Jurnal Riset Akuntansi Mercu Buana
JRAMB
Online ISSN 2548-4338, Print ISSN 2460-1233
Vol 8, NO 1, Mei 2022

DETERMINATION OF AUDIT DELAY ON REAL ESTATE PROPERTY COMPANIES IN INDONESIA DURING THE COVID-19 PADEMIC

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Artikel Info
Diterima : 03-04-2022 **Direvisi :** 04-04-2022 **Disetujui:** 10-05-2022 **Publikasi :** 31-05-2022

Kata Kunci: profitabilitas, ukuran perusahaan, umur perusahaan

Determinasi Audit Delay pada Perusahaan Property Real Estate di Indonesia Selama Pademi Covid-19

Abstrak
Penelitian ini bertujuan untuk mengetahui faktor-faktor yang mempengaruhi audit delay pada perusahaan properti real estate di Indonesia. Jenis penelitian adalah kuantitatif dengan menggunakan data sekunder. Populasi penelitian adalah perusahaan properti real estate yang terdaftar di Bursa Efek Indonesia. Sampel penelitian sebanyak 48 perusahaan yang diambil dengan teknik purposive sampling. Variabel independen terdiri dari profitabilitas, ukuran perusahaan, dan umur perusahaan. Sedangkan audit delay dijadikan sebagai variabel dependen. Teknik analisis data dilakukan dengan menggunakan analisis regresi linier berganda. Uji t dilakukan untuk mengetahui pengaruh variabel independen terhadap variabel dependen. Hasil penelitian menunjukkan bahwa profitabilitas dan ukuran perusahaan tidak berpengaruh terhadap audit delay. Sedangkan umur perusahaan berpengaruh terhadap audit delay. Perusahaan perlu memperhatikan rentang waktu penyelesaian audit karena berguna untuk mengevaluasi kinerja keuangan dan kondisi perusahaan.

Keywords: *profitability, company size, company age*

Abstract
This study aims to determine the factors that affect audit delay in real estate property companies in Indonesia. This is a quantitative study that relies on secondary data. The research population is real estate property companies listed on the Indonesia Stock Exchange. The research sample was 48 companies which were taken by purposive sampling technique. The independent variables consist of profitability, company size, and company age. The dependent variable, on the other hand, is audit delay. The data analysis technique was carried out using multiple linear regression analysis. The t-test was conducted to determine the effect of the independent variable on the dependent variable. The results showed that profitability and company size had no impact on audit delay while the company's age has an impact on audit delays. Companies need to pay attention to the time span of audit completion because it is useful for evaluating the financial performance and condition of the company.

How to cite :

Murtini, S., Babatunde, B. N., Wulandari, I., & Utomo, R. B. (2022). Determination of Audit Delay on Real Estate Property Companies in Indonesia During The Covid-19 Pandemic. *JRAMB, 8*(1), 103-109. Doi : https://doi.org/10.26486/jramb.v8i1.2404

doi : https://doi.org/10.26486/jramb.v8i1.2404
URL : https://ejurnal.mercubuana-yogya.ac.id/index.php/akuntansi/index
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INTRODUCTION

The Indonesia Stock Exchange (IDX) announced that 37 issuers were subject to sanctions due to delays in submitting interim financial reports ending 30 September 2021 until the specified deadline, which is 30 December 2021. 32 listed out of the 37 issuer have not yet submitted financial reports that have not been audited and reviewed on a limited basis. Only 4 listed companies submit Interim Financial Statements as of September 30, 2021 and have been audited by a Public Accountant. This delay in submitting the financial report was due to the COVID-19 pandemic.

One of the sectors affected by Covid 19 is real estate property. For example, PT Ciputra Development Tbk (CTRA) recorded a decline in sales (marketing sales) by 24%. The Indonesian government is currently taking steps to provide interest subsidies for Home Ownership Credit (*Kredit Pemilikan Rumah /KPR*). However, the Bank still delays the disbursement of Home Ownership Credit, so this will affect the audit delay in real state property companies. Due to the bank's delay in disbursement, the company's sales and income (profitability) decreased, leading the company to be delayed in issuing financial results. As a result of the drop in sales, the company is facing financial difficulties and the possibility of bankruptcy. This condition causes the auditor to take longer to find out the problems that occur in the company. Auditors also need more data to produce an opinion in accordance with the actual conditions of the company.

According to Liwe (2018), the length of time required to audit the company's annual financial statements from the date of signing the audit report to the date of the fiscal year of the financial statements (book closing date) is known as audit delay. According to Saputra (2020) what is referred to as audit delay is the time required to complete the audit process starting from the closing date of the financial statement book until the inspection process and signed by an independent auditor.

One of the factors causing audit delay is profitability. According to Sartono (2010), profitability is the capacity of a company to produce profits in relation to its sales, total assets, and own capital. Companies that gain greater profitability will tend to immediately present their financial statements so that there is no audit delay. In contrast to companies that do not earn profits, companies tend to slow down or postpone the presentation of their financial statements resulting in audit delays. Companies with a high level of profitability are more likely to publish it sooner because it will increase the value of the company in the public's opinion. According to Amani (2016), profitability has an effect on audit delay which is different from the results of Saputra's research (2020) which shows that profitability does not affect audit delay. This is because the audit completion time is not determined by the level of profitability. There is no difference in audit processes and procedures between companies with high profitability and companies with low profitability.

