliated with Sidharta & Wijaya.

Large KAPs (BigFour) have a better ability to audit than smaller KAPs (non-Big Four), resulting in higher audit quality and companies tend to switch from small KAPs (non-Big Four) to large accounting firms (Big Four).). KAP usually has a high reputation in the business environment so it will always try to maintain independence

Hypothesis Development

The size of the company in this study was measured using the total. Companies that have large total assets will be able to complete audit reports faster than companies that have small total assets (Alfiani & Nurmala, 2020). This is because large companies have more human resources, sophisticated accounting staff, and information systems, strong internal control systems so that they can complete audited reports quickly and effectively. Thus, it can reduce the auditor's error in working on the audit report. It turns out that the size of a company is influenced by the total assets owned by the company. Alfiani & Nurmala (2020) and Apriyana & Rahmawati, (2017) in their research state that company size has a significant negative effect on audit delay.

The profitability ratio in this study uses ROE. A profitability ratio is a ratio to assess the level of effectiveness of a company's management. With profit generated from sales and investment income. The use of profitability ratios can be done by comparing the various components in the financial statements, especially the balance sheet and profit and loss statements. A high level of company profitability will tend to experience shorter audit delays, so that good news can be immediately conveyed by interested parties (Fadhmi & Suryani, 2018). can make the company's image decline. The results of the research by Clarisa & Pangerapan (2019) concluded that profitability had a negative effect on Audit Delay.

Solvency is the company's ability to cover all of its obligations (Laksito, 2015). The high level of solvency of the company will make the auditor more careful in conducting the audit, because this can trigger the risk of loss from the company, causing the audit delay to be longer. This is because a large proportion of debt to total equity will increase the tendency of losses and increase the auditor's caution in auditing financial statements. A high solvency ratio will tend to have a longer time span for presenting financial statements. Laksito, (2015), Fadhmi & Suryani, (2018), and (Saemargani & Mustikawati, (2015) in their research results state that solvency has a significant positive effect on audit delay.

Research by Clarisa & Pangerapan, (2019), and N. D. Yanti, (2017) found that KAP size has a negative and significant effect on audit delay. This is because KAPs affiliated with The Big Four and KAPs that are not affiliated have different characteristics, whereas KAPs affiliated with The Big Four have more staff and worker resources than KAPs that are not affiliated so they can be faster. in completion of the audit.

Rohmah et al., (2018) stated that completion of an audit task that has a period that is too long will result in delays in publishing financial statements to the capital market which affects audit switching. The high level of complexity results in auditors needing more days to audit the parent company and its subsidiaries. Naili & Primasari, (2020), and Tehupuring, (2016) research states that audit delay has a significant positive effect on audit switching

The H1: Firm size has a significant negative effect on Audit Delay

H2: Profitability has a significant negative effect on Audit Delay

H3: Solvency has a significant positive effect on audit delay

H4: The size of KAP is negative and significant to audit delay.

H5: Audit deal has a significant positive effect on audit switching hypothesis in this study are:

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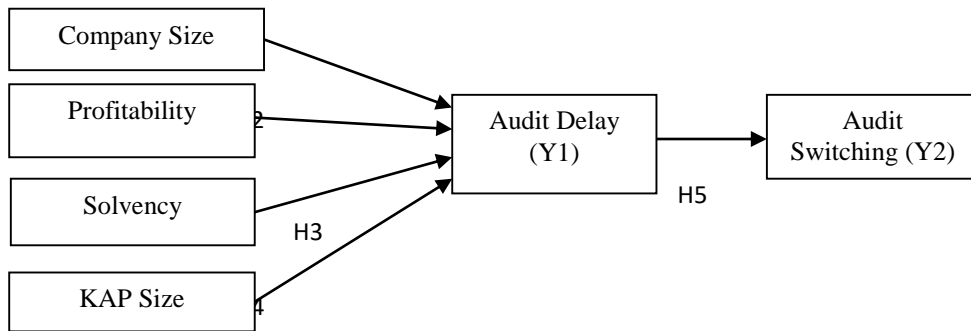


Figure 1. Antecedent Model and Consequences of Audit Delay

RESEARCH METHOD

Research design

This type of research is a quantitative research using secondary data, namely the financial statements of mining companies listed on the Indonesia Stock Exchange from 2017 to 2020. The variables in this study are firm size, profitability, solvency, KAP size, audit delay, and audit switching.

Population and Sample

The population of this study are mining companies listed on the Indonesia Stock Exchange for the 2017-2020 period that meet the criteria, there are 19 companies. The sampling technique used is the census method in which all members of the population are sampled. The unit of analysis in this study is the financial statements of 19 mining companies for 4 years totaling 77 financial statements.

