**Digital Business: Tren Bisnis Masa Depan**
Vol. 12, No. 2, September 2021, pp. 24~29
ISSN: 2086-6321, DOI: 10.35335/dibus


# Analysis of influence factors audit delay (Study at KAP in Surabaya and Malang)

**Novika Hendarmoko**
Fakultas Ekonomi, Universitas Brawijaya, Malang, Indonesia

**Article Info**

***Article history:***

Received : 27 Jun, 2021
Revised : 30 Jul, 2021
Accepted : 29 Aug, 2021

***Keywords:***

Audit Delays;
HOOD:
Influencing Factors.

**ABSTRACT**

The purpose of this study was to find out whether the factors of company size, auditor opinion on company financial statements, KAP size, length of time the company has been a KAP client, quality of assigned KAP auditor staff, level of company internal control and post-employment benefits (actuarial) have an effect on audit delay both jointly or partially referring to primary data in the form of KAP auditor opinion in Surabaya and Malang. Audit delay is the length of time for audit completion as measured from the closing date of the financial year to the date of issuance of the audit report. This audit delay results in reduced benefits of the contents contained in the financial statements. This research was conducted in Surabaya and Malang. Data collection was carried out by giving questionnaires to respondents. The number of questionnaires distributed was 90 questionnaires to auditors at KAPs that were officially registered in Surabaya and Malang. The collected data will then be processed using the SPSS 12.0 program and analyzed using the regression method. Two important things that must be considered by investors in investing in the capital market are the expected benefits and risks that may occur. Along with the increasing number of companies going public in Indonesia, the demand for financial statement audits is also increasing. Therefore, financial reports audited by independent auditors must be published within a predetermined time. Conversely, if the financial statements audited by independent auditors are published beyond the specified time, then the audited financial statements experience audit delay. The test results using the F test show that all the factors studied together have a significant effect on the Audit Delay variable. While the results of the t test show that all the factors studied also have a significant positive effect on the Audit Delay variable.



***Corresponding Author:***

Novika Hendarmoko
Fakultas Ekonomi, Universitas Brawijaya
Jl. Veteran, Ketawanggede, Kec. Lowokwaru, Kota Malang, Jawa Timur 65145
Email: hendarmokonovika@gmail.com

## 1. INTRODUCTION

Investors should always try to follow market developments and find out as much information as possible, because the key to investment success is making decisions based on the information obtained happened. Along with the increasing number of companies going public in Indonesia, the audit of financial statements will also increase.

Company Annual Financial Report (LKTP) at the Central Company Registration Office (KPP). The company profile that has been approved by the management or person in charge of the company must also be submitted. the company's annual financial statements accompanied by an accountant's report with a common opinion must be submitted to BAPEPAM no later than the end of the third month (90 days) after the balance sheet date. Therefore, financial reports audited by independent auditors must be published within a predetermined time. Conversely, if the financial statements audited by an independent auditor are published beyond the specified time, the audited financial statements will experience audit delay. To examine the factors that influence audit delay, the authors use one dependent variable and 7 independent variables.

The dependent variable is audit delay and the independent variables are company size, auditor opinion, KAP size, length of time the company has been a KAP client, quality of KAP auditor staff, level of company internal control and post-employment benefits (actuarial). For this reason, the author wants to conduct research on the factors that influence audit delay which refers to primary data from auditors or public accountants. In financial reports there are several stages that must be done, namely Auditing is the process of collecting and evaluating evidence about information that can be measured about an economic entity that is carried out by a competent and independent person to be able to determine and report the suitability of the intended information with the established criteria.

Auditing should be carried out by an independent and competent person, the auditor in expressing an opinion is the result of the audit he has done. Auditors are not required to examine all transactions carried out by the company, but are permitted to carry out audits on a sample basis. Independent auditors are individual practitioners or members of public accounting firms that provide professional auditing services to clients (Halim, 2001).

The main responsibility of an independent auditor or more commonly known as a public accountant is to perform the audit function of the company's published financial statements. Besides that, the auditor also sells other services in the form of tax consulting, management consulting, and other services. An independent auditor must be independent of the client when carrying out an audit and when reporting audit results.

