

**THE EFFECT OF OPERATING PROFIT, COMPANY AGE, AUDITOR'S OPINION
AND AUDITOR'S REPUTATION ON *AUDIT DELAY* IN PROPERTY AND REAL
ESTATE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE**

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ABSTRACT

This study aims to determine the effect of operating profit, company age, auditor opinion and auditor reputation on audit delay in property and real estate companies listed on the Indonesia Stock Exchange. This research is included in the quantitative approach with secondary data. The population used is the property and real estate sector companies listed on the Indonesia Stock Exchange with a total of 65 companies. The sampling method used purposive sampling technique in order to obtain 16 companies. The analytical method used is multiple linear regression analysis. The results show that auditor reputation has an effect on audit delay in property and real estate sector companies listed on the Indonesian stock exchange in 2016-2020. Earnings negatively affect audit delay. Meanwhile, the age of the company and the auditor's opinion have no effect on audit delay in the property and real estate sector companies.

Keywords: *Company Profit, Company Age, Auditor Opinion, Reputation Auditor, Audit Delay*

INTRODUCTION

Business fields are competitive with each other in grabbing the attention of investors, especially for interagency *going public*. It is undeniable that the purpose of the agency registering itself as a *public institution* is to obtain funds from investors as a support for its business. From the investor side, before providing funds, of course, they want information from agencies in the form of financial information that is believed to be further analyzed whether the industry deserves to be given capital. In this kind of competition, the industry is required to work harder, faster, and meticulously in presenting its financial information data.

Based on the Decree of the Chairman of Bapepam and also Financial Statements No: KEP346 / BL / 2011, Regulation No. X.K.2, which discusses the Presentation of Financial Statements, the fact that the public going industry on the IDX is required to bring information annually accompanied by independent audit information to *Bapepam* and LK and announce it to the public at least at the end of the third month (90 days) after the closing period is over (Apriyana, N., & Rahmawati, 2017). If it exceeds these provisions, it can be said that there is an *audit delay*.

In theory, *Audit delay* is the duration distance required by an auditor which is useful in obtaining audited financial *statements* on the performance of the agency's financial information. Conversely, the duration gap starts from the difference in dates during *the annual report* of the Public Account (KAP). *Audit delays have occurred in several issuers such as PT Bakrieland Development Tbk (ELTY) which is one of the issuers that has been included in the list of the property and real estate sector known for 5 consecutive years for 5 years starting from 2015-2019 late in providing information related to the results of its financial statements resulting in audit delays* . There are also sanctions given in 2018 that *have not provided* an annual report and have not paid off delay compensation of IDR 150,000,000.00 (Utami, A. D. P., & Nazar, 2021).

The reason for *PT Bakrieland Development Tbk's audit delay* is due to debt restructuring from 2012 to 2016, in 2017 PT Bakrieland Development Tbk tried to complete all debt business activities with all shareholders concerned with PT Bakrieland Development Tbk through its subsidiary agency (Ibrahim & Triyanto, 2020).

LITERATURE

REVIEW Signal Theory

(Brigham, E. F., & Houston, 2018) report that signals are actions that

The company tried to share a reference for investors regarding management conditions, thinking about company opportunities through financial statements. Based on the explanation above, it can be concluded that in theory the *signal, audit delay* that exceeds the regulatory limit is a bad indication in the eyes of investors where the information released by the company is needed by investors, in order to observe whether the company deserves capital intake or not. Therefore, factors that affect *audit delay* such as operating profit, company age, auditor's opinion and auditor's reputation need to be considered.

Financial Statements

For IAI (2017), financial statements are financial information reporting (which can be presented in various forms such as cash flow information, as well as other information and description modules that are an integral part of financial information). Accountability for industry direction is expressed in the form of financial information only to the presentation in a natural way of financial position and results of efforts in a span of time in accordance with accounting principles that are carried out in an unchanged manner.

Audit Delay

(Baron, R. A., Branscombe, N. R., & Byrne, 2008) explain obedience theory is a form of social effect in which one or more people are commanded to do something, and they carry it out. In this case, the company is required to comply with the Decree of the Chairman of Bapepam and LK No: KEP346/BL/2011 with regulation number X.K.2, concerning the Presentation of Financial Statements which must be submitted at the end of the third month (90 days) after the closing period is over.

Operating

Profit

For (Warsono, S., & Natalia, 2013), profit and loss information is financial information that describes the results of efforts achieved over a specific time span. Net gain or loss is the difference between overall income and overall pay or expenditure. Income measures the inflow of net assets (net of loans) from the marketing of objects or services.