Analysis of Research Results

Data analysis used multiple linear regression analysis and logistic regression using SPSS 25. Multiple linear regression was used to examine the effect of firm size, profitability, solvency, and KAP size, on audit delay (Gozali, 2016).

$$\text{Formula : } YAD = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_1 \quad 1)$$

Logistic regression is used to test the effect of audit delay on audit switching. Mathematical equations to test the following hypotheses:

$$\ln \frac{p}{1 - p} = b_0 + b_1 AD \quad 2) \text{ (Gozali, 2016)}$$

RESULTS AND DISCUSSION

Descriptive statistics

The following are descriptive statistics of 77 research data consisting of company size, profitability, and solvency. The description of each research variable is explained as follows:

Table1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
UP	77	24	32	29.67	1.440
ROE	77	-43.87	73.13	199.452	1.646
DER	77	.10	1.93	.8062	.48770
U.KAP	77	0	1	.61	.491
AD	77	31	152	86.17	22.701
AS	77	0	1	.14	.352

Source: Primary data processed 2021

Table 1 shows descriptive statistics which serve to describe the data that has been collected. Company size is obtained from the natural logarithm of total assets. According to the descriptive test, the value of company size (size) has a minimum value of 24 and a maximum value of 32 with a standard deviation value of 1,440 which is smaller than the average value of 29.67, thus the

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distribution of company size data is evenly distributed, which means that there are differences in data between one and the other. others are not high.

Profitability (ROE, according to the descriptive test the profitability value (ROE) has a minimum value of -43.87, and a maximum value of 73.18, with a standard deviation value of 1,646 lower than the average of 199,452, thus the distribution of profitability data is even, which means that the difference between data one and the low one. Solvency (DAR) has a minimum value of 0.10, and a maximum value of 1.93, with a standard deviation value of 1.646 smaller than the average value of 199.452, thus the distribution of solvency is evenly distributed, which means that the difference between one data and another is not very high.

Solvency (DAR) has a minimum value of 0.10, and a maximum value of 1.93, with a standard deviation value of 1,646 which is smaller than the average value of 199,452, thus the distribution of solvency is evenly distributed, which means that the difference between the data is not too high.

The KAP size has a minimum value of 0, and a maximum value of 1, with a standard deviation of 0.491 which is smaller than the average value of 0.61, thus the distribution of KAP sizes are evenly distributed, which means that the difference in data from one another is not too high.

The audit delay descriptive test has a minimum value of 31, and a maximum value of 152, with a standard deviation value of 22,701 which is smaller than the average value of 86.17, thus the distribution of audit delay data is evenly distributed, which means that the difference between the data is not too high.

The audit switching descriptive test has a minimum value of 0yang, and a maximum value of 1, with a standard deviation value of 0.352 which is greater than the average value of 0.14, thus the audit switching data is less evenly distributed, which means that the difference between data is high.

Multiple Linear Regression

This study uses multiple linear analyses with a significance level of five percent ($\alpha = 5\%$). The purpose of using multiple analyses is to obtain a comprehensive picture of the effect of the independent variables of firm size, profitability (ROE), solvency (DER), and KAP size on audit delay. The results of multiple regression are obtained results in table 2 below:

Table 2. Multiple Linear Regression Results

	Unstandardized		Standardized	
	Coefficients		Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	168.313	56.832		.004
UP	-2.436	1.943	-.155	.014
ROE	-.127	.162	-.092	.036
DER	-4.236	5.702	-.091	.060
U.KAP	-6.402	6.218	-.138	.007

Dependent Variable: AD

Source: Primary data processed 2021

$$YAD = 168.133 + -2.436 X1 + -0.127 X2 + -4.236 X3 + -6.402 X4 + e1$$

The regression model can be explained:

The constant of 168,133 states that if the independent variables are firm size, profitability (ROE), solvency (DER), and KAP size are considered constant or fixed, the audit delay will increase.

Firm size regression coefficient value -2.436. shows that if the size of the company increases with the assumption that the other independent variables are constant or fixed, the audit delay will decrease.

The regression coefficient value of ROE (profitability) is -0.127, indicating that if ROE (profitability) increases with the assumption that other independent variables are constant or fixed, the audit delay will decrease.

The value of the DER regression coefficient (solvability) is -4.236. shows that if the DER (solvability) increases with the assumption that the other independent variables are constant or fixed, the audit delay decreases.

The regression coefficient value of KAP size is -6,402. shows that if the size of the KAP increases with the assumption that the other independent variables are constant or fixed, the audit delay will decrease.

