The Indonesian Accounting Review Vol. 7, No. 1, January – June 2017, pages 119 – 130

The effect of company size, accounting firm size, solvency, auditor switching, and audit opinion on audit delay

Vicky Anggel Putra[1], R. Wilopo[2]

[1, 2] *STIE Perbanas Surabaya, Nginden Semolo Street 34-36, Surabaya, 60118, East Java, Indonesia*

A R T I C L E I N F O

Article history:
Received 3 April 2017
Revised 5 May 2017
Accepted 28 May 2017

JEL Classification:
M14

Key words:
Audit Delay,
Company Size,
Accounting Firm Size,
Solvency,
Auditor Switching, and
Audit Opinion.

DOI:
10.14414/tiar.v7i1.956

A B S T R A C T

This research aims to examine the effect of company characteristics, consisting of company size, solvency, on audit delay in the property and real estate sector companies listed on the Indonesia Stock Exchange (IDX). In addition, this research also adds three variables, i.e. accounting firm size, auditor switching and audit opinion, that are considered having an effect on audit delay,. The sample used in this research is all property and real estate sector companies listed on IDX in 2011-2015. Sampling is conducted using purposive sampling technique, with the final sample consisting of as many as 40 property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) 2011-2015. Logistic regression analysis is used to test hypotheses by explaining the relationship between the variables in this research. The results of this study show that the variables of company size, accounting firm size, solvency, and audit opinion do not have effect on audit delay, while the variable of auditor switching has a significant effect on audit delay.

A B S T R A K

Penelitian ini bertujuan untuk menguji pengaruh karakteristik perusahaan, yang terdiri dari ukuran perusahaan, solvabilitas, terhadap keterlambatan audit pada perusahaan properti dan perusahaan real estat yang terdaftar di Bursa Efek Indonesia (BEI). Selain itu, penelitian ini juga menambahkan tiga variabel, yaitu ukuran perusahaan akuntansi, switching auditor dan opini audit, yang dinilai berpengaruh terhadap audit delay. Sampel yang digunakan dalam penelitian ini adalah semua perusahaan sektor properti dan real estat yang terdaftar di BEI pada tahun 2011-2015. Pengambilan sampel dilakukan dengan teknik purposive sampling, dengan sampel akhir terdiri dari 40 perusahaan properti dan real estat yang terdaftar di Bursa Efek Indonesia (BEI) 2011-2015. Analisis regresi logistik digunakan untuk menguji hipotesis dengan menjelaskan hubungan antara variabel dalam penelitian ini. Hasil penelitian ini menunjukkan bahwa variabel ukuran perusahaan, ukuran perusahaan akuntansi, solvabilitas, dan opini audit tidak berpengaruh terhadap audit delay, sedangkan variabel auditor switching berpengaruh signifikan terhadap audit delay.

1. INTRODUCTION

Financial statement is often regarded as a business language because it provides an event report of a company. One way how investors monitor the performance of a public company is through the financial statement that they published. Latest Decree of the Chairman of the Capital Market and Financial Institutions Supervisory Board of Indonesia (BAPEPAM-LK) No. 431/BL/2012 states that the audit report should be reported to the Capital Market and Financial Institution Supervisory Board periodically no later than 4 (four) months after the end of the financial year.

Audit delay of a financial statement requires the auditor to complete his fieldwork punctually. In addition, companies that are late in publishing their audited financial statements will be subject to fines in accordance with the applicable laws and regulations. This indicates that timely delivery of financial statements is necessary.

** Corresponding author, email address: [1] liqunevicky@gmail.com, [2] wilopo@perbanas.ac.id.*

From January 2, 2013 to August 13, 2013, the Financial Services Authority of Indonesia (OJK) handled 30 cases afflicting public companies or issuers in the Indonesia Stock Exchange (IDX). There were 74 cases of delay in financial reporting and audit reports publication in 2012. While in 2011, the total cases related to the delay were recorded as many as 54 cases. Several studies related to the factors affecting the audit delay have been done, but they showed different results, indicating the existence of unconformity. Studies conducted by Haryani (2014), Arizal and Indah (2015) show that company size has an effect on audit delay, while the research conducted by Greta Juanita (2012) indicates that company size has no effect on audit delay. Research conducted by Alifian and Indah (2014) states that audit opinion has an effect on audit delay, while research conducted by Juanita (2012) states that audit opinion has no effect on audit delay. Previous studies have resulted in research gap and generated inconsistent results related to the factors affecting the audit delay.

Company size is the size of a company measured by the amount of total assets or property owned by the company. In the attachment of the Decree of Chairman of BAPEPAM Number: Kep-11/PM/1997 dated April 30, 1997, a company with total assets less than IDR 100,000,000,000 is considered small, while a company with total assets more than IDR 100,000,000,000 is considered large. Large companies usually have good internal controls that can reduce the level of error in the presentation of financial statements.

According to Alifian and Indah (2014), a professional public accounting firm usually has neat and structural audit management, which enables the firm to provide immediate solution to some problems occurring in the field and difficulties in auditing the company. This makes the audit time more efficient. Fast audit time is one way the public accounting firm maintains its quality.

