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THE EFFECT OF FINANCIAL DISTRESS AND COMPANY SIZE ON AUDIT DELAY (STUDY ON PROPERTY AND REAL ESTATE COMPANIES LISTED ON IDX 2017-2019)

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ABSTRACT

This study aims to determine the effect of financial distress and company size on audit delay studies on property and real estate companies listed on the Indonesia Stock Exchange in 2017 – 2019. The population in this study are all property and real estate sub-sector companies listed on the Indonesia Stock Exchange in 2017. 2017-2019 the method used is the purposive sampling method, namely the determination of samples from the existing population based on criteria. The analysis technique used in this research is multiple linear regression. Based on the results of the analysis, it was found that the financial distress variable partially had a significant negative effect on audit delay, company size partially affected audit delay. Financial Distress and Company Size simultaneously have a significant effect on Audit Delay. The limitation of this research is that the scope of the research is limited to property and real estate companies. This research is useful to provide information and as material for consideration regarding investment decisions that will be made by investors and potential investors, besides that it also provides input to companies listed on the Indonesian stock exchange as consideration in making decisions by company management.

Keywords: Financial Distress, Company Size and Audit Delay.

INTRODUCTION

In the midst of the COVID-19 pandemic, the current economic condition is experiencing instability with conditions like this, every company must be able to compete against companies that have been around for a long time or companies that have just been established as well as the survival of their companies. The company is a business entity that runs its business for profit. Profit is an important reference to determine efficiency and effectiveness, but the profit does not guarantee whether the company is able to operate in the long term. In addition, the unstable economic condition of a country can also affect the company's expected profit.

The development of go public companies in Indonesia has made financial reports a major requirement for every company. The development of the capital market encourages go public

companies to improve the quality of their company's financial reports and companies are required to submit their financial statements that have been audited by public accountants.

Financial statements have an important role in the process of measuring and evaluating the performance of a company. Based on PSAK No. 1 (2009), the purpose of financial statements is to provide information about the financial position, financial performance, and cash flows of an entity that is useful for the majority of users of financial statements in making economic decisions. The information contained in the company's financial statements can be useful if it is presented accurately and on time at the time needed by users of financial statements, such as investors, creditors, the government, the public, and other parties as the basis for making a decision.

The auditor takes a long time to complete his work, this is because the audit process must be in accordance with applicable procedures. On the other hand, financial statements must be published on the Indonesia Stock Exchange (IDX) on a timely and regular basis, so that the relevance of the financial statements is not reduced or even lost. The length of time for the completion of the audit process which can be measured from the closing date of the year-end book to the issuance of the independent auditor's report is referred to as audit delay. This reflects that audit work takes time so there are times when the publication of financial statements is delayed. Delays in financial statements can have a negative impact on market reactions because audited financial statements contain information about the profits generated by the company which is used by capital market participants to predict the value of the company. The delay in financial reporting will be interpreted by investors or capital market participants as a bad signal for the company (Janartha, I. Wayan Pion, 2016).

Go public companies that exceed the deadline for issuing financial statements will be subject to sanctions and fines set by the Capital Market and Financial Institution Supervisory Agency (BAPEPAM_LK). Although the Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK) has set sanctions and fines for companies that violate regulations, in reality there are still companies that are late in releasing their financial reports to the public. Management of the Indonesian Stock Exchange (IDX). It was noted that there were 23 companies that had not submitted their annual financial reports as of December 30, 2020, besides that there were also companies that had not paid fines for late submission of financial reports.

Table 1.1

Companies that are late in submitting financial reports as of December 30, 2020

1	*PT Armidian Karyatama Tbk*
2	PT Exploiyasi Energi Indonesia Tbk
3	PT Cowel Development Tbk
4	*PT Bakrieland Development Tbk*
5	*PT Eterindo Wahanatama Tbk.*
6	*PT First Indo American Leasing Tbk.*
7	*PT Golden Plantation Tbk.*
8	*PT Kertas Bauksit Rachmat Indonesia Tbk.*
9	*PT Grand Katech Tbk.*

10	*PT Marga Abhiyana Abadi Tbk.*
11	*PT Mitra Pemuda Tbk.*
12	*PT Hanson Internasional Tbk*
13	*PT Nipress Tbk.*
14	*PT Sinergi Megah Intermusa Tbk*
15	PT Polaris Investama Tbk
16	*PT Golden Flower Tbk.*
17	PT Rimo Internasional Lestari Tbk
18	*PT Siwani Makmur Tbk.*
19	PT Northcliff Citranusa Indonesia Tbk
20	*PT Sugih Energy Tbk.*
21	*PT Tiphone Mobile Indonesia Tbk.*
22	*PT Trada Alam Minera Tbk.*
23	*PT Nusantara Inti Copora Tbk.*

Source: BEI

Of the 23 companies that have not submitted financial reports as of December 30, 2020, there are 5 companies that are included in the Property & Real Estate sector, namely PT Armidian Karyatama Tbk, PT Cowel Development Tbk, PT Bakrieland Development Tbk, PT Hanson Internasional Tbk, PT Rimo Internasional Lestari. Tbk. The data for the delay in submitting financial reports from the financial year December 31, 2017 to the financial year December 31, 2019, is presented in table 1.2