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The goodness of Fit (Test model)

The accuracy of the sample regression function in estimating the actual value can be measured from its Goodness of fit (Gozali, 2016). In the goodness of fit test (model test) the first step to be taken is to read the coefficient of determination. Then assess whether the coefficient of determination is significant or not by looking at the significance of the F test. If the significance of the F test ≤ 0.05 , then the coefficient of determination is significant. This shows that the regression model is fit so that it can be used as an analytical tool. Based on testing with SPSS, the coefficient of determination and F test table 3 are obtained as follows:

Table 3. Test Results of Model 1

Model	R	R Square	Adjusted R Square	F	Sig.
1	.606	.367	.315	4.295	.030b

a Predictors: (Constant), U.KAP, ROE, DER, UP

b Dependent Variable: AD

Source: Primary data processed 2021

In table 3, the R square value is 0.367 (36.7%). This situation shows that the variables of firm size, profitability (ROE), solvency (DER), and KAP size contribute 36.7% to the level of the dependent variable, namely audit delay, while the remaining 63.3% is explained by other variables not examined in this study. From the F test value in table 6, the Fount value is 4.295 with a significant 0.03. Since the sign is smaller than 0.05, the regression model can be used to predict the firm size, profitability (ROE), solvency (DER), and KAP size which together affect audit delay.

Logistics Regression

Table 4. Results of model 2

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	4.394	8	.820

Source: Primary data processed 2021

Table 5. Logistics Regression Results

		B	Sig.	Exp(B)	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
Step 1a	AD	.001	.941	1.001	63.152 ^a	0,000	0,000
	Constant	-1.884	.144	.152			

Source: Primary data processed 2021

For testing the hypothesis of the equation 2 model in Table 4, it can be seen that the goodness of fit test value is measured by the Chi-square value at the bottom of the Hosmer and Lemeshow test. The probability number is $0.820 > 0.05$, this means that the regression model is feasible to use for further analysis because there is no real difference between the predicted classification and the observed classification. The next step is to assess the overall model fit (overall model fit) which can be seen in table 5. The Nagelkerke R square value is 0.0000715, which means that the audit delay variable is not able (very low) in explaining audit switching.

HYPOTHESIS TESTING

Firm size has a negative and significant effect on audit delay. This result is evidenced by the coefficient value of -2.436 with a significance value of $0.014 < 0.05$. Thus, it can be concluded that H1 can be accepted so that the hypothesis which states that there is a significant negative influence between firm size on audit delay is proven and H1 is accepted. The smaller the size of the company, the longer the audit delay.

Profitability has a negative and significant effect on audit delay. This result is evidenced by the regression coefficient value of -0.127 with a significant value of $0.036 < 0.05$. Thus, it can be concluded that H2 is accepted, so the hypothesis that the alleged negative influence of profitability (ROE) on audit delay is proven and accepted. The greater the profitability, the less audit delay.

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The results of the regression test show that the regression coefficient value is -4.236 with a significant value of $0.060 > 0.05$, meaning that solvency has a negative and insignificant effect on audit delay, this indicates that H3 is rejected, so the hypothesis stating that there is a positive and significant influence on solvency on audit delay not proven and H3 is not accepted.

KAP size has a negative and significant effect on audit delay. This result is evidenced by the coefficient value of -2.402 with a significance value of $0.007 < 0.05$, thus it can be concluded that H4 is acceptable, so the hypothesis which states that there is a significant negative effect between KAP size on audit delay is proven and H4 is accepted. The smaller the KAP size, the longer the audit delay.

The results of testing the regression coefficient of hypothesis 5 show that the value of the regression coefficient is 0.001 with a significance level of $0.94 > 0.05$. Thus, audit delay does not affect audit switching. H5 which states that audit delay has a significant positive effect on audit switching is rejected.

The results of hypothesis regression coefficient 5 testings showed that the regression coefficient value was 0.001 with a significance level of $0.94 > 0.05$. Thus audit delay does not affect audit switching. H5 which states audit delay has a significant positive effect on switching audits is rejected.

DISCUSSION

The size of the company is shown through the natural log of the total assets owned by the company. Large companies will tend to maintain their company image in the community, and to maintain that image, companies will try to submit their financial reports promptly. In addition, companies that have large total assets have better internal controls to facilitate audits and reduce auditor errors in pursuing their auditor reports, thereby reducing the length of days for submitting their financial statements. with small companies. This is because companies that have high asset levels will immediately give a good sign to their investors. The results of this study support the research conducted by Alfiani & Nurmalia, (2020) and Apriyana & Rahmawati, (2017), which show that company size has a negative and significant effect on audit delay. However, it is different from research by Melati & Ardiani Ika Sulistyawaati, (2016), Fadhma & Suryani, (2018), Clarisa & Pangerapan, (2019), and Tang, (2021) which shows that company size has a positive and significant effect on audit delay.

