

Research.

Effect of Company Size and ROA on Audit Report Lag (Empirical Research of Real Estate and Property Companies listed on the IDX)

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Abstract: *This research purposes to determine: (1) The effect of company size on audit report lag. (2) The effect of Return On Assetsss on audit report lag. (3) The effect of Return On Assetsss and Company size, on the audit report lag. This research was a causal comparative research with a quantitative approach. The samples were 63 companies and used purposive sampling. The variables in this research are Company size and Return On Assetsss. The data that was used for this research is the company's financial statements from www.idx.co.id. The data analysis technique used was multiple linear regression, precondition analysis test, and hypothesis test. The result of the research is that partially the company size variable has a significant effect on audit report lag with a significant value of 0.041, while the Return On Assetsss variable has no effect on Audit report lag with a significant value of 0.07. Simultaneously, company size and profitability have an effect on audit report lag with a significant value of 0.046.*

Keywords: *Audit report lag, Company size and Return On Assetsss*

INTRODUCTION

The benefits and reliability of a financial report will decrease if the financial report is not submitted according to the specified time. Decisions taken by the company will also be affected because of the delay in submitting the report, so that the decisions taken are uncertain and less convincing, even though a financial report must have very important basic qualities, namely relevance and faithful representation. The first fundamental quality, namely relevance, is the nature of these financial statements to provide a very important function in the decision-making process. While the next fundamental quality is faithful representation which means that a financial report is prepared according to the actual condition of the company in a certain period. so that the financial statements can provide complete and reliable information for parties who have an interest in the company. In addition to the basic qualities mentioned above, a financial report must be submitted according to the specified time, the timeliness of submission of these financial reports is also one of the important things for the quality of these financial reports (IAI14) 2017). In the process of auditing a financial report, sometimes it takes longer than usual, this causes financial reports to experience delays in their delivery. However, this must be paid close attention so that there is no delay in submitting financial reports, because this delay causes the quality of financial reports to decrease. The company may have made good financial reports accompanied by timeliness, but from the auditor who takes longer time in the audit

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examination process, this can become an obstacle for the company, causing a decrease in the level of investor confidence. And it also affects the value of the company's shares in the capital market. Sometimes there are investors who think that the company's delay in submitting its financial reports is a sign that the company is experiencing unfavorable things regarding the company's health condition. Companies that are experiencing declining health conditions usually make mistakes in their management process, so that the profit level and the company's life processes are also affected. This causes the company to take longer to conduct the audit process, because it requires more precision and accuracy than usual. This is what causes the audit report lag to get longer and increase. Malinda (2015). According to Amrulloh (2016) in his journal, it states that the audit report lag is a timeliness in completing an audit, the calculation starts from the closing time of the annual financial report until the date the independent auditor's report is signed. Delay or lag is divided into three things, the first is Preliminary lag, which is the time difference that occurs between the fiscal year and the date of receipt of the initial financial statements by parties by the capital market. The second is the Auditor's signature lag, which is the time difference that occurs between the end of the fiscal year and the date stated in the auditor's report. The third is Total lag, is the time difference between the end of the company's fiscal year and the date of receipt of the company's annual financial statements which are ready to be published by the capital market. There are several previous studies that examined the relationship between company attributes and audit report lag (Puspitasari, 2014) and (Eliana, 2017). This research uses several variables that are considered to have an effect on audit report lag. However, the variables that have been studied are still being debated among researchers and this is related to the significance of their effect on audit report lag. There is previous research that also studies the many factors that can affect audit report lag, where these factors can be caused by things that come from internal companies and external companies. Internal company factors that can influence the auditor's report lag include industry type, total revenue, profit/loss which can be seen from the results of calculating Return On Assets (ROA) the complexity of financial report data, company age, company size, the complexity of the data system used by the company and extraordinary items in the financial statements. Furthermore, for external factors that can affect the results of the audit report lag, including the quality of the auditor, audit opinion and reputation of the auditor who conducted the audit process.

