

The Effect of Operating Profit, Audit Tenure, Auditor Switching and Company Size on Audit Delay

(Empirical Study of Companies Listed LQ 45 Index Period 2016 - 2020)

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Abstract : *The purpose of this study is to determine and analyze the effect of operating profit, audit tenure, auditor switching and company size on audit delay in LQ 45 Index companies listed on the Indonesia Stock Exchange for the period 2016 – 2020. The research method used in this study is a quantitative method. The data used is secondary data in the form of financial statements of the LQ 45 Index companies in 2016 - 2020. The sampling method uses the purposive sampling method and obtained 28 sample companies for five years of observation (2016-2020) so that there are 140 samples. Hypothesis testing in this study used multiple linear regression analysis using SPSS version 25 program. The results showed that the audit tenure positive and significant effect on audit delay with a sig value of 0.000 while company size had a negative and significant effect on audit delay with a sig value of 0.000. The operating profit variables and auditor switching have no effect on audit delay with sig values of 0.122 and 0.857, respectively.*

Keywords: *operating profit, audit tenure, auditor switching, company size, audit delay*

I. INTRODUCTION

Financial reports are a very crucial instrument in measuring and assessing the performance of a company and are useful in making decisions and providing information that reflects the financial condition of a company for users. financial statements, especially investors where financial statements are presented in a timely manner so as not to reduce the benefits of financial statements (Rajaguguk, 2019). Information in financial statements can be useful if the information can be conveyed appropriately, quickly and accurately. Go-public companies are required to submit financial reports that have been prepared in accordance with financial accounting standards and have been audited by public accountants, in order to provide accurate information to users of financial statements regarding the financial condition of public companies in Indonesia (Saputri et al., 2021).

In Indonesia, there are regulations regarding the submission of financial reports. Bapepam Regulation XK6 Attachment to the Decree of the Chairman of Bapepam Number: KEP-431/BL/2012 and also the Financial Services Authority (OJK) Regulation regarding the Annual Report of Issuers or Public Companies, which states that the company's annual financial report must be accompanied by an audited report and reported no more than from the end of the fourth month after the end of the fiscal year.

In the Statement of Financial Accounting Standards (PSAK) No. 1 Paragraph 38 the benefits of financial statements will be reduced if the financial statements are not available on time, if there is a delay, the resulting information can reduce the level of relevance of a financial statement. Submission of the report on the delayed financial statements is very influential on audit reporting, the audit process is seen from the length of time it takes. The longer the time required to carry out the audit, it is called the audit delay. Audit Delay is the time span in completing the audit from the closing of the yearbook to the date of publication of the audit report. This audit delay will affect the accuracy of the published information, thereby reducing the benefits of the financial statements.

Based on the IDX announcement regarding the delay in submitting audited financial statements in 2016 – 2020, it can be seen that there is an increase in delays in submitting audited financial statements every year. The increase in the length

of the audit delay will have an impact on the price of shares and bonds in the company caused by several internal and external factors of the company. In the context of this research, the researcher takes several factors that can affect audit delay. The first factor is operating profit, or the level of company profit generated by a company, showing the company's performance which determines the sustainability of the company itself. The second factor is audit tenure. Audit tenure is defined as the number of years a KAP or an auditor has audited a company. The third factor is auditor switching, which is the change of Public Accountants and Public Accounting Firms carried out by client companies. The auditing process will take longer than the auditor continuing his duties in auditing the financial statements, thus causing delays in the submission of the auditor's financial statements. The fourth factor that can affect audit delay is company size. Company size is a benchmark by which the size of a company can be classified. The size (Big) of the company can be expressed by total assets, market capitalization, and sales.

This study takes company data on the LQ 45 Index listed on the Indonesia Stock Exchange. The LQ 45 index is a stock indicator with high liquidity (LiQuid) and large market capacity and is supported by good company fundamentals. In the LQ 45 stock index there are only companies that are actively traded and will change in each period depending on the high or low stock trading of the issuer. This indicates that the LQ45 index is a stock issuer that is of interest to investors.