The total assets of a company are used as indicator to determine its size (Ginting, 2019). According to Wafa & Nugraeni (2018), the company's growth may be seen in a variety of indicators, including total asset and total revenue. The large number of assets in the company can result in the company having a shorter audit delay than companies with small total assets. Riyanto (2013) said that the size of the company can be seen from the amount of capital, total sales and total assets. Companies that have large assets will take longer to complete the audit (Syarufudin, 2004). The results of research by Alfiani and Nurmala (2020), say that company size has no effect on audit delay, because all companies listed on the Indonesia Stock Exchange (IDX) are noticed and supervised by investors, capital supervisors and the government.

According to Saputra (2020), the age of the company is the time span of the establishment of a company or the length of time the company operates until this research is carried out. The age of a company is calculated by adding the year it was created to the year it closed its records (Amani, 2013). According to Dewi (2020), the age of the company affects the audit delay because if the age of the company is getting older, it means that the company has good and experienced internal controls and internal auditors. Meanwhile, according to (Jurnal et al., 2021) in his research he said that the age of the company did not affect audit delay. Based on the above background, the problem regarding audit delay is still worth investigated because of the inconsistency of the results. The goal of this research was to see how profitability, business size, and firm age affected audit delay. Contribution from the research is to aid businesses in developing policies or guidelines to reduce audit delays during the COVID-19 pandemic. The author conducted a research entitled "Determination of Audit Delay in Real Estate Property Companies in Indonesia during the Covid-19 Pandemic".

METHOD

This type of research is quantitative research. The population in this study is companies of real estate property sector listed on the Indonesia Stock Exchange (IDX). This research uses non-probability sampling with purposive sampling technique. The sample selection criteria are as follows:

1. A real estate property company listed on the IDX in 2020
2. Real estate property companies that report financial reports and audit reports in 2020
3. Companies experiencing audit delay
4. Companies that use the Indonesian rupiah currency

The data used is secondary data and the data collection method is documentation of financial statements of companies in the real estate property sector obtained from www.idx.com. The data analysis technique in this study used the classical assumption test, multiple linear regressions, the R^2 determination test and hypothesis testing. The multiple linear regression analysis model used is as follows (Ghozali, 2016):

$$\boldsymbol{Y = a + b1X1 + b2X2 + b3X3 + e}$$

where :

Y = *audit delay*

a = constant

$b_1,...b_3$ = Regression coefficient of each independent variable

$X1$ = Profitability

$X2$ = company size

$X3$ = company age

e = erorr term

The dependent variable in this study is audit delay. While the dependent variable in this study is profitability as measured by Return on Assets (ROA), company size variable is measured by total assets. While the age of the company is measured by using the company's long standing. The following is a summary of Research Variables:

Table 1. Summary of Research Variables

Variable name	**Measuring instrument**
Profitability	$ROA/Return\ on\ Asset = \frac{net\ income}{Total\ Asset}\ x\ 100\%$
Company Size	Size = Ln (Total Asset)
Company Age	Age = Research year – *first issue* year at IDX
Audit Delay	The number of days between the day the financial statements were closed and the date the audit was signed.

RESULTS AND DISCUSSION

Result

The sample in this study was 48 companies in the Property Real Estate sector listed on the Indonesia Stock Exchange (IDX) for the period 2020. Statistical analysis on the normality test used the Kolmogorov-Smirnovs (KS) non-parametric statistical test. The results of the Kolmogorov-Smirnov test in Table 2 are shown below.

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		48
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	37.66573564
Most Extreme Differences	Absolute	.076
	Positive	.075
	Negative	-.076
Test Statistic		.076
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance

By looking at Table 2 the value of Asymp.Sig (2-tailed) is 0.200 which means it is greater than 0.05 so it can be concluded that the data is normally distributed.

Table 3. Multicollinearity Test
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	143.775	85.684		1.678	.100		
	Profitabilitas	-97.832	70.032	-.181	-1.397	.169	.992	1.008
	Size	1.150	3.020	.050	.381	.705	.969	1.032
	Age	-1.910	.500	-.501	-3.817	.000	.968	1.033

a. Dependent Variable: Audit Delay

Table 3 shows the tolerances and VIF values for each variable. The profitability variable has a tolerance of 0.992 and a VIF of 1.008. The company size variable has a tolerance of 0.969 and a VIF of 1.032. The age of the company has a tolerance value of 0.968 and a VIF of 1.033. Based on the data above, it can be concluded that there is no multicollinearity between variables in the regression model because the tolerance value for all variables is > 0.10 and the VIF value for all variables is < 10.

