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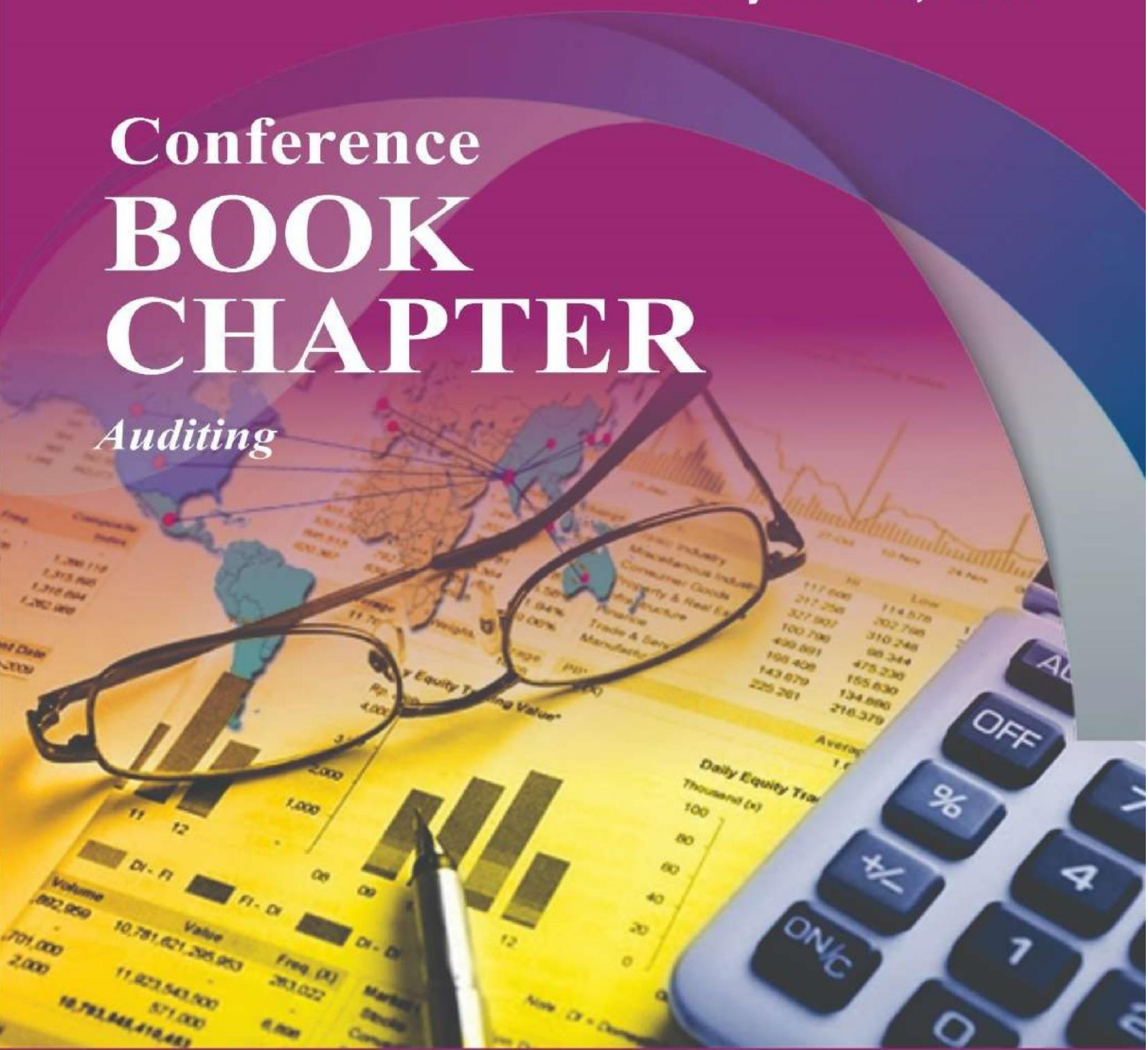
INTERNATIONAL ACCOUNTING
STUDENTS CONFERENCE

*"Multiparadigm Perspective on
Accounting, Finance and Tax"*

July 22nd - 23rd, 2023

Conference BOOK CHAPTER

Auditing



PRESENTED BY:



**THE 1st – 2023 INTERNATIONAL ACCOUNTING STUDENTS
CONFERENCE MULTIPARADIGM PERSPECTIVE ON ACCOUNTING,
FINANCE AND TAX**

THEME: AUDITING

**MULTIPARADIGM PERSPECTIVE ON ACCOUNTING, FINANCE, AND
TAX**

**TITLE: THE 1ST – 2023 INTERNATIONAL ACCOUNTING STUDENTS
CONFERENCE (IASC)**

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1st International Accounting Student Conference: Multiparadigm Perspective on Accounting, Finance and
Tax Auditing

e ISBN 978-967-17140-3-4



9 789671 714034

Manipal International University

(online)

FOREWORD AND OPENING REMARK

In the name of Allah, The Most Gracious the Merciful
Assalamu'alaikum Wr. Wb.

Heartiest Greeting from Indonesian Accounting Lecturer Association (ADAI) - Indonesia, to you All in all over the World

Honourable Keynote Speaker. Respectable, all presenters for this **THE 1st INTERNATIONAL ACCOUNTING STUDENTS CONFERENCE (IASC)**. Beloved committee, students, participants, ladies and gentlemen My Name is Arfan Ikhsan Lubis as Chairman of the Asosiasi Dosen Akuntansi Indonesia (Association of Indonesian Accounting Lecturers/ADAI), it is such an honor for me to welcome you all to our **THE 1st INTERNATIONAL ACCOUNTING STUDENTS CONFERENCE (IASC)** in keynote speakers' session and parallel sessions with lecturers, researchers and students worldwide. This is our 1st International Accounting Students Conference Talk with the theme: **MULTIPARADIGM PERSPECTIVE ON ACCOUNTING, FINANCE AND TAX**.

Dear Brothers and Sisters

Through the introduction of this Forum, we can learn about the strengths/ weaknesses of students and give them the opportunity to learn through their strengths. Students have the opportunity to explore the world, develop their own skills and develop their own abilities. Accounting, Finance and Tax is a process that provides appropriate information from an entity not limited to financial data to stakeholders to ensure that the entity continues to carry out its operations within legal limits and achieve its socio-economic goals.

The fundamental role of accounting is as a provider of information and a source of answers for all matters related to corporate finance. You can use reports that contain complete and accurate information to stabilize and even improve your company's performance. Therefore, you should immediately compile your books and update them regularly so that your company's finances can be neatly arranged. You can use accounting software or digital accounting services to make your accounting work easier. In addition, this step aims to prevent human errors that occur in manual recording, which can impact the company's performance.

INTERNATIONAL ACCOUNTING STUDENTS CONFERENCE (IASC) is a series program for students. International conferences are an important thing for Indonesian and international students to attend, by attending international conferences, students can express opinions effectively. Academic benefits that can be obtained by participating in international conferences, namely international conferences will be a place for students to meet experts in various fields, so that these students feel they can expand their networking and also gain new knowledge from professors, speakers, and scientists from around the world, by participating in international conferences.

Ladies and gentlemen, That's the end of my opening remark, thank you very much for your kind attention.

Best regard,

Dr. Arfan Ikhsan Lubis

Chairman of the Association of Indonesian Accounting Lecturers (ADAI)

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A STUDY OF THE EFFECT ORGANIZATIONAL CULTURE AND GOOD CORPORATE GOVERNANCE ON ACCOUNTING FRAUD TENDENCY

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ABSTRACT

This research was conducted against the background of a phenomenon that occurs in Indonesia, namely about accounting fraud, including tax manipulation cases, banking cases, financial statement manipulation or fraud cases, and corruption cases that arise in various ways. This study aims to determine the effect of organizational culture and the application of the principles of good governance on the tendency of accounting fraud. The results of this study are expected to produce policies on the prevention of accounting fraud. With a good organizational culture and good governance principles it is expected to prevent the tendency of accounting fraud. The stages of the method to be carried out are beginning with a survey to the Local Governments' Work Unit of Banten Province which is the population in this study. The sampling technique used was nonprobability sampling with a convenience sampling method with a total sample size of 15 Local Governments' Work Unit where each Local Governments' Work Unit received two sets of questionnaires, so a total of 30 total data. Data were analyzed using the Equation Model Structure and Smart PLS. The research data used comes from a questionnaire collected from the head of the department and the head of the accounting department who are the respondents in this study. The benefits of this research are to contribute scientifically to the science of financial accounting and the public sector and solve problems for local governments in preventing the tendency of accounting fraud. The results of this study prove that organizational culture has a significant positive effect on the tendency of accounting fraud, while good governance has a significant positive effect on the tendency of accounting fraud.

Keywords: *Accounting Fraud Tendency Good Governance Principles Organizational Culture.*

INTRODUCTION

Accounting fraud or fraud is a global issue that is of great concern. It refers to intentional wrongdoing committed by individuals or groups. In Indonesia, there have been instances of fraud, such as corruption cases involving civil servants at the central and regional levels. As of September 12, 2018, data from the National Civil Service Agency revealed that 2,259 civil servants in the regions were caught in corruption cases. One notable case took place in the South Tangerang City Government, where seven civil servants were dismissed due to their involvement in corruption. Additionally, the South Tangerang City Government was suspected of deviating Rp 1.7 billion from the budget, and five units of the Regional Apparatus Work Units (SKPD) were believed to be involved. Another case involved the Head of Paninggilan Urban Village, Ciledug District, who was appointed as a suspect in illegal levies (extortion) related to the implementation

of the Complete Systematic Land Registration program. According to Tuanakotta (2013), fraud is an intentional act carried out by individuals in management, Those Charged with Governance (TCWG), employees, or third parties. Accounting fraud specifically involves deliberate manipulation or misrepresentation of financial statements by transferring or adding certain amounts (Rahmawati, 2012).

Fraud in accounting can be attributed to three factors: pressure, opportunity, and rationalization. Within an organization, various factors influence individuals in their pursuit of goals, and the organization's trajectory is shaped by the behavior of its members, each driven by their own interests. Organizational culture, comprising shared values, beliefs, assumptions, and norms, serves as a guiding framework for behavior and problem-solving within the organization (Edy Sutrisno, 2010). Therefore, organizational culture plays a crucial role as it encompasses the established practices within the organization. These practices govern the behavioral norms that members are expected to adhere to, ultimately shaping the organization's productive culture. Culture, in this context, refers to the collective norms and values that steer the actions of individuals within the organization.

