Budapest International Research and Critics Institute-Journal (BIRCI-Journal)
Humanities and Social Sciences
ISSN 2615-3076 Online)
ISSN 2615-1715 (Print)
www.bircu-journal.com/index.php/birci
Budapest Institute

The Role of Audit Quality as Moderating Factors Influencing the Timeliness of Financial Reporting

Yogi Ananditya Nagari[1]*, Muhammad Nuryatno[2]
[1,2]Universitas Trisakti, Jakarta, Indonesia
yogianandityanagari@gmail.com, nuryatno@trisakti.ac.id*

Abstract

The purpose of this study was to determine the role of Audit Quality in moderating the effect of Profitability, Firm Size, Public Ownership, and Audit Opinion on Timeliness of Financial Reporting, with Leverage as a control variable. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2016 to 2020. This study uses purposive sampling for 5 years of observation. The data were analyzed by descriptive statistical test, hypothesis testing by logistic regression analysis, F statistical analysis and t statistical analysis. The results showed that Profitability has a positive effect on the Timeliness of Financial Reporting. Meanwhile, Firm Size, Public Ownership and Audit Opinion have no effect on Timeliness of Financial Reporting. Leverage as a control variable cannot control the effect of the independent variable on the dependent variable. Audit Quality as a moderating variable cannot moderate the influence of Profitability, Firm Size, Public Ownership and Audit Opinion on Timeliness of Financial Reporting.

Keywords
timeliness; profitability; firm size; public ownership; audit opinion

I. Introduction

Timeliness of financial reporting is the quality of the availability of financial information when needed or the quality of good financial information in terms of time. The timeliness of the publication of financial statements is one of the main elements that must be considered because it can affect the value of the information contained in the financial statements, even its benefits as a tool in making economic decisions can also be reduced (Owusu in Mawardi, 2020). The economic condition of the population is a condition that describes human life that has economic score (Shah et al, 2020).

Regulations regarding the timing of financial reporting in Indonesia are regulated by OJK in OJK Regulation Number XK2, Attachment to the Decree of the Chairman of the OJK Number KEP-346/BL/2011 concerning Submission of Periodic Financial Reports of Issuers or Public Companies. In accordance with this regulation, the annual financial report, accompanied by an accountant's report for the purpose of auditing the financial statements, must be submitted to Bapepam-LK (OJK) no later than the end of the third month after the date of the financial statements. Law No. 8 of 1995 concerning the Capital Market (Azhari & Nuryatno, 2020).

The IDX Valuation Division Team reported that 80 Listed Companies whose shares as of June 30, 2020 did not submit the 2019 Annual Report in a timely manner. In 2017 there were 17 listed companies that did not submit the Annual Report, and in 2018 there were 10 companies that did not submit the Annual Report. Thus, issuers who violate the Exchange Rules will be subject to sanctions in accordance with Rule Number IH concerning Sanctions.

DOI: https://doi.org/10.33258/birci.v5i3.6342

Budapest International Research and Critics Institute-Journal (BIRCI-Journal)
Volume 5, No 3, August 2022, Page: 23280-23293
e-ISSN: 2615-3076 (Online), p-ISSN: 2615-1715 (Print)
www.bircu-journal.com/index.php/birci
email: birci.journal@gmail.com

This research is a modification of Azhari & Nuryatno's (2020) research, where the variables that have been used are Timeliness of Financial Reporting, Profitability, Firm Size, Institutional Ownership, Audit Committee and Audit Opinion as moderating variables. Therefore, researchers want to conduct research with the same dependent variable, namely Timeliness of Financial Reporting, and the same independent variables, namely Profitability and Firm Size. Furthermore, the researcher will use different independent variables, namely Institutional Ownership is replaced with Public Ownership and the Audit Committee is replaced with Audit Opinion. Researchers will also add Leverage as a control variable. In addition, researchers will use audit quality as a moderating variable. This study aims to prove the role of audit quality in moderating the effect of Profitability, Firm Size, Public Ownership, and Audit Opinion on Timeliness of Financial Reporting. The data that will be used in this research is secondary data in the form of financial statements of manufacturing companies listed on the Indonesia Stock Exchange for the period 2016 – 2020 which are downloaded from the Indonesia Stock Exchange website.

The general purpose of this study is to find out what things can be used as factors that have an impact on the timeliness of financial reporting, in this study used profitability, Firm Size, public ownership and audit opinion as factors studied, and also used audit quality as a factor that strengthens or weakens the influence. The benefit of this research is that researchers are expected to be able to find out and prove whether profitability, firm size, public ownership and audit opinion affect the timeliness of financial reporting, then with the existence of audit quality can strengthen or weaken the influence between these variables.