There are things that are not consistent with the results of previous studies that encourage researchers to re-examine things that affect audit report lag. In this research, researchers used a sample of companies listed on the Indonesia Stock Exchange where the sector was the real estate sector. According to the background above, the researcher is interested in conducting research with the title, "EFFECT OF COMPANY SIZE AND RETURN ON ASSETS (ROA) RATIO ON AUDIT REPORT LAG IN REAL ESTATE AND PROPERTY COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE IN 2018-2020".

Formulation of the Problem

According to the background above, the formulation of the problem in this research is:

1. Is there an effect of company size on audit report lag in real estate and property companies listed on the Indonesia Stock Exchange?
2. Is there any effect from Return On Assets (ROA) Ratio on Audit report Lag in Real Estate and Property companies listed on the Indonesia Stock Exchange?

LITERATURE REVIEW

Audit Report Lag

According to Wariyanti (2017) audit report lag is a timeliness in completing an audit report where the time is the span of time starting from the closing date of the company's financial statements until the time the independent auditor's report is completed and signed.

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Financial statements that have been audited and then submitted to the public have high value and benefits for business actors in the Capital Market, the time span for completing audit reports also greatly affects the value and benefits of these financial reports, this is because the information contained in the reports The financial statements are objects that can be further investigated. Dyer and McHugh (1975) in Amrulloh (2016) have divided the timeliness of delivery into 3, namely:

- 1) Preliminary lag, is the time span that is between the end date of a company's accounting period until the time when the capital market receives the preliminary financial statements.
- 2) Auditors signature lag, namely the time span that is between the end date of the accounting period to the date the independent auditor submits his audit report.
- 3) Total lag, namely the total time span that is between the end date of a company's accounting period until the capital market receives the company's financial statements that have been audited by an independent auditor.

Inaccuracy in submitting financial reports causing delays can occur because the company tries to collect as much information as possible about financial data, which is expected to ensure reliability in the resulting financial reports (SAK; 2013).

Company Size

"The value of equity, the value of sales and the value of company assets can be used as a reference to see the size of a company" that opinion was expressed by Bambang Riyanto (2008: 313) in his book Basics of Corporate Spending. Meanwhile, according to Brigham & Houston in Ali Akbar Yulianto (2010, 4) things that can determine the size of a company consist of total assets owned by the company, total sales that occur in the current year, the amount of profit earned is also tax burden, besides that there are company expansion areas that can be taken into consideration. There have been several previous researchers who have conducted research on company size, but because the factor of company size is very interesting to discuss, the authors are trying to dig back with some updates, including in this research the authors use Natural Logarithms or Ln obtained from the total assets owned by the company, p. This is done because the total assets owned by the company have low fluctuations so that the total assets are considered more stable when compared to the market capitalization of sales obtained by the company in the current year.

