The Indonesian Accounting Review Vol. 8, No. 1, Januariy – July 2018, pages 81 – 95

The Effect of Non-Financial and Financial Factors on the Timeliness of the Submission of Company Annual Financial Statements

*Fatikhatul Aula, Sasongko Budisusetyo

STIE Perbanas, Jl. Wonorejo Utara 16, Rungkut, Surabaya - 60296, Indonesia

ARTICLE INFO

Article history
Received : 18 januari 2018
Accepted : 17 Mei 2018
Publish : 29 Juni 2018

JEL Classification:
M41

Key words:
Public Ownership, Institutional Ownership, Indpendent bBard of Commissioners, Audit Tenure, Profitability, Leverage, Firm Size, and Timeliness of the submission of Company Annual Financial Reporting

DOI:
10.14414/tiar.v8i1.1531

ABSTRACT

Timeliness is the availability of information for decision makers at the right time so that it can influence the stakeholders' decisions. The aim of this study is to examine the effect of financial and non-financial factors on the timeliness of the submission of company annual financial statements. The population consists of manufacturing companies listed on the Indonesia Stock Exchange 2012-2016. A sample of 243 companies were obtained using a Purposive sampling method. The data processed by suing SPSS version 23 with descriptive analysis and multiple linear regression analysis. Based on the results of this study, the variables of independent board of commissioners and profitability have a significant effect on the timeliness of the submission of company annual financial statements, while the variables of public ownership, institutional ownership, audit tenure, leverage, and firm size have no significant effect on the timeliness of the submission of company annual financial statements.

ABSTRAK

Ketepatan waktu adalah ketersediaan informasi bagi pembuat keputusan pada waktu yang tepat sehingga dapat mempengaruhi keputusan para pemangku kepentingan. Penilitian ini bertujuan untuk menguji pengaruh faktor keuangan dan factor non-keuangan terhadap ketepatan waktu penyampaian laporan keuangan tahunan perusahaan. Populasi penelitian ini adalah perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia 2012-2016. Sampel sejumlah 243 perusahaan diperoleh dengan menggunakan metode purposive sampling. Pengolahan data dilakukan dengan menggunakan SPSS versi 23 dengan analisis deskriptif dan analisis regresi linier berganda. Berdasarkan hasil penelitian ini, variabel dewan komisaris independen dan profitabilitas berpengaruh signifikan terhadap ketepatan waktu penyampaian laporan keuangan tahunan perusahaan, sedangkan variabel kepemilikan publik, kepemilikan institusional, audit tenure, leverage, dan ukuran perusahaan tidak berpengaruh signifikan terhadap ketepatan waktu penyampaian laporan keuangan tahunan perusahaan.

INTRODUCTION

Financial statements provide information that describes the company's financial condition. The purpose of the financial reporting, according to IAI (2017: 6), is to provide information about the financial position of the reporting entity, including information about its economic resources and claims. Information existing in the financial statements is said to be useful if it is able to influence the decision making of the users by helping them evaluate the company's performance in the past, present and future.

The information contained in financial statements is beneficial for the stakeholders in making economic decisions, so it is important for a company to report its financial statements on time. Timeliness is the availability of

* Corresponding author, fatikhatul.aula@gmail.com

information for decision makers when it is needed before the information loses its strength in influencing decision making (Suwardjono, 2013: 170). In part three, paragraph 19 (IAI, 2017: 15), it is stated that timeliness is one of the qualitative characteristics that increase the usefulness of relevant information and is represented precisely. Delays in financial reporting can cause a reduction in the quality of decisions taken by stakeholders (Dewi and Jusia, 2013). Financial statement must be submitted on time so as not to lose its relevance value. In addition, the timeliness of the submission of company annual financial statements encourages investors to be able to make decisions as soon as possible (Harnida, 2015).

This research was motivated by the fact that even though regulations, sanctions or fines had been imposed, from years to years there were still several manufacturing companies that did not report their annual financial statements on time. The phenomenon of delay in this study was obtained from data taken from *www.idx.co.id* during 2012-2016.

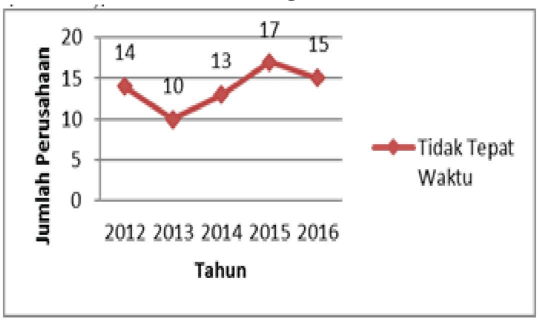

Figure 1
Graph of Delay in Submitting Financial Statements (from Manufacturing Sector Companies to the Capital Market Supervisory Board / Bapepam

Source: IDX, processed

The graph in Figure 1 shows the delay in the submission of financial statements, for all manufacturing sector companies listed on the Indonesia Stock Exchange, fluctuates. For the financial reporting period as of 31 December 2012, up to April 1, 2013 there were 14 manufacturing sector companies that were not on time in submitting their financial statements. In the financial reporting period as of December 31, 2013, up to April 1, 2014 there were 10 manufacturing companies that were not on time in submitting their financial statements. In the financial reporting period as of December 31, 2014, up to April 1, 2015 it rose again to 13 manufacturing companies that were not on time in submitting their financial statements. Also, in the financial reporting period as of December 31, 2015, up to April 1, 2016, there were 17 manufacturing companies that were not on time in submitting their financial statements. For the financial reporting period as of December 31, 2016, up to April 1, 2017, there were 15 manufacturing companies that were not on time in submitting their financial statements.

There are several non--financial and financial factors that affect the timeliness of the submission of company annual financial statements. The Non-financial factors include:

Public Ownership

In public ownership, public can oversee management performance and require companies to submit their annual financial statements on time. Research conducted by Setiawan and Widyawati (2014) states that public ownership influences the timeliness of the submission of company annual financial statements. However, the research by Utami and Yennisa (2017) and Budiyanto and Aditya (2015) states that public ownership does not influence the timeliness of the submission of company annual financial statements.

