

ANALYSIS OF SOLVENCY, PROFITABILITY, FIRM SIZE, AND COMPANY AGE ON AUDIT DELAY IN ENERGY SECTOR COMPANIES LISTED ON IDX 2017-2021**Shekinah Glory¹, Stevany², Okalesa^{3*}, Pamuji Hari Santoso⁴, Ria Darmasari⁵**^{1,2,3,4,&5}Institut Bisnis dan Teknologi Pelita IndonesiaEmail: shekinahzhuo12@gmail.com¹, stevanichan1316@gmail.com², Okalesa@lecturer.pelitaindonesia.ac.id³

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ABSTRACT

This research purposed to determine the effect of analysis solvency, profitability, Firm size, and company age on audit report lag in Energy companies for the 2017 - 2021 year period. This study used secondary data. The sampling technique in this study used purposive sampling. A total of 48 companies were sampled. The analysis method for this research used descriptive analysis, and several types of evaluation were conducted using SPSS21 software. From this research, it was concluded that solvency and company age had a significant effect on audit report lag. Meanwhile, profitability and firm size did not have a significant effect on audit delay.

Keywords : Solvency; Profitability; Firm Size; Company Age; Audit Delay

INTRODUCTION

Financial statements are reports containing a company's financial information for a specific accounting period. Financial statements are important for decision-making by company leaders and internal stakeholders. These statements are used to portray the company's performance, particularly in the financial aspect. With financial statements in place, internal stakeholders can make decisions that align with the current conditions or situations. Therefore, high-quality financial statements are required. A financial statement must possess characteristics of relevance and reliability, although these characteristics are challenging to measure. Hence, it necessitates an audit to provide assurance that the financial statements are relevant and reliable, thereby enhancing trust among users of the financial statements.

Audit is the process of gathering and examining evidence regarding information to determine and create a report on the degree of compliance between the information and established criteria. As a component of oversight, audit functions involve actions such as seeking information about what is being conducted within an entity under examination, comparing the results against established criteria, and either approving or disapproving the findings while providing recommendations for improvement. The purpose of financial audits conducted by Public Accountants (independent auditors) is to express an opinion on various aspects, including materiality, financial position, results of operations, changes in equity, and cash flows, all of which are prepared in accordance with Generally Accepted Accounting Principles in Indonesia. There are several criteria of professionalism, one of which involves delivering timely financial audit reports to the Financial Services Authority (OJK), formerly known as the Capital Market Supervisory Agency (*Bapepam*), as well as to the general public.

Audit delay is an example of the delayed completion of independent auditor reports by auditors who are auditing a client's financial statements. The risks resulting from the delay in publishing financial reports include the potential diminishment of public trust in the company because the quality of the information provided in the financial statements becomes less relevant, and the value of the information in the financial statements diminishes. Another consequence that may arise is that users of the financial statements cannot use them to make timely decisions. Audit delay can affect investor decisions, as it may lead to fluctuations in stock prices. If investors sell existing shares, the company's stock price will decrease. On the other hand, if investors buy shares, the company's stock price will rise.

Timeliness of information delivery implies that the information is available before it loses its ability to effect decisions or make a difference. Financial reports serve as the primary source of information used by investors and prospective investors to assess the management's ability to manage the company's resources. In Indonesia, there are regulations regarding financial reporting based on the decision of the Capital Market Supervisory Agency, where publicly traded companies or those listed on the Indonesia Stock Exchange (IDX) are required to publish audited financial reports within specific periods, at the latest by the end of. The time difference between the financial report date and the audit opinion date in the financial report indicates the duration of the audit work completion. What matters most is ensuring the timely presentation of financial reports, preventing any delays, and maintaining the confidentiality of financial information, which should not be disclosed to incompetent parties that may affect it. Timeliness in archiving audited financial reports is also related to the financial reports' benefits. Therefore, an auditor is needed to complete their audit work, often referred to as audit delay.

The timeliness of financial reporting for decision-makers is of utmost importance, where Audit Delay becomes one of the factors capable of causing delays in financial reporting. Audit delay and its influencing factors can be a subject of research due to inconsistencies in research findings. Many factors affect the occurrence of audit delays, including solvency level, profitability level, firm size, company age, and others.