Solvency or leverage is the ability of a company to pay all its short-term and long-term debt. The high debt to assets reflects the company's financial risk. According to Haryani (2014), companies experiencing financial difficulties tend to postpone their financial statements that contain bad information, thereby extending the time of publication of audited reports and financial statements.

Auditor's report is an important part of the financial statements to be held accountable to shareholders. According to Angga and Sukirman (2014), companies that experience losses will ask the auditor to slow down the publication of the audited report to extend the audit delay, while companies that experience earnings will likely ask the auditor to immediately publish the audited report to shorten the audit delay.

The sample used in this research is real estate and property sector companies listed on the Indonesia Stock Exchange 2011-2015 as the research object. Property and real estate sector companies are chosen because they have a greater level of complexity in auditing than other companies, in addition to the increased need for shelters due the increasing rate of population growth. This makes the financial statements of property and real estate companies attract the attention of investors.

This study aims to obtain empirical evidence about the effect of firm size, public accounting firm size, solvency, switching auditors and audit opinion on audit delay in property and real estate companies listed on the Indonesia Stock Exchange 2011-2015.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

Compliance Theory

Harahap (2011: 608) states that compliance is one factor that plays a role in the creation of corporate value. Compliance has been studied in the social sciences, especially in the field of psychology and sociology, which emphasizes the importance of socialization process in influencing the behavior of an individual's compliance. There are two basic perspectives in the sociology literature concerning obedience to the law, namely instrumental and normative. The normative perspective relates to what people perceive as moral and contrary to their personal interests.

Normative commitment through morality means obeying the law because the law is considered a necessity, whereas normative commitment through legitimacy means obeying the rules because the authoring authority has the right to dictate behavior. The demand for compliance with timeliness in the delivery of financial reporting of public companies in Indonesia has been regulated in the Decree of Chairman of BAPEPAM Number: KEP-36/PM/2003 on the obligation to submit periodic financial statements. The regulation complies with the compliance theory proposed by Tyler (in Saleh 2004).

In relation to the timeliness in presenting financial reporting by companies listed on the Indonesia Stock Exchange, the compliance of the companies in reporting the financial statements is

an absolute matter in complying with the principles of timely disclosure of information.

Audit Delay

Audit delay is the time interval between the end of the accounting period and the date of issuance of the audit report (Alif and Indah 2015). In accordance with the Decree of Chairman of BAPEPAM dated August 1, 2012, Number 431/BL/2012, an issuer or public company whose registration statement has become effective must submit annual report to BAPEPAM-LK no later than 4 months after the end of the book year. If the submission of the financial statements exceeds the limit, there will be an audit delay that causes the financial statements delayed.

According to Subekti and Widiyanti (2004), audit delay can be very detrimental to investors as it can increase information asymmetry and generate rumors from the capital market actors, which in turn can make conditions in the capital market uncertain and the market hesitates in making decisions

Company Size

Company size is a scale that can be classified as a large or small company in various ways, such as expressed in total assets, stock market value and others (Arizal and Indah 2015). The Decree of Chairman of BAPEPAM No: Kep. 11/PM/1997 describes that small and medium-sized companies, based on assets, are legal entities that have total assets of not more than IDR 100,000,000,000, while large companies are legal entities that have total assets of more than IDR 100,000,000. Large companies are expected to complete their audit process faster than the small companies.

The research conducted by Arizal and Indah (2015) proves that company size has an effect on audit delay. This is due to several factors in which large-scale company management tends to be given incentives to reduce audit delay because the company is closely monitored by investors or government capital supervisors. The company size in this study is measured by the total assets owned by each sample company and used as a company scale benchmark.

H1: Company size has an effect on audit delay.

According to Riyatno (2007: 153), public accounting firm size is the distinction of public accounting firm based on the number of clients and the number of members or colleagues owned by the public accounting firm. Large public accounting firm, that is, the accounting firm included in the big four public accounting firms, is generally believed to have auditors with better competencies, skills and abilities than those in the non-big four public accounting firm. The auditors of the big four public accounting firm are believed to be able to complete the audit work more effectively and efficiently.

Anastasia (2007) explains that large public accounting firms generally have much better resources. The system used is more sophisticated and accurate because it is usually supported by international cooperation with large funding sources. A large public accounting firm usually gets a higher incentive to complete its audit work faster than any other accounting firms. A large accounting firm will also try to maintain its reputation with a faster audit time

H2: Public accounting firm size has an effect on audit delay.

Solvency

Solvency is a measure of how much a company is financed by debt. Excessive debt usage will endanger the company, falling into the category of extreme debt, that is, the company which is stuck in high debt levels and it is difficult to release the debt burden (Fahmi 2014: 75). In a broad sense, it is said that solvency ratio is used to measure the ability of the company to pay all its obligations, both short and long term.

Solvency can also be interpreted as a comparison between the amount of debt and the amount of assets owned by a company. Poor solvency is bad news for a company, thus making the company try to manipulate its financial statements before presenting them (Luciana and Lucas 2006). According to Ni Nengah Devi and I Ketut Budiartha (2014), when a company has a higher proportion of debt than its total assets, it will take the auditor longer time to audit the company's financial statements due to the complexity of the debt account audit procedures and the discovery of a more complex audit evidence on the company's creditor parties.

