

Firm Size as A Moderating Variable on Audit Delay Factors Analysis

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ABSTRACT

Companies that go public avoid audit delays. This refers to the OJK rule number 29/POJK.04/2016 and the size effect phenomenon. This study aims to determine the impact of firm size as a moderating variable of the relationship between profitability and leverage on audit delay in food and beverage companies on the Indonesia Stock Exchange. The study used a purposive sampling technique and obtained a sample of 49 observations from 2014-2020. Applying moderated regression analysis, the results indicate firm size could not moderate the relationship between the effect of profitability on audit delay and firm size could positively moderate the relationship between leverage and audit delay. In other words, the results of this study encourage companies that have a good image in the public to try to avoid audit delays by strengthening their internal controls.

Keywords: Audit Delay; Food and Beverage; Profitability; Leverage; Firm Size

Ukuran Perusahaan Sebagai Variabel Moderasi Pada Analisis Faktor Audit Delay

ABSTRAK

Perusahaan go public berusaha menghindari terjadinya audit delay. Hal tersebut merujuk pada aturan OJK nomor 29/POJK.04/2016 dan fenomena size effect. Penelitian ini bertujuan untuk mengetahui pengaruh ukuran perusahaan sebagai variabel pemoderasi terhadap hubungan profitabilitas dan leverage terhadap audit delay pada perusahaan makanan dan minuman di Bursa Efek Indonesia. Penelitian menggunakan teknik purposive sampling dan diperoleh sampel sebanyak 49 observasi dari tahun 2014-2020. Dengan menggunakan analisis regresi yang dimoderasi, hasilnya menunjukkan bahwa ukuran perusahaan tidak dapat memoderasi hubungan antara pengaruh profitabilitas terhadap audit delay dan ukuran perusahaan secara positif dapat memoderasi hubungan antara leverage dan audit delay. Dengan kata lain, hasil penelitian ini mendorong perusahaan yang memiliki citra baik di masyarakat untuk berusaha menghindari audit delay dengan memperkuat pengendalian internalnya.

Kata Kunci: Audit Delay; Food and Beverage; Profitabilitas; Leverage; Firm Size

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INTRODUCTION

Financial reports as a communication medium about information from internal companies to be addressed to external parties as a basis for decision making and presenting financial reports in a timely manner are the obligations of every company going public (Trisnadevy & Satyawan, 2020). Timeliness is information that is ready to be used before it loses meaning by users of financial statements and its capacity is still available in decision making (IAI, 2012).

The economic statements of publicly traded corporations need to be suggested yearly. That is in accordance with the monetary offerings Authority (OJK) law variety 29/POJK.04/2016 concerning the submission of the once a year report of public companies no later than the monetary yr finishing December 31 of the fourth month. One of the company's barriers in publishing monetary reports to the public and the Capital marketplace Supervisory organization (BAPEPAM) is the timeliness of auditors in completing their audit reports (Bahri & Amnia, 2020).

Audit delay is the audit completion period measured from the closing date of the financial year to the date of issuance of the audit report (Suryanto, 2016). The timeliness of financial reporting can reflect a picture of a company that is disciplined, committed and also a company that can embrace all employees so that they can work well (Brahmadita & Refki, 2018). In addition, in agency theory there is a third party, namely an independent auditor as an intermediary in the difference in interests between the principal and the agent (Damanhuri & Putra, 2020). With the help of the auditor, the financial statements presented by the agent are more reliable.

When management publishes financial statements, it means that management has given a signal, whether it is good news or bad news to the market, in this case investors. According to Kurniawan and Mawardi (2017) and Indri and Suryanawa (2020) state that the relationship between signal theory and external parties lies in the information issued by the company, where this information will affect investment decisions. If the time required for the auditor to carry out the audit process is longer, the audit delay time experienced by the company will be longer. This will make investors interpret the condition as bad news and have an impact on unstable stock prices.

