International Journal of Application on Economics and Business (IJAEB)
Volume 1, Issue 3, 2023. ISSN: 2987-1972

THE DETERMINANTS OF TIMELINESS SUBMISSION OF FINANCIAL STATEMENTS IN THE COVID-19 ERA

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Submitted: 11-04-2023, Revised: 07-06-2023, Accepted: 12-07-2023

ABSTRACT

This research aims to analyze whether profitability, auditor switching, liquidity, and company's age affect timeliness submission of financial statements on basic material sector companies listed on the Indonesia Stock Exchange (IDX) during 2019-2021. Sample was selected using purposive sampling method and the valid data was 65 companies. Data processing technique using logistic regression analysis with a significance level of 5% which is assisted by SPSS 26 program and Microsoft Excel 2016. The results of this research indicate that auditor switching has an effect on timeliness submission of financial statements, while profitability, liquidity, and company's age have no effect on timeliness submission of financial statements. The implication of this research is the need to change auditors to improve timeliness submission of financial statements to maintain the relevance of the information submitted.

Keywords: *profitability, auditor switching, liquidity, company's age, timeliness submission of financial statements*

1. INTRODUCTION

Timelines are one of the important factors in submitting financial statements to avoid losing the relevance of information contained in them. If there is an undue delay in submission of financial statements, the information presented will lose its relevance and ability to influence decision making. This is in line with research [1]. In addition, according to [2], companies that submit financial statements late will receive various negative responses from parties in the capital market. Timeliness submission of financial statements of public companies is regulated in Bapepam Regulations No. X.K.2, Decision Attachment of Bapepam Chairman No. KEP-36/PM/2003 which states that the deadline for submitting annual financial statements is 90 days [3]. Submission of the financial statements that exceeds the specified time limit will be considered as a delay and the company will be given a sanction in the form of suspension of the sale of shares and a fine by Indonesia Stock Exchange (IDX) and if the company has been suspended for 24 months, IDX will remove the company shares (delisting).

This research chose the period from 2019 to 2021 because during this period Indonesia experienced Covid-19 pandemic. Covid-19 pandemic that has occurred since 2019 has made the company face problems without adequate anticipation that will affect the process of preparing and submitting the company's financial statements. Under normal conditions, the deadline for submitting the Annual Financial Statements falls on March 31 [4]. OJK provides a relaxation policy that is applied to issuers and public companies by issuing a Stimulus Policy and Relaxation of Provisions Related to Issuers or Public Companies in Maintaining Capital Market Performance and Stability Due to Spread of Corona Virus Disease 2019. Thus, the submitting limit changes in 2019, 2020, and 2021 as follows: In 2019: annual financial statements submission extended by 2 months (31 May 2020) [5]; In 2020: annual financial statements submission falls on May 31, 2021 [6]; In 2021: annual financial statements submission falls on May 9, 2022 [7]. The relaxation provided by OJK provides convenience for companies by extending the deadline for submitting financial statements. On the other hand, investors and creditors experience delays in receiving the information they use as a reference in making decisions. The delay in submitting financial statements by company from the relaxation provided will further harm investors and creditors because they are late in receiving information plus the information presented is irrelevant.

In recent years there are still some companies that are late in submitting their annual financial statements. The first company, Mahaka Media Tbk. (ABBA) was late in submitting financial statements in 2021. As a result, the company's stock sales were suspended and the company was subject to a fine by IDX. After submitting the annual financial statements, the suspension was revoked but Mahaka Media Tbk's shares decreased by 2.8% [8]. The decline in stock sales can occur as a result of decrease in investor’s confidence because the suspension given by the IDX indicates the company is experiencing problems and the financial statements presented are no longer relevant. Based on the financial statements presented on idx.co.id, the company suffered a loss of Rp. 35,893,953,013 which indicates a material uncertainty that may cast doubt on the company's ability to continue as a going concern. To avoid these doubts, it is suspected that companies suffered a loss tend to request audits later than they should. This is in line with research [27]. Companies ask for audit delay with the aim of improving company performance so that they can display profits or at least reduce losses in financial statements. Therefore, companies that experience losses try to overcome this by increasing profitability which is the company's profit/loss ratio.