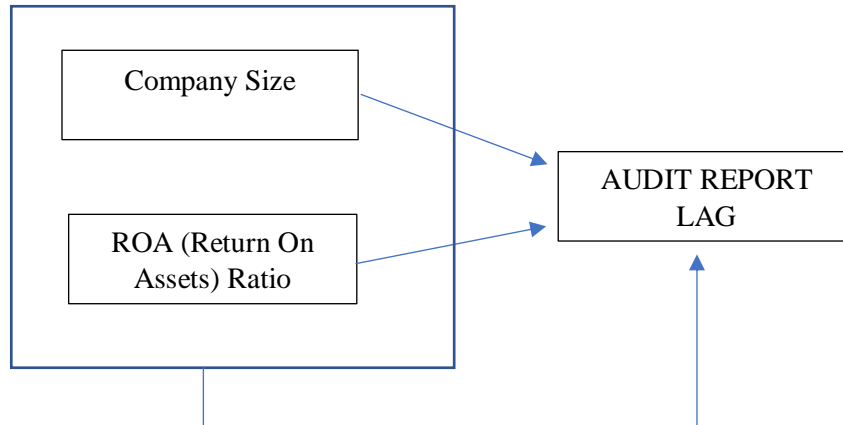
Return On Assetss

Investors pay close attention to management performance and they will see management performance using the Return On Assetss Ratio (ROA). In the capital market, management performance is of great concern to investors, these investors will use the Return On Assetss as a measuring tool for how much profit the company earns, as well as management efforts to continue to increase the amount of profit earned so that this year's profit income can be greater than the previous year. From the habits of companies that are on the Indonesia Stock Exchange, it can be seen that companies that have good performance by obtaining high profits in that year will be faster in submitting their financial reports, because usually companies do not want to delay good news in informing their performance achievements. so that companies tend to be timely in submitting their financial reports, this of course affects the shorter audit report lag. Sartono (2010, 122) in his book entitled Financial Management Theory and Application states "total equity, total sales and total assets can be used to obtain company profits, and the company's ability to use these three things can be referred to as Return On Assets Ratio (ROA)". The Return On Assetss can also measure how much profit is generated, because with maximum profit the company can expand, improve the quality of the products produced, distribute dividends to shareholders, the company can also improve the welfare of its employees as well as opportunities for companies to reinvest for something new, either within the company or outside the company.

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Research Paradigm

Furthermore, the author makes a conceptual framework according to the literature review that has been previously described in the form as below:



Hypothesis

According to the research framework, the hypotheses in this research are:

- First Hypothesis $H_0: r = 0$: Company size has an effect on audit report lag $H_a : r \neq 0$: company size has no effect on audit report lag.
- Second Hypothesis $H_0: r = 0$: Return On Assetsss (ROA) Has an Effect on Audit Report Lag $H_a : r \neq 0$: Return On Assetsss (ROA) Has No Effect on Audit Report Lag.
- Third Hypothesis: $r = 0$: Company size and Return On Assetsss Has No Effect on Audit Report Lag.

RESEARCH METHODS

Population and Sample

The sampling method used by the authors in compiling this research is to use a purposive sampling method, in which the authors make certain criteria that must be owned by the company so that it can be used as a sample. The sample used by the author is a company engaged in the real estate and property sector that has been listed on the Indonesia Stock Exchange in the 2018-2020 period, then the company must have reported its financial statements that have been audited by an independent auditor. The number of issuers listed on the Indonesia Stock Exchange and engaged in the real estate and property sector is 62 companies, however, only 21 companies meet these criteria.

Variable Operational Definitions

The variables in this research are:

- The first variable is company size, using the definition put forward by Arief Effendi (2016: 57) company size can be seen from the total assets it owns. When the total assets it owns are greater, the larger the company size.
- The second variable is Return On Assetsss, according to Agus Sartono (2014: 122) Return On Assetsss is used to measure profitability, where profitability is the company's ability to earn profit in the current year, the profit is obtained from sales combined with the total assets and the company's equity.
- The third variable which is the dependent variable is Audit Report Lag, in his research Amrulloh (2016) revealed that audit report lag is the span of time between the date the independent auditor's report is signed and the closing date of the annual financial statements. Audit report lag = Date of Audit Report – Date of Financial Statement.

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Research Variables

In this research used variables as below:

1. Independent Variable

- a. The company size in this research uses the natural logarithm of the company's total assets.
- b. Return On Assets Ratio (ROA) which measures a company's ability to earn profits and is measured using the net profit/total assets formula.

2. Dependent Variable

The dependent variable or dependent variable in this research is audit report lag. The time difference that occurs from the closing date of a company's books until the appearance of financial statements that have been audited and accompanied by the signature of an independent auditor, is a matter that is influenced by various things. This phenomenon has been discussed by several previous studies, because according to previous research it was revealed that one of the reasons for audit report lag is the company's poor performance so that the inspection process takes longer. And in this research using research references from Lee et al. (2009). Furthermore, this audit report lag is measured quantitatively by calculating the number of days needed to obtain an independent audit report with the starting point being the end date of the company's accounting period, which is usually done on December 31 for each year.

Analysis Method

Quantitative was chosen as the method used in this research, which then used multiple linear analysis, descriptive analysis, classic assumption test, and hypothesis testing both partially and simultaneously.