H3: Solvency has an effect on audit delay.

Auditor Switching

Auditor switching is a change of auditor or public accounting firm conducted by a company that may occur because of government rules (mandatory) or because of the wishes of the company itself (voluntary). As one of the countries requiring the replacement of auditors within a prescribed time limit, the government has regulated the auditor's

rotation obligation through the Decree of the Minister of Finance No. 17/PMK.01/2008 on Public Accounting Services.

There are several factors that may cause auditor switching, such as the termination of the employment contract without any extension of new assignments and the conflicts of interest between the owners and the management of the company resulting in a change of management and a change of auditors.

Currently, auditor switching is getting serious attention from the company because the company is having concerns on the auditors who examine the company's bookkeeping system. If the company undergoes auditor switching, the new auditor will of course take a long time to recognize the characteristics of the client's business and the existing system inside (Rustiarini and Mita 2013).
H4: Auditor switching has an effect on audit delay.

Audit Opinion
Audit opinion is the auditor's statement on the fairness of all material aspects relating to financial position, results of operations, and cash flows of a certain entity, whether they have been in accordance with the general acceptable accounting principles (Mulyadi 2002: 19). The auditor's opinion on the company's financial statement becomes the benchmark of its users in making decisions. According to Theodorus M. Tuanakotta (2013: 510-516), the audit opinion can be classified into four; (1) Unqualified Opinion, (2) Adverse Opinion, (3) Qualified Opinion, and (4) Disclaimer Opinion.

Companies that get qualified opinion tend to perform longer audit delays, so auditors need more time and effort to look for audit procedures when confirming audit qualifications (Carslaw and Kaplan, 1991). According to Alifian (2014), when the company's accounting procedures are found to be not in line with Generally Acceptable Accounting Principles, the auditor would be careful in conducting the audit by examining several times and it would take time.
H5: Audit opinion has an effect on audit delay.

3. RESEARCH METHOD

Research Design
The sample was taken from the property and real estate sector companies by using a purposive sampling technique. I is based on the criteria as follows: (1) Property and real estate companies listed on the Indonesia Stock Exchange (IDX) that present audited financial statements in 2011-2015 respectively, (2) Having data required during the study period of 2011-2015 to support the formulas of the variables to be tested in this study.

The source of data used in this study is secondary data. The data is audited financial statements obtained from property and real estate sector companies listed on the Indonesia Stock Exchange (BEI) in 2011-2015. The data is obtained from the official website of Indonesia Stock Exchange at **www.idx.co.id**. This research is included in descriptive research because this study aims to test the hypothesis relating to the latest problems in the subject under study.

Identification of Variables
The dependent variable is audit delay, while the independent variables are company size, public accounting firm size, solvency, auditor switching and audit opinion.

Operational Definition of Variables
Audit Delay
The dependent variable in this study is audit delay. Audit Delay is the length of time of audit completion as measured from the closing date of the book year to the date of completion of the independent audit report (Utami *2006*: 4). If a company reports its financial statements beyond the specified time limit, there will be an audit delay which causes the financial statements to be delayed for publication. Public companies are required to be able to report their financial statements on time in accordance with established rules as of December 31. In this study, the audit delay variable is measured using dummy, that is, with delay = 1 and no delay = 0.

Company Size
Company size is measured by the total assets owned by each sample company and used as the company's scale benchmark. Large-scale companies tend to be given incentives to reduce audit delays as they are closely monitored by investors and capital inspectors from the government. Company size is categorized into three: 1) Large Company, 2) Medium Company, and 3) Small Company. Company size is also influenced by the operational complexity, variability, and intensity of the company's transactions, which in turn will affect the speed in presenting the financial statements to the public.

Company size in this study is produced using the logarithm of the company's total assets. Here

is the formula used to calculate company size:

Company Size = *Log Total Assets*. (1)

Public Accounting Firm Size

Public accounting firm is a public accountant organization licensed in accordance with the laws and regulations in the field of providing professional services.

The big four public accounting firms generally have greater resources in terms of the competence, expertise, and ability of auditors as well as the facilities including the auditing systems and procedures used than the non big four accounting firms so that the big four auditors can complete the audit work more effectively and efficiently. Public accounting firm in this study is measured using dummy variables. Companies that use the services of big four public accountant firms are coded 1 and companies that do not use the services of big four public accounting firm is coded 0.

Solvency

Solvency is the ratio used to measure the amount of a company's debt-financed assets. This leverage ratio is measured using the Debt Asset Ratio (DAR) formula. This ratio is obtained by comparing between the total debt held by and the total assets owned by the company. Debt Asset Ratio (DAR) formula is as follows:

$$DAR = \frac{Total\ Debt}{Total\ Assets}. \quad (2)$$

Auditor Switching

Auditor switching is a change of auditor or public accounting firm conducted by a company. Auditors switching may occur due to government rules (mandatory) or due to the company's own wishes (voluntary). The government has regulated the auditor's rotation obligations through the Decree of the Minister of Finance no. 17/PMK.01/2008 on Public Accountant Services. In this study, the auditor is measured by dummy variable, that is, if there is auditor or accounting firm switching, it is coded 1, and if there is no auditor or accounting firm switching to check the financial statement, it is coded 0.

