International Journal of Social Science and Business
Volume 7, Number 4, 2023, pp. 935-946
P-ISSN: 2614-6533 E-ISSN: 2549-6409
Open Access: https://doi.org/10.23887/ijssb.v7i4.68185

The Effect of Solvability and Profitability on Audit Delay in Property and Real Estate Companies

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ARTICLE INFO

Article history:
Received May 20, 2023
Revised June 04, 2023
Accepted August 16, 2023
Available online August 25, 2023

Kata Kunci:
Profitabilitas, Solvabilitas, Audit Delay

Keywords:
Profitability, Solvency, Audit Delay.

ABSTRAK

Pandemi Covid-19 yang terjadi pada tahun 2020 memberikan dampak yang sangat besar terhadap berbagai sektor. Perkiraan pertumbuhan ekonomi yang rendah dan penundaan juga mengganggu pasar real estat dalam negeri. Penelitian ini bertujuan untuk menganalisis pengaruh Solvabilitas dan Profitabilitas terhadap Audit Delay pada Perusahaan Property dan Real Estate periode 2020-2021. Rasio solvabilitas diproksikan dengan Debt Equity Ratio (DER) sedangkan Profitabilitas diproksikan dengan Return on Assets (ROA). Pemilihan sampel menggunakan teknik purposive sampling dan diperoleh sampel sebanyak 62 sampel Perusahaan Properti dan Real Estate. Data dalam penelitian ini merupakan data sekunder yang diperoleh dari Bursa Efek Indonesia (BEI) dan situs resmi perusahaan. Metode statistik yang digunakan adalah deskriptif dan asosiatif. Analisis data yang digunakan dalam penelitian ini adalah analisis regresi data panel dengan 3 pendekatan yaitu Common Effect, Fixed Effect, dan Random Effect Model. Pengujian model dilakukan dengan 3 pengujian model yaitu Chow, Hausman, dan Lagrange Multiplier menggunakan eViews 12 untuk mengetahui pengaruh profitabilitas dan solvabilitas terhadap audit delay. Hasil penelitian menunjukkan bahwa rasio solvabilitas (Debt Equity Ratio) tidak berpengaruh terhadap audit delay dan profitabilitas (Return on Assets) tidak berpengaruh terhadap audit delay. Temuan bahwa rasio solvabilitas dan profitabilitas tidak mempengaruhi audit delay memiliki implikasi langsung terhadap kebijakan manajemen keuangan perusahaan. Kesimpulan ini memberikan panduan praktis bagi praktisi dan pengambil keputusan.

ABSTRACT

The Covid-19 pandemic that occurred in 2020 had a huge impact on various sectors. Low economic growth forecasts and delays have also plagued the domestic real estate market. This study aims to analyze the effect of Solvency and Profitability on Audit Delay in Property and Real Estate Companies for the 2020-2021 period. Solvency ratio is proxied by Debt Equity Ratio (DER) while Profitability is proxied by Return on Assets (ROA). Sample selection using purposive sampling techniques and obtained samples as many as 62 samples of Property and Real Estate Companies. The data in this study is secondary data obtained from the Indonesia Stock Exchange (IDX) and the company's official website. The statistical methods used are descriptive and associative. The data analysis used in this study is regression analysis of panel data with 3 approaches, namely Common Effect, Fixed Effect, and Random Effect Model. Model testing was carried out with 3 model tests namely Chow, Hausman, and Lagrange Multiplier using eViews 12 to determine the effect of profitability and solvency on audit delay. The results showed that the solvency ratio (Debt Equity Ratio) had no effect on audit delay and profitability (Return on Assets) had no effect on audit delay. The finding that solvency ratios and profitability do not affect audit delay has direct implications for the company's financial management policy. These conclusions provide practical guidance for practitioners and decision makers.

1. INTRODUCTION

The increasing number of publicly listed companies on the Indonesia Stock Exchange (IDX) are leading to competition among the listed companies. They are competing to get funding from investors so that they can continue to exist in the current business world competition. In the world of business competition, companies are required to work harder, faster, and more accurately in presenting information regarding the company's financial statements in order to attract investors (Apriyana & Rahmawati, 2017; Wimpertiwi et al., 2014; Wulandary & Difinubun, 2021).