Company Age

The age of the company is the duration of the establishment of a company or the length of time the company has worked (Saputra, 2020). In other words, the length of life time for a company that is engaged in business and has activities intended to obtain the desired goals.

Auditor's Opinion

Audit opinion is a conclusion submitted by an independent auditor on the information habits of industry capabilities compiled by the industry whether it is suitable with SAK or not (Saputra, 2020). The audit view of industry financial information is a benchmark for consumers in quoting provisions (Puryati, 2020).

Auditor Reputation

Public Accounting Firm (KAP) is a form of effort that obtains permission to distribute its services, such as distributing audit services on historical financial data, review services on historical financial information, and other services related to accounting, finance and management. In delivering financial information to industrial audiences, it is required that financial information be reviewed by KAP (Soewignyo and Wanda, 2020).

RESEARCH METHODS

This type of study is an associative study with a quantitative approach. Associative studies are studies that mean identifying impacts or relationships between 2 or more variables (Sugiyono, 2017). The variables referred to in this study are independent variables (operating profit, age of the agency, auditor opinion, and auditor reputation) and dependent variables (*audit delay*). The population from this result uses 77 *real estate and property* institutions listed on the IDX between 2016 - 2020 (www.sahamok.net). And 16 *property and real estate* agencies that fit the criteria of this result sample within five years so that 80 result samples were obtained. The data used in this result is obtained from *the audited annual report* on the *property and real estate* agency listed on the IDX between 2016 - 2020. Observers also conduct literature results to support the theories in this study.

RESULTS OF RESEARCH AND DISCUSSION

The following table provides an overview of the result data, including minimum, maximum, mean and standard deviation:

Table 1 Descriptive Statistical Test Results

Variabel	Minimum	Maximum	Mean	Std. Deviation
<i>Audit Delay</i>	41.00	147.00	78.1250	23.08947
Laba Operasi	18502546 881	506239566973 1	920481944865.9 6	914747498001 .620
Umur perusahaan	3.00	48.00	31.9375	10.87599
Opini Auditor	0	1	1	0
Reputasi Auditor	0	1	0	0

The table above shows the value of *audit delay* calculated based on the difference between the *audit report date and the agency's book closing date* has a minimum value of 41 days indicating that the agency is obedient to the whistleblower in accordance with the provisions of the Decree of the Chairman of Bapepam and LK No: KEP346 / BL / 2011 with regulation number X.K.2, concerning Report Presentation Finances that must be submitted at least the end of the third month (90 days) after the closing period is over. The agency in this ranking is PT. Puradelta Lestari Tbk in 2020. The maximum value of *audit delay* of 147 days indicates the level of compliance of agencies reporting *low financial statements* due to exceeding the rules for submitting *financial statements*, namely at least the end of the third month (90 days) after the closing period is over as stated in the decision of KaBapepam and LK No: KEP346 / BL / 2011 with rule number X.K.2. The agencies that obtained this ranking are PT. Perdana Gapura Prima Tbk for the 2020 period. The standard deviation is less than the mean value, indicating that the audit delay is within a predetermined period of time. Low or not Observations are anticipated to obtain biased results. The mean audit delay is 78 days, and the standard deviation is 23.08947.

The results of descriptive statistical analysis of operating profit obtained from reducing gross profit with operating expenses have a minimum value of IDR 18,502,546,881 showing that the profit owned by the agency after deducting operating expenses is quite low, in this case owned by PT. Suryamas Dutamakmur Tbk period

2020. The maximum value of IDR 5,062,395,669,731 shows that the portion of profit owned by the agency after deducting operating expenses is quite high, in this case owned by PT. Bumi Serpong Damai Tbk for the period 2017. The standard deviation is lower than the mean intention, which can be interpreted as variable operating profit data during the observation period has a low standard deviation and is not anticipated to lead to biased results. The mean value of Rp920,481,944,865 and the standard deviation of Rp914,747,498,001 show this.

The results of descriptive statistical analysis of the age of the agency calculated from the beginning of the establishment of the agency to the year of results show a minimum value of 3 years indicating the age of the institution is still relatively young. The agency is PT. PP Properti Tbk. Agency owned by PT. Metropolitan Kentjana Tbk has stood for the highest 48 years. Since the standard deviation is lower than the mean value, it is unlikely that the data on the agency age variable during the observation period will be biased. The standard deviation is less than the mean value indicated by the 32-year mean and standard deviation of 10.87599.