TABLE 1.2

NUMBER OF COMPANIES THAT SUBMITTED AUDITING FINANCIAL STATEMENTS FOR 2017-2019

Fiscal year	Number of Companies Listed on the IDX	Number of Companies that are Late in Submitting Financial Reports
2017	555	10
2018	652	10
2019	709	23

Source: Data processed, 2021

Table 1.1 shows a table of the number of companies late in submitting financial reports in 2017 as many as 10 companies. In 2018 there were 10 companies and in 2019 there were 23 companies. This shows that from year to year there is always an increase in companies that are

late in submitting their financial reports. From the data above, it can be concluded that timeliness in submitting audited financial reports is still an obstacle for companies listed on the IDX.

One of the factors that can affect audit delay is Financial Distress. Financial distress is a condition where a company experiences financial difficulties or a financial crisis. The cause of the delay in the submission of financial reports is the existence of bad news in the financial statements in the form of financial distress (financial distress). Companies experiencing financial difficulties will have an impact on increasing the length of audit delay because the condition of companies in financial difficulties tends to have high audit risk, thereby increasing the auditor's time to review financial statement accounts (Yadnyana and I Ketut 2017).

Financial distress conditions that occur in companies can increase audit risk for independent auditors, especially control risk and detection risk. With the increased risk, the auditor must carry out a risk assessment (risk assessment) before carrying out the audit process, precisely in the audit planning phase (audit planning) so that this can result in a lengthy audit process and have an impact on increasing audit delays (Praptika, P. Y. 2016)

Based on the results of research (Praptika, P. Y. 2016) which states that financial distress has an effect on audit delay. In line with research which states that financial distress has a positive effect on audit delay. This is because the higher the value of the financial distress ratio, the company is considered to be experiencing financial difficulties. The management will try to reduce this bad news so that it will take more time and have an impact on increasing audit delay.

However, it is different from the research conducted by Boy Manulang (Manullang 2018) which states that financial distress has no effect on audit delay. Meanwhile, according to Sofiana, Suwarno, & Hariyono, it shows that financial distress has no significant effect on audit delay (Sofiana, E., Suwarno 2018). This is because most of the sample companies have healthy financial conditions, and only a few companies are experiencing financial difficulties.

Although many studies have been conducted on audit delay in companies listed on the Indonesia Stock Exchange (IDX), there are still many differences in results. The results of these studies vary, this is due to differences in the nature of the independent and dependent variables studied, differences in observation periods or differences in the statistical methodology used.

Another factor that affects audit delay is Company Size. The size of the company is one of the considerations for the occurrence of audit delay. Due to the greater the value of the company's assets, the shorter the audit delay and vice versa. Large companies are expected to complete the audit process faster than small companies. This is due to a factor, namely the management of large-scale companies tend to be given intensive care to reduce audit delay because these companies are monitored closely by investors, government capital supervisors. These parties are very interested in the information contained in the financial statements.

Based on research conducted by Yulianti, states that company size has an effect on audit delay because the larger the company size, the company will reduce audit delay (Yulianti 2011). In the same study also stated that the larger the size of the company, the better the internal control so that the company can reduce the level of errors in the presentation of financial statements which will facilitate the auditor in conducting the auditing process. In contrast to the results of research conducted by Novelia, firm size does not have a significant effect on audit delay. The results of this study explain that company size using total assets is more stable than using market value and sales levels, so that total assets do not affect the length of audit delay (Novelia Sagita Indra 2012).

Timeliness in the submission of these financial statements is something that must be considered by the company because it can affect the relevance of the published financial statements. Although the relevance of these financial statements is very important, there are still many publicly listed companies on the IDX which are late in reporting their financial reports, thus creating a negative image for the company. Many factors that affect audit delay include financial distress and

company size which have been studied previously with results stating that they have an effect on audit delay, but research results also state that these factors have no effect. This makes audit delay an interesting problem to research and ascertain whether the factors of financial distress and company size have an effect on audit delay. research entitled The Effect of Financial Distress and Company Size on Audit Delay (Study on Property & Real Estate Companies Listed on the IDX in 2017 – 2019).

LITERATURE REVIEW

SIGNALING THEORY

According to Brigham and Houston, Signaling Theory is a theory that explains about an action taken by the company's management that provides instructions for investors about how management views the company's prospects (Houston, J.F. 2001).

Signaling theory can be used to predict the possibility of financial distress. If the company's financial statements are in poor condition, investors will choose to invest their funds in other companies. Signaling theory can be used to analyze the effect of company growth on financial distress (Dila Ayu. 2018).

From this explanation, the author can conclude that signaling theory can provide a signal to investors regarding company information as an analysis for decision making.

Financial statements

Financial statements are the end result of a series of processes for recording and summarizing business transaction data that are useful as a tool to communicate financial data or company activities to interested parties, which show the company's financial health condition and company performance. Financial reports can make it easier for users to make decisions that are financial in nature, so financial statements must be easy to understand and in accordance with company conditions.

