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The Profitability, Company Size and Audit Committee Effect on Audit Delay with Public Accounting Firms' Reputation as Moderator Variables

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A B S T R A C T

The purpose of this research is to analyze and examine the effect of profitability, firm size, and the audit committee on audit delay if it is moderated by the reputation of the public accounting firms. This research was conducted at mining companies listed on the Indonesia Stock Exchange in 2016 - 2019. The samples taken in this study were 22 companies with an observation period of 4 years with 88 observations. The research sample was determined using the purposive sampling method. Data collection was carried out using non-participant observation methods. This research's analysis technique is the Structural Equation Model (SEM) based on Partial Least Square (PLS). This study indicates that profitability and the audit committee have a negative and significant effect on audit delay. Firm size has a positive and insignificant effect on audit delay. The reputation of public accounting firms can strengthen the effect of profitability and the audit committee on audit delay. The reputation of public accounting firms is not able to strengthen the influence of firm size on audit delay

INTRODUCTION

One of the benchmarks for a firm's success and earning profits is the timeliness of presenting the financial statements and the duration of completing the audit of the financial statements. The Financial Services Authority (FSA), through regulation Number 29 / PFSA.04 / 2016, requires all issuers and public companies listed on the Indonesia Stock Exchange to submit annual financial reports to FSA no later than the fourth month after the financial year ends. This study's topic relates to audit delay, which is the time needed by the auditor to produce an audit report on a firm's financial statements' performance. This audit time lag is calculated from the difference between the firm's annual financial statements to the date of the audit report issued by the PAF (Puspitasari & Latrini, 2014).

The Indonesia Stock Exchange (ISE) revealed the phenomenon of delays in financial reports that occurred in September 2019. 578 companies submitted their financial reports of the semester I - 2019 on time. It means that only 78.4% of the total issuers report their finances in the semester I - 2019 on time (Kontan.co.id, 2019). Meanwhile, in June 2020, the Indonesia Stock Exchange noted that 64 companies had not submitted audited financial reports, which ended as of December 31, 2019, on June 2, 2020 (kontan.co.id, 2020).

Profitability is a ratio that measures the ability of a firm to earn profits (Arsyad et al., 2021). A profit earned is usually a good sign sent to the market for a positive market response (Muhammad & Rahim, 2019). Companies that declare profit usually have a shorter audit delay rate. It is because the profit earned by the firm wants to be notified immediately to external parties. So that companies with a profit are more likely to publish their financial reports immediately. The study results (Wulandari & Utama, 2016; Prabasari & Merkusiwati, 2017) found that profitability significantly affects audit delay. On the other hand, the research results (Putro, 2017; Anita & Dewi, 2019) found that profitability did not significantly affect audit delay.

Firm size is the size of a firm as measured by the number of total assets or assets owned by a firm. The study results (Anita & Dewi, 2019) show that Firm size has a significant effect on Audit Delay, which means

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that the greater the Firm size, the shorter the Audit Delay and vice versa, the smaller the Firm size, the longer the Audit Delay. Large companies usually have a good internal control system, so it can reduce the error rate in preparing financial statements, making it easier for auditors to audit financial statements. The study results (Prabasari & Merkusiwati, 2017) found that firm size significantly affects audit delay. On the other hand, the research results (Putro, 2017) found that firm size has no significant effect on audit delay.

Apart from profitability and firm size, another factor tested for its relationship with audit delay is the audit committee. In enhancing the integrity and credibility of financial reporting, an audit committee is required. The audit committee itself is also concerned with audit delays. The audit committee is tasked with monitoring planning and implementation and then evaluating the audit results to assess the appropriateness and capability of internal control, including overseeing preparing financial reports. The more the audit committees, the shorter the audit delay (Haryani & Wiratmaja, 2014).

The implementation guidelines and establishment of an audit committee have been regulated in the Financial Services Authority Regulation Number 55 / PFSA.04 / 2015 dated 23 December 2015 concerning the Establishment and Work Implementation Guidelines for the Audit Committee. Issuers that go public must have an audit committee consisting of at least three members led by an independent commissioner. The rest are external members who have a background and master accounting and / or finance (Angruningrum & Wirakusuma, 2013). The study results (Prabasari & Merkusiwati, 2017) found that the audit committee affects audit delay. On the other hand, the research results (Ratnasari, 2018) found that the audit committee does not affect audit delay.