Institutional Ownership

In institutional ownership, the monitoring carried out by institutional parties is able to oversee and limit the behavior of managers so that the alignment of interests and objectives of the company can be achieved including the timeliness of submitting company annual financial statements. Research conducted by Fujianti (2015) and Harnida (2015) states that institutional ownership influences the timeliness of the submission of company annual financial statements. But the research conducted by Amelia (2012) states that institutional ownership does not influence the timeliness of the submission of company annual financial statements.

Independent Board of Commissioners

The existence of independent Board of Commissioners is to monitor the effectiveness of good corporate management practices, improve the quality of information presented, including ensuring that the company submit its annual financial statements on time. Research conducted by Fujianti (2015) and Amelia (2012) states that independent Board of Commissioners influences the timeliness of the submission of company annual financial statement. But the research conducted by Ohaka and Akani (2017) and Harnida (2015) states that independent Board of Commissioners does not influence the timeliness of the submission of company annual financial statements.

Audit Tenure

The audit process is efficient when the audit tenure increases. This is because the auditor has a better understanding relating to operations, business risk, and accounting system of the company so that it will make the company on time in submitting its financial statements. Research conducted by Kristiantini and Sujana (2017) and Anggreni and Latrini (2016) states that audit tenure influences the timeliness of the submission of company annual financial statements. However, the research by Krisnanda and Ratnadi (2017) states that audit tenure does not influence the timeliness of the submission of company annual financial statements. In addition to non-financial factors, the timeliness of the submission of company annual financial statements is also influenced by financial factors, such as:

Profitability

Companies with a high level of profitability should be better able to deliver financial statements on time than companies with a low level of profitability (Ferdina and Wirama, 2017). Research conducted by Ferdina and Wirama (2017) and Dewi and Jusia (2013) states that profitability influences the timeliness of the submission of company annual financial statements. But the research conducted by Utami and Yennisa (2017), Budiyanto and Aditya (2015), and Setiawan and Widyawati (2014) states that profitability does not influence the timeliness of the submission of company annual financial statements.

Leverage

The use of too high debt will be dangerous for the company because the company will be trapped in a high level of debt. This problem makes it difficult for the company to release the debt burden and will tend to delay the submission of its financial statements. Research conducted by Ferdina and Wirama (2017), and Dewi and Jusia (2013) states that leverage influences the timeliness of the submission of company annual financial statements. But the research conducted by Utami and Yennisa (2017), Budiyanto and Aditya (2015), and Setiawan and Widyawati (2014) states that leverage does not influence the timeliness of the submission of company annual financial statements.

Firm size

Firm size can be based on the value of items such as total assets, total sales, and market capitalization (Setiawan and Widyawati, 2014). The high level of assets indicates that the company is operationally able to show good conditions. This condition can then be considered good news. This condition can make the company submit its financial statements on time. Research conducted by Utami and Yennisa (2017), Ferdina and Wirama (2017), Ohaka and Akani (2017), and Setiawan and Widyawati (2014) states that firm size influences the timeliness of the submission of company annual financial statements. But the research conducted by Budiyanto and Aditya (2015), Dewi and Jusia (2013), and Iyoha FO (2012) states that firm size does not influence the timeliness of the submission of company annual financial statements.

THEORETICAL FRAMEWORK AND HYPOTHESIS

Signalling Theory

Signaling Theory proposed by Jensen and Meckling states that the company managers who have good information about their company are encouraged to convey the company's information to prospective investors as soon as possible. Signals can be interpreted as a way to differentiate the company from other companies, and are usually carried out by managers with high positions (Scott, 2012: 475). The signals issued can be either good news and bad news. The purpose of companies to signal through good news in their financial statements is to increase the value of the company by attracting investors. Companies that have good quality will tend to give signals by submitting their financial statements on time. This cannot be imitated by companies that have poor quality that will tend to not be on time in submitting their financial statements (Setiawan and Widyawati, 2014).

Agency Theory

Agency theory is a theory that studies the design of contract between agent (managers) and principal (shareholders), where the contract aims to motivate the agent to act in accordance with the interests of the principal, but at the same time the agent also has its own interests that conflict with the interests of the principal (Scott, 2012: 340). Agency theory explains the emergence of problems between the agent and the principal. The problem that arises in this theory is that there is a difference of interests between the principal (shareholders) and the agent (managers), where both parties are trying to maximize their own personal interests (Harnida, 2015). Another problem that arises in agency theory is the existence of information asymmetry. The imbalance of information obtained between agents and principals arises due to the existence of moral hazard and adverse selection carried out by agents (Setiawan and Widyawati, 2014). This problem can be reduced by delivering financial statements completely, accurately, and punctually.

Compliance Theory

Regulations regarding the timeliness of the submission of financial statements by each public company are regulated in Capital Market Supervisory Board (Indonesia: *Badan Pengawasan Pasar Modal / Bapepam*) Regulation Number XK2, Attachment to Decision of Chairperson of Bapepam Number: KEP-346 / BL / 2011, regarding "Period of submission of periodic financial reports and annual reports for issuers or public companies " The Bapepam law and regulations indicate that legally every public company listed on the Indonesia Stock Exchange must comply with the regulations regarding the timeliness of submitting financial statements in accordance with compliance theory.

Timeliness of the Submission of Company Annual Financial Statements

Timeliness means that information is available for decision making before the information loses its ability to influence decision making (Suwardjono, 2013: 170). Information contained in the company's financial statements is an important element for stakeholders because the information shows the condition of the company in the past, in the present or in the future time. All this information will be useful if it is delivered on time. In general, the older the information is, the less useful the information is (IAI 2017: 17).

Capital Market Supervisory Board (Bapepam) made a regulation Number XK2 attachment to the Decision of Bapepam-LK Number KEP-346 / BL / 2011 that requires issuers to submit the financial statements to Bapepam no later than the end of the third month or March 31 after the end of the financial statements. If March 31 is on a holiday, then the deadline for submission of financial statements will be postponed until the next working day.

Timeliness can be calculated using three criteria for delay: (a) Preliminary lag is the interval of the number of days between the financial reporting date and the receipt of the preliminary final report by the exchange; (b) Auditor's report lag is the interval of the number of days between the date of the financial statements and the date the auditor's report is signed; (c) Total lag is the interval of the number of days between the date of the financial statement and the date of receipt of the report published by the exchange (Dyer and McHugh, 1975).