Auditing

Auditing is a collection and evaluation of evidence about the information obtained to determine and report the degree of conformity between the information and predetermined criteria (Mark, S 2017). Auditing must be carried out by competent and independent experts in their respective fields. Auditing provides conclusions about an auditor's statement also provides added value to the company's financial statements, because public accountants are experts and independent. at the end of the examination of the company's report will provide an opinion or opinion regarding the fairness of the position regarding the fairness of the financial position.

Financial Distress

An unhealthy company's financial condition or crisis is referred to as financial distress. Financial distress occurs before the company goes bankrupt, bankruptcy can occur when the company is no longer able to fulfill debtor obligations and the company does not have enough funds to run or continue its business (Rahmaniah 2015).

Causes of Financial Distress

The cause of financial distress stems from the company's inability to manage financial performance, for example in terms of sales. the company's failure to promote and sell a product, resulting in decreased sales. Decreased sales will affect revenue which will also decrease, this triggers the company to experience losses during that period (Machmuddah, Z. 2017).

Financial distress can happen to all companies. The causes of financial distress also vary. According to (Hery 2016) stated the causes of financial distress are:

1. Internal factors

These are factors that arise from within the company and are micro, the internal factors are as follows:

a. Giving credit to customers is too big

This will cause an unfavorable impact on the company's short-term and long-term goals. In the short term, the company's liquidity will be disrupted due to high investment in receivables, if this situation cannot be overcome, it will disrupt the company's long term goals.

b. Weak human resource qualifications

This can hinder the achievement of company goals, especially if the management function is weak, the process of financial difficulties will accelerate.

c. Lack of working model

If the company cannot cover the cost of goods sold and operating expenses continuously, the company will experience a lack of capital, and the company will even go bankrupt.

d. Abuse of authority and fraud

This is caused by a lack of supervision, if this happens it will affect the company's performance.

2. External factors

Are factors that arise from outside the company and are macro in nature, the external factors are as follows:

a. Intense competition.

b. The demand for the resulting product or service is reduced.

c. The company's activities were hampered due to natural disasters that caused the company to lose money.

Measurement of Financial Distress

Actions need to be taken to anticipate the occurrence of financial distress, the Altman Z-score is a model commonly used to predict the occurrence of financial distress.

The bankruptcy model developed by Altman is a well-known and pioneering multivariate bankruptcy prediction model. Where Z is the bankruptcy score while X1….Xn is the independent variable (Wibowo, M.A. 2018). Based on research conducted by (Lukviarman, N. 2009) explained that the bankruptcy prediction model studied there are three models, namely the first Altman model, revision, and modification. Of the three models that provide the highest level of bankruptcy prediction, the first Altman model.

The first Altman model produces the following equation:

$$Zi = 1{,}2X_1 + 1{,}4X_2 + 3{,}3X_3 + 0{,}6X_4 + 1{,}0X_5$$

Description :

$$X_1 = \frac{\text{Current Asset} - \text{Curren Liability}}{\text{Total Asset}}$$

$$X_2 = \frac{\text{Retained Earning Laba}}{\text{Total Asset}}$$

$$X_3 = \frac{\text{Earning before interest and tax}}{\text{Total Asset}}$$

$$X_4 = \frac{\text{Market value common and prefferen stock}}{\text{total book value and debt}}$$

$$X_5 = \frac{\text{Sales}}{\text{Total Asset}}$$

$Z_i = \text{Nilai } ZScore$

Table 2.1

Assessment criteria *Altman Z-score*

Zones	*Clasification*
Distressed	Z < 1,81
Grey Area	1,81 < Z < 2,99
Non Distressed	Z > 2,99

Source: Purwanti dan Wibowo (2018)

Company Size

In Research (Mustikawati, 2015) company size is the size of a company seen from the size of the assets owned by the company. Meanwhile, according to (Hartono, 2018) Company size is the level of how big or small the company is to get the profits based on the company's total assets. The size of the company in this study is measured by the natural logarithm of total assets. In this study, total assets were chosen as a proxy in measuring company size because of the consideration that the value of relative assets is more stable than market capitalized and sales. The greater the total assets owned, the company's financial condition will be stronger and more stable and the company is considered a large-scale company.

Audit Delay

Audit Delay According to Ashton et.al (1987) in research (Made Gede 2004), Audit Delay is the length of time for completion of the audit from the end of the company's fiscal year to the date of the audit report issued. Audit delay is the length / span of time for the completion of the audit which is measured from the closing date of the financial year to the date of issuance of the audit report. This audit delay can affect the accuracy of published information, so that it will affect the level of uncertainty in decisions based on published information. Timeliness of the issuance of audited financial statements is very important, especially for public companies that use the capital market as a source of funding. Based on the basic framework for the preparation and presentation of reports, paragraph 24 (IAI 2002) financial statements must meet four qualitative characteristics that are distinctive features of financial information that are useful to users. The four characteristics are understandability, relevance, reliability and comparability. Timeliness is one of the barriers to relevant and reliable information.