Profitability reflects a company's ability to generate earnings with all the capabilities and resources it possesses, such as sales, cash, capital, the number of employees, the number of branch offices, and so on. Profitability levels are calculated through return on assets (ROA), which compares the current year's profit with the company's total assets for that year. According to research conducted by Tiono and Jovic (2013), profitability has a positive effect on audit delay. This is because profitability demonstrates a company's success in earning profits. Investors typically prefer companies that announce profits rather than losses when making decisions. If the generated profit is high, the audit process will be conducted quickly by auditors because this good news needs to be conveyed to the public promptly. As a result, companies with high profitability tend to have shorter financial statement audit periods compared to companies with low profitability. Auditors also need to be cautious during the audit process in responding to a company's losses, determining whether they are due to financial failure or management fraud. According to Indriyani and Supriyati (2012), solvency is the company's ability to repay its debts. High solvency forces a company to promptly provide its audited financial statements to creditors, resulting in a shorter audit report lag (Widati and Fina, 2008).

According to Ernawati (2016), the size of a company is indicated by the total assets, representing whether a company is large or small. This suggests that a larger firm size reflects positive development for the future, which can affect investors' perceptions of the company, leading to a positive response through stock

purchases. With high demand for shares, stock prices rise, and profitability increases. According to Azhar (2016), a larger firm size also means it is better known in the community, making it easier to obtain information that can enhance profitability. The research findings of Ernawati (2016) and Prasetyorini (2013) indicate a significant positive effect on profitability.

According to Utami (2011), a company's age is the length of time a company has existed, calculated from its founding year to the year of the research. According to legitimacy theory, companies are encouraged to engage in numerous interactions and convince society that their activities and performance are acceptable. Thus, the longer a company survives, the more social information it tends to disclose as a manifestation of its responsibility to remain accepted in society.

LITERATURE REVIEW

Agency, Compliance, and Signalling Theory

According to the Agency Theory, it explains that the agency relationship occurs when shareholders hire someone else (the agent) to provide services and then delegate decision-making authority to that agent. Investors authorize management to run the company. According to Jensen and Meckling's statement (1976), 'Management is the party entrusted by the owners to run and manage the company. Agency theory describes the contractual relationship between the agent and the principal. In a business transaction, the shareholder or owner is the principal, and management acts as an agent. Management is responsible for day-to-day operations and preparing financial reports, but the final decision-making authority rests with the owners and shareholders.' The agency theory is based on the contractual relationship between shareholders (the principal) and management (the agent), which can be challenging due to conflicts of interest. The Agency Theory explains that auditors function as independent verifiers of the financial statements presented by management to the shareholders. An essential factor to consider in the execution.

According to the Compliance Audit, report lag is the time interval between the end of a company's fiscal year and the date of the audit report. Audit report lag is an output variable of the audit that can be observed by external parties, enabling external parties to assess the efficiency of the audit process. If the time required for the audit report lag becomes longer, it will result in a reduction in the relevance of information in the financial statements, and users of the financial statements will have doubts about the quality of the information. This is because one factor that can enhance the relevance of a company's financial statements is timeliness.

As for Signalling Theory, it is an action taken by a company's management that provides indications to investors about how management views the company's prospects. According to Brigham & Houston (2014), the Signalling Theory states that investors perceive dividend changes as signals of management's earnings expectations.

Financial Statements

Financial statements are part of the financial reporting process. Financial reporting is one of the sources of information that provides details about the financial condition resulting from a company's operations during a specific period to interested parties, ensuring that they receive valuable information. The primary purpose of financial statements is to provide useful information for decision-making.

Solvency

According to Kasmir (2013), the solvency ratio is a measure used to assess the extent to which a company's assets are financed by debt. In other words, it indicates how much debt burden the company carries in relation to its assets. In a broader sense, solvency ratios are used to measure a company's ability to meet all of its obligations, both short-term and long-term, in the event of liquidation. Through solvency ratios, a company can gain insights into its equity and debt capital, as well as its ability to fulfill its obligations.

