

# Effect of Company Size, Profitability and Solvability of Delay Audit

(Empirical Study on Mining Companies Registered In Indonesia Stock Exchange 2012 - 2016)

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## ABSTRACT

This study aims to analyze whether the size of the company as measured by total assets, profitability as measured by ROA and solvability as measured by DER both partially and simultaneously affect the audit delay in mining companies listed on the Stock Exchange in 2012 - 2016. Data used in this study is secondary data and the method used is "purposive sampling method with a sample of 140 companies processed using software spss version 22". The research method used is multiple analysis method with classical assumption test that is normality, multicollinearity, heteroscedasticity, and autocorrelation and by testing the hypothesis, namely the coefficient of determination R<sup>2</sup>, t test and f test. The results of this study are, that the size of the company partially has no effect on audit delay, partial profitability as measured by ROA has no effect on audit delay, and partial solvency as measured by DER has a positive effect on audit delay. And simultaneously the size of the company, profitability and solvability together affect the audit delay of 18.9%.

**Keywords :** Audit Delay, Company Size, Profitability, Solvability

## I. INTRODUCTION

Financial statements are an important instrument in the survival of the company, especially for companies going public in stock trading. This encourages the Indonesia Stock Exchange (IDX) and the Capital Market Supervisory Agency (Bapepam) to require public companies listed on the Indonesia Stock Exchange (IDX) to publish financial statements which has been audited by an independent auditor within a certain period after the end of the financial year so that Bapepam can monitor and evaluate the company's performance.

According to Hery (2014, p. 3), financial statements are the final product of a series of processes for recording and summarizing business transaction data. The financial statements are basically a result of an accounting process that can be used as a tool to communicate financial data and company activities to

interested parties. The parties that have an interest in the financial position and development of the company are divided into two, namely internal parties such as company management and company employees. And the second is external parties such as shareholders, creditors, government and society. So it can be concluded that financial statements are an information tool that connects companies with interested parties, which shows the condition of the company's financial health and company performance.

The role of independent auditors is needed in producing good and quality audit financial reports to increase the trust of users of financial statements. The purpose of an audit by an independent auditor is to assess the fairness of the presentation of financial statements issued by the company and ensure that there are no material misstatements in the financial statements. According to Arens (2013), misstatements

are material if the misstatement can affect the decisions taken by users of financial statements.

Timeliness in the issuance of audit financial statements is also an important factor for users of financial statements in decision making because audit financial statements that are issued on time will greatly influence the value of the audit financial statements. That is, the information contained in the audit financial statements, for example profit, will affect the fluctuations in stock prices. The importance of timeliness in financial reporting is what makes the length of time to complete an audit conducted by the auditor or what is usually called an audit delay is very important to learn.

According to Hilmi and Ali (2008), on time is the quality of information availability on when needed or the quality of information is good in terms of time. The faster the financial statements are published to the public, the more useful information is for decision making. Conversely, if there is a delay in reporting time that is not semesinya, the resulting information will lose its relevance in terms of making a decision. Besides that timeliness is an obligation for companies listed on the Indonesia Stock Exchange to periodically submit financial reports.

Compliance demands in the submission of financial statements are regulated in the explanation of Law No. 8 of 1995 and updated with the decision of the chairman of Bapepam No.Ke. 36 / PM / 2003 relates to the obligation of a periodic report which explains that the audit financial statements are mandatory with a time limit of 90 days from the end of the year to the date of submission of audited financial statements to Bapepam.

#### Formulation of the problem

With the background described previously, the problems in this study are formulated as follows:

- a. Does the Company Size affect audit delay?
- b. Does Profitability affect audit delay?

c. Does Solvability affect audit delay?

d. Are Company Size, Profitability, and Solvability jointly influencing audit delay?