II. HEADINGS

Literature Review and Hypothesis Development

Agency Theory

Agency theory is the proper contract design to align the interests of the principal and agent in the event of a conflict of interest. In this study, the company is the principal, while the agent is management. Conflicts of interest can occur due to various causes, for example information asymmetry which is considered an information imbalance due to the unequal distribution of information between agents and principals (Lestari & Saitri, 2017). Therefore, in examining the responsibilities that have been carried out by management, it is necessary to have a third party as an independent intermediary between the principal and the agent, namely the Effect of Operating Profit, Audit Tenure, Auditor Switching and Company Size.

Signal Theory

Theory Signal theory emphasizes the importance of information issued by the company. on investment decisions by parties outside the company. Information is one of the important elements for investors and business people because in essence information presents records, descriptions or information on the survival of a company in the past, present, or in the future. One of the information issued by the company that can be a signal for investors or other parties outside the company is the annual report.

Audit Delay

Information needed by users of financial statements is not only presented accurately but must be presented on time so as not to reduce the value of the benefits of the information contained in the financial statements. The usefulness of information will be reduced if the information submitted is too late. Audit delay or audit report lag, is a factor that affects the timeless publication of financial statements. The process of the length of audit delay depends on the length of time the auditor completes the audit work (Kowanda et al., 2016). The longer the auditor completes his audit work, the more likely the company is to be late in submitting financial reports to BAPEPAM and other users. Registered Issuers or Public Companies are required to submit an annual financial report accompanied by an audited report to Bapepam and LK no later than 4 months (120 days) after the end of the financial year.

Operating Profit Operating

Profit reflects the company's performance which will determine the viability of a company. The amount of profit generated by the company greatly affects the timeliness in the preparation of the audit report (Sari & Widhiyani, 2015). Profit is one indicator of a company's performance because the main purpose of a company's operational activities is to earn a profit. Investors need management performance information to assess or predict a company's ability to operate. Profit which is a proxy in this study is operating profit (income from operations).

Audit Tenure

Audit Tenure is the period of time a public accounting firm engages with its clients in providing financial statement auditing services (Praptika&Rasmini, 2016). Tenure audit is an effort made to prevent the auditor's behavior from interacting too closely with the client, so as not to affect the independence of an auditor in carrying out his duties to examine the client's financial statements. In Indonesia itself there are rules governing audit tenure in Government Regulation (PP) Number 20/2015 article 11 paragraph (1), it is explained that KAP is no longer limited to auditing a company. The restriction only applies to AP (Public Accountant), which is for 5 consecutive financial years. The auditor may return to audit assignments for the client after 2 financial years of not providing general audit services on the client's financial statements.

Auditor Switching

Auditor Switching is a policy taken by the company to decide its cooperation with the auditor. This can occur due to the expiration of a work contract between the auditor and the client company or it can be caused by regulations. Auditor Switching can be mandatory or voluntary based on which party is the focus of attention of the auditor's independent issue. Auditor Switching which is mandatory (mandatory) due to carrying out the obligations of the applicable regulatory provisions. And voluntary auditor switching occurs between two things, namely the auditor resigns or the auditor is fired by the client (Praptika&Rasmini, 2016). The change of auditors aims to maintain the independence of the auditors in order to remain objective in carrying out their duties as auditors.

Company Size

Company size is the size of a company. Company size can be measured from total assets, total sales, number of workers and others. As for the various previous studies that have been carried out, it is stated that large companies are expected to complete the audit process faster than small companies. This is due to several factors, including the management of large-scale companies that tend to be given incentives to reduce audit delays because companies are closely monitored by investors, capital supervisors from the government. These parties are very interested in the information contained in a financial report.

Framework for Thinking

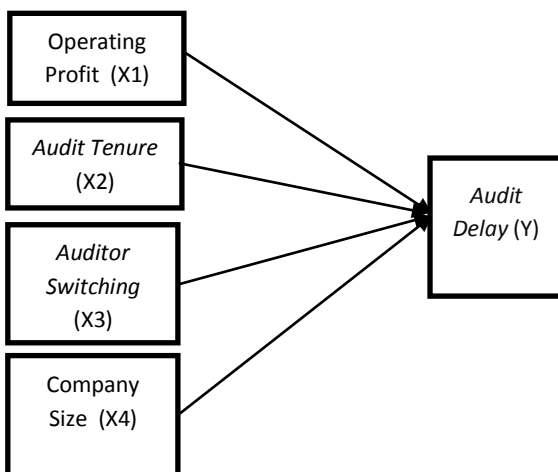


Figure 2.1 Framework for Thinking

III. INDENTATIONS AND EQUATIONS

Types and Sources of Research

This research is included in the category of quantitative research that is descriptive and hypothesis testing. This study tries to reveal and explain how much influence or relationship between variables are expressed in numbers by describing or describing the data that has been collected for analysis using analytical tools that are in accordance with the variables used in the study. The source of the data obtained in this study is secondary data in which the data used are in the form of financial statements of companies listed on the LQ45 Index on the Indonesia Stock Exchange for the