The second company, Ratu Prabu Energi Tbk. (ARTI) has not reported the financial statements for the 2021 period and also late in submitting the financial statements for the 2020 period. As a result, the company is threatened with a potential delisting by IDX in 2022[9]. However, after paying the obligation in the form of fines to IDX and OJK and submitting the 2020 annual financial statements, Ratu Prabu Energi Tbk. regardless of suspension and potential delisting. This shows that delays in submitting financial statements can be fatal for the sustainability of the company and investors, because if the IDX does the delisting, the company will go bankrupt or be liquidated. If it occurs due to bankruptcy, the capital deposited by investors will be difficult to return because it will go through a long court process. Based on the financial statements presented on idx.co.id, the company has debt dominated by short-term debt of Rp. 918,778,304,442. High debt in the financial statements can cause companies to have difficulty when they need credit at the bank and can cause doubts for investors to invest in the company. To avoid this, companies that have short-term debt tend to submit financial statements late. The company overcome this by increasing the liquidity ratio which is the ratio of the company's ability to pay off short-term debt.

Mahaka Media Tbk. (ABBA) in the 2021 period and Ratu Prabu Energi Tbk. (ARTI) in the 2020 period experienced auditor switching. Companies that experience a change of auditor will undergo adjustments in that period which will take time compared to companies that do not change auditors. This also causes delays in the submission of financial statements by the company.

The third company, Jaya Bersama Indo Tbk. (DUCK) which was listed on October 10, 2018 on the IDX (4 years old company) has not submitted its financial statements for the period 2020 and 2021. As a result of the delay, the IDX has temporarily suspended the trading activities in all stock market since September 13, 2021[10]. The company is still very young and does not have much experience so it is difficult to make decisions when problems arise, the company has not disclosed requests for information to IDX, and has not attended the hearings held by the exchange. Several employees resigned and experienced health problems due to Covid-19 pandemic causing delays in submitting the company's financial statements. In addition, companies that are still young has not earned the trust from public and investors so the companies will try to show maximum performance by displaying good values in financial statements which cause delays in submitting financial statements.

This research chooses a trading company for production goods which is classified as basic material sector companies on the Indonesia Stock Exchange (IDX) because the basic material sector company has an important role, as a beginning part of the supply chain that sells or supplies resources in the form of raw materials to other parties [11]. If the company stops operating, it will have an impact on other companies that process these raw materials. To sustain development, the company needs investors for additional capital and business expansion. Therefore, basic material sector company need to submit financial statements on time to maintain investor's confidence and to avoid sanctions for late submission of financial statements.

This research aims to analyze whether profitability, auditor switching, liquidity, and company’s age affect the timeliness of submitting financial statements on basic material sector companies listed on the Indonesia Stock Exchange (IDX) during 2019-2021. The benefits expected from this research are that it can be a recommendation for companies to improve the timeliness submission of financial statements, for investors as a reference for making decisions to invest in the right company, and can be a reference for further researchers who will conduct research with similar variables.

Related Work

Compliance theory makes a person motivated to comply with applicable rules, policies, norms, provisions, and laws, as well as companies that seek to file financial statements ([12], and [13]). The government has made regulations regarding the deadline for submitting financial statements and sanctions that will be given to companies if they are late in submitting financial statements. Timely or not the submission of financial statements is important for benefits and value of the financial statements themselves [14]. With compliance theory, a person will be compelled to comply with every applicable regulation, so that indirectly the company will comply with the regulations issued by Bapepam and the company will always try to submit its financial statements in a timely manner.

Agency theory explains the contractual relationship between the party who delegates certain decision making (principal/owner/shareholder) and the party who receives the delegation (agent/director/management) [15]. Accounting reports in the form of financial statements are important, especially for external parties (parties outside the company) who do not have direct contact with the company because external parties are in the most uncertain condition. Companies have an obligation to submit financial statements in a timely manner to reduce information asymmetry and agency conflicts.

Signaling theory shows how a company should provide signals to users of financial statements. According to [15], signaling theory shows the existence of information asymmetry between company management and the parties with an interest in the information. Companies must provide information as a signal to investors by submitting financial statements on time to avoid information asymmetry. Investors need symmetrical information as a monitor to invest their funds in the right company. According to [16], the quality of investor’s decisions is influenced by the quality of information disclosed by the company in the financial statements. If the quality of information is good, the information submitted in the financial statements does not lose its relevance, then information asymmetry will be reduced and external parties, namely investors, can find out information and company prospects in the future.

Profitability is a description of management performance in managing the company [22]. Profitability shows the company's ability to generate profits using the resources owned by the company for a certain period. The better the company's performance in generating profits, the greater the company's profitability [17].