The reputation of the Public Accounting Firm (PAF) is a view of public trust in the achievements and good name of the PAF. The PAF's steps to maintain its reputation to maintain clients' existence, namely by faster audit times (Sunanungsih, 2013). To increase the credibility of the report, the firm will use the services of a reputable PAF. Generally, large accounting firms have better and more resources and are supported by a more sophisticated system so that the resulting audited reports more accurate. The study results (Prabasari & Merkusiwati, 2017) found that the reputation of PAF was able to moderate/strengthen the effect of profitability, firm size, and audit committee on audit delay. Likewise, the research results (Ratnasari, 2018) found that the reputation of PAF was able to moderate/strengthen the effect of firm size on audit delay. Different research results come from research (Wulandari & Utama, 2016), which found that PAF's reputation could not moderate/strengthen the effect of profitability on audit delay. The study results (Ratnasari, 2018) found that the reputation of PAF was unable to moderate/strengthen the influence of firm size and audit committee on audit delay.

Based on the review of previous studies, it is known that there is a research gap in the form of results that are inconsistent with the results of the study. That is, not always audit delay is influenced by profitability, firm size, and the audit committee. It is also concluded that PAF's reputation is not always able to moderate the effect of profitability, firm size, and audit committee on audit delay. Therefore, researchers are interested in re-examining the effect of profitability, firm size, and audit committee on audit delay with the reputation of PAF as a moderating variable.

This research is a replication of research (Prabasari & Merkusiwati, 2017). The difference between this research and research (Prabasari & Merkusiwati, 2017) is the research observation period where the research (Prabasari & Merkusiwati, 2017) takes the 2012-2015 observation period while the research takes the 2017-2019 observation period. Another difference is the research sample where research (Prabasari & Merkusiwati, 2017) took samples from manufacturing companies, while this research took samples from mining companies. The mining sector's selection is based on the findings that the mining sector is one of the sectors recorded to experience the most audit delays. Also, the mining sector is one of the sectors with promising growth in the stock index every year. With so many investors interested in investing in the mining sector, investors' need for financial reports will also increase, so that the audit delay is expected to be smaller.

Agency theory is the relationship between the agent (management of a firm) and the principal (owner). The principal gives a mandate to the agent to perform a service on behalf of the principal (Rahim, 2016). At the same time, the agent is the one who is given the mandate. Thus, the agent acts as the party with authority to make decisions, while the principal evaluates the information (Lestari, 2018). Conflicts of interest can occur for various reasons, such as information asymmetry. Information asymmetry is an imbalance of information due to the unequal distribution of information between agents and principals. The effect of this information asymmetry can be in the form of moral hazard, namely problems that arise if the agent does not

carry out matters in the work contract. Adverse selection can also occur, which is a condition in which the principal cannot know whether the agent's decision is based on the information obtained, or it occurs as negligence in his duties (Lestari, 2018).

The agent acts as the party with authority to make decisions, while the principal is the party who evaluates the information. Agency relationships arise when one or more people employ other people to provide a service and then delegate decision-making authority to that agency. The separation between ownership and management of a firm can cause agency problems, namely the misalignment of interests between the principal and the agent (Putri, 2019). According to (Miradhi & Juliarsa, 2016), it states that the Auditor is a third party chosen by managers and shareholders to examine the firm's financial statements. Submission of audited financial reports on time can minimize information asymmetry between management and stakeholders because the agent can transparently inform the firm to the principal (Estrini, 2020).

The signal theory states that good quality companies will deliberately give signals to the market. The market is expected to differentiate between good and bad quality companies (Estrini, 2020). Cues or signals are actions taken by firm management when they find complete and accurate information about its internal and prospects. Managers are obliged to provide signals by disclosing accounting information, such as publishing financial reports to the market. The market will respond to this information as a signal of good news or bad news. The main benefit of this theory is that the accuracy and timeliness of presenting financial statements to the public signal from the firm that there is information that is useful in the need for decision making from investors.

Compliance comes from the word obey. According to Great Dictionary of the Indonesian Language, obedience means obeying orders, obeying orders or rules, and being disciplined. Compliance means being obedient, obedient, submissive, obeying teachings or regulations. In (Puspitasari & Latrini, 2014), demands for compliance with the timeliness in submitting annual financial reports of going public companies in Indonesia have been regulated in Law No. 8 of 1995 concerning the Capital Market. Further regulated in Bapepam Regulation number KEP-346 / BL / 2011 requires every issuer and a public firm listed on the Indonesia Stock Exchange to submit an annual financial report accompanied by an accountant's report in the framework of an audit of financial reports containing audit opinion from the accountant to Bapepam dan LK no later than 3 months (90 days). These regulations indicate the compliance of every individual and organizational (public firm) behavior involved in the Indonesian capital market to submit its annual financial reports on time.