Effect of Financial Distress on Audit Delay

According to the researcher's understanding, financial distress is a condition where the company is experiencing financial difficulties. Companies that experience financial distress tend to have high financial risks so that management takes a long time to fix the bad news. The higher the level of financial distress, the higher the audit risk for the independent auditor, especially control risk and detection risk, so that it can result in the length of the audit process and the impact on the longer audit delay.

Based on the description above, this research is also supported by several studies such as that conducted by (Soo, B. S 1996) which states that companies experiencing financial distress

(financial distress) tend to submit their financial statements on time compared to companies that do not experience financial difficulties.

Financial distress conditions that occur in companies can increase audit risk for independent auditors, especially control risk and detection risk. With the increased risk, the auditor must carry out a risk assessment before carrying out the audit process, precisely in the audit planning phase (audit planning). So this can result in the length of the audit process and have an impact on increasing audit delay. The results of the study (Latrini, M.Y 2017) that financial distress has an effect on audit delay. This means that the higher the level of financial difficulty experienced, the longer the audit delay period.

Effect of Firm Size on Audit Delay

A large company size can make management on a larger scale have a good internal audit to reduce audit delay (Ni Luh Sari Widhiyani 2015). As for the opinion expressed by (Mustikawati, R. I. 2015) the larger the company, the better the company's internal control so that it can reduce the level of error in the presentation of financial statements which will make it easier for the auditor to audit the financial statements.

The author can conclude that the cause of company size affects the audit delay, namely because a large company size can reflect good internal control which can reduce the error rate in the submission of financial statements so as to shorten audit delay.

In research conducted (Putri, 2017) with independent variables auditor reputation, firm size, and institutional ownership, it shows that firm size has a negative effect on audit delay. While in research (I Ketut Budiartha, 2016) with auditor turnover variables, company size, profit and loss and type of company, company size states that company size has a negative effect on Audit Report Lag.

This study aims to provide empirical evidence of the effect, Financial Distress, Firm Size, on Audit Delay. Based on the framework of thought that has been put forward, the hypotheses in this study are:

a. There is the influence of Financial Distress, the size of the company, partially affects the Audit Delay
b. There is the influence of Financial Distress, the size of the company, simultaneously affects the Audit Delay

METHODS

The object of research in this study is Financial Distress, Company Size and Audit Delay. The subjects of this research were Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019.

Method Used

The research method used in this study is a quantitative method with a descriptive and verification approach. Quantitative method as a positivistic method because it is based on the philosophy of positivism. This method is a scientific/scientific method because it has fulfilled scientific principles, namely concrete/empirical, objective, measurable, rational, and systematic. This method is also called the discovery method, because with this method, various new science and technology can be found and developed. This method is called the quantitative method because the research data is in the form of numbers and the analysis uses statistics. Descriptive research method is the formulation of the problem regarding the existence of independent variables, either only on one or more variables. In this study, no comparisons were made between

one variable and another (Sugiyono, 2013). In this study, descriptive method is used to explain the size of financial distress, company size, and audit delay in property and real estate companies listed on the Indonesia Stock Exchange (IDX). While the verification research method is research that tests hypotheses that have a causal relationship. So that it is known the influencing variables, and the variables that are affected. In this study, the verification method is used to explain whether there is an effect of financial distress size, company size, and audit delay on property and real estate companies listed on the Indonesia Stock Exchange (IDX).

Data Types and Sources

The data used by the author in this study is secondary data. According to Sugiyono (2017: 219), secondary sources are sources that do not directly provide data to data collectors, for example through other people or documents. The source of the data used is from the financial statements of Property and Real Estate companies for the 2017-2019 period. The data used is data that can be obtained from the Indonesia Stock Exchange (IDX) through the website www.idx.co.id.

Data collection technique

According to Sugiyono (2013:224), data collection techniques are the most strategic steps in research, because the main purpose of research is to obtain data. Without knowing the data collection techniques, the researcher will not get data that meets the established standards. As for how to obtain data and information in this research, Library Research and Publication Data Reports.

Data analysis technique

Descriptive Analysis

This descriptive analysis describes the maximum, minimum, average, and standard deviation groups. In this study, descriptive analysis is used to describe and determine Financial Distress and Company Size on Audit Delay.

Verification Analysis

Verification analysis is used to determine the relationship between each variable so that a hypothesis can be drawn from each variable, the variables in this study are Financial Distress and Company Size on Audit Delay.

Classic Assumption Test

Classical assumption measurements used in this study include normality test, multicollinearity test, heteroscedasticity and autocorrelation test (Ghozali 2018)

Normality test

The purpose of the normality test is to test whether the residual regression model has a normal distribution. If this assumption is violated, the statistical test becomes invalid for a small sample size. There are two ways to detect whether the residuals are normally distributed or not, namely by graphical analysis and statistical tests (Ghozali, 2018:161).