Profitability

According to Kasmir (2019), a company's profitability can be assessed in various ways, depending on the profit and assets or equity that will be compared to each other. According to the statement by Nugrahani and Suwitho (2016), "*Profitability ratios can be explained by ratios that show the entity's ability to earn a return on the use of its equity (profit) while also providing direction on the level of effectiveness carried out by the company's management in carrying out operational activities of the company.*" Profitability ratios are a comparison to determine a company's ability to generate profit from revenue related to sales, assets, and equity-based on specific measurements. These ratios also provide a measure of the effectiveness of a company's management, as indicated by the profit generated from sales or investment income.

Company Age

Company age is the length of time a company has been in operation. The longer a company's age, the smaller the Audit delay tends to be because older companies are considered more capable of gathering, processing, and producing information when needed due to their accumulated experience in this regard.

Ukuran Perusahaan

According to the statement (Trisnadevy & Satyawan, 2020), firm size refers to the length of time a company has established to develop and operate. "It is calculated based on the period from when the company was first listed on the IDX until the research year" (Mazkiyani & Handoyo, 2017). The firm size used in this research is measured using total assets or the company's wealth. According to Rahmawati (2017), firm size has a negative effect on audit delay. This is because larger firms tend to have better internal controls. Firms with strong internal controls make it easier for auditors to perform their audit work, reducing auditor errors in the process.

Audit Delay

Audit delay is often referred to as audit reporting lag. Audit delay is the length of time it takes to complete an audit, measured from the company's fiscal year-end to the date of completion of the independent auditor's report (Halim, 2000) as cited in (Utami, 2006). According to Abernathy et al. (2016), audit delay is defined as "the length of time from the end of the company's fiscal year to the date of the audit report, then is used as a determinant of the timeliness of financial reporting. Audits must be completed on time to report and publish the financial report on time. If the financial statements are late in reporting, the value has the potential to be irrelevant to the company's condition or the current economic conditions." The period for completing the annual financial statement audit is measured based on the number of days it takes to obtain the independent auditor's report on the company's financial statements from the company's fiscal year-end, which is December 31st to the date indicated in the independent auditor's report.

Relations Between Variables

The Effect of Solvency on Audit Delay

The solvency ratio describes the extent to which a company can pay its long-term obligations or liabilities if the company were to be liquidated. The research conducted by Lukito (2021) states that solvency has a positive effect on audit delay, thereby prolonging the audit reporting process due to the proportion of the company's debt, which causes the examination of the company's debt to take longer. As an auditor, one must be more careful because if a company's total assets are lower than its total liabilities, the risk of losses is higher for the company, and this is related to the company's sustainability in the future. This aligns with research conducted by Hasanah (2019), Rahmawati (2017), and Rianto (2019), which all state that solvency has a positive effect on audit delay.

H₁ : Solvency has a positive effect on audit delay

The Effect of Profitability on Audit Delay

Profitability is one of the measures of a company's success in achieving profit efficiently and effectively. The research results (Apriyana, 2017) show that high profitability increases the company's market value, so if the company promptly publishes its financial statements, it will shorten the audit delay. If a company's profitability is low, the publication of financial statements will be delayed. The research results (Cholifia, 2022), (Indriani, 2014) also show a similar response, stating that companies with high profitability will shorten the audit delay. This is because the company needs to provide those financial statements to stakeholders promptly.

H₂ : Profitability has a negative effect on audit delay

The Effect of Firm Size on Audit Delay

Firm size in this study is measured using firm size. According to Hartono (2012), 'Firm Size' is the value of a company that can be measured by total assets or the size of a company's assets using the logarithm value of total assets. Meanwhile, Kurniasih (2012) states that firm size represents the value of a company. The research results (Azizah, 2021) indicate that firm size has a negative effect on audit delay. Based on the comparison, larger companies tend to report financial statements more quickly because large companies have many sources of information, numerous staff, structured internal controls, sophisticated application systems, and oversight from investors, among other factors.

H₃ : Firm size has a negative effect on audit delay

The Effect of Company Age on Audit Delay

Company age is calculated from the year the company was established. Company age represents the length of time a company has been in operation, calculated from its establishment year until the research year. Research by Indry and Arisudhana, as cited in Saemargani (2015), indicates that company age affects audit delay because companies are encouraged to ensure that their activities and performance are acceptable to society. Thus, the

longer a company can survive, the more social information it discloses as a sign of its responsibility to be accepted by society (Utami, 2011). Company age reflects how long a company can endure. The longer a company ages, the more information it has accumulated, thereby reducing investor uncertainty in the future.