Test the hypothesis

Based on the results of statistical test F it is known that the sig number of 0.000 is higher than 0.05 which means that for 2016 to 2020, real estate and property audit delay institutions are influenced simultaneously by variables of operating profit, agency age, auditor opinion, and auditor reputation. More information can be found in the table below:

Tabel Hasil Uji F

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10784.187	4	2696.047	6.453	.000 ^b
	Residual	31332.563	75	417.768		
	Total	42116.750	79			

a. Dependent Variable: Audit Delay
b. Predictors: (Constant), LabaOperasi, Opini Auditor, Umur Instansi, Reputasi Auditor

The results of this result can be interpreted that when operating profit, agency age, *auditor opinion*, and auditor reputation are both tested at *audit delay* resulting in a GIS

number of less than 0.05, meaning that the variable is worthy of analysis for further analysis.

The results of multiple regression analysis are as follows:

Tabel Hasil Analisis Regresi Berganda

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	237.648	53.774		4.419	.000
	Umur Instansi	.327	.231	.154	1.415	.161
	Opini Auditor	-20.418	11.095	-.194	-1.840	.070
	Reputasi Auditor	25.093	5.802	.488	4.325	.000
	LabaOperasi	-5.847	2.072	-.330	-2.822	.006

a. Dependent Variable: Audit Delay

The operating profit variable has a sig level of 0.006 in the table above, which is less than 0.05 and indicates that it has no impact on audit delays. A t-value of -2.822, which also indicates a negative direction of influence, indicates that operating profit does not negatively affect audit delay. The agency's age variable had no effect on audit delay and had a sig level of 0.161 which was higher than 0.05. A t-count value of 1.415 indicating a positive direction indicates that the age of the agency has no significant effect on

audit delay. Because the sig level of the auditor's opinion variable is 0.070, higher than 0.05 then has no effect on audit delay. The opinion of the auditor does not have a considerable positive influence on the audit delay, according to the analysis, since the value of t valued at -1.840 indicates a negative direction. Last but not least, the auditor's reputation has an impact on audit delay because the signage level is 0.000, lower than 0.05. The positive direction of the t-count value of 4.325 leads to the conclusion that the auditor's reputation has no positive effect on audit delay.

Here is the result of the coefficient of determination in this result:

Tabel 4. 7 Hasil Koefisien Determinasi

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.506 ^a	.256	.216	20.43936
a. Predictors: (Constant), LabaOperasi, Opini Auditor, Umur Instansi, Reputasi Auditor				

In the table of the results of the coefficient of determination above, the value of the coefficient used is the value of *Adjusted R2* because the predictors of the dependent variable are more than one, namely the variables of operating profit, age of the agency, auditor's opinion, and auditor's reputation. The test results showed an *Adjusted R2* of 0.216 (21.6%). So it can be seen that 21.6% of *audit delays* are explained by operating profit, age of the agency, auditor opinion, and auditor reputation. While 78.4% of the magnitude of *the audit delay* was explained by other variables not included in this result.

DISCUSSION

The Effect of Operating Profit on *Audit Delay*

From the results of the hypothesis test, the operating profit variable has a sig value of 0.006 and this is lower than 0.05, this shows if operating profit has an influence on audit delay. The hypothesis that operating profit has no negative effect on audit delay is accepted because the calculated t-value of -2.822 indicates a negative direction of influence.

The results of these results are in accordance with the theory that operating profit reflects the ability of the agency to ensure the continuity of life of the agency. The amount of profit obtained by the agency greatly affects the accuracy of the duration in the audit process (Ibrahim & Triyanto, 2020). When the agency earns a high operating profit, there is no alibi to delay the publication of audited financial information, because this is a good signal for users of financial information so that there is no *audit delay* (Astuti, 2019). The results of the results that concern operating profit have a negative influence on audit

delay, indicating an inverse relationship where when the operating profit of property and real estate agencies is high, the agency's audit delay is lower.

The Effect of Agency Age on *Audit Delay*

Based on the results of the hypothesis test, it shows that if the variable sig level of agency age is 0.161, which is higher than 0.05, then the age of the agency has no influence on audit *delay*. The calculated t value of 1,415 indicates a positive direction, so it can be concluded that the age of the agency does not have a significant negative effect on *audit delay* and hypothesis 2 is rejected. The results that prove the absence of the age of the agency to the audit delay mean that the large and low age of the agency does not affect the audit delay that is established in the property and real estate industry between 2016-2020.