Graphic Analysis

Graph analysis is the easiest way to see the normality of the residuals by looking at the histogram graph that compares the observation data with a distribution that is close to a normal distribution. However, this can be misleading, especially if the research sample is small if you only look at the histogram, then there is a more reliable method, namely by looking at the normal probability plot that compares the cumulative distribution of the normal distribution. The normal distribution will form a straight diagonal line, and plotting the residual data will be compared with the diagonal line. If the distribution of residual data is normal, then the line that describes the actual data will follow the diagonal line.

The normality test can be detected by looking at the spread of points on the diagonal axis of the graph or by looking at the histogram of the residuals. Decision making basis:

a. The regression model meets the assumption of normality, if the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern.
b. The regression model does not meet the assumption of normality, if the data spreads far from the diagonal or does not follow the direction of the diagonal line or the histogram graph does not show a normal distribution pattern.

Statistic analysis

Normality test with graphs can be misleading if you are not careful, visually it can look normal but statistically it can be otherwise. Therefore, it is recommended that in addition to using graphical analysis, it is also recommended to test the normality of the residuals using statistical analysis. The normality test in this study is the Kolmogorov-Smirnov non-parametric statistical test in the SPSS program. With the following conditions:

a. If the probability > 0.05 then the distribution of the regression model is normal.
b. If the probability < 0.05 then the distribution of the regression model is not normal

Multicollinearity Test

The multicollinearity test aims to test whether the regression model is found to have a correlation between the independent (independent) variables. A good regression model should not have a correlation between independent variables. To detect the presence or absence of multicollinearity in the model, by looking at the tolerance and Variance Inflation Factor (VIF). In this study, the tolerance value = 0.10 is the same as the colony level of 0.95. The value used to indicate the presence of multicollinearity is the tolerance value 0.10 or equal to the VIF value 10, while the value used to indicate the absence of multicollinearity is the tolerance value 0.10 or equal to the VIF value 10 (Ghozali, 2018 :107-108).

Heteroscedasticity

According to Ghozali, the heteroscedasticity test aims to test the regression model whether there is an inequality of variance from the residuals or observations to other observations. It is said to be Homoscedasticity if the variance from the residual of one observation to another observation remains, but if it is different it is called Heteroscedasticity (Ghozali, 2018:137-138). A good regression model is the one with homoscedasticity or no heteroscedasticity. Basic analysis:

Heteroscedasticity occurs, if there is a certain pattern such as the existing dots forming a certain regular pattern (wavy, widening then narrowing).

There is no heteroscedasticity, if there is no clear pattern and the points spread above and below the number 0 on the Y axis.

Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). There is an autocorrelation problem if there is a correlation. So the regression model is said to be good if the regression is free from autocorrelation (Ghozali, 2018: 111-112).

Multiple Linear Regression Analysis

Multiple linear regression analysis is useful for testing the effect of two or more independent variables on one dependent variable. This model describes the existence of a linear relationship between the dependent variable and each predictor (Janie, 2012:13). Multiple linear regression model is shown by the following regression equation:

$Y=\alpha+\beta_1 X_1+\beta_2+\varepsilon_i$

Where:

Y = Audit Delay as dependent variable

= Constant
_1 and _2 = Independent variable regression coefficient
X_1 = Financial Distress as independent variable
X_2 = Firm Size as independent variable
= error

Simultaneous Significant Test (Statistical Test F)

The F test is a test of the regression coefficients simultaneously. This test is used to determine the effect of all the independent variables contained in the model together (simultaneously) on the independent variables. The F test in this study was used to test the significant effect of Financial Distress and Leverage on Financial Distress simultaneously.

After getting the value of Fcount, then it is compared with the F table obtained by using a significant level of 5% level with degrees of freedom (dk) = (k; n-k). The criteria used as the basis for comparison are as follows:

H_0 is rejected if F count > F table or sig value <
H_0 is accepted if F count < F table or sig value >
H_0 is rejected, indicating that the effect of the independent variable simultaneously on the dependent variable is significant. Meanwhile, if H_0 is accepted, this indicates that the effect of the independent variable simultaneously on the dependent variable is not significant.

Partial Test (t Test)

This test is useful for showing how far the influence of one explanatory/independent variable individually in explaining the dependent variables (Ghozali, 2018:98). The t-test in this study was used to partially test the effect of Financial Distress and Company Size on Audit Delay. The results of the t-count calculation are compared with the t-table using an error rate of 0.05 or 5% with degrees of freedom (dk) = (α/2; n-1-k). The criteria used as the basis for comparison are as follows:

H_0 is accepted if tcount < ttable or sig value >

H_0 is rejected if the value of tcount > ttable or the value of sig <

H_0 is accepted, it means that the influence of the independent variable partially on the dependent variable is considered insignificant. Meanwhile, if H_0 is rejected, it means that the independent variable partially on the dependent variable is considered to have a significant effect.

RESULTS

Descriptive Statistics Test Results

Descriptive analysis aims to describe and find out the description of each variable used in the study. The descriptive statistics used in this study include the minimum value, maximum value, average value and standard deviation with the following results:

Table 4.1
Descriptive Statistics of Research Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Distress	66	0,460	2,293	1,25894	,483529
Ukuran Perusahaan	66	22,258	31,628	27,41526	2,839536
Audit Delay	66	42	99	73,5909	15,25070
Valid N (listwise)	66				

Source : SPSS 26

The results of the descriptive analysis in table 4.1 show that the number of observations (N) of this study were 66 samples from 22 Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2019 period. Based on table 4.4 above, it can be explained that the results of descriptive statistical tests are as follows:

1. Variable Financial Distress

Shows the minimum value of 0.460 is at PT. Alam Sutra Realty Tbk. year 2018; the maximum value of 2.293 is at PT. VivatexTbk Wheels. year 2017; the average value (mean) 1.25894; and standard deviation .483529.

2. Firm Size Variable

Shows the minimum value of 22,258 is at PT. Plaza Indonesia Realty Tbk. year 2017; the maximum value of 31,628 is at PT. Bumi Serpong Damai Tbk. year 2019; the average value (mean) 27.41526; and standard deviation 2.839536.

3. Variable Audit Delay

Shows the minimum value of 42 is at PT. Bumi Serpong Damai Tbk. year 2017; the maximum value of 99 is at PT.Moderenland Realty Tbk. year 2019; the average value (mean) 73.5909; and standard deviation 15.25070.

Normality test

The normality test is a test that aims to test whether the residual regression model has a normal distribution. By using the statistical analysis of the One Sample Kolmogorov-Smirnov Test in testing the normality of the residuals provided that if the Kolmogorov-Smirnov Test is calculated to be greater than 0.05, the data distribution is said to be close to a normal distribution. The following Kolmogorov-Smirnov table can be seen:

Table 4.2
Kolmogorov-Smirnov . Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		66
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	12,52664246
Most Extreme Differences	Absolute	,090
	Positive	,090
	Negative	-,077
Test Statistic		,090
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Output SPSS 26

Table 4.2 shows the results of the Kolmogorov-Smirnov test showing Asymp. Sig. (2-tailed) of 0.200 which means it is greater than 0.05. Thus, it can be concluded that the data used in this study were normally distributed.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model is found to have a correlation between the independent (independent) variables. A good regression model should not have a correlation between independent variables. The following can be seen the results of the multicollinearity test in table 4.3:

Table 4.3
Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Financial Diestress	,996	1,004
	Ukuran Perusahaan	,996	1,004

a. Dependent Variable: Audit Delay

Source: Output SPSS 26

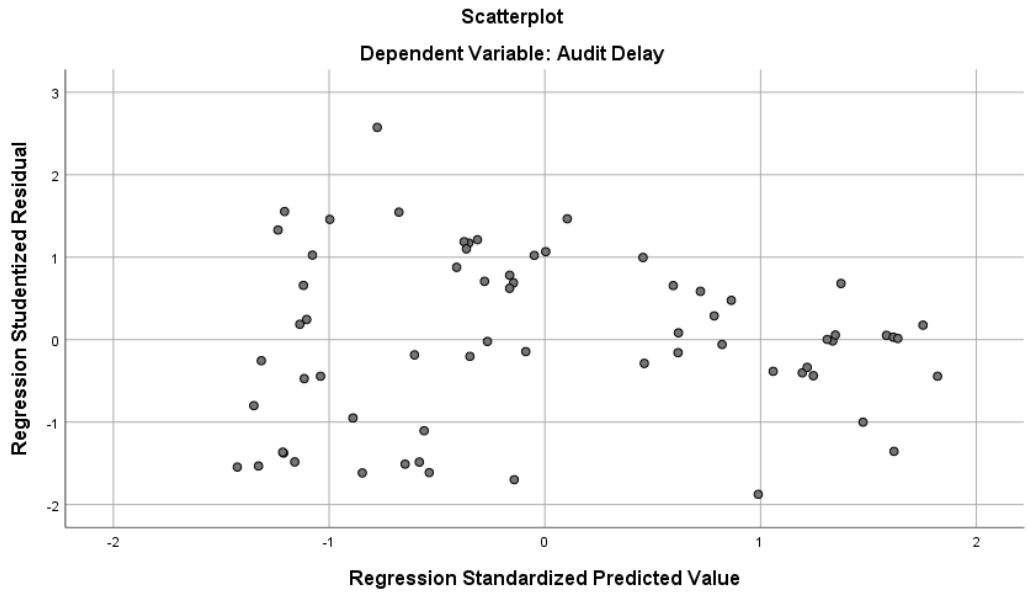
The results of the multicollinearity test in table 4.3 show that the independent variable has a tolerance value of more than 0.10, which is 0.996, then for the calculation of the Variable Inflation Factor (VIF) value, the result shows that the independent variable is less than 10, which is 1.004. From the results of tolerance and Variable Inflation Factor (VIF), the author can conclude that there is no multicollinearity between independent variables.