Audit Opinion

Auditor opinion is a conclusion of the audit process done by an independent auditor on the fairness of the financial statements made by management in all material matters in accordance with GAAP (Generally Acceptable Accounting Principle). According to Theodorus M. Tuanakotta (2013: 510-516), the audit opinion can be classified into four: (1) Unqualified Opinion, (2) Adverse Opinion, (3) Qualified Opinion, and (4) Disclaimer Opinion. In this study, audit opinion is measured by dummy variable. Companies that obtain unqualified opinion are coded 1, while companies that obtain other than unqualified opinion are rated 0.

Data Analysis Technique

Descriptive Analysis

Descriptive analysis is used to know the description of the variables in the study before performing hypothesis testing. The purpose of descriptive analysis is to get information regarding the mean, maximum, minimum, and standard deviation values.

Logistic Regression Analysis

The logistic regression equation model to measure the effect of litigation risk, leverage, and firm size on the level of accounting conservatism is as follows:

$$Y = \boldsymbol{\alpha} + \boldsymbol{\beta}_1 X_1 + \boldsymbol{\beta}_2 X_2 + \boldsymbol{\beta}_3 X_3 + \boldsymbol{\beta}_4 X_4 + \boldsymbol{\beta}_5 X_5. \quad (4)$$

Explanation:

Y =Audit Delay

$\boldsymbol{\alpha}$ = Constants

$\beta_{1\text{-}5}$ = Regression Coefficient

X_1 = Company Size

X_2 = Public Accounting Firm Size

X_3 = Solvency

X_4 = Auditor Switching

X_5 = Audit Opinion

Model Feasibility Test

Log likelihood value

The feasibility test of the model is usually done by comparing between the first log likelihood value (just inserting the constants) and the second log likelihood value (using constants and independent variables). If the first log likelihood value is greater than the second log likelihood value, it will indicate a good regression model. So, a decrease in the log likelihood value indicates that the regression model is getting better.

Hosmer and Lemeshow's Goodness of Fit Test

In addition to using Log likelihood value, the model feasibility test in this study also uses the Hosmer and Lemeshow's goodness of fit test. If the significant value of the Hosmer and Lemeshow's goodness of fit test is ≤ 0.05, this means that the goodness fit model is not good because it cannot predict the observation value. Whereas, if the significance value of the Hosmer and Lemeshow's goodness of fit test is ≥ 0.05, this means that the goodness fit model is good because it can

Table 1
Descriptive Analysis Results

	N	Minimum	Maximum	Mean	Std. Deviation
Company Size	200	10.945	13.616	12.45453	0.640621
Solvency	200	1.351	61.405	3.91901	5.270088
Valid N (listwise)	200				

Source: Data processed

Table 2
Frequency of Audit Delay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non Audit Delay	183	91.5	91.5	91.5
	Audit Delay	17	8.5	8.5	100.0
	Total	200	100.0	100.0	

Source: Data processed

Table 3
Frequency of Public Accounting Firm

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non Big Four	159	79.5	79.5	79.5
	Big Four	41	20.5	20.5	100.0
	Total	200	100.0	100.0	

Source: Data processed

predict the observation value.

Nagelkerke R^2

Nagelkerke R^2 test aims to find out the extent to which the combinations of independent variables are able to explain the dependent variable. The value of negelkerke R^2 can be interpreted as R^2 in multiple-regression. The result of Nagelkerke R^2 is the amount of the dependent variable explained by the independent variable. The value-approaching one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

Hypothesis Testing

Hypothesis testing is conducted to find out whether the independent variable has an effect on the dependent variable. Hypothesis testing is done by comparing the probability value (sig). If the significance value is smaller than 0.05, the regression coefficients is significant at the level of 5%, which means that the independent variable significantly influences the dependent variable. Vice versa, if the significance value is greater than 0.05, this means that the independent variable does not significantly affect the dependent variable.

4. DATA ANALYSIS AND DISCUSSION

After selecting the sample based on the criteria, 40 companies of 54 existing companies, fit the study criteria. This study uses 4-year data, and the sample is totally 200 companies.

Descriptive Statistics Analysis Results

Company Size

In Table 1, it can be seen that company size variable in 2012-2015 has the minimum value of 10.945 and the maximum value of 13.616. The values indicate that there is a small difference between the maximum value and the minimum, or only 2.671. The mean value of 200 data of company size being sampled is 12.45453, with the standard deviation value of 0.640621. This also indicates that the level of data variation of company size is 0.640621.

The minimum value of company size variable is 10.945, which is the value of Metro Reality's total assets in 2015, or IDR 88.172.596.470. The maximum value of company size variable is 13.616, belonged to Lippo Karawaci in 2015 and included as large company size based on its total assets of IDR 41,326,558,178,049.

Solvency

The result of descriptive statistical analysis for solvency ratio shows that the minimum value is 0.016 and the maximum value is 0.740. The values indicate there is a big difference between the minimum value and the maximum value, or 0.724. The mean value of the 200 data of solvency ratios being sampled is 0.37908, with the standard deviation value of 0.168890. This also indicates that the level of data variation of solvency ratio is 0.168890. The minimum value of solvency variable is 0.016, belonged to Laguna Cipta Karya.

This is due to the low value of comparison ra-

Table 4
Frequency of Auditor Switching

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non Auditor Switching	83	41.5	41.5	41.5
	Auditor Switching	117	58.5	58.5	100.0
	Total	200	100.0	100.0	

Source: Data processed.

Table 5
Frequency of Audit Opinion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unqualified Opinion	199	99.5	99.5	99.5
	Other than Unqualified Opinion	1	.5	.5	100.0
	Total	200	100.0	100.0	

Source: Data processed.

Table 6
The Value of -2 Log Likelihood

Model	-2 Log Likelihood
Block Number = 0	116.326
Block Number = 1	99.686

tio between total assets and total debt of the company in 2013, in which the value of total assets is IDR 1,652,514,522,490 and the value of total liabilities is 26,911,508,799. The maximum value of solvency variable is 0.740, belonged to Goa Makassar Tourism Development in 2012. This shows the solvency ratio of the company's debt to the total assets of the company with the total debt of the company is quite high, or IDR 666,641,585,555 and the company's total asset is IDR 900,597,066,316.

Audit Delay

Table 2 shows that the audit delay variable consists of two categories: the first category for non audit delay is coded 0, while the second category for audit delay is code 1. Based on frequency table, there are 183 property and real estate companies that do not experience audit delay with a percentage of 91.5%. Meanwhile there are 17 property and real estate companies that experience audit delay with a percentage of 8.5%. This indicates that 91.5% of property and real estate companies do not experience audit delay and it can be concluded the companies complete their audited report on time.

BAPEPAM stipulated the new regulation in accordance with the report of the Decree of the Chairman of BAPEPAM dated August 1, 2012, Number 431/BL/2012, the issuer or public company, whose registration statement has been in effective, must submit the annual report to BAPEPAM-LK no later than 4 months after the end of the book year. So, it can be said that if the submission of the financial statements exceeds the limit, there will be audit delay resulting in the delay of the financial statements. The audit delay can be very detrimental to investors because it can increase information asymmetry and generate rumors from market participants resulting in the market hesitate in making decisions.

Public Accounting Firm Size

The size of public accounting firm is the difference in the public accounting firm based on the number of clients and the number of members or associates owned by the accounting firm (Riyatno *2007*: 153). The size of accounting firm consist of the big four Public Accounting Firm and the non-big four Public Accounting Firm. Table 3 shows that the variable of non big four accounting firm is coded (0), while the variable of big four accounting firm is coded (1). Based on the frequency table generated, there are 159 non big four accounting firms used by property and real estate sector companies to audit corporate financial statements, with percentage of 79.5%. Meanwhile, there are 41 big four accounting firms used by property and real estate companies to audit financial statements, with a percentage of 20.5%.

Auditor Switching

Table 4 shows that the variable of auditor switching has two categories, that is, non-auditor switching in examining financial statement coded 0, and involving auditor switching in examining financial statements coded 1. Table 4 indicates that 83 property and real estate sector companies (41.5%) do not perform auditor switching in examining

Table 7
Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	7.727	8	.461

Source: Data processed.

Table 8
Negelkerke R Square

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	99.686a	.317	.521

Source: Data processed.

Table 9
Logistic Regression Analysis

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1a	Company Size	-.057	.412	.019	1	.890	.945
	Accounting Firm Size	-19.228	6210.638	.000	1	.998	.000
	Solvency	.061	.040	2.361	1	.124	1.063
	Auditor Switching	1.184	.603	3.859	1	.049	3.268
	Audit Opinion	-19.361	40192.970	.000	1	1.000	.000
	Constant	-2.462	5.147	.229	1	.632	.085

Source: Data processed.

the financial statements, and 117 property and real estate sector companies (58.5%) perform auditor switching in examining the financial statements. The auditor or public accounting firm switching performed by a company may occur due to government regulations, referred to as mandatory, or due to the company's own wishes, referred to as voluntary.

Audit Opinion

The auditor opinion on the company's financial statement becomes the benchmark of its users in making decisions. Auditor opinion is the result audit process conducted by independent auditor on his client's financial report on the fairness of the financial statements made by management in all material matters according to GAAP (General Accepted Accounting Principles). It shows that the variable of audit opinion consists of two categories: 1) unqualified opinion coded (0) and 2) other than unqualified opinion coded (1). The results in Table 5 shows that 99 property and real estate companies (99.5%) obtain unqualified opinion, and 1 property and real estate company (0.5%) obtains other than unqualified opinion, belonged to Megapolitan Development company in 2014.

Logistic Regression Analysis

Overall Model Fit

Overall Model Fit on Logistic Regression is done by assessing the value of -2 Log Likelihood in the initial block (Block Number = 0) and the value of -2 Log Likelihood in the final block (Block Number = 1). If there is a decrease in the value of -2 Log Likelihood, it shows that the regression model is good. From both tables above, it can be seen that the value of -2 Log Likelihood in the initial block (Block Number = 0) is 116.326 and the value of -2 Log Likelihood in the final block (Block Number = 1) is 99.686 which means there is a decline of 16.640 in the value of -2 Log Likelihood indicating that the regression model used in this research is good (see Table 6).

Regression Model Feasibility Test

Table 7 shows that the value of regression model feasibility seen from Chi-square value is 7,727, with a significance level of 0.461. The value of Chi-square is 9.049 with df = 8 is smaller than Chi-square table value of 15.507, or 7.727 <15.507. In addition, the significance value of 0.461 is greater than the alpha value of 0.05 or 0.461> 0.05 which can be interpreted that the existing logistic regression model is feasible for use in subsequent analysis

Coefficient of Determination (Negelkerke R Square)

This test is done by dividing Cox and Snell's R Square by maximum value. Nagelkerke's R Square value can be interpreted as R2 value in Multiple Regression. The valuation of Nagelkerke's R Square aims to find out the extent to which the combinations of independent variables are able to explain the dependent variables. Based on Table 8 above, it is known that Cox Snell's R Square value

is 0.317 and Nagelkerke's R Square value is 0.521. This illustrates that the variability of the dependent variable has a predicted power of 52.1% which is explained by five independent variables consisting of firm size, accounting firm size, solvency, auditor switching, and audit opinion. While the rest of 47.9% is explained by other variables outside of this model, such as the variables of tenure audit, profit/loss operations, etc.

Results of Logistic Regression Analysis

Based on the result of parameter estimation in Table 9, logistic regression equation can be expressed as follows:

Audit Delay = -2,462 Constant - 0.057 Aset - 19,228 KAP + 0,061DAR + 1.184 SwitcH - 19,361 Opinion

From the logistic regression equation above, Table 9 can be described as follows:

Constant value of -2,462 states that if the independent variables (company size, accounting firm size, solvency, auditor switching, audit opinion) are considered constant or zero, the audit delay on property and real estate companies listed on the Indonesia Stock Exchange period 2011-2015 will decrease by 2,462 percent.

The company size value of -0.057 indicates a negative relationship. If there is an increase in firm size variable by 1 percent, the audit delay on property and real estate companies listed on the Indonesia Stock Exchange (IDX) period 2011-2015 will decrease by 0.057 percent with the assumption that other variables are considered fixed.

The accounting firm size value of -19.222 indicates a negative relationship. If there is an increase in accounting firm size variable by 1 percent, the audit delay on property and real estate companies listed on the Indonesia Stock Exchange (IDX) period 2011-2015 will decrease by 19.222 percent with the assumption that other variables are considered fixed.

Solvency value of 0.061 indicates a positive relationship. If there is an increase in solvency ratio variable by 1 percent, the audit delay on property and real estate companies listed on the Indonesia Stock Exchange (BEI) period 2011-2015 will increase by 0.061 percent with the assumption that other variable is considered fixed.

The auditor switching value of 1.184 indicates a negative relationship. If there is an increase in auditor switching variable by 1 percent, the audit delay on property and real estate companies listed on the Indonesia Stock Exchange (IDX) period 2011-2015 will increase by 1.184 percent with the assumption that other variables are considered fixed.

The audit opinion value of -19,361 indicates a negative relationship. If there is an increase in audit opinion variables by 1 percent, the audit delay on property and real estate companies listed on the Indonesia Stock Exchange (IDX) period 2011-2015 will decrease by 19.361 percent with the assumption that other variables are considered fixed.

Discussion

The Effect of Company Size on Audit Delay

The first hypothesis in this study states that company size has an effect on audit delay. This condition also shows that company size does not affect audit delay. Previous research conducted by Fiatmoko and Anisykurlilah (2015) shows that company size has an effect on audit delay. But this study does not support the previous research because there is no significant influence between company size and audit delay. This study supports the research conducted by Dibia and Onwuchekwa (2013) and the research conducted by Aditya and Anisykurlilah (2014) that company size has no effect on audit delay.

Company size has no effect on audit delay. It is because the sample used is the sample of the company population whose shares are issued on the IDX. Whether the company is large or small, the company is certainly noticed, as its financial statement is accessible for investors, capital supervisors, and the government. Therefore, all companies will try to report their financial statements more quickly than other companies to attract the attention of investors, and not subject to sanctions from the capital supervisors and government.

The Effect of Public Accounting Firm Size on Audit Delay

The second hypothesis in this study states that the public accounting firm size has an effect on audit delay. This condition also shows that public accounting firm size does not affect audit delay. Previous research conducted by Juanita (2012) and Fiatmoko and Anisykurlilah (2015) showed that public accounting firm size has no effect on audit delay. This study supports the previous research because there is no significant influence between public accounting firm size on audit delay. In contrast, this study does not support the research conducted by Aditya and Anisykurlilah (2014) and the research conducted by Ayemere and Afe-

simi (2015) showing that public accounting firm size has no effect on audit delay.