period 2016 – 2020. The data source is obtained from the official website of the Indonesian Stock Exchange (IDX) www.idx.co.id.

Population, Sample and Sampling Methods

In this study, the population used were companies listed on the LQ45 Index on the Indonesia Stock Exchange (IDX) in the period 2016 – 2020. The sampling technique of this study was carried out using the purposive sampling method.

The sample criteria used in this study include the following:

1. Companies that are consistently included in the LQ 45 Index during the period 2016 - 2020.
2. LQ45 companies that consistently publish audited financial statements during the period 2016 - 2020.
3. LQ45 companies who have complete data needed during the research period, namely 2016 – 2020.

Operational Definition and Measurement of Research

Dependent Variables

Variables The dependent variable in this study is audit delay. Audit delay is the time span required by the auditor to complete the audited financial report, which is calculated from the closing date of the company's books, which is December 31, until the date the audit report is issued.

$$\text{Audit Delay} = \text{Audit Report Date} - \text{Financial Statement Date}$$

Independent Variables

Operating Profit

Profit is one of the performance indicators of a company because the main purpose of the company's operational activities is to earn profit (Charviena&Tjhoa, 2016). Operating Profit can be used as a tool to measure the performance of a company. Operating profit is measured using the total profit margin ratio (Sari &Widhiyani, 2015).

$$\frac{\text{Net Profit}}{\text{Sales}} \times 100 \%$$

Audit Tenure

Audit tenure is measured by counting the number of years of engagement between the auditor and KAP (Sawitri&Budiartha, 2018). The first year of engagement begins with the number 1 and is added by one for subsequent years. This information is seen in independent auditors' reports for several years to ascertain how long the KAP auditors have audited the company.

Auditor Switching

Auditor switching is the change of auditors between the current year and the previous year (Siahaan et al., 2019). Auditor switching in this study is measured by dummy variables, namely, values 1 and 0. Where a value of 1 indicates auditor switching and a value of 0 indicates no auditor switching.

Company Size

Company size as the size of a company can be measured using the total assets of the company listed in the audited financial statements using logarithms. Company size is measured by the natural logarithm of total assets.

$$\text{Company Size} = \ln (\text{Total Assets})$$

Analysis Method

The data analysis technique used in this research is multiple linear regression analysis. Multiple linear regression analysis model was used to see the effect of the independent variable on the dependent variable. Multiple linear

The Effect of Operating Profit, Audit Tenure, Auditor Switching and Company Size on Audit Delay

regression analysis in this study was used to determine the effect of operating profit, audit tenure, auditor switching, and company size on audit delay. Then, the t-test, f-test, and determinant (R²) test were carried out. After testing the classical assumptions and testing the accuracy, then the hypothesis is tested, the regression equation model is as follows:

$$\text{DELAY} = 374,338 - 22,325 \text{ NPM} + 4,238 \text{ AT} - 0,551 \text{ AS} - 10,004 \text{ SIZE} + e$$

Description :

DELAY = Audit Delay

NPM = Operating Profit

AT = Audit Tenure

AS = Auditor Switching

SIZE = Company Size

e = error

IV. FIGURES AND TABLES

This study uses research subjects in the form of LQ 45 companies listed on the Indonesia Stock Exchange for the period 2016 - 2020. The data obtained are 45 companies. The sample was found using a purposive sampling technique so that a sample of 136 company data was obtained as follows:

Tabel IV.I Determination of the Number of Samples

Sample Criteria	Number
LQ 45 Companies listed on the Indonesia Stock Exchange for the period 2016 - 2020	68
Less	
LQ 45 Companies that are not consistently included in the Index LQ 45 consecutively during the period 2016 - 2020	39
LQ 45 companies that do not publish annual financial reports during the period 2016 - 2020	0
LQ 45 companies that do not have the necessary variable data completeness during the period 2016 - 2020	1
Total companies that meet the criteria	28
Total companies according to the criteria x 5 years of observation	140