H₄: Company age has a positive effect on audit delay

METHODOLOGY

This research was conducted by collecting data from various sources, including the Indonesia Stock Exchange (IDX), Invenesia, and other relevant sources, using data from companies in the Energy Sector. The research period spanned from September 2022 to December 2022.

Population and Sample

The population in this study consisted of energy sector companies that were listed on the Indonesia Stock Exchange (BEI) during the period of 2017-2021. Based on data obtained in 2022, there were a total of 69 companies in the population. The sampling technique used in this research was purposive sampling. The criteria for sample selection are as follows:

Table 1. Sampling Criteria

No	Sampling Criteria	Number of Companies
1	Energy sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2017 - 2021	69
2	Energy sector companies not listed on the Indonesia Stock Exchange (IDX) continuously during the period 2017 - 2021	(12)
3	Energy sector companies that did not report financial statements to the Indonesia Stock Exchange during the period 2017 - 2021	(9)
Total Samples		48

Source: Processed Data, 2022

Data Analysis Techniques

Descriptive Analysis

According to Moleong (2017), data analysis is the process of organizing and arranging data into patterns, categories, and basic descriptive units so that themes can be identified and working hypotheses can be formulated based on the data.

Normality Test

According to Ghozali (2018), the normality test aims to test whether there is a correlation between the disturbance or residual errors having a normal distribution in a linear regression model. The normality test is a test conducted to assess the distribution of data in a data group or variable, whether the distribution of that data is normal or not. The normality test aims to examine whether the distribution of the dependent variable for each specific independent variable value is normal.

Autocorrelation Test

According to Ghozali and Ratmono (2017), the autocorrelation test aims to test whether there is a correlation between disturbance (residual) errors in period t and errors in period $t-1$ (previous period) in a linear regression. If there is a correlation, it is called autocorrelation, and it is considered a problem. The decision criteria for the autocorrelation test are to determine the test hypothesis, namely the null hypothesis (H_0) that there is no autocorrelation and the alternative hypothesis (H_1) that there is autocorrelation. If the d -value (Durbin-Watson statistic) is smaller than dL or more significant than $(4-dL)$, then the null hypothesis is rejected, indicating the presence of autocorrelation. If the d -value is between dU and $(4-dU)$, then the null hypothesis is accepted, indicating no autocorrelation. If the d -value is between dL and dU or between $(4-dU)$ and $(4-dL)$, it does not yield a conclusive result.

Multicollinearity Test

The multicollinearity test, as described by Ghozali (2016), is a test aimed at identifying correlations among independent variables within a regression model. Its primary purpose is to ascertain whether such correlations

exist among these independent variables (or explanatory variables). The presence of multicollinearity indicates a significant standard error, resulting in smaller t-values compared to the t-table values when testing the coefficients. This, in turn, suggests the absence of a linear relationship among the independent variables that affect the dependent variable. The decision criteria for the multicollinearity test include: VIF (Variance Inflation Factor) < 10 or Tolerance > 0.01 signifies the absence of multicollinearity, while VIF > 10 or Tolerance < 0.01 implies its presence. Moreover, if the correlation coefficient for each independent variable exceeds 0.8, multicollinearity is established, whereas values below 0.8 indicate no multicollinearity.

Heteroskedasticity Test

Heteroskedasticity testing, conducted to examine whether there is variability inequality among residuals from one observation to another, aims to determine whether a regression model exhibits unequal variance in residuals across observations. The decision criterion for heteroskedasticity testing is as follows: if the significance value is more significant than 0.05, it indicates the absence of heteroskedasticity, whereas if the significance value is less than 0.05, it implies the presence of heteroskedasticity.

F-Test

The F-test is a regression coefficient test conducted simultaneously and collectively. The testing method typically involves comparing two or more sets of data objects. In this testing, each data point undergoes repeated iterations to determine the extent of variation. The decision criterion for this global test is as follows: if the F significance value is less than 0.05, then H₀ is rejected, and H₁ is accepted. This means that all independent variables have a significant effect on the dependent variable. If the F significance value is more significant than 0.05, then H₀ is accepted, indicating that all independent variables do not have a significant effect on the dependent variable.

