THE INFLUENCE OF COMPANY SIZE, LEVERAGES, INTERNAL CONTROL SYSTEM (SPI), AUDITOR REPUTATION (EMPIRICAL STUDY ON FOODS AND BEVERAGES COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) 2013-2016)

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ABSTRACT

The purpose of this research is to analyze the effect of company size, leverages, internal control system, auditor’s reputation This is study empirical on foods and beverages campanies listed in Indonesian Stock Exchange (IDX) period 2013-2016. The data source uses secondary data. Study population is 16 companies with analyze of financial report and independent auditor’s report period 2013-2016 accessed wih IDX websites www.idx.co.id. Sampling technique is purposive sampling with sample of researh is 10 companies. Data collection techniques use documentation metohd and literature review. Data analysis used multiple linear regression and absolute difference test. The results showed that company size has a not significant on audit delay, leverages has a not significant on audit delay, internal control system has a not significant, auditor’s reputation has a negatif significant on audit delay.

Keywords: company size, leverages, internal control system, auditor’s reputation, audit delay

INTRODUCTION

The current development of the Indonesian economy can have an impact on publicly listed companies (go public) in Indonesia. With this development, every publicly listed company is required to report and publish the company's financial statements along with the auditor's report. Law No.8 of 1995 concerning capital market regulations which states that companies that have been registered in the capital market are required to submit financial reports that have been prepared based on Generally Accepted Accounting Principles (PABU).

Provisions regarding the publication of financial reports are in accordance with the attachment to the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency Number: KEP-346 / BL / 2011, Rule Number XK2 states that every company listed on the IDX is required to submit an annual financial report accompanied by an independent audit report. to BAPEPAM no later than the end of the third month (90 days) after the date of the annual financial statements. Issuers or companies that do not submit financial reports in a timely manner to BAPEPAM will be subject to administrative sanctions or fines.

Audit delay is the length of time for completion of the audit from the date of the financial statements to the date of the independent auditor's report. In the audit delay, it is necessary to pay attention to the presentation of financial statements, namely that there is no delay in reporting the audited financial statements because if there is a delay or not on time it will cause a decrease in the accuracy and value of the benefits of the financial statements, so that the timeliness of financial reporting, especially for go public companies. very needed because to increase the track record of the company so that investors are interested in investing in the company.

Company size is the size of the company measured by the amount of assets or wealth owned by the company. Companies that have a large asset level have a large company size, according to Mas'ud Machfoedz (1994: 56) in Ilham and Fitri's research (2016), company size is divided into three, namely large companies, medium companies, and small companies.

The factor that affects audit delay is leverage. Leverage is used to measure the level of debt a company has. The leverages ratio is the ratio to calculate the level of debt in financing the company, if the company has a high level of leverages ratio so that the risk of company loss will increase and can affect the audit completion time which in turn can affect the company in publishing financial reports that have been audited by an independent auditor A company that has a high degree of leverage can indicate that the company is experiencing financial difficulties.

Another factor that affects audit delay is the Internal Control System (SPI). A good internal control system can be seen from the opinion given by the auditor, if the auditor's opinion is fair without exception, the SPI owned by the company is effective. Companies that have a good SPI tend to be able to reduce misstatements of company financial statements and also a good SPI makes it easier for auditors to do their job, namely auditing financial statements. Weak internal control has an impact on the longer audit delay because auditors need more time to look for complete and complex evidence to support their opinion (Carslaw, 1991) in Research (Wiryakriyana and Widhiyani, 2017) so that SPI is also an important thing. within the company, companies that have an effective SPI can reduce the length of the audit delay.

The next factor that affects the audit delay is the auditor's reputation. A public accounting firm (KAP) that has a good reputation, such as the big four KAP, is a KAP that has a good reputation level. Auditors who have a good reputation tend to audit financial statements quickly because they have a high level of experience and knowledge. A good auditor reputation tends to have a high level of professionalism.

Research by Wiryakriyana and Widhiyani (2017) suggests that company size has no effect on audit delay, research conducted by Hayu Estrini and Herry Laksito (2013) suggests that company size has no significant effect on audit delay, while different opinions were expressed in the research conducted by Ilham. Satria and Fitri Leliana (2016) suggest that company size has a negative effect on audit delay at food and beverage companies in 2012-2014. The research of Anak Agung Gede Wiryakriya and Ni Luh Sari Widhiyani (2017) argues that leverage has a significant effect on audit delay. The research of Anak Agung Gede Wiryakriya and Ni Luh Sari Widhiyani (2017) suggests that the internal control system has no effect on audit delay.