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Therefore, it is expected that the company's financial reports can provide relevant information needed by investors in making investment-related decisions (Anggraini & Mulyani, 2022; Listiadi, 2015). The Covid-19 pandemic that occurred in 2020 had huge impact on various sectors. Estimates of low economic growth and delays also disrupted the domestic real estate market. Property and real estate sector companies are one of the sub-sectors of service companies listed as public companies in the real estate, property, and construction sectors listed in the IDX (Nguyen & Razali, 2020; Seno & Thamrin, 2020; Silalahi & Malau, 2020). This was reinforced by the data on the average sales of property and real estate companies during the Covid-19 pandemic which continued to decline from 2018-2020 with 54 samples of companies listed on the Indonesia Stock Exchange.

Financial statements submitted to the OJK must be accompanied by an independent auditor's report (Kristanti & Mulya, 2021; Zanra & Zubir, 2023). This means that after the company finishes preparing the financial statements, the audit process must be carried out by an independent auditor or usually carried out by a Public Accountant Firm (KAP) on the financial statements. The longer the auditor completes the audit process, the longer the audit delay. This means that the longer the audit delay, the more likely the company is to be late in submitting financial statements to OJK and other users (Bahri & Amnia, 2020; Yulianto, 2021; Yuliusman et al., 2020).
Bapepam and OJK have also tightened regulations on annual financial reporting, but there are still many publicly listed companies which are late in submitting their annual financial statements to OJK. In the last three consecutive years from 2019-2022, there are still many late issuers who have not even submitted their financial statements to OJK (www.cnbcindonesia.com). Based on the Regulation of the Financial Services Authority (POJK) Number 14 /POJK.04/2022 which was ratified on August 22, 2022 concerning Submission of Periodic Financial Statements of Issuers or Public Companies Article 4 that the annual financial statements as referred to in Article 2 paragraph (3) letter a must be submitted to the Financial Services Authority and announced to the public no later than the end of the third month or 90 days after the date of the annual financial statements. If a publicly listed company is late in submitting its financial statements, it will be subject to sanctions in accordance with the regulations stipulated by Bapepam. Penelitian sebelumnya mengenai pengaruh solvabilitas terhadap keterlamabatan audit menegaskan bahwa solvabilitas memiliki pengaruh simultan yang signifikan terhadap keterlambatan audit di industri real estat dan properti (Amalia & Yusuf, 2023; Nugroho et al., 2021). Penelitian serupa menyimpulkan bahwa variabel solvabilitas berpengaruh positif dan signifikan terhadap keterlambatan audit pada perusahaan sektor properti (Putra & Wilopo, 2018; Tanjung & Aida, 2022). Tidak sejalan dengan hal tersebut, hasil penelitian lain menyatakan bahwa solvabilitas tidak memberikan pengaruh signifikan terhadap keterlambatan audit pada perusahaan properti dan real estat yang terdaftar di Bursa Efek Indonesia periode 2014-2017 (Hansela et al., 2023; Saputra & Fadjarenie, 2022). Hal tersebut didukung juga oleh penelitian terdahulu yang menyatakan bahwa solvabilitas, bersama dengan variabel lain seperti aktivitas aset dan komite audit, tidak memengaruhi keterlambatan audit pada perusahaan sektor properti (Eksandy, 2017; Naser & Hassan, 2016).

Penelitian terdahulu mengenai pengaruh profitabilitas terhadap keterlambatan audit di perusahaan properti dan real estat menyatakan bahwa variabel profitabilitas berpengaruh negatif dan signifikan terhadap keterlambatan audit pada perusahaan sektor properti (Apriyana & Rahmawati, 2017; Rahmawati & Arief, 2022). Sejalan dengan hal tersebut, penelitian serupa menyatakan bahwa ukuran perusahaan dan profitabilitas berpengaruh negatif signifikan terhadap keterlambatan audit di sektor properti (Amani & Waluyo, 2016; Apriyana & Rahmawati, 2017). Namun, penelitian lain mengungkapkan bahwa profitabilitas berpengaruh signifikan terhadap keterlambatan audit di industri real estat dan properti (Putra & Wilopo, 2018; Wahyuni, 2022). Serupa dengan hasil penelitian terdahulu yang menyatakan bahwa pengaruh profitabilitas terhadap keterlambatan audit pada perusahaan sektor properti (Amalia & Yusuf, 2023; Kristanti & Mulya, 2021). Previous studies show inconsistencies in the results of research on variables that are factors in the occurrence of audit delay. This makes the researcher motivated to re-test several factors that affect audit delay, especially in this study, the factors are solvency and profitability. The first difference is that the population used in this study were property and real estate companies listed on the IDX in 2020-2021, while the previous studies used all property and real estate companies listed on the IDX under 2020. The reason for the use of property and real estate companies as a population is because the average property and real estate companies from 2018-2021 have the highest percentage of delayed submission of their annual reports. The second difference is in the sampling year, this study used year 2020 and 2021 during the Covid-19 pandemic. This study takes profitability and solvency factors in property and real estate companies listed on the Indonesia Stock Exchange for the period 2020-2021. This study aims to find out whether there is an effect on audit delay.