#### Research Purposes

Based on the formulation of the problems described above, the objectives of this study are as follows:

- a. To find out empirical evidence, does the size of the company affect audit delay in mining companies in 2012-2016?
- b. To find out empirical evidence whether profitability affects audit delays in mining companies in 2012-2016?
- c. To find out empirical evidence, does solvency affect audit delay in mining companies in 2012-2016?
- d. To find out empirical evidence whether the size of the company, profitability and solvency together influence the audit delay in mining companies in 2012-2016?

## II. LITERATURE REVIEW

### Auditing

According to Agoes (2012, p 4) Auditing is an examination that is carried out critically and systematically, with the aim of being able to provide opinions regarding the fairness of the financial statements by an independent party, to the financial statements prepared by management, along with accounting records and supporting evidence.

### Audit Delay

Audit delay is defined as the time period for the completion of the annual financial statement audit report, measured by the length of days needed to obtain an independent auditor's financial report on an audit of a company's financial statements from the company's book closing date, as of 31 December to the date stated in the independent auditor's report ( Rachmawati, 2008).

The delay in the audited financial report submitted by the auditor to the company can affect the quality of information from the report because the length of the audit delay shows that the information provided is not up to date and the old information indicates that the quality of the audited financial statements is bad. The relevance of an audited financial report can be obtained if the audited financial statements can be completed in a timely manner when needed.

The length of the audit completion process can affect the audit delay in submitting audited financial statements to the public so that it can adversely affect the market reaction (Hesti, 2011) and cause uncertainty in terms of economic decision making especially for users of financial statements. To see the timeliness of a study usually sees a lag.

Information that is actually of high value can be irrelevant if it is not available when needed. Timeliness of information implies that information is available before losing its ability to influence or make a difference in decisions. Information must be submitted as early as possible to be used as a basis to assist in economic decision making and to avoid delays in decision making (Baridwan, 2001).

### **Company Size**

Company size is a scale in which the size of a company can be classified according to various ways, including total assets, stock market value, total sales, number of workers, and so on. Basically, the size of the company is only divided into three categories: large firm, medium-sized firm and small firm (Machfoedz, 1994) in (Herliana, 2016).

According to Curtis in New Zealand, Gilling research, Davies and Whitterd research in Australia, and so on in Rachmawati (2008) showed that audit delay has a negative relationship with the size of the company that uses proxy total assets. The cause is

first, companies going public or large companies have a good internal control system so as to reduce the level of errors in the presentation of the company's financial statements so that it makes it easier for auditors to audit financial statements and encourage auditors to be able to complete their audit work on time. The weak internal control of clients gives a longer audit delay because auditors need some time to look for more complete and complex evidential matter to support their opinions. Second, large companies have financial resources to pay greater audit fees in order to get audit services that are faster and immediately carried out after the end of the financial year. Third, large companies tend to get high external pressure on the company's financial performance, so management will try to publish audit reports and audited financial statements more timely (Ahmad and Kamarudin in Yuliana and Ardiati, 2004).

### **Profitability**

Profitability ratio is the ratio used to measure the company's ability to generate profits from the normal activities of its business. Profitability ratios are also known as profitability ratios. Besides aiming to determine the company's ability to generate profits during a certain period, this ratio also aims to measure the level of effectiveness of management in running the company's operations. The profitability ratio is the ratio describes the company's ability to generate profits through its capabilities and resources, namely those derived from sales, use of assets, and the use of capital. (Herry, 2015 p 226).

According to Sutrisno (2013, p. 16) one of the main measures of management's success in managing companies is profitability. Profitability / profitability is the company's ability to generate profits with all the capital that works in it.