Source: Secondary data processed by the author, 2022

Descriptive Statistical Analysis

Tabel IV.II Descriptive Statistical Results

Variabel	N	Minimum	Maximum	Mean	Std. Deviasi
DELAY	140	15	147	63,17	24,318
NPM	140	-0,07	0,56	0,1514	0,11136
AT	140	1	5	2,67	1,406
AS	140	0	1	0,56	0,498
SIZE	140	29,20	34,95	31,9679	1,37611
Valid N (listwise)	140				

Source: Secondary data processed by the author, 2022

Based on the descriptive statistical table above, it shows that Operating Profit as measured by Net Profit Margin (NPM). In this study, the minimum value of -0.07, namely at Perusahaan Gas Negara Tbk in 2020, indicates that the company has a low operating profit and a maximum value of 0.56, namely at Bank Central Asia Tbk in 2017 indicating that the company has a high operating profit. . The average value of 140 observations of 0.1514 shows positive results which means that the average LQ45 company has an operating profit of 0.1514 and a standard deviation value of 0.11136 shows relatively small data, because the value is smaller than the value mean..

Audit Tenure which is measured by calculating the length of the engagement year. In this study, the minimum value is 1 and the maximum value is 5, which indicates the length of the year of engagement between the auditor and KAP. The first year of engagement begins with the number 1 and is added by one for subsequent years. The audit tenure variable has an average value of 2.67 and a lower standard deviation value of 1.406. The standard deviation value which is lower than the average value indicates that the data is relatively homogeneous.

Auditor Switching is measured by a dummy variable. In this study, the minimum value is 0 for companies that change auditors and the maximum value is 1 for companies that change auditors. The average value obtained from the auditor switching variable is 0.56, while the standard deviation value is 0.498. The standard deviation value which is lower than the average value indicates that the data is relatively homogeneous.

Company size (SIZE) which is proxied by Ln from total assets. In this study, the minimum value of 29.20, namely Surya Citra Media Tbk in 2016 showed that the company had a low company size value and a maximum value of 34.95, namely Bank Rakya Indonesia in 2020, indicating that the company had a high company size value. The average value obtained from the company size variable is 31.9679, while the standard deviation value is 1.37611. The standard deviation value which is lower than the mean value indicates that the data is relatively homogeneous.

Based on 140 observation data, it shows that the audit delay variable is at a minimum value of 15, namely the Bank Negara Indonesia company in 2017 indicating that the company has a low audit delay value and the maximum value is 147, namely the Media Nusantara Citra Tbk company in 2020 indicating that the company has an audit value. high delays. The audit delay variable has an average value of 63.17 and a lower standard deviation value of 24.318. The standard deviation value which is lower than the average value indicates that the data is relatively homogeneous.

Classical Assumption Test

1. Normality Test

Table IV.III Kolmogorov-Smirnov Test Results

Variable	Sig. (2-tailed)	Information
Unst.Residual	0,096	Data normally distributed

Source: Secondary data processed by the author, 2022

Based on the results of the SPSS output above, the value of sig. 0.096 means that the residual significance value is more than 0.05, which is 0.096, so it can be concluded that the data used in this study were normally distributed.

2. Multicollinearity Test

Table IV.IVMulticollinearity Test Results

Model	Collinearity Statistics		Information
	Tolerance	VIF	
NPM	0,876	1,141	No Multicollinearity
AT	0,948	1,055	No Multicollinearity
AS	0,986	1,014	No Multicollinearity
SIZE	0,866	1,154	No Multicollinearity

Source: Secondary data processed by the author, 2022

The results of the SPSS output above show that the VIF value for each independent variable is less than 10 and the tolerance value is above 0.10, so it can be concluded that all independent variables in this study are not indicated by multicollinearity.

3. Heteroscedasticity Test

Table IV.V Results of Spearman Rho Heteroscedasticity Test

Variable	Sig.	Information
NPM	0,568	No heteroscedasticity
AT	0,896	No heteroscedasticity
AS	0,641	No heteroscedasticity
SIZE	0,849	No heteroscedasticity

Source: Secondary data processed by the author, 2022

Based on the results of the SPSS output above, it shows that the sig value > 0.05, so it can be concluded that there is no heteroscedasticity symptom in the regression model, Thus the regression model is feasible to use to predict the effect of operating profit, audit tenure, auditor switching and company size variables on audit delay.