Based on the illustration in Figure 2, it can be seen that the issuer that submits financial statements in each part described by each letter has a different impact. It can be said that the sooner the completion and submission of financial statements, the better the value of the issuer's timeliness, but the longer the completion and submission of financial statements, the worse the value of the issuer's

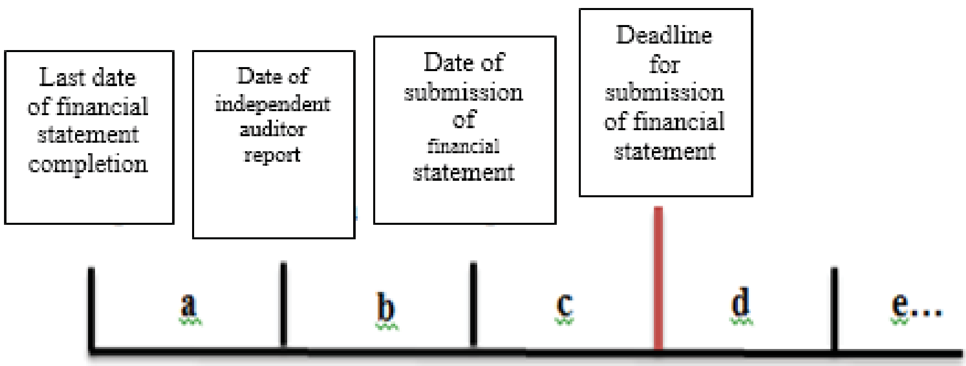

Figure 2
Illustration of the Timeliness of Financial Statement Submission

timeliness.

Public Ownership

Public ownership is the ownership of the general public or not an institution that is significant to public stocks (Setiawan and Widyawati, 2014). In other words, public ownership is the proportion or number of stocks owned by the public or the general public less than five percent that has no special relationship with the company and not active in company management activities. Public ownership has a great power to demand management in presenting complete accurately, reliably, and punctually, because the financial statements produced by the company will be the basis for decision making by the public (Putri and Suryono, 2015).

Institutional Ownership

Institutional ownership structure is defined as the proportion of shares held by institutions or entities (Harnida, 2015). In a company, institutional ownership serves as a party that monitors the company and the manager. Institutional ownership has the ability to demand and require management to convey information in financial statements immediately, because institutional ownership has the right to use its voice in influencing management decisions. The influence of institutional investors on company management can be used to monitor and limit the behavior of managers so that they will be able to harmonize various interests within the company (Harnida, 2015).

Independent Board of Commissioners

The Financial Services Authority (Indonesia: *Otoritas Jasa Keuangan / OJK*) stipulated regulation No. 33 / POJK.04 / 2014 concerning the Board of Commissioners in Public Companies, in article 20 states that the number of independent commissioners must have a percentage of at least 30 percent of the total members of the board of commissioners (Effendi, 2016: 37). Independent commissioners function as supervisors in the company. The independent board of commissioners is the party that will ensure transparency and openness of the company's financial statements, fair treatment to minority shareholders and other stakeholders, fairness in the disclosure of transactions that contain conflicts of interest, compliance with applicable laws and regulations, and accountability of a company (Effendi, 2016: 36).

Audit Tenure

Audit tenure is the length of time a client believes in the audit services provided by Public Accounting Firm (KAP) which causes a period of engagement between the client and the Public Accounting Firm (KAP) at a certain period of time (Krisnanda and Ratnadi, 2017). In Indonesia, audit tenure is regulated in Government Regulation (PP) No. 20 of 2015 which contains restrictions for public accountants for a maximum of five consecutive years. Furthermore, in paragraph 4, it is explained that public accountants can give audit services again after two consecutive financial years not providing services. The limitation of audit assignment time in this regulation is seen as very important to maintain auditor independence.

Profitability

Profitability ratio is one way to measure a company's ability to generate profits from business activities it does. Profitability ratio measures the company in generating profits at the level of sales, assets, and certain stock capital (Hanafi and Halim, 2016: 81). Companies that have high profit rates tend to submit financial statements on time, but companies that are losing money tend to delay the submission of their financial statements.

Leverage

Leverage ratio is a ratio used to measure the extent to which a company's assets/ equity are financed by debt, which means how much the debt burden borne by the company compared to assets or capital (Kasmir, 2010: 114). The leverage ratio shows the relationship between corporate debt and capital or assets. Through the leverage ratio, it can be seen the extent to which the company is financed by debt or outside parties.

Firm Size

Firm size is an indicator that measures the size of a company. Measurement of company size that is commonly used is total assets, net sales or equity values (Hartono, 2015: 685). The greater the value of these items, the greater the size of a company is (Dewi and Jusia, 2013). The variable of firm size can be measured using the logarithm of total assets (Hartono, 2015: 460). The use of Log Natural (Ln) in this study is intended to reduce excessive data fluctuations.

The Effect of Public Ownership on the Timeliness of the Submission of Company Annual Financial Statements

In accordance with agency theory, in the contract between principal and agents, the agent (management) is required to fulfill its obligations to the principal, where in this research the principal is public ownership. The existence of public ownership will require management to perform well in providing information about the condition of a company on time, (Setiawan and Widyawati, 2014), so that the public knows the rate of return on their investment in accordance with the theory of compliance with the submission of company financial statements. The existence of the effect of public ownership on the timeliness of the financial statement submission is supported by previous research conducted by Setiawan and Widyawati (2014). Based on the description above, the hypothesis can be formulated as follows:

H_1: Public ownership has an effect on the timeliness of the submission of company annual financial statements.

The Effect of Institutional Ownership on the Timeliness of the Submission of Company Annual Financial Statements

Ownership by the institution will reduce the problems contained in agency theory. It will reduce the difference in interests and information asymmetry between the agent and the principal. Monitoring carried out by the institution will be more effective than monitoring carried out by individuals. This is because the institution has greater resources and capabilities so that the presence of institutional ownership will be able to encourage companies to disclose information as soon as possible with the aim of avoiding reduced relevance of the information (Harnida, 2015). The existence of the effect of institutional ownership on the timeliness of financial statement submission is supported previous studies conducted by Fujianti (2015) and Harnida (2012). Based on the description above, the hypothesis can be formulated as follows:

H_2: Institutional ownership has an effect on the timeliness of the submission of company annual financial statements.