Signaling theory explains that a firm with good news is considered a positive signal to the market, and vice versa, a firm that has bad news, is considered a negative signal to the market. Companies with a high profitability level tend to be shorter because the audit delay will not delay the publication of financial reports that contain good news. The research results (Wulandari & Utama, 2016) and (Prabasari & Merkusiwati, 2017) found that profitability significantly affects audit delay.

H1 : Profitability has a negative and significant effect on audit delay

There is an assumption underlying the relationship between firm size and audit delay that large companies tend to complete the audit process faster than smaller companies. Due to several factors, large-scale firm management tends to be given incentives to reduce audit delay because it is closely monitored by investors, capital supervisors, and the government. Also, if viewed from agency theory, large companies tend to avoid agency problems due to the long period between the presented information and the reporting. If the information is not submitted on time, it will reduce the value of information submitted to the principal, leading to asymmetric information. Asymmetric information is one element of agency theory. In this case, the agent knows more about the firm's internal information in detail than the principal, who only knows firm information externally through management's performance results. Therefore, this requires timeliness to reduce asymmetric information between agents or management and principals or shareholders so that financial reports can be submitted transparently to the principal. According to (Pourali et al., 2013), a larger firm's management may have an excellent incentive to reduce the potential for audit delay. It gives an impact where the audit delay of large-scale companies is shorter than those of small-scale companies. The research results (Prabasari & Merkusiwati, 2017) and (Ratnasari, 2018) found that firm size significantly affects audit delay.

H2 : Firm size has a negative and significant effect on audit delay

The more the number of audit committees, the shorter the audit delay will be. It indicates that the addition of audit committee members will improve the supervisory process in preparing corporate financial reports so that the resulting financial reports are more by generally accepted standards. It means that the time needed by auditors to carry out audits comes short. Compliance Theory can explain the relationship between the audit committee and audit delay. The Audit Committee is tasked with encouraging management to comply with applicable regulations, including submitting financial reports on time. Apart from being a firm obligation to submit financial reports on time, it will also benefit better financial statements. The results of the study (Prabasari & Merkusiwati, 2017) found that the audit committee affects audit delay.

H3 : The Audit Committee has a negative and significant effect on audit delay

Banimahd (2012) explains profitability, which is the ratio that calculates net income to total assets. This ratio shows the firm's success in obtaining profits, with companies that have good enough profitability must also have a greater incentive to complete their audit work faster (Pourali et al., 2013). Good audit quality certainly does not experience long audit delays. Companies that use the services of extensive public accounting firms and The Big Four tend to be more trusted by investors because investors think that companies that use extensive PAF services will have good audit quality than small PAFs (Prabasari & Merkusiwati, 2017). Based on the signaling theory that profit has a signal to respond from capital market players, companies tend to use an independent auditor's services with a good reputation. Users of financial statements can quickly obtain that information from the firm's financial statements. The study results (Prabasari & Merkusiwati, 2017) found that the reputation of PAF was able to moderate/strengthen the effect of profitability on audit delay.

H4 : The reputation of PAF is able to moderate the effect of profitability on audit delay

Public accounting firms with good reputations tend to have competent resources to carry out audit procedures more efficiently and effectively to complete the auditor's report on time. The period for completing the audit in a short time is also a step for PAF to maintain its good name to maintain clients' trust (Sunanungsih, 2013). Large companies with significant financial resources tend to use independent auditors with good reputations. Also, to shortening the audit delay, it covers the risk of agency problems due to asymmetric information between the agent or management and the principal or shareholders. Financial reports can be submitted transparently to the principal. A reputable PAF will further strengthen firm size on audit delay because it has flexible scheduling to result in a short audit delay range. The research results (Prabasari & Merkusiwati, 2017) and (Ratnasari, 2018) found that the reputation of PAF was able to moderate/strengthen the effect of firm size on audit delay.

H5 : The reputation of PAF is able to moderate the effect of firm size on audit delay

Audit committees that use PAF services in issuing financial reports or information on firm performance, especially auditors, are more accurate and reliable in their performance. Companies that use extensive PAF services, for example, The Big Four, tend to be preferred by investors because they are considered to provide good audit quality results than small PAF (Miradhi & Juliarsa, 2016). Timeliness in submitting financial statements cannot be separated from an independent auditor who audits the firm's financial statements. However, if the compliance theory explains, if the Audit Committee can carry out good supervision so that management runs the firm according to the rules, especially in preparing financial reports to produce good quality financial reports, it will shorten the audit delay. Large public accounting firms have auditors who are reliable and more skilled. The financial statements can be audited on time, have good audit quality, and avoid audit delays. The study results (Prabasari & Merkusiwati, 2017) found that the reputation of PAF was able to moderate/strengthen the influence of the audit committee on audit delay.

