

# Analysis of the Influence of Profitability, Solvency, Liquidity, and Firm Size on the Timeliness of Financial Reporting with Audit Opinion as a Moderating Variable in Sector Trading, Services, and Investment Companies on the Indonesia Stock Exchange in 2016-2020

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## ABSTRACT

This study aimed to test the effect of profitability, solvency, liquidity, and firm size on the timeliness of financial reporting with audit opinion as a moderation variable in the trade, service, and investment companies listed on the Indonesia Stock Exchange. The population in this study was taken from the trade, service, and investment sector companies listed on the Indonesia Stock Exchange during 2016-2020. Where the company included in the criteria was 79 companies. Data is processed using a logistics regression test. The results of this study concluded that solvency affects the timeliness of financial reporting, while profitability, liquidity, and firm size do not affect the timeliness of financial reporting. Audit opinion can moderate firm size to the timeliness of financial reporting, and audit opinion cannot moderate the relationship between profitability, solvency, and liquidity to the timeliness of financial reporting.

**Keywords:** *profitability, solvency, liquidity, firm size, audit opinion, and timeliness*

## INTRODUCTION

Along with the development of the current economy, the development of the business world is also very rapidly marked by the increasing number of going public

companies. The company Go Public must submit its financial statements because they are a company's results as a form of company accountability to convey various information about its activities. According to (Hery, 2009), financial reporting provides useful information for investors and creditors in making investment and credit decisions.

Financial statements result from an accounting process as an overview of financial transactions during the current period. The financial statements produced by accountability are processed systematically based on correct transaction evidence. Financial statements aim to provide financial information to users used as a reference in the decision-making process (Sirait, 2014). The financial statements also show the results of management accountability for the use of resources entrusted to them.

The company's financial statements must be submitted on time because the timeliness of financial reporting is very important for users of financial information. The financial statements compiled provide information regarding the financial position, performance, and changes in a company's financial position. The company's financial

statements are a demand and are generally made by the management to account for the tasks assigned to it by the company owner. Based on the basic framework of preparing and presenting financial statements of financial accounting standards, financial statements must meet the four qualitative characteristics that make financial statement information useful for the wearer. The four characteristics are: can be understood, relevant, reliable, and comparable. Meanwhile, there are obstacles to getting the relevant information, one of which is timeliness.

Henry (2009) states that the problem of timeliness in financial reporting is also increasingly important in line with the progress of the business world. The financial reporting system periodically (periodically) has been going on so far, but the problem is that the business environment has changed dramatically. In the future, a financial reporting system may be developed to meet the need for more timely dissemination of financial information.

The Statement of Financial Accounting Standards (2007) states that the benefits of a financial statement will be reduced if the report is not available on time. Companies that have Go public are required to report financial statements to the public. It has been regulated in Law No. 8 of 1995 concerning the Capital Market. The regulation explained that companies that have become public companies must report their financial statements to the Financial Services Authority. In Regulation Number 44/POJK.04/2016 concerning Reports of Storage and Settlement Institutions.

Cases of the company's late in delivering financial statements to the Financial Services Authority still often occur, even though the OJK has provided an extension of time in the delivery of financial statements and noted 70 companies that have not submitted financial statements for 2017, 10 companies that have not submitted financial statements for 2018, 64 companies that have not submitted financial statements

for 2019, 88 companies that have not submitted financial statements for 2020.

Companies in the trade, services, and investment sectors are companies consisting of restaurant, hotel, and tourism sub-sectors, advertising sub-sectors, printing and media, computer and device services sub-sectors, retail and large trade sub-sectors, health sub-sectors, company sub-sectors investment. The trade, service, and investment sector companies require more long-term sources of funds to finance their company's operations, one of which is by investing in investors. So, timeliness is a factor to see that the company is serious about holding investors and maintaining it.

The results of Choiruddin's research (2015) show that solvency, liquidity, profitability, ownership structure, and audit opinion significantly affect the timeliness of financial reporting. Hadi's research (2018) shows that audit opinion and public ownership affect the timeliness of financial reporting, while the company's age does not. Based on the description in the background that there are companies that are late reporting financial statements. The theory states that companies with large sizes have the resources to report on time, but there are also companies with large companies that are late. Likewise, low debt should be able to report financial statements on time. However, companies are too late reporting finances, so the problem to be examined is made a problem formulation based on whether profitability, solvency, liquidity, and firm size affect the timeliness of financial reporting with audit opinion as a moderation variable in the trade, services, and investment companies listed on the Indonesia Stock Exchange.

## **LITERATURE REVIEW**

### **Timeliness of Financial Reporting**

The accuracy of the delivery of financial statements between one company and another is different, which is triggered by the risk content of each of these companies. Determination of

characteristics using three approaches: The structure is determined by the company's developmental factors, firm size, company age, and the ability to pay off debt. Performance is determined by liquidity and profitability factors. Furthermore, the market is determined by the magnitude of the portion of public shares. Every company that goes public must submit financial statements with financial accounting standards that have been audited by accounting listed on the IDX. Timeliness in the delivery of financial statements is very important for the level of benefits and value of the report. The shorter the time between the end of the accounting period and the date of delivery of financial statements, the more benefits can be obtained from the financial statements (Choiruddin, 2015).

### Profitability

According to (Hery, 2009), profitability is a ratio to assess the company's ability to make profits. This ratio also provides a measure of the level of effectiveness of a company's management. It is indicated by profits generated from sales and investment income by comparing the various components in the financial statements, especially the balance sheet and income statements.

According to Jogiyanto (2019), individual beliefs in information technology are formed from three factors, namely institutional, social, and individual factors. Trust must be built from the start and requires a process to generate trust in the other party. Therefore, a company needs to give its users confidence.

Profitability is related to agency theory, where in this theory, the agent as the company manager and the principal as the owner has a contract, in the contract requires the agent to provide results or financial statements to the principal. Companies with high profitability can be said that the company's financial statements contain good news, and

companies that experience good news will submit financial statements more immediately or on time.

In this study, profitability is measured by ROA (Return on Asset), where ROA aims to measure the company's ability to generate company profits. The following formula is used to measure ROA:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

### Solvency

According to (Hery, 2009), solvency measures the extent to which company assets are financed with debt. It means how much debt burden the company bears compared to its assets. In a broad sense, it is said that the solvency ratio is used to measure the company's ability to pay all its obligations, both short and long term if the company is dissolved (liquidated).

This study measures solvency by DAR (Debt to Asset Ratio), where DAR can compare total debt with total assets. It is usually used to measure the financial leverage of a company. The higher the solvency ratio, the greater the risk faced, and the more the company will tend to get pressured to provide financial statements as soon as possible. Dar measured the formula as follows:

$$DER = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

Financial leverage uses funds from company assets with limited retrieval, which is expected to increase profits for shareholders. The issue of financial leverage only arises after the company uses funds with a fixed burden. The signal theory explains the process that costs in the form of deadweight costing aims to convince investors about company value. Other companies with a lower value cannot imitate a good signal due to the cost factor. This theory will

reveal that investors can distinguish companies with high value from those with low value by observing ownership of their capital structure and marking high valuations for highly levered companies.

### **Liquidity**

Liquidity is the company's ability to pay debts or short-term obligations. This analysis shows or measures the company's ability to meet its obligations due to both obligations to outside parties and within the company. Thus, it can be said that this ratio is to find out the company's ability to finance and fulfill obligations (debt) when billed.

The high level of liquidity in a company shows that the company fulfills its short-term obligations well and provides good news for the company. It will affect the company to submit its financial statements on time because it will make market reactions positive to the company. At the same time, the low level of liquidity shows that the company cannot fulfill its short-term obligations properly. The signal theory will reveal that investors can distinguish companies with high value from those with low value by observing ownership of their capital structure and marking high valuations for highly levered companies.

Liquidity is measured using CR (Current Ratio) because CR can measure the company's ability to meet its short term by using current assets, while CR is measured with a ratio scale through the formula:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$$

### **Firm Size**

The firm size can be seen from the total assets companies own that can be used for company operations. If the company has a large total asset, management is free to use the assets. In general, the size of

the company can be formulated as follows:

$$Size = Ln \text{ of total assets}$$

A company with large assets will have many sources of information, human resources, and sophisticated information systems to enable the company to report financial statements to the public quickly. It is in line with agency theory.

Companies included in the large category will be timely in reporting financial statements to the public. In contrast, large companies have much information that must be conveyed to the public as stakeholders. The information conveyed is very much needed by the public in decision-making, so the company must submit its financial statements immediately. Otherwise, the public will be increasingly involved in decision-making.

### **Audit Opinion**

The auditor is one of the parties that play an important role in achieving quality financial statements in the capital market. The auditor assures the reasonableness of financial statements compiled and issued by management. The auditor gives assurance of the financial statements through auditor opinion, which aligns with the signal theory (Choiruddin, 2015).

According to Mulyadi (2019: 19), there are five main types of audit reports issued by the auditor:

- 1) Audit report containing a fair unqualified opinion report. Financial statements are considered to present reasonable financial position and business results of an organization, following generally acceptable accounting principles, if it meets the following conditions:
  - a. Accounting principles are commonly used to prepare financial statements.

- b. Changes in applying accounting principles generally from period to period have been explained.
  - c. The information in the notes that support it has been described and explained sufficiently in the financial statements following accounting principles generally.
  - d. There are no restrictions in the audit scope and no significant exceptions regarding fairness.
- 2) Reports contain reasonable opinions without exception (unqualified opinion report with explanatory language). Suppose some things require the language of explanation, but the financial statements have given a reasonable financial position and the results of the client's company's business. In that case, the auditor can issue a standard audit report plus the explanation language.
- 3) Reports containing fair opinions with qualified opinion reports. Audit reports can receive opinions with an exception if, in the financial statements, there are conditions as follows:
- a. The client limits the scope of the audit.
  - b. The auditor cannot carry out important audit procedures or obtain important information because of the conditions outside the client's and the auditor's authority.
  - c. Financial statements are not prepared under generally accepted accounting principles.
  - d. The accounting principles generally used in preparing financial statements cannot be consistently accepted.
- 4) Reports containing unnatural opinions (Adverse Opinion Reports) The auditor gives an unnatural opinion if the following conditions are found:
- a. The client's financial statements are not prepared based on generally acceptable accounting principles, so

they do not properly present financial position, business results, equity changes, and client cash flow.

- b. The client limits the scope.
  - c. The information presented by the client in the financial statements is completely unbelievable.
- 5) Reports in which the auditor does not express opinions (disclaimer of opinion report). Some conditions that cause the auditor not to give their opinions, namely:
- a. Extraordinary restrictions on the scope of the audit.
  - b. The auditor is not independent of its relationship with the client.

The audit opinion is measured using the dummy variable. The companies that receive an unqualified opinion from the auditor are given a dummy value of one, and the company category that gets opinions other than unqualified opinion is given a dummy value of 0.

### Framework

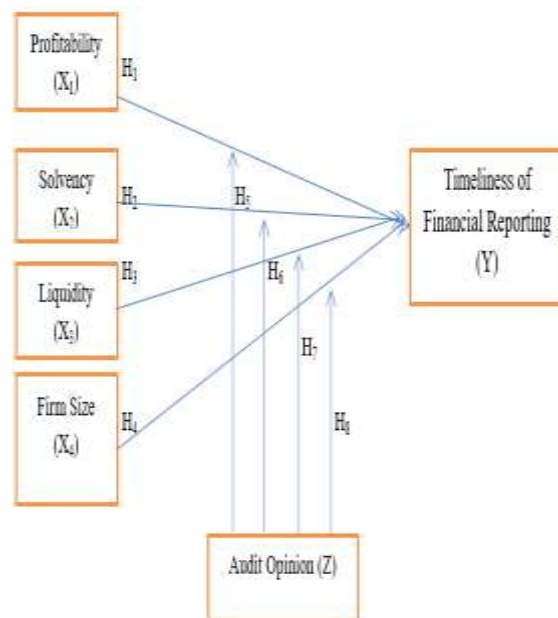


Figure 1. Framework

- H1: Profitability positively affects the timeliness of financial reporting.
- H2: Solvency positively affects the timeliness of financial reporting.

H3: Liquidity positively affects the timeliness of financial reporting.

H4: Firm size positively affects the timeliness of financial reporting.

H5: Audit Opinion can moderate profitability on the timeliness of financial reporting.

H6: Audit Opinion can moderate solvency on the timeliness of financial reporting.

H7: Audit Opinion can moderate liquidity on the timeliness of financial reporting.

H8: Audit Opinion can moderate the firm size on the timeliness of financial reporting.

## MATERIALS & METHODS

This research uses a type of causal associative research. Causal associative research aims to analyse the relationship between one variable and another or how a variable affects other variables (Erlina, 2011). This study analyzes the influence of the independent variables on the dependent variable with the moderating variable. The dependent variable of this study is the Timeliness of Financial Reporting (Y), and the Independent Variables of this study are Profitability (X1), Solvency (X2), Liquidity (X3), Firm size (X4) with Audit Opinion (Z) as a moderating variable.

The population of this research is trade, service, and investment sector companies listed on the Indonesia Stock Exchange. The criteria are that the company has been listed on the Indonesian Stock Exchange and has submitted financial reports from 2016 to 2020 on the Indonesian Stock Exchange. 163 trading, service, and investment companies were listed on the Indonesia Stock Exchange during the 2016-2020 period.

The sampling technique used in this study is purposive sampling, which is used to select samples with specific criteria. The criteria used are:

1. The company was consecutively listed on the Indonesia Stock Exchange in 2016-2020.

2. The company reports financial statements for the 2016-2020 period.

3. The company uses the rupiah currency.

Based on the above criteria, the sample in this company is 395 samples (79 companies x 5 years of research). The data analysis technique in this study used the SPSS 26 statistical program.

## RESULT

### A. Descriptive Statistics

Validity testing is carried out to determine whether a questionnaire is valid for each variable. Where the results of the validity test that has been carried out in this study are shown in the following table:

Table 1. Descriptive Statistics Test Results

Frequency Table					
	N	Minimum	Maximum	Mean	Std. Deviation
Y	395	0	1	0.89	0.312
Z	395	0	1	0.94	0.239
Valid N (listwise)	395				

Source: Data Processed by SPSS 26, 2022

As for the entire sample, the number of companies that submitted their financial reports on time in 2016 was 71 companies and eight that did not submit their financial reports on time, with 76 companies receiving a qualified audit opinion with exceptions and three companies receiving opinions other. In 2017, 77 companies submitted financial reports on time, and two were not on time, with 72 companies receiving unqualified audit opinions and seven companies receiving audit opinions other than unqualified.

In 2018, 74 companies submitted their financial reports on time, and five companies were not on time, with 76 companies receiving unqualified audit opinions and three companies receiving audit opinions other than unqualified. In 2019, 56 companies reported their financial statements on time, while 23 companies were not on time, with 76 companies receiving unqualified opinions and three

companies receiving audit opinions other than unqualified opinions. In 2020, 74 companies were timely in their financial reporting, and five companies were not on time, with 71 companies receiving unqualified audit opinions and eight companies receiving audit opinions other than unqualified opinions.

## B. Hypothesis Test

### 1. Goodness Of Fit Test (Hosmer and Lemeshow)

Testing the feasibility of the logistic regression model was assessed using Hosmer and Lemeshow's Goodness of Fit Test as measured by the Chi-Square value. The goal is to test the null hypothesis to determine whether the empirical data fits/fits the model. Suppose the statistical value of Hosmer and Lemeshow's Goodness of Fit Test is equal to or less than the probability value (sig) 0.05. In that case, the null hypothesis is rejected, or it means a significant difference between the model and the observed value. Hence, Hosmer and Lemeshow's Goodness of Fit Test is not good because the model cannot predict the observed value.

Table 2. Hosmer and Lemeshow Test (No Moderation) Test Result

<i>Hosmer and Lemeshow Test</i>			
Step	Chi-square	df	Sig.
1	1.982	8	.982

Source: Data Processed by SPSS 26, 2022

Based on the table above, the significance value is greater than 0.05, namely 0.982 for the stage without moderation. It means that the H0 stage is accepted so that it can be concluded that the model can explain the data.

Table 3. Hosmer and Lemeshow Test (With Moderation)

<i>Hosmer and Lemeshow Test</i>			
Step	Chi-square	df	Sig.
1	.001	8	1.000

Source: Data Processed by SPSS 26, 2022

Based on the table above, the significance value is greater than 0.05, which is 1.000 for the moderated stage. It means that the H0 stage is accepted so that it can be concluded that the model can explain the data.

### 2. Overall Model Test (Overall Model Fit)

This test was carried out by comparing -2Log Likelihood (-2LL) at the beginning (Block Number = 0) with -2Log Likelihood (-2LL) at the end (Block Number = 1). The initial -2Log Likelihood value at block number = 0 can be shown in the following table:

Table 4. Initial -2Log Likelihood (-2LL) Value

<i>Iteration History<sup>a,b,c</sup></i>			
Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	284.607	1.565
	2	272.175	2.013
	3	271.861	2.099
	4	271.860	2.102
	5	271.860	2.102
a. Constant is included in the model.			
b. Initial -2 Log Likelihood: 271.860			
c. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.			

Source: Data Processed by SPSS 26, 2022

In the table above for the Iteration History table, the statistical value of -2Log Likelihood in the third iteration is 271.860. The following statistical values are for a simple model (not involving independent variables, namely profitability, liquidity, solvency, and firm size).

Table 5. Value -2Log Likelihood (-2LL) End

<i>Iteration History<sup>a,b,c,d</sup></i>							
Iteration	-2 Log likelihood	Coefficients				Uk.	
		Constant	Profitabilitas	Solvabilitas	Likuiditas		
Step 1	1	277.948	1.451	.582	-.676	-.001	.015
	2	262.299	1.619	.835	-1.247	.000	.035
	3	261.616	1.485	.885	-1.445	.002	.047
	4	261.614	1.458	.889	-1.458	.003	.048
	5	261.614	1.458	.889	-1.458	.003	.048
a. Method: Enter							
b. Constant is included in the model.							
c. Initial -2 Log Likelihood: 271.860							
d. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.							

Source: Data Processed by SPSS 26, 2022

In Table 5 for the Iteration History table, the statistical value of -2Log Likelihood in the fifth iteration is 261.614. The following statistical values involve independent variables: profitability, liquidity, solvency, and firm size.

From Table 4 and Table 5, the initial -2LL was 271,860; after including the four independent variables, the final -2LL value decreased to 261,614. This -2LL decrease indicates a good regression model, or in other words, the model is hypothesised to fit with the data.

### 3. Simultaneous Test (Omnibus Test of Model Coefficient)

This test was conducted to test whether the independent variables of profitability, solvency, liquidity, and firm size simultaneously affect the dependent variable, namely the timeliness of financial reporting, with audit opinion as a moderating variable. If the significance value is less than 0.05 (<0.05), the independent variables simultaneously influence the dependent variable.

Table 6. Omnibus Tests of Model Coefficients (Without Moderation)

<i>Omnibus Tests of Model Coefficients</i>				
		Chi-square	df	Sig.
Step 1	Step	10.247	4	0.036
	Block	10.247	4	0.036
	Model	10.247	4	0.036

Source: Data Processed by SPSS 26, 2022

Based on Table 6 above, it is known that the Chi-square value is 10.247, with a significant value of 0.036. So, in the study, a significant value was obtained less than 0.05, meaning that it can be concluded that all independent variables, namely profitability, solvency, liquidity, and firm size, simultaneously influence the dependent variable, the timeliness of financial reporting.

Table 7. Omnibus Tests of Model Coefficients (With Moderation)

<i>Omnibus Tests of Model Coefficients</i>				
		Chi-square	df	Sig.
Step 1	Step	244.913	9	.000
	Block	244.913	9	.000
	Model	244.913	9	.000

Source: Data Processed by SPSS 26, 2022

Based on Table 7 above, the sig is smaller than <0.05, namely 0.000, meaning that all independent variables, namely profitability, solvency, liquidity, and firm size, have a simultaneous effect on the dependent variable, namely the timeliness of financial reporting with audit opinion as a moderating variable.

### 4. Determination Coefficient Test

The coefficient of determination is used to measure the ability of the independent variable or independent variable to explain the dependent variable.

Table 8. Summary Model (Without Moderation)

<i>Model Summary</i>			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	246.093 <sup>a</sup>	.063	.127

Source: Data Processed by SPSS 26, 2022

Based on 8. the Nagelkerke R Square value is 0.127, which means that an independent variable of 12.7 per cent can explain the timeliness of financial reporting, and other variables outside the model influence the remaining 87.3 %.

Table 9. Summary Model (With Moderation)

<i>Model Summary</i>			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	26.947 <sup>a</sup>	.462	.929

Source: Data Processed by SPSS 26, 2022

Based on Table 9, the model with a moderate Nagelkerke R Square value of 0.929 means that the timeliness of financial reporting can be explained by the



independent variable, which is moderated by 92.9 per cent, and other variables outside the model influence the remaining 7.1 %.

### 5. Model Prediction Accuracy Test (Classification Table)

Table 10. Classification Tables (Without Moderation)

Classification Table <sup>a</sup>					
Observed			Predicted		
			Y	1	Percentage Correct
Step 1	Y	0	2	41	4.7
		1	0	352	100.0
Overall Percentage					89.6

Source: Data Processed by SPSS 26, 2022

Based on Table 10, predicting with an accuracy rate of 89.6 per cent is accurate in classifying data.

Table 11. Classification Table (With Moderation)

Classification Table <sup>a</sup>					
Observed			Predicted		
			Y	1	Percentage Correct
Step 1	Y	0	38	5	88.4
		1	2	350	99.4
Overall Percentage					98.2

Source: Data Processed by SPSS 26, 2022

Based on Table 11, predicting with an accuracy rate of 98.2 per cent is accurate in classifying data.

### 6. Multicollinearity Test

In logistical regression analysis, multicollinearity tests can be done using the correlation matrix. If the correlation matrix value is smaller than 0.9 (<0.9), multicollinearity symptoms exist. Conversely, if the matrix value is greater than 0.9 (> 0.9), there are multicollinearity symptoms.

Table 12. Correlation Matrix (Without Moderation)

Correlation Matrix							
Step	Constant	X1	X2	X3	X4		
1	Constant	1.000	0.272	-0.041	-0.278	-0.992	
	X1	0.272	1.000	0.133	0.021	-0.284	
	X2	-0.041	.133	1.000	0.310	-0.071	
	X3	-0.278	0.021	0.310	1.000	0.219	
	X4	-0.992	-0.284	-0.071	0.219	1.000	

Source: Data Processed by SPSS 26, 2022

Table 13. Correlation Matrix (With Moderation)

Correlation Matrix										
Step	Constant	X1	X2	X3	X4	X1_Z	X2_Z	X3_Z	X4_Z	
1	Constant	1.000	0.152	0.140	-0.019	-0.967	-0.089	-0.209	-0.061	0.127
	X1	0.152	1.000	0.334	0.479	-0.181	-0.975	-0.440	-0.473	0.136
	X2	0.140	0.534	1.000	0.510	-0.331	-0.517	-0.811	-0.504	0.650
	X3	-0.019	0.479	0.510	1.000	-0.120	-0.472	-0.405	-0.962	0.465
	X4	-0.967	-0.181	-0.331	-0.120	1.000	0.120	0.351	0.193	-0.338
	X1_Z	-0.089	-0.975	-0.517	-0.472	0.120	1.000	0.426	0.465	-0.129
	X2_Z	-0.209	-0.440	-0.811	-0.405	0.351	0.426	1.000	0.454	-0.798
	X3_Z	-0.061	-0.473	-0.504	-0.962	0.193	0.465	0.454	1.000	-0.514
	X4_Z	0.127	0.136	0.650	0.465	-0.338	-0.129	-0.798	-0.514	1.000

Source: Data Processed by SPSS 26, 2022

Based on the two tables above, namely 12 and 13, showing all independent variables (profitability, solvency, liquidity, firm size, and audit opinion as moderation variables), less than 0.9 can be interpreted that there is no correlation relationship between variables. It shows that there are no symptoms of multicollinearity.

### 7. Wald Test

Wald test is a regression coefficient test to determine whether each independent variable in the model influences the dependent variable. The regression coefficient can be determined using Wald Statistics.

The analysis used in this study is binary logistics regression analysis, namely, seeing audit opinion as a moderation of the influence of profitability, solvency, liquidity, and firm size on the timeliness of financial reporting. Hypothesis testing compares the significance value (Sig.) / Prob. with an error level ( $\alpha$ ), where if sig./Prob. <0.05, then the independent variable affects the dependent variable. The results of the logistics regression analysis in this study can be seen in the following table.

Table 14. Logistics Regression Coefficient Test (Without Moderation)

Variables in the Equation							
Step		B	S.E.	Wald	df	Sig.	Exp(B)
1 <sup>a</sup>	X1	0.889	0.616	2.081	1	0.149	2.432
	X2	-1.458	0.586	6.195	1	0.013	0.233
	X3	0.003	0.034	0.008	1	0.930	1.003
	X4	0.048	0.107	0.204	1	0.652	1.049
	Constant	1.458	3.053	0.228	1	0.633	4.297

a. Variable(s) entered on step 1: Profitability, Solvency, Liquidity, Firm Size.

Source: Data Processed by SPSS 26, 2022

Based on Table 14, the significant value of profitability of 0.149, which is greater than

0.05, means that the profitability in this study does not affect the timeliness of financial reporting. The significant value of 0.013 solvency is smaller than 0.05, meaning that the solvency in this study influences the timeliness of financial reporting. The significant value of liquidity of 0.930 is greater than 0.05. It means that liquidity in this study does not influence financial reporting time. The significance value of the firm size of 0.652 is greater than 0.05, meaning that the company's size in this study does not influence the timeliness of financial reporting.

Table 15. Logistics Regression Coefficient Test (With Moderation)

		Variables in the Equation					
		B	S.E.	Wald	df	Sig.	Exp(B)
Step	X1	1.666	2.899	0.330	1	0.565	5.293
1 <sup>a</sup>	X2	0.825	1.098	0.565	1	0.452	2.282
	X3	0.103	0.119	0.742	1	0.389	1.108
	X4	-0.083	0.116	0.517	1	0.472	.920
	X1 Z	-0.899	2.944	0.093	1	0.760	.407
	X2 Z	-3.134	1.375	5.193	1	0.023	.044
	X3 Z	-0.115	0.124	0.858	1	0.354	.892
	X4 Z	0.128	0.034	13.825	1	0.000	1.137
	Constant	2.210	3.167	0.487	1	0.485	9.114

a. Variable(s) entered on step 1: Profitability, Solvency, Liquidity, Firm Size, Profitability\_Audit Opinion, Solvency\_Audit Opinion, Liquidity\_Audit Opinion, Firm Size\_Audit Opinion.

Source: Data Processed by SPSS 26, 2022

Based on Table 15, the significant value of profitability moderated by audit opinion is 0.760, greater than 0.05. In this study, the audit opinion cannot moderate the relationship between profitability and the timeliness of financial reporting. The significant value of solvency moderated by audit opinion is 0.023, smaller than 0.05. It means that in this study, the audit opinion can moderate the relationship between solvency and the timeliness of financial reporting. The significant value of the liquidity moderated by the audit opinion of 0.354 is greater than 0.05. In this study, the audit opinion cannot moderate the relationship between liquidity and the timeliness of financial reporting. The significant value of the company's size moderated by audit opinion is 0,000, smaller than 0.05, meaning that in this study, the audit opinion can moderate the relationship

between the company's size and the timeliness of financial reporting.

Model 1 (without moderation):

$$\ln \frac{TL}{1-TL} = 1.458 + 0.889.X_1 - 1.458.X_2 + 0.003.X_3 + 0.048.X_4$$

Model 2 (with moderation):

$$\ln \frac{TL}{1-TL} = 2.210 + 1.666.X_1 + 0.825.X_2 + 0.103.X_3 - 0.083.X_4 - 0.899.X_1.Z - 3.134.X_2.Z - 0.115.X_3.Z + 0.128.X_4.Z$$

## CONCLUSION

From the results of research on analysis and testing of hypotheses that have been used, researchers conclude as follows:

- 1) Profitability does not affect the timeliness of financial reporting.
- 2) Solvency affects the timeliness of financial reporting.
- 3) Liquidity does not affect the timeliness of financial reporting.
- 4) The firm size does not affect the timeliness of financial reporting.
- 5) The audit opinion cannot moderate profitability to the timeliness of financial reporting.
- 6) Audit opinion cannot moderate solvency on the timeliness of financial reporting.
- 7) Audit opinion cannot moderate liquidity on the timeliness of financial reporting.
- 8) Audit opinion can moderate firm size to the timeliness of financial reporting.

## LIMITATIONS

- 1) The sample used as the research object only comes from one type of business, namely the trade, service, and investment sectors, so they cannot recognize findings for all go-public companies.
- 2) The limited research time is only 2016-2020.
- 3) Limitations in using independent and dependent variables, in this case, the variable only uses four independent variables and one moderation variable.

## SUGGESTION

From the conclusions described above, the researcher has the following suggestions:

- 1) So that further researchers can add the company sample to be examined.
- 2) So that the next researcher increases the observation period
- 3) So that the researcher further adds to the independent variables to be examined or replaces the variables that do not have an influence in this study with other variables and their modern variables.

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