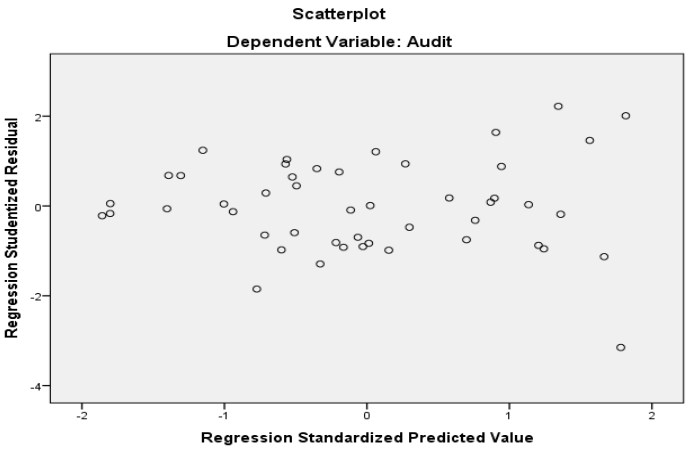

Figure 1 Scatterplot Grafic

Figure 1 shows that the data is randomly distributed above or below the number 0 on the y-axis and does not form a clear pattern. Thus, it can be concluded that the regression model does not experience heteroscedasticity. And it can be said that the regression model is feasible to use for testing.

Table 4. Multiple Linier Regression Test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	143.775	85.684		1.678	.100
	Profitabilitas	-97.832	70.032	-.181	-1.397	.169
	Size	1.150	3.020	.050	.381	.705
	Umur	-1.910	.500	-.501	-3.817	.000

a. Dependent Variable: Audit Delay

Based on Table 4, the following regression equation is obtained:

Audit Delay = 143.775 -97.832ROA + 1.150SIZE – 1.910UMUR + e

Based on the above equation, the following results are obtained

1. The constant of 143.775 is positive, which means when all independent variables are zero (0), then the Audit delay is 143.775
2. The value of the profitability regression coefficient is negative at -97.832, meaning that if the profitability variable increases by one unit, the audit delay variable will decrease by 97.832 units.
3. The regression coefficient value Size is positive at 1.150, meaning that if the company size variable increases by one unit, the audit delay variable will increase by 1.150.
4. The value of the regression coefficient of the company's age is negative at -1.910. This means that if the company age variable increases by one unit, it will reduce audit delay by 1,910 units.

In addition, based on Table 4 it can be concluded that:

1. The significance value of the profitability variable (ROA) is 0.169 or > 0.05, so it can be concluded that the profitability variable partially has no effect on audit delay.
2. The significant value of company size (SIZE) is 0.705 or > 0.05, so it can be concluded that company size partially has no effect on audit delay.
3. The significant value of the company age variable is 0.000 or <0.05 so it can be concluded that the age of the company partially has a negative effect on audit delay.

Discussion

The Effect of Profitability on Audit Delay

Based on the results of the tests that have been carried out, it is stated that profitability has no effect on audit delay. This is because every company must submit the results of the audited report on time. If the company is late, the company will be subject to penalties or fines. Therefore, the management who is responsible for the company will strive to avoid delays in making financial reports so that they can be audited on time. The results of this study are supported by the research of Candraningtiyas, et al., (2017) which proves that profitability has no effect on audit delay.

Effect of Company size on Audit Delay

Based on the results of the tests that have been carried out, it shows that the size of the company does not affect the audit delay. This is because the delay in reporting financial statements depends on the complexity of the financial statements in a certain period not based on the size of the company. Company size has no effect on audit delay because the 2016 Financial Services Authority (*Otoritas Jasa Keuangan/OJK*) regulation states that issuers are required to publish an annual report to the Financial Services Authority within four months from the end of the financial year. From these regulations, it can be concluded that all issuers are required to report financial statements, including large and small companies. The findings of this study agree with Astuti's (2019) research, which found that the company has no impact on audit delays. Dewi (2020) said that the size of the company does not affect the audit delay because the sample used is the result of a population of companies listed on the IDX so they do not care about the size of the company because it will still be noticed and supervised by investors, supervisors, and the government.

Audit Delay Effect of Company Age on Audit Delay

Based on the test results of the findings, the company's age has a significant and negative impact on audit delay. Companies that have a long life will have a low audit delay and vice versa. If the company is younger, there is a chance that the audit will take a lengthy time. Itis because the older companies already have a stronger foundation than the younger ones. This is due to an extensive track record of performance which enables the company to better prepare complex annual financial reports. The results of this study are in line with Dewi's research (2020) which states that the age of a company affects audit delay. According to the Journal et al., (2021) said if a company that has been around for a long time will have a lot of experience in dealing with the twists and turns in the business world. Therefore, companies can publish financial statements as soon as possible. Companies that already have a longer life span will have more robust strategies and methods for predicting the future to reduce audit delays.

CONCLUSION

The results showed that profitability and company size partially had no effect on audit delay while the age of the company has an effect on audit delay. Further study is required in which the audit delay variable is measured by the day after the report is submitted late by the day the audit financial report is issued. According to Financial Services Authority (*Otoritas jasa keuangan/OJK*), the deadline is 4 months after closing the books, so the basis is said to be late if it is 4 months after the end of the year minus the date of issue of the audited financial report. Further research can add the variables of auditor quality and auditor experience because this research is still limited to the perspective of financial statements not to the point of view of the Public Accounting Firm.

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