2. METHODS

This research is quantitative research and the approach used in this research is a descriptive and associative causality approach. In this research a descriptive approach is used to describe solvency, profitability and audit delay. The associative causality approach is a research method that aims to determine the relationship between two or more variables (Sugiyono, 2019). In this research, an

associative approach is used to determine the relationship between solvency, profitability and audit delay, whether these variables are related or not.The population used in this research is Property and Real Estate Companies listed on the Indonesia Stock Exchange for the 2020-2021 period. Purposive sampling technique was used in sampling to obtain 62 data from 31 property and real estate companies listed on the Indonesia Stock Exchange for the 2020-2021 period because not all samples had active criteria that published financial reports for the 2020-2021 period and companies that experienced consecutive profits. Based on Table 1 we can see sample list of property and real estate companies.

Table 1. Sample List of *Property* and *Real Estate* Companies

No.	Code	Company Name
1	APLN	Agung Podomoro Land Tbk
2	ASRI	Alam Sutera Realty Tbk
3	BAPA	Bekasi Asri Pemula Tbk
4	BAPI	Bhakti Agung Propertindo Tbk.
5	BEST	Bekasi Fajar Industrial Estate Tbk
6	BIKA	Binakarya Jaya Abadi Tbk.
7	BKSL	Sentul City Tbk
8	CPRI	Capri Nusa Satu Property Tbk.
9	DART	Duta Anggada Realty Tbk
10	DILD	Intiland Development Tbk
11	ELTY	Bakrieland Development Tbk
12	EMDE	Megapolitan Developments Tbk
13	FMII	Fortune Mate Indonesia Tbk
14	GMTD	Gowa Makasar Tourism Dev Tbk
15	GWSA	Greenwood Sejahtera Tbk
16	JRPT	Jaya Real Property Tbk
17	KOTA	DMS Propertindo Tbk.
18	LAND	Trimitra Propertindo Tbk.
19	LPCK	Lippo Cikarang Tbk
20	LPKR	Lippo Karawaci Tbk
21	MDLN	Modernland Relaty Ltd Tbk
22	MMLP	Mega Manunggal Porperty Tbk.
23	MTSM	Metro Realty Tbk.
24	NIRO	City Retail Development Tbk
25	OMRE	Indonesia Prima Property Tbk
26	PAMG	Bima Sakti Pertiwi Tbk.
27	PLIN	Plaza Indonesia Realty Tbk
28	POLL	Pollux Property Indonesia Tbk.
29	RBMS	Ristia Bintang Mhkotasejati Tbk
30	RISE	Jaya Sukses Makmur Sentosa Tbk.
31	RODA	Pikko Land Development Tbk

(Source: www.idx.co.id)

The advantages of research using panel data are that the data used becomes more informative, greater variability, and low collinearity (Gujarati & Porter, 2012). Thus, a greater degree of freedom will be produced. The data panel can better detect and measure impacts where this cannot be done by cross-section or time seriesmethods. Panel data allows for a more complex study of the behaviour in the model, so panel data analysis does not require classical assumption tests (Gujarati & Porter, 2012). With the advantages of panel data regression, the implication is that there is no need to test classical assumptions in the panel data model. The equation that satisfies the classical assumption test is an equation that uses the Ordinary Least Squared (OLS) method. However, not all classical assumption tests use the OLS method, namely multicollinearity and heteroscedasticity According to previous research, panel data (pooled data) or also called longitudinal data can be interpreted as a combination ofcross sectiondata and time series data (Gujarati & Porter, 2012). The regression analysis used in this study is a regression model with panel data. Where this panel data regression model has the panel regression equation formula as follows:

$$Y_{it} = \alpha + \beta_1 X_1 it + \beta_2 X_2 it + \varepsilon_{it}$$

(Gujarati & Porter, 2012)