Coefficient of Determination (R²) Test

The coefficient of Determination (R²) measures how much the independent variables (exogenous) affect the dependent variable (endogenous). R squared is a value ranging from 0 to 1, indicating the extent to which a combination of independent variables collectively affects the value of the dependent variable. The Coefficient of Determination (R²) is used to determine the percentage of independent variables that collectively explain the dependent variable. The decision criteria are as follows: If the coefficient of determination is <0.10, the accuracy is poor. If the coefficient of determination is 0.11 - 0.30, the accuracy is low. If the coefficient of determination is 0.31 - 0.50, the accuracy is moderate. If the coefficient of determination is >0.50, the accuracy is high.

Partial Test (t-test)

According to Sudjiono (2010), the t-test is a statistical test used to assess the truth or falsity of a hypothesis that states that there is no significant difference between the means of two randomly sampled sets from the same population. The t-test is known as a partial test to examine how each independent variable individually affects the dependent variable. The test is conducted by comparing the t-value and the t-table or by examining the most significant columns in each t-value. The decision-making basis for the t-test is as follows:

If Sig t < 0.05, then H₀ is rejected, and H_a is accepted, indicating that the independent variable has a significant effect on the dependent variable.

If Sig t > 0.05, then H₀ is accepted, and H_a is rejected, indicating that the independent variable does not have a significant effect on the dependent variable.

RESULTS AND DISCUSSION

Descriptive Analysis Results

Respondent Profile

Table 2. Descriptive Analysis

	Mean	Minimum	Maximum	Standard Deviation
Audit Delay	88.7268	41.00	210.00	26.92534
DAR	.5287	.01	2.04	.27186
ROA	-5.9030	-778.91	86.18	66.27169
Size	22.0576	17.33	31.22	3.75528
Age	29.0146	9.00	56.00	11.50425

Source: Processed Data, 2022

The average solvency is 0.5287, with the lowest solvency value (minimum) being 0.01, which is held by Akbar Indo Makmur Stimec Tbk in 2017, and the highest solvency (maximum) being 2.04, held by Exploitasi

Energi Indonesia Tbk in 2020. The standard deviation of solvency is 0.272, which is smaller than the mean value of 0.5287. Thus, the data distribution of solvency is even, indicating that there is not a significant difference between one data point and another.

Overall, the average Return on Assets for the years 2017-2021 is -5.9030. The minimum Return on Asset value is -778.01, held by Dwi Guna Laksana Tbk in 2017, while the maximum value is 86.18, held by Dwi Guna Laksana Tbk in 2021. The standard deviation is 66.272, which is greater than the mean value of -5.9030. Thus, the data distribution of Return on Asset is uneven, indicating a significant difference between various data points. A higher return on assets reflects a more efficient management of assets.

The average firm size is 22.0576, with the minimum firm size being 17.33 held by Pelayaran Nasional Bina Buana Raya Tbk in 2021, and the maximum firm size being 31.22 held by Bukit Asam Tbk in 2022. The standard deviation of firm size is 3.755, which is smaller than the mean value of 22.0576. Thus, the data distribution of firm size is even, indicating minimal variation between different data points.

The average company age is 29.01, with the minimum company age being 9, held by Sky Energi Indonesia Tbk in 2017, and the maximum company age is 56, held by Perusahaan Gas Negara Tbk in 2021. The standard deviation of company age is 11.504, which is smaller than the mean value of 29.01. Thus, the data distribution of company age is even, indicating minimal variation between different data points.

The average audit delay is 88.73, suggesting that all samples reported their financial statements on time within the 90-day limit. The lowest (minimum) audit delay is 41, which belongs to Elnusa Tbk in 2018, and the highest (maximum) audit delay is 210, held by Exploitasi Energi Indonesia Tbk in 2020. The standard deviation of audit delay is 26.925, which is smaller than the average value of 88.73. Therefore, the distribution of audit delay data is even, indicating that there is not a significant difference between one data point and another.