Auditor switching is a change in the Public Accounting Firm that performs the company's audit duties due to the expiration of the agreed work contract and does not decide to extend the assignment. The change of auditors is carried out for several reasons, including the client company being a merger of several companies that initially had different auditors, the company's strategy to reduce audit spending, company dissatisfaction with the previous Public Accounting Firm performance, and an increase in the company's need for broader audit professional services. According to [18], auditor switching can also be caused by the company must maintain its financial stability, for example when the company is threatened with bankruptcy because it cannot fulfill its financial obligations so that the company must subjectively choose a new Public Accounting Firm.

According to OJK, liquidity shows the company's ability to meet all obligations that must be paid off immediately in a short time. A company is said to be liquid if it has a payment instrument in the form of current assets that are greater than all of its obligations. Liquidity refers to the availability of the company's resources or ability to meet its short-term obligations in a timely manner [15]. The liquidity of a company is indicated by the current ratio, namely current assets with current liabilities.

Company’s age is defined as the age of company since business entity was established until now, it can also be said how long the business has been running. The company's old age shows how strength, effort to rise, survive in running a business in the midst of intense competition and take the opportunities that exist [19]. The age of company is measured by the period starting from being listed on the IDX until the period of financial statements submission [1]. The duration of the company's existence indirectly proves that the company is able to survive when competition is getting tougher and the company has good performance so that the old company will be more trusted by the public and investors.

Timeliness Submission of Financial Statements. Timeliness is an important limitation on the publication of financial statements. Timeliness does not guarantee the relevance of information, but relevance is not possible without timeliness [20]. One of the important characteristics of accounting information is the timely submission of financial statements [21]. The party who will make the decision to invest needs the latest information or news about the company. Timely reporting contributes to efficient and fast stock market performance as it is useful for evaluation and pricing functions. In the capital market, incorrect information about companies can be minimized by submitting financial statements in a timely manner.

Profitability with Timeliness Submission of Financial Statements. Timeliness submission of financial statements is the time span for submitting financial statements by the company from the closing date (31 December). The deadline for submitting financial statements has been regulated by the government. [23] in their research shows that profitability has an effect on the timeliness of submitting financial statements. Companies that earn profits tend to be on time to submit their financial statements, and when companies experience losses, companies tend to ask their auditors to schedule audits later than they should, as a result, the submission of financial statements becomes late. This is in line with research [1] and [20]. However, contrary to research [24], [25], [26], and [15] which showed that profitability had no effect on the timeliness submission of financial statements.

Auditor Switching with Timeliness Submission of Financial Statements. Timeliness submission of financial statements is the time span given by the government to companies so that the information presented is relevant and can influence decision making. Companies that experience a change of auditor in a period will need time in the process of adjusting to the new auditor. This adjustment is necessary because the new auditor does not have access to the program and working papers of the previous period. The time required for this adjustment can hinder the process of preparing annual financial statements which can cause companies to be late in submitting financial statements, this is in line with research [20] and [1]. However, this is contrary to research [27] which states that auditor switching has no effect on the timeliness submission of financial statements.

Liquidity with Timeliness Submission of Financial Statements. Timeliness submission of financial statements is the time span for companies to submit financial statements so that the information presented does not lose its relevance. Research [15] shows that liquidity has an effect on the timeliness of submitting financial statements. This is in line with research [26] which states that liquidity has a positive influence on the timeliness of submitting financial statements. Both of these studies indicate that companies that have high levels of liquidity indicate that these companies have a high ability to pay off their short-term obligations, so companies with these conditions will tend to be on time in submitting their financial statements. However, this is not in line with research [1] and [23] which show that liquidity has no effect on the timeliness submission of financial statements.

Company’s Age with Timeliness Submission of Financial Statements. Timeliness submission of financial statements is the time span determined for companies by the government to submit financial statements. [25] in their research shows that the older company’s age, the more experience the company has in managing its assets and carrying out its business activities so that the more timely the company submits its financial statements. Companies with old age have more experience so they will be more aware of the importance of timely submission of financial statements. Because of the awareness of the importance of timely financial statements, when a company has grown, the company will try to minimize delays in financial statements. This is in line with research [28]. However, this is contrary to research [1] and [19] which state that the company’s age does not affect the timeliness submission of financial statements.