Companies that earn large profits have no reason to delay the issuance of audited financial statements because this is good news, namely the achievements achieved are quite encouraging. On the other hand, companies that suffer losses will try to slow down the issuance of audited financial statements. For companies that experience losses, in their audits, the auditor will be careful in doing the audit, because of financial failure or lack of management in the company. The direction of the relationship that arises between earnings and audit delay is negative because if the company experiences profits, it will reduce the risk of audit delay. Companies that have high profitability can be said that the financial statements provide good news that it spurs the company to submit financial reports on time. Profitability indicates success in generating profits. The results of this study support research conducted by Fadhma & Suryani, (2018), and Clarisa & Pangerapan, (2019) which states that profitability has a negative and significant effect on audit delay, in contrast to research conducted by Melati & Ardiani Ika Sulistyawaati, (2016), Yanasari et al., (2021) which states that profitability has a positive and significant effect on audit delay. Research by Apriyana & Rahmawati, (2017), and Tang, (2021) states that profitability does not affect audit delay.

The high solvency level (DER) causes the company's failure to repay the loan to be high. If there is a failure then the company will experience pressure. Pressure will arise for the company if the amount of debt is monitored by investors and creditors. For this reason, companies will be careful in publishing audited financial statements so that it takes longer. The results of this study support research conducted by Clarisa & Pangerapan, (2019) which states that solvency does not affect audits, in contrast to research conducted by Fadhma & Suryani, (2018), Apriyana & Rahmawati, (2017), Yanasari et al., (2021) which states that solvency has a positive and significant effect on audit delay. Melati & Ardiani Ika Sulistyawaati, (2016) stated that solvency has a negative and significant effect on audit delay.

KAP size has a negative and significant effect on audit delay, the negative effect is interpreted as the more companies use the Big Four KAP, the lower the company's tendency to experience audit delay (not experiencing audit delay). The results of this study are in line with Clarisa & Pangerapan, (2019), and Tang, (2021) who state that KAP size has a significant negative effect on audit delay. This is because the Public Accounting Firms in collaboration with the Big Four KAPs have many reliable auditors and employees, so they can work efficiently and speed up the audit process compared to non-Big Four KAPs. The results of this study do not support the research of Apriyana & Rahmawati, (2017), and Melati & Ardiani Ika Sulistyawaati, (2016) which in their research stated that KAP size did not affect audit delay.

H5 which states that audit delay has a significant positive effect on audit switching is rejected. This shows that the company still has considerations to keep the old KAP to maintain its reputation in the eyes of investors and prospective investors and if the

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company replaces its KAP, the new KAP needs to understand the company's business and risks which take longer than if the company remains using the old KAP. The results of this study support research from Rohmah et al., (2018) which states that audit delay has no effect on audit switching, but does not support the research of Tehupuring, (2016) which states that audit delay has a significant positive effect on audit switching.

CONCLUSION

The results showed: 1) Testing Hypothesis 1 (H1) accepted that firm size had a negative and significant effect on audit delay. 2) Testing Hypothesis 2 (H2) is accepted, Profitability (ROE) has a negative and significant effect on audit delay. 3) Testing Hypothesis 3 (H3) is rejected, Solvency (DER) does not affect audit delay. 4) Testing Hypothesis 4 (H4) is accepted, the size of KAP has a negative and significant effect on audit delay. 5) Hypothesis Testing 5 (H5) is rejected. Audit delay does not affect audit switching

For mining companies, the results of this study that have a significant effect on audit delay are company size and profitability variables. The size of KAP is expected by the company's management to pay attention to these three factors to reduce audit delays in financial reporting.

For academics, this research is expected to be a material consideration for future researchers to determine what factors affect audit delay.

Company management pays more attention to company size, profitability, and KAP size because these variables affect audit delay and for investors, this research is expected to help potential investors who will invest their capital to be more precise in choosing a company.

The research that has been done has limitations and weaknesses that require improvements in the future, including 1) Based on the results of the adjusted R² of 31.5%, the adjusted R² value which is still low indicates that there are still independent variables that have not affected audit delay. 2) The independent variable in this study only uses one proxy in testing the factors that affect audit delay. 3) In this study, there are two variables whose hypothesis is not accepted due to poor internal control of the company so it has an impact on audit delay.

Future research refers to the limitations of the study, so suggestions are proposed that further research is expected to consider adding other independent variables that are thought to have a significant effect on the timeliness of submitting financial statements and using a different sample.

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