The results of these results are in line with the findings of Patinaja and Siahainenia (2020), stating that the age of the institution has no influence on the length of the audit. His analysis explains that due to the complexity of financial statements, long-standing institutions cannot provide assurance that audits can be completed sooner.

The Effect of Auditor Opinion on *Audit Delay*

The results of hypothesis testing showing that the significance level of the auditor opinion variable 0.070 is greater than 0.05 indicate that the auditor's opinion does not cause audit delay. A t-count value of -1.840 indicates that the auditor's opinion does not significantly extend the audit process, supporting Hypothesis 3.

The results that prove the absence of the auditor's opinion on the audit delay mean that whatever views obtained by the property and real estate industry between 2016-2020 do not affect the size of the audit delay. When observed from the results of descriptive statistical analysis, in general, the auditor's view is worth 0.95 which is almost close to value 1, until in general, the property and real estate industry between 2016-2020 obtained *an unqualified opinion* or Reasonable Without Exception. The acquisition *of unqualified opinion* leads to a lower percentage of *audit delay* (Saputra, 2020).

The Effect of Auditor Reputation on *Audit Delay*

The auditor's reputation has no effect on audit delay, evidenced by hypothesis testing which shows that the auditor's reputation variable sig level is 0.000 lower than

0.05. Audit delay is positively correlated with the auditor's reputation, indicated by a positive direction t-count value of 4.325, and Hypothesis 4 is not proven.

The results of these results are in line with the theory that explains that *audit reports* from public accountants with a good reputation are expected to be able to carry out audits more efficiently and have higher flexibility (Astuti, 2019). The results of these results that show a positive influence can be interpreted that the better the *property* and *real estate* institutions for the 2016-2020 period are affiliated with reputable public accountants, it affects the occurrence of *audit delays* which require more time due to a more complex audits process.

The results of this result are in line with Artana, et al (2021); Astuti (2019); (Mus & Tjan, 2020) reporting on auditor reputation affects *audit delay*. He explained that the reputation of auditors, especially public accountants, is unique in handling matters needed by open agencies, with provisions from BAPEPAM, with timeliness in recording, and with comparisons with non-big four public accountants based on their analysis.

CONCLUSION AND ADVICE

In the results of the analysis and results in Chapter IV regarding the effect of operating profit, age of the agency, auditors' opinions and auditors' reputation on *auditdelay*, the author can draw several conclusions, namely:

1. From 2016 to 2020, operating profit will have an impact on audit delay on real estate listed by sectoral agencies on the Indonesia Stock Exchange. According to the findings of the results, operating profit has a negative impact on audit delay. When operating profit for property or real estate is high, audit delay for those sectors remains low.
2. In the period 2016 to 2020, agency age has no influence on the audit delay of real estate sector agents indexed on the IDX. The results of descriptive statistical analysis show that the average age of real estate and property agents in this result is 32 years. As a result, the industry must recognize the Decree of the Chairman of Bapepam and LK No. KEP346/BL/2011 number XK2 concerning the financial presentation report, which must be submitted no later than 90 days after the closing period ends.

3. Audits delay of real estate sector institutions indexed on the IDX in 2016-2020 is not affected by the auditor's opinion. According to the findings of descriptive statistical analysis, the average auditor's opinion is 0.95, which is almost as high as 1, which means that the average real estate for the years 2016 to 2020 is open to a reasonable opinion is no exception.
4. The reputation of auditors affects real estate on the IDX in 2016 until 2020. The findings of these results, which show beneficial effects, mean that better properties and real estate for the period 2016–2020 are associated with reputable public accountants, with longer audit processes due to more involvement.

SUGGESTION

In the results of analysis and research on the effect of operating profit, company age, auditor opinion, and auditor reputation on audit delay, conclusions can be drawn, suggestions that can be obtained related to research results:

1. Looking at operating profit that shows the direction of negative influence on this analysis, the researcher suggests that operating profit use the calculation of dummy variables, where if the company gets profit it is given a score of 1 and if the loss is given a score of 0.
2. Looking at the age of the company based on this research that does not share the influence on *audit delay*, the researcher suggests using other independent variables such as company size, or profitability.
3. Seeing the auditor's opinion based on this research does not affect the *audit delay*, so the researcher provides advice using other independent variables.
4. Seeing the reputation of the auditor who shows a positive influence and influence on audit delay, the researcher suggests that the next research to take other company sectors.

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