Hypothesis Development

In accordance with signaling theory, timeliness submission of financial statements provides a signal for investors on how management views the company's prospects and becomes a reference in making investment decisions. In signaling theory, it is explained that the information received will be interpreted and analyzed first whether the information is considered a positive signal (good news) or a negative signal (bad news). If a positive signal in form of a good profitability value, the company will be on time in submitting financial statements, and conversely when a negative signal in form of a poor profitability value, it is

likely that the company will delay financial reporting. Profitability in this research is proxied by Return on Assets (ROA). The formula for ROA is net income after tax divided by total assets. Management provides a signal regarding information on net income and total assets of the company as a basis for decision making for investors. The reason for choosing ROA to measure profitability is because it can give a signal in the form of management's effectiveness in using assets to earn income. So, the higher the profitability, the company tends to submit financial reports on time. This is in line with research [28], [19], and [32] which show that profitability has an effect on the timeliness submission of financial statements. However, studies [29], [14], and [30] state that profitability has no effect on the timeliness submission of financial statements.
H_1: Profitability has a positive effect on the timeliness submission of financial statements.

In accordance with agency theory, timeliness submission of financial statements is needed to reduce information asymmetry and agency conflicts between companies and investors. This can be useful for investors in making decisions because investors become more aware of the actual condition of the company. Agency theory is used to evaluate employment contracts between parties within the company and parties outside the company. With agency theory, management and auditors can see whether the work contract has run as agreed. This can be a reference for companies and auditors in making decisions to continue the working contract or not. In this research, auditor switching was measured using a dummy variable with the categories being for companies that experienced auditor switching in category 0 and companies that did not experience auditor switching in category 1. Auditor switching in a company requires a lot of procedures so that the process will take a long time to adjust between the old and new auditors. This adjustment is in form of a new auditor who needs to study the program used to audit and requires good communication both orally and in writing between the old auditor before accepting the assignment. This adjustment process will affect the length of the preparation of financial statements, so that the change of auditors can cause delays in the submission of financial statements. This causes companies that change auditors to tend to be late in submitting financial statements. This is in line with research [24], [1], [33], and [34] which state that auditor switching affects the timeliness submission of financial statements, but other studies have found that auditor switching does not affect the timeliness submission of financial statements. [27].
H_2: Auditor switching has a negative effect on the timeliness submission of financial statements.

In accordance with signaling theory, timeliness submission of financial statements is a signal from the company to investors about the company's condition as a reference for making decisions. In signaling theory, it is explained that the information received will be interpreted and analyzed first whether the information is considered a positive signal (good news) or a negative signal (bad news). If the positive signal is in form of a good liquidity value, the company will be on time in submitting financial statements, and vice versa when the negative signal in form of a poor liquidity value, it is likely that the company will delay financial reporting. In this research, liquidity is proxied by the Current Ratio (CR). The CR formula is current assets divided by current liabilities. The company's management provides signals regarding information on current assets and current liabilities of the company as a basis for decision making for investors. The reason for choosing CR as the liquidity ratio is because it can give a signal about the company's ability to pay its short-term debt with its current assets. The higher the liquidity, the company tends to submit financial reports on time. This is in line with research [26], [33], and [35] which show that liquidity affects the timeliness submission

of financial statements. However, it is not in line with research [30] and [1] which state that liquidity has no effect on the timeliness submission of financial statements.
H3: Liquidity has a positive effect on the timeliness submission of financial statements.

In accordance with compliance theory, timeliness submission of financial statements is the company's compliance to the government to submit financial reports in accordance with the stipulated time limit. Companies with old age will comply with the time limit set by the government and as much as possible and avoid delays in submitting financial statements. Older companies will be more aware of the importance of timely submission of financial reports which can have an impact on the sustainability of the company and investor confidence. The company also knows the consequences of the delay in submitting financial statements, in form of suspension, fines, and threats of delisting. In this research, company's age is measured by the period of time the company was first listed on the IDX which can be seen from the date of listing. The older age of the company, the company tends to be on time in submitting financial statements. This is in line with research [31], [25], and [36] which state that company's age affects the timeliness submission of financial statements. Meanwhile, [23] and [32] in their research show that the company's age does not affect the timeliness submission of financial statements.
H4: Company's age has a positive effect on the timeliness submission of financial statements.

Referring to the hypothesis above, the research model that can be formed is as follow:

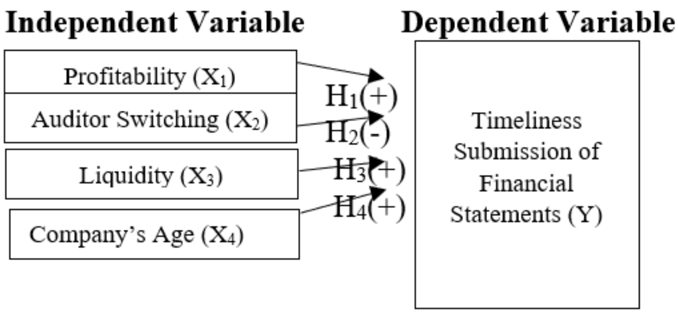

Figure 1. Research Model

Our Contribution

The purpose of this research was to analyze whether profitability, auditor switching, liquidity, and company's age affect the timeliness of submitting financial statements on basic material sector companies listed on the Indonesia Stock Exchange. Samples were taken by purposive sampling method and had several predetermined criteria. The number of samples that were successfully taken were 65 companies in the basic material sector during the 2019-2021 period. The data were processed using logistic regression analysis and SPSS 26 software. Based on the results of the research that has been done, it was found that profitability, liquidity, and company's age had no effect on the timeliness submission of financial statements, while auditor switching had a significant effect on the timeliness submission of financial statements.

Paper Structure

The methodology of this research is quantitative research with secondary data obtained from the Indonesia Stock Exchange for the period 2019-2021. Sample selection, the method used is purposive sampling, namely basic material sector companies with criteria 1) listed as issuers during the research period, 2) having a listing date before 2019, 3) submitting annual financial reports in the research period. The number of valid samples as many as 65 companies and within 3 years collected as many as 195 samples.

2. RESEARCH METHODS

This research used descriptive statistical test; classical assumption test consisting of multicollinearity test, regression model assessment, and overall model fit test; simultaneous test; logistic regression coefficient test (t test); and coefficient of determination test.

Operational variables and measurements used in this study are:

Table 1. Operational Variables and Measurements

Variable	Measurement	Source	Scale
Timeliness Submission of Financial Statements	Companies that are on time in submitting financial statements are recorded as "1" and companies that are not on time in submitting financial statements are recorded as "0"	Yunita (2017)	Nominal
Profitability	ROA = $\frac{Profit\ after\ Tax}{Total\ Assets}$	Kasmir (2018)	Ratio
Auditor Switching	Companies that do not experience a change of auditors are recorded as "1" and companies that experience a change of auditors are recorded as "0"	Yunita (2017)	Nominal
Liquidity	CR = $\frac{Current\ Assets}{Current\ Liabilities}$	Kasmir (2018)	Ratio
Company's Age	Listing Date on the Indonesia Stock Exchange (IDX)	Yunita (2017)	Ratio

Source: Processed Sata, 2022

3. RESULTS AND DISCUSSION

Descriptive Statistics Test

Table 2. Descriptive Statistics Test Results

	N	Min.	Max.	Mean	Std. Deviation
Profitability	195	-1.0498	0.1983	0.004526	0.1164306
Auditor Switching	195	0	1	0.85	0.357
Liquidity	195	0.0593	208.4446	3.702718	15.3142238
Company's Age	195	1	44	19.25	10.485
Timeliness Submission of Financial Statements	195	0	1	0.92	0.275
Valid N (listwise)	195				

Source: The Results of Data Processing with SPSS 26

Based on the table above, it can be concluded that there are 195 data samples that will be used in this research. The results of descriptive statistical analysis show an overview of profitability (X_1), auditor switching (X_2), liquidity (X_3), company's age (X_4), and timeliness submission of financial statements (Y) from 65 research sample data obtained. It can be seen the minimum, maximum, mean, and standard deviation of each variable.

First, profitability variable based on samples of 195 data has a minimum value of -1.0498 owned by the Tirta Mahakam Resources Tbk (TIRT) company in 2020 with a profit after tax of Rp. -414,398,439,415 and total assets of Rp. 394,725,543,723. The maximum value of 0.1983 owned by Unggul Indah Cahaya Tbk (UNIC) in 2021 with a profit after tax of Rp. 58,052,717 and total assets of Rp. 292,723,782. The mean value is 0.004526. Which means the average profitability as measured using return on assets (ROA) is 0.45%. From the average value obtained, it can be concluded that the average amount of profit after tax owned by the company is 0.45% of the total assets of the company and the standard deviation value is 0.1164306.

Second, auditor switching variable based on samples of 195 data has a minimum value of 0 which is a dummy variable for companies that change auditors and a maximum value of 1 which is a dummy variable for companies that do not change auditors. The mean is 0.85 and the standard deviation is 0.357.