Descriptive Statistical Analysis

Standard deviation, maximum and minimum values, average values are presented using descriptive statistical tables, where descriptive statistical tables are used as a descriptive analysis method. The standard deviation is used to find out how far the statistical data deviate, then the maximum and minimum values are used to find the largest and smallest values from the existing population. And finally, the average or mean is used to determine the average size of the population sampled in this research. All of this was done so that researchers could find out whether the samples collected met the requirements to be used as data in this research.

Classic Assumption Test

The classic assumption test is to test the model used to represent or approach the existing reality. The classic assumption test consists of:

- a. The normality test is a test that is conducted to find out whether variable data is normally distributed or not, if after analysis the data does not have a normal distribution, then we can use other analytical methods.
- b. Autocorrelation test, this autocorrelation test needs to be done for research that is sequential or time series, this is done to find out whether the current observation is influenced by previous observations and then whether changes in time also have a correlation with changes in the variables studied, according to Ghozali (2011) in Nurahman (2017). And the method used to detect this can use the Durbin Watson test (DW-Test).
- c. The heteroscedasticity test is used to find out whether there is an inequality of residual variance from a linear regression test, then if the results of the heteroscedasticity test are not fulfilled, it means that the linear test currently being conducted is not valid to be used as a forecasting tool.
- d. The multicollinearity test can be used to test whether the regression model found a correlation between the independent variables, if there is a strong correlation then there is a multicollinearity problem.

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Multiple Linear Regression Analysis

This research consists of two independent or independent variables and one dependent or dependent variable. To find out how strong the influence between variables is, multiple linear analysis is used. Where the multiple linear regression model used in this research are:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \varepsilon$$

Description:

Y = Audit report lag

X1 = Company Size

X2 = Return On Assets Ratio (ROA)

A = Constant

B = Regression Coefficient

ε = Standard Error

RESULTS AND DISCUSSION

The research object of this research is a company engaged in the property and Real Estate sectors and listed on the Indonesia Stock Exchange, for the year to be studied, namely 2018-2020. Attached below is a list of the 21 companies sampled in this research:

Table 1 Research Sample

No.	Company Code	Company Name
1	ADHI	PT. ADHI KARYA
2	ARMY	PT. ARMIDIAN KARYATAMA
3	BAPA	PT. BEKASI ASRI PEMULA
4	BEST	PT. BEKASI FAJAR INDUSTRIAL ESTATE
5	BSDE	PT. BUMI SERPONG DAMAI
6	DUTI	PT. DUTA PERTIWI
7	GPRA	PT. PERDANA GAPURA PRIMA
8	GWSA	PT. GREENWOOD SEJAHTERA
9	JRPT	PT. JAYA REAL PROPERTY
10	KIJA	PT. KAWASAN INDUSTRI JABABEKA
11	MKPI	PT. METROPOLITAN KENTJANA
12	PPRO	PT. PP PROPERTI
13	PUDP	PT. PUDIJADI PRESTIGE
14	PWON	PT. PAKUWON JATI
15	RDTX	PT. RODA VIVATEX
16	SMDM	PT. SURYAMAS DUTA MAKMUR
17	SSIA	PT. SURYA SEMESTA INTERNUSA
18	URBN	PT. URBAN JAKARTA PROPERTINDO
19	WEGE	PT. WIJAYA KARYA BANGUNAN GEDUNG
20	WIKA	PT. WIJAYA KARYA
21	WKST	PT. WASKITA KARYA

Descriptive Statistical Analysis

Table 2 Descriptive Statistical Analysis
 Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation.
Audit report lag	63	32	152	73,49	24,864
Company Size	63	22,97	32,45	28,5343	2,39652
Return On Assets Ratio (ROA)	63	,01	,17	,0529	,04046
Valid N (listwise)	63				

Source: SPSS Outputs

According to the results of data processing using SPSS, the results are as follows:

1. Company Size

It is recorded that there are 63 valid data and no missing data for the company size variable. The minimum value of the company size variable is 22.97 and the maximum value is 32.45 with an average value of 28.53. The minimum value is held by PT. Jaya Real Property in 2018 with an asset value of Rp. 9,472,682,688 while the highest value is held by PT. Waskita Karya with an asset value of Rp.124,391,581,623,636 in 2018. Company size has an average value of 28.53 with a standard deviation of 2.397.