The effect of Independent Board of Commissioners on the Timeliness of the Submission of Company Annual Financial Statements

The existence of independent commissioners as an internal control tool will reduce agency problem or can avoid conflicts of interest in carrying out the tasks of all levels of organization in the company. Independent board of commissioners will bring balance and protect the rights of stakeholders, especially fund owners and minority shareholders. In addition, the independent board of commissioners will also improve the quality of controls, and reduce the chance of information detention so that it will improve the quality of financial statements (Harnida, 2015). The existence of the effect of independent board of commissioners on the timeliness of financial statement submission is supported by previous studies conducted by Fujianti (2015) and Amelia (2012). As described above, the hypothesis can be formulated as follows:

H_3: Independent board of commissioners has an effect on the timeliness of the submission of company annual financial statements.

The Effect of Audit Tenure on the Timeliness of the Submission of Company Annual Financial Statements

In the agency relationship between the owner of the company and management requires the auditor as a party that is free from any influence and pressure to assess and evaluate the financial statements presented by the agent. The audit process will be efficient along with the increase in audit tenure, because the auditor will better understand the operations, business risks, and accounting systems of the company. If the audit process is more efficient, the company can submit financial statements on time (Kristiantini and Sujana, 2017). The existence of the effect of audit tenure on the timeliness of financial statement submission is supported by previous studies conducted by Kristiantini and Sujana (2017) and Anggreni and Latrini (2016). Based on the description above, the hypothesis can be formulated as follows:

H_3: Audit tenure has an effect on the timeliness of the submission of company annual financial statements.

The Effect of Profitability on the Timeliness of the Submission of Company Annual Financial Statements

Profitability shows the company's ability to earn profits (Harahap, 2015: 304). The higher the profitability of a company, the higher the performance of the company, indicating that there is good news for the company. Financial statements containing good news will make companies tend to be faster in delivering their financial reports to the public because the companies want to quickly provide signals in the form of good news to attract investors. The existence of the effect of profitability on the timeliness of financial statement submission is supported by previous studies conducted by Ferdina and Wirama (2017) and Dewi and Jusia (2013). Based on the description above, the hypothesis can be formulated as follows:

H_5: Profitability has an effect on the timeliness of the submission of company annual financial statements.

The Effect of Leverage on the Timeliness of the Submission of Company Annual Financial Statements

High level of leverage shows that the company relies heavily on loans from outside parties to finance its assets. It can be said that the higher the level of leverage of the company, the higher the risk the company not being able to pay off its debts (Ferdina and Wirama, 2017). In accordance with the signaling theory, the presence of bad news will make managers choose to delay the submission of their financial statements. The existence of the effect of leverage on the timeliness of financial statement submission is supported by previous studies conducted by Ferdina and Wirama (2017), and Dewi and Jusia (2013). Based on the description above, the hypothesis can be formulated as follows:

H_6: Leverage has an effect on the timeliness of the submission of company annual financial statements.

The Effect of Firm Size on the Timeliness of the Submission of Company Annual Financial Statements

One way to measure company size is by using the value of total assets. High level of assets indicates that the company's resources or wealth are also high, so that the company is operationally able to show good conditions. This condition can be considered as good news that must be delivered to the public to attract investors. Therefore, it will create the timeliness in submitting financial statement. The existence of the effect of fim size on the timeliness of financial report submission is supported by previous studies conducted by Utami and Yennisa (2017), Ferdina and Wirama (2017), Ohaka and Fyneface (2017) and Setiawan and Widyawati (2014). Based on the descriptions above, the hypotheses can be formulated as follows:

H_7 : Firm size has an effect on the timeliness of the submission of company annual financial statements.

The framework underlying this research can be described in Figure 3.

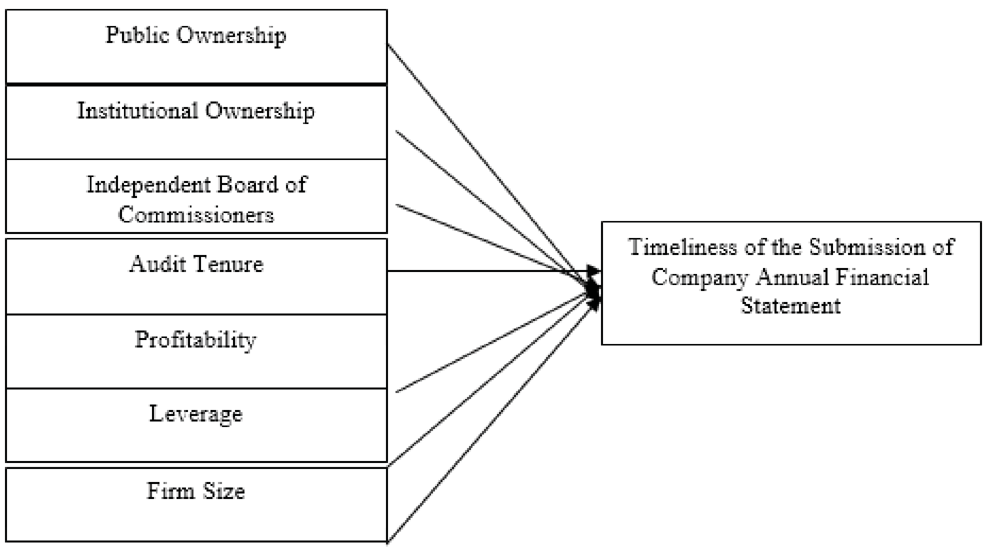

Figure 3
Research Framework

RESEARCH METHOD

Sample Classification

The population in this study is manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) during 2012-2016. It used a purposive sampling method to obtain the sample. Some of the sample criteria used by researchers are as follows: (1) Manufacturing companies listed on the IDX that published audited annual financial statements respectively from 2012 to 2016, (2) Companies that have the financial statements ending period on December 31, (3) Companies that have complete data according to the variables under study.

Research Data

The data used in this study is quantitative data and the data sources used in this study are secondary data obtained from manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2012-2016. The method of data collection in this study is documentation techniques. The documents referred to in this study are in the form of audited financial statements and the date of submission of these financial statements is based on the independent auditor's report date.

Research Variable

The dependent variable in this study is the timeliness of financial statement submission and the independent variables in this study are public ownership, institutional ownership, independent board of commissioners, audit tenure, profitability, leverage, and firm size.