Key:
Y_{it} = *audit delay*
α = constant
β_1 β_2 = regression coefficient of each independent variables.
X_2it = profitability
X_1it = solvency
ε_{it} = *error term*

In the regression model using panel data, it can be done using 3 model approaches, including the Common Effect Model, Fixed Effect Model and Random Effect Model. After that, to select the best model from the three model approaches for estimating panel data, there are several tests that can be carried out, namely the first Chow test (choosing between fixed effect and common effect models). If the best result is fixed effect, then do the second test, namely the Hausman test, to determine whether the fixed effect or random effect model is the most appropriate to use. If the results of the Hausman Test are selected as the best fixed effect, then the best model to use is the fixed effect. On the other hand, if the Hausman test is the best random effect, then the third test is carried out, namely the Lagrange Multiplier Test, which is carried out to compare the common effects method with the random effects method, which is the best, otherwise with the Chow test, if the best is chosen, the common effect is then immediately carried out the Lagrange Multiplier Test. Hypothesis testing is carried out to determine whether there is a relationship between the independent variable X and the dependent variable Y. Hypothesis Zero (Ho) is a hypothesis that states that there is no relationship between variable X as independent and variable Y as dependent and alternative hypothesis (Ha) is a hypothesis that states that there is a relationship between variable X as independent and variable Y as dependent. In testing this hypothesis, the author uses a significant test or test parameter r, meaning that to test a significant level, a test parameter r must be carried out. The descriptive analysis of the data taken as much as 62 data for this study is from 2020 to 2021, which is the data of 31 property and real estate companies. The description of variables in the descriptive statistics used in this study includes the minimum value, maximum value, mean (average), and standard deviation from one dependent variable, namely Audit Delay (Y) and two independent variables, namely solvency represented by the DER (X_1) ratio and profitability represented by the ROA (X_2) ratio.

3. RESULTS AND DISCUSSIONS

Results

Table 1. Descriptive Statistics

	DER (X_1)	**ROA (X_2)**	**ADLY (Y)**
Mean	0.297097	-0.171774	36.82258
Maximum	4.110000	0.310000	216.0000
Minimum	-21.06000	-9.840000	-15.00000
Std. Dev.	3.218195	1.250674	49.84912

(Source: Output Eviews 12, 2023 "reprocessed")

From the Table 1, it can be seen that the number of samples as many as 62 of 31 property and real estate companies listed on IDX for the period 2020-2021 has an average (Mean) for the solvency variable represented by DER (X_1) has a value of 0.297097 which is in a low or healthy position, meaning that property and real estate companies on average have a total debt of 0.297097 or 29.7% of their total equity in a year with a standard deviation value of 3.218195 per year. In the profitability variable represented by ROA (X_2**)** has anaverage value (Mean) of -0.171774 is in a low or healthy position, meaning that property and real estate companies if averaged have total revenues of -0.171774 or by -17.1%. This shows that property and real estate companies have a loss of -17.2% of their total assets with a standard deviation of 1.250674 per year. The maximum ROA value of 0.310000 or 31% is in a low or healthy position and the minimum ROA value of -9.840000 or -984% is in a low or healthy position. The audit delay variable has an average value (mean) of 37 days, indicating that property and real estate companies always experience a delay of 37 days on average in reporting their financial reports to the Indonesia Financial Services Authority (OJK) after the reporting year ended, which is 90 days after the end of the reporting year. The variable has a standard deviation of 50 days per year. The maximum audit delay value of 216 days is in the delay position and the minimum audit delay value of -15 days is in the non-delay position.

Table 2. Heteroscedasticity Test Results

Panel Cross-section Heteroscedasticity LR Test **Equation: UNTITLED** **Specification: Y C X_1 X_2**			
Null hypothesis: Residuals are homoskedastic			
	Value	df	Probability
Likelihood ratio	81.82650	31	0.0000
LR test summary:			
	Value	df	
Restricted LogL	-309.3383	59	
Unrestricted LogL	-268.4251	59	

(Source: Eviews Processed Data 12, 2023)

Based on Table 2, the Probability Likelihood ratio value shows 0.0000 < 0.05 The results of the Cross-section Panel Heteroskedasticity LR Test showed heteroscedasticity. When heteroskedasticity is detected, to address the issue, the White cross-section remedy available in Eviews can be applied directly.