One of the benchmarks for the professionalism of an auditor's performance can be known from the auditor's compliance in completing the audited financial statements in a timely manner. The condition that needs to be considered by the auditor is the way in which the submission of financial statements can be timely and ensure the confidentiality of the information contained in the financial statements does not leak (C. I. E. Pratiwi & Wiratmaja, 2018). The audit process requires adequate evidence so that the estimated time planned as soon as possible can be delayed (Fanny et al., 2019). If the auditor takes too long to carry out the audit process, the company looks like it does not comply with the regulations that have been set, thus causing the company to be subject to applicable sanctions.

Audit delay is so important for a financial report, it requires the auditor to complete the field process more on time (Okalesa, 2018). One sign that a company is experiencing problems with its financial statements can be seen from the delay in the publication of financial statements, because it requires a longer time to

complete the audit. According to Arumsari & Handayani, 2019, the length of time for completing the audit of financial statements is called audit delay.

The company's profitability is one way to accurately assess the extent of the profits to be obtained from investment activities (Purwanti, 2020). The company's profitability can be used by investors to see the effectiveness of the company, show the company's performance in managing its resources and review the company's value. High profitability indicates that the company is experiencing a profit. Profitability is calculated by Return On Assets (ROA), namely the company's profit after tax divided by total assets (Aprilliant et al., 2020). ROA symbolizes the rate of return of the company's asset resources from the business operations of a company. Agency theory explains that principals are motivated to enter into contracts to prosper themselves with ever-increasing profitability (Aljana & Purwanto, 2017). Information signal theory which states that the company is experiencing profit through profitability can be a positive signal for investors. Delaying financial reports will violate the company's compliance with sending financial reports on time (Wijasari & Wirajaya, 2021).

Carlsaw & Kaplan, 1991 explain that a high proportion of debt will also increase the financial risk of a company. The level of leverage high or debt owned by the company certainly makes the auditor more careful in auditing the company, because it can trigger the risk of financial losses, causing the audit delay to be longer (Eksandy, 2017). The level of leverage is measured using the Debt to Equity Ratio (DER), which is the ratio between the total debt value and the total equity value (Rattu et al., 2015). The smaller the ratio, the better and can be calculated by the formula for total debt divided by total equity (Priyadi et al., 2016).

Companies that have a firm size that is assessed from a larger total asset will complete the audit faster (Prameswari & Yustrianthe, 2017). According to (Kowanda et al., 2016) firm size can be known from the proportion of total assets, total sales, number of workers and other aspects. Natural logarithms are used to simplify the structure of the company's total assets which may reach a nominal value of trillions of rupiah without changing the actual comparison (Wahyuni et al., 2013). Most large-scale companies tend to publish financial reports faster because usually companies have stronger internal controls than small-scale companies. Good internal control and structure will reduce errors in preparing financial statements (Pourali et al., 2013). Good corporate governance reflects the existence of the same goals on the part of the agent and the principal. In addition, strong control can provide a positive signal in the form of trust in users of financial statements (Jayati et al., 2020).

Company size is used as a moderating variable because there is one company anomaly called the size effect. The phenomenon of the size effect anomaly was first described by Banz and Reinganum in 1981 in the international capital market. Then, Jones (1996) in his research explains the size effect of an anomaly which shows that small companies generate a higher risk adjusted return than large companies. In addition, this study uses Agency Theory as a grand theory to explain the relationship between agents and principals who jointly integrate the company in achieving commitment and good corporate governance so as to produce good performance. Performance results are achieved in accordance with the understanding of Signaling Theory as a supporting theory, where if a company

has good performance it will give a positive signal to investors. If a company is committed and has strong governance, the company will try to comply with all existing rules. One of the rules is compliance in submitting financial reports in a timely manner to the Indonesia Stock Exchange.

The reason why the researcher uses food and beverage companies is to avoid the bias effect of the industry and the consumption sector as sectors that are considered to always exist and are needed by the society. The food and beverage industry is a manufacturing sector whose performance achievements continue to be consistently positive, both from increased exports, investors and productivity (www.kemenperin.go.id). This made the production growth of the manufacturing industry in the fourth quarter of 2018 increase by 3.90% from the fourth quarter of 2017 (www.kemenperin.go.id). The achievements of the food and beverage industry sector continued to be one of the best supports for increasing the value of national investment, which contributed Rp56.60 trillion in 2018 (www.kemenperin.go.id). The food and beverage industry got the 4th position for Domestic Investment (PMDN) of Rp. 21.26 trillion and the sixth position of Foreign Investment (PMA) of US\$706.7 million in capital realization during the period January to June 2019 (Meidawati et al., 2020). This is also reinforced by previous research by Santana et al., (2019) which explains that only 29% of the company's risk will affect investment in the food and beverage industry in 2013 to 2017.