II. Review of Literature

2.1 The Effect of Profitability on Timeliness of Financial Reporting

Profitability is the company's ability to generate profits at a certain level of sales, assets, and share capital. Profitability as one indicator of the company's success in order to generate profits. The higher the profitability, the higher the company's ability to generate profits for the company. Companies that announce a loss or have a low level of profitability will bring a negative reaction from the market and a lower assessment of the company's performance. Meanwhile, companies that announce their profits will have a positive impact on the assessment of other parties on the company's performance (Gafar, 2017).

The research on the relationship between profitability and timeliness of financial report submission has been carried out by Azhari & Nuryatno (2020), Gafar et al, (2017), and Tarigan (2017) found empirical evidence that profitability has a significant positive effect on the timeliness of financial statement submission. In addition, the study also explains the evidence that companies that earn profits will be more likely to be on time in submitting their financial statements and vice versa if they experience losses.

The financial statements of companies with high profitability contain good news and companies that have good news tend to submit their financial reports on time. This also applies if the company's profitability is low which is bad news. As a result, companies tend to submit their financial reports on time. The higher the level of profitability of the company, the faster the company gets good news, so the company will tend to report its financial statements in a timely manner. Based on the explanation above, the following hypothesis is obtained:

H_1: Profitability has a positive effect on Timeliness of Financial Reporting

2.2 The Influence of Firm Size on Timeliness of Financial Reporting

Firm Size is the size of a company that can be assessed from several aspects. The size of the Firm Size can be based on the total value of assets, total sales, market capitalization, number of workers and so on. The greater the value of these items, the greater the size of the company. Large companies often argue to be faster in submitting financial reports for several reasons (Afriyeni & Marlius, 2018).

Research on the relationship between Firm Size and timeliness of financial statement submission conducted by Azhari & Nuryatno (2020), Afriyeni & Marlius (2018), and Ohaka & Akani (2017) found empirical evidence that Firm Size significantly positively affects the timeliness of report submission. finance. In detail, large companies are often followed by a large number of analysts who always look forward to timely information to strengthen or review their expectations. Big companies are under pressure to publish their financial reports on time to avoid speculation in trading their company shares.

The larger the size of the company, the greater the company's responsibility to stakeholders. To improve the company's performance so that it is good in the eyes of stakeholders, companies tend to report their financial statements in a timely manner. Based on the explanation above, the following hypothesis is obtained:

H_2: Firm Size has a positive effect on Timeliness of Financial Reporting

2.3 The Effect of Public Ownership on Timeliness of Financial Reporting

Public ownership is the ownership of the general public (not a significant institution) in the shares of a public company. Company owners from outside parties are considered different from inside parties where it is less likely that external owners are involved in the daily business affairs of the company (Afriyeni & Marlius, 2018).

Research on the relationship of public ownership to the timeliness of submitting financial statements conducted by Afriyeni & Marlius (2018) found empirical evidence that public ownership has a significant positive effect on the timeliness of submitting financial statements. The concentration of ownership from outsiders creates influence from outside parties, thereby changing the management of the company which was originally running according to the wishes of the company itself to have limitations. With supervision from outside the company, the management is required to be able to show good performance, because if the performance of the management is good then the shareholders will support it.

With supervision from parties outside the company, namely the public, companies are required to improve their image and reputation so that they are good in the eyes of the public, so companies tend to report their financial statements in a timely manner. Based on the explanation above, the following hypothesis can be obtained:

H_3: Public Ownership has a positive effect on Timeliness of Financial Reporting

2.4 Effect of Audit Opinion on Timeliness of Financial Reporting

Audit opinion is the opinion issued by the auditor on the audited financial statements. The main objective of an audit of financial statements is to express an opinion whether the client's financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles in Indonesia (Suryadi, 2016). Ashton, Willingham, and Elliot in Suryadi's research (2016) found that there is a relationship between the type of auditor's opinion and the timeliness of submitting financial statements. Companies that receive a qualified opinion show a longer time to submit financial statements than those that receive an unqualified opinion.