2. Return On Assets Ratio (ROA)

It is recorded that there are 63 valid data and no missing data for the Return On Assets Ratio (ROA) variable. The minimum value of the Return On Assets Ratio (ROA) variable is 0.01 while the maximum value is 0.17. There are several companies with the lowest score, namely PT. Armidian Karyatama in 2019, PT. Jababeka Industrial Estate in 2018-2020, PT. Pudijadi Prestige in 2018-2020, PT. Surya Semesta Internusa in 2018, PT. Urban Jakarta Propertindo in 2017 and PT. Waskita Karya in 2019 while the highest score is held by PT. Metropolitan Kentjana in 2017, with an asset value of Rp. 6,828,046,514,843 and a net profit of Rp. 1,193,639,823,893. Return On Assets Ratio (ROA) has an average value of 0.53 and a standard deviation of 0.40.

3. Audit Report Lag

It was recorded that there were 63 valid data and no missing data for the Audit report lag variable. The minimum value of the audit report lag is 32 days held by PT. Armidian Karya in 2019, while the maximum value of the audit report lag is 152 days held by PT. Armidian Karya too but in 2017. The average value of the audit report lag is 73.49, this reflects the average time needed to conduct the auditing process. The standard deviation value is 28.86.

Classical Assumption test

1. Normality Test

		Unstandardized Residual
N		63
Normal Parameters	Mean	.0000000
	Std. Deviation	23.2057893
Most Extreme Differences	Absolute	0.111

	Positive	0.111
	Negative	-0.081
Test Statistic		0.111
Asymp. Sig. (2-Tailed)		0.052

Source: SPSS Outputs

The table above is a table of the normality test using the Kolmogrov-Smirnov method. According to the results of the analysis, the table above shows that the significance value is 0.052, which means that the data is normally distributed because it is greater than 0.05 and the normality assumption is fulfilled.

2. Autocorrelation Test

Table 3 Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimates	Durbin-Watson
1	.315	0,099	0,068	22,29234	1.893

Source: SPSS Outputs

Because of the presence of autocorrelation, the Cochrane-Orcutt method was used to solve the autocorrelation problem. In the table above it can be seen that the Durbin-Watson value is 1,893. According to the above formula, $1.658 < 1.893 < 2.342$ concluded that there is no autocorrelation.

3. Heteroscedasticity Test

Table 4 Heteroscedasticity Test

			Company Size	Return On Assets (ROA)	Unstandardized Residual
Spearman	Company Size	Correlation Coefficient	1.000	-.134	.000
		Sig. (2-Tailed)	.	.294	1.000
		N	63	63	63
	Return On Assets (ROA)	Correlation Coefficient	-.134	1.000	-.010
		Sig. (2-Tailed)	.294	-	.937
		N	63	63	63
	Unstandardized Residual	Correlation Coefficient	.000	-.010	1.000
		Sig. (2-Tailed)	1.000	0.937	-
		N	63	63	63

Source: SPSS Outputs

To determine the existence of heteroscedasticity, the Spearman Rank Correlation Test method can be used. From the table above it can be seen that the company size value is 1,000 and the Return On Assets Ratio (ROA) is 0.937 which means that it is more than 0.05 so that it can be stated that in this data processing there is no heteroscedasticity.

4. Multicollinearity Test

According to the multicollinearity test on Table 5, it can be seen that the tolerance value of all variables was > 0.01 and the VIF value of all variables was < 10 , so it can also be concluded that there were no symptoms of multicollinearity in this research.