**Solvability**

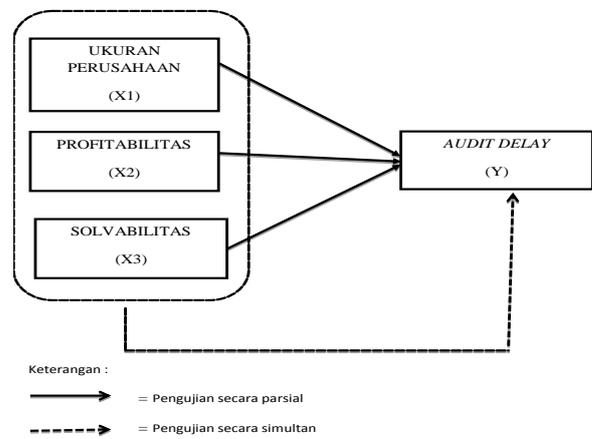
According to Sutrisno (2013, p. 15) Solvability is the company's ability to fulfill all of its obligations if the company is liquidated. Usually the problem that arises when the company is liquidated (closed) concerns whether the assets owned by the company are able to cover all of its debts. If all of the company's assets are able to cover all of its debts, it means that the company is in solvable condition, on the contrary if when the company is liquidated, the company cannot cover all its debts, it means the company is in an insolvable condition. To cover all debts, the company guarantees with all its assets (assets), thus the solvency of the company can be calculated by dividing the total assets with the total debt.

According to Herry (2015, p 90) Solvency ratio or leverage ratio is the ratio used to measure the extent to which a company's assets are financed by debt. In other words, solvency ratios or leverage ratios are the ratios used to measure how much debt burden the company must bear in order to fulfill assets. In a broad sense, the solvency ratio is used to measure the company's ability to fulfill all its obligations, both short-term liabilities and long-term liabilities.

Companies with high solvency ratios (have large debt) can have an impact on the emergence of large financial risks, but also have great opportunities to generate high profits. This large financial risk arises because companies must bear or be burdened with large interest payments. However, if the proceeds from the sale are used efficiently and effectively by buying productive assets certain or to finance the expansion of the company's business, this will provide a great opportunity for the company to increase its business results. Conversely, companies with low solvency ratios have little financial risk, but also have small opportunities to generate large profits.

High debt to equity ratios reflect high financial risk and companies experience financial difficulties. These financial difficulties are bad news that will affect the condition of the company in the eyes of the public. The management also tends to delay the submission of financial reports that contain bad news. Companies with high debt to capital ratio conditions will be late in submitting their financial reporting, because the time available is used to reduce the debt to equity ratio as low as possible (Utami, 2006).

Gambar 2. 1 Kerangka Pemikiran Teoritis



Based on the literature review and theoretical framework, the research hypothesis is formulated as follows:

1. Ho1: Company size has a negative effect on audit delay in mining companies on the Indonesia Stock Exchange.

The greater the size of the company, the better the internal control of the company and the corporate governance. Large-sized companies can collaborate with qualified KAP or independent auditors that can shorten audit delay.

2. Ho2: Profitability has a negative effect on audit delay in mining companies on the Indonesia Stock Exchange.

The greater the profit generated by the company, the faster the audited reports will be published. Because it is good news for companies and companies will not

delay the good news to be able to attract potential investors.

3. Ho3: Solvability has a positive effect on audit delay in mining companies on the Indonesia Stock Exchange.

High debt-to-equity ratios reflect financial risks and companies experience financial difficulties. These financial difficulties are bad news that will affect the condition of the company in the eyes of the public. The management will tend to delay the submission of financial reports that contain bad news. Because the time used to suppress the debt to equity ratio is as low as possible.

4. Ho4: Company Size, Profitability, and Solvability together influence audit delay in mining companies on the Indonesia Stock Exchange.

### III. RESEARCH METHODOLOGY

#### Types and Sources of Research

In this study the type of data used is secondary data because to get information about all the variables in this study obtained indirectly through intermediary media, both published and unpublished. Secondary data used in this study are the financial statements of mining companies listed on the Stock Exchange in 2012-2016. Data obtained from Indonesian Capital Market Directory (ICMD), [www.idx.co.id](http://www.idx.co.id). The sampling method used is purposive sampling method, where the population that will be used as the research sample is a population that meets certain sample criteria. These criteria are as follows:

1. Mining companies listed on the IDX for the 2012-2016 period.
2. The mining company has submitted successive financial statements for 2012-2016 that have been audited and accompanied by the auditor's report.
3. Displays data and information used to analyze factors that affect audit delay for the period 2012-2016.