Normality Tests

The normality test results can be seen in the following table:

Sig	Description
0.065	Normal

Source: Processed secondary data, 2022

Based on the calculations, the obtained significance value is $0.065 > 0.05$. Therefore, it can be concluded that the regression model is normally distributed.

Multicollinearity Test Data

The results of the multicollinearity test can be seen in the following table:

Table 4. Multicollinearity Test Results

No	Variabel	Collinearity Statistics		Description
		Tolerance	VIF	
1	DAR	0.943	1.06	No multicollinearity
2	ROA	0.971	1.03	No multicollinearity
3	Age	0.831	1.203	No multicollinearity
4	Size	0.837	1.194	No multicollinearity

Source: Processed secondary data, 2022

The results of the multicollinearity test show that the Tolerance values for the independent variables, including DAR, ROA, Umur, and Size, are all greater than 0.1, and the VIF values are all less than 10. Therefore, it can be concluded that there is no issue of multicollinearity among the independent variables, including the dependent variable, audit delay.

Autocorrelation Test

The results of the autocorrelation test can be seen in the following table:

Table 5. Autocorrelation Test Results

Durbin-Watson	Description
1,833	No Autocorrelation

Source: Processed Secondary Data, 2022

Based on the results of the Durbin-Watson autocorrelation test, which resulted in a value of 1.833, and considering a dataset with 205 observations and 4 independent variables using a one-tailed test, critical values for d_l and d_u were calculated as 1.73 and 1.81, respectively. The calculated Durbin-Watson coefficient (1.833) falls

between DU (1.81) and 4-DU (2.19). Therefore, it can be concluded that there is no autocorrelation issue in the regression model.

Heteroskedasticity Test

The results of the heteroskedasticity test can be seen in the table below:

Table 6. Heteroskedasticity Test Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	12.774	4.8		2.66	0.01
DAR	1.262	2.988	0.03	0.42	0.67
ROA	0.022	0.012	0.131	1.85	0.07
Size	0.133	0.23	0.044	0.58	0.56
Age	0.021	0.075	0.021	0.28	0.78

Source: Processed Secondary Data, 2022

Based on the analysis results obtained, the significance values of all seven variables in this study are more significant than 0.05. The analysis results can be concluded that there is no heteroskedasticity.

Simultaneous Test (F)

The results of the simultaneous test can be seen in the table below:

Table 7. Results of Simultaneous Test (F)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	57932.28	4	14483.07	32.198	.000 ^b
Residual	89962.423	200	449.812		
Total	147894.7	204			

Source: Processed Secondary Data, 2022

Based on the calculations in the table, a significance level of 0.000 is obtained. Since it has a significance level of less than 0.05, which is 0.000, it indicates that audit delay can be explained by the solvency ratio, profitability ratio, firm size, and company age. The analysis results conclude that the independent variables in this study collectively affect the dependent variable, which is audit delay.

Coefficient of Determination Test (R²)

The results of the coefficient of determination test can be seen in the table below:

Table 8. Coefficient of Determination Test Results

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.626 ^a	0.392	0.38	21.20877	1.833

Source: Processed secondary data, 2022

The results of the coefficient of determination indicate that the adjusted R² value is 0.380. This means that 38% of the dependent variable, which is audit delay, can be explained by solvability, profitability, firm size, and company age, while 62% of the audit delay is explained by other variables or factors outside the model.

Multiple Linear Regression Analysis

The results of the autocorrelation test can be seen in the table below:

Table 9. Results of Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	61.419	9.033		6.8	0
DAR	57.175	5.623	0.577	10.167	0
ROA	0.031	0.023	0.076	1.356	0.177
Size	0.524	0.434	0.073	1.208	0.229
Age	0.493	0.141	0.211	3.493	0.001

Source: Processed Secondary Data, 2022

Based on the calculations, the regression equation formed is as follows:

$$AD = 61.419 + 57.175 \text{ DAR} + 0.031 \text{ ROA} + 0.524 \text{ SIZE} + 0.493 \text{ AGE} + e$$

The results of the multiple linear regression equation can be interpreted as follows:

The constant value of 61.419 in the regression equation indicates that if the independent variables are considered constant, there is a tendency for audit delay to be 61.419. The regression coefficient of solvability, 57.175, shows that an increase of 1% in solvability will increase audit delay by 57.175. The regression coefficient of profitability, 0.031, indicates that a 1% increase in profitability will increase audit delay by 0.031. The regression coefficient of firm size, 0.524, suggests that a 1% increase in firm size will increase audit delay by 0.524. The regression coefficient of company age, 0.493, indicates that a 1% increase in company age will increase audit delay by 0.493.