H6 : The reputation of PAF is able to moderate the effect of the audit committee on audit delay

METHOD

This type of research used in this research is quantitative research with a descriptive approach. The quantitative research method is one type of research whose specifications are systematic, well-planned, and structured from the beginning to the end of the making of the research design. According to Sugiyono (2013), quantitative research methods can be interpreted as research methods based on positivism, used to research specific populations or samples. Sampling techniques are generally carried out randomly, and data collection uses research instruments. Data analysis is quantitative/statistical to test the hypothesis that has been set. This study uses a descriptive approach to describe the object of research or research results. Descriptive is a method that serves to describe or provide an overview of the object under study through data or samples that have been collected as is, without analyzing and making general conclusions (Sugiyono, 2013).

Table 1. Research Sample Criteria

No	Criteria		Sample
	Population		44
1.	Mining companies that are not listed and do not publish financial reports during the observation period - including 2016 - 2019	(6)	
2.	Mining companies that do not display complete data and information that can be used in this research and the financial statements have been audited with an independent auditor's report.	(3)	
3.	Mining companies that did not experience profits during the observation period.	(13)	
Sample Companies			22
Observation period 4 years = 22 x 4 years			88

Table 2. Research Sample

No	Code	Result
1.	ADRO	PT. Adaro Energy, Tbk
2.	ANTM	PT. Aneka Tambang (Perseo), Tbk
3.	BUMI	PT. Bumi Resources, Tbk
4.	BYAN	PT. Bayan Resources, Tbk
5.	CITA	PT. Cita Mineral Investindo, Tbk
6.	DEWA	PT. Darma Henwa, Tbk
7.	DKFT	PT. Central Omega Resources, Tbk
8.	DOID	PT. Delta Dunia Makmur, Tbk
9.	ELSA	PT. Elnusa, Tbk
10.	ESSA	PT. Surya Esa Perkasa, Tbk
11.	GEMS	PT. Golden Energy Mines, Tbk
12.	HRUM	PT. Harum Energy, Tbk
13.	ITMG	PT. Indo Tambangraya Megah, Tbk
14.	KKGI	PT. Resources Alam Indonesia, Tbk
15.	MBAP	PT. Mitrabara Adiperdana, Tbk
16.	MYOH	PT. Samindo Resources, Tbk
17.	PKPK	PT. Perdana Karya Perkasa, Tbk
18.	PTBA	PT. Tambang Batubara Bukit Asam (Persero), Tbk
19.	RUIS	PT. Radiant Utama Intersinsco
20.	SMMT	PT. Golden Eagle Energy, Tbk
21.	TINS	PT. Timah (Persero), Tbk
22.	TOBA	PT. Toba Bara Sejahtera, Tbk

Data collection methods in this study using documentation techniques. Documentation is done by collecting documents that are available at the research location. In this study, the required documents are the financial statements of the research sample companies. This study's population are mining companies listed on the Indonesia Stock Exchange for the period 2016 - 2019. Based on the data obtained, there are 44 mining sector companies listed on the Indonesia Stock Exchange. The sample used in this study using purposive sampling. The purposive Sampling technique is because not all samples have criteria by what the authors have determined. This study took a sample of all mining companies listed on the Indonesia Stock Exchange (ISE) from 2016 to 2019.

RESULT & DISCUSSION

Discussion

This research was conducted to determine the effect of profitability, firm size, and audit committee on audit delay with the reputation of PAF as a moderating variable. This research was conducted by taking secondary data in the form of financial reports of mining companies listed on the Indonesia Stock Exchange from 2016 to 2019, the research samples. The results of the research will be presented in the following. Based on the table above, it is known that the observation period of 2016 to 2019. The highest value of profitability proxied by ROA is 0.46; as low as 0.002; and an average ROA of 0.0911. The highest value of firm size as measured by the natural logarithm of total assets is 28.82; the lowest was 14.01; and the average natural logarithm of total assets is 20.59. Meanwhile, the highest percentage of the Audit Committee is 50%; the lowest is 0%; and the average percentage of the audit committee is 14.19%.

Table 3. Statistical Description of Research Variables

Variable	Minimum	Maximum	Mean
Profitability (ROA)	0,00	0,46	0,091
Firm Size (LN TA)	14,01	28,82	20,490
Audit Committee	0,00	0,50	0,149
Reputation of PAF	0,00	1,00	0,284
Audit Delay	0,00	1,00	0,090

A multicollinearity test is conducted to test the model. Model testing is conducted to see whether intercorrelation or collinearity exists between independent variables. See the strong relationship between variable X and variable Y by focusing on the correlation coefficient value, VIF value, and tolerance. Where if the VIF value of each independent variable is <10 and the tolerance value> 0.05 so that based on the processed data, the result is that the VIF value of each independent variable is <10 and the tolerance value> 0.01 so that it can be concluded that there is no multicollinearity problem in the regression model.