#### Method of collecting data

Data collection methods use documentation techniques, namely by collecting some information on knowledge, facts and data. Collect and classify written materials related to research problems, both from sources of documents, books, scientific journals, websites and others. In this case the author analyzes secondary data in the form of financial statements and independent auditor reports. The company's audited financial statements are obtained from access to the Indonesia Stock Exchange website ([www.idx.co.id](http://www.idx.co.id)) and the Indonesian Capital Market Directory (ICMD). This research was also carried out by using literature study, namely by reading, studying literature and publishing other information related to this research.

#### Research Variables and Operational Research Definitions

In order to test the hypothesis that has been proposed, the variables to be examined in this study can be classified into 2, namely: dependent variable (Y) and independent variable (X).

The dependent variable in this study is the audit delay measured from the number of days from the financial year ended December 31 to the date of the independent auditor's report.

Audit Delay = Audit Report Date - Date of Book Year Ended

#### Company Size

In this study the size of the company is proxied with the natural logarithm value of the total assets, formulated as follows:

#### Population and Sample

The population used in this study is a Mining Company listed on the Stock Exchange in 2012-2016. The company was chosen because the mining sector is the main sector driving the rise of the Composite Stock Price Index (JCI), where shares in the mining sector are a fairly liquid sector and are excellent for investors. Because of this, timely and accurate mining company financial information is becoming

increasingly important and the investor's need for information is increasing.

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#### Company Size

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Company Size = Ln Total Assets

#### Profitability

Profitability is a ratio that shows the level of effectiveness and assesses how far the company's performance in generating profits for investors. Profitability in this study uses the ratio of net income divided by total assets or can be written as follows:

Return on asset ratio (ROA) = (Net Income) / (Total Asset) x 100%

#### Solvability

Solvency is the company's ability to pay all its debts (both short-term debt and long-term debt) from the equity of the company. In this study solvency is measured using the ratio between total debt divided by total equity or can be written as follows:

Debt to equity ratio (DER) = (Total Debt) / (Total Equity) x 100%

## IV. ANALYSIS AND DISCUSSION

The research data used in this study are mining companies listed on the Indonesia Stock Exchange (IDX) during the period 2012-2016, or mean for five years. The selection process was carried out starting from population counting, sample selection with purposive sampling technique.

#### Descriptive Analysis Results

The dependent variable used in this study is audit delay, while the independent variables are company size, profitability, and solvency. This research was conducted by taking audited financial report data of companies listed on the Stock Exchange in 2012-2016, to describe and examine the effect of independent variables and dependent variables, then

in this section a description of the data obtained from the financial statements, the following is a table descriptive analysis:

Table 4. 1 Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Audit Delay	130	17,00	143,00	72,5846	18,44993
Ukuran Perusahaan	130	26,00	34,00	29,1385	1,64601
Return on Asset	130	-,27	,30	,0322	,08714
Debt to Equity	130	,00	5,00	1,0615	1,04267
Valid N (listwise)	130				

Sumber : Data sekunder diolah, 2018

Classic assumption test

Normality test

Table 4. 2 Analysis of the Kolmogrov-Smirnov One-Sample Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		130
Normal Parameters <sup>ab</sup>	Mean	,0000000
	Std. Deviation	16,61656179
Most Extreme Differences	Absolute	,059
	Positive	,055
	Negative	-,059
Test Statistic		,059
Asymp. Sig. (2-tailed)		,200 <sup>cd</sup>

- a. Test distribution is Normal.
  - b. Calculated from data.
  - c. Lilliefors Significance Correction.
  - d. This is a lower bound of the true significance.
- Sumber : Data sekunder diolah, 2018

Based on the table results of the one-sample kolmogrov-smirnov test above shows that the results of the significance level of 0.200 which is above 0.05. Thus the residual value is normally distributed so that the research model is stated to have fulfilled the assumption of normality

Multicollinearity Test

Table 4. 3 Analysis of Coficients Multicollinearity Test

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	125,074	26,453		4,728	,000		
Total Asset	-1,878	,908	-,168	-2,068	,041	,980	1,020
ROA	-63,235	17,789	-,299	-3,555	,001	,912	1,096
DER	4,021	1,490	,227	2,698	,008	,907	1,102

a. Dependent Variable: Audit Delay  
Sumber : Data sekunder diolah, 2018

The results from the table above illustrate that the calculated Tolerance value of Total Assets, ROA, and DER is below 0.10 and the VIF value is calculated from the Total Assets, ROA, and DER is above 10. This shows that the sample is free from multicollinearity interference.