Third, liquidity variable based on samples of 195 data has a minimum value of 0.0593 owned by Wilton Makmur Indonesia Tbk. (SQMI) in 2020 with total current assets of Rp. 32,014,242,324 and total current liabilities of Rp. 539,913,041,026. The maximum value of 208.4446 owned by Duta Pertiwi Nusantara Tbk. (DPNS) in 2020 with total current assets of Rp. 184,653,012,538 and total current liabilities of Rp. 885,861,221. The mean value is 3.702718. Which means that the average liquidity measured using the current ratio (CR) is 370.27%. From the average value obtained, it can be concluded that the average number of current assets owned by the company is 370.27% of the total current debt and the standard deviation value is 15.3142238.

Fourth, variable company's age based on samples of 195 data has a minimum value of 1 year owned by the company HK Metals Utama Tbk. (HKMU) and Madusari Murni Indah Tbk. (MOLI) in 2019. The maximum value of 44 years owned by Solusi Bangun Indonesia Tbk. (SMCB) in 2021. The mean value is 19.25. That means the average age of the companies that are sampled in this research is 19.25 years and the standard deviation value is 10.485.

Last, variable timeliness submission of financial statements based on a sample of 195 data has a minimum value of 0 which is a dummy variable for companies that are not on time in submitting financial statements and a maximum value of 1 which is a dummy variable for companies that are on time in submitting financial statements. The mean is 0.92 and the standard deviation is 0.275.

Classical Assumption Test

Before testing the hypothesis, classical assumption test is carried out which consists of a multicollinearity test, regression model assessment, and overall model fit test. The results of multicollinearity test show that each independent variable has a tolerance value of more than 0.10, namely profitability (ROA) of 0.997, auditor switching (PA) of 0.993, liquidity (CR) of 0.987, and company's age (UP) of 0.983 and VIF value is less than 10, namely profitability

(ROA) of 1.003, auditor switching (PA) of 1.007, liquidity (CR) of 1.013, and company's age (UP) of 1.017. So, it can be concluded that there is no element of multicollinearity between the independent variables. Regression model assessment is carried out using the goodness of fit test which is measured by looking at the significance value at the bottom of the Homser and Lemeshow test. The results of the Homser and Lemeshow test show that the significance value is greater than the significance level of 0.162 (> 0.05), so the hypothesized model fits the data because there is no real difference between the predicted classification and the observed classification so that the model is able to predict the observed value. The results of the overall model fit test are the numbers at the beginning of -2 Log Likelihood (-2LL) at the beginning (Block Number = 0), of 120.653 and the numbers at -2 Log Likelihood (-2LL) at the end (Block Number = 1), amounting to 110,663. So, it can be seen a decrease of 120.653 - 110.663 = 9.99. This decrease indicates that the hypothesized model fits the data. This means that the addition of independent variables such as profitability, auditor switching, liquidity, and company's age can improve the regression model.

Simultaneous test, logistic regression coefficient test (t-test), and coefficient of determination test were carried out after all classical assumption tests have met the requirements.

Simultaneous Test

Table 3. Omnimbus Test of Model Coefficient Test Results

		Chi-square	**df**	**Sig.**
Step 1	Step	10.630	4	0.031
	Block	10.630	4	0.031
	Model	10.630	4	0.031

Source: The Results of Data Processing with SPSS 26

Based on the table above, it can be seen that the calculated Chi-Square is 10,630. For a significance level of 5% or 0.05 and a degree of freedom of 4, the Chi-Square table is 9.488 (source: statiskian.com) [37]. The calculated Chi-Square value is greater than the table Chi-Square value, which is 10.630 > 9.488. The significance value obtained is 0.031 which is smaller than 0.05. It can be concluded that the independent variables consisting of profitability, auditor switching, liquidity, and company's age simultaneously or jointly affect the dependent variable, namely the timeliness submission of financial statements.

Logistic Regression Coefficient Test (t-Test)

Table 4. Logistic Regression Test Results (t-Test)

								95% C.I for EXP (B)	
		B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1[a]	Profitability	0.814	1.872	0.189	1	0.664	2.258	0.058	88.535
	Auditor Switching	1.274	0.611	4.343	1	0.037	3.576	1.079	11.855
	Liquidity	0.413	0.293	1.991	1	0.158	1.511	0.852	2.682
	Company's Age	0.040	0.027	2.188	1	0.139	1.041	0.987	1.098
	Constant	0.018	0.846	0.000	1	0.983	1.018		

Source: The Results of Data Processing with SPSS 26

Based on the logistic regression coefficient test, the logistic regression model is obtained as follows:

$$In\ (TL) = 0.018 + 0.814\ ROA + 1.274\ PA + 0.413\ CR + 0.040\ UP + e$$

The constant variable of the logistic regression model has a positive coefficient of 0.018. Because the dependent variable uses nominal data, namely 0 and 1, the value of this constant does not reach a value of 1, which means that the probability of timeliness submission of financial statements is small. That means if there are no variables of profitability (ROA), auditor switching (PA), liquidity (CR), and company's age (UP) that affect the timeliness submission of financial statements (TL), then the value of timeliness submission of financial statements (TL) is of 0.018 units. The coefficient of profitability variable (ROA) is 0.814, meaning that if the profitability variable (ROA) increases by one unit, the timeliness submission of financial statements (TL) will increase by 0.814 units assuming other independent variables remain. The coefficient of auditor switching variable (PA) is 1.274, which means that if the auditor switching variable (PA) increases by one unit, the timeliness submission of financial statements (TL) will increase by 1.274 units assuming other independent variables remain. The coefficient of liquidity variable (CR) is 0.413, which means that if the liquidity variable (CR) increases by one unit, the timeliness submission of financial statements (TL) will increase by 0.413 units assuming other independent variables remain. The coefficient of the variable company's age (UP) is 0.040, meaning that if the variable company's age (UP) increases by one unit, the timeliness submission of financial statements (TL) will increase by 0.040 units assuming other independent variables remain.

Based on the results of the logistic regression test, the Wald statistics for the first independent variable, namely profitability (ROA) is 0.189, while from the Chi-Square table for a significance level of 5% or 0.05 and a degree of freedom 1, the result is 3.841. The probability value (sign) is 0.664 where the value is greater than the significance of 0.05. The results show that Wald's count < Chi-Square table is 0.189 (< 3.841) and a significance value of 0.664 (> 0.05). This shows that the first hypothesis (h_1) in this research is rejected. So, it can be concluded that profitability has no significant effect on the timeliness submission of financial statements.

The Wald statistics for the second variable, namely auditor switching (PA) is 4.343, while from the Chi-Square table for a significance level of 5% or 0.05 and a degree of freedom 1, the result is 3.841. The probability value (sign) is 0.037 where the value is smaller than the significance of 0.05. The results show that Wald's count > Chi-Square table is 4.343 (> 3.841) and the significance value is 0.037 (< 0.05). This shows that the second hypothesis (h_2) in this research is accepted. However, the sign test that occurs is different from the proposed hypothesis because the auditor switching coefficient is positive. So, it can be concluded that auditor switching has a significant effect on the timeliness submission of financial statements with a positive effect.

The Wald statistics for the third variable, namely liquidity (CR) is 1.991, while the Chi-Square table for a significance level of 5% or 0.05 and a degree of freedom 1 is 3.841. The probability value (sign) is 0.158 where the value is greater than the significance of 0.05. The results show that Wald's count < Chi-Square table is 1.991 (< 3.841) and the significance value is 0.158 (> 0.05). This shows that the third hypothesis (h_3) in this research is rejected. So, it can be concluded that liquidity has no significant effect on the timeliness submission of financial statements.

The Wald statistics for the fourth variable, namely company's age is 2.188, while the Chi-Square table for a significance level of 5% or 0.05 and a degree of freedom 1 is 3.841. The probability value (sign) is 0.139 where the value is greater than the significance of 0.05. The results show that Wald's count < Chi-Square table is 2.188 (< 3.841) and the significance value is 0.139 (> 0.05). This shows that the fourth hypothesis (H_4) in this research is rejected. So, it can be concluded that the company's age has no significant effect on the timeliness submission of financial statements.

The following is a table of hypothesis testing:

Table 5. Hypothesis Test Results

Hypothesis	Test Results
H_1: Profitability has a positive effect on the timeliness submission of financial statements	Rejected
H_2: Auditor switching has a negative effect on the timeliness submission of financial statements	Accepted (The Sign Test is Positive)
H_3: Liquidity has a positive effect on the timeliness submission of financial statements	Rejected
H_4: Company's age has a positive effect on the timeliness submission of financial statements	Rejected

Source: Data Processed, 2022

Coefficient of Determination Test

Table 6. *Nagelkerke's R Square* Test Results

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	100.033[a]	0.053	0.123

a. Estimation terminated at iteration number 9 because parameter estimates changed by less than .001.