Hypothesis Test Results

The Effect of Solvability on Audit Delay

Based on the test results, as seen in Table 9, the significance value of solvability is 0.000, which is less than 0.05. This indicates that the solvability variable has a positive and significant effect on audit delay. Therefore, H1, which states, "Solvability has a positive effect on audit delay," is accepted.

The Effect of Profitability on Audit Delay

Based on the test results, as seen in Table 9, the significance value of profitability is 0.177, which is greater than 0.05. This shows that the profitability variable has a positive but insignificant effect on audit delay. Therefore, H2, which states, "Profitability has a negative effect on audit delay," is rejected.

The Effect of Firm Size on Audit Delay

Based on the test results, as seen in Table 9, the significance value of firm size is 0.229, which is greater than 0.05. This indicates that the firm size variable has a positive but insignificant effect on audit delay. Therefore, H3, which states, "Firm size has a negative effect on audit delay," is rejected.

The Effect of Company Age on Audit Delay

Based on the test results, as seen in Table 9, the significance value of company age is 0.001, which is smaller than 0.05. This indicates that the company age variable has a positive and significant effect on audit delay. Therefore, H4, which states, "Company age has a positive effect on audit delay," is accepted.

Discussion

The Effect of Solvency on Audit Delay

The results of this study prove that solvency has a significant positive effect on audit delay. The solvency ratio describes the extent to which a company can meet its long-term obligations or liabilities if the company is liquidated. Based on the test results, it is found that the significant value of solvency indicates that the solvency variable has a positive and significant effect on audit delay. The regression coefficient value has a positive direction, meaning that the higher the audit delay, the higher the solvency. Therefore, it can be concluded that the hypothesis "Solvency has a positive effect on audit delay in energy sector companies listed on the IDX for the period 2017-2021" is supported by the data from this study.

This research is in line with the findings of Lukito (2021), who stated that solvency has a positive effect on audit delay, meaning that the length of the audit reporting process is affected by the proportion of a company's debt, which can cause the examination of the company's debt to take longer. As auditors, one must be more cautious because if a company has lower total assets compared to its total debt, the risk of loss is more significant for the company, and this is related to the company's sustainability in the future. The results of this study are consistent with the research conducted by Hasanah (2019), Rahmawati (2017), and Rianto (2019), all of which found that solvency has a positive effect on audit delay.

The Effect of Profitability on Audit Delay

The results of this study prove that profitability has a positive but not significant effect on audit delay. This is because the audit process for companies with low profitability is not significantly different from companies with high profitability. Both high and low-profitability companies tend to expedite their audit processes. Based on the test results, it can be observed that the profitability variable has a positive but nonsignificant effect on audit delay. The profitability variable's regression coefficient indicates profitability decreases as audit delay increases. Therefore, it can be concluded that the hypothesis "Profitability has a negative effect on audit delay in energy sector companies listed on the IDX for the period 2017-2021" is not supported by the data from this study.

Penelitian ini sejalan dengan Lukito (2021), Hasanah (2019), Cholifia (2022), Alvorina (2018), Rahmawati (2017) dan Hayati (2020) menyatakan bahwa ROA tidak memiliki pengaruh terhadap audit delay.

Akan tetapi hasil penelitian ini berlawanan dengan Cholifia (2022), Indriani (2014) yang menyatakan bahwa perusahaan yang memiliki profitabilitas yang tinggi akan mempersingkat terjadinya audit delay.

The Effect of Firm Size on Audit Delay

The results of this study prove that firm size has a positive but non-significant effect on audit delay. Auditors tend to believe that in the auditing process, regardless of the amount of assets a company possesses, it will be examined in the same manner, following the procedures outlined in the Public Accountant Professional Standards (PAPS). Companies listed on the Indonesia Stock Exchange are undoubtedly under scrutiny by investors, capital supervisors, and regulatory bodies, meaning both large and small companies face similar pressures regarding financial reporting. Based on the test results, it can be observed that the firm size variable has a positive but non-significant effect on audit delay, as the regression coefficient indicates that as audit delay increases, the company's size decreases. Thus, it can be concluded that the hypothesis "Firm size has a negative effect on audit delay in the energy sector companies listed on the Indonesia Stock Exchange for the period 2017-2021" is supported by the data from this study.