4. Autocorrelation Test

Table IV.VI Autocorrelation Test Results Durbin-Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,661 ^a	0,437	0,420	17,580	1,972

Source: Secondary data processed by the author, 2022

Based on the results of the SPSS output above, the Durbin-Watson value is 1,972. $SodU (1,7830) < DW(1,972) < 4-dU (2,217)$ it can be concluded that in the regression analysis in this study there is no autocorrelation.

Multiple Linear Regression Analysis

Table IV.VII Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	374,338	36,584		10,232	0,000
NPM	-22,325	14,330	-0,109	-1,558	0,122
AT	4,238	1,097	0,260	3,862	0,000
AS	-0,551	3,057	-0,012	-0,180	0,857
SIZE	-10,004	1,173	-0,601	-8,530	0,000

Source: Secondary data processed by the author, 2022

Based on the table above, a multiple linear regression equation can be arranged as follows

$$DELAY = 374,338 - 22,325 NPM + 4,238 AT - 0,551 AS - 10,004 SIZE + e$$

Description :

- DELAY = Audit Delay
- NPM = Operating Profit
- AT = Audit Tenure
- AS = Auditor Switching
- SIZE = Company Size
- e = error

Based on the regression results are as follows :

1. The value of the constant is 374.338, meaning that if the operating profit variables, audit tenure, auditor switching, company size are assumed to be constant or equal to zero, the length of audit delay will be has increased by 374.338. The operating profit coefficient is -22.325 and is negative. This shows that if the operating profit variable increases by 1 unit with the assumption that the variables of audit tenure, auditor switching and company size will result in a decrease in audit delay by 22,325.
2. The value of the operating profit variable coefficient shows a negative value of -22.325. So every 1 (unit) increase in operating profit calculated by the profit margin ratio (NPM) can reduce audit delay by -22,325. Conversely, if there is a decrease of 1 (unit) operating profit, it will increase the occurrence of audit delay by -22,325. This is because the size of the operating profit can have an influence on the process of audit delay. The auditor switching coefficient value shows a value of -0.551 and is negative. This shows that if the auditor switching variable increases by 1 unit with the assumption that the operating profit, audit tenure and company size variables or remains will result in a decrease in audit delay by 0.551
3. The magnitude of the audit tenure coefficient value shows a positive value of 4.238. So every 1 (unit) increase in audit tenure can increase the occurrence of audit delay by 4,238. Conversely, if there is a decrease of 1 (unit) audit tenure, it will reduce the occurrence of audit delay by 4.238. This is because the tenure audit is able to provide an overview of the information regarding the engagement process for how long the KAP auditors audit the company, which will then affect the audit delay.
4. The value of the auditor switching coefficient shows a negative value of -0.551. So every 1 (unit) increase in auditor switching as measured by a dummy variable can reduce audit delay by -0.551. Conversely, if there is a decrease of 1 (unit) auditor switching, it will increase the occurrence of audit delay by -0.551. This is because auditor switching can show whether or not there is a frequent change of auditors by the company.
5. The value of the company size coefficient shows a negative value of -10.004. So every 1 (unit) increase in company size calculated by the natural logarithm of the total can reduce audit delay by -10.004. Conversely, if there is a decrease of 1 (unit) size of the company, it will increase the occurrence of audit delay by -10.004. This is because the size of a company size will affect the occurrence of audit delay.

Hipotesis Test

Simultaneous Test(F Test)

TableIV.VIII F Test Results

Model	<i>Sum of Squares</i>	Df	<i>Mean Square</i>	F	Sig.
Regression	31472,841	4	7868,210	25,459	0,000 ^b
Residual	40485,394	131	309,049		
Total	71958,235	135			

Source: Secondary data processed by the author, 2022

Based on the table above, it can be seen that the significant value is $0.000 < 0.05$, thus the hypothesis is accepted. That is, the independent variables (operating profit, audit tenure, auditor switching, and company size) simultaneously affect the dependent variable (audit delay).