Table 5 Multicollinearity Test Coefficients^a

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Tolerance	Statistics VIF
(Constant)	113.409	28.589		3.967	<.001		
Company Size	-3.001	1.438	-.262	-2.086	.041	.967	1.034
Return On Assets Ratio (ROA)	-141.753	78.146	-.228	-1.814	.075	.967	1.034

Source: SPSS

a. Dependent Variables: Return On Assets Ratio (ROA)

Multiple Linear Analysis

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients BETA	T	Sig.	Collinearity Tolerance	Statistic VIF
1 Constant	113.409	28.589		3.967	<.001		
Company Size	-3.001	1.438	-.262	-2.086	.041	.967	1.034
Return On Assets Ratio (ROA)	-141.753	78.146	-.228	-1.814	.075	.967	1.034

Source: SPSS

Table 6 Multiple Linear Analysis Test

According to the table above, the multiple linear regression equation is obtained as follows:

$$Y = 113,409 - 3,001.X_1 - 141,753.X_2$$

Description:

Y= Audit Report Lag

X₁= Company Size

X₂= Return On Assets Ratio (ROA)

The multiple linear equation above can be explained by:

1. The constant value in the table above is positive at 113.409 which means that if the company size and Return On Assets Ratio (ROA) value is 0 then the Audit report lag value is 113.409 or an increase of 113.409 then without any independent variables the company can experience an Audit report lag for 113,409 (113 days).
2. The coefficient value for the variable company size is -3.001, which means that company size has a negative effect on audit report lag. A negative coefficient indicates that there is a negative relationship between company size and audit report lag. From this it can be interpreted that the larger the company size owned by the company, the shorter the audit report lag, but vice versa, the smaller the company size, the longer the audit report lag.
3. The coefficient value for the Return On Assets Ratio (ROA) obtained is -141.753 which can be interpreted that the Return On Assets Ratio (ROA) has a negative effect on audit report lag. For example, if a company experiences an increase in

Return On Assets Ratio (ROA) of 1%, the audit report lag can decrease by 141,753 (141 days). In other words, the higher the Return On Assets Ratio (ROA) owned by the company, the shorter the audit report lag. Vice versa, the lower the Return On Assets Ratio (ROA) owned by the company, the longer the audit report lag.

Partial Test (T Test)

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients BETA	T	Sig.	Collinearity Tolerance	Statistic VIF
1 Constant	113.409	28.589		3.967	<.001		
Company Size	-3.001	1.438	-.262	-.2086	.041	.967	1.034
Return On Assets Ratio (ROA)	-141.753	78.146	-.228	-1.814	.075	.967	1.034

Source: SPSS

Table 7 Partial Test

According to the results of the T-test analysis above, it can be concluded that:

1. Effect of company size on audit report lag

In the table above it can be seen that the variable Company size has a T value of -2.086 so it can be presented that sig 0.04 < 0.05 which means H1 is accepted. In other words, it can be concluded that the independent variable (X1), namely company size partially has a negative effect on the dependent variable Audit report lag (Y). It can be interpreted that the bigger the company, the shorter the audit report lag.

2. Effect of Return On Assets Ratio (ROA) on audit report lag

In the table above it can be seen that the variable Return On Assets Ratio (ROA) has a t-value of -1.814 so that it can be presented sig 0.07 < 0.05 then H2 is rejected so it can be concluded that the Return On Assets Ratio (ROA) partially has no effect on Audit report lag.

Simultaneous Test (Test F)

Table 8 Simultaneous Test

Model	Sum of Square	df	Mean Square	F	Sig
1 Regression	3221.379	2	1610.690	3.241	0.046
Residual	29139.954	59	496.948		
total	32541.333	61			

Source: SPSS

According to the results of the F test analysis above, it can be seen that the sig value is 0.046 < 0.05, which means that the hypothesis can be accepted. This means that the variable Company Size and Return On Assets Ratio (ROA) simultaneously or jointly have a negative effect on audit report lag.

Determination Coefficient Test

Table 9 Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimates	Durbin-Watson
1	.315	0,099	0,068	22,29234	1.893

Source: SPSS

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According to the test of the coefficient of determination presented in table 9 above, it can be seen that the value of the coefficient of determination is 0.09 (9%), which means that the ability of the independent variables Company size and Return On Assets Ratio (ROA) in explaining the dependent variable Audit report lag is equal to 9%, the other 91% is determined by other factors.