Heteroscedasticity Test

Table 4. 4 Heteroscedasticity Correlations Test Analysis

Correlations

			Unstandardized Residual	Total Asset	ROA	DER
Spearman's rho	Unstandardized Residual	Correlation Coefficient	1,000	-,019	-,011	,053
		Sig. (2-tailed)	.	,829	,900	,547
		N	130	130	130	130
Total Asset	Correlation Coefficient		-,019	1,000	-,072	,238**
		Sig. (2-tailed)	,829	.	,417	,006
		N	130	130	130	130
ROA	Correlation Coefficient		-,011	-,072	1,000	-,272**
		Sig. (2-tailed)	,900	,417	.	,002
		N	130	130	130	130
DER	Correlation Coefficient		,053	,238**	-,272**	1,000
		Sig. (2-tailed)	,547	,006	,002	.
		N	130	130	130	130

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
Sumber : Data sekunder diolah, 2018

Based on the above table it is known that the significance value of the independent variable is greater than the significance level of 0.05. This means that the regression model in this study does not occur heteroscedasticity.

Heteroscedasticity test can also be done by plotting a graph between SRESID and ZPRED where heteroscedasticity disorders will be seen with the presence of certain patterns on the graph. The following is a test of heteroscedasticity in the model in this study:

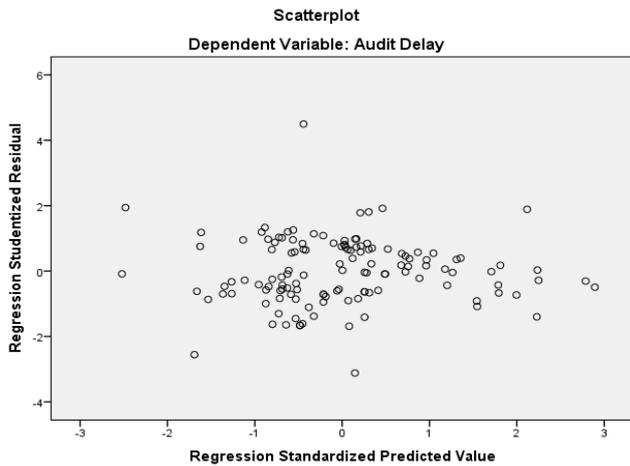


Figure 4. 1 Scatterplots

The scatterplot graph above shows that there are no specific patterns on the graph. The point on the graph is relatively evenly spread which means there is no heteroscedasticity disorder in the model in this study.

Autocorrelation Test

Table 4.5 Analysis of Durbin-Watson Autocorrelation Test

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,435 <sup>a</sup>	,189	,170	16,813	2,249

a. Predictors: (Constant), DER, Total Asset, ROA  
 b. Dependent Variable: Audit Delay  
 Sumber : Data sekunder diolah, 2018

Based on the Durbin-Watson table at a significance of 5%, with a total sample of 130 and the number of independent variables 3 (k = 3) the Durbin Watson table will give a value:

dU = 1.7610

dL = 1.6667

can be seen in the table that the dW value is 2,249 which means:

4 - dU < dW < 4 - dL, namely:

4 - (1,7610) < 2,249 < 4 - (1,6667)

2,239 < 2,249 < 2,3333

That is, the results cannot be concluded, therefore to convince the researcher whether the results are autocorrelated or not, the researcher continues with the Run-Test Test to see whether or not the correlation is determined from the significance of the residual parameter coefficient. If the residual significance is > 0.05, it can be concluded that autocorrelation does not occur. The following table from the results of the run-test test:

Table 4. 6 Run-Test Autocorrelation Test Analysis

Runs Test	
	Unstandardized Residual
Test Value <sup>a</sup>	-,67583
Cases < Test Value	65
Cases >= Test Value	65
Total Cases	130
Number of Runs	76
Z	1,761
Asymp. Sig. (2-tailed)	,078

a. Median  
 Sumber : Data sekunder diolah, 2018

Can be seen in the results of the Run-Test Test table above the significance value of 0.078 which is greater than 0.05, which means that the sample of this study is free from autocorrelation.

Multiple Regression Analysis

Table 4. 7 Multiple Regression Analysis

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	125,074	26,453		4,728	,000
Total Asset	-1,878	,908	-,168	-2,068	,041
Return on Asset	-63,235	17,789	-,299	-3,555	,001
Debt to Equity	4,021	1,490	,227	2,698	,008

a. Dependent Variable: Audit Delay  
Sumber : Data sekunder diolah, 2018

Based on the table above, the regression equation is obtained as follows:

$$\text{Audit Delay (Y)} = a + \text{TotalAsset (X}^1) + \text{ROA (X}^2) + \text{DER (X}^3)$$

$$\text{Audit Delay (Y)} = 125,074 + (-1,878X^1) + (-63,235 X^2) + 4,021X^3 + e$$

Information :

1. The dancing of 125,074 shows that if there are no independent variables or independent variables of company size, ROA, and DER (X1, X2, X3 = 0) then the Audit Delay is 125,074 or 125 Days.
2. Regression coefficients of total asset variables of -1,878 indicate that there is a negative direction between company size and audit delay, each increase in total assets is 1%, it will reduce audit delay by 1,878 days assuming other variables remain.

So, the higher the total assets, the shorter the audit delay.

3. The ROA variable regression coefficient of -63.235 shows that there is a negative direction between profitability and audit delay. every increase in ROA of 1%, it will reduce audit delay by 63,235 days assuming other variables remain. In this test profitability is represented by ROA. So, the higher the profitability, the shorter the audit delay.

4. DER variable regression coefficient of 4.021 indicates that there is a positive direction between solvency and audit delay. each increase in DER by 1%, it will increase or extend the audit delay by 4,021 days assuming other variables remain. In this test solvability is represented by DER. So, the higher the solvency, the longer the audit delay will be.

Hypothesis testing

Partial Regression Coefficient Test (t-test)

Table 4. 8 Analysis of Partial T Test

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	125,074	26,453		4,728	,000
Total Asset	-1,878	,908	-,168	-2,068	,041
ROA	-63,235	17,789	-,299	-3,555	,001
DER	4,021	1,490	,227	2,698	,008

a. Dependent Variable: Audit Delay  
Sumber : Data sekunder diolah, 2018

Based on the results of the t-test table above, t counts from the variable Total Asset, ROA and DER can be seen in the table below. Here are the results of the significance test of the T-Test regression model:

Table 4. 9 Significant Test Results of T-Test Regression Models

Variabel	Koefesien Beta	t-Hitung	t-Tabel	Kesimpulan
Total Asset	-1,878	-2,068	1,979	Ho1 Diterima Ha1 Ditolak Tidak Berpengaruh Signifikan
ROA	-63,235	-3,555	1,979	Ho2 Diterima Ha2 Ditolak Tidak Berpengaruh Signifikan
DER	4,021	2,698	1,979	Ho3 Ditolak Ha3 Diterima Berpengaruh Signifikan

Sumber : Data sekunder diolah, 2018

According to the table above, the results of the test of the significance of the t-test regression model obtained a conclusion:

4.5.2.1 Effect of Company Size on Audit Delay

A. Testing of H1

T. count > T. Table

$$-2,068 > 1,979$$

Based on the statement above, T count has a value smaller than T table. So it can be concluded that Ha1 is rejected which means that there is no significant

partial effect between X1 (Company Size) and Y (Audit Delay).