Organizational ethical culture plays a significant role in shaping ethical behavior by providing guiding values and norms for employees. Research by Sari (2018) suggests that organizational ethical culture does not directly impact the tendency of accounting fraud, while Fachrunisa et al. (2015) found that it does have an effect. To prevent accounting fraud, effective implementation of good governance is necessary. Good corporate governance improves the quality of financial reporting and involves rules, standards, and organizations that regulate the behavior and responsibilities of company owners, directors, managers, and their obligations to investors (World Bank, Hamdani, 2016). The OECD defines corporate governance as the system that directs and controls business corporations, distributing rights and responsibilities among stakeholders and setting company objectives (Aldrige and Siswanto, 2005). Oetary et al. (2019) emphasize the significant impact of good corporate governance on preventing fraudulent financial statements, and Sitti (2017) states that applying good corporate governance principles positively affects fraud prevention. This study aims to examine the influence of organizational culture and good governance on the tendency of accounting fraud.

DISCUSSION

The Effect of Organizational Culture on the Quality on the Accounting Fraud Tendency

Based on the results of statistical tests and the significance that organizational culture has a significant effect on the tendency of accounting fraud. The direction of the influence is positive, meaning that there is a tendency for accounting fraud to occur in a good organizational culture environment. Organizational culture as a system set of values (values), beliefs, assumptions, or norms that have long been valid, agreed upon and followed by members of an organization as a guide for behavior and problem solving. organizational problems (Edy Sutrisno, 2010). If the culture is easy to commit fraud, then there will be a tendency for accounting fraud to occur. Implementing a work culture in government organizations is very important as a government effort to carry out the mandate of the people in providing protection and services. To improve the organizational culture in the Regional Work Units, among others, is to start with

awareness. The best way to generate this awareness is to make sure the new habits can help with individual work and achievement. In addition to awareness, organizational culture can be improved or changed by implementing a reward and punishment system which is a matter that has a direct effect. The application of an ethical culture in the organization will be able to encourage someone to be able to take ethical actions so that the tendency of accounting fraud can be avoided. The results of this study are in line with the research of Fachrunisa et al (2015) and Surjandari & Martaningtyas (2015) that organizational culture affects the tendency of accounting fraud (fraud). Which if the organization or company has a low organizational ethical culture, it will encourage its employees to commit fraud or fraud. Different results obtained from the results of research conducted by Sari (2018) show that the ethical culture of the organization has no effect on the trend of accounting fraud.

The Effect of Implementing Good Governance Principles on the Accounting Fraud Tendency

Based on the test, the results of the implementation of good governance have a positive and significant effect on the tendency of accounting fraud. This means that the implementation of good governance will prevent the tendency of accounting fraud to occur. The implementation of good governance is no longer a necessity but is a basic need and a basis for carrying out activities in local government. The implementation of the five principles of good governance in every government activity carried out consistently has a significant impact on the tendency of accounting fraud. Local governments apply the principle of transparency, among others, by applying the principle of openness. The application of the principle of accountability includes the Regional Government having established clear responsibilities for each position, prioritizing competence in all organizational organs according to responsibilities, and having performance measures in each organizational unit in accordance with the objectives and values of the agency.

The agency adheres to the principle of prudence and guarantees compliance with applicable laws and regulations, this is a reflection of the application of the principle of responsibility. In the application of the principle of independence, the agency is not entirely free from pressure in decision making, this needs to be improved in showing the professionalism of the agency. Furthermore, in applying the principle of fairness, the agency always pays attention to the interests of all related parties and provides equal opportunities in hiring employees, careers and carrying out duties and responsibilities without distinguishing between sara and class elements. The results of this study support Rusman's (2013) research which suggests that good corporate governance has a positive effect on fraud prevention, in line with Sitti's (2017) study which states that the application of good corporate governance principles has a positive effect on fraud prevention, and supports Yuhani's (2019) research.) with his statement that the application of the principles of good corporate governance has a positive and significant effect on fraud prevention. In line with research conducted by Inairat (2015) which states the importance of the role of corporate governance, in reducing fraud. And supporting David's research (2019) states that governance, accountability systems, and risk management performance affect fraud detection and prevention.

CONCLUSION AND SUGGESTIONS

Organizational culture has a significant positive effect on the tendency of accounting fraud. There is a tendency for accounting fraud to occur in a good organizational culture environment. Good governance has a significant negative effect on the tendency of accounting fraud. The implementation of good governance will prevent the tendency of accounting fraud to occur.

In organizations, many factors influence a person to achieve their goals, while the course of the organization is influenced by the behavior of many individuals who have their respective interests. Organizational culture is a value or norm that is believed by employees as a code of conduct. Therefore, organizational culture is very important, because it is the habits that exist in the organization. The existence of a good or ethical organizational culture will shape good employee behavior. The results of this study indicate that organizational culture has a positive and significant effect on the tendency of accounting fraud. This implies that the agency should continue to improve the existing organizational culture in order to form good behavior or habits among employees and so that the goals of the agency can be achieved. In addition, the tendency for accounting fraud to occur can be minimized. The implementation of good governance is further enhanced, especially on the principle of independence, which means that in carrying out activities, it must be free from pressure and influence from any party.

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IMPLEMENTATION OF FINANCIAL MANAGEMENT AUDIT AT PT INDOFOOD CBP SUKSES MAKMUR Tbk

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ABSTRACT

The finance function is caused by the increasing debt and in the previous year, to evaluate the performance of the company's management, the finance department is functioning well or whether the quality of work can be improved, and vice versa. Implementation of financial management audit and financial function system at PT.

Indofood CBP Sukses Makmur Tbk. This study used qualitative research methods. The financial function system implemented by PT Indofood Sukses Makmur Tbk is presented in accordance with PSAK 2 (Revised 2009) using the direct method where receipts and disbursements of cash and cash equivalents are classified as operating, investing and financing activities. The implementation of the financial management audit has been carried out well. It is suggested that the company needs to carry out effective financial management. It is suggested that companies should approach consumer demand in order to compete with other companies.
Keywords: Financial Management Audit; Financial Function System

INTRODUCTION

The planned utilization of all company resources aims to create long-term economic value to cover all the resources that have been used. All business activities in achieving their goals have a financial impact because they involve money as a means of payment and all these business decisions will affect the existence of the company's financial resources (Suryanto, 2018). As decision makers and policy makers in the financial sector, the financial manager (director) is responsible for proper management of the company's financial resources, including the effective and efficient use of the financial resources they have, both for investment and operating activities and meeting the funding requirements for all of these activities economically (Park, Mo, & Yoon, 2018).

PT Indofood CBP Sukses Makmur Tbk (ICBP) is a manufacturing company listed on the IDX in the consumer goods industry sector which is engaged in the manufacture of noodles and food ingredients, culinary food products, biscuits, snacks, nutrition and special foods, packaging, trading,

transportation, warehousing and cold storage, management services and research and development. The main activity functions within the company consist of the finance function, the marketing function, the purchasing function, the human resource function and the production function. Its efforts in providing the best results for its customers, the company needs to be supported by these functions that work effectively and efficiently which will certainly make a positive contribution to management in making decisions.

Financial management audit aims to evaluate the performance of company management, whether the function of the financial department is functioning properly or whether the quality of work can be improved, and vice versa (Bayangkara, 2015). The purpose of this management audit is to solve the problems mentioned above, by studying and studying existing problems, then finding solutions to overcome these problems, so that the company can operate normally (Feng-Hsu Liu, 2010).

METHOD

This study used qualitative research methods. It is said to be qualitative research because it was conducted using the interview method and the results of the research are like the researcher's interpretation of a phenomenon, so that the resulting research report will contain more descriptions. This study uses secondary data because it looks at information collected from existing sources. This data is taken from the website www.idx.co.id at PT Indofood CBP Sukses Makmur Tbk. The research data collection method is based on the observation method, namely by recording, analysing, and interpreting behavior, actions or events in a planned manner.

BENEFITS OF FINANCIAL MANAGEMENT

The benefits obtained from the results of a financial management audit according to (Bayangkara, 2015) are as follows:

- a. Description of the current economics, efficiency and effectiveness of corporate financial governance.
- b. Weaknesses that still require improvement in corporate financial governance.
- c. Obtained feedback to prevent losses due to poor corporate financial governance.

Financial Management Function

There are several financial management audit functions, namely Obtaining the Right Funds in Adequate Amounts, Using Funds Correctly, Increasing Profitability, and Maximizing Company Value.

Financial Management Organizational Audit

Strong financial management must be supported by competent human resources who have high dedication and loyalty to the company. Knowledge and skills in the fields of finance, accounting and taxation are the main qualifications of human resources who are members of an organization. A set of rules, guidelines included in operating procedures and standards, must complete an effective financial management organization. These standards and procedures are representations of the duties, authorities and responsibilities attached to each individual and group (team) within the financial management organization towards the success of the company. Standards and procedures must also contain

standards regarding the implementation of activities, success standards, documentation and reporting and can be used as the basis for evaluating achievements so that they can become guidelines for activities and provide certainty for those who carry them out.

Implementation of the Financial Function System

The system of financial functions carried out at PT Indofood Sukses Makmur Tbk is presented in accordance with PSAK 2 (Revised 2009) using the direct method where the receipts and disbursements of cash and cash equivalents are classified as operating, investing and financing activities. Cash receipts, cash payments, and net changes in cash arising from operating, investing and financing activities of a company during a period in a format that reconciles the opening cash balance, and the ending cash balance are reported in the statement of cash flows.

DISCUSSION

Then the results of the research and the data obtained, it can be seen that the implementation of the financial function system at PT Indofood Sukses Makmur Tbk is presented in accordance with PSAK 2 (Revised 2009) using the direct method where the receipts and disbursements of cash and cash equivalents are classified as operating activities, investing, and funding. Cash receipts, cash payments, and net changes in cash arising from operating, investing and financing activities of a company during a period in a format that reconciles the opening cash balance, and the ending cash balance are reported in the statement of cash flows. In general, the implementation of a financial management audit is carried out by following the stages of a management audit, namely:

Preliminary Survey

The findings obtained in conducting a preliminary survey include the following:

- a. Production costs are less efficient because it uses fuel that is expensive.
- b. Unfulfilled market demand.
- c. The Indomie brand is used as a generic name thereby reducing sales value.
- d. Supply of raw materials which still depend on imports.

Management Control Review and Testing

At this stage the auditor reviews and tests management controls, with the aim of assessing the effectiveness of management controls in supporting the company's goals. Management control covers all organizational systems including planning, policies and procedures used by the company, review of the company's internal controls.