Table 3. Period Test of Heterosidasticity

Heteroskedasticity LR Test Panel Period **Equation: UNTITLED** **Specification: Y C X_1 X_2**			
Null hypothesis: Residuals are homoskedastic			
	Value	df	Probability
Likelihood ratio	9.382418	31	0.9999
LR test summary:			
	Value	df	
Restricted LogL	-309.3383	59	
Unrestricted LogL	-304.6471	59	

(Source: Eviews Processed Data 12, 2023)

Based on the probability values in the Table 3, there has been a change in the probability values. For each independent variable, the probability value is greater than 0.05 or the likelihood ratio probability value is 0.9999 > 0.05. The results of the Panel Period Heteroskedasticity LR Test test can be concluded in accordance with the test criteria that heteroskedasticity does not occur.

Table 4. Multicollinearity Test Results

	X_1	**X_2**
X_1	1.000000	-0.019415
X_2	-0.019415	1.000000

(Source: Eviews Processed Data 12, 2023)

Based on the Multicollinearity Test results in Table 4, the coefficient value between variables was -0.019415 < 0.8. Therefore, the results of the multicollinearity test did not have a correlation coefficient value between variables that was more than 0.8. So, it can be concluded that the data does not have multicollinearity problems.

Table 5. Common Model Panel Data Regression Test Results

Variable	**Coefficient**	**Std. Error**	**t-Statistics**	**Prob.**
C	35.86333	4.881413	7.346915	0.0000
X_1	2.915558	4.631982	0.629441	0.5340
X_2	-0.541714	5.212796	-0.103920	0.9179
Effects Specification				
Fixed cross-section (dummy variables)				
Root MSE	24.77543	R-squared		0.748933
Mean dependent var	36.82258	Adjusted R-squared		0.471894
S.D. dependent var	49.84912	S.E. of regression		36.22580

Variable	Coefficient	Std. Error	t-Statistics	Prob.
Akaike Info Criterion	10.32210	Sum squared resid		38056.95
Schwarz criterion	11.45428	Log likelihood		-286.9850
Hannan-Quinn criterion.	10.76662	F-statistics		2.703349
Durbin-Watson stat	3.875000	Prob (F-statistic)		0.004127

(Source: Eviews Processed Data 12, 2023)

Based on the Common Model Panel Data Regression Test Results Table 5, the probability value off f-stat is 0.004127 < 0.05, so the model is *significant.*

Table 6. Data Panel Fixed Model Regression Test Results

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	35.91643	0.211915	169.4850	0.0000
X_2	-0.149730	0.433794	-0.345164	0.7325
X_1	2.963445	0.043083	68.78487	0.0000
Root MSE	24.00437	R-squared		0.996514
Mean dependent var	253.1833	Adjusted R-squared		0.992668
S.D. dependent var	880.5431	S.E. of regression		35.09839
Sum squared resid	35725.00	F-statistics		259.0750
Durbin-Watson stat	3.875000	Prob (F-statistic)		0.000000
Unweighted Statistics				
R-squared	0.748884	Mean dependent var		36.82258
Sum squared resid	38064.49	Durbin-Watson stat		3.875000

(Source: Eviews Processed Data 12, 2023)

Based on the Data Panel Fixed Model Regression Test Results Table 6, the probability value off f-stat is 0.00000 < 0.05, so the model is *significant.*

Table 7. Random Model Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	37.35416	4.108755	9.091356	0.0000
X_2	3.796467	4.118898	0.921719	0.3605
X_1	0.405796	2.203898	0.184126	0.8546
Effects Specification			S.D.	Rho
Random cross section			38.14765	0.5954
Fixed period (dummy variables)				
Random idiosyncratic			31.44633	0.4046
Weighted Statistics				
Root MSE	29.99028	R-squared		0.170761
Mean dependent var	36.82258	Adjusted R-squared		0.127869
S.D. dependent var	33.20255	S.E. of regression		31.00718
Sum squared resid	55763.84	F-statistics		3.981207
Durbin-Watson stat	1.929570	Prob (F-statistic)		0.011989
Unweighted Statistics				
R-squared	0.088521	Mean dependent var		36.82258
Sum squared resid	138162.9	Durbin-Watson stat		0.778792

(Source: Eviews Processed Data 12, 2023)

Based on the Random Model Panel Data Regression Test Results in Table 7, the probability value off f-stat is 0.011989 < 0.05, so the model is *significant.*

Table 8. Panel Data Regression Model Selection Scheme

Testing	Result	Decision
Chow Test	Prob. > 0.05	CEM
	Prob. < 0.05	FEM
Hausman Test	Prob. > 0.05	REM
	Prob. < 0.05	FEM