4.5.2.2 Effect of Profitability on Audit Delay

B. Testing for H2

T. count > T. Table

-3,555 > 1,979

Based on the statement above, T count has a value smaller than T table. So it can be concluded that Ha2 is rejected which means that there is no partial significant effect between X2 (Profitability) and Y (Audit Delay).

4.5.2.3 Effect of Solvability on Audit Delay

C. Testing against H3

T. count > T. Table

2,698 > 1,979

Based on the statement above, T count has a value greater than T table. So it can be concluded that Ha3 is accepted which means there is a significant partial effect between X3 (Solvability) and Y (Audit Delay).

Simultaneous Regression Test Coefficient (f-Test)

Table 4. 10 Simultaneous F Test Analysis

ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	8293,363	3	2764,454	9,779	,000 <sup>b</sup>
Residual	35618,206	126	282,684		
Total	43911,569	129			

a. Dependent Variable: Audit Delay  
 b. Predictors: (Constant), DER, Total Asset, ROA  
 Sumber : Data sekunder diolah, 2018

In accordance with the hypothesis proposed in this study, the f-test results calculated from the variable Company Size, ROA and DER can be seen in table

4.11 above. Here are the results of the significance test of the f-test regression model:

Table 4. 11 Test Results of Significance of the F-Regression Test Model

N	F Hitung	A	R. Square	F Tabel	Kesimpulan
130	9,779	0,05	0,189	2,68	Signifikan

Sumber : Data sekunder diolah, 2018

Can be seen in the table above, that F Calculate has a value of 9,779 which is greater than F Table whose value is 2.68 with a significance level of 0.00 where the significance value is below 0.05 which indicates that Ho is accepted, which means the independent variable together the same has a significant effect on audit delay.

Determination Coefficient Analysis Test (R<sup>2</sup>)

Table 4. 12 Determination Coefficient Analysis (R<sup>2</sup>)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,435 <sup>a</sup>	,189	,170	16,813

a. Predictors: (Constant), DER, Total Asset, ROA  
 Sumber : Data sekunder diolah, 2018

The predictive ability of the three independent variables, namely Total Asset, ROA, and DER together, has an effect on Audit Delay of 0.189 as shown in Adjusted R Square in the table above. This means the amount.

The effect of variations in the independent variables used in the model is able to explain 18.9% variation in the dependent variable of Audit Delay in companies listed on the Indonesia Stock Exchange. While the remaining 81.1% is influenced or explained by other independent variables outside this linear regression analysis model.

## V. Conclusion and Managerial Implications

### Conclusion

- A. The partial test results between the size of the company and audit delay shows that there is no significant effect between the size of the company and audit delay on mining companies listed on the Stock Exchange in 2012-2016.
- B. Partial test results between profitability and audit delay indicate that there is no significant effect between profitability and audit delay on mining companies listed on the Stock Exchange in 2012-2016.
- C. Partial test results between solvency and audit delay indicate that there is significant positive influence between solvency and audit delay on mining companies listed on the Stock Exchange in 2012-2016.
- D. Test results simultaneously show that company size, profitability and solvency jointly influence audit delay in mining companies on the IDX in 2012-2016. This indicates that predicting audit delay must also take into account the size of the company, profitability and joint solvability aimed at the value of the adjusted R square coefficient of 18.9% the magnitude of the variation in the effect of firm size, profitability, and solvency on audit delay. While the rest that is equal to 81.1% is influenced by other variables outside this research variable.

### Managerial Implications

- A. The results of this study are expected so that the company can conduct periodic evaluations and also improvements on internal factors that affect audit delay as in this study.
- B. The results of this study are expected to be a material consideration for investors in making appropriate decisions before investing in a registered company by considering audit delays

that occur in companies that will be given investment.

- C. The results of this study are expected to be additional information to the auditor relating to the factors that affect audit delay so that the auditor can estimate the length of work in the audit of the company's financial statements and can plan more thoroughly before conducting a field audit.

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