This means that companies that receive an unqualified opinion from the auditor for their financial statements tend to be more timely in submitting their financial statements because the unqualified opinion is good news from the auditor. On the other hand, companies will tend not to be on time in submitting their financial statements if they receive opinions other than unqualified. The better the audit opinion given by the auditor, namely the unqualified opinion, the company will get good news, so the company tends to report its financial statements in a timely manner. Based on the explanation above, the following hypothesis can be obtained:

H_4: Audit Opinion has a positive effect on Timeliness of Financial Reporting

2.5 Audit Quality Moderates the Relationship between Profitability and Timeliness of Financial Reporting

According to Michell in the research of Wibowo & Saleh (2020) the profitability ratio is closely related to the profit earned and the sources used to produce it. High profitability for the company is predicted that the quality provided by the auditor is good news for shareholders. Companies that have high profitability should be audited by large public accounting firms. On the other hand, if the level of profitability is low, it will be audited by a small KAP. Vice versa, if the level of profitability is low, the audited KAP is small.

The greater the level of profitability of the company, the audit quality used must also be of high quality, namely KAP Big 4, because high quality audited financial reports will bring good news to the company, so companies will tend to report their financial statements in a timely manner. Based on the explanation above, the following hypothesis is obtained:

H_5: Audit Quality strengthens the positive influence of Profitability on Timeliness of Financial Reporting

2.6 Audit Quality Moderates the Relationship between Firm Size and Timeliness of Financial Reporting

Firm Size is a value that can indicate the size of the company. There are several instruments that can be used to measure the size of the company. Such as total sales, total assets, number of employees and market capitalization value. The bigger the instrument, the bigger the size of a company. Companies with a larger size will be more visible and attract the attention of auditors in conducting a more detailed and detailed evaluation of their financial statements (Pradipta, 2017).

The larger the size of the company, the audit quality used must also be of high quality, namely KAP Big 4, because high quality audited financial reports will bring good news to the company, so companies will tend to report their financial statements in a timely manner. Based on the explanation above, the following hypothesis is obtained:

H_6: Audit quality strengthens the positive effect of Firm Size on Timeliness of Financial Reporting

2.7 Audit Quality Moderates the Relationship between Public Ownership and Timeliness of Financial Reporting

Public ownership is the proportion of shares owned by the public/public to the company's shares. The definition of the public here is the individual or institution that has shares below 5% (<5%) who are outside the management and have no special relationship with the company. Community shareholder groups, namely groups of shareholders who each own less than 5%, are usually the combined ownership of many communities. This group of shareholders is called the public shareholder. Public shareholders are usually the minority shareholders of the company. The existence of a complete ownership structure will allow the auditor to be more thorough in evaluating the company's ownership structure, including public ownership which has the smallest percentage in the company. That way, the auditor can focus more on assessing the company's public ownership and can evaluate it in more detail (Nurmiati, 2016).

The better the audit quality used by the company, the greater the level of supervision carried out by the public on the company's financial statements, so companies are required to improve their performance by reporting financial statements in a timely manner. Based on the explanation above, the following hypothesis is obtained:

H_7: Audit quality strengthens the positive influence of Public Ownership on Timeliness of Financial Reporting

2.8 Audit Quality Moderates the Relationship between Audit Opinion and Timeliness of Financial Reporting

An audit opinion is a report given by a registered public accountant as a result of his assessment of the fairness of the financial statements presented by the company. The audit opinion is issued by an independent auditor. The higher the audit quality in conducting corporate audits, the higher the probability that the auditor will find and report violations in the client's accounting system, so that the audit opinion issued by the auditor will have a higher level of fairness on the company's financial statements. The lower the audit quality in conducting company audits, the lower the level of fairness in the company's financial statements (Tarigan, 2017).

The better the audit quality used by the company, the better the auditor's competence in auditing a company's financial statements according to the level of fairness, so the auditor will give the best opinion for the company. With good news owned by the company, the company tends to report financial statements in a timely manner. Based on the explanation above, the following hypothesis is obtained:

H_8: Audit quality strengthens the positive influence of Audit Opinion on Timeliness of Financial Reporting

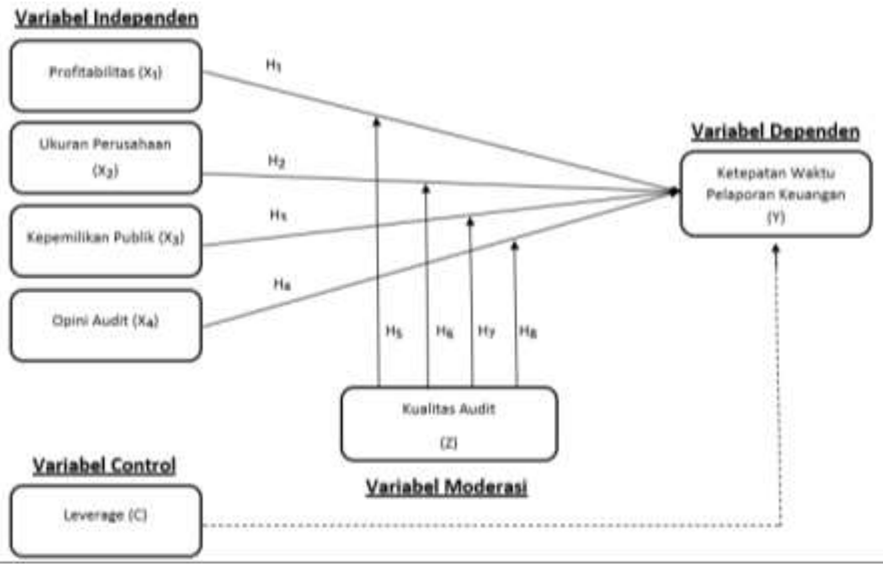

Figure 1. *Conceptual Framework*

III. Research Method

This research is a research that is testing the hypothesis. The data used in this study is secondary data in the form of financial statements of manufacturing companies listed on the Indonesia Stock Exchange for the period 2016 – 2020 which are downloaded from the Indonesia Stock Exchange website. The strategy used in this research is data pooling, namely data whose observations are carried out on many objects and are carried out from time to time.

Data Analysis Method

The data analysis method used in this study is descriptive statistical test by looking at the mean (mean), standard deviation, maximum and minimum values, and hypothesis testing using logistic regression test by assessing the regression feasibility model, assessing the overall model (overall model). of fit), testing the coefficient of determination (R2), F significance test (simultaneous) and t significance test (partial). The models proposed in this study are as follows:

Model 1 (Without Moderation):

Ln TL 1− = α + β_1.ROA + β_2.TA + β_3.PO + β_4.AO + β_5.DER + e

Model 2 (With Moderation):

Ln TL 1−TL = α + β_1.ROA + β_2.TA + β_3.PO + β_4.AO + β_5.DER + β_6.ROA*AQ + β_7.TA*AQ + β_8.PO*AQ + β_9.AO*AQ + e

Information:

Ln 1− = Probability of Timeliness of Financial Reporting
ROA = Profitability
TA = Firm Size
PO = Public Ownership
AO = Audit Opinion
DER = Leverage
AQ = Audit Quality
e = Error

IV. Results and Discussion

4.1 Results

Based on the selection of samples in accordance with predetermined criteria, it can be obtained 61 companies each year that meet the sample criteria, so the sample used in this study is 305 companies which can be seen in the following table:

Table 1. Research Sample Calculation

No	Information	Amount
1	Registered Manufacturing Company on the Indonesia Stock Exchange (IDX) 2016-2020	170
2	Manufacturing Companies that submit Financial Statements other than in Rupiah during 2016-2020	(29)
3	Manufacturing Companies that are *delisted* on the Indonesia Stock Exchange	(9)

	(IDX) 2016-2020	
4	Manufacturing Companies that do not have positive profits during 2016-2020	(71)
5	Total companies that meet the criteria	61
6	Company data issued due to outliers	(0)
7	Total companies sampled in the study	61
9	Total years of observation (2016-2020)	5
10	**Total data used as samples in the study (61 Companies x 5 Years)**	**305**

a. Descriptive Statistical Analysis

In this study, descriptive statistics were separated for dummy and quantitative variables to facilitate data interpretation as follows:

Table 2. Dummy Variable Descriptive Statistical Analysis

Variable	N	Dummy Description	Freq	%
Timeliness of Financial Reporting (Y)	305	Late	4	1.3
		On time	301	98.7
Audit Opinion (X4)	305	Apart from Unqualified Opinion	4	1.3
		Unqualified Opinion	301	98.7
Audit Quality (Z)	305	KAP Non-Big 4	193	63.3
		KAP Big 4	112	36.7

1. Timeliness of Financial Reporting (Y)

   Based on table 2, the entire research sample consisting of 61 companies during the 2016 – 2020 period, most of the companies that have submitted their financial reports on time have a frequency of 301 samples (98.7 percent). Meanwhile, companies that do not submit financial reports on time have a frequency of 4 samples (1.3 percent).
2. Audit Opinion (X4)

   Based on table 2, the entire research sample consisting of 61 companies during the 2016 – 2020 period, most of the companies that received Unqualified Opinion audit opinions had a frequency of 301 samples (98.7 percent). Meanwhile, companies that get an audit opinion other than Unqualified Opinion have a frequency of 4 samples (1.3 percent).
3. Audit Quality (Z)

   Based on table 2, the entire research sample consisting of 61 companies during the 2016 – 2020 period, most of the companies audited by Non Big 4 KAPs have a frequency of 193 samples (63.3 percent). Meanwhile, companies audited by KAP Big 4 have a frequency of 112 samples (36.7 percent).

Table 3. Descriptive Statistical Analysis of Quantitative Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profitabilitas (X1)	305	0.0000327	0.9209971	0.08483	0.096190
Ukuran Perusahaan (X2)	305	25.640460	33.494532	28.7586	1.62490
Kepemilikan Publik (X3)	305	0.0029	0.706	0.2474	0.15795
Leverage (C)	305	0.1	4.55	0.774224	0.924587
Valid N (listwise)	305				

1. Profitability (X1)
   Based on table 3, the Profitability variable in this study is known to have a minimum value of 0.00000327 which is owned by Stra Petrochem Tbk (STAR) in 2018 and a maximum value of 0.9209971 which is owned by Merck Indonesia Tbk (MERK) in 2018. The average profitability variable is 0.08483 with a standard deviation of 0.096190.
2. Firm Size (X2)
   Based on table 3, the Firm Size variable in this study is known to have a minimum value of 25.640460 owned by Alaskan Industrindo Tbk (ALKA) in 2016 and a maximum value of 33.494532 owned by Astra International Tbk (ASII) in 2018. The average value Firm Size variable is 28.7586 with a standard deviation of 1.62490.
3. Public Ownership (X3)
   Based on table 3, the Public Ownership variable in this study is known to have a minimum value of 0.0029 which is owned by Fajar Surya Wisesa Tb (FASW) in 2019 and a maximum value of 0.706 which is owned by Nusantara Inti Corpora Tbk (UNIT) in 2020. The average value The average public ownership variable is 0.2474 with a standard deviation of 0.15795.
4. Leverage (C)
   Based on table 3, the Leverage variable in this study is known to have a minimum value of 0.1 which is owned by Indal Alumunium Industry Tbk (INAI) in 2016 and a maximum value of 4.55 which is owned by Indofood CBP Sukses Makmur Tbk (ICBP) in 2016. The average value Leverage variable average is 0.774224 with a standard deviation of 0.924587.

b. Hypothesis Testing

1. Feasibility Test of Regression Model

Table 4. Hosmer and Lemeshow Test

	Tanpa Moderasi			Dengan Moderasi		
Step	Chi-square	df	Sig.	Chi-square	df	Sig.
1	12.760	8	0.086	10.029	8	0.109

Based on table 4, it is known that in both stages, the test significance value is greater than 0.05, namely 0.086 for stage 1 and 0.109 for stage 2. This means that for both stages H0 is accepted, so it can be concluded that there is no significant difference between the predicted classification with the observed classification, which means that the model at both stages is able to explain the data.

2. Overall Model of Fit Test

Table 5. Overall Model of Fit Test

Iteration History[a,b,c,d,e]

Iteration		-2 Log likelihood	Coefficients				
			Constant	M1	M2	M3	M4
Step 1	1	96.720	1.917	0.000	0.000	0.000	0.083
	2	53.673	2.879	0.000	0.000	0.000	0.257
	3	42.814	3.524	0.000	0.000	0.000	0.655
	4	40.176	3.808	0.000	0.000	0.000	1.386
	5	39.382	3.854	0.000	0.000	0.000	2.345
	6	39.095	3.855	0.000	0.000	0.000	3.346
	7	38.989	3.855	0.000	0.000	0.000	4.347
	8	38.950	3.855	0.000	0.000	0.000	5.347
	9	38.936	3.855	0.000	0.000	0.000	6.347
	10	38.931	3.855	0.000	0.000	0.000	7.347
	11	38.929	3.855	0.000	0.000	0.000	8.347
	12	38.928	3.855	0.000	0.000	0.000	9.347
	13	38.928	3.855	0.000	0.000	0.000	10.347
	14	38.928	3.855	0.000	0.000	0.000	11.347
	15	38.928	3.855	0.000	0.000	0.000	12.347
	16	38.928	3.855	0.000	0.000	0.000	13.347
	17	38.928	3.855	0.000	0.000	0.000	14.347
	18	38.928	3.855	0.000	0.000	0.000	15.347
	19	38.928	3.855	0.000	0.000	0.000	16.347
	20	38.928	3.855	0.000	0.000	0.000	17.347

Sumber: Data yang diolah, 2022

a. Method: Enter
b. Constant is included in the model.
c. Initial -2 Log Likelihood: 42.619
d. Estimation terminated at iteration number 20 because maximum iterations has been reached. Final solution cannot be found.

Based on table 5, it is known that the number -2 Log likelihood has decreased from 96,720 to 38,928, it means that the decrease in the number in -2 Log likelihood indicates a good regression model.

3. Coefficient of Determination Test

Table 6. Coefficient of Determination Test

	Tanpa Moderasi			Dengan Moderasi		
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	52.672[a]	0.082	0.126	38.928[a]	0.175	0.243

Based on table 6, the Nagelkerke R Square value in the unmoderated model of 0.126 means that the timeliness of financial reporting can be explained by an independent variable of 12.6 percent and the remaining 87.4 percent is influenced by other variables outside the model. While the Nagelkerke R Square value with a moderation of 0.243 means that the timeliness of financial reporting can be explained by the independent variable which is moderated by 24.3 percent and the remaining 75.7 percent is influenced by other variables outside the model.

4. F Test (Simultaneous)

Table 7. Omnibus Test of Model Coefficients

		Tanpa Moderasi			Dengan Moderasi		
		Chi-square	Df	Sig.	Chi-square	df	Sig.
Step 1	Step	42.619	4	0.000	3.692	4	0.449
	Block	42.619	4	0.000	3.692	4	0.449
	Model	42.619	4	0.000	3.692	4	0.449

Based on table 7, it is known that in the unmoderated test, the test significance value is smaller than 0.05, namely 0.000, which means that all independent variables simultaneously have a significant effect on the timeliness of financial reporting. Meanwhile, in the moderated test, the significance value of the test is greater than 0.05, which is 0.449, which means that all independent variables simultaneously have no significant effect on the timeliness of financial reporting.

5. t test (Partial)

Table 8. Variables in the Equation

	Tanpa Moderasi				Dengan Moderasi			
Var	Pred. Arah	Beta	Sig1	Ket	Pred. Arah	Beta	Sig2	Ket
Cons		-22,73	0,000			-19,99	0,001	
X1	(+)	0,047	0,003	H_1 Diterima	(+)	0,105	0,002	H_1 Diterima
X2	(+)	0,367	0,067	H_2 Ditolak	(+)	0,926	0,174	H_2 Ditolak
X3	(+)	-0,342	0,198	H_3 Ditolak	(+)	-0,065	0,429	H_3 Ditolak
X4	(+)	-0,002	0,089	H_4 Ditolak	(+)	-0,112	0,328	H_4 Ditolak
C		0,124	0,096			0,178	0,223	
Z						-2,84	0,086	
M1					(+)	0,187	0,09	H_5 Ditolak
M2					(+)	0,118	0,108	H_6 Ditolak
M3					(+)	-0,468	0,170	H_7 Ditolak
M4					(+)	-0,172	0,145	H_8 Ditolak

Model 1 (Without Moderation):
Ln TL $1-TL$ = -22,73 + 0,047.ROA + 0,367.TA – 0,342.PO – 0,002.AO + 0,124.DER

Model 2 (With Moderation):
Ln TL $1-TL$ = -19,99 + 0,105.ROA + 0,926.TA – 0.065.PO – 0,112.AO + 0,178.DER + 0,187.ROA*AQ + 0,118.TA*AQ – 0,468.PO*AQ – 0,172.AO*AQ

4.2 Discussion

a. The Effect of Profitability on Timeliness of Financial Reporting

Profitability has a positive effect on Timeliness of Financial Reporting. This study concludes that companies that are able to achieve higher profits will be seen as better by investors. This research is in line with signal theory which states that achieving high profits is a good signal that investors can capture, so companies tend to submit financial reports on time (Azhari & Nurytano, 2020).

The results of this study are in line with research conducted by Azhari & Nuryatno (2020), Wibowo & Saleh (2020), Afriyeni & Marlius (2018), Gafar et al., (2017), Tarigan (2017), Pradipta (2017), Attarie (2016) and Adebayo & Adebiyi (2016) which state that Profitability has a positive influence on Timeliness of Financial Reporting.

b. The Influence of Firm Size on Timeliness of Financial Reporting

Firm Size does not affect the Timeliness of Financial Reporting. This study states that the size of a company does not affect the company's tendency to submit financial reports in a timely manner. This is because companies that have large assets tend to maintain their company image in the eyes of the public compared to companies with small assets (Nurmiati, 2016).

The results of this study are also in line with research conducted by Gafar et al., (2017), Nurmiati (2016), and Suryadi (2016) which state that Firm Size has no effect on Timeliness of Financial Reporting.

c. The Effect of Public Ownership on Timeliness of Financial Reporting

Public Ownership has no effect on Timeliness of Financial Reporting. This study states that the percentage of shares owned by the public will not affect the company in submitting financial reports in a timely manner. This is because the percentage of public ownership does not have a strong influence on overseeing the company, especially in terms of timely submission of financial reports (Nurmiati, 2016).

The results of this study are also in line with research conducted by Nurmiati (2016) and Suryadi (2016) which concluded that Public Ownership has no effect on Timeliness of Financial Reporting.

d. Effect of Audit Opinion on Timeliness of Financial Reporting

Audit Opinion has no effect on Timeliness of Financial Reporting. This study states that the type of opinion issued by the auditor will not affect the company in submitting financial statements in a timely manner. An audit opinion is a report given by a registered auditor stating that the audit has been carried out in accordance with the rules of accounting audit accompanied by an opinion regarding the fairness of the audited financial statements. Therefore, there is no guarantee whether a company that has an unqualified opinion or an opinion other than unqualified will affect the timeliness of the submission of the financial statements (Tarigan, 2017).

The results of this study are also in line with research conducted by Afriyeni & Marlius (2018), Tarigan (2017) and Suryadi (2016) which concluded that Audit Opinion has no effect on Timeliness of Financial Reporting.

e. The Effect of Profitability on Timeliness of Financial Reporting with Audit Quality as a Moderating Variable

Audit Quality cannot moderate the effect of Profitability on Timeliness of Financial Reporting. This study shows that whether or not the audit quality used by the company will not affect the profitability of the timeliness of financial reporting. This is because companies with high profitability will be audited faster than companies experiencing losses (Tarigan, 2017). According to Wibowo & Saleh (2020), companies that have high profitability should be audited by a large KAP. On the other hand, if the level of profitability is low, it will be audited by a small KAP.

The results of this study are in line with research conducted by Wibowo & Saleh (2020) and Tarigan (2017) which states that audit quality cannot moderate the effect of Profitability on Timeliness of Financial Reporting.

f. The Influence of Firm Size on Timeliness of Financial Reporting with Audit Quality as a Moderating Variable

Audit Quality cannot moderate the effect of Firm Size on Timeliness of Financial Reporting. This study shows that whether or not the audit quality used by the company will not affect the size of a company on the timeliness of financial reporting. According to Wibowo & Saleh (2020), this is because large companies do not necessarily have a good KAP reputation. Large KAPs have a better ability to carry out audits, so they are able to produce higher audit quality. For large companies will usually maintain a company image, it can be concluded that audit quality cannot moderate the effect of Firm Size on the accuracy of financial reporting.

The results of this study are in line with research conducted by Wibowo & Saleh (2020) which states that audit quality cannot moderate the effect of Firm Size on Timeliness of Financial Reporting.

g. The Effect of Public Ownership on Timeliness of Financial Reporting with Audit Quality as a Moderating Variable

Audit Quality cannot moderate the effect of Public Ownership on Timeliness of Financial Reporting. This study shows that whether or not the audit quality used by the company will not affect the percentage of public ownership on the timeliness of financial reporting. This is because the percentage of public ownership of companies audited by larger or smaller KAPs does not have a guarantee that the company tends to submit its financial statements in a timely manner.

The results of this study do not have previous research on audit quality variables moderating the effect of public ownership on the timeliness of financial reporting.

h. Effect of Audit Opinion on Timeliness of Financial Reporting with Audit Quality as a Moderating Variable

Audit Quality cannot moderate the influence of Audit Opinion on Timeliness of Financial Reporting. This study shows that whether or not the audit quality used by the company will not affect the type of opinion issued by the auditor on the timeliness of financial reporting. This is because the audit opinion is the opinion expressed by the auditor when the auditor concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. Therefore, there is no guarantee that the audit opinion issued by the KAP, whether the KAP is larger or smaller, will affect the company's tendency to submit its financial statements in a timely manner (Tarigan, 2017).

The results of this study are in line with research conducted by Tarigan (2017) which states that audit quality cannot moderate the effect of Audit Opinion on Timeliness of Financial Reporting.

V. Conclusion

Based on the results of testing conducted by researchers, hypotheses, and discussions described in the previous chapter, the conclusions that can be drawn from this research are as follows:

1. Profitability has a positive effect on the Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H1 is accepted). The results of this study are in line with signal theory and research conducted by Azhari & Nuryatno (2020), Wibowo & Saleh (2020), Afriyeni & Marlius (2018), Gafar et al., (2017), Tarigan (2017), Pradipta (2017), Attarie (2016) and Adebayo & Adebiyi (2016).
2. Firm Size has no effect on the Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H2 is rejected). The results of this study are in line with research conducted by Gafar et al., (2017), Nurmiati (2016), and Suryadi (2016).
3. Public Ownership does not affect the Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H3 is rejected). The results of this study are in line with research conducted by Nurmiati (2016) and Suryadi (2016).
4. Audit opinion has no effect on the Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H4 is rejected). The results of this study are in line with research conducted by Afriyeni & Marlius (2018), Tarigan (2017) and Suryadi (2016).
5. Audit Quality cannot moderate the effect of Profitability on Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H5 is rejected). The results of this study are in line with research conducted by Wibowo & Saleh (2020) and Tarigan (2017).
6. Audit Quality cannot moderate the effect of Firm Size on Timeliness of Financial Reporting for manufacturing companies listed on the IDX in 2016-2020 (H6 is rejected). The results of this study are in line with research conducted by Wibowo & Saleh (2020).
7. Audit Quality cannot moderate the effect of Public Ownership on Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H7 rejected). The results of this study do not have any previous research that uses audit quality variables to moderate public ownership of the timeliness of financial reporting.
8. Audit Quality cannot moderate the effect of Audit Opinion on Timeliness of Financial Reporting of manufacturing companies listed on the IDX in 2016-2020 (H8 is rejected). The results of this study are in line with research conducted by Tarigan (2017).
9. Leverage as a control variable cannot control the effect of Profitability, Firm Size, Public Ownership and Audit Opinion on Timeliness of Financial Reporting.

References

Adebayo, PA, & Adebiyi, WK (2016). Effect of firm characteristics on the timeliness of corporate financial reporting: evidence from nigerian deposit money banks. International Journal of Economics, Commerce and Management, IV(3), 369–381.

Gafar et al., (2017). Factors Affecting Timeliness in Submitting Financial Statements to Banks Listed on the Indonesia Stock Exchange. ECONOMIC FORUM. Volume 19, No. 1 2017.

Indonesian Accounting Association. 2019. Financial Accounting Standards effective January 1, 2019 regarding Statement of Financial Accounting Standards.

Indonesian Institute of Certified Public Accountants, 2014. Professional Standards of Public Accountants. Salemba Empat Publisher.

Mawardi et al., (2020). Analysis of Factors Affecting Timeliness of Submitting Financial Statements: Empirical Study on Manufacturing Companies Listed on the IDX 2016-2018. Faculty of Economics and Business, Islamic University of Malang. E-JRA Vol. 09 No. August 10, 2020.

Ningsih et al., (2020). Analysis of factors that affect the timeliness of financial statement submission: Empirical Study on Manufacturing Companies Listed on the IDX 2016-2018. Faculty of Economics and Business, Islamic University of Malang. E-JRA Vol. 09 No. 10.

Nurmiati (2016). Factors that affect the timeliness of financial reporting. Performance: Journal of Economics and Management, Volume 13, (2), 2016.

Shah, M. M., et al. (2020). The Development Impact of PT. Medco E & P Malaka on Economic Aspects in East Aceh Regency. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*. Volume 3, No 1, Page: 276-286

Tarigan (2017). The effect of profitability, solvency, and audit opinion on the timeliness of financial report submission (timeliness) with auditor quality as a moderating variable. JOURNAL OF ECONOMIC & SOCIAL SCIENCES, VOL. VIII, NO. 2, OCTOBER 2017; 122-139.

Wibowo & Saleh (2020). The Effect of Profitability, Leverage, and Firm Size on Timeliness of Financial Reporting with Auditor Quality as Moderating Variable. Indonesian Collee of Economics, STEI Indonesia. 2020.

Zebua et al., (2019). Analysis of Factors Affecting Timeliness of Financial Reporting in Manufacturing Companies Listed on the Indonesia Stock Exchange. Accounting, Medan State Polytechnic, Indonesia. 2019