Operational Definition of Variable

Dependent Variable

The dependent variable used in this study is the timeliness of financial statement submission. Based on previous research conducted by Laventis and Wetman (2004), timeliness can be calculated using the following formula:

$$\frac{\textit{Audit Report Lag}}{\textit{Number of deadline days of the submission of financial statement}}$$

Independent Variable

Public Ownership

Public ownership is the ownership of the general public under 5 percent or not significant institution to public stocks. Based on previous studies conducted by Setiawan and Widyawati (2014), public ownership can be measured using the following formula:

$$\frac{\Sigma \textit{ Public Stocks (under 5\%)}}{\Sigma \textit{ Number of stocks outstanding}}$$

Institutional Ownership

Institutional ownership is the proportion of a company's stocks ownership by an institution or entity (Harnida, 2015). Based on previous studies conducted by Fujianti (2015) and Harnida (2015), Institutional ownership structures can be calculated using the following formula:

$$\frac{\Sigma \textit{ Institutional Ownership Stocks}}{\Sigma \textit{ Outstanding Stocks}}$$

Independent Board of Commissioners

Independent board of commissioners are members of the board of commissioners who do not work or have authority in a public company, not included in the controlling shareholder, and not affiliated or have no a business relationship with the company (Effendi, 2016: 37-38). Based on the previous studies conducted by Fujianti (2015) and Amelia (2012), independent board of commissioners can be measured using the following formula:

$$\frac{\Sigma \textit{ Independent Board of Commissioners}}{\Sigma \textit{ Members of Board of Commissioners}}$$

Audit Tenure

Audit tenure is the length of time a client believes in the audit services provided by Public Accounting Firm (KAP) which causes a period of engagement between clients and Public Accounting Firm (KAP) during a certain period of time (Krisnanda and Ratnadi, 2017). Based on previous studies conducted by Kristiantini and Sujana (2017) and Anggreni and Latrini (2016), the variable of audit tenure in this study is measured using accumulation in accordance with the length of the auditor's engagement seen from the signing partner of a Public Accounting Firm (KAP) toward an issuer.

Profitability

Profitability ratio measures a company's ability to generate profits (profitability) at the level of sales, assets, and certain stock capital. (Hanafi and Halim, 2016: 81). Based on previous studies conducted by Hanafi and Halim (2016: 81) and Dewi and Jusia (2013), profitability can be calculated using the the following formula:

$$ROA = \frac{Net\ Profit}{Total\ Assets}$$

Leverage

Through leverage ratios, it can be seen the extent to which the company is financed by debt or external parties with the ability of the company described by capital (Harahap, 2015: 306). Based on previous studies conducted by Kasmir, (2010: 124), Ferdina and Wirama (2017), and Dewi and Jusia (2013), leverage can be calculated using the followng formula:

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

Firm Size

Firm size is an indicator that measures the size of a company. The variable of firm size can be measured using the logarithm of total assets (Hartono, 2015: 460). Based on previous studies conducted by Ferdina and Wirama (2017) and Setiawan and Widyawati (2014), firm size can be calculated using the following formula:

Firm Size = Ln (Total Assets)

Data Analysis Technique

The analysis used to explain the independent variables in influencing the dependent variable in this study is the multiple linear regression analysis with the following equation:

TIME = α + β1 KP + β2 KI + β3 DKI + β4 AT + β5 ROA + β6 DER + β7 SIZE + e

Where:

TIME : Timeliness of Financial Statement Submission
α : Constants
β : Regression Coefficient of Independent Variable
KP : Public Ownership
KI : Institutional Ownership
DKI : Independent Board of Commissioners
AT : Audit tenure
ROA : Profitability
DER : Leverage
SIZE : Firm Size
e : Error

RESEARCH RESULTS AND DISCUSSION

Descriptive Test

Descriptive statistical analysis is an analysis related to the overall description of each variable used in this study which is seen from the mean value, standard deviation, maximum value, and minimum value of a data. The results of the descriptive analysis can be seen in Table 1 and Table 2.

Table 2
Results of Descriptive Analysis of Firm Size

	Nominal
N	243
Minimum	IDR 116,157,533,000
Maximum	IDR 92,423,556,800,000
Mean	IDR 7,911,014,798,488
Std. Dev	IDR 16,012,488,780,177

Source: *Output* SPSS 23, processed

Based on the data in Table 1, it can be seen that the minimum value of the variable of timeliness of financial statement submission is 0.7, owned by PT Kedaung Indag Can Tbk in 2014, which means that the company is on time because it has a value of less than one. While the maximum value is 1.1111 owned by PT Agro Pantes Tbk in 2016, which means the company is late because it has value of more than one. The mean value of 0.8775 indicates that the average manufacturing sector company submits its financial statements on time. The standard deviation value of 0.0758 indicates that timeliness data is homogeneous.

The minimum value of public ownership is 1.76% owned by PT Keramika Indonesia

Table 1
Descriptive Analysis Results

Variable	N	Min.	Max.	Mean	Std. Dev	Unit
Timeliness	243	0.7	1.1111	0.8775	0.0758	Decimal
Public Ownership	243	1.76	60.55	25.37	14.95	Percent
Institutional Ownership	243	37.09	98.24	70.80	15.21	Percent
Independent Commissioners	243	0	50	38.03	7.55	Percent
Audit Tenure	243	1	3	1.7	0.784	Decimal
Profitability	243	-22.14	18.85	5.04	6.07	Percent
Leverage	243	4.31	1011.55	87.63	78.55	Percent

Source: Output SPSS 23, processed

Association Tbk in 2014. The maximum value of 60.55% is owned by PT Multi Prima Sejahtera Tbk in 2012 and 2013. The mean value of public ownership is 25.37% with a standard deviation of 14.95 % indicating that public ownership data is homogeneous.

The minimum value of institutional ownership is 37.09% owned by PT Ultrajaya Milk Industry and Trading Company Tbk in 2016. The maximum value is 98.24% owned by PT Keramika Indonesia Association Tbk in 2014 and 2015. The mean value of institutional ownership is 70.80% with a standard deviation of 15.21 % indicating that institutional ownership data is homogeneous.

The minimum value of the independent board of commissioners is 0% owned by PT Tri Banyan Tirta Tbk in 2012, indicating that the company does not have an independent board of commissioners at all. The maximum value is 50% owned by several sample companies. The mean value is 38.03% indicating that the average manufacturing sector company has complied with regulations set by the Financial Services Authority, in which the number of independent commissioners must have a percentage of at least 30% with a standard deviation of 7.55% indicating that the data is homogeneous.