These results align with the studies conducted by Lukito (2021), Hasanah (2019), Cholifia (2022), and Alvorina (2018), which indicate that size does not affect audit delay. However, this research contradicts the findings of Rahmawati (2017) and Hayati (2020), which suggest that firm size has a positive effect on audit delay.

The Effect of Company Age on Audit Delay

This study's results prove that the company's age has a positive and significant effect on audit delay. Company age is calculated from the year the company was established. Company age represents the length of time a company has been in existence, calculated from its founding year up to the year of the study. Based on the test results, it can be concluded that the variable of company age has a significant positive effect on audit delay. The regression coefficient's low value indicates that as a company's age increases, it typically engages in more expansion by opening new branches. This complexity in financial reporting can lead to longer audit completion times. Therefore, it can be concluded that the hypothesis "Company age has a positive effect on audit delay in energy sector companies listed on the IDX for the period 2017-2021" is supported by the data from this research.

These findings align with the research conducted by Indry and Arisudhana in Saemargani (2015), which suggests that the age of a company affects audit delay. This is because companies are encouraged to ensure that their activities and performance are acceptable to the public. Therefore, the longer a company can survive, the more social information it tends to disclose as a demonstration of its responsibility to be accepted by the community (Utami, 2011). The age of a company indicates how long it has been able to endure. The longer the company ages, the more information it has acquired, thus reducing investor uncertainty in the future

Conclusion

Solvency has an effect on audit delay because the solvency ratio illustrates the extent to which a company can meet its long-term obligations or liabilities in the event of liquidation. With the solvency ratio, a company can understand aspects related to equity and borrowed capital, as well as assess its ability to fulfill its obligations. Subsequently, the financial department can take action for capital strengthening. If a company has a high solvency ratio, the risk of company losses increases. Therefore, to gain confidence in a company's financial statements, auditors will increase their caution, resulting in a longer audit delay period.

Profitability has a positive but not significant effect on audit delay. This is because the audit process for companies with low profitability is not significantly different from companies with high profitability, as both tend to accelerate their audit processes. This ratio also provides a measure of a company's management effectiveness, indicated by the profit generated from sales or investment income. Profitability is essential for recording financial transactions and is typically evaluated by investors and creditors to assess the return on investment income for investors and the company's ability to pay debts to creditors.

Firm size has a positive but not significant effect on audit delay. Auditors assume that regardless of the firm's size, it will be audited similarly, following the Public Accountant Professional Standards (PAPS) procedures. Companies listed on the Indonesia Stock Exchange are closely monitored by investors, capital regulators, and government authorities, so both large and small firms face similar pressures in financial reporting. This occurs because larger firms typically have better internal controls. Firms with strong internal controls facilitate auditors in their audit report preparation, reducing the chances of auditor errors.

Company age has a positive and significant effect on audit delay. Company age is calculated from the year the company was established. It represents how long a company has been in operation, from its founding year to the year of the study. A decrease in audit delay suggests that older companies are better equipped to gather, process, and produce information when needed, as they are considered to have accumulated significant experience in these areas.

Based on the research conducted, there are still several limitations. One of them is related to the statistical descriptive data analysis, which revealed a non-normal data distribution. This necessitated the removal of 35 outlier samples, reducing the initial sample size of 240 to 205 samples.

Recommendation

This research may provide better insight into the factors that influence audit delay in Indonesian companies. The results of this study may help auditors, financial managers, and regulators to better understand how these factors contribute to the audit process and the disclosure of financial information. Greater practical implications may include recommendations for companies to improve their internal processes to reduce audit delay.

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Analysis of Solvency, Profitability, Firm Size, and Company Age in Audit Delay in Energy Sector Companies Listed on IDX 2017-2021 (Shekinah Glory, Stevany, Okalesa, Pamuji Hari Santoso, and Ria Darmasari)

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