Public accounting firm size does not affect audit delay. It is because the big four and non big four accounting firms refer to the same standard in accordance with the professional standard of public accountant and the competition between the accounting firms affiliated with big four and non-big four accounting firms that is getting tighter. Each accounting firm will try to maintain its reputation by showing a high level of professionalism in carrying out its work to produce good audit quality. Accounting firms affiliated with big four or not affiliated with big four strive to provide the best service. The size of public accounting firm is based not only on the big name but also on the audit quality generated by the public accounting firm. So the size of the public accounting firm does not affect the length of the completion time of the financial statements.

The Effect of Solvency on Audit Delay

The third hypothesis in this study states that solvency has an effect on audit delay. This condition also shows that solvency has no effect on audit delay. Previous research conducted by Juanita (2012) show that solvency has no effect on audit delay. This research supports the research because there is no significant influence between solvency and audit delay. In contrast, Aryaningsih and Budiartha (2014) state that solvency has an effect on audit delay.

Solvency has no effect on audit delay. If the company has strong internal control, it will reduce the level of error in the presentation of reports, such as accounts payable. The maximum value of solvency variable in this research is 0.740, belonged to Goa Makassar Tourism Development in 2012 and did not experience audit delay. This is shown from the comparison between the debt and the total assets of the company. The total company's debt was IDR. 666,641,585,555 and the total company's asset is IDR 900,597,066,316. Companies with large portion of corporate debt have a responsibility to complete the audit of their financial statements quickly. So, companies that have small or large level of debt will still minimize audit delay to convince shareholders and creditors that the company remains in good condition.

The Effect of Auditor Switching on Audit Delay

The fourth hypothesis in this study states that auditor switching has an effect on audit delay. This condition also shows that audit switching has an effect on audit delay. Previous research conducted by Putra and Sukirman (2015) shows the influence of auditor switching on audit delay. This study supports the research because it finds a significant influence between the auditor switching and audit delay.

This means that the company has not been able to choose a competent substitute auditor in accordance with the needs of each company so that the audit completion process of the financial statements can not be executed punctually. Auditor switching gets serious attention for the company because the company is worried about the new auditor who checks the bookkeeping system and assesses the low standard of the company's bookkeeping. In addition, if the company undergoes auditor switching, it should take a long time for the new auditor to recognize the characteristics of the client's business and the existing system therein so that it will take the auditor's time to carry out the audit process and causes delays in the delivery of the audited financial statements.

The Effect of Audit Opinion on Audit Delay

The fifth hypothesis in this study states that audit opinion has an effect on audit delay. This condition also shows that audit opinion does not affect the audit delay. Previous research conducted by Fiatmoko and Anisykurlilah (2015) shows that audit opinion has no effect on audit delay. This research supports the previous research because there is no significant influence between audit opinion on audit delay. Meanwhile, the research conducted by Aryaningsih and Budiartha (2014), Aditya and Anisykurlilah (2014), and Putra and Sukirman (2015) show the effect of audit opinion on audit delay. So that in this research does not support the previous research.

The opinions expressed by the auditor have no significant effect on audit delay. It is because the auditor performs his work professionally so that any opinion issued by the auditor will not affect the length of the completion time of the financial statements. The policy of report completion time is an agreement of both parties, i.e. the auditor and the client. The unwillingness of the auditor not to provide the qualification and the unwillingness of the management to accept the auditing result occur when the professionalism is established properly. In addition, an auditor, in determining the fairness of the financial statements and issuing unqualified opinion, also takes a long time because he must collect the complete accurate evidence. The duration of the auditing

process performed by the auditor may not necessarily guarantee the issuance of a qualified opinion. So any opinion issued by the auditor does not affect the timeliness of reporting of the financial statement.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study determines whether company size, accounting firm size, solvency, auditor switching, and audit opinion have an effect on audit delay on property and real estate companies listed on Indonesia Stock Exchange in 2011-2015. Based on the results of data analysis, it can be drawn conclusion as follows:

Company size has no significant effect on audit delay. Company size describes the total assets owned by the company. The existence of BAPEPAM-LK's regulation on audited financial reporting deadlines governs all companies regardless of company size whether it is a small company or a large company. Therefore, company size does not affect audit delay.

Accounting firm size has no significant effect on audit delay. The size of accounting firm is based on the number of clients and the number of members or associates owned by the accounting firm. In general, the public company's internal control system is good, especially for mining companies. With a good internal control system, the audit risk will be low so that the number of samples to be audited becomes fewer and this makes the completion of audit work faster.

Solvency has no significant effect on audit delay. Solvency is the ability of a company to meet all its liabilities, both short-term liabilities and long-term liabilities. Companies with large debt proportions have a responsibility to be fast in completing the audit of their financial statements. So the companies that have small or large debt levels will still minimize audit delay to convince the shareholders and creditors that the company remains in good condition.

Auditor switching has a significant effect on audit delay. Auditor switching is one thing that must be done by a company when the work contract with the auditor has reached the maximum limit specified. The introduction to the new client in the field of industry makes the auditor take long time to recognize the characteristics of his client's business and the system in it, so that it takes the auditor's time to carry out the audit process.

Audit opinion has no significant effect on audit delay. Audit opinion is the auditor's opinion on the company's financial statements. Companies that get unqualified opinion are companies whose financial statements are presented in accordance with reporting standards.