RESEARCH PURPOSES

The objectives of this study are: 1). Analyzing the effect of company size on audit delay on food and beverage companies listed on the IDX in 2013-2016 2). Analyzing the effect of leverage on audit delay in food and beverage companies listed on the IDX in 2013-201. 3). Analyzing the effect of the internal control system on audit delay in food and beverage companies listed on the IDX in 2013-2016 4). Analyzing the effect of auditor reputation on audit delay at food and beverage companies listed on the IDX in 2013-2016

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THEORY BASIS AND HYPOTHESIS FORMULATION

1. The effect of company size on audit delay at food and beverage companies listed on the IDX 2013-2016

The size of the company is one of the benchmarks that shows the size of the company is the total assets of the company. (Febrianty, 2011). Research from Ettredge (2011), Wiryakriyana and Widhiyani (2017) suggests that company size has a positive effect on audit delay. This is due to the large number of samples that must be taken by auditors and the extent of audit procedures for large companies

Based on the description above, the alternative hypothesis is compiled as follows:

H1: Firm size has a positive effect on audit delay

2. The effect of leverage on audit delay in food and beverage companies listed on the IDX 2013-2016

Leverage ratio is a ratio used to measure the extent to which the company's assets are financed by debt (Fahmi, 2012: 127) research from Wiyakriyana and Widhiyani (2017) suggests that leverage has an effect on audit delay. Because when the company's debt is greater than its assets, this will result in losses and increase the auditor's caution on the audited financial statements, thus, due to the auditor's caution, the delayin submitting and publishing financial statements to the public will result in prolonging the audit delay

Based on the description above, the alternative hypothesis is compiled as follows:

H2: Leverage has a positive effect on audit delay.

3. The influence of the internal control system (SPI) on audit delay in food and beverage companies listed on the IDX 2013-2016

Unqualified opinion that will be issued by the auditor regarding the system of internal control over financial statements if no material weaknesses are identified and the scope of the auditor's work has no restrictions from the company. Auditors tend to issue opinions other than unqualified if one of these conditions occurs

Based on the description above, the alternative hypothesis is compiled as follows:

H3: The internal control system has a negative effect on audit delay

4. The effect of auditor reputation on audit delay at food and beverage companies listed on the IDX 2013-2016

The quality of audits has an effect on the credibility of the financial statements of publicly traded companies. Therefore, an underwritter with a high reputation raises the issuer that it guarantees, using auditors who have a high reputation as well. The high reputation owned by the auditors will use reputable auditors, both of which will reduce underpricing. From the research of Rahayu and Herry Laksito (2013), it is stated that auditor reputation has a negative effect on audit delay. This is because auditors who have a good reputation tend to report their financial reports more quickly so that they can be timely in submitting and publishing financial reports to the public.

Based on the description above, the alternative hypothesis is compiled as follows:

H4: Auditor's reputation has a negative effect on audit delay

Research Framework

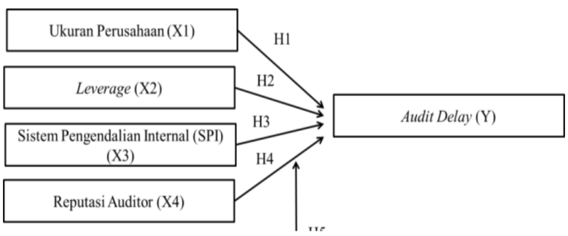

Figure 1. Research Framework Scheme

The model of this research framework is as follows:

Description:

1. The independent variable

   The independent variables in this study are company size, leverages, internal control system, auditor reputation.

2. Dependent variable

   The dependent variable in this study is audit delay.

RESEARCH RESULT

Descriptive Statistical Results

Table vi. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
Ukuran Perussahaan	34	20,58	32,15	28,3509	2,87814
Leverage	34	,15	,75	,4697	,14406
Sistem Pengendalian Internal (SPI)	34	,00	1,00	,7941	,41043
Reputasi Auditor	34	,00	1,00	,4706	,50664
Valid N (listwise)	34				

Based on the table above, the company size variable has a minimum value of 20.58 and a maximum value of 32.15, a mean value of 28.35 with a standard deviation of 2.87814. Theleverages variable has aminimum value of 0.15 and amaximum value of 0.75 a mean value of 0.4697 with a standard deviation of 0.14406. The SPI variable has a minimum value of 0.00 and a maximum value of 1.00, a mean value of 0.7941 with a standard deviation of 0.41043, a standard deviation value that is smaller than the average value indicates that reputation variable.

The auditor has a minimum value of 0.00 and a mean maximum value of 1.00 of 0.4706 with a standard deviation of 0.50664.

Classical Assumption Test Results

The results of the classical assumption test used in this study consisted of the multicollinearitytest, heteroscedasticitytest, autocorrelation test, and normalitytest with the SPSS program.

Table 1. Result of Classical Assumption Test

Uji Asumsi Klasik	Hasil Uji	Kesimpulan
Uji multikolinearitas	*Tolerance* (0,795; 0,786; 0,814; 0,830) > 0,10 VIF (1,258; 1,273; 1,229; 1,205) < 10	Bebas multikolinearitas
Uji autokorelasi	p (0,052) > 0,05	Bebas autokorelasi
Uji heteroskedastisitas	p (0,894; 0,078; 0,051; 0,086) > 0,05	Bebas heteroskedastisitas
Uji normalitas	p (0,825) > 0,05	Data terdistribusi normal

Source: Processed primer data, 2018

Hypothesis test

1. Multiple Linear Regression Analysis

Multiple linear regression to analyze the effect of the independent variable on the dependent variable. Linear regression analysis was performed using SPPS statistical application software tools.

Table 2. Analisis Regresi Linear Berganda

	Model	Unstandardized Coefficients	t	Sig.
1	(Constant)	4,774	16,108	,000
	Ukuran	-,016	-1,405	,171

	Perussahaan			
	Leverages	,126	,573	,571
	Sistem Pengendalian Internal (SPI)	-,124	-1,543	,134
	Reputasi Auditor	-,201	-3,098	,004
Dependent Variable: Audit Delay				

Berdasarkan analisis regresi linear berganda pada tabel diatas yaitu Based on multiple linear regression analysis in the table above, namely Y = 4.774 - 0.016 X1 + 0.126 X2 + 0.124 X3 - 0.201 X4 + e

The multiple linear regression interpretation is as follows

a. α=constant is 4,774, meaningthat if company size (X1), leverage (X2), internal control system (SPI) (X3), auditor reputation (X4) are considered constant, the audit delay is 4,774.
b. β =Thevariable coefficient of companysizeis -0.016 (X1), meaning that if leverage (X2), internal control system (SPI) (X3), auditor reputation (X4) are zero or constant, then every 1 percent increase in company size will reduce audit delay of 0.016 (1.6%).
c. B2=variable leverages coefficient of 0.126 (X2), meaning that if the company size (X1), internal control system (SPI) (X3), auditor reputation (X4) is zero or constant, then every 1 percent increase in leverages will increase the audit delay. Amounted to 0.126 (12.6%).
d. B3=Internal control system variable coefficient (SPI) is -0.124 (X3), meaning that if the company size (X1), leverage (X2), auditor reputation (X4) is zero or constant, then every 1 percent increase in SPI will decrease the audit delay of 0.124 (12.4%).
e. B4=The coefficient of the company's reputation variableis -0.201 (X4), meaning that if the company size (X1), leverage (X2), SPI (X3) are zero or constant, then every 1 percent increase in auditor reputation will decrease the audit delay by 0.201 (20.1%).

2. The t Test

The t test results show that the value of company size has no effect on audit delay in food and beverage companies listed on the IDX in 2013-2016. The significant probability value in the company size variable is 0.171> 0.005 and t count -1.405.

a. The variable leverages have no effect on audit delay in food and beverage companies listed on the IDX in 2013-2016 .. With a significance probability value of 0.571> 0.05 and t count 0.573.
b. Internal control system variable (SPI) has no effect on audit delay in food and beverage companies listed on the IDX in 2013-2016. With a significant probability value of 0.134> 0.05 and a value of t count -1.543.
c. Auditor reputation variable has a negative effect on audit delay in food and beverage companies listed on the IDX in 2013-2016. With a significance probability value of 0.004 <0.05 with a t value of -3.098.

3. Model Accuracy Test (Test F)

The results of the F test probability value value 0.048 <0.05, the result is significant, which means the selection of the model is right. There is an influence between company size, leverages, SPI, auditor reputation on audit delay in food and beverage companies listed on the IDX.

4. The Coefficient of Determination

The result of the coefficient of determination (R2) is based on the table above, the coefficient of determination (adjusted R2) is 0.174 which means that the size of the variable company size, leverages, internal control system, auditor reputation on audit delay is 17.4%, while 82.6% is influenced by variables. others that were not researched.

5. Absolute Difference Test

The absolute difference test results are in table 3.

Table 3. Uji Nilai Selisih Mutlak

Model	Unstandardized Coefficients	T	Sig.
(Constant)	4,154	125,043	,000
Zscore: Reputasi Auditor	-,142	-7,192	,002
F: 17, 4%			
Adjusted R^2 : 2,741			

Source: Processed Primer Data, 2018

Based on the results of the absolute difference value test, ABSZX4_ZX5 has a value of 0.006 <0.05, this means that audit tenure is a moderating variable of the influence of company reputation, so the fifth hypothesis states that audit tenure moderates the effect of auditor reputation on audit delay.

DISCUSSION

1. The first hypothesis (H1) states that company size has a positive effect on audit delay at food and beverage companies listed on the IDX 2013-2016

Based on what is presented in table I, it can be seen that the value of β1= -0.016 with a significance of 0.171> 0.05. Thus the first hypothesis (H1) is rejected, which means that the company size variable has no effect on audit delay in food and beverage companies listed on the IDX in 2013-2016. The absence of influence between company size on audit delay is because all companies listed on the Indonesia Stock Exchange (IDX) are monitored by external parties such as investors, capital supervisors, government and society, so companies with large and small total assets have the same possibility. in the face of pressure on the submission of financial statements. Company size has no effect on audit delay because the independent auditors who audit the financial statements work professionally and according to the standards set by IAI regardless of company size. The results of this study are in line with the research of Wiryakriyana and Widhiyani (2017) which states that company size has no effect on audit delay. Research from Dwi Hayu Estrini and Herry Laksito (2013) states that company size has no effect on audit delay. This study is not in line with research from Andi Kartika 2008 which states that company size has a positive effect on audit delay.

2. The second hypothesis (H2) leverages have a positive effect on audit delay on food and beverage companies listed on the IDX 2013-2016

Based on the results of the t test presented in table XI, it can be seen that the value of β2=0.126 with asignificanceof 0.571 >0.05. Thus, the first hypothesis (H2) is rejected, which means that the variable leverages have no effect on audit delay in food and beverage companies listed on the IDX in 2013-2016. There is no effect between leverages on audit delay. Leverages do not always have a negative impact on the company because if the company manages debt properly, efficiently and on target, the company's profits will increase and the company can avoid financial difficulties. In addition, there is no need for negotiations between the company and the auditors in the audit process so that there will be no audit delay because companies listed on the IDX that have high or low leverages do not affect the audit delay because independent auditors and good KAP will do theiraudit work professionally. and in accordance with the standards set by. This research is in accordance with research from Puspitasari and Latrini (2014), Dina Adi Pramita (2016), which states that leverage has no effect on audit delay. In contrast to what is stated by Wiryakriyana and Widhiyani (2017), it is stated that leverages have a positive effect on audit delay.

3. The third hypothesis (H3) is that the internal control system has a negative effect on audit delay in food and beverage companies listed on the IDX 2013-2016

Based on the results of table xi that the value of β2=-0.124 with a significanceof 0.134>0.05. Thus the first hypothesis (H3) is rejected, which means that the SPIvariable has no effect on auditdelayin food and beverage companies listed on the IDX in 2013-2016. There is no effect between leverages on audit delay because manufacturing companies listed on the IDX tend to have low auditor switching. When the auditor switching is not carried out by the company, the audit procedures applied by the company will remain the same as the previous year, therefore the company's SPI improves or worsens from the previous audit period, this does not affect the ongoing audit process and companies listed on the IDX tend to experience pressure to obtain goods news signal on the company's financial statements. Thus, the goods news signal will be received by the public if the audited financial report is published in a timely manner and the timeliness of the submission of financial reports is not only influenced by the SPI. Audit delay cannot be influenced by SPI when auditors conduct audits, a good independent auditor and KAP will certainly do audit work professionally and according to the standards set by IAI. So that SPI cannot affect the length and shortness of time and the timeliness of submitting financial reports. This research is in line with the research conducted by Wiryakriyana and Widhiyani (2017) which states that the internal control system has no effect on audit delay. This research is not in line with the research of Andi Kartika (2009) which states that the opinion of the auditors has a positive and significant effect on the company's audit delay.

4. The fourth hypothesis (H4) is that auditor reputation has a negative effect on audit delay in food and beverage companies listed on the IDX in 2013-2016.

Based on table ix, the auditor's reputation has a correlation coefficient of β4=-0.201 with a significance value of 0.004 <0.05, so the fourth hypothesis (H4) is accepted. Thus, auditor reputation has a significant negative effect on audit delay in food and beverage companies listed on the IDX in 2013-2016. This is because auditors and Public Accounting Firms (KAP) that have a good reputation like the big four KAP tend to do good audit work because in doing the work of the big four KAP they behave professionally and according to the standards set by IAI. This study is in line with the research of Dwi Hayu Estrini and Herry Laksito (2013) which states that auditor reputation has a negative effect on audit delay. Research from Hilmi (2008) states that companies that use the Big Four KAP services will tend to be on time in submitting their financial reports. However, this studyis not in line with Andi Kartika (2008) that the auditor's reputation has no effect on the company's audit delay.

CONCLUSION

Based on the analysis and discussion that has been described, it can be concluded that companysize has no effect on audit delay. Due to the size of the company does not affect the audit delay. Leverages have no effect on audit delay. Because the size of the company's levrages does not affect the audit delay. The internal control system has no effect on audit delay because good or bad company-owned SPI does not affect audit delay. Auditor reputation has a negative effect on audit delay. Because auditors, because auditors and Public Accounting Firms (KAP) have a good reputation, such as the big four KAP, tend to do good audit work because in doing the work of the big four KAP they behave professionally and according to the standards set by IAI.

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