CONCLUSION

The financial function system performed by PT Indofood Sukses Makmur Tbk is presented in accordance with PSAK 2 (Revised 2009) using the direct method where the receipts and disbursements of cash and cash equivalents are classified as operating, investing and financing activities. The implementation of financial management audits has been carried out properly. This has had a positive impact on the financial activities of PT Indofood Sukses Makmur Tbk so that these activities can run effectively and efficiently. This financial management audit is

carried out through the stages of a preliminary survey, review and testing of the management control system, detailed inspection and reporting.

Thank-You Note

The team of authors would like to thank the Ministry of Education, Culture, Research and Technology, Directorate General of Higher Education, Research and Technology, for the opportunity that has been given to our team, so that they can participate in the scientific article Student Creativity Program (PKM-AI) in 2022 it is. hopefully this activity can continue every year. Scientific article Student Creativity Program (PKM-AI) in 2022. I hope this activity can continue every year.

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THE EFFECT OF AUDIT TENURE, AUDIT OPINION AND AUDIT COMMITTEE MEETINGS WITH AUDITOR SPECIALIZATION AS A MODERATING VARIABLE

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ABSTRACT

The purpose of this study was to obtain empirical evidence regarding the factors that influence Audit Report Lag. This research was conducted to determine the effect of audit tenure, audit opinion, audit committee meeting and auditor specialization. This study uses a quantitative approach and uses 43 energy sector companies listed on the Indonesia Stock Exchange (IDX) selected using purposive sampling technique during the period 2017 to 2021. This research data was analyzed using a moderation regression model. The test results and discussion in this study prove that audit tenure and audit committee meetings have no effect on audit report lag, while audit opinion has a negative effect on Audit Report Lag. Auditor specialization has not been able to moderate the effect of audit tenure and audit opinion, while auditor specialization is able to moderate the effect of audit committee meetings.

Keywords: *Audit Report Lag, Audit Tenure, Audit Opinion, Audit Committee Meeting, Auditor Specialization.*

INTRODUCTION

The quality and usefulness of financial reports can be said to be useful and quality if they meet the characteristics, one of which is the availability of timely financial information reports. Submission of financial reports at the right time is believed to determine the quality of the financial statements, this is also a consideration in the principle of openness of corporate governance (Güleç, 2017). Delays in submitting financial reports can have a negative impact on market reactions and the company itself because investors often see delays in financial reports as an indicator of poor company conditions (Abbas et al., 2019). Delays in submitting audited financial reports from year to year tend to fluctuate, based on several releases from the Indonesia Stock Exchange (IDX) where there are still many public companies in Indonesia that are late in submitting audited financial report data. The energy sector is one of the contributors to the list of companies that are late in submitting financial reports every year. Recorded in 2020 and 2021 there were 6 and 9 companies that were late in submitting audited financial reports.

Several results of the Indonesia Stock Exchange (IDX) release where there are still many public companies in Indonesia that are late in submitting audited financial report data. There are 6 and 9 companies that are late in submitting financial reports for 2020-2021, which are in the energy sector out of a total of 68 issuers that are late in 2021. Based on the decision of the Capital Market and Financial Report Supervisory Agency (BAPEPAM and LK) Number KEP-431/BL/2012 dated August 1, 2012 regarding the submission of the Issuer's Annual Report, all companies that have gone public must submit annual reports and upload them on the company's official website. Companies that are late in

submitting audited financial reports will be given a written warning and a fine, this will certainly harm the company because the company needs to pay the fine.

RESEARCH METHODS

This study uses quantitative data with a sample of data on energy sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2021. The method used is descriptive statistical method and moderation regression analysis using the Eviews 12 application. The sampling technique used purposive sampling with predetermined criteria.

Audit report lag is the audit completion time measured from the closing date of the financial year on the financial statements to the date of issuance of the independent auditor's report to OJK and BAPPEPAM-LK (Octaviani, 2017).

Several factors are assumed to affect the audit report lag, one of which is the audit opinion given by the auditor regarding the fairness of the presentation of the company's financial statements where the auditor conducts the audit, where an unqualified opinion is given the symbol 1, other than an unqualified opinion is given the symbol 0 (Abbas et al., 2019). The number of audit committee meetings can also affect the length of the audit process, it is assumed that the more audit committee meetings can resolve issues related to the company's financial statements more quickly (Wandrianto et al., 2021). In addition, there are other factors that can make the audit report lag shorter, namely auditor specialization, where auditors who have specialized knowledge in certain industries are considered faster in adjusting to the operations carried out by clients (Sastrawan et al., 2022).

RESULTS AND DISCUSSION

1. The effect of Audit Tenure on Audit Report Lag

The results of this study prove that audit tenure has no effect on audit report lag with a test value $\beta -0,599427$, t-statistic $0,209512 < t$ table $1,652107$ with a significance value of $0,8343 > 0,05$ which means H_1 is rejected. The results of this study are in line with research conducted by (Gunawan et al., 2020) dan (Kosasih & Arfianti, 2020) which state that audit tenure has no effect on audit report lag. This can happen because if the KAP that provides audit services is the same KAP as the previous year, but the auditors are different, the auditors still have to re-learn about the company.

2. The effect of Audit Opinion on Audit Report Lag

The results of this study prove that audit opinion has effect on audit report lag with a test value $\beta -32,98685$, t-statistic $9,258676 > t$ table $1,652107$ with a significance value of $0,8343 > 0,05$ which means H_2 is accepted. The results of this study are in line with research conducted by (Abbas et al., 2019) dan (Dwiyanti et al., 2022) which state that audit tenure has effect on audit report lag. Audit opinion which has a negative effect indicates that companies that have an unqualified opinion will experience a shorter audit process, because the financial statements presented by the company are fair in accordance with generally accepted provisions which indicate that there are no problems and irregularities.

3. The effect of Audit Committee Meeting on Audit Report Lag

The results of this study prove that audit committee meeting has effect on audit report lag with a test value $\beta 21,00112$, t-statistic $0,996728 < t$ table $1,652107$ with a significance value of $0,3201 > 0,05$ which means H_3 is rejected. The results

of this study are in line with research conducted (Audrey & Putri, 2023) which state that audit committee meeting has no effect on audit report lag. This happens because the audit committee meeting cannot be one of the inhibiting aspects and speed in submitting financial reports (Akinleye, G. Tayo & Aduwo, 2019), Meetings held by the audit committee only aim to monitor and review the annual financial statements presented whether they are in accordance with existing regulations and the risks faced by the company (Audrey & Putri, 2023).

4. The Effect of Audit Tenure on Audit report lag Moderated by Auditor Specialization

The results of this study prove that the relationship between audit tenure and audit report lag is not moderated by the auditor specialization with a β test value of 6,618606, t-statistic $1,401383 < t$ table 1,652107 with a significance value of $0,1626 > 0.05$ which means H_4 is rejected. The results of this audit of this study are in line with research conducted (Priyani & Badjuri, 2022). The results of the study that have no effect can be caused by a long engagement period, auditors with specialist titles are not necessarily able to detect errors and provide an assessment of the fairness of the financial statements very quickly because specialist auditors strongly maintain a professional code of ethics, such as integrity, objectivity, and competence so that they look for more evidence on accounts that are deemed less convincing to be given an unqualified opinion and take time to analyse the financial statements presented by the company.

5. The Effect of Audit Opinion on Audit Report Lag Moderated by Auditor Specialization

The results of this study prove that the relation between audit opinion and audit report lag is not moderated by auditor specialization with a β test value of 6,618606, t-statistic $1,401383 < t$ table 1,652107 with a significance value of $0,1626 > 0.05$ which means H_5 is rejected. The results of this audit of this study are in line with research conducted oleh (Priyani & Badjuri, 2022). This proves that the audit opinion issued by the auditor is getting better if there are no indications of fraud, and elements of dishonesty. Without using the services of industry specialized auditors, the company's audited financial statements can be submitted on time. This is because auditors from public accounting firms have independence who are committed to completing audit work effectively and efficiently which can minimize audit report lag.

6. The effect of Audit Committee Meeting on Audit Report Lag Moderated by Auditor Specialization

The results of this study prove that the relation between Audit Committee Meeting is moderated by auditor specialization with a β test value of 43,35174, t-statistic $2,200366 < t$ table 1,652073 with a significance value of $0,0289 > 0.05$ which means H_5 is accepted. The specialization of auditors who have special knowledge and experience in certain fields can have an effective impact on carrying out audits (Arumningtyas & Ramadhan, 2019). In practice, audit committee meetings allow audit committee members to interact with the external auditors responsible for the company's audit. More frequent and regular meetings between the committee and the external auditors can speed up the audit process and financial reporting (Olubunmi, 2022).

CONCLUSIONS

The results showed that together the independent variables consisting of audit tenure, audit opinion, audit committee meeting against Audit report lag with auditor specialization as moderation. The test results and discussion in this study prove that audit tenure and audit committee meetings have no effect on audit report lag, while audit opinion has a negative effect on Audit Report Lag. Auditor specialization has not been able to moderate the effect of audit tenure and audit opinion, while auditor specialization is able to moderate the effect of audit committee meetings.

This study has limitations, namely the company that is used as the object of research is very limited, namely only using energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2021 period, some companies do not have the required data so that the sample used is limited and reduces the number of samples.

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THE EFFECT OF AUDIT ROTATION, COMPANY SIZE ON AUDIT QUALITY WITH THE AUDIT COMMITTEE AS A MODERATION VARIABLE IN BANKING COMPANIES LISTED ON THE IDX IN 2019-2021

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Abstract

This study aims to determine the effect of audit rotation, company size on audit quality with audit committee as a moderating variable in banking companies listed on the Indonesia Stock Exchange in 2019-2021. In determining the sample using purposive sampling method with a sample size of 78. The data used is secondary data and the research method used is Logistic Regression analysis. The results of this study indicate that audit rotation and firm size have a significant effect on audit quality. The Audit Committee is unable to moderate the influence of Audit Rotation on Audit Quality.

The Audit Committee is able to moderate the influence of Company Size on Audit Quality. Simultaneously Audit Rotation, Company Size has a positive and significant effect on Audit Quality with the Audit Committee as a moderating variable.

Keywords: *Audit Quality, Audit Rotation, Company Size, Audit Committee*

INTRODUCTION

The results of audit quality are used to increase the credibility of the financial statements of users of accounting information so that they can reduce the risk of information that is not credible in information in financial reports for users of financial statements, especially investors. Audit quality is the probability of an auditor's ability and willingness to detect, report, and disclose material errors or misstatements in the accounting system used by his client (Tandiontong; 2015; 225).