The size effect phenomenon is more interesting because there are food and beverage companies that experience audit delays, although many sources state that food and beverage companies have a good image in the public. Based on the 2016 financial year period, there were two companies affected by the audit delay, including PT. Tri Banyan Tirta Tbk (ALTO) and PT Siantar Top Tbk (STTP). Furthermore, for the 2017 financial year period, the company affected by the audit delay was PT Siantar Top Tbk (STTP). In the 2018 financial year period, none of the food and beverage companies experienced audit delays. Meanwhile, for the 2019 and 2020 financial years, the company again experienced audit delays, which amounted to three and four companies, respectively. The 2019 period includes PT Bumi Teknokultura Unggul Tbk (BTEK), PT Inti Agri Resources (IIKP), and PT Siantar Top Tbk (STTP). During the 2020 financial year period, the companies affected by the audit delay were PT. Tri Banyan Tirta Tbk (ALTO), PT Bumi Teknokultura Unggul Tbk (BTEK), PT Prasadha Aneka Niaga (PSDN), and PT Siantar Top Tbk (STTP).

There are nonetheless inconsistencies within the effects, such as the results of studies by means of Arifianto & Akhmad, 2017, Lapinayanti & Budiarta, 2018, Yendrawati & Mahendra, 2018, Maggy & Diana, 2018, and Sulistyani & Safawi, 2019 in their studies show that profitability has a advantageous impact on audit put off. Miradhi & Juliarsa, 2016, Yanti et al., 2020, Syachrudin & Nurlis, 2018, Yanti et al., 2020, Syachrudin & Nurlis, 2018, Liwe et al., 2018, and Fujianti & Satria, 2020 in their studies display that profitability has a negative impact on audit put off. Then Al-Faruqi (2020), Herdyansyah et al. (2020), and Rahmawati et al. (2021) which display that leverage has a positive impact on audit postpone. However, Nirmalasari (2018) and Pratiwi (2018) in their studies display that leverage has a negative effect on audit delay. Further, Fiatmoko & Anisykurlillah (2015) and Amani & Waluyo (2016) company size has a good sized impact on audit put off

whilst (Damanik et al., 2021), Wiryakriyana & Widhiyani (2017), (Menajang et al., 2019) serta Yanti et al., (2020) explains that company size has no full-size impact on audit put off. primarily based on the results of studies through Miradhi & Juliarsa (2016) dan Putra & Wiratmaja (2019) it proves that firm size is able to mild the impact of company size on audit delay, while Cahyati & Anita (2019), Margaretha & Suhartono (2016), with Dewi & Wiratmaja (2017) states that firm length isn't capable of moderating profitability on audit put off. Then, the outcomes of research with the aid of Pravita & Yadnyana (2017), Lapinayanti & Budiarta (2018) state that company size is able to noticeably slight the effect of leverage on audit delay, in contrast to Subawa & Dwiana (2016) who get the effects of company length now not able to mild the impact of leverage on audit postpone.

Companies with high profitability tend to want to immediately publish their performance because it will increase the value of the company in the eyes of users of the information. The results of the research, Arifianto & Akhmad, (2017) show that profitability has a positive influence on audit delay while Yanti et al., (2020) show that profitability has a negative effect on audit delay. If a company has large assets, of course the company has strong internal control and reflects a harmonious relationship between the principal and the agent so that it can show the company is able to manage the company well which is a positive signal for investors. This statement is in accordance with previous research Fiatmoko & Anisykurlillah (2015) and Amani & Waluyo (2016) company size has a significant influence on audit delay Cahyati & Anita (2019), Margaretha & Suhartono (2016), and Dewi & Wiratmaja (2017) explains that the size of the company does not have a significant effect on audit delay.