Effect of Company Size on Audit Report Lag

The results of this research are consistent with the research of Novice Lianto (2010) and Ja'far Aziz Hariza (2012) that company size has no effect on audit report lag. However, this research is not in line with the research of Ashton, et al (1987). According to Novice Lianto (2010), the results of annual financial report audits are always awaited and monitored by management, investors and policy makers such as the government, therefore companies will be required to complete them immediately. Regardless of the size of a company, these obligations must be conducted by large companies or small companies. The procedure for conducting an audit will be the same regardless of the amount of assets owned by the company, both large companies and small companies. and this delay can be experienced by large companies as well as small companies. Companies submit financial reports that have been examined by auditors in a timely manner depending on the company's responsibility to comply with regulations for companies listed on the Indonesia Stock Exchange regarding information disclosure, this is very important because this is very much needed by the public, especially those who have an interest in conducting financial analysis. But in reality there are still many large companies that have not been equipped with an adequate system to support internal control, even though the existence of an internal control system can facilitate the auditor's performance in completing his work. Likewise with companies that have small assets, not necessarily a small company has a bad control system. This control system is related to audit performance in gathering evidence for the audit process. Better internal control will increase the probability that financial data is reliable and reduce the amount of evidence the auditor must collect through other audit tests, and vice versa (Hariza 2012).

Effect of Return On Assets on Audit Report Lag

The results of this research are consistent with research conducted by Rachmawati¹⁰ (2014), and Ketut Dian Puspitasari⁶ (2015) which state that Return On Assets does not have a significant effect on audit report lag. However, this research is not in line with the research of Ja'far Aziz Hariza⁵ (2012). This could be related to the current economic instability where many investors ignore the Return On Assets ratio. Investors consider the level of Return On Assets ratio is not the only determinant in making investment decisions, investors have a psychological tendency to consider private signals compared to public signals (accounting information). Therefore, seeing the phenomenon that is happening at this time, the company is not worried about the Return On Assets ratio that occurs in the company.

Effect of Company Size and ROA on Audit Report Lag

The results of the research show that company size and Return On Assets have no effect on audit report lag. The contribution value is only 17.9%. Of the three variables, the highest coefficient value is the Return On Assets variable.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Company size has a negative effect on audit report lag, this means that the bigger the company, the shorter the audit report lag. Evidenced by the results of the T test analysis on the variable table Company size has a t value of -2.086 with a sig value of $0.04 < 0.05$. This is because the size of a large company usually in managing its business processes has a management system that is quite good when compared to the size of a company that is small or not too large, because of course large companies have sufficient assets and are sufficient to have more human resources. and reliable in managing the company, as well as in carrying out financial procedures. So that the resulting financial reports can be more quickly and accurately, his is certainly something that is quite helpful for an auditor in providing audit report results.

Return On Assets Ratio (ROA) has no effect on audit report lag. evidenced by the results of the T-test analysis in the table with a t-value of 1.814 with a sig value of $0.075 > 0.05$. Which means the company size's profit does not affect the length of the audit report lag. From the results of data processing, it was found that there was no influence between the Return On Assets Ratio (ROA). This was because of the large or small profit earned by the company did not affect the financial statement audit process that was conducted, the audit process remained in accordance with applicable procedures. Does not mean when a company has high profits it makes the results of audit reports reported faster, and when it has small profits it causes late or delayed reporting.

Company size and Return On Assets Ratio (ROA) simultaneously have a significant effect on audit report lag. Evidenced by the results of the F (Simultaneous) test analysis in the table with a sig value of $0.046 < 0.05$. This is because all the components in Company Size and Return On Assets Ratio (ROA) have an important function in the long or short audit report lag of the company.

RECOMMENDATIONS

1. Adding samples to the research, adding more years of research and taking companies from other sectors on the Indonesia Stock Exchange.
2. Adding independent variables, not only company size and Return On Assets Ratio (ROA) can also be added to the variables KAP size, solvency, company age and also the auditor's opinion.

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