The minimum value of audit tenure is 1 and the maximum value is 3, indicating that the fastest time for the auditor to conduct an audit on a company is one year while the longest is three years. The mean value of audit tenure is 1.7 or can be said two years, with a standard deviation of 0.784 indicating thawt audit tenure data is homogeneous.

The minimum value of profitability is -22.14% owned by PT Argo Pantes Tbk in 2016, the minus value of profitability shows that the company is experiencing a loss. The maximum value is 18.85% owned by PT Kalbe Farma Tbk in 2012. The high level of profitability shows that the company performs well. The mean value of profitability is 5.04% with a standard deviation of 6.07% indicating that profitability data is heterogeneous.

The minimum value of leverage is 4.31% owned by PT Jaya Pari Steel Tbk in 2014 indicating that the debt burden borne is only a little or only 4.31% of the total equity held by the company. The maximum value is 1011.55% owned by PT Tembaga Mulia Semanan Tbk in 2013 indicating that the total debt borne by the company is 10 times as much as the total equity. The mean value of leverage is 87.63% with a standard deviation of 78.55% indicating that leverage data is homogeneous.

Based on the data in table 2, it can be seen that the minimum value of firm value is IDR 116,157,533,000 owned by PT Argo Pantes Tbk in 2016. The maximum value is IDR 92,423,556,800 owned by PT Indah Kiat Pulp & paper Tbk in 2016. The mean value of leverage is IDR 7,911,014,798,488 with a standard deviation of IDR 16,012,488,780,177 indicating that firm size data is homogeneous.

Classical Assumption Test

1. Normality Test

At the beginning of the test there were 530 samples of manufacturing sector companies, with Asymp Sig (2-tailed) value of 0.000. This value indicates that the data is not normal so it is necessary to do a data outlier and then it is obtained the final sample of 243 companies with Asymp Sig (2-tailed) value of 0.200. The level of significance shows a value greater than 0.05 (0.200 > 0.05), so it can be concluded that the data is normally distributed.

2. Multicolinearity Test

Through multicollinearity test, it is known the tolerance values of the variables of public ownership, institutional ownership, independent board of commissioners, audit tenure, profitability, leverage, firm size which are greater than 0.10 (0.259; 0.267; 0.976; 0.980; 0.850; 0.868; and 0.865). In addition, each independent variable shows a VIF value smaller than 10, such as 3.863 (public ownership), 3.750 (institutional ownership), 1.025 (independent board of commissioners), 1.025 (audit tenure), 1.176 (profitability), 1.152 (leverage), and 1.156 (firm size). Through tolerance values and VIF values, it can be concluded that the regression model is free from the assumption of multicolinearity.

3. Heteroscedasticity Test

In this study, Heteroscedasticity test is carried out using a glejser test. The results show that showed the significance value of each independent variable is greater than 0.05, such as public ownership (0.560), institutional ownership (0.742), independent board of commissioners (0.336), audit tenure (0.159), profitability (0.591), leverage (0.144), and firm size 0.825. So, it can be concluded that the regression model is good and free from Heteroscedasticity.

4. Autocorrelation Test

In this study, autocorrelation test is carried out using a run test and it is found that the value of Asymp. Sig. (2-tailed) is 0.222. The significance value is greater than 0.05, so it can be concluded that H_0 is accepted which means that the residual is random (there is no correlation).

Analysis Results and Discussion

In Table 3, it can be seen that the value of F count is 4.866 with a significance level of 0.000. This means that the significance level is less than 0.05 (0.000 < 0.05). The regression model is said to be fit and one of the independent variables has an effect on the variable of the timeliness of financial statement submission.

Based on the results of the coefficient of determination test, it can be seen that the adjusted R^2 value is 0.101 (Table 3). This means the ability of the research model in explaining the dependent variable (timeliness of financial statement submission) is 10.1%.

Analysis of the Effect of Public Ownership on the Timeliness of the Submission of Company Annual Financial Statements

The results of t-statistics testing show that public ownership does not affect the timeliness of financial statement submission. It is because the proportion of public ownership is not able to put pressure on companies to be on time in reporting their financial statements. The influence of public ownership is insignificance because, individually, the stocks ownership in public ownership is below five percent so that public ownership cannot enter directly the company to oversee the company management. In addition, public ownership also cannot influence management decisions whether to submit financial statements on time or not.

The results of this study are consistent with the studies conducted by Utami and Yennisa (2017) and Budiyanto and Aditya (2015) which state that public ownership does not affect the timeliness of financial statement submission. However, the results of this study are not consistent with the study conducted by Setiawan and Widyawati (2014), which states that public ownership affects the timeliness of financial statement submission.

Analysis of the Effect of Institutional Ownership on the Timeliness of the Company Annual Financial Statements

The results of the t-statistic test show that institutional ownership does not affect the timeliness of submitting financial statements. This is because the size of the shares owned by the institution cannot guarantee that the institution is able to carry out its supervisory function on the company's management properly. Institutional ownership is the stocks ownership by parties outside the company, so that the supervision is also carried out from outside the company. This causes less effective supervision and unable to suppress the timeliness of financial statement submission. The results of this study are consistent with the research conducted by Amelia (2012) which states that institutional ownership does not affect the timeliness of submission of financial statements. However, these results are not consistent with the research conducted by Fujianti (2015) and Harnida (2015) which states that institutional ownership influences the timeliness of financial statement submission.

Table 3
Results of Multiple Linear Regression Analysis

Variable	Regression Coefficient	Std Error	T	Significance
(Constants)	1.127	.101	11.122	.000
Public Ownership	-.039	.061	-.635	.526
Institutional Ownership	-.113	.059	-1.922	.056
Independent Board of Commissioners	-.159	.062	-2.572	.011
Audit Tenure	-.006	.006	-1.038	.300
Profitability	-.265	.083	-3.214	.001
Leverage	.010	.006	1.557	.121
Firm Size	-.003	.003	-.931	.353
Adjusted R^2	0.101			
F	4.866			
Sig. F	0,000			

Source: Data Processed

Analysis of the Effect of Independent Board of Commissioners on the Timeliness of the Submission of Company Annual Financial Statements

The results of the t-test show that the independent board of commissioners affects the timeliness of financial statement submission. The results of this study are consistent with the theoretical logic and predetermined hypothesis that companies that have an independent board of commissioners tend to be more relevant and have integrity in delivering their financial reports so that timeliness in delivering financial statements will be achieved. The existence of independent commissioners as an internal control tool will reduce agency problems or can avoid conflicts of interest in carrying out the tasks in all levels of organization in the company. Independent commissioners will bring balance and protect the rights of stakeholders, especially fund owners and minority shareholders. In addition, the existence of an independent board of commissioners will also improve the quality of control as well as reduce the chance of information detention so that it will improve the quality of financial statements and the timeliness of submitting financial statements.

The results of this research are consistent with the research conducted by Fujianti (2015) and Amelia (2012) which states that independent board of commissioners influence the timeliness of financial statement submission. However, the results of this research are not consistent with the research conducted by Ohaka and Akani (2017) and Harnida (2015) which states that independent commissioners do not influence the timeliness of financial statement submission.

Analysis of the Effect of Audit Tenure on the Timeliness of the Submission of Company Annual Financial Statements

The results of the t-test show that audit tenure does not affect the timeliness of financial statement submission. The length of the engagement period between a company and a Public Accounting Firm (KAP) or signing partner does not affect the speed in publishing financial report. This is because every auditor on a Public Accounting Firm (KAP) will provide good services for each client so that the duration of the relationship between the independent auditor and the company does not affect the timeliness of the submission of financial statements. In addition, the competence and personal experience possessed by each independent auditor also influence the effectiveness and efficiency of the audit process in financial statements that will have an impact on the duration of the audit process in a company regardless of the tenure between the auditor and his client.

The results of this study are consistent with the research conducted by Krisnanda and Ratnadi (2017) which states that audit tenure does not affect the timeliness of financial statement submission. However, the results are inconsistent with the research conducted by Kristiantini and Sujana (2017) and Anggreni and Latrini (2016) which states that audit tenure has an effect on the timeliness of financial statement submission.

Analysis of the Effect of Profitability on the Timeliness of the Submission of Company Annual Financial Statements

The results of the t-test show that profitability affects the timeline of financial statement submission. It can be said that the higher the profitability of a company, the higher the management performance of the company because it can manage its wealth well and it is good news. This is in line with signaling theory that companies that have good news do not want to delay the delivery of information to investors. The company management also does not want to delay the delivery of information relating to the surplus achieved by company to the principal because it relates to the reward that will be obtained by the management.

The results of this study are consistent with the research conducted by Ferdina and Wirama (2017) and Dewi and Jusia (2013), which states that profitability affects the timeliness of financial statement submission. However, the results of this study are not consistent with the research conducted by Utami and Yenisa (2017), Budiyanto and Aditya (2015), Setiawan and Widyawati (2014), and Iyoha F. O. (2012) which states that profitability does not affect the timeliness of financial statement submission.

Analysis of the Effect of Leverage on the Timeliness of the Submission of Financial Statements

The results of the t-test show that leverage does not affect the timeliness of submitting financial statements. Debt problems are not bad news. Management considers financing using debt is much easier than selling shares. And financing with debt does not reduce the owner's control of the company. Likewise, small debt is not good news because it indicates that financing made with own capital can lead to higher costs. Therefore, the size of leverage dose not prevent the company from delivering financial reports punctually. Companies that have high or low DERs are still required to deliver their financial statements on time as the accountability to creditors and investors for their debts. Creditors and investors need to know the company's ability to make debt repayments and that the company activities financed by debt are indeed used to expand the business for the continuity of the company

The results of this study are consistent with research conducted by Utami and Yennisa (2017), Budiyanto and Aditya (2015), Setiawan and Widyawati (2014), and Iyoha F.O. (2012) which states that leverage does not affect the timeliness of submitting financial statements. However, the results of this study are not consistent with the research conducted by Ferdina and Wirama (2017), and Dewi and Jusia (2013) which states that leverage has an effect on the timeliness of submitting financial statements.

Analysis of the Effect of Firm Size on the Timeliness of the Submission of Company Annual Financial Statements

The results of the t-test show that firm size does not affect the timeliness of the submission of financial statements. This is because in reality small companies will not always be late, and large companies will not always on time in delivering their financial statements. Basically, timeliness is influenced by company's responsibility in complying with the regulations set by Bapepam regarding information disclosure, especially regarding the timeliness of submitting financial statements and how much the company's responsibility to the public or parties with an interest in the company.

The results of this study are consistent with the research conducted by Budiyanto and Aditya (2015), Dewi and Jusia (2013), and Iyoha F.O. (2012) which states that firm size does not affect the timeliness of the submission of financial statements. However, the results are not consistent with research conducted by Utami and Yennisa (2017), Ferdina and Wirama (2017), Ohaka and Akani (2017), and Setiawan and Widyawati (2014) which states that firm size affects the timeliness of financial statement submission.

CONCLUSION, LIMITATION, AND SUGGESTION

Based on the results of data analysis and hypothesis testing explained above, it can be concluded that the variables of independent board of commissioners and profitability affect the timeliness of financial statement submission, while the variables of public ownership, institutional ownership, audit tenure, leverage, and firm size do not affect the timeliness of financial statement submission.

The limitation in this study is the absence of access to obtain information regarding the date of delivery of official financial statements from the IDX, so that in this study timeliness is calculated using the date signing in the auditor's report. It is recommended that the next researchers search for other sources to obtain data regarding the official date of the financial statement submission from the IDX.

REFERENCES

Amelia, Risky. 2012. "PengaruhsMekanisme CorporatesGovernance Terhadap KetepatansWaktu Penyampaian LaporansKeuangan Perusahaan". *Fakultas Ekonomi dan IlmuSosial UniversitassBakrie*. Hal 43-65

Anggreni, Ni Kadek Ayu Asri dan Latrini, Made Yenni. 2016. "Pengaruh Audit Tenure Pada Kecepatan Publikasi Laporan Keuangan Auditan Dengan Spesialisasi Industri Auditor Sebagai Pemoderasi". *E-Jurnal Akuntansi Universitas Udayana*. Vol.15 No.2.Hal1338-1365

Bapepam LK. 2011. Keputusan Ketua Badan Pengawas Modal dan Lembaga Keuangan Nomor: KEP-346/BL/2011 tentang Penyampaian Laporan Keuangan Berkala Emiten atau Perusahaan Publik. Jakarta: Bapepam LK.

Budiyanto, Sarwonodan Aditya, Elma S Muncar. 2015. "Fator-faktor Yang MempengaruhisKetepatan Waktu Pelaporan Keuangan". *Fokus Ekonomi*. Vol.10 No.10, Juni 2015. Hal 77-87

Dewi, Sofia Prima dan Jusia. 2013. "Fakto-faktor yang Mempengaruhi Ketepatan Waktu Penyampaian Laporan Keuangan pada Perusahaan Real Estate dan Property yang Terdaftar di BEI". *Jurnal Akuntansi*.Vol.XVII, No.03, September 2013. Hal 368-384.

Dyer, J.CIV dan A.J.McHugh. 1975. "The Timeliness of the Australian Annual Report". *Journal of Accounting Research*. Auntumn: Hal 204-219

Effendi, Muh. Arief. 2016. *The Power of Good Corporate Governance: Teori dan Implementasi*. Jakarta: Salemba Empat.

Ekonomi Indonesia 2017 Tumbuh 5,07 Persen, Tertinggi Sejak Tahun2014. (https://ekonomi.kompas.com/read/2018/02/05/113820026/ekonomi-indonesia-2017-tumbuh-507-persen-tertinggi-sejak-tahun-2014, diakses 13 Juli 2018)

Ferdina, Ni WayanAjeng dan Wirama, Dewa Gede. 2017. "Pengaruh Profitabilitas, Leverage, Likuiditas, dan Ukuran Perusahaan pada KetepatwatuanLaporanKeuangan". *E-Jurnal Akuntansi Universitas Udayana*. Vol.19 No. 3. Hal 2293-2318

Fujianti,sLailah.2015."AnalisisDeterminasidan ReaksisPasar atas *Timeliness Reporting*, Studi padaSBursa EfekSIndonesia". *ProsidingSSimposium NasionalsAkuntansi*. Hal 1-21

Ghozali, Imam. 2016. *Aplikasi Analisis Multivariete DengansProgram IBM SPSS 23*. Semarang : Badan Penerbit UniversitassDiponegoro.

Hanafi,Mamduh M. dan Halim,Abdul. 2016. *Analisis Laporan Keuangan*. Edisi Kelima. Yogyakarta: UPP STIM YKPN.

Harahap, SofyansSyafri. 2015. *Analisis Kritis atas Laporan Keuangan*. Jakarta : PT Rajagrafindo Persada.

Harnida, Muthia. 2015. "Pengaruh Mekanisme Corporate Governance Terhadap Ketepatan Waktu Penyampaian Laporan Keuangan: Studi Empiris Pada Perusahan Publik yang Terdaftar di Bursa Efek Indonesia". *JSAI*. Vol.2, No.1, Juni 2015. Hal 25-36

Hartono, Jogiyanto. 2016. *Teori Portofolio dan Analisis Investasi*.Yogyakarta : BPFE-UGM. http://www.idx.co.id/

Ikatan Akuntansi Indonesia. 2017. Standar Akuntansi Keuangan. Jakarta : Ikatan Akuntan Indonesia.

Iyoha F. O. 2012. "CompanySAttributes and The Timeliness ofsFinancial Reportingsin Nigeria". *Business IntelligencesJournal*, Vol.5 No.1. Hal 41-49

Kasmir. 2010. *Pengantar Manajemen Keuangan*. Jakarta : Prenada Media Goup

Kata Patuh Menurut KBBI. (https://kbbi.web.id/patuh, diakses 25 Maret 2018)

Krisnanda, I Gede Wahyu dan Ratnadi, Ni Made Dwi. 2017. "Pengaruh Financial Distress,Umur Perusahaan, Audit Tenure, Kompetensi Dewan Komisaris Pada Kecepatan Publikasi Laporan Keuangan". *E-Jurnal Akuntansi Universitas Udayana.* Vol.20 No.3.Hal1933-1960

Kristiantini, Made Dania dan Sujana, I Ketut. 2017. "Pengaruh Opini Audit, Audit Tenure, Komisaris Independen, dan Kepemilikan Manajerial Pada Ketepatwaktuan Publikasi Laporan Keuangan". *E-Jurnal Akuntansi Universitas Udayana,* Vol.20 No.1. Hal729-757

Leventis, Stregios dan Weetman, Pauline. 2004. "Timeiness of Financial Reporting: Applicability of Disclosure Theories in Emerging Capital Market". *Accounting and Bussiness Research*, Vol.34, No.1, 2017. Hal 43-56

Ohaka, John dan Akani, Fyneface N. 2017. "Timeiness and Relevance of Financial Reporting in Nigerian Queted Firms". *Management and Organizational Studies*, Vol.4, No.2, 2017. Hal 55-62

Otoritas Jasa Keuangan. 2014. Peraturan Otoritas Jasa Keuangan Nomor 33/POJK.04/2014 tentang Direksi dan Dewan Komisaris Emiten atau Perusahaan Publik. Jakarta: Otoritas Jasa Keuangan.

Pemerintah Republik Indonesia. 2015. Peraturan Pemerintah Republik Indonesia Nomor 20 Tahun 2015 Tentang Praktik Akuntan Publik. Jakarta: Pemerintah Republik Indonesia.

Putri, Apriliani Issana dan Suryono, Bambang. 2015. "Berbagai Faktor yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan". *Jurnal Ilmu dan Riset Akuntansi*. Vol. 4 No. 7. Hal 1-22

Scott, William R. 2012. *Financial Accounting Theory*. Toronto, Ontario: Pearson Education Canada Inc.

Setiawan, Irfan Haris dan Widyawati, Dini. 2014. "Faktor-Faktor yang Mempengaruhi Tingkat Ketepatan Waktu Pelaporan Keuangan Perusahaan Manufaktur di Indonesia". *Jurnal Ilmu dan Riset Akuntansi*. Vol. 3 No.9. Hal 1-17

Suwardjono. 2013. *TeoriAkuntansi PerekayasaanPelaporan Keuangan*. Yogyakarta : BPFE-Yogyakarta

Utami, Dewis dan Yennisa. 2017. "Faktor-fatorsMempengaruhi Ketepatans Waktu Penyampaian laporan Kuangan pada Perusahaan Sub Sektor Bank di Bursa Efek Indonesia". *Akuntansi Dewantara*. Vol.1, No.1, April 2017. Hal 31-38