Source : The Results of Data Processing with SPSS 26

Based on the test results in the table above, it can be seen that Nagelkerke's R Square is 0.123 or 12.3%. This means that the independent variables of the research, namely profitability, auditor switching, liquidity, and company's age are able to explain variations in the timeliness submission of financial statements variables by 12.3%. Meanwhile, 87.7% is explained by other factors outside the variables in this research such as audit opinion, public accountant firm reputation, company size, ownership structure, and other variables that can affect the timeliness submission of financial statements.

Discussion

Profitability has no effect on the timeliness submission of financial statements. The results of this research are in line with research [29], [14], and [30]. This fact is supported by Tirta Mahakam Resources Tbk (TIRT) which is timely in submitting its annual financial statements in 2020 which has the lowest profitability value of all sample company data in this research. Then, Kapuas Prima Coal Tbk. (UNIC) which has a fairly high profitability when compared to the profitability value of the sample data of other companies in this research that were not timely in submitting annual financial reports in 2019. Liquidity has no effect on the timeliness submission of financial statements. The results of this research are in line with research [30] and [1]. This fact is supported by Jakarta Kyoei Steel Works Tbk. (JKSW) which in 2020 has a liquidity value greater than 1 which means good news for the company because it has a great ability to pay off its short-term obligations and the company is in good health, but the company is late in submitting its annual financial report. Then, in 2019, the company Bumi Resources Minerals Tbk. (BRMS) has a low liquidity value which means the company has a low ability to pay off its short-term obligations which is bad news for the company, but the company still submits annual financial reports on time. The company's age does not affect the timeliness submission of financial statements. The results of this research are in line with research [23] and [32]. This fact is supported by Berlina Tbk. (BRNA) which is 31 years old in 2020, which means the company has 31 years of experience so that it can overcome problems and the company tends to be more trusted by investors and customers because it has been around for a long time, but is late in submitting annual financial reports. This is inversely proportional to Madusari Murni Indah Tbk. (MOLI) which is only one year old in 2019 so the company has little experience, but on time in submitting annual financial reports. In accordance with the compliance theory, this shows that all companies want to comply in submitting annual financial reports in a timely manner in accordance with the timeframe set by the government regardless of profitability, liquidity, and the age of the company. Auditor switching has a positive effect on the timeliness submission of financial statements. This is in line with research [1], [33], and [34]. Changes in auditors can increase the timeliness of submitting financial statements because the new auditor will try to show maximum performance to maintain company trust by doing audit tasks properly and on time [24]. In accordance with agency theory, this shows that the new auditor will try to show good performance in the hope that the company will continue the contract in the next period.

4. CONCLUSION AND RECOMMENDATION

Based on the results of this research, profitability, liquidity and company's age do not affect the timeliness submission of financial statements. So, companies want to submit financial statements in a timely manner regardless of profitability, liquidity, and company's age. Meanwhile, auditor switching has a positive effect on the timeliness submission of financial statements. This means that the change in auditors will trigger the company to submit reports in a timely manner compared to when the company is audited by the previous auditor. Companies with new auditors will submit financial reports on time because the new auditors will convinving their clients that their performance is good by maximizing the process of making financial statements so that submissions can be made on time. However, in this research also show that the timeliness submission of financial statements is not only influenced by the variables in the research, and is largely influenced by other factors which are variables outside the research such as audit opinion, public accountant firm reputation, company size, ownership structure, and other variables that may affect the timeliness submission of financial statements.

The limitation of this research is that the research only uses four independent variables consisting of profitability, auditor switching, liquidity, and company's age. This research is focused on taking samples only from basic material sector companies listed on the Indonesia Stock Exchange (IDX). The period used in this research only uses three years, namely 2019 to 2021. Further researchers are expected to be able to use other variables other than in this research, expand research samples other than basic material sector companies, and add a research period of more than three years. Companies that want to improve the timeliness of submitting financial reports must also pay attention to other factors besides profitability, auditor switching, liquidity, and company's age. The growth and sustainability of the company is not only seen from the timeliness submission of financial reports. Therefore, investors in considering decisions to make investments need to pay attention to other things that can make investors interested in addition to paying attention to the timeliness submission of financial statements made by the company.

ACKNOWLEDGMENT

This research was supported by The Faculty of Economics and Business - Universitas Tarumanagara – Jakarta, and The Indonesia Stock Exchange (IDX).

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