Coefficient of Determination

Table IV.IX Results Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,661 ^a	0,437	0,420	17,580

Source: Secondary data processed by the author, 2022

Based on the table above the Adjusted R Square value shows 0.420. This shows that 42% of audit delay variables can be explained by operating profit variables, audit tenure, auditor switching, and company size. While 58% is determined by other variables outside the model studied.

Partial Test (T Test)

Table IV.XT Test Results

Variable	tcount	t _{tabel}	Sig.	Keterangan
NPM	-1,558	1,977	0,122	H ₁ rejected
AT	3,862	1,977	0,000	H ₂ accepted
AS	-0,180	1,977	0,857	H ₃ rejected
SIZE	-8,530	1,977	0,000	H ₄ accepted

Source: Secondary data processed by the author, 2022.

Based on the results of the t-test above, the t table is 1.977 with the results of hypothesis testing as follows:

1. Operating Profit(X1)

Based on the table above shows that the value of Sig. operating profit (NPM) 0.122 with tcount of -1.558 and ttable of 1.977. Due to the value of tcount $-1.558 < t_{table} 1.977$ with a sig value of $0.122 > 0.05$, then hypothesis 1 is rejected. So it can be concluded that operating profit has no significant effect on audit delay.

2. Audit Tenure (X2)

Based on the table above shows that the value of Sig. Audit Tenure (AT) 0.000 with tcount of 3,862 and ttable of 1,977. Due to the value of tcount $3.862 > t_{table} 1.977$ with a sig value of $0.000 < 0.05$, then hypothesis 2 is accepted. So it can be concluded that audit tenure has a positive and significant effect on audit delay.

3. Auditor Switching (X3)

Based on the table above shows that the value of Sig. Auditor Switching (US) with tcount of -0.180 with ttable of 1.977. Due to the tcount $-0.180 < t_{table} 1.977$ with a sig value of $0.857 > 0.05$, the hypothesis is rejected. So it can be concluded that auditor switching has no significant effect on audit delay.

4. Company Size (X4)

Based on the table above shows that the value of Sig. Company Size (SIZE) with tcount of -8,530 with ttable of 1,977. Due to the value of tcount $-8.530 < t_{table} 1.977$ with a sig value of $0.000 < 0.05$, the hypothesis is accepted. So it can be concluded that company size has a significant negative effect on audiy delay.

Discussion of Research Results

a. Effect of Operating Profit on Audit Delay

Calculation of the results of the research on operating profit variable shows the magnitude of the value of t_{count} -1.558 with a significance value of 0.122 so that $t_{count} > t_{table}$ (-1.558 < 1.977) with $sig > 0.05$ (0.122 > 0.05) it can be concluded that operating profit variable has no effect on audit delay. These results indicate that the first hypothesis (H1) which states "There is an effect of operating profit on audit delay in LQ45 companies listed on the Indonesia Stock Exchange in 2016 - 2020" is not proven true.

Operating profit has no effect on audit delay. This can be attributed to the current unstable economic conditions where the company suffers a lot of losses and this is considered a normal thing. Companies that have large profits have no reason to delay the issuance of financial statements. On the other hand, companies that suffer losses cannot delay the issuance of financial statements, this is due to pressure from investors.

The results of this study are in accordance with the results of research conducted by Charviena&Tjhoa (2016) where operating profit has no effect on audit delay. While this study is not in accordance with the results of research conducted by Fiatmoko&Anisykurillah (2015) and Ningsih&Widhiyani (2015), where operating profit is influenced by audit delay

b. The Effect of Audit Tenure on Audit Delay

Calculation of the results of the research on audit tenure variable shows the magnitude of the t_{count} value of 3.862 with a significance value of 0.000 so that $t_{count} > t_{table}$ (3.862 > 1.977) with $sig < 0.05$ (0.000 < 0.05) it can be concluded that the audit variable tenure has an effect on audit delay. These results indicate that the second hypothesis (H2) which states "There is an effect of audit tenure on audit delay in LQ45 companies listed on the Indonesia Stock Exchange in 2016 - 2020" is proven true.

This shows that the longer the audit tenure and the audit engagement period with the client company, the auditor's understanding of operations, business risks, and the company's accounting system can result in a more efficient audit process. This can assist auditors in planning more effective audit programs and high quality audit reports. The longer the assignment period can also shorten the audit completion time and can complete the audited financial statements in a timely manner. Audit tenure is the period of audit assignment between the auditor (KAP) and the company continuously without changing the auditor.