Financial Reports are part of the financial reporting process. Complete financial statements usually include a balance sheet, income statement, statement of changes in financial position (which can be presented in various ways, for example, as a statement of cash flows, or a statement of flows of funds), notes and other reports and explanatory material which are an integral part of the financial statements.

In addition, it also includes schedules and additional information related to the report, for example, financial information on industry and geographical segments and disclosure of the effect of price changes. when the audit is carried out, the last stage is the audit (audit delay) which is the length of time for completing the audit as measured from the closing date of the financial year to the date of issuance of the audit report. Audit delay, or in some other studies referred to as audit reporting lag, is defined as the difference between the closing date of the financial year (the date on the financial statements) to the date of the auditor's report at the completion of this audit is done by making Scheduling lag, Fieldwork lag, Reporting lag.

## 2. METHOD

This research is included in the descriptive research. Descriptive research is research on current problems and facts from a population (Indriantoro and Supomo (2002: 26). The purpose of descriptive research according to Indriantoro and Supomo (2002: 26) is to test hypotheses or answer questions related to current status of a subject under study and generally related to opinions (individuals, groups or organizations), events, or procedures. Population is the total number of objects (units/individuals) whose characteristics are to be estimated (Djarwanto and Subagyo, 2000).

The population in this study were all auditors at KAP in Surabaya and auditors at KAP Malang. Population is the sum of all objects (units/individuals) whose characteristics are to be estimated (Djarwanto and Subagyo, 2000). The population in this study were all auditors at KAP in Surabaya and auditors at KAP Malang. Respondents in this study were auditors with minimum position criteria, namely senior auditors at KAPs in Surabaya and Malang. The data are facts that are believed to be true. The data collection method used is the survey method, namely the primary data collection method by taking a certain number of samples from a population.

The technique used is a questionnaire technique that is distributed to independent auditors who are delivered by the researchers themselves. Questionnaire returns were also taken directly by the researcher while secondary data collection was carried out by means of literature studies and previous research. In this study the instrument used was a list of questions (questionnaire). The questionnaire method used is a closed questionnaire, that is, the researcher has provided answers so that the respondents only have to choose the answers that have been provided.

Respondents' sincerity in answering questions is important. To determine the relationship between the dependent variable and the independent variable, a measurement scale is used. In this study there are two variables namely: The dependent variable (Y); The dependent variable used is the length of audit completion (audit delay); Independent variable (X).

These independent variables are factors that are expected to affect the length of audit completion. In this study, the independent variables are company size, auditor opinion, KAP size, length of time the company has been a KAP client, quality of KAP auditor staff, level of client internal control and post-employment benefits (actuarial). To determine the effect of the independent variable on the dependent variable, in this study, the technique used is multiple regression analysis.

## 3. RESULTS AND DISCUSSION

There were 90 questionnaires distributed and 70 questionnaires returned. Of the 70, 60 questionnaires met the requirements and deserved to be analyzed, 10 questionnaires which could not be used as data for further analysis because they were not filled in by respondents who met the minimum position criteria as senior auditors. In the questionnaire distributed, respondents can choose numbers 1 to 5 on a Likert scale, where number 1 means strongly disagree and number 5 means strongly agree. Filling in the questionnaire was carried out by respondents by giving a check mark ( √ ) on the most appropriate number according to the respondent. The questionnaire distributed consisted of 7 groups of questions regarding the factors to be studied.

**Table 1.** Frequency Distribution of Items Related to Company Size Variables (X1)

| Items | ANSWER SCORE | | | | | | | | | | AVERAGE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | | 2 | | 3 | | 4 | | 5 | | |
| | f | % | f | % | f | % | f | % | f | % | |
| X11 | 20 | 33,3 | 17 | 28,3 | 4 | 6,7 | 17 | 28,3 | 2 | 3,3 | 2.40 |
| X12 | 6 | 10.0 | 14 | 23,3 | 12 | 20.0 | 24 | 40.0 | 4 | 6,7 | 3,10 |
| X13 | 0 | 0.0 | 5 | 8,3 | 10 | 16,7 | 31 | 51,7 | 14 | 23,3 | 3.90 |
| X14 | 7 | 11,7 | 1 | 1,7 | 7 | 11,7 | 25 | 41.7 | 20 | 3,3 | 3.83 |
| X14 | 18 | 30.0 | 27 | 45.0 | 6 | 10.0 | 8 | 13,3 | 1 | 1,7 | 2,12 |
| AVERAGE VARIABLES | | | | | | | | | | | **3.07** |