One of the cases of auditing banking companies in Indonesia is the case involving Bank Bukopin's independent auditors, namely KAP Purwantono, Sungkoro and Surja who are affiliated with Ernst & Young, one of the well-known KAPs related to the manipulation of Bank Bukopin's financial statements. Cases of financial report manipulation by Bank Bukopin occurred for 3 years, as a result Bank Bukopin had to improve financial reports in 2015, 2016 and 2017 under the supervision of OJK and Bank Indonesia. Bank Bukopin is suspected of manipulating credit card data for the past 5 years or so. The number of modified credit cards is 100,000 credit cards. This caused Bukopin's credit position and commission-based income to increase unnaturally. This case could have escaped supervision and audit for years, both from Bukopin's internal audit, as well as from KAP as an independent auditor, Bank Indonesia, and the Financial Services Authority (OJK). This condition indicates that the quality of audits conducted by

KAP, Bank Indonesia and OJK has not been carried out properly (www.cnbcindonesia.com, 2018).

Audit quality is a hope for users of audit services, especially the public or shareholders who submit financial reports that are free from material misstatement, whether caused by errors or fraud. As a result of the many cases, the public is increasingly doubting the quality of the audit. Anticipating that there will be no more audit cases in Indonesia. The Government of Indonesia issued Regulation of the Minister of Finance of Indonesia Number 17/PMK.01/2008 concerning Public Accountant Services which contains the provision of general audit services to financial statements by a Public Accounting Firm for a maximum of 6 consecutive financial years, then for a Public Accountant for a maximum of 3 years consecutive books.

Audit rotation, or replacement of the Public Accounting Firm in auditing client companies, can be mandatory or voluntary which can be differentiated on the basis of the parties being the focus of attention. the quality of audits conducted by independent auditors will decrease along with the length of time the company delays rotating the Public Accounting Firm assigned to audit its financial statements. A decrease in audit quality, if there is no audit rotation, can lead to a decrease in auditor independence and objectivity which can make the auditor take sides and help clients (Dewi & Priyanti, 2019).

The size of the company can be seen from the total assets owned. Large companies that have large total assets can describe their financial condition so that these companies can budget large audit fees to hire large KAP audit services. This will have an impact on higher audit quality. The larger the size of the company, the higher the errors that occur. But large companies also have other limitations. This is caused by many factors that affect audit quality produced by external auditors as well as from the company's financial condition including debt and the company has large assets.

Bank Indonesia Regulation Number 8/4/PBI/2006 concerning implementation of Good Corporate Governance for Commercial Banks. That mentioned that the audit committee has duties and responsibilities in do monitoring and evaluation on planning and conducting audits as well monitoring on follow carry on internal audit results framework evaluate adequacy internal control included adequacy reporting finance. Existence Audit Committee in the company expected capable realize matter that, because with exists audit committee exists supervision for operational business company run by members management with objective For No do violation to rule or applicable laws, so company No do violation to parties else, accordingly with rule or applicable laws (Tambunan L & Tambunan H, 2021).

Based on the research background above, the authors are interested in carrying out a study entitled "The Effect of Audit Rotation, Company Size on Audit Quality with the Audit Committee as a Moderating Variable".

RESEARCH METHODS

The object of this study is Audit Rotation, Company Size in banking companies listed on the Indonesia Stock Exchange (IDX). The financial data studied is the annual financial reports of banking companies for 2019-2021.

The population in this study are banking companies that have *gone public* which are listed on the Indonesia Stock Exchange (IDX), totalling 50 companies. With the sampling technique using *purposive sampling*, namely the selection of samples based on criteria. The samples obtained in this study were 26 companie

with a research time of 3 years, 78 samples were used. The audit quality variable is measured using a dummy variable, namely if the company is audited by a Big Four KAP, it is coded 1, while other than non-Big Four KAPs it is coded 0. Audit rotation is measured using a dummy variable, namely a value of 1 if there is a change of auditor, while a value of 0 if not. there was a change of auditor. Company size is measured using a logarithmic proxy of total company assets. Percentage of audit committee existence = number of audit committees : number of commissioners.

RESULTS AND DISCUSSION

Effect of Audit Rotation on Audit Quality

Based on the results of the t-test analysis of the Audit Rotation variable, it shows that the regression coefficient is 2.002 with a significant value of 0.014 <0.05. So it can be said that Audit Rotation has a significant effect on Audit Quality in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

The results of this study are in line with research conducted by Dewi and Priyanti, 2019 that audit rotation has a significant effect on audit quality. The role of the auditor as an appraiser of a company regarding the accuracy of the presentation of financial statements that must be reported by the auditor with good audit quality. If the company does not carry out the audit shift for a long time or does not comply with the regulations issued by the government regarding the limitation of audit services, which is caused by the company trying to refuse the assignment of the audit round because it causes a decrease in audit quality. The auditor as an independent external party must provide quality audited reports, for this reason the need for audit rotation as an action that minimizes the cooperation between the company and the auditor in indications of fraud.

The Effect of Company Size on Audit Quality

Based on the results of the t-test variable Firm Size shows a positive regression coefficient of 0.000372 with a significant value of 0.037 <0.05. So, it can be said that company size has a significant effect on audit quality in banking companies listed on the Indonesian stock exchange in 2019-2021.

This is because large companies can better describe their financial situation so that companies can budget high audit fees to hire audit services from a large accounting firm to influence good audit quality. Even large companies have better internal control systems than small companies. The existence of a control system helps the auditor in carrying out his duties. According to the agency theory used in this study, even the larger the company, the higher the company's ability to budget large external audit costs by using the services of external auditors to help check and minimize misstatements in the company's financial statements, so that company owners (principals) can evaluate *performance*. Management in real conditions.

The Audit Committee Moderates the Effect of Audit Rotation on Audit Quality

The results of the t-test analysis of the Audit Committee variable moderating Audit Rotation on Audit Quality show a regression coefficient of 0.078 with a significant value of 0.459 >0.05. So that it can be said that the Audit Committee is unable to moderate or weaken the effect of Audit Rotation on Audit Quality in banking companies listed on the Indonesian stock in 2019-2021.

So, it can be said that the Audit Committee is unable to moderate or weaken the effect of Audit Rotation on Audit Quality. The test results above state that the audit committee cannot moderate the effect of audit rotation on audit quality. The duties of an audit committee are one of them providing recommendations to the board of commissioners regarding reappointments, dismissals and replacements for Public Accountant Firms (KAP) and Public Accountants (AP) who carry out the audit function of financial statements, which are seen from their independence and scope assignment. Appointment and replacement for KAP and AP is done by looking at the evaluation of the audit committee for audit results. Although the audit committee has carried out its duties by supervising the compliance of auditors and management with the Regulation of the Minister of Finance Number 17/PMK.01/2008. But in this study the role of the audit committee cannot moderate audit rotation with audit quality, because the auditor has shown independence which has indeed been formed due to the good quality of the auditors.

The Audit Committee Moderates the Effect of Company Size on Audit Quality

The results of the t-test analysis of the Audit Committee variable moderate the effect of Firm Size on Audit Quality showing a regression coefficient of -0.067 with a significant value of 0.45 > 0.05. So that it can be said that the Audit Committee can moderate or strengthen the effect of Company Size on Audit Quality in banking companies listed on the Indonesia Stock Exchange in 2019-2021.

So, it can be said that the Audit Committee is able to moderate or strengthen the influence of Company Size on Audit Quality. Which states that the audit committee has duties and responsibilities in monitoring and evaluating the planning and implementation of audits as well as monitoring the follow-up of audit results in order to assess the adequacy of internal control including the adequacy of financial reporting. Large companies are considered to have good internal controls so they can help provide better information in the auditing process. If the audit committee performs its duties effectively, it will assist independent auditors in the auditing process. So, large companies with audit committees tend to choose professional, independent, and reputable auditors to produce better audit quality.

CONCLUSION

Based on the results of the analysis and discussion regarding the effect of audit rotation and company size on audit quality with the audit committee as a moderating variable, the following conclusions can be drawn:

1. Audit Rotation has a significant effect on audit quality in banking companies listed on the Indonesia Stock Exchange in 2019-2021. The auditor as an independent external party must provide quality audited reports, for this reason the need for audit rotation as an action that minimizes the cooperation between the company and the auditor in indications of fraud.
2. Company size has a significant effect on audit quality in banking companies listed on the Indonesia Stock Exchange in 2019-2021. Large companies can better describe their financial situation so that companies can budget high audit fees to hire audit services from a large accounting firm to influence good audit quality.

3. The Audit Committee is unable or weakens the effect of Audit Rotation on Audit Quality in banking companies listed on the Indonesia Stock Exchange in 2019-2021 because the auditors have shown independence which has indeed been formed due to the good quality of the auditors.
4. The Audit Committee is able to moderate or strengthen the influence of Company Size on Audit Quality in banking companies listed on the Indonesia Stock Exchange in 2019-2021. If the audit committee performs its duties effectively, it will assist independent auditors in the auditing process. So, large companies with audit committees tend to choose professional, independent, and reputable auditors to produce better audit quality.

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STRENGTHENING THE ACCOUNTANT CODE OF ETHICS IN ISLAMIC RELIGIOUS RELIGION

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ABSTRACT

Accountants are required to have a good attitude and morality. The professionalism of an accountant can be created through increasing moral values and ethical attitudes. A person's attitude and behavior are highly dependent on religious or spiritual or religious values. The whole attitude of an individual refers to the religious values he adheres to. Therefore, strengthening the Code of Ethics through Islamic Religious Religion can be done. This research was carried out with the aim of providing an overview and persuasion that an accountant can improve his professionalism through strengthening the Code of Ethics with Islamic Religiousism. This research uses a literature study method (literature review). The result found is that there is an urgency that is closely related between the attitude taught in Islam and daily life, and it plays an important role in strengthening the accountant's code of ethics.

Keywords: *Religious, Accountant, Religion, Islam, Attitude, Moral*

INTRODUCTION

According to the journal from Dharmawan, N. A. S., (2018), regarding the definition of ethics or what can be called a person's actions or civilization, the origin of the word is found in Ancient Greek, which means "ethos" (one whole form) and "etha" (plural form). In detail it can be meant as a connection or relationship with a person's repeated customs or attitudes. (Bertens, 2000) states the definition of adab through the angle of practice as well as the angle of motion. As a practice angle, it means the alignment of points, attitudes and rules regarding what is done, what should not be done, and what is suitable to do or not. Ethics as a movement is defined as the ability to remember knowing about things that are good or not.