Testing	Result	Decision
Legrange Multiplier Test	Prob. > 0.05	CEM
	Prob. < 0.05	REM

(Source: Processed data according to the meaning of each test, 2023)

Based on the Panel Data Regression Model Selection Scheme in Table 8, is used to select the most appropriate model used in the management of panel data, there are several tests that can be performed, namely: Chow Test, Hausman Test, and Lagrange Multiplier

Table 9. Chow Test Results

Effects Test	Statistics	d.f.	Prob.
Cross-section F	2.835854	(30.29)	0.0031
Chi-square cross-section	84.913076	30	0.0000

(Source: Eviews Processed Data 12, 2023)

Based on the Chow Test Results in Table 9, the test showed that the *Chi-square Cross section Probability* value was 0.0000 which was < 0.05. The fixed *effect model* is more accurate than the *common effect model.*

Table 10. Hausman Test Results

Test Summary	Chi-Sq. Statistics	Chi-Sq. d.f.	Prob.
Random cross section	1.028220	2	0.5980

(Source: Eviews Processed Data 12, 2023)

Based on the Hausman Test Results in Table 10, the test showed that the Chi-square Cross section Probability value was 0.5980 which was > 0.05. This means *Random Effect* Model is better than the *Fixed Effect Model*.

Table 11. Lagrange Multiplier Test Results

Statistics	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	6.948503	2.029428	8.977931
	(0.0084)	(0.1543)	(0.0027)
Honda	2.636001	1.424580	2.871265
	(0.0042)	(0.0771)	(0.0020)
King-Wu	2.636001	1.424580	1.874854
	(0.0042)	(0.0771)	(0.0304)
Standardized Honda	2.816264	2.670144	-1.612381
	(0.0024)	(0.0038)	(0.9466)
Standardized King-Wu	2.816264	2.670144	0.554585
	(0.0024)	(0.0038)	(0.2896)
Gourieroux, et al.	--	--	8.977931
			(0.0042)

(Source: Eviews Processed Data 12, 2023)

Based on the Lagrange Multiplier Test Results in Table 11, the *Lagrange Multiplier* test shows that the Probability Cross section value is 0.0084 which is < 0.05. The *Random Effect* model is more accurate than the *Common Effect model*.

Panel Data Regression Analysis

In the regression of panel data using the *Random Effect* model, the equations in the *Random Effect* model are as follows:

$$Y_{it} = \alpha + \beta_1 X_1 it + \beta_2 X_2 it + \varepsilon_{it}$$

Based on the panel data regression model approach with *Eviews* (*Common Effect Model*, *Fixed Effect Model*, and *Random Effect Model*) and tests that have been done (*Chow Test*, *Hausman Test*, and

Lagrange *Multiplier Test*) then in this study is *Random Effect.* The results of panel data regression and t-test are presented in the following Table 12.

Table 12. Results of Panel Data Regression Analysis of Random Effect Model

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	3.531374	0.152314	23.18485	0.0000
X_1	0.005654	0.039295	0.143876	0.8863
X_2	-0.901906	1.642693	-0.549041	0.5858

(Source: Eviews Processed Data 12, 2023)

The regression equation of the panel data above can produce the following equation: Y_{it}= 3.53 + 0.01*X_1 - 0.90*X_2 + ε_{it} The explanation is as follows: (1) The constant value of 3.53 means that without the DER (X_1) and ROA (X_2) variables, the audit delay (Y) variable will increase by 353%; (2) The beta coefficient value of the DER (X_1) variable is 0.01, if the value of other variables is constant and the DER (X_1) variable has an increase of 1% so that the Audit Delay (Y) variable will increase by 1%. Similarly, if the value of other variables is constant and the DER (X_1) variable decreases by 1%, the Audit Delay (Y) variable will decrease by 1%; (3) The beta coefficient value of the ROA variable (X_2) is -0.90, if the value of other variables is constant and the ROA variable (X_2) is increased by 1% the audit delay variable (Y) will increase by 90%. Similarly, if the value of other variables is constant and the DER (X_2) variable decreases by 1%, the Audit Delay (Y) variable will decrease by 90%.

Hypothesis Testing (t-statistic test)

This test is used to show how far the individual influence of one independent variable is in explaining the variation of the dependent variable. Based on Table 4.14, the results of the study were obtained as follows: (1) The results of the t test on the DER (X_1) variable obtained t count of 0.143876 < from the t table which is 2.000297 and the sig value. 0.8863 > 0.05, then H_{o1} rejected and H_{a1} is accepted, meaning there is no effect of Solvency on Audit Delay; (2) The test results of t on the ROA variable (X_2) obtained t count of -0.549041 < from t table which is 2.000297 and the sig value. 0.5858 > 0.05, then H_{o1} is rejected and H_{a1} is accepted, meaning that there is no effect of Profitability on Audit Delay.

Discussion

Analysis of the Effect of Solvency (DER) on Audit Delay

The test results in this study show that Solvency (DER) has no effect on audit delay. This is evidenced by the significance value of 0.8863 > 0.05 with a t-statistic value of 0.143876, meaning that solvency has no effect on audit delay. Based on the observation of property and real estate company data that has been collected from 31 companies for 2 periods with a sample number of 62 data, the results were 6% or 1 company in 2020 and 1 company in 2020 and 2021 which has high or unhealthy criteria that has a DER value above 2, meaning that the company has a total debt of more than 2 times its total equity so that the company's equity cannot cover all its debts, namely Megapolitan Developments Tbk (EMDE) in 2020 and Pollux Property Indonesia Tbk. (POLL) in 2020 and 2021. DER with a medium or unhealthy criteria of 19% or 1 company in 2021 and 5 companies in 2020 and 2021 means that the company has a total debt of more than 1 time of its total equity so the company's equity cannot cover all its debt. It can be observed that property and real estate companies with low or healthy DER ratios of 75% of the total sample still have audit delays in 2020 and 2021, meaning that companies with low DER values can also have audit delays which are suspected to be caused by the conditions of the Covid-19 pandemic which in early 2020 caused the company's financial statements with low DER values in 2020 and 2021 to be submitted to OJK late. Given the conditions of the Covid-19 pandemic, the auditor in carrying out his duties, namely examining the financial statements of property and real estate companies, experiences obstacles related to requests for accounting evidence that can support the running of audits because the government issued rules related to restrictions on direct communication or social distancing, plus if the auditee as the PIC concerned is affected by the Covid-19 pandemic which causes the PIC substitute to experience obstacles in preparing the auditor's request because they do not know the whole process that can impact the length of time of completion of the audit process.

Auditors in carrying out audits of financial reports must be carried out thoroughly, however, this process cannot be carried out quickly due to the auditor's limitations in accessing the information needed for the audit which can only be accessed via the internet or online media and the auditee must also provide information via internet media. Also. So, when the auditor feels that the information provided is still lacking, he will need time to check it again because he has to ask the auditee again via the internet,

which should be done quickly if it is done by direct field inspection. Auditors are required to be able to complete a thorough examination of financial reports which will then be submitted by the company to the OJK, so that financial reports with low or healthy DER values will follow the completion time of the audit process due to limited requests for audit evidence and the length of the audit process carried out by the auditor. This is not in line with what was stated by previous research that a high debt to equity ratio is an indicator of a company's financial difficulties which reflects the high risk the company has, because the company is supervised by parties who provide loans (Indrastuti, 2022; Primasari & Ghofirin, 2021). This has an impact on the time longer audits because they expect high standard audit procedure services through the recruitment of high-quality public accounting firms. This research is inconsistent with research conducted by similar research said that solvency (DER) only has an effect on audit delay (Mulyadi et al., 2022; Saragih, 2019). Previous research showed that solvency results (DER) had a significant effect on audit delay, so this research cannot support previous research because it was probably carried out before the Covid-19 pandemic occurred (Gelashvili et al., 2023; Pozzoli et al., 2022).

Analysis of the Effect of Profitability (ROA) on Audit Delay

The test results in this study show that Profitability (ROA) has no effect on audit delay. This is evidenced by the significance value of 0.5858 > 0.05, with a t-statistic value of -0.549041, so it can be concluded that profitability (ROA) does not affect audit delay. Based on the observation of property and real estate company data that has been collected from 31 companies for 2 periods with a sample number of 62 data, it was found that 100% of the samples had a profitability ratio value represented by ROA with low or unhealthy criteria, which is below 5.98%, meaning that property and real estate companies must be able to generate profits exceeding 5.98% of the total assets they manage. The standard which must be achieved by the industry ROA is 5.98%, if the ratio reaches a value of 5.98% it means that the ROA value can be said to be good. Profitability (ROA) can be used as a good or bad indication of a company's activities for one year. If the company has a profit with a healthy ROA ratio, management will accelerate the publication of its financial statements. Conversely, if the company suffers losses, management will delay the publication of financial statements to avoid communicating the bad news. So, it is certain that company management will delay publication or reporting to the OJK because it is bad news for investors and shareholders so that auditors in carrying out their duties will have a longer time span to be able to examine the company's financial statements in terms of profit and loss for each income earned. or losses experienced and increased expenses incurred are greater so that they can burden the company's income. This is consistent with what was stated by previous research who stated that good and bad news are factors that determine the audit lag period and publication period (Durand, 2019; Habib et al., 2019).

The reason is thought to be that during times of uncertainty and market fluctuations such as those that occurred during the Covid-19 pandemic in early 2020, assessing the value of property assets may become more complex. Accurate and conservative asset valuation is essential in a company's financial statements. If asset valuation requires more time and analysis from the auditor, this can affect audit delay and also affect the asset value stated in the financial statements, which in turn can affect ROA. Some Real Estate and Property companies may have to cut assets or adjust their asset values during the pandemic. This process may involve reviewing property values and accounting calculation processes, which may affect the time required to complete the audit and ultimately affect ROA. A decrease in demand and business activity in the Real Estate and Property industry during the pandemic may result in a decrease in revenue and profits. When revenues and profits decline, ROA can also be affected, apart from audit delays. During the pandemic, there may be limitations in physical access or access to information required for the audit process. This can slow down the audit process and cause audit delays. Transactions and contracts in the Real Estate and Property industry can become more complex during times of uncertainty. Auditors may need to perform more thorough checks to ensure the validity of transactions and compliance with contracts, which can affect audit delays. Auditors who carry out the audit process on financial reports will be more alert and careful in checking the company's profit and loss which is not optimal and experiencing losses, because they have to carry out a detailed examination of the components that make up profit and loss which will later be submitted to the auditee, good and bad information about the condition. being experienced by the company. Apart from that, the examination of financial reports, especially the profit and loss of real estate and property companies, experienced problems related to requests for accounting evidence that could support the audit because the government issued regulations regarding restrictions on direct communication or social distancing, especially if the auditee as the PIC in question participated. impacted by the Covid-19 pandemic which caused the PIC's replacement to experience difficulties in preparing the auditor's request because he did not know everything that could impact the length of time for completing the audit process. This research is in line with what was stated by previous research who stated that the greater the company's ability to generate profits, the more sales transactions there will be

in the company (Erari, 2014; Purwanti, 2020). With large profits, there will be demands from management to speed up providing good news to the public. But on the other hand, auditors will be increasingly careful in looking at every detail of existing sales, whether the sales actually occurred or were just fictitious sales so that the company can generate profits. Because of that caution, the audit report will take a long time to complete. This research also does not support the results of research conducted by previous research with the results that profitability (ROA) has an effect on audit delay, which means that a company with a high ROA means the company has used its assets efficiently (Diaz & Pandey, 2019; Sukesti et al., 2021). Efficient so that it can produce high profits for the company and shareholders, on the other hand, a company that has a low ROA value means the company cannot manage its assets efficiently so that the profits generated are not optimal and can even experience losses.

4. CONCLUSION

Solvency has no effect on Audit Delay. This is due to the Covid-19 pandemic conditions that occurred at the beginning of 2020 which caused company financial reports with low DER values or it could be said that property and real estate companies had total debt that was smaller than their total equity in 2020 and 2021 and were submitted late to the OJK. Companies face challenges in refinancing debt or obtaining additional financing. Delays or difficulties in obtaining funds from new debt sources or restructuring existing debt can affect the company's capital structure and DER. The process of raising funds or financial transactions involving debt may experience delays due to market uncertainty or the company's inability to meet debt requirements. Profitability has no effect on Audit Delay. This is because the higher the profitability, the shorter the audit delay and conversely, the lower the profitability, the longer the audit delay. During times of uncertainty and market fluctuation such as those occurring during the pandemic, assessing the value of property assets may become more complex. Accurate and conservative asset valuation is essential in a company's financial statements. If asset valuation requires more time and analysis from the auditor, this can affect audit delay and also affect the asset value stated in the financial statements, which in turn can affect ROA.

5. ACKNOWLEDGE

If any, thanks are addressed to official institutions or individuals who have provided funding or have made other contributions to the research. Acknowledgments are accompanied by a research contract number.

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