H₁: Firm size moderating the effect of profitability on audit delay

A high level of leverage or corporate debt will increase the auditor's caution in the audit process, because this can indicate the risk of a loss from the company resulting in a longer audit delay. A company that has a large firm size, of course, has large assets as well. This requires strong internal control to monitor assets that are still influenced by external sources of funds or debt so that there is no agency conflict. Al-Faruqi (2020), Herdyansyah et al. (2020) and Rahmawati et al., (2021) which show that leverage has a positive effect on audit delay. Sulistyani & Safawi (2019), Nirmalasari (2018), serta Pratiwi (2018) show that leverage has a negative effect on audit delay. Kristanti dan Mulya (2021) state that firm size can significantly moderate the effect of leverage on audit delay.

H₂: Firm size moderates the effect of leverage on audit delay

RESEARCH METHODS

The objects of this study is audit postpone on the annual monetary statements of food and beverage companies for the duration of 2014-2020 listed on the Indonesia stock alternate (IDX) in 2014-2020. This examine makes use of secondary records downloaded through www.idx.co.id. This study uses the impartial variables profitability (X1) and leverage (X2) with a moderating variable firm size (X3). Then the based variable used is audit postpone (Y).

Profitability is the potential to generate profit (income) all through a positive duration by way of the usage of assets or capital, each ordinary capital and personal capital (Van Horn & Wachowicz, 1997:148-149). The existence of

profitability growth suggests the corporation's prospects are becoming better because it method there's a capacity for increasing profits for the enterprise. Aprilliant et al., 2020 provide an explanation for that profitability is measured Return On Assets (ROA), that is profit after tax divided through the entire assets of a employer. ROA calculation using the components.

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \dots\dots\dots(1)$$

The ratio is leverage used to see the ability of a company to meet all its short-term and long-term obligations, especially when the company suddenly has to be liquidated (Aprilliant et al., 2020). Aprilliant et al., 2020 also explain that a high proportion of debt to assets will affect liquidity and have an impact on the going concern company's so that it requires more time for auditing. The Debt to Equity Ratio (DER) is a ratio to determine the level of leverage by calculating the comparison between the total debt value and the total equity value (Rattu et al., 2015). So, this ratio serves to find out each rupiah and the company's own capital which is used as collateral for debt to creditors. The DER ratio can be measured by a formula.

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}} \dots\dots\dots (2)$$

Anggraeni et al., (2016) explained that firm size is a picture of the size of the company which is determined based on nominal size for example the amount of wealth and total sales of the company in one sales period. According to Kowanda et al., (2016) firm size is seen from the proportion of total assets, total sales, number of workers and other proportions. This shows that the use of natural logarithms aims to simplify the number of assets that may reach a nominal amount of trillions of rupiah without changing the actual proportion (Wahyuni et al., 2013). Firm size is calculated by the formula:

$$\text{Firm size} = \text{Ln} (\text{Total Assets})$$

According to Tikollah & Samsinar, (2019), audit delay is the period of audit completion by the auditor as measured by the closing date of the financial year up to the date stated in the independent auditor's report of the company listed on the IDX. Financial Services Authority (OJK) Regulation Number 29/POJK.04/2016 which requires all companies go-public on the Indonesia Stock Exchange (IDX) to report their annual financial statements no later than the fourth month after the financial year ends December 31.

The population in this study were food and beverage companies listed on the Indonesia Stock Exchange from 2014-2020 and received 169 companies. Companies selected as samples are companies that are re-selected according to criteria purposive sampling, namely: 1) Food and beverage companies listed in a row in 2014-2020 on the IDX; 2) Food and beverage companies listed on the IDX that publish audited financial reports in a row for 2014-2020; 3) Companies that report their financial statements in rupiah currency. Based on these criteria, there are 7 food and beverage companies with a total of 49 observations in 2014-2020.

This study first tested the model before testing the hypothesis to match the classical assumption test, including: normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. This study uses Moderates Regression Analysis in analyzing the data. The MRA equation model used is as follows.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_1X_3 + b_5X_2X_3 + e \dots\dots\dots (3)$$

Explanation:

- Y = *Audit Delay*
- a = Constants
- b1, b2, b3, b4, b5 = Regression coefficient
- X₁ = Profitability
- X₂ = *Leverage*
- X₃ = *Firm Size*
- X₁X₃ = Interaction between profitability and *firm size*
- X₂X₃ = Interaction between *leverage* and *firm size*
- e = error term (residual)

RESULT AND DISUSSION

Based on the results of data analysis with SPSS, descriptive statistics were obtained which explained the information on the characteristics of research variables, especially regarding the mean, maximum, minimum, and standard deviation as follows.

Table 1. Result of Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	49	0.009	0.527	0.14	0.12
DER	49	0.164	3.029	1.086	0.767
FZ	49	26.528	33.294	29.258	1.515
Delay	49	46	91	77.266	10.546
Valid N (listwise)	49				

Source: Research Data, 2021

Table 1 suggests the profitability variable (ROA) with a minimal cost of 0.009 which is owned via the Indofood CBP Sukses Makmur Tbk. in 2014 and the maximum price of 0.528 experienced with the aid of the corporation Indofood CBP Sukses Makmur Tbk. in 2017. Then the common price is 0.140 with a fashionable deviation of 0.12. Leverage assessed from the share of overall fairness owned with the aid of the organisation divided through overall assets as a proxy shows a minimum value of 0.163 experienced with the aid of the business enterprise Ultra Jaya Milk Industry Tbk. in 2018 and a maximum value of 3.029 owned by Delta Jakarta Tbk. Then the common fee is 1.086 with a general deviation of 0.766. Company length assessed from the percentage of natural logarithms increased by total assets as a proxy indicates a minimum value of 26.528 and a most price of 33.292. Then the average price is 29.258 with a preferred deviation of 1.515. Audit put off that's calculated from the distinction within the ultimate date of the year-end record on December 31 to the signing of the monetary statements through an impartial auditor, the share of logarithms accelerated via general property as a proxy indicates the minimal price of 46 days skilled by Multi Bintang Indonesia Tbk. in 2018 and the maximum price of 91 days experienced by the agency Ultra

Jaya Milk Industry Tbk. in 2020. Then the average cost is 77.265 with a fashionable deviation of 10.545.

Table 2. Result of Normality Test

<i>Asymp. Sig. (2-tailed)</i>	Kesimpulan
0,194	<i>Asymp. Sig. (2-tailed)</i> > 0,05, artinya nilai residual berdistribusi normal

Source: Research Data, 2021

The results of the normality test on 49 observations with the Kolmogorov-Smirnov Text Sample test obtained avalue Sig. (2-tailed) of 0.194, which value is greater than 0.05 (0.194 > 0.050). This shows that the residuals are normally distributed.

Table 3. Result of Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ROA	0.001	1789.198
	DER	0.948	1.055
	FZ	0.312	3.209
	DER*FZ	0.880	1.136
	ROA*FZ	0.001	1759.075

Source: Research Data, 2021

The results of the multicollinearity test on 49 observations obtained a value tolerance on profitability, leverage, firm size, the interaction of firm size with profitability and the interaction of firm size with leverage with each value of 0.001, 0.948, 0.312, 0.880, and 0.001. While the VIF values are at profitability, leverage, firm size, the interaction of firm size with profitability and the interaction of firm size with leverage with respective values of 1789.198, 1.055, 3.209, 1.136, and 1759.075. This shows that there is a correlation between independent variables in one regression. This problem occurs because the Moderated Regression Analysis (MRA) ensures that there is an interaction between the independent variable and the moderating variable so that there will be a correlation detected by the multicollinearity test (Ghozali, 2018).

Table 4. Result of Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate	Durbin-Watson
1	0.665 ^a	0.443	0.378	8.3164959	1.910

Source: Research Data, 2021

The value obtained from the *Durbin Watson* (DW) count is 1.910 and the significant value is 0.05 for n = 49 with k=3. It is known that the value of dL=1.4136 and dU=1.6723. The result of 1.6723 < 1.910 < 2.09 is in accordance with du < d < (4-dU) so there is no autocorrelation.

Table 5. Result of Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.757	0.126		5.987	0.000
	ROA	0.054	0.296	0.103	0.182	0.856
	DER	0.013	0.159	0.030	0.083	0.934
	FZ	-0.049	0.111	-0.076	-0.438	0.664
	ROA*FZ	-0.012	0.302	-0.023	-0.040	0.968
	DER*FZ	0.050	0.164	0.110	0.307	0.760

Source: Research Data, 2021

The results of heteroscedasticity in 49 observations can be seen from the graph *scatterplot* that there is no regular pattern and a collection of points spread above and below the origin point (0) and the significant value of each variable in the absolute residual value which is above 0,05, so there is no heteroscedasticity problem on this research data.

This linear regression analysis is used to determine the extent to which the interaction of moderating variables as moderating influences the relationship between the independent variables and the dependent variable. The following are the results of the MRA interaction test analysis.

Table 6. Result of Moderated Regression Analysis Test

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	96.222	41.007			2.346	0.024
	ROA	22.393	424.636	0.254		0.053	0.958
	DER	-5.430	1.609	-0.395		-3.375	0.002
	FZ	-0.152	1.419	-0.022		-0.107	0.915
	ROA*FZ	-2.389	14.859	-0.768		-0.161	0.873
	DER*FZ	2.716	0.989	0.333		2.746	0.009

Source: Research Data, 2021

The resulting regression equation is as follows.

$$Y = 96.222 + 22.393X_1 - 5.430X_2 - 0.152X_3 - 2.389X_1X_3 + 2.716X_2X_3 + e \dots\dots\dots (4)$$

The interaction between the profitability variable and the firm size variable has a regression coefficient (β_4) of $- 2,389$, which means that if the moderation of company size decreases by one unit, the effect of profitability on audit delay decreases by 2.389, with the other independent variables being fixed as a benchmark.

The interaction between the leverage variable and the company size variable has a regression coefficient (β_5) of 2.716, which means that if the moderation of firm size increases through one unit, the impact of leverage on audit put off increases by means of 2.716, assuming other independent variables are consistent.

The motive of the version feasibility check (F-test) is to decide whether or no longer the research model is viable as an analytical device to check the impact of the unbiased variable on the based variable. The subsequent are the outcomes of the F test as follows:

Table 7. Results of Model Feasibility Test

Struktur	Persamaan	F Statistik	Signifikansi Uji F
1	$Y = 96.222 + 22.393X_1 - 5.430X_2 - 0.152X_3 - 2.389X_1X_3 + 2.716X_2X_3 + e$	6.834	.000 ^b

Source: Research Data, 2021

F count equal to 6,834 with a significance value of 0,000 $F < 0.05$. These results indicate that the model in this study is said to be feasible. Individual significance test (t-test) aims to determine the effect of the moderating variable firm size as the moderating variable for the independent variables of profitability and leverage on the dependent variable audit delay. The results of the t-test are as follows.

Table 8. Results of t-test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	96.222	41.007		2.346	0.024
	ROA	22.393	424636	0.254	0.053	0.958
	DER	-5.430	1.609	-0.395	-3.375	0.002
	FZ	-0.152	1.419	-0.022	-0.107	0.915
	ROA*FZ	-2.389	14.859	-0.768	-0.161	0.873
	DER*FZ	2.716	0.989	0.333	2.746	0.009

Source: Research Data, 2021

The first hypothesis states that firm length moderates the impact of profitability on audit put off. The outcomes received in desk 8 show that the importance stage of t is $0.873 > 0.05$ with a regression coefficient of -2,389. The consequences show company size aren't able to mild drastically influence profitability on audit put off in order that H_1 is rejected.

The second one hypothesis states that firm length moderates the effect of leverage on audit delay. The results acquired in desk eight display that the significance stage of t is 0.009, that is more than $\alpha = 0.05$ with a regression coefficient of 2.716. The test outcomes stated that company size is definitely mild the great effect leverage on audit delay so that H_2 is acquired.

The coefficient of determination test (R^2) has the intention of understanding the impartial variables can give an explanation for how lots the motion of the structured variable within the regression equation will be studied. The adjusted R square value has an interval from zero to at least one ($0 < R^2 < 1$). The better the adjusted R rectangular value, the higher. The effects of the coefficient of determination check are as follows.

Table 9. Results Coefficient of Determination (R^2) Test

Structural	Equation	Adjusted R Square
1	$Y = 9.222 + 22.393X_1 - 5.430X_2 - 0.152X_3 - 2.389X_1X_3 + 2.716X_2X_3 + e$	0.378

Source: Research Data, 2021

Value adjusted R-square of 0.378 which means that the effect of the interaction of profitability and firm size as well as the interaction of leverage and firm size on audit delay is 37.8% while the remaining 62,2% is influenced by other factors outside the model.

Based on the analysis results obtained moderating variable interaction firm size with the independent variable profitability has value coefficients unstandardized -2.389 with a significance value of 0.873 t greater than $\alpha = 0,05$ so that H_1 is rejected. This means that firm size is not able to significantly moderate the effect of profitability on audit delay. The rejected hypothesis explains that the results of the study cannot prove the validity of agency theory as the grand theory of this research. This is in line with the results of research by Cahyati & Anita (2019), Margaretha & Suhartono (2016), and Dewi & Wiratmaja (2017) which state that firm size is unable to moderate the effect of profitability on audit delay. Firm size does not determine how fast or slow the process of auditing financial statements for companies that can generate high profits or low profits (Dewi & Wiratmaja, 2017). This may happen because companies that have a capital firm size with a high level of profitability tend to make auditors need more data related to financial statements so as to expand the scope of their audits (Margaretha & Suhartono, 2016). This has an impact on the auditor extending the audit process which will cause the length of the audit process to be carried out.

The interplay of the moderating variable company size with the impartial variable leverage has a importance level of t 0.009 more $\alpha = 0.05$ and a regression coefficient value of 2.716. The check effects said that company length is undoubtedly able to slight extensive impact leverage on audit delay in order that H_2 is acquired. This becomes empirical proof that the size of the size is able to offer additional have an impact on on the connection between leverage and audit postpone. That is in line with the research of Pravita & Yadnyana (2017), Lapinayanti & Budiarta (2018) and Kristanti & Mulya (2021) which nation that firm size is capable of moderate the effect of profitability on audit postpone. Groups with large scale can surely be trusted in overcoming monetary issues than small organizations (Mutchler, 1985). Big corporations have reasons to suppress audit delays and economic announcement delays, particularly huge corporations have a very good picture in order that they're constantly monitored with the aid of investors, exchange institutions, and regulatory organizations (Dyer et al., 2011). The business enterprise will nevertheless undergo a large hazard when the agency has degree of leverage a high due to the fact the agency may not be able to pay its money owed so that the audit procedure will take a long term due to the fact the employer should perform confirmation and other audit procedures (Kristanti & Mulya, 2021). Consequently, agencies with big or small agency sizes might be the same in phrases of taking a long term to complete audited reports (Pravita & Yadnyana, 2017).

CONCLUSION

This take a look at targets to decide the connection between firm length variables as moderating variables of profitability and leverage on audit delay. The outcomes that can be concluded are firm size isn't always able to moderate the profitability courting on audit postpone. Companies that have a capital firm length with a high stage of profitability have a tendency to make auditors want extra facts associated with financial statements and businesses with large organization sizes are also now not necessarily skilled because the enterprise is judged by means of the number of belongings. This has an effect on the auditor extending the audit

technique by means of expanding the scope of the audit for you to purpose the duration of the auditing method.

Firm size is capable of slight the connection leverage on audit postpone. big companies sincerely have sturdy control in suppressing audit process delays or audit delays in financial assertion delays due to high leverage levels. but, the organization might not be able to pay its money owed due to leverage high in order that the audit procedure will take a long term due to the fact the organization have to perform confirmation approaches and other audits so so as to arise audit delays.

The limitation in this take a look at is the size of the audit report final touch time by means of calculating the date indexed when the audit file changed into signed by way of the impartial auditor minus the wide variety of days from the final date of the e-book. Future researchers are anticipated to measure audit put off by way of the use of the date of the postpone inside the publication of the independent auditor's record minus the date agreed upon inside the audit engagement.

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