Convergent validity of the measurement model using a reflective indicator based on the loading factor indicator that measures the construct. In this study, there are 8 constructs with the number of indicators 1. Based on the results of the measurement model testing shown in Figure 2 and Table 6. It can be presented as follows:

1. The profitability construct (X1) is measured using ROA. The indicator has a loading factor above 0.7 and AVE above 0.6;
2. The firm size construct (X2) is measured using LNTA. The indicator has a loading factor above 0.7 and AVE above 0.6;
3. Audit committee construct (X3) is measured using the proportion of independent audit committees. The indicator has a loading factor above 0.7 and AVE above 0.6;
4. The PAF reputation construct (M) is measured by dummy variables based on the big four and non-big four PAF categories. The indicator has a loading factor above 0.7 and AVE above 0.6;
5. The audit delay construct is measured using a dummy variable that experiences and does not experience

an audit delay. The indicator has a loading factor above 0.7 and AVE above 0.6;
6. The interaction construct of profitability and reputation of PAF has indicators with loading factors above 0.7 and AVE above 0.6;
7. The interaction construct of firm size and reputation of PAF has an indicator with a loading factor above 0.7 and AVE above 0.6;
8. The audit committee interaction construct with PAF reputation as an indicator with a loading factor above 0.7 and AVE above 0.6;

Based on the results of the loading factor above, it can be denied that the construct has good convergent validity.

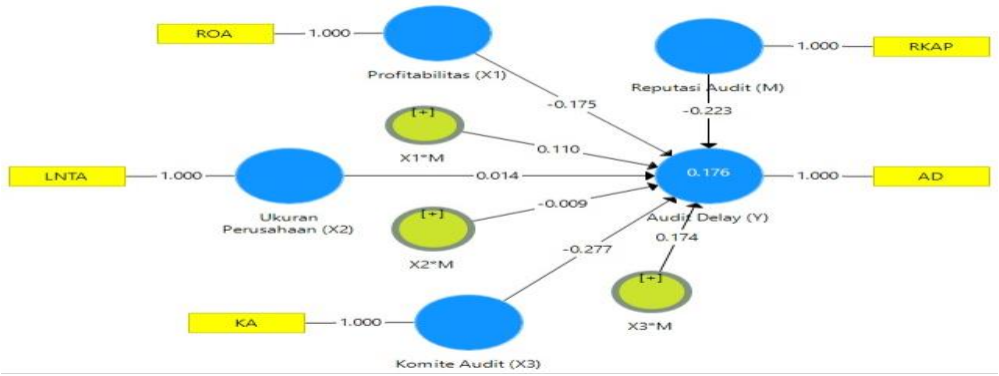

Figure 2. Measurement of the Output Model

Table 4. Discriminant validity

Konstruk	AVE
Audit Delay (Y)	1,000
Profitability (X1)	1,000
Firm Size (X2)	1,000
Audit Committee (X3)	1,000
Reputation of PAF (M)	1,000
Profitability (X1) with Reputation of PAF (M)	1,000
Firm Size (X2) with Reputation of PAF (M)	1,000
Audit Committee (X3) with Reputation of PAF (M)	1,000

Discriminant validity testing is carried out to prove whether the construct's indicator will have the most significant loading factor on the construct it forms than the loading factor with other constructs. Can be seen the cross loading in the following table 5:

Table 5. Cross Loading

	AD [Y]	KA [X3]	P [X1]	RPAF [M]	UP [X2]	X1*M	X2*M	X3*M
Y	1,000	-0,206	-0,165	-0,199	-0,008	0,122	0,069	0,220
X3	-0,206	1,000	-0,069	-0,229	0,347	0,233	-0,091	-0,117
X3*M	0,220	-0,117	0,209	-0,239	-0,084	0,155	0,304	1,000
X2	-0,008	0,347	-0,232	-0,168	1,000	0,086	-0,333	-0,084
X1*M	0,122	0,233	-0,399	0,013	0,086	1,000	-0,233	0,155
M	-0,199	-0,229	0,011	1,000	-0,168	0,013	-0,191	-0,239
X1	-0,165	-0,069	1,000	0,011	-0,232	-0,399	0,084	0,209
X2*M	0,069	-0,091	0,084	-0,191	-0,333	-0,233	1,000	0,304