The results of this study are in accordance with research conducted by Yanthi et al. (2020) and Lestari &Saitri (2017), where audit tenures have an effect on audit delay. While this research is not in accordance with the research conducted by Sawitri&Budiarta (2018) and Praptika&Rasmini (2016) where audit tenure has no effect on audit delay.

c. Effect Auditor Switching of Audit Delay

Calculation of the results of the auditor switching shows the magnitude of the value of t_{count} -0.180 with a significance value of 0.857 so that $t_{count} < t_{table}$ (-0.180 < 1.977) with $sig > 0.05$ (0.857 > 0.05) it can be concluded that variable auditor switching has no effect on audit delay. These results indicate that the third hypothesis (H3) which states "There is an effect of auditor switching on audit delay in LQ45 companies listed on the Indonesia Stock Exchange in 2016 - 2020" is not proven true.

Auditor Switching does not affect audit delay. Companies that change auditors aim to maintain independence so that the auditor can be objective in carrying out the duties of an auditor. Because the provisions of the auditor turnover regulation have been regulated by OJK in POJK Number 13 of 2017 that the use of audit services from the AP (Public Accountant) is a maximum of 3 (three) consecutive financial years and can audit the company again after 2 years of the financial year period. When a new auditor will accept a client, he must understand important elements such as industry and business understanding, audit risk and materiality. Before carrying out the audit process, the auditor needs to make an audit plan (audit plan) which contains the development of an appropriate audit strategy for the client. After accepting the client and planning the audit, the new auditor will conduct audit testing and report findings from the client's fiscal year end. Therefore auditor switching does not affect the length of audit delay, this is due to client acceptance and audit planning carried out before the client's fiscal year ends. The existence auditor switching in a company will not affect the length of time for completion of the audit.

The results of this study are in accordance with research conducted by Syah&Wiguna (2017) and Siahaan et al., (2019) where auditor switching has no effect on audit delay. While this research is not in accordance with the research conducted by Wiryakriyana&Widhiyani (2017) and Praptika&Rasmini (2016), where auditor switching effect on audit delay.

d. The Effect of Company Size Audit Delay

Calculation of the results of the research on the company size variable shows the magnitude of the tcount -8,530 with a significance value of 0.000 so that $tcount > ttable$ ($-8,530 > 1,977$) with $sig < 0.05$ ($0.000 < 0.05$) it can be concluded that variable company size effect on audit delay. These results indicate that the fourth hypothesis (H4) which states "There is an effect of company size on audit delay in LQ45 companies listed on the Indonesia Stock Exchange in 2016 - 2020" is proven true.

Company size has an effect on audit delay. This can be interpreted that the larger the size of a company, the more assets the company has and the faster the company reports the results of the audited financial statements. Because a large company usually has a good internal control system and has been running effectively. So that the error rate when preparing financial statements is smaller and the audit evidence obtained will be more reliable than companies that have a weak internal control system, this situation can speed up and facilitate the auditor in the process of auditing financial statements.

The results of this study are in accordance with research conducted by Saputra& Agustin (2021) and Charviena&Tjhoa (2016), where company size affects audit delay. While this research is not in accordance with the research conducted by Wiryakriyana&Widhiyani (2017) where company size has no effect on audit delay.

V. CONCLUSION

Based on the results of the research and hypothesis testing that has been done, the following conclusions can be drawn:

1. Operating Profit has no effect on audit delay. This result is evidenced by the value of tcount $-1.558 < 1.977$ with a sig value of $0.122 > 0.05$, so **H1 is rejected**.
2. Audit Tenure has a positive and significant effect on audit delay. This is evidenced by the value of tcount $3.862 > 1.977$ with a sig value of $0.000 < 0.05$, so **H2 is accepted**.
3. Auditor Switching has no effect on audit delay. This result is evidenced by the value of tcount $-0.180 < 1.977$ with a sig value of $0.857 > 0.05$, so **H3 is rejected**.
4. Company size has a negative and significant effect on audit delay. This is evidenced by the value of tcount $-8.530 < 1.977$ with a sig value of $0.000 < 0.05$, so **H4 is accepted**.

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