Heteroscedasticity Test

The heteroscedasticity test aims to test the regression model whether there is an inequality of variance from the residuals or observations to other observations. Good test results if there is no heteroscedasticity or homoscedasticity occurrence. The following can be seen the results of the Heteroscedasticity test in Figure 4.4:

Figure 4.4

Heteroscedasticity Test Results



Source: SPSS 26 . Output

Based on Figure 4.4 above, it can be seen that the scatterplot graph spreads well above and below the number 0 on the Y axis, does not form a certain pattern or is irregular. So the writer can conclude that the regression model in this study avoids heteroscedasticity.

Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). So the regression model is said to be good if the regression is free from autocorrelation. Here can be seen the results of the autocorrelation test in table 4.5:

Table 4.5

Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,570[a]	,325	,304	12,72392	2,034

a. Predictors: (Constant), Ukuran Perusahaan , Financial Diestress

b. Dependent Variable: Audit Delay

Source: Output SPSS 26

Based on the autocorrelation test in table 4.5, it can be seen that the Durbin Watson value is 2.034. The DW value is between dU (1.6640) < DW (2.034) < 4-dU (4 - 1.6640 = 2.336). So the author can conclude that in this study there is no autocorrelation. This means that the independent variables in this study are not disturbed or affected by confounding variables.

Multiple Linear Regression Analysis

Multiple linear regression analysis model is useful for testing the effect of two or more independent variables on one dependent variable, namely to determine the effect of Financial Distress and Company Size on Audit Delay in Property & Real Estate Companies Listed on the Indonesia Stock Exchange (IDX) in 2017- 2019. The results of multiple linear regression are shown in table 4.6 as follows:

Table 4.6
Multiple Linear Regression Test Results
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	157,291	15,640		10,057	,000
	Financial Distress	-7,421	3,270	-,235	-2,269	,027
	Ukuran Perusahaan	-2,712	,557	-,505	-4,870	,000

a. Dependent Variable: Audit Delay
Source: Output SPSS 26

$$Y = \alpha + \beta_1 X_1 + \beta_2 + \varepsilon_i$$

Based on the table above, the regression equation model can be made as follows:

$$Y = 157{,}291 - 0{,}7421\ X_1 - 0{,}2712\ X_2 + error$$

Description:
Y = Audit Delay as dependent variable
α = Constant
β_1 and β_2 = Independent variable regression coefficient
X_1 = Financial Distress as independent variable
X_2 = Firm size as independent variable
ε = error
From the regression equation that has been compiled, it can be interpreted as follows:
The constant value (a) of 157.291 indicates that if the independent variable is 0 or omitted, then the Audit Delay value is 157 days.

The Financial Distress coefficient of -7.421 indicates that for every 1 point addition to the size of the company, it will be followed by a decrease in the Audit Delay value of 7.421.
The operating profit/loss coefficient of -2.712 indicates that for every 1 point addition to the total operating profit/loss, it will be followed by a decrease in the Audit Delay value of 2.712.
Coefficient of Determination Test (R2)

The coefficient of determination (R2) is a coefficient that measures how far the model's ability to explain variations in the dependent variable is. In this test, the value of Adjusted R2 is used to measure the coefficient of determination. The following can be seen the results of the Determination test (R2) in table 4.10:

Table 4.7
Coefficient of Determination Results
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	,570[a]	,325	,304	12,72392	,325

a. Predictors: (Constant), Ukuran Perusahaan , Financial Diestress
b. Dependent Variable: Audit Delay
Source: Output SPSS 26

Based on the results of the coefficient of determination in table 4.7, it can be seen that the value of R = 0.570 or 57% which indicates that there is a moderate relationship between the financial distress variable and firm size. While the coefficient of determination can be seen that the Adjusted R Squere value is 0.304 or 30.4%. Thus, the writer concludes that the Y variable is influenced by the X variable by 30.4% while the remaining (100% - 30.4% = 69.6%) is influenced by other factors.

T test (Simultaneous Test)

This test is useful for showing how far the influence of one explanatory/independent variable individually in explaining the dependent variables. The t-test in this study was used to test the significant effect of Financial Distress and Company Size on Audit Delay

Test Criteria:

H_0 is accepted if tcount < ttable or sig value >

H_0 is rejected if the value of tcount > ttable or the value of sig <

To make a conclusion to accept or reject H_0, it must first be determined the ttable values that will be used. Then t table can be calculated t (α/2; n-1-k) = t (0.025 ; 66-1-2) = t (0.025; 63). From these calculations, it is obtained ttable of 1.99834.

Research Results on the Effect of Financial Distress on Audit Delay

Table 4.8
T-Test Results for Financial Distress Variable
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	157,291	15,64		10,057	0
	Financial Distress	-7,421	3,27	-0,235	-2,269	0,027

a. Dependent Variable: Audit Delay

Source: Output SPSS 26

Based on table 4.8, it can be seen that the financial distress variable (X1) which is calculated using the proportion of financial distress has a t count of -2.269 > 1.99834 (t table),

with a significant value of 0.027 which is less than 0.005 (0.027 < 0.05), it means H_0 is rejected and H_1 is accepted

So based on the results of testing these hypotheses, it can be concluded that the authors conclude that Financial Distress as measured by the proportion of financial distress partially affects audit delay (Y) with a significance level of 5% in Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019.

Effect of Financial Distress on Audit Delay

Based on the hypothesis testing that has been carried out in table 4.8, it shows that the financial distress variable has a t count value of -2.269 > 1.99834 (t table), with a significance value of 0.027 which is less than 0.05 (0.027 < 0.05), meaning that H_0 is rejected and H_1 is accepted. So, based on the results of testing the hypothesis, it can be concluded that the author partially concluded that Financial Distress had a significant negative effect on Audit Delay with a significance level of 5% in Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019. The results of this study in line with research (Made Gede 2004) which states that financial distress has a negative effect on audit delay. Audit delay will increase when the financial statements experience a delay process. This delay occurred because there was bad news in the financial statements. Financial distress is bad news in financial statements. Bad news to the company can cause the audit delay to be longer, because the company's management deliberately reduces bad news in the company's financial statements. Research (Latrini, M.Y 2017) also states that financial distress has an effect on audit delay. This means that the higher the level of financial difficulty experienced, the longer the audit delay period. Where the high level of financial difficulty is that which has a value of Z 1.8 and 1.8 Z 2.9.

Financial distress conditions that occur in companies can increase audit risk for independent auditors, especially control risk and detection risk. With the increase in audit risk, the auditor must conduct a risk examination and delay the audit process which can have an impact on increasing audit delay.

Research Results on the Effect of Firm Size on Audit Delay

Table 4.9

T-Test Results for Firm Size Variables

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	157,291	15,64		10,057	0
	Ukuran Perusahaan	-2,712	0,557	-0,505	-4,87	0

Source: Output SPSS 26

Based on table 4.9, it can be seen that the variable Company Size (X2) which is calculated using ln total assets has a t count of – 4.87 > 1.99834 (t table), with a significant value of 0.000 which is less than 0.005 (0.000 < 0.005), it means H_0 is rejected and H_1 is accepted.

So based on the results of testing these hypotheses, it can be concluded that the author has partial effect on audit delay (Y) with a significance level of 5% in Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019.

This means that audit delay can occur because the company has a small company size. Small companies take a long time to complete financial reports due to lack of attention from investors and the government so they are not required to quickly complete financial reports, as well as poor internal controls that allow errors or misstatements.

The results of this study are in line with research conducted by (Putri, 2017) which states that company size has a negative effect on audit delay, this means that the larger the company size, the audit delay will increase and experience a delay process.

F Test (Simultaneous Test)

This test is used to determine the effect of all the independent variables contained in the model together (simultaneously) on the independent variables. The F test in this study was used to test the significant effect of Financial Distress and Firm Size on Audit Delay .

Test Criteria:

H_0 is rejected if Fcount > Ftable or sig value <

H_0 is accepted if Fcount < Ftable or sig value >

To make a conclusion to accept or reject H_0, it must first be determined the Ftable values that will be used. Then Ftable can be calculated F (k; n-k) = F (2; 66-2) = F (2; 64). From these calculations, it is obtained Ftable of 3.11. The following can be seen the results of the F test (simultaneous test) in table 4.11:

Table 4.11

F . Test Results

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4918,364	2	2459,182	15,190	,000[b]
	Residual	10199,590	63	161,898		
	Total	15117,955	65			

a. Dependent Variable: Audit Delay

b. Predictors: (Constant), Ukuran Perusahaan , Financial Diestress

Source: Output SPSS 26

Based on the F test output contained in table 4.10, we can see that the Fcount value obtained is 15.190 > 3.14 (Ftable) with a significance value of 0.000 which is less than 0.05 (0.000 < 0.05), meaning that H0 is rejected and H1 received.

DISCUSSION

Based on the results of testing the hypothesis, the authors can conclude that Financial Distress and Company Size simultaneously have a significant effect on Audit Delay with a significance level of 5% in Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019.

This implies that the delay in results (Audit Delay) can occur because the company has a low company and has a high financial crisis condition (financial distress). The two variables are related and support each other so that it affects the audit delay.

CONCLUSION

The Effect of Financial Distress and Company Size on Audit Delay partially on Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017 – 2019, Financial Distress has a negative effect on audit delay with a significance level of 5%. These results mean that the higher the level of financial difficulty of the company, the longer the audit delay, in this case the company that has a high level of financial difficulty is the one that has a value of Z 1.8 and 1.8 Z 2.9 so that the lower the Z-score value, the longer the audit delay. Firm size has a negative effect on audit delay with a significance level of 5%. This result implies that the larger the firm size, the lower or shorter audit delay will be. The Effect of Financial Distress and Company Size on Audit Delay simultaneously on Property & Real Estate companies listed on the Indonesia Stock Exchange (IDX) in 2017 – 2019. Based on the results of the F Test, it shows that Financial Distress and Company Size simultaneously have a significant effect on audit delay by The significance level of 5% indicates that the financial distress and firm size variables can explain the delay in the independent auditor's report on the financial statements or audit delay audit delay. Financial Distress and Company Size in this study were able to affect the audit delay by 30.4% and the rest was influenced by other factors.

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