Table 5 shows that the cross loading value also shows good discriminate validity because the correlation value of the indicator against its construct is higher than the indicator's correlation value with other constructs. As an illustra-tion, the loading factor Audit Delay (AD) (Y) is 1,000 which is higher than the loading factor with other constructs, namely KA (X3) of -0.206; P (X1) of -0.165; RPAF (M) of -0.199; UP (X2) of -0.008; X1 * M of 0.122; X2 * M of 0.069; and X3 * M of 0.220. The table also shows that the Profitability variable (X1) also has a higher loading factor value than the loading factor with other constructs. The same thing is seen in other variables, namely firm size (X2), audit committee (X3), the reputation of PAF (M), as well as the interaction of profitability, firm size, and audit committee with PAF reputation (X1 * M, X2 * M, X3 * M). Thus, latent constructs predict the measurement tool on their block better than the indicators on the other blocks.

In addition to the construct validity test, a construct reliability test was also carried out as measured by the com-posite reliability and Cronbach's alpha from the indicator block measuring the construct. The following are the results of testing the composite reliability and Cronbach's alpha from Smart PLS. A construct is declared reliable if it has a composite reliability value above 0.70 and Cronbach's alpha above 0.60. From the SmartPLS output results above, all constructs have a composite reliability value above 0.70 and Cronbach's alpha above 0.60. So can be concluded that the construct has good reliability.

Table 6. Reliability of Composites and Cronbach's Alpha

Construct	Composite Reliability	Cronbach's Alpha
Audit Delay (Y)	1,000	1,000
Profitability (X1)	1,000	1,000
Firm Size (X2)	1,000	1,000
Audit Committee (X3)	1,000	1,000
Reputation of PAF (M)	1,000	1,000
Profitability (X1) with Reputation of PAF (M)	1,000	1,000
Firm Size (X2) with Reputation of PAF (M)	1,000	1,000
Audit Committee (X3) with Reputation of PAF (M)	1,000	1,000

Path coefficient evaluation shows how strong the independent variable's effect or influence on the dependent variable is. Based on the inner model scheme that has been shown in the figure above, it can be explained that the most significant path coefficient value is indicated by the effect of the audit committee on audit delay of -0.277. The following is the effect of profitability on the amount of -0.175. Furthermore, the effect of PAF reputation on audit delay is -0.223. The firm size has a path coefficient of 0.014.

The description of these results shows that the profitability and audit committee variables in this model have a path coefficient with a negative number. It shows that profitability and the audit committee have opposite effects on audit delay. The more significant the profitability and the audit committee, so the less the audit delay. Meanwhile, firm size has a path coefficient with a positive number, which indicates that firm size has a unidirectional effect on audit delay. It indicates that the larger the firm, the greater the impact on the audit delay.

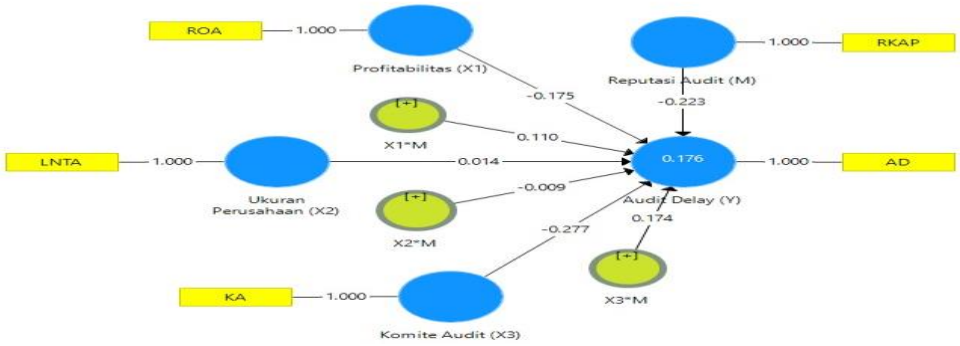

Figure 3. Inner Model Output

Based on the data presented in the table above, it can be seen that the R-Square value for the Audit Delay variable is 0.176. This value explains that audit delay can be explained by profitability, firm size and audit committee, and moderation of PAF reputation by 36.1%. The remaining 63.9% is explained by other variables not included in this study. Coefficient determination (R-Square) is used to measure how much endogenous variables are affected by other variables. Chin in Ghozali (2011) states that R2 results of 0.67 and above for endogenous latent variables in the structural model indicate that the effect of exogenous variables (which influence) on endogenous variables (which are influenced) is in a suitable category. Meanwhile, if the result is 0.33 - 0.67, it is in the medium category, and if the result is 0.19 - 0.33, it is in the weak category. Thus, this research model can be categorized as moderate. Based on the data processing, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be stated as accepted if the P-Values value <0.05. The following are the results of hypothesis testing obtained in this study through the inner model:

Table 7. T-Statistics and P-Values

Variable	T	P Value	Hipotesis
Profitability (X1)	3,250	0,011	accepted
Firm Size (X2)	2,567	0,876	Rejected
Audit Committee (X3)	4,629	0,001	accepted
Profitability (X1) with Reputation of PAF (M)	2,541	0,011	accepted
Firm Size (X2) with Reputation of PAF (M)	0,156	0,876	Rejected
Audit Committee (X3) with Reputation of PAF (M)	3,165	0,002	accepted

Based on the data presented in table 7, it can be described as follows:

1. It is known that the P value of the profitability variable proxied by ROA is 0.011, and this value is smaller than the degree of error (α = 0.05) (0.011 <0.05). It means that profitability has a significant effect on audit delay. Thus, the first hypothesis (H1) proposed in this study is accepted.
2. It is known that the P value of the firm size variable as proxied by the Logarithm of Natural Total Assets (LNTA) is 0.876, and this value is greater than the degree of error (α = 0.05) (0.876> 0.05). It means that firm size has no significant effect on audit delay. Thus, the second hypothesis (H2) proposed in this study is rejected.
3. It is known that the P value of the audit committee variable is 0.001, and this value is smaller than the degree of error (α = 0.05) (0.001 <0.05). It means that the audit committee has a significant effect on audit delay. Thus, the third hypothesis (H3) proposed in this study is accepted.
4. It is known that the P Value resulting from the interaction of the profitability variable with the reputation of PAF is 0.011, and this value is less than the degree of error (α = 0.05) (0.001 <0.05). Thus, it can be concluded that the results of the interaction between profitability and reputation of PAF have a significant effect on audit delay. The results of this study belong to the quasi moderation type. The profitability proxied by ROA affects audit delay, either with or without moderation of the PAF reputation. Thus, the

fourth hypothesis (H4) proposed in this study is accepted.

5. It is known that the P value resulting from the interaction of the firm size variable with the reputation of PAF is 0.876, and this value is greater than the degree of error (α = 0.05) (0.876 <0.05). Thus, it can be concluded that the results of the interaction between firm size and reputation of PAF do not have a significant effect on audit delay. This study's results belong to the type of moderation homologous moderation, where firm size as proxied by LNTA does not affect audit delay, either with or without moderation of the PAF reputation. Thus, the fifth hypothesis (H5) proposed in this study is rejected.
6. It is known that the P Value resulting from the interaction of the audit committee variable with the reputation of PAF is 0.002, and this value is less than the degree of error (α = 0.05) (0.002 <0.05). Thus, it can be concluded that the results of the interaction between the audit committee and the reputation of PAF have a significant effect on audit delay. This study's results belong to the quasi moderation type, where the audit committee proxied by ROA affects audit delay, either with or without moderation of the PAF reputation. Thus, the sixth hypothesis (H6) proposed in this study is accepted.

Discussion

Profitability is a ratio that measures a firm's ability to earn profits. In this study, profitability is proxied by Return on Assets (ROA). ROA is a profitability ratio that measures the rate of return on return on assets. Based on the results of the regression analysis, it is known that profitability has a negative coefficient. It means that profitability has the opposite effect on audit delay. In other words, the better the level of firm profitability, the minor delay the firm has in reporting the audited financial statements. The signaling theory can explain this study's results that companies with good news are considered a positive signal to the market and vice versa. Companies that have bad news are considered a negative signal to the market. Companies with a high profitability level tend to be shorter because the audit delay will not delay the publication of financial reports that contain good news. Meanwhile, based on the partial test results, it is known that profitability, which is proxied by ROA, has a significant effect on audit delay. It is because profitability is the primary consideration for companies to publish financial reports on a timely basis. It also explains that profitability is one of the critical pieces of information that capital market players await in the capital market. The information determines whether the firm's financial statements are timely or not. This study's results are in line with previous research results from (Wulandari & Utama, 2016) and (Prabasari & Merkusiwati, 2017), which found that profitability has a significant effect audit delay.

Firm size is a measure that shows the size or size of a firm. The natural logarithm of total assets measures the size of the firm in this study. Based on the regression analysis results, it is known that firm size has a positive coefficient. It means that firm size has a direct effect on audit delay. Firm size has a positive effect on audit delay, meaning that the larger the firm size, the longer the audit delay. The larger the firm's size, the more assets it has, so auditors need to take more audit samples. Because more and more audit samples are taken, auditors certainly need a longer time to perform audit assignments in large companies than small companies. However, based on the partial test results, it is known that firm size does not significantly affect audit delay. It explains that a firm's size and size is not the main reason a firm can issue financial reports on time. Timely a financial report is due to professional factors. If large companies in the mining sector can provide management incentives to work faster, small companies in the mining sector can do the same for their management. It makes mining companies with large sizes not guaranteed to have timeliness of reporting. This study's results are in line with previous research from (Putro, 2017), which found that firm size has no significant effect on audit delay.

In the BAPEPAM-LK regulation in circular No. SE03 / PM / 2000 states that public issuers must have an audit committee consisting of at least three members led by an independent commissioner, and the rest are external members. The more members in a firm's audit committee, the shorter the audit delay. The audit committee's measurement uses a ratio scale through the percentage of audit committee members who come from outside the audit committee to all audit committee members. Based on the results of the regression analysis, it is known that the audit committee has a negative coefficient. It means that the audit committee has the opposite effect on audit delay. In other words, the more members of the audit committee, the minor delay the firm has in reporting the audited financial statements. In line with the Compliance Theory, the Audit Committee is tasked with encouraging management to comply with applicable regulations. Including in

submitting financial reports on time because apart from being a firm obligation to submit financial reports on time, it beneficial for financial report users. Furthermore, based on the results of the partial test, it is known that the audit committee has a significant effect on audit delay. It explains that increasing the number of audit committee members in a firm will determine the firm can issue financial reports on time. This study's results align with previous research results (Prabasari & Merkusiwati, 2017), which found that the audit committee affects audit delay.

Based on the research results, it is known that the interaction between profitability and PAF reputation affects audit delay. The results of this study belong to the quasi moderation type. The profitability proxied by ROA affects audit delay, either with or without moderation of the PAF reputation. This study indicates that the level of profit generated by the firm can affect the audit process. With the firm's ability to generate high profits, the PAF, especially those belonging to the Big Four PAF, will prove high professionalism. For PAF affiliated with the Big Four, audit results need to be maintained to maintain their image to the public to trust clients still to provide audit services. This study's results are in line with the results of previous research (Prabasari & Merkusiwati, 2017), which found that the reputation of PAF was able to moderate/strengthen the effect of profitability on audit delay.

Based on the results of the study, it is known that the interaction between firm size and PAF reputation does not affect audit delay. This study's results belong to the type of moderation homologous moderation, where firm size as measured by the total natural assets (LNTA) logarithm does not affect audit delay, either with or without moderation of the PAF reputation. Large companies with significant financial resources do not guarantee that their management will use independent auditors with good reputations. Companies with significant resources also do not guarantee an incentive policy for management to work faster and better in publishing quality financial reports to facilitate PAF work. It makes mining companies with large sizes not guaranteed to have timeliness of reporting. The study results (Wulandari & Utama, 2016) found that the reputation of PAF was not able to moderate/strengthen the effect of firm size on audit delay.

Based on the research results, it is known that the interaction between the audit committee and the reputation of PAF does not affect audit delay. This study's results belong to the quasi moderation type, where the audit committee affects audit delay, either with or without moderation of the PAF reputation. This study indicates that the financial statements' accuracy is a collaborative effort, both from the audit committee as an internal auditor and from PAF as an external auditor. For a financial report to be on time, many aspects are needed to support each other. An adequate number of audit committees and a good PAF reputation must be supported by management, ready to present financial reports and work professionally. This study's results are in line with the results of previous research from Prabasari (2017), which found that the reputation of PAF was not able to moderate/strengthen the influence of the audit committee on audit delay

CONCLUSSION

This study indicates that profitability has a negative and significant effect on audit delay in mining companies listed on the Indonesia Stock Exchange. Firm size has a positive and insignificant effect on audit delay in mining companies listed on the Indonesia Stock Exchange. The audit committee has a negative and significant effect on audit delays in mining companies listed on the Indonesia Stock Exchange. The reputation of PAF can moderate the effect of profitability on audit delay in mining companies listed on the Indonesia Stock Exchange. The reputation of PAF cannot moderate the effect of firm size on audit delay in mining companies listed on the Indonesia Stock Exchange. The reputation of PAF can moderate the audit committee's effect on audit delay in mining companies listed on the Indonesia Stock Exchange.

This study suggests that mining companies need to improve their financial reporting timeliness because financial reports have an essential role in measuring and assessing firm performance and making decisions for users of financial statements. Investors should be more careful in assessing the firm's financial statements, especially those related to financial information so that investment decisions will not cause regrets in the future. Further researchers are expected to add independent variables and expand the research object, not only in one area, as in this study, only mining companies are listed on the Indonesia Stock Exchange.

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