According to Almas Alwana, Q., (2022), the world continues to run with time that has turned, an accountant profession will continue to experience very deep turmoil. Professional accountants are required to learn an insight into their respective professions. For the future, things that must be prepared by an accountant are needed including a skill in their field, an attitude or character of a person, insight. For this reason, every point that has been mentioned earlier must always be used as a reference, especially for the accountant profession. Because from year to year there are so many who are interested in entering the world of accounting and there is a fight about the position. The attitude and morale of accountants are very influential on their skills. It also takes an attitude as a head of an organization or leader.

In the world of work, the accountant or audit profession is in great demand by the general public, the accountant profession is also always a reference to

negative things that occur today. The statement spurred from several issues that occurred in our country, thus making the accountant or audit has damaged his image. The occurrence of weaknesses in one's ethics began with a case conducted by the world Public Accounting firm and also invited all representatives of the people to set a useful rule. The issue that is unmoved now concerns both public and private groups. These issues are rife in Indonesia. Judging from the written document of Indonesia Corruption Watch in 2017, there were around 576 issues regarding financial problems from the central to regional and suffered losses of Rp. 6.5 trillion and money storage issues of Rp. 211 billion (<https://nasional.kompas.com>). In our country, the act of taking the rights of others has become something that does not need to be doubted. For this reason, it is expected that the attitude and morality of an accountant and audit have an attitude that holds fast in a good and professional manner, this is aimed at increasing trust in the entire surrounding community. Therefore, it takes mastery of the attitude and morality of an individual, religious / spirituality / religious, for an accountant who will later create a generation of accountant professions in a good and trustful manner.

METHODS

This research uses the literature study method (literature review). The literature method in question is a process of data collection or data analysis carried out by collecting data, analyzing data for the next process into an updated research. Literature studies are also intended as a process obtained through previous sources, detailing a reading that will then be reanalyzed, then documented into a new analysis Zed, (2008).

The data involved in this study include previous research related to the Strengthening of the Code of Ethics of Accountants through Islamic Religiosity, new information obtained through valid sources. The method of analysis of data operations that has been used is a descriptive analysis method that is passed from the collection of knowledge or insights from national and international research which will later provide a view on the Strengthening of the Code of Ethics of Accountants through Islamic Religiosity, after the data has been collected, the data will be observed and detailed to be later written into this article.

Results

According to Almas Alwana, Q., (2022), accountant professionalism provides the earliest provisions or ideas that must be owned by an accountant, including: is an expertise, a character, thoughts or ethics and insights from the accountant himself. Ethics describes that a professional accountant sees through ethical deeds. The ethical behavior or actions of an audit / accountant make everyone trust to use the services of the accountant profession. Ethical actions greatly affect the professional expertise of the accountant. The word adjacent or adjacent to the word ethics is the word moral. Moral comes from a Latin "mos" which is interpreted as an act of an individual's life in carrying out his activities. Ethics and morals have the same meaning and have some incongruities as well. Morality is a value system of actions that are carried out, while ethics refers to the value process itself. Franz Magnis Suseno said that ethical attitude is not a refinement of learning for morality, but of loving an accurate insight into a vision of morality. What can be taken from this is that an ethical attitude is an insight, and an insight comes from a morality. Morality is directed toward guidance, or good or bad rules.

According to Almas Alwana, Q., (2022), ethics is a person's actions or behaviors in living their lives, for example in taking a decree correctly and ethically. While profession is a word that starts from a Latin written as "professio" which is a certain classification of a job with expertise according to its field.

According to Rinaldy, S., Amin, A., & Shalsabila, A. (2020), there is a principle of accountant professional ethics consisting of 8 principles:

1. The value of the person in charge of the profession, an accountant must have a trustful value for the work he adheres to, an accountant is prohibited from being negligent because it will damage trust for the professional accountant himself.
2. Prioritizing other people or the public, which meeting is defined as a responsibility given by the client to the accountant or public in order to prioritize the importance of the client in order to increase professionalism itself.
3. Integrity or referred to as an honesty that is mandatory and main that must be possessed by a professional accountant.
4. Objectivity defined in working on a financial statement must be prepared in fact or actually not manipulate.
5. Prudence, in preparing financial statements must pay attention to every existing report, not in a hurry or must be careful so that fatal errors do not occur.
6. Confidentiality, that the nature of financial statements is confidential. However, if you want to show it to the public, it depends on the client himself.
7. Professionalism, accountants must have a professional attitude in forgiving their work.
8. Technical signs.

According to Emerson Tisha L. N. and McKinney Joseph A, 2010, about the importance of religious values in ethics and creating professionalism for an accountant or audit. So, in being ethical or behaving must be in accordance with the values of religiosity that are embedded in the Quran and hadith. Religion prevails in everyday life. Of course, in accordance with the provisions of Allah SWT.

According to (Ludigdo, U., (2014), the large number of causes that will affect attitudes in an individual. In the structure of an accountant's ethical attitude, there are many causes that can affect accountant ethics such as spiritual / religious, regarding the world of learning, a group, the ability to express, and the closest scope (Maryani & Ludigdo, 2001). Judging from this opinion, the spiritual/religious cause of an accountant is determined as a cause that most influences an accountant's professional ethics. Religious / spiritual provides an overview of the concept of faith in God contained in an accountant, which will later become a guide for all his daily activities that adhere to divine principles and that race to his professional activities. **These spiritual causes make an accountant have the ability to process their own emotional identity, for example about**

The desire to earn double, feeling insufficient, and rejecting the opinions of other individuals. The most influential focus on an ethical attitude includes things like

- a. Ethical issues
- b. Improve observation or research skills
- c. Controlling the image of a behavior

The main direction is still many who have not associated with the element of the individual's life direction. Because the main direction of life is to seek pleasure from God. Therefore, insight into the ethical science of the accountant profession is aimed at making attitudes and believing that his life position is a creation of Allah SWT and a chosen person on earth (khalifatullah fil Ardh). Regarding this, the main direction that must be pursued and infused in each individual is the knowledge of insight into doing any action in order to tell what is borne to God (Allah SWT).

According to Sholihati, G. M. A., (2019) revealed that an attitude or action is defined as three assumptions, the main of which is the main picture and guidance for individuals, of course, referring to religious or religious insights. Furthermore, it can be defined as a group of moral boundaries of a person or the attitude of an individual, of course referring to professional or expert attitudes as well as non-ethical attitudes. Furthermore, the last definition, refers to the fact of how life guidelines are related to philosophers (Indonesian Accounting Association, (2015).

The behavior of an individual or individual morals is not only covered by IAI, but is controlled by religion including Islam which is referred to the Qur'an and Hadith. The Qur'an contains a description of an individual's life process with one another. Moreover, it provides insight into morality as well as one's attitude about one's life.

While the Hadith has a direction for strengthening the principles of law in the Qur'an. Provides insight into general knowledge in general and reinforces laws that appear not contained in the Qur'an.

Gradually over time, the rules regarding attitudes and morality expressed by experts involve surrounding customs.

According to the journal from Dharmawan, N. A. S., (2018), a person's attitude and behavior are highly dependent on religious or spiritual or religious values. All attitudes of an individual are referred to the values of the religion he adheres to. In religion, teaching about the attitude of an individual or group in communicating or establishing an association, this means that someone who races to religion certainly has morality. **A person's attitude is useful for**

Organize doing positive activities. Religion or religious is defined as an example of behavior regarding a person's attitude between sure and unsure (Hamza, 2010).

Religious values influence the attitudes and behaviors of individuals with each other. An individual when he has great religious values has a tolerant and understanding attitude about others (Hood, et al., 1996), and religious values will love about the greater the religious value of the individual, the less fraud in making accounting reports. (Pamungkas, 2014) reveals a fact that the religious ladder of individuals ascends then the decline in accounting fraud.

According to Almas Alwana, Q., (2022), integrity values are needed which include not lying (honest). Integrity fuels others to believe. Honesty relies on a positive flow. In Islam, Allah Almighty tells the one he created about integrity giving positive things. As stated in surah Al-Baqarah verse 42:

وَلَا تَلْبِسُوا الْحَقَّ بِالْبَاطِلِ ۚ وَالتَّكْوِينُ وَالْحَقُّ وَأَنْتُمْ تُتْلَوْنَ

Meaning: And do not confuse the right with the righteous, and do not hide the right, while you know. (QS. Al-Baqarah; 42). which contains the greatly affected or important value of integration, avoiding lies. This is very necessary for an accountant to always uphold integrity in carrying out his responsibilities. The accountant profession is obliged to tell the true financial statements.

work hard. Finally, the attitude of the Prophet (peace be upon him) is fathanah which means intelligence which leads to moral intelligence.

With these things, it can be concluded that the personality of the Messenger of Allah must be emulated and implemented in human life. Especially for a professional accountant. Professional accountants need shiddiq, tabligh, fathanah, and amanah attitudes as done by the Prophet SAW in carrying out his responsibilities. With this, accountants will be more trusted by a client or the surrounding community in managing a finance.

The Qur'an and Hadith teach about things for a person to implement the appropriate teachings in them in daily life. According to Almas Alwana, Q., (2022), the Qur'an is a clean or holy guide for all Muslims in the world and hereafter. The Qur'an contains a value contained in it in the form of holy verses. The Qur'an as a guide for mankind or a guide for a person in living all the elements of his life. Therefore, the Qur'an is inseparable from a person's ethical attitude and actions in living his life.

According to Sari, P. A., (2018), ethics must be studied and done because there are things that limit the ability to get profit (Rahardjo, 2017).

There is an accounting code of ethics that has been created by the Indonesian Accounting Association and detailed by (Agoess & Ardana, 2014) which contains 8 details:

- a. Accountants must have a sense of bearing their work with love about reports that can be believed by the public
- b. Prioritizing the needs of others (public), but their own needs
- c. Have an honest attitude
- d. Carry out their duties correctly
- e. Have skills that match their field
- f. Protect what should not be leaked
- g. Have a professional attitude
- h. Perform the responsibilities that have been assigned

According to Zulkarnain, L. et al., (2023), a study about attitudes and morals comes from the Qur'an (Budiman, A., (2017). (Sunardi, (2014) states that the work carried out by a religious person is an obedience to Allah SWT. And included in the category of worship. In an Islamic teaching, the word "character" is defined as "attitude". In Arabic, akhlak is the mashdar (infinitive) form of the words akhlaqa, yukhliq, ikhlaqan which means temperament (as-sajiyah); basic conduct, character or disposition (ath-thabi'ah); habit or custom (al-'adat); good civilization (al-muru'ah); and religion (ad-din). Referring to the opinion, Al-Ghazali said in terms of language, the words al-khalaq (physical) and al-khuluq (moral) are two words that are often used simultaneously. Because human beings are made up of two elements: physical (which can be seen by the eye) and non-physical (which can be seen by the inner eye)

(Setyo, 2016) suggests that an Islamic shows a high work ethic and works well and is not half-hearted in carrying out his responsibilities.

(Pravitasari, 2015) suggests that the basis of the Islamic Accountant code of ethics regards:

- a. Integrity
- b. Who occupies the first position and high caste so that it is used as a reference for all his attitudes.
- c. Individual caliphates in the world
- d. By creating peace, prosperity in the world.

- e. Sincerity
- f. In carrying out his work, he must not burden his heart and assume that work is a worship to Allah SWT
- g. Devotion
- h. Avoiding identity from bad influences, for example those related to tyrannical property.
- i. Truth and good work
- j. Accountants are prohibited from limiting themselves to doing their professional work only. However, seek truth and work well.
- k. Fear of Allah Almighty
- l. God watches every behavior he creates. Especially accountants who are Muslims to limit themselves from fraudulent things.
- m. Man is accountable to Allah Almighty.
- n. What is done will be asked by God. An accountant should always be positive and avoid negativity.

According to Sari, P. A. (2018), the power of religiosity values to be used for teaching was approved by Agus and Ardana (2014) which stated that the teaching of a religiosity value is used in improvement by the mind and is used as an object to carry out an approach starting from reasoning activities, experiences, direct experiences of self-reflection. A value of religiosity must be practiced, applied, felt every activity every day. Development operations can allow individuals to make changes by their identity in order to obtain ideal attitudes or ethics. This makes it a broad process for one to find a way to carry out a pre-existing ethic. The process taught is not only about an insight but can be integrated in all activities carried out and decisions taken.

In addition, the delivery of an individual's ethical attitude is associated with the mindset of individualism itself. If you are conscious, a mindset can be said to be active and make you feel anxious, worrying, restless, etc. Mindsets need to be homed in order to get the alpa vibe for the purpose of building an ethical attitude such as calm, patient, happy and the like. This can be attributed to religiosity, namely dhikr to Allah SWT, praying, and worshipping according to Islamic law.

CONCLUSION

The world is growing from age to age along with the passage of time. There have been many changes from era to era. Professional accountants must learn an insight into their respective professions to protect from the ongoing era. Professionalism needs to be improved, especially regarding the attitude and morality of an accountant or audit. A person's attitude and behavior are highly dependent on religious or spiritual or religious values. A person who understands the teachings of his religion well, will show good attitudes and behaviors as well, all attitudes of an individual refer to the values of the religion he adheres to.

For example, the urgency of the code of ethics and religion can be seen from the value of integrity which includes not lying (honest). Integrity fuels others to believe. Honesty relies on a positive flow. In Islam, Allah Almighty tells the one he created about integrity giving positive things.

For this reason, it is expected for an accountant to continue to improve future skills to become a reliable accountant. Things that must be prepared by an accountant include a skill in his field, an attitude or character of a person, insight. For this reason, every point that has been mentioned earlier must always be used as a reference, especially for the accountant profession.

SUGGESTION

Researchers expect readers to know insights about the urgency of Islamic religion/religiosity which is closely related to one's attitude and morality. There needs to be an increase in faith in order to get a life in a directed and well-organized manner. If devotion to Allah SWT has been planted in a person's identity, then all his attitudes and morality will be good because considering all activities and activities that each individual undergoes are monitored and seen by Allah SWT. Islam teaches especially about integrity or the value of honesty in a person. As written in previous journals According to Almas Alwana, Q., (2022), integrity triggers others to believe. Honesty relies on a positive flow. In Islam, Allah Almighty tells the one he created about integrity giving positive things. As stated in surah Al-Baqarah verse 42 which contains the greatly affected or important value of integration, avoiding lies.

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ANALYSIS OF THE EFFECT OF *FRAUD DIAMOND* ON *FINANCIAL STATEMENTS FRAUD* (CASE STUDY OF BANKING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2018-2021 PERIOD)

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ABSTRACT

Financial reports are documents that contain information about the company's financial performance and other information needed to make decisions, both internal and external parties . With this assessment, the company's management tries to compile financial reports so that it looks good to interested parties. This act of manipulating financial statements is called fraud . This study aims to determine financial statement fraud using the theory of fraud diamonds . This study used 84 samples from 21 banking companies listed on the Indonesia Stock Exchange for the 2018-2021 period, using a quantitative method with a descriptive approach. The results of this study pressure variable proxied by the financial target has a positive and significant effect on financial statement fraud . proximate chance variable ineffective _ monitoring positive and significant effect on financial statement fraud , the rationalization variable proxied by the change of auditors has a positive and not significant effect on financial statement fraud , the ability variable which is proxied by the change of directors has a negative and not significant effect on financial statement fraud .

Keywords: *fraud , financial statement fraud , fraud diamond , financial target, ineffective monitoring , change of auditors, change of directors.*

INTRODUCTION

In 2019 Association of Certified Fraud Examiners conducted research which showed that the most common fraud in Indonesia was corruption with a percentage of 70%, Misuse of State and Company Assets/Wealth with a percentage of 21%, and Financial Statement Fraud of 9%. This percentage comes from all types of industries in Indonesia.

Table 1. Most Harmful Fraud in Indonesia



Source: ACFE 2019

Financial Statements Fraud is the intentional misrepresentation or omission of material evidence or misleading accounting information so that users of financial statements change their minds. *Financial Statements Fraud* very closely related to earnings manipulation by management to make a company look better than other similar companies. The purpose of earnings manipulation is used as an accounting trick by company management to increase share prices and executive compensation.

Table 2. Value of Losses Due to Fraud

Loss Value	Corruption	Fraud	Abuse Company Assets
≤ IDR 10,000,000	48.10%	67.40%	63.60%
IDR 10,000,000 - IDR 50,000,000	4.20%	2.90%	3.30%
IDR 50,000,000 - IDR 100,000,000	8.40%	5.40%	8.80%
IDR 100,000,000 - IDR 500,000,000	11.70%	6.70%	9.60%
IDR 500,000,000 - IDR 1,000,000,000	10.90%	6.70%	2.90%
IDR 1,000,000,000 - IDR 5,000,000,000	5.90%	3.80%	2.90%
IDR 5,000,000,000 - IDR 10,000,000,000	5.40%	2.10%	3.40%
≥ IDR 10,000,000,000	5.40%	5%	4.60%

Source: ACFE 2019

Corruption has the most cases and has big losses too. Financial report fraud has a few cases but has a large loss with a percentage of 5% at a loss value ≥ IDR 10.00 0.000.000 *Fraud* triangle theory put forward by (Cressey, 1953). *Fraud* theory *This triangle* explains some of the factors driving someone to commit *fraud* in diamonds *fraud*. The driving factors include pressure, opportunity, and rationalization. *Fraud* Diamond is a theory put forward by (Wolfe & Hermanson, 2004), this theory is a development of the previous theory, namely *fraud triangle*. This theory assumes that there are 4 (four) things that are always found in *financial cases statement fraud* namely opportunity, pressure, rationalization, capability.

This study aims to analyze and find empirical evidence on 1) The influence of the risk factor *Pressure* with the *financial target category* on *financial statement fraud*. 2) The influence of *Opportunity* risk factors with the *ineffective category financial monitoring _ statement fraud*. 3) The influence of *Rationalization* risk factors with the auditor change category to *finances statement fraud*. 4) The influence of the *Capability* risk factor with the category of directors' changes on *financial statement fraud*. Wolfe and Hermanson (2004) argue that fraud cannot occur without the right people having the necessary skills to commit fraud. Incentives encourage people to cheat because it requires lifestyle, financial helplessness, gambling behavior, attempts to circumvent the system, and job dissatisfaction. According to SAS No. 99, here are four pressures that can cause a person to commit fraud, namely the company's financial stability, external pressure for management, management's personal financial situation, financial targets set by the directors or management. In Cressey (Skousen et al., 2009) it is

argued that fraud cannot be committed without an opportunity. Such possibilities usually arise in poorly controlled systems. Furthermore, if the company's control system is weak, opportunities for fraud will arise. But even with a good control system, fraud is still possible, often by trusted or powerful people. Rationalization is thinking that justifies one's actions as rational actions that are morally acceptable in normal society. This is done to calm the emotions involved so that anxiety does not arise when this is done. Rationalization is often related to Cressey's integrity, ethics, and values (Hillison, W., Pacini, C., & Sinason, 1999). Fraud will not occur without the rights of the parties who have the right opportunities to commit fraud (Adnovaldi & Wibowo, 2019). This ability is also reflected in the fraudster's experience and position as a fraudster at work (Situngkir & Triyanto, 2020).

METHOD

The population in this study were all companies listed on the Indonesia Stock Exchange with the category of banking companies as many as 41 companies with a sample of 84 using a purposive sampling method. Hypothesis testing using SPSS Software Version 26 to predict the relationship between the independent variables and the dependent variable with the regression model:

$$DAC_{it} = \beta_0 + \beta_1 ROA + \beta_2 BDOUT + \beta_3 CPA + \beta_4 DCHANGE + \varepsilon$$

Results the normality test can be seen in the above which shows a significance value of 0.067 (greater than 0.05) so that the data is said to be normally distributed.

Table 3. One Sample Normality Test Results Kolmogorov-Smirnov test.

One- Sample Kolmogorov-Smirnov test		
		Unstandardized residual
N		84
Normal Parameters ^{a,b}	Means	0.0000000
	std. Deviation	0.13009240
Most extreme Differences	absolute	0.093
	Positive	0.093
	Negative	-0.067
test Statistics		0.093
Asymp . Sig . (2-tailed)		, 067 ^c
a. test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS Outputs

The results of the Multiple Linear Regression Test are obtained by the regression equation as follows: $Y = 0.264 + 5.595 X_1 + 0.181 X_2 + 0.000 X_3 - 0.003 X_4$ From the constant value table 6.694. The *Financial Target* coefficient value is 5.595 positive value. *Ineffective* coefficient value *Monitoring* of 0.181 positive value. Auditor Turnover coefficient value of 0.000 positive value. The coefficient value of director turnover is 0.003 negative values.

Table 4. Partial Test (*t- Test*)

Coefficients ^a								
	Model	Unstandardized Coefficients		Std Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	-0.264	0.030		-8,696	0.000		
	Financial Targets	5,595	2.015	0.291	2,777	0.007	0.969	1.032
	Ineffective Monitoring	0.181	0.062	0.304	2,927	0.004	0.985	1.015
	Auditor Change	0.000	0.034	0.001	0.006	0.995	0.738	1.355
	Change of directors	-0.003	0.038	-0.009	-0.072	0.942	0.738	1.355
a. dependent Variables: Financial Statements Fraud								

Source: SPSS Outputs

Above calculations can be explained as follows:

1. The Financial Target variable has a significance value of 0.007, less than 0.05, which means that the Financial Target partially has a significant effect on the Financial Statement . fraud . So it can be concluded that H_1 is accepted as the Financial Target variable has an effect on the Financial Statement fraud .
2. Ineffective Variable Monitoring has a significance value of 0.004, less than 0.05, which means that it is Ineffective Partial monitoring has a significant influence on the Financial Statement fraud . So it can be concluded that H_2 is accepted as an Ineffective variable Monitoring affects the Financial Statement fraud.
3. Auditor Turnover variable has a significance value of 0.995 greater than 0.05 which means that Auditor Change partially does not have a significant effect on the Financial Statement fraud. So it can be concluded that H_3 is rejected, the Auditor Turnover variable has no effect on the Financial Statement fraud.
4. The change of directors variable has a significance value of 0.942 greater than 0.05 which means that the partial change of directors does not have a significant effect on the Financial Statement fraud . So it can be concluded that H_4 is rejected by the variable Change of directors has no effect on the Financial Statement fraud. Coefficient of Determination Test Results Adjusted R^2 value of 0.116 or 11.6%. Shows that the Financial Statement Fraud can be influenced by 11.6% by the independent variable namely Financial Target, Ineffective Monitoring, Change of Auditor and Change of directors. While 88.4% Financial Statement Fraud is influenced by other variables outside the research model used in this study.

Table 5. Determination Coefficient Test

Summary Model ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimates	Durbin-Watson
1	,398 ^a	0.158	0.116	0.133345	1,891
a. Predictors: (Constant), Change of directors, Ineffective Monitoring, Financial Target, Auditor Change					
b. dependent Variables: Financial Statements Fraud					

Source: SPSS Outputs

The results of the analysis of the effect of pressure proxied by *financial targets* shows that the results of this study have a positive and significant effect on *financial statement fraud* in banking companies listed on the Indonesia Stock Exchange which are registered in the 2018-2021 period. The results of the proximate opportunity effect analysis *ineffective _ monitoring* shows that the results of this study have a positive and significant effect on *financial statement fraud* in banking companies listed on the Indonesia Stock Exchange which are registered in the 2018-2021 period. The results of the analysis of the effect of rationalization proxied by the change of auditors indicate that the results of this study have a positive and not significant effect on *financial statement fraud* in banking companies listed on the Indonesia Stock Exchange which are registered in the 2018-2021 period. The results of the analysis of the effect of ability proxied by the change of directors indicate that the results of this study have a negative and not significant effect on *financial statement fraud* in banking companies listed on the Indonesia Stock Exchange which are registered in the 2018-2021 period. The results of the analysis of the influence of *financial targets*, *ineffective monitoring*, change of auditors and change of directors simultaneously (simultaneously) have a significant effect on *financial statement fraud* in banking companies listed on the Indonesia Stock Exchange which are registered in the 2018-2021 period.

CONCLUSION

Based on the research results, the company should further improve the effective monitoring unit to monitor the company's activities. Companies can socialize regarding Standard Operating Anti-corruption procedures (SOP) to minimize and prevent fraud. Companies should pay attention to the working atmosphere of employees, such as proper salary according to performance, having a compensation system and good work results will certainly make employees not have the desire to commit fraud. Companies routinely need to use the services of external auditors to minimize the occurrence of fraudulent financial statements. Companies can hold training related to corporate finance so that employees avoid misstatements and errors in financial reporting.

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**EFFECT OF IFRS IMPLEMENTATION, FINANCIAL DISTRESS
AND COMPLEXITY OF COMPANY OPERATIONS ON AUDIT
DELAY (EMPIRICAL STUDY OF PROPERTY & REAL ESTATE
SUB-SECTOR COMPANIES LISTED ON THE INDONESIA STOCK
EXCHANGE (IDX) FOR 2017-2021)**

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ABSTRACT

This study aims to examine and analyze the effect of IFRS implementation, financial distress and the complexity of company operations on audit delay. This type of research is quantitative with an associative approach. The population of this study are all property & real estate companies listed on the Indonesia Stock Exchange in 2017-2021. The sampling method is by purposive sampling. The types of tests used in this data analysis technique are model estimation tests, model tests, data quality tests, hypothesis testing with multiple linear regression analysis tools using E-Views 12 software. The results of this study indicate that the application of IFRS has an influence on audit delay. Meanwhile, financial distress and the complexity of the company's operations have no effect on audit delay. Simultaneously, the application of IFRS, financial distress and the complexity of the company's operations affect audit delay.

Keywords: *application of IFRS, financial distress, operational complexity companies, audit delays*

INTRODUCTION

The development of business in the capital market is increasingly needed by the community as an opportunity for investment. The current capital market has increased very rapidly, and it is certain that the level of competition in the future will be even tighter. The development of this capital market has encouraged go public companies listed on the Indonesia Stock Exchange (IDX) to further improve the quality of their company's financial report information. Thus, the demand for the publication of financial reports that are timely and accurate for use in making economic decisions has also increased. Financial reports are useful for convincing users of information that the information presented is in accordance with applicable Financial Accounting Standards and Auditing Standards and can be used to determine decision making by interested parties such as investors, potential investors, creditors and other parties. For this reason, financial reports must be able to meet the main characteristics so that this information can be used as a basis for decision making. These characteristics are understandable, relevant, reliable and comparable (Napisah & Lestari, 2020).

The length of time it takes the auditor to produce a report on a company's financial performance is often called Audit Delay. Audit delay is the time span for the auditor to complete the audit work as measured by the closing date of the financial statements, namely 31 December to the date of issuance of the independent auditor's report. The longer the audit takes to complete the audit work, the longer the audit delay will be. Timeliness in presenting the financial

statements of independent auditors nowadays is increasingly difficult (Elvienne & Apriwenni, 2019).

Based on the background above, the formulation of the problem in this study is as follows:

1. Does the application of IFRS have an effect on audit delay?
2. Does financial distress have an effect on audit delay?
3. Does the complexity of the company's operations have an effect on audit delay?
4. Does the application of IFRS, financial distress and the complexity of the company's operations simultaneously have an effect on audit delay?

METHODOLOGY AND RESULTS

The grand theory in this study is signal theory. Signal theory was first coined by Spence (1973). According to him, this theory involves two parties, namely insiders such as management who act as the party giving the signal and outsiders such as investors who act as the party receiving the signal. Companies tend to give positive signals to investors through certain actions such as issuing financial reports quickly and on time. Conversely, delays in submitting financial reports can give a negative signal that there is a problem within the company. Signals given to companies can be in the form of financial information contained in financial reports.

This type of research is quantitative. Quantitative research is a type of research whose specifications are systematic, planned and clearly structured from the start to the creation of a research design using an associative approach. Associative research is the formulation of research questions that ask about the relationship between two or more variables, which aims to identify the effect of the independent variable on the dependent variable either partially or simultaneously.

Table 1 Operational Variables

Variable	Indicator
Audit Delay (Faradista & Stiawan, 2022)	\sum days from the closing date of the financial year until the date of issuance of the audit report.
Application of IFRS (Wijayanti & Effriyanti, 2019)	Measured by a dummy variable, namely companies that apply IFRS (1) and do not apply it are given a value (0).
<i>Financial Distress</i> (Kristiana dkk, 2022)	Subscribe to DeepL Pro to edit this document. Visit www.DeepL.com/pro for more information.
Complexity of Company Operations (Napisah & Lestari, 2020)	Measured by counting the number of branches owned by the company.

Source: data processed by researchers, 2023.

The population of this research is all Property & Real Estate Companies listed on the Indonesia Stock Exchange in 2017-2021, totalling 81 companies. The sampling method is by purposive sampling.

The criteria used by researchers in determining the sample in this study are as follows:

1. Property & Real estate Sub Sector Companies listed on the Indonesia Stock Exchange (IDX) for 2017-2021.
2. Property & Real estate Sub Sector Companies listed on the Indonesia Stock Exchange (IDX) 2017-2021.
3. Financial reports using the rupiah currency for 2017-2021.
4. Property & Real estate Sub Sector Companies that have the completeness of the required data.

Based on observations using extreme value information (Ghozali, 2018), the authors found that there were 7 companies that met the outlier test criteria. This resulted in the 7 companies being excluded from the sample. So that the total sample was then obtained as many as 37 companies. The observation year from 2017-2021 or for 5 years, then 185 data were obtained.

Data collection techniques in this study were carried out according to quantitative research standards, and the data used were secondary data. Secondary data is data that has been processed by a 3rd party. This study uses secondary data which are annual financial reports from the financial statements of Property & Real estate companies listed on the Indonesia Stock Exchange (IDX) for 2017-2021. The data collection technique in this study is a documentation technique.

Processing techniques and data analysis used in this study using a quantitative descriptive method. The types of tests used in this data analysis technique are model estimation tests, model tests, data quality tests, and hypothesis testing, namely multiple linear regression using E-Views 12 software, which is software used for econometric analysis and also statistics in processing pool data.

Table 3 Model Test Selection Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.462398	0.085899	51.94945	0.0000
X1	0.099791	0.044181	2.258687	0.0251
X2	-0.011030	0.007352	-1.500176	0.1353
X3	0.006583	0.005427	1.213010	0.2267
Root MSE	0.239030	R-squared		0.059660
Mean dependent var	1.635777	Adjusted R-squared		0.044075
S.D. dependent var	0.247165	S.E. of regression		0.241657
Sum squared resid	10.57006	F-statistic		3.827877
Durbin-Watson stat	1.543791	Prob(F-statistic)		0.010868

Source: Eviews Output 12, 2023.

Based on the test results using the Eviews application version 12, the regression equation can be obtained as follows:

Substituted Coefficients:

$$\text{AD} = 4.462398 + 0.099791 \text{ IFRS} - 0.011030 \text{ FD} + 0.006583 \text{ KOP} + e$$

Information:

AD = Audit Delay
 IFRS = Application of IFRS
 FD = Financial Distress
 KOP = Complexity of Company Operations
 e = *error*

The result of Adjusted R-squared is 0.044075. These results indicate that the variable implementation of IFRS, financial distress and the complexity of the company's operations can affect the audit delay variable of 0.044075 or this independent variable is able to explain the effect of 4.4% on audit delay while the other 95.6% is influenced by other variables not explained in this study.

The value of the test results of the t test of the IFRS implementation variable is 0.0251, indicating that this value is smaller than the significance value of 0.05 or 5%, it can be concluded that the application of IFRS has an influence on audit delay, which means that financial reports that have implemented IFRS require companies to make extensive disclosures, thus requiring more effort and time to carry out the audit. In addition, the complexity of IFRS is not only in accounting treatment, but also in the difficulty of complying with detailed reporting. Therefore, the application of IFRS has an effect on audit delay.

The value of the test results for the financial distress variable t test is 0.1353, this value is greater than the significance value of 0.05 or 5%. So, it can be concluded that the financial distress variable has no effect on audit delay. This can be caused by no matter how bad the financial condition of a company is, as long as the company's cash flow can still run smoothly for its operations or business activities, it does not affect the time of publication of the audited financial statements, or the work carried out by the auditors.

The value of the test results T test variable complexity of the company's operations is 0.2267, this value is greater than the significance value of 0.05 or 5%. So, it can be concluded that the variable complexity of the company's operations has no effect on audit delay. This is because today the team deployed to carry out the audit is more competent so that it can handle all reports of the subsidiary company with agility.

The results of the F-test research conducted by the author are seen from the FStatistic Prob value of 0.010868 or 0.01 which is smaller than the significance value of 0.05 or 0.01 <0.05. So, it can be concluded that the application of IFRS, financial distress and the complexity of company operations simultaneously affect audit delay.

CONCLUSION

The results of this study indicate that the application of IFRS has an influence on audit delay. Meanwhile, financial distress and the complexity of the company's operations have no effect on audit delay. Simultaneously, the application of IFRS, financial distress and the complexity of the company's operations affect audit delay.

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IMPLEMENTATION OF SUNDANESE CULTURAL VALUES IN BUILDING ETHICAL AWARENESS OF ACCOUNTANTS: A LITERATURE REVIEW

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ABSTRACT

This research was conducted to seek common ground and align the ethical values of Sundanese culture with the ethical code of the Institute of Indonesia Chartered Accountants (IAI). The method used in this study is a Literature Review, the author searched for articles through reliable databases that were published within the past 10 years (2013-2023). The research findings indicate that the ethical values of Sundanese culture are compatible and can be implemented and applied in accordance with the general principles of the IAI's ethical code (integrity, objectivity, competence, confidentiality, and professionalism). Based on the alignment of the general principles of the IAI's ethical code with Sundanese cultural ethics, several ethics were identified that are expected to be specifically applied to accountants with a Sundanese background as a complement to the existing general principles of the IAI's ethical code. These include the ethics of silih asih, silih asah, silih asuh, cageur, bageur, bener, singer, and pinter

Keywords: *Accounting; Ethics Code; Sunda Culture*

INTRODUCTION

As a multicultural country, Indonesia is one of the countries with abundant cultural diversity (Suryandari, 2017). According to BPS 2010 data, there are 1,340 ethnic groups living in Indonesia. This ethnicity can be interpreted as a group of people who are incorporated based on awareness of the existence of certain cultural or sub-cultural similarities (Fathurroja et al., 2018).

Due to the diversity of cultures in Indonesia, the values and norms of each ethnicity have different standards. This ethnic and cultural background has a close relationship with the values and norms contained in each individual's behavior (Budi Setyaningrum, 2018). In this case, culture and ethics are related to each other because the values and norms that exist in culture will affect the ethical behavior of individuals.

Historically, the noble values of the Indonesian nation were formed naturally due to the role of strong customs, which became a culture in people's lives (Affandy, 2017). Although the customs and culture of each region are different, in general, each culture has similar essential values. Customary and cultural philosophies that develop in various regions in Indonesia generally teach good and positive morality attitudes and behaviors.

Therefore, whether we realize it or not, this indicates that the character building of the Indonesian Nation is indirectly influenced by the cultural values and customs prevailing in each region. The faith given to the traditions and beliefs of ancestors that surround people's lives can be a means to instill these values in every individual in society (Affandy, 2017).

Ethics and moral values are the most basic elements and become the main foundation for carrying out aspects of life properly and in accordance with the rules (Muria & Alim, 2021). Ethics is a very important tool as a means of social control in maintaining dignity and honor and protecting society from all forms of deviation and abuse (Suryono et al., 2020). Not only implemented into social life, but ethical values also need to be applied in the professional field. Therefore, every profession in this world must have ethical rules that must be obeyed by professional actors. It is no exception for someone who works as an accountant.

The accountant is a profession that has the primary task of assisting organizations, companies, or individuals in effectively and efficiently managing their finances. (Supriyono, 2018). Therefore, accountants must possess knowledge and skills in the field of accounting. (Indonesia, 2020a).

In addition to knowledge and skills in financial management, an accountant is also required to have ethical standards in carrying out their profession. (Supriyono, 2018) this is because accountants have a significant responsibility when it comes to company finances. From the recording process to financial reporting, everything should be done correctly and honestly. (Jr, 2022). Therefore, it is crucial for an accountant to always adhere to all applicable rules and codes of ethics for accountants. This is done to ensure that all tasks performed by accountants can be executed effectively and accurately in accordance with the prevailing regulations.

Having acknowledged this situation, the Indonesian Institute of Accountants (Ikatan Akuntansi Indonesia or IAI) serves as the sole organization representing all types of accounting professions in Indonesia, including those in the public, private, educational, and other sectors. The existence of IAI as an official institution is supported by Keputusan Menteri Keuangan (KMK) No. 263 (KMK.01/2014) issued on June 17, 2014, which established IAI as the Professional Association of Accountants (Nurhidayati; Nurhidayati & Witjaksono, 2016).

The Indonesian Code of Ethics for Accountants contains ethical principles that must be upheld by all members of the Indonesian Institute of Accountants (IAI) in carrying out their activities. These principles include integrity, objectivity, competence, confidentiality, and professionalism. However, despite the comprehensive rules within the IAI Code of Ethics, there have been numerous cases of ethical violations committed by accountants in recent times. For instance, the manipulation of transactions by PT. Garuda Indonesia in 2019 and PT. KAI in 2015 are notable examples. These cases of financial statement manipulation by the two large companies illustrate the insufficient awareness among accountants in Indonesia regarding the proper implementation of the IAI Code of Ethics.

Therefore, it is necessary to take additional measures to enhance the awareness of accountants, such as incorporating cultural values into their professional practices. Historically, the Indonesian accountant code of ethics was sourced from the Western code of ethics, the Indonesian Accountant Code of Ethics (KEAI) was fully adopted from the Handbook of International Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants (IESBA) (Indonesia, 2020b). The application of the same rules across different countries with diverse cultural values may be considered less appropriate and can lead to tendencies of unethical behavior.

In light of these facts, the author is interested in exploring the implementation of Sundanese cultural values as a foundation for building ethical awareness among accountants. Sundanese culture chosen as the research focus

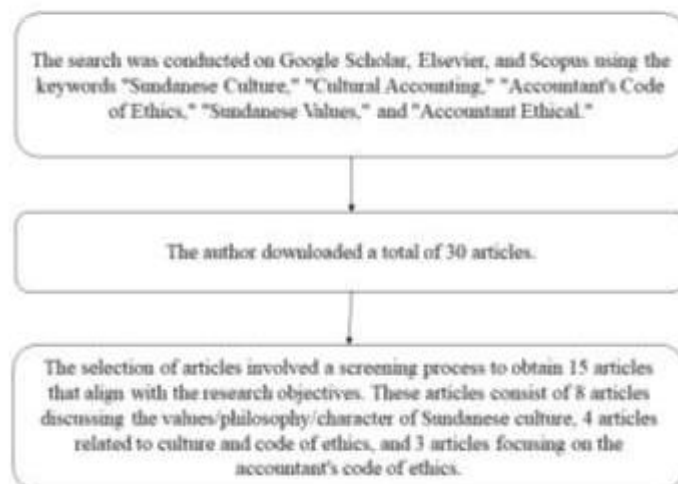
due to previous studies indicating the potential implementation of these cultural values in various aspects such as education, parenting, and other fields. Therefore, the author hopes to discover the relationship between Sundanese cultural values and the ethical principles of accountants, which can help strengthen the integrity of accountants in performing their duties. The Sundanese culture is known for its high regard for values of politeness and courtesy. (Indah Purwanti dan Sapriya, 2017). As an ethnic group with the second largest population, Sundanese culture is a national treasure that deserves to be preserved and upheld. The Sundanese community holds onto a number of cultural values that are still cherished today. These values include "*silih asih*" (mutual love and affection), "*silih asah*" (mutual respect and support), "*silih asuh*" (mutual care and nurture), "*silih wawangi*" (mutual harmony and cooperation), "*cageur*" (healthy and fit), "*bageur*" (pleasant and kind), "*bener*" (truthful and honest), "*singer*" (modest and humble), and "*pinter*" (intelligent and skillful). (Hidayatuloh, 2020).

This study aims to discuss and explore how the application of Sundanese cultural values can contribute to building ethical awareness among accountants. By integrating these cultural values into the accounting code of ethics, it is hoped that accountants can develop more effective ways to promote ethical behavior and prevent unethical conduct in the future. This includes the development of ethical codes and standards that are sensitive to cultural differences, as well as the implementation of training programs that focus on promoting cross-cultural understanding and ethical behavior.

METHODS

This research uses the literature review method. A literature review is a process of examining reference sources on a specific topic that are gathered from various data sources (databases) and/or previously published research findings in journals (Sugiyono 2018). The author establishes criteria for selecting articles to ensure that the sources are relevant and can support the data completeness and the research process. Some of these criteria include:

1. Articles that discuss Sundanese cultural values, the implementation of culture with the accountant's code of ethics, and the accountant's code of ethics.
2. Articles published between the years 2013 and 2023.
3. Articles that are aligned with the research objectives.



Source: Data processed by author (2023)

Figure 1. Literature Review Process

After conducting searches on several reliable databases such as Google Scholar, Elsevier, and Scopus using keywords such as "Sundanese culture," "Cultural Accounting," "Accounting Code of Ethics," and "Sunda Values," the researcher downloaded a total of 30 articles. Subsequently, the researcher began the screening process based on the predetermined criteria. The process of article collection and review can be observed in the image below.

RESULTS

Sundanese Cultural Values and the Code of Ethics for Accountants

After conducting a study on ethics and Sundanese cultural values based on relevant articles, it has been identified that there are 9 dominant ethical values in Sundanese culture. Additionally, it has been determined that there are 5 main ethical values derived from the accounting code of ethics by the Indonesian Institute of Accountants (IAI). The ethical values in Sundanese culture, along with their philosophies, and the ethical values of accounting principles according to the IAI, are clearly summarized in Table 1 and Table 2 below.

Table 1 Ethical Values of Sundanese Culture

No	Cultural Values	Definition/Meaning
1.	Silