

# Analysis of Factors That Affect the Timeliness of Submission of the Financial Statements on Transportation Companies in Indonesia Stock Exchange

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## ABSTRACT

The objective of the research was to find out and to analyze the influence profitability, leverage, liquidity, company size, auditor opinion and and KAP reputation partially on the timeliness of the submission of financial statements to transportation companies listed on the Indonesia Stock Exchange. The population in this study were 30 transportation companies listed in the Indonesia Stock Exchange in the period of 2011-2015. Samples were selected using saturated samples where all populations were included as samples. Data were processed using logistic regression test at a significance level of 5 percent using SPSS. The results of the study found empirical evidence that the variables of profitability, liquidity and auditor opinion affect the timeliness of the submission of financial statements. while the leverage variable, company size and KAP reputation do not have a significant effect on the timeliness of the submission of financial statements.

**Keywords:** Profitability, leverage, liquidity, company size, auditor opinion, reputation of KAP, financial ratios, timeliness of submission of financial statements.

## INTRODUCTION

The current development of the capital market in Indonesia has increased and competition in the business world is increasingly competitive. The company's progress is greatly influenced by the availability of the company's own funds and investors who want to invest in the company. The capital market provides opportunities for companies to compete in a healthy manner. This encourages companies to improve the quality of their company's financial statements in accordance with Financial Accounting Standards. Information produced by financial statements will be very useful for users of financial statements, especially for investors if the information is presented in a timely and accurate manner. Timeliness can also

affect the relevance of financial information presented so that it has benefits for users of information, while financial information is said to be irrelevant in the event of a delay in the submission of financial statements. Companies listed on the Indonesia Stock Exchange must comply with the regulations stipulated in Law No.8 of 1995 concerning the Capital Market regarding compliance with the timeliness of financial reporting which clearly states that public companies are required to submit periodic reports and incidental reports. On August 1, 2012 Bapepam tightened regulations with the issuance of Bapepam and LK Decree Number: KEP - 431 / BL / 2012 with Attachment Number XK6 concerning Submission of Annual Report of Issuers or Public Companies whose registration

statement has become effective must submit annual financial reports to the Service Authority Financial (OJK) and LK at the end of the fourth month (120 days) after the financial year ends. In addition, issuers or public companies must submit an annual report on the website (website) of the issuer or public company together with the submission of the annual report to the Financial Services Authority (OJK) and LK.

Since December 12, 2012, Bapepam has changed its name to the Financial Services Authority (OJK) as the Capital Market Supervisory Agency in Indonesia. The Financial Services Authority Regulation Number 29 / POJK.04 / 2016 also explains that the annual financial statements and audited financial statements must be submitted to the OJK with the end of the fourth month (120 days) after the date the company books close. OJK also stated that the decision of Bapepam and LK Number KEP-431 / BL / 2012 dated 1 August 2012 concerning the Submission of the Annual Report of Issuers or Public Companies along with Regulation Number X.K.6 which is attached, revoked and declared invalid on 1 January 2017

Cases of company delays in submitting financial reports to the Financial Services Authority still occur frequently, even though OJK and LK have extended the period of submission of financial statements. Recorded throughout 2011, the OJK handled 54 cases of late submission of financial statements that hit public companies on the stock exchange. In 2012 the OJK handled 74 cases of company financial statements delays. In 2013 the OJK handled 30 cases of late company financial statements. In 2015, the OJK handled 52 cases of delays in the company's financial statements as of December 2014. This indicates that almost every year the book closes, many public companies are found late in submitting annual financial reports. OJK in Kompas.com (08/03/2015) also stated firm action if the company is late in submitting the report and will be subject to sanctions according to the rules, namely a

fine of Rp.1,000,000 per day. So far, there has been no action from the FSA that gives relief for the delay in submitting financial statements, all of which will be dealt with according to the rules. This is because the financial statements are important for investors and investors needing financial report data quickly, seeing that the capital market moves dynamically every minute, then the timeliness of submitting financial statements is very necessary.

The research objective achieved in this study was to test and analyze the effect of profitability, leverage, liquidity, firm size, auditor opinion, and reputation of KAP on the timeliness of submission of financial statements to transportation companies listed on the Indonesia Stock Exchange

## **LITERATURE REVIEW**

### **Agency Theory**

Agency theory is a theory that explains the relationship between agents as the party that manages the company and the principal as the owner of both parties are bound in a contract. According to Jensen and Meckling (1976) explain the agency relationship in agency theory that the company is a collection of contracts (nexus of contract) between the owner of economic resources (principal) and the manager (agent) who takes care of the use and control of these resources. Management is a party contracted by shareholders to work in the interests of shareholders. For this reason, management is given part of the power to make decisions for the best interests of shareholders. Therefore, management must account for all its efforts to shareholders. Because the unit of analysis in agency theory is a contract that underlies the relationship between principal and agent, the focus of this theory is on determining the most efficient contract that underlies the relationship between principal and agent.

### **Compliance Theory**

The demand for compliance with the timeliness in submitting the annual financial statements of public companies in Indonesia has been regulated in Law No. 8 of 1995

concerning the Capital Market. Bapepam and LK also issued regulation Number: KEP-431 / BL / 2012 with attachment Number X.K.6 until the transfer of Bapepam to become OJK. These regulations legally imply compliance with the behavior of individuals and organizations (public companies) involved in the Indonesian capital market to deliver the company's annual financial reports in a timely manner. These regulations are in accordance with the compliance theory proposed by Tyler (1990). The theory of compliance has been studied in the social sciences, especially in the fields of psychology and sociology, which emphasizes the importance of the process of socialization in influencing an individual's compliance behavior.

### **Signal Theory**

Signal theory suggests how companies should provide signals to users of financial statements. This signal is in the form of information about what has been done by management to realize the wishes of the owner. Signals can be in the form of promotions or information stating that the company is better than other companies. According to Hanafi and Halim (2005) that companies that have confidence in good prospects going forward will tend to communicate the news to investors. So that a company that has good quality will provide a signal by delivering the company's financial statements on time. Whereas poor quality companies will be late in delivering financial reports.

### **Finance report**

Financial reporting is a vehicle for companies to communicate various information and measurements economically regarding the resources owned by the company and the company's performance to various parties who have an interest in the information (Belkauoi, 2006). Financial reporting is expected to provide relevant information about the company's financial performance for one period and the information presented can help investors who want to invest their capital into the company and to obtain relevant and reliable

information, it requires timeliness in its presentation.

## **MATERIALS & METHODS**

The method used in collecting research data is: documentation method. The documentation method is the method used in this study by collecting financial records or reports taken through the Indonesia Stock Exchange (IDX) website. The data taken is secondary data in the form of the company's annual financial reports on transportation companies listed on the Indonesia Stock Exchange (IDX) by downloading the audited financial statements from 2011 to 2015 through the website ([www.idx.co.id](http://www.idx.co.id)).

### **Dependent Variable**

Dependent variable (dependent variable), which is a variable that has a dependency between variables with one another. The dependent variable in this study is: the timeliness of submission of financial statements. Timeliness is the time span between the date of the company's financial statements and the date when financial information is announced to the public relating to the quality of financial information reported. The company is categorized on time if the financial statements are submitted no later than the end of the financial statement date (April 30/120 days) or after the financial year ends in accordance with the regulations of Bapepam-LK or OJK. Timeliness in this study was measured using dummy variables. The category of companies that are timely in submitting their financial statements are coded 1, while companies that are not timely in submitting their financial statements are coded 0. In this study the timeliness of submitting financial statements is measured by the auditor's report lag, as follows:

*Auditor's report lag* = Date of audit report - Date of financial statement ends

### **Independent Variables**

#### **Profitability (ROA)**

Profitability shows the company's ability to generate profits in the future and profit is

important information for investors as a consideration in investing their capital. Profitability is also an indicator of the success of the company's operations. Profitability is proxied by Return On Assets (ROA). ROA can be measured by the ratio scale as follows:

$$ROA = \frac{\text{Laba bersih}}{\text{Total aktiva}} \times 100\%$$

#### Leverage (DER)

Leverage refers to how far a company relies on creditors to finance company assets. Leverage is proxied by a debt to equity ratio (DER). This ratio describes the comparison of liabilities and equity in corporate funding and shows the ability of the company's own capital to fulfill all its obligations. DER is measured by ratio scale through the following formula:

$$DER = \frac{\text{Total hutang}}{\text{Total ekuitas}} \times 100\%$$

#### Liquidity (CR)

Liquidity is the company's ability to pay off its short-term obligations at maturity by seeing the company's current assets against its current liabilities. Liquidity is proxied by the current ratio (CR). CR is measured by ratio scale through the following formula:

$$\text{Current Ratio} = \frac{\text{Aset lancar}}{\text{kewajiban lancar}} \times 100\%$$

#### Company Size (SIZE)

The size of the company 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. The size of the company is proxied based on the total assets of the company. Company size is measured through the following formula:

$$\text{Size} = \text{Total Asset}$$

#### Auditor Opinion (OA)

The auditor's opinion is the auditor's conclusion based on the audit results. Auditors express their opinions based on auditing standards and on their findings. Auditor Opinion in this study was measured using dummy variables. The category of companies that received an unqualified opinion were coded 1, in addition to unqualified opinions coded 0.

#### KAP (KAP) reputation

To increase the credibility of its financial statements, companies use the services of a public accounting firm (KAP) that has a reputation or a good name. This is usually indicated by a public accounting firm affiliated with a large applicable public accounting firm known as the Big Four Worldwide Accounting Firm (Big 4). This variable is measured using a dummy variable. The category of companies that use KAP services affiliated with the Big Four KAP are given a value of 1 and the category of companies that use services other than KAP affiliated with the Big Four KAP are given a value of 0.

### Statistical Analysis

#### Descriptive statistics

Table 1: Number of Companies Based on Timeliness of Submission Financial statements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TIDAK TEPAT	48	32.0	32.0	32.0
	TEPAT	102	68.0	68.0	100.0
	TOTAL	150	100.0	100.0	

Sumber : data sekunder yang diolah

Table 5.1 shows that transportation companies for five consecutive years namely 2011 - 2015 delivered their financial statements on time. From the table, it can be seen that from 150 companies, 102 companies (68%) delivered their financial reports in a timely manner and the remaining 48 companies (32%) delivered their financial reports in an inaccurate manner. The results of the descriptive statistical analysis of each variable can be seen in Table 2.

Table 2

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PROFITABILITAS	150	-.25	.64	.58245	.1175758
LEVERAGE	150	.15	14.25	1.2226	1.92522
LIKUIDITAS	150	.31	14.99	.56082	.1056961
UK_PRSHAAN	150	.51	2.9482	27.6801	34.4912
O_AUDITOR	150	.00	1.00	.2145	.36164
REP_KAP	150	.00	1.00	.2325	.42544
TEPAT WAKTU	150	23.00	181.00	34.241	65.1612
Valid N (listwise)	150				

Source: Secondary data processed

Descriptive statistics table shows the number of observations in this study were 150 companies. From the 150 data observations obtained the minimum value for the smallest amount of profitability owned by the company is equal to -0.25, namely by PT. Blue Bird Tbk in 2011, meaning the company experienced a decline in profits. The smaller the company's profit, the more the company will deliver the customer report. While the maximum value owned by the company observation is equal to 0.64, namely by PT. ICTSI Jasa Prima Tbk in 2011, means experiencing increased profits. The higher the company's profit, the more timely the financial statement will be. This value indicates that the level of profitability obtained by the company is between -0.25 to 0.64. Then the average value of the level of profitability owned by the sample company is 0.1175758 which means that the variation in the sample data is quite large (more than 30% of the mean).

The minimum value of leverage is 0.15 which means that the company has the ability to pay its debt of 0.15, namely by PT. Adi Sarana Armada Tbk in 2011, the smaller the company's leverage value, the company will be on time to submit its financial statements. While the maximum value owned by the observation company is 14.25, namely by PT. Humpuss Intermoda Transportasi Tbk in 2011, showed that the higher the company's leverage, the company will be late in delivering its financial statements. This value indicates that the level of leverage obtained by the company is between 0.15 to 14.25. Then the average value of the leverage level owned by the sample company is 1.92522, which means

that the sample data variation is quite large (more than 30% of the mean).

The minimum value of liquidity is 0.31, meaning that the company has the ability to pay off its short-term liabilities at maturity of 0.31, namely by PT. Tanah Laut Tbk in 2011, the lower the level of liquidity, the company cannot fulfill its short-term obligations properly and will be late in submitting its financial statements. While the maximum value owned by the observation company is 14.99, namely by PT. Trada Maritime Tbk in 2011, showed that the higher the company's liquidity, the company can fulfill its short-term obligations well and will be on time to submit its financial statements. This value indicates that the level of liquidity obtained by the company is between 0.31 to 14.99. Then the average value of the level of liquidity owned by the sample company is 0.1056961 which means that the variation in the sample data is quite large (more than 30% of the mean).

The minimum value of company size is 0.51 indicating the size of the company, namely by PT. ICTSI Jasa Prima Tbk in 2011, meaning that the smaller the size of the company, the company will be late in submitting its financial statements. While the maximum value owned by the observation company is 2.9482, namely by PT. Indonesia Transport & Infrastructure Tbk in 2011, showed that the greater the size of the company, the company will be on time in delivering its financial statements. This value indicates that the size of the company obtained by the company is between 0.51 and 2.9482. Then the average value of the company size owned by the sample company is 34.4912 which means

that the variation in the sample data is quite large (more than 30% of the mean).

The minimum value of the auditor's opinion is 0.00 indicates the auditor found evidence that is not in accordance with generally accepted accounting principles by PT. Berlian Laju Tanker Tbk in 2011, meaning that the possibility of an opinion issued can affect the audit completion time of the company will be late in submitting its financial statements. While the maximum value possessed by the observation company is 1.00, namely by PT. Adi Sarana Armada Tbk in 2011, showed that the auditor gave an unqualified opinion on the financial statements provided by the company, the company would be on time to submit its financial statements. This value indicates that the auditor's opinion obtained by the company is between 0.00 and 1.00. Then the average value of the auditor's opinion held by the sample company is 0.36164, which means that the variation in the sample is quite large (more than 30% of the mean).

KAP's minimum reputation value is 0.00, indicating that the company does not use KAP services, including the Big Four by PT. Berlian Laju Tanker Tbk in 2011, meaning that the company uses the services of a small accounting firm and this will affect the timing of its financial statements. While the maximum value possessed by the observation company is 1.00, namely by PT. Adi Sarana Armada Tbk in 2011, showed that the company used the services of a large accountant or incorporated in the Big Four because it had a good reputation so that the quality of the audit produced was better, the companies that used large KAP services tended to deliver timely financial reports. This value indicates that the reputation of the KAP obtained by the company is between 0.00 and 1.00. Then the average value of KAP reputation owned by the sample company is 0.42544, which means that the variation in the sample data is quite large (more than 30% of the mean).

The minimum value on time is 23.00 indicating that the company is quickest to

submit its financial statements below 120 days after the financial year ends by PT. ICTSI Jasa Prima Tbk in 2011. While the maximum value owned by the company observation is 181.00, namely by PT. Buana Listya Tama Tbk in 2011, showed that the company was late in submitting its financial statements. This value shows that the time obtained by the company is between 23.00 and 181.00. Then the average time value owned by the sample company is 65.1612 which means that the variation in the sample data is quite large (more than 30% of the mean).

### Hypothesis testing

Hypothesis testing is done using logistic regression (logit). Regression models are chosen because the data in this study are nominal data and data ratios. The dependent variable is nominal data, while the independent variable is the ratio data so that logit regression is the most appropriate to use.

The logit model used in this study can be described as follows:

### Hosmer and Lemeshow Test (Goodness-of-Test) Test Results

This test aims to test the accuracy or adequacy of data in the logistic regression model. By using the profitability level of 5% ( $\alpha = 0.05$ ), it means that if the test results show a significance level greater than 0.05, eating  $H_0$  is accepted and if the test results show a significance level smaller than 0.05 then  $H_a$  is rejected. The results of the Hosmer and Lemeshow Test (Goodness-of-Test) can be seen in Table 3 below:

Step	Chi-square	df	Sig.
1	10.245	9	.341

Sumber sata diolah SPSS 16

it can be seen that the magnitude of the Hosmer and Lemeshow Test (Goodness-of-Test) statistic is 10,245 and the degree of freedom is 9 with a significance probability of 0.341 ( $0.341 > 0.05$ ). Thus  $H_0$  is accepted, so it can be concluded that the logistic regression model used has met the data adequacy (fit).

**Omnibus Test of Model Coefficient (Overall Model Fit)**

This test is conducted to test whether the independent variables simultaneously influence the dependent variable, namely the timeliness of financial reporting. If the Omnibus Test of Model Coefficient test shows a significant result, the overall independent variable is included in the model or in other words there are no variables issued in the model. The results of the Omnibus Test of Model Coefficient can be seen in Table 4 as follows:

**Table 4: Omnibus Test of Model Coefficient**

		Chi-square	Df	Sig.
Step 1	Step	9,582	3	.045
	Block	9,582	3	.045
	Model	9,582	3	.045

Sata source processed by SPSS 16

From logistic regression testing by looking at Table 5.4, it is known that the Chi-Square value of 9,582 with the degree of freedom is 3. The significance level is 0.045, which value is smaller than 0.05. Then  $H_a$  is accepted, so it can be concluded that with a 5% significance variable profitability, leverage, liquidity, firm size, auditor opinion and KAP reputation jointly influence the timeliness of financial reporting.

In addition, assessing the overall model is done by paying attention to the numbers in -2 Log Likelihood (-2LL) Block Number = 0 and -2 Log Likelihood (-2LL) Block Number = 1 can be seen in Table 5 as follows:

<b>Table 5: Overall Model Fit</b>	
Iteration	-2 Log Likelihood
Step 0	80,976
Step 1	75,351

Data source processed by SPSS 16

In Table 5.5 it can be seen that the initial number -2LL Block Number = 0 is 80,976 while -2LL Block Number = 1 is 75,351. From the model it turns out that the overall model fit on -2LL Block Number = 0 indicates a decrease in -2LL Block Number = 1 of 9.852. This decrease in likelihood

shows that the overall logistic regression model used is a good model.

In addition, the overall percentage correct value in block 1 worth 78.5 is higher than the overall percentage correct value in block 0 worth 75.0. This also means that the regression model with an estimator on the independent variable is appropriate in estimating the effect of independent variables on timeliness. This can be seen in Table 6 below:

<b>Table 6: Overall Percentage</b>	
Block	Nilai Overall Percentage
Block 0	78.5
Block 1	75.0

Data source processed by SPSS 16

**Model Summary (R2)**

The summary model in logistic regression is the same as testing  $R^2$  in the linear regression equation. The purpose of the model summary is to find out how much the combination of independent variables consisting of profitability, leverage, liquidity, company size, auditor opinion and reputation of KAP is able to explain the dependent variable namely the timeliness of financial reporting. The results of the summary model can be seen in Table 7 as follows:

<b>Table 7: Model summary</b>			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	75.396 <sup>a</sup>	.115	.169

a. Estimation at iteration number 6 because parameter estimates changed by less than ,001

From the results of data processing with the logistic regression method, it is known that the -2Likelihood Log model produces a value of 75,396 from the coefficient of determination seen from Nagelkerke R Square is 0,169. It means that the independent variables, namely profitability, leverage, liquidity, company size, auditor opinion and reputation of KAP are able to explain the variation of the dependent variable, namely the financial reporting timeliness of 16.9%, while the remaining 83.1% is explained by other factors which is not included in the model.

### Individual Testing (Testing the Regression Coefficient)

Partial testing in logistics is the same as the "t" test in linear regression. Tests are

conducted to determine whether the independent variables individually can influence the dependent variable. can be seen in Table 8 as follows:

Table 8: Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	ROA	10.400	4.165	6.113	1	.015	2.973E4	8.459	1.045E8
	DER	.275	.112	.559	1	.425	.310	.374	.545
	CR	.387	.336	.633	1	.035	.920	.520	.612
	SIZE	.462	.513	.526	1	.238	.862	.738	.746
	OA	.581	.543	.573	1	.041	.920	.824	.872
	KAP	.621	.567	1.024	1	.217	.933	.844	.856
	Constant	.680	.600	1.285	1	.257	1.974	.877	1.196

a. Variable(s) entered on step 1: ROA, DER, CR, SIZE.OP.A, R.KAP.  
Data sources are processed from SPSS 16

### Logistic Regression Model

Based on Table 8, the logistic regression models obtained are as follows:

$$\ln\left(\frac{\hat{p}}{1-\hat{p}}\right) = 0,680 + 10,400ROA + 0,275 DER + 0,387 CR + 0,462 SIZE + 0,581 OA + 0,621 KAP$$

The constant value in the logistic regression model has a positive coefficient of 0.680 which means that if other variables are considered constant, the timeliness of submission of financial statements increases by 0.680 units. The value of ROA is calculated by dividing net income to total assets has a positive coefficient of 10.400 which means that every increase of one (1) in ROA will experience the timeliness of submission of financial statements of 10.400 units assuming other variables are not carried out or equal to zero .

DER value is calculated by dividing total debt to total equity has a positive coefficient of 0.275, which means that every increase of one (1) in DER will experience the timeliness of submission of financial statements of 0.275 units assuming the other variables are not done or equal to zero (0) . The CR value is calculated by dividing current assets into current liabilities having a positive coefficient of 0.387 which means that every increase of one (1) in CR will increase the timeliness of submission of financial statements by 0.084 units assuming the other variables are not or equal to zero (0).

SIZE value is calculated from the total assets owned by the company and has a

positive coefficient of 0.462, which means that every increase of one (1) in SIZE will experience the timeliness of submission of financial statements of 0.462 units assuming that the other variables are not or equal to zero (0). OA value calculated by dummy has a positive coefficient of 0.581, which means that every increase of one (1) in OA will experience the timeliness of the submission of financial statements by 0.581 units assuming that other variables are not carried out or equal to zero (0).

KAP value calculated by dummy has a positive coefficient of 0.621 which means that every increase of one (1) in KAP will experience the timeliness of the submission of financial statements of 0.621 units assuming the other variables are not carried out or equal to zero (0).

## RESULT

### Effect of Profitability on the Timeliness of Submitting Financial Statements.

The results of the logistic regression test indicate that the variable profitability of the company influences the timeliness of the submission of financial statements. This can be seen from the hypothesis test where the value of profitability is significant at 0.015, where 0.015 is smaller than the significance level (0.015 < 0.05). Thus this study accepts the first hypothesis (H1) which states that profitability has a positive effect on the timeliness of financial statement submission.



In the descriptive statistics table the results show that the average sample company experiences a gain of 0.58245. Even though the sample company experiences a fairly small profit on average, it does not affect the company to not be timely in submitting its financial statements. Also seen in the standard deviation value and the average level of profitability of the sample company has a distance value that is not far away, namely the standard deviation of 0.1175758 and the average company profitability of 0.58245 this causes the results of the test to be significant.

From the 150 data observations obtained the minimum value for the smallest amount of profitability owned by the company is equal to -0.25, namely by PT. Blue Bird Tbk in 2011, meaning the company experienced a decline in profits. The smaller the company's profit, the more the company will deliver the customer report. While the maximum value owned by the company observation is equal to 0.64, namely by PT. ICTSI Jasa Prima Tbk in 2011, means experiencing increased profits. The higher the company's profit, the more timely the financial statement will be. This value indicates that the level of profitability obtained by the company is between -0.25 to 0.64.

The findings in this study support the existing theoretical logic, which states that profitability shows the success of the company in generating profits. The higher the level of profitability a company will quickly submit its financial statements. Companies that have high profitability contain good news and companies that experience good news will tend to deliver timely financial reports to interested parties.

#### **The Effect of Leverage on the Timeliness of Submitting Financial Statements.**

The results of the study using logistic regression showed that financial leverage did not affect the timeliness of financial statement submission. This can be seen from the calculation value of the hypothesis test where the significance value of leverage is 0.425 greater than the

significance level of 5% ( $0.425 > 0.05$ ). Thus this study can accept the second hypothesis (H2) which states that leverage has a negative effect on the timeliness of financial statement submission. This hypothesis test is in accordance with the results of research by Kuswanto and Manaf (2015) which states that leverage variables have no significant effect on the timeliness of financial statement submission.

The results of the descriptive statistics of the study also obtained results that the average level of company leverage that became the sample of the study was quite low at 1.2226. The distance between the standard deviation value and the average leverage is not far enough, where the standard deviation value is 1.92522 and the average value of leverage is 1.2226, which causes the results of the test to be insignificant. The minimum value of leverage is 0.15 which means that the company has the ability to pay its debt of 0.15, namely by PT. Adi Sarana Armada Tbk in 2011, the smaller the company's leverage value, the company will be on time to submit its financial statements. While the maximum value owned by the observation company is 14.25, namely by PT. Humpuss Intermoda Transportasi Tbk in 2011, showed that the higher the company's leverage, the company will be late in delivering its financial statements. This value indicates that the level of leverage obtained by the company is between 0.15 to 14.25.

This means that this study shows that the high and low level of financial leverage of a company does not affect the timeliness of financial statement submission. This shows that companies that have a high level of financial leverage also want to deliver their financial statements on time, this serves so that creditors can find out the company's performance and know the company's ability to pay loans from creditors. If the company postpones its financial statements, it will reduce the level of creditor trust in the company in the ability to repay the company's debt. This is

not in accordance with the existing logic of the theory, thus companies that are timely or not timely in submitting their financial statements do not consider the level of financial leverage experienced by the company.

### **Effect of Liquidity on the Timeliness of Submitting Financial Statements.**

The results of the logistic regression test show that the liquidity variable influences the timeliness of financial statement submission. This can be seen from the hypothesis test where the significant value of liquidity is 0.035. The logistic regression coefficient for the positive liquidity variable is 0.387 from these results. It can be concluded that the significance of the liquidity variable is smaller than the specified significance level, which is equal to 5% ( $0.035 < 0.05$ ). Thus this study accepts the third hypothesis (H3) which states that liquidity has a positive effect on the timeliness of financial statement submission.

In the descriptive statistics table the results show that the average level of liquidity of the sample companies experiences a gain of 0.56082. Even though the sample company experiences a fairly small profit on average, it does not affect the company to not be timely in submitting its financial statements. Also seen in the standard deviation value and the average level of liquidity of the sample company has a distance value that is not far, namely the standard deviation of 0.1056961 and the average company liquidity of 0, 56082 this causes the results of the research test to be significant.

The minimum value of liquidity is 0.31, meaning that the company has the ability to pay off its short-term liabilities at maturity of 0.31, namely by PT. Tanah Laut Tbk in 2011, the lower the level of liquidity, the company cannot fulfill its short-term obligations properly and will be late in submitting its financial statements. While the maximum value owned by the observation company is 14.99, namely by PT. Trada Maritime Tbk in 2011, showed

that the higher the company's liquidity, the company can fulfill its short-term obligations well and will be on time to submit its financial statements. This value indicates that the level of liquidity obtained by the company is between 0.31 to 14.99.

This shows that with a high level of liquidity in a company, the company can fulfill its short-term obligations well and provide good news for companies and creditors, and can influence the company to deliver its financial reports on time because it will make market reaction is positive for the company.

### **Effect of Company Size on the Timeliness of Submitting Financial Statements.**

The results of the study using logistic regression showed that the size of the company did not affect the timeliness of the submission of financial statements. This can be seen from the hypothesis test where the value of firm size is significant at 0.238 where 0.238 is greater than the significance level ( $0.238 > 0.05$ ). Thus this study cannot accept the fourth hypothesis (H4) which states that the size of the company has a positive effect on the timeliness of the submission of financial statements.

The minimum value of company size is 0.51 indicating the size of the company, namely by PT. ICTSI Jasa Prima Tbk in 2011, meaning that the smaller the size of the company, the company will be late in submitting its financial statements. While the maximum value owned by the observation company is 2.9482, namely by PT. Indonesia Transport & Infrastructure Tbk in 2011, showed that the greater the size of the company, the company will be on time in delivering its financial statements. This value indicates that the size of the company obtained by the company is between 0.51 and 2.9482.

Thus the results of the study are not in accordance with the theory described, which states that companies are said to be large if the company has large total assets and large companies will be on time to submit their financial statements. The fact is that large companies do not rule out the

possibility of being late in submitting financial reports. Likewise with small companies that can deliver timely financial reports.

### **Effect of Auditor Opinion on the Timeliness of Submitting Financial Statements.**

The results of the study using logistic regression get the results that the auditor's opinion affects the timeliness of the submission of financial statements. This can be seen from the hypothesis test where the auditor's opinion value is significant at 0.041 where 0.041 is smaller than the significance level ( $0.041 < 0.05$ ). Thus this study can accept the fifth hypothesis (H5) which states that auditor opinion has a positive effect on the timeliness of submission of financial statements.

The minimum value of the auditor's opinion is 0.00 indicates the auditor found evidence that is not in accordance with generally accepted accounting principles by PT. Berlian Laju Tanker Tbk in 2011, meaning that the possibility of an opinion issued can affect the audit completion time of the company will be late in submitting its financial statements. While the maximum value possessed by the observation company is 1.00, namely by PT. Adi Sarana Armada Tbk in 2011, showed that the auditor gave an unqualified opinion on the financial statements provided by the company, the company would be on time to submit its financial statements. This value indicates that the auditor's opinion obtained by the company is between 0.00 and 1.00.

The test results show a positive relationship between audit opinion and the timeliness of financial statements, meaning that companies that receive audits with unqualified opinions from auditors for their financial statements tend to be more timely in submitting their financial statements. This is because the timeliness of the submission of financial statements is related to the auditor's opinion, where the auditor who provides unqualified opinions makes the company good news so that it will be timely in delivering its financial statements.

### **The Reputation Effect of KAP on the Timeliness of Submitting Financial Statements.**

The results of the study using logistic regression obtained results that the reputation of the KAP did not affect the timeliness of the submission of financial statements. This can be seen from the hypothesis test where the reputation value of KAP is significant at 0.217 where 0.217 is greater than the significance level ( $0.217 > 0.05$ ). Thus this study cannot accept the sixth hypothesis (H6) which states that the reputation of KAP has a positive effect on the timeliness of financial statement submission.

KAP's minimum reputation value is 0.00, indicating that the company does not use KAP services, including the Big Four by PT. Berlian Laju Tanker Tbk in 2011, meaning that the company uses the services of a small accounting firm and this will affect the timing of its financial statements. While the maximum value possessed by the observation company is 1.00, namely by PT. Adi Sarana Armada Tbk in 2011, showed that the company used the services of a large accountant or incorporated in the Big Four because it had a good reputation so that the quality of the audit produced was better, the companies that used large KAP services tended to deliver timely financial reports. This value indicates that the reputation of the KAP obtained by the company is between 0.00 and 1.00.

The results of this study are in line with the research conducted by Hilmi and Ali (2008), but it is inversely proportional to the research conducted by Kuswanto and Manaf (2015), Ovami (2014) which shows that the reputation of KAP influences the timeliness of financial statement submission. Then it can be interpreted that the reputation variable KAP does not have a significant effect on the timeliness of the submission of financial statements. The test results show that the accuracy of the submission of the company's financial statements is not determined by whether or not the reputation of the auditor has a

quality audit.

## DISCUSSION

In this study, empirical evidence was found that most of the transportation companies listed on the Indonesia Stock Exchange were on time in submitting the company's financial statements to Bapepam and OJK. This shows that the company's high awareness in complying with laws and regulations in the field of capital markets, particularly regarding the principle of openness in the capital market in the form of timely submission of financial statements. Besides that, it also shows the magnitude of the company's responsibility towards those interested in the company's financial statement information.

Based on the results of the research conducted statistically, it produces several things that need to be considered regarding the effect of profitability, leverage, liquidity, company size, auditor opinion and KAP reputation on the timeliness of financial statement submission. The logistic regression test results from table 5.3 can be seen that the magnitude of the Hosmer and Lemeshow Test (Goodness-of-Test) statistic is 10,245 and the degree of freedom is 9 with a significance probability of 0.341 ( $0.341 > 0.05$ ). Thus  $H_0$  is accepted, so it can be concluded that the logistic regression model used has met the data adequacy (fit)

## CONCLUSION

Based on the results of research and discussion, conclusions can be drawn in accordance with the formulation of the problem as follows:

1. Profitability has a positive effect on the timeliness of submission of financial statements.
2. Leverage has a negative effect on the timeliness of submission of financial statements.

3. Liquidity has a positive effect on the timeliness of the submission of financial statements.

4. The size of the company does not affect the timeliness of the submission of financial statements, meaning that rejecting  $H_4$  states that the size of the company partially has a positive effect on the timeliness of submission of financial statements.

5. Auditor's opinion has a positive effect on the timeliness of submission of financial statements.

6. The reputation of KAP does not affect the timeliness of submitting financial statements. Thus, the results of the study found empirical evidence that the variables of profitability, liquidity and auditor opinion influence the timeliness of financial statement submission. The results of this study can be used by financial analysts, management, and creditors to predict the timeliness of submission of financial statements of a company.

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