The limitations of this study are as follows:

The number of samples used in this study was limited. Of 54 property and real estate companies listed on the Indonesia Stock Exchange, only 40 companies taken as the sample based on the established criteria

This study suggests that further research should add other independent variables that can predict audit delay and the number of samples by including all manufacturing companies so that the results can be generalized.

REFERENCES

Aditya, AN & Anisykurlillah, I 2014, 'Faktor-Faktor yang Berpengaruh terhadap Audit Delay', *Accounting Analysis Journal*, 3 (3).

Agoes, S 2012, *Auditing*, Jakarta: Salemba Empat.

Anastasia, Thio, 2007, 'Analisis Skala Perusahaan, Profitabilitas, Opini Audit, Pos Luar Biasa, dan Umur Perusahaan atas Audit Delay', *Akuntabilitas*: 144-156.

Arens, Alvin A, Elder, Randal J & Beasley, Mark S 2013, *Auditing dan Jasa Assurance*, Jilid I, Jakarta: Penerbit Erlangga.

Aryaningsih, NND & Budiartha, IK 2014, 'Pengaruh Total Aset, Tingkat Solvabilitas, dan Opini Audit pada Audit Delay', *E-Jurnal Akuntansi*, 7 (3), 747-760.

Cahyanti, DN, Sudjana, N & Azizah, DF 2016, 'Pengaruh Ukuran Perusahaan, Profitabilitas, dan Solvabilitas Terhadap Audit Delay (Studi Pada Perusahaan LQ 45 Sub-Sektor Bank serta Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2010–2014)', *Jurnal Administrasi Bisnis*, 38 (1).

Carslaw, CAPN and SE Kaplan, 1991, 'An Examination of Audit Delay: Further Evidence From New Zealand', *Accounting and Business Research*, 22 (85), pp: 21-32.

Elijah, A 2015, 'Corporate Attributes and Audit Delay in Emerging Markets: Empirical Evidence from Nigeria', *International Journal of Business and Social Research*, 5(3), 01-10.

Fiatmoko, AL & Anisykurlillah, I 2015, 'Faktor-faktor Yang Berpengaruh Terhadap Audit Delay pada Perusahaan Perbankan', *Accounting Analysis Journal*, 4 (1).

http//www.bapepam.go.id/pasar_modal/regulasi_pm/peraturan_pm/IX/IX.C.7.pdfwww.idx

.co.id.

Ikatan Akuntan Indonesia, 2012, *Standar Akuntansi Keuangan*, Jakarta: Salemba Empat.

Imam Ghozali and Kristianus Ukago, 2005, 'Faktor-faktor yang Berpengaruh terhadap Ketepatan Waktu Pelaporan Keuangan Bukti Empiris Emiten di BEJ', *Jurnal Maksi*, (5), pp. 13 – 33.

Imam Ghozali, 2013, *Aplikasi Analisis Multivariate dengan Program SPSS*, 4th Ed., Semarang : Badan Penerbit Universitas Diponegoro.

Irham Fahmi, 2014, *Manajemen Keuangan Perusahaan*, Jakarta: Mitra Wacana Media.

Juanita, Greta and Rutji Satwiko, 2012, 'Pengaruh Ukuran Kantor Akuntan Publik, Kepemilikan, Laba Rugi, Profitabilitas dan Solvabilitas Terhadap Audit Report Lag', *Jurnal Bisnis dan Akuntansi*, (14), 31-40.

Onwuchekwa, JC 2013, 'An examination of the audit report lag of companies quoted in the Nigeria stock exchange', *International Journal of Business and Social Research*, 3 (9), 8-16.

Putra, ABS & Sukirman, S 2014, 'Opini Auditor, Laba atau Rugi Tahun Berjalan, Auditor Switching dalam Memprediksi Audit Delay', *Accounting Analysis Journal*, 3 (2).

Rustiarini, NW 2013, 'Pengaruh Karakteristik Auditor, Opini Audit, Audit Tenure, Pergantian Auditor pada Audit Delay', *JINAH (Jurnal Ilmiah Akuntansi dan Humanika)*, 2 (2).

Saleh, R 2004, 'Studi Empiris Ketepatan Waktu Pelaporan Keuangan Perusahaan Manufaktur di Bursa Efek Jakarta', *Simposium Nasional Akuntansi VII*, pp. 897-910

Subekti, Imam and Novi Wulandari Widiyanti, 2004, 'Faktor-faktor yang berpengaruh terhadap audit delay di Indonesia', *Simposium Nasional Akuntansi*, (7), pp. 991-1002.

Sugiyono, 2010, *Metode Penelitian Pendidikan: Pendekatan Kuantitatif dan R&D*, Bandung: CV. Alfabeta.

Tunakota, TM 2013, *Audit Berbasis ISA (International Standards on Auditing)*, Jakarta: Salemba Empat.

Utami, Wiwik, 2006, 'Analisis Determinan Audit Delay Kajian Empiris di Bursa Efek Jakarta', *Bulletin Penelitian,* No. 09, Ka. Pusat Penelitian dan Dosen FE, Universitas Mercu Buana.