**Table 2.** Frequency Distribution of Items Related to the Auditor's Audit Opinion Variable (X2)

| Items | ANSWER SCORE | | | | | | | | | | AVERAGE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | | 2 | | 3 | | 4 | | 5 | | |
| | f | % | f | % | f | % | f | % | f | % | |
| X21 | 1 | 1,7 | 7 | 11,7 | 13 | 21,7 | 31 | 50,7 | 8 | 13,3 | 3.63 |
| X2 | 10 | 16,7 | 20 | 33,3 | 5 | 8,3 | 18 | 30.0 | 7 | 11,7 | 11,7 |
| AVERAGE VARIABLES | | | | | | | | | | | 3,25 |

**Table 3.** Frequency Distribution of Items Related to KAP Size Variables (X3)

| Items | ANSWER SCORE | | | | | | | | | | AVERAGE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | | 2 | | 3 | | 4 | | 5 | | |
| | f | % | f | % | f | % | f | % | f | % | |
| X31 | 3 | 5.0 | 22 | 36,7 | 19 | 31,7 | 14 | 23,3 | 2 | 3,3 | 2.83 |
| X32 | 3 | 5.0 | 14 | 23,3 | 13 | 21,7 | 28 | 46,7 | 2 | 3,3 | 3,20 |
| X33 | 10 | 16,7 | 6 | 10.0 | 7 | 11,7 | 34 | 56,7 | 3 | 5.0 | 3,23 |
| X34 | 3 | 5.0 | 5 | 8,3 | 9 | 15.0 | 43 | 71.7 | 0 | 0.0 | 3.53 |
| AVERAGE VARIABLES | | | | | | | | | | | 3,20 |

### 3.1 Validity and reliability test

Validity indicates the extent to which the measuring device measures what is being measured (Ancok 1995 in Singarimbun and Efendi 1995). Meanwhile, according to Sugiyono (1994), research results are valid if there are similarities between the data collected and the data that actually occurs in the

object under study. Whether an instrument item is valid or not can be determined by comparing the Pearson product moment correlation index with a significance level of 5% with its critical value, while Reliability is an index that indicates the extent to which a measuring device can be trusted or relied on.

### 3.2 Classic assumption test

Before carrying out regression analysis, the data must first be tested to find out whether the data meets the classic assumptions of normality, multicollinearity, heteroscedasticity and linearity.

The method used to test normality is to use the chi square test on the residual standard value of the regression equation results. When asymp. sign. the result of the chi square test is less than 0.05 (5%) then it is normally distributed and vice versa it is not normally distributed. The test results show a chi square value of 57.133 (asymp. sign. of 0.000), which means that the residual data values are normally distributed. Multicollinearity is tested by calculating VIF (Variance Inflating Factor) values. If the VIF value is less than 5, then multicollinearity or non-multicollinearity does not occur (Singgih Santoso, 2002).

**Table 4.** Par Tests Chi-Square Test

| | Standardized Residuals | | | |
|---|---|---|---|---|
| | Observed N | Expected N | residual | residual |
| 1 | 0 | 8,6 | -8,6 | |
| 2 | 11 | 8,6 | 2,4 | -20000 |
| 3 | 23 | 8,6 | 14,4 | -1.0000 |
| 4 | 17 | 8,6 | 8,4 | ,00000 |
| 5 | 8 | 8,6 | -,6 | 100000 |
| 6 | 1 | 8,6 | -7,6 | 2,0000 |
| 7 | 0 | 8,6 | -8,6 | |
| Total | 60 | | | |

Heteroscedasticity was tested using the Spearman Rank correlation coefficient test, namely the correlation between the absolute residuals of the regression results with all independent variables. If the significance of the correlation results is less than 0.05 (5%) then the regression equation contains heteroscedasticity and vice versa means non-heteroscedasticity or homoscedasticity. The linearity test is carried out by looking at the scatter plot between the standard residuals and their predictions. If the distribution does not show a certain pattern, it is said that the linearity assumption meets the requirements. The test results show that the scatter plot does not form a certain pattern so that the linearity assumption test meets the requirements. Regression analysis is used to determine the effect of the independent variables, namely company size, auditor opinion, KAP size, length of time the company has been a KAP client, the quality of KAP auditor staff, the level of client internal control and post-employment benefits (actuarial) on the dependent variable audit delay. Regression analysis both univariate and multivariate using the t-test and F-test with a significance level of 5% were used to test the existing hypotheses. Heteroscedasticity was tested using the Spearman Rank correlation coefficient test, namely the correlation between the absolute residuals of the regression results with all independent variables. If the significance of the correlation results is less than 0.05 (5%) then the regression equation contains heteroscedasticity and vice versa means non-heteroscedasticity or homoscedasticity. The linearity test is carried out by looking at the scatter plot between the standard residuals and their predictions. If the distribution does not show a certain pattern, it is said that the linearity assumption meets the requirements. The test results show that the scatter plot does not form a specific pattern so that the linearity assumption test meets the requirements.

## 4. CONCLUSION

Based on the test results with the F test, namely together with the variables Company Size (X1), Auditor's Audit Opinion (X2), KAP Size (X3), Length of Company Being a KAP Client (X4), Quality of KAP Auditor Staff (X5), Level Company Internal Control (X6) and Post-employment Benefits (Actuarial) (X7) have a significant effect on the Audit Delay variable (Y). And if tested partially using the t test, the variables are Company Size (X1), Auditor's Audit Opinion (X2), KAP Size (X3), Length of Company Being a KAP Client (X4), Quality of KAP Auditor Staff (X5), Level of Internal Control Company (X6) and Post-employment Benefits (Actuarial) (X7) also have a significant positive effect on the Audit Delay variable (Y) and the seven variables, namely Company Size, Auditor's Audit Opinion, KAP Size, Length of Company Being a KAP Client, KAP Auditor Staff Quality, Level Company Internal Control and Post-employment Benefits (Actuarial) have a significant effect on the

Audit Delay variable with the proportion of influence respectively 57.16%, 55.01%, 26.20%, 33.08%, 32.10%, 42, 00% and 23.15%, the influence of the seven variables of firm size, auditor's audit opinion, KAP size, length of time the company has been a KAP client, quality of KAP auditor staff, level of company internal control and post-employment benefits (actuarial) on the dependent variable Audit Delay is very strong or high, as indicated by an R of 0.912 (91.2%). Meanwhile, the variation of audit delay which is influenced by the seven independent variables is indicated by an R2 value of 0.809 which means that it is 80.9%. Variations in audit delay are caused by variations in the seven independent variables, namely Company Size, Auditor Audit Opinion, KAP Size, Length of Company Being a KAP Client, Quality of KAP Auditor Staff, Level of Company Internal Control and Post-Employment Benefits (Actuarial) while the rest is influenced by variations in other variables which were not examined and from the results of the classical assumption test it was found that the data fulfilled the 4 classic assumptions namely normality, multicollinearity, heteroscedasticity and linearity.

**ACKNOWLEDGEMENTS**

This study has limitations, namely the questionnaire instrument used in this study may contain bias and be less reliable in capturing the nuances of respondents' perceptions and the number of factors studied only consists of seven factors while other factors that may have an influence on audit delay such as profit/loss factors companies, factors of public and non-public companies and the factor of the size of the audit performed were not included in this study and the sample was relatively small, which only covered the areas of Malang and Surabaya.

## REFERENCES

Ahmad, R.A.R., & K.A. Kamarudin. (2001). Audit delay and the timeliness of corporate reporting: Malaysian evidence. http: www.hicbusiness.or /biz2003proceedings/Khairul%20Kamarudin%202.pdf.

Ansah, S.O. (2000). Timeliness of corporate financial reporting in emerging capital markets: empirical evidence from the Zimbabwe Stock Exchange. Accounting and Business Research, (summer), 241-254.

Arens, A.A., & J.K. Loebbecke. (2005). Auditing: pendekatan terpadu Buku 1 Edisi Indonesia. Jakarta: Salemba Empat.

Arens, A.A., & J.K. Loebbecke. (2005). Auditing: pendekatan terpadu Buku 2 Edisi Indonesia. Jakarta: Salemba Empat.

Arikunto, Suharsimi (2000) Prosedur Penelitian Suatu Pendekatan Praktek. PT. Rineka Cipta, Jakarta.

Boyton, W.,C & W.G. Kell. (1996). Modern auditing (6th edition). New York: John Wiley & Sons, Inc.

Carslaw, C.A.P.N., & S.E. Kaplan. (1991). An examination of audit delay: further evidence from New Zealand. Acoounting and Business Research, (winter), 21-32.

Dajan, Anton, 2000, Pengantar Metode Statistik, LP3ES, Jakarta.

Djarwanto, Ps dan Pangestu Subagyo, 2002, Statistik Induktif, Edisi IV, BPF Yogyakarta, Yogyakarta.

Gaspersz, Vincent. (2000) Ekonometrika Terapan. Jilid 1. Tarsito, Bandung

Halim, Abdul, 2002, Auditing 1 (Dasar-dasar Audit Laporan Keuangan) Jilid 1, Edisi Kedua (Revisi), UPP AMP YKPN, Yogyakarta.

Halim, Varianada. (2002). Faktor-faktor yang mempengaruhi Audit delay: Studi empiris pada perusahaan-perusahaan di Bursa Efek Jakarta. Jurnal Bisnis dan Akuntansi, volume 2, No. 1, 63-76.

Hanipah. (2001). Analisis faktor-faktor yang mempengaruhi lamany penyelesaian Audit: Studi pada Perusahaan Manufaktur Go Public di BEJ. Skripsi tidak diterbitkan Fakultas Ekonomi Universitas Brawijaya.

Harahap, Sofyan Syafri.S, 2002, Auditing Kontemporer, Erlangga, Jakarta. Ikatan Akuntan Indonesia, 2004, Standar Akuntansi Keuangan, Salemba Empat, Jakarta.

Indriantoro, Nur & Bambang Supomo. (2002). Metodologi penelitian bisnis untukm akuntansi dan manajemen. Yogyakarta: BPFE.

Mulyadi, 2004, Pemeriksaan Akuntan, BPFE-Yogyakarta, Yogyakarta.

Mulyadi, 2005, Auditing, Buku 1, PT. Salemba Emban Patria, Jakarta.

Munawir, H.S, 2002, Auditing Modern, Buku 1, Edisi Pertama, BPFE-Yogyakarta.

Na'im, A. (1999). Nilai informasi ketepatan waktu penyampaian laporan keuangan: analisis empirik regulasi informasi di Indonesia. Jurnal Ekonomi dan Bisnis Indonesia, volume 14, No.2, 85-99.

Santoso, Singgih, 2002, Buku Latihan SPSS Statistik Parametrik, Elex Media Komputindo Kelompok Gramedia, Jakarta.

Savitri, Kurnia Artha, 2003, Faktor-Faktor Yang Berpengaruh Terhadap Audit Delay: Studi Empiris pada Perusahaan Industri di BEJ, Skripsi tidak diterbitkan, Fakultas Ekonomi Universitas Brawijaya, Malang.

Singarimbun, Masri dan Sofian Effendi (2000) Metode Penelitian Survei. PT. Pustaka LP3ES, Jakarta.

Sugiyono (2000) Statistika untuk Mahasiswa, CV Alfabeta, Bandung.
Sulaiman, Wahid, 2002, Jalan Pintas Menguasai SPSS 10, Andi, Yogyakarta.
Widiyanti, Novi Wulandari, 2003, Analisis Faktor-faktor yang Mempengaruhi Audit Delay, Skripsi tidak diterbitkan, Fakultas Ekonomi Universitas Brawijaya, Malang.
Yusuf, Al-Haryono, 2004, Auditing (Pengauditan) Buku 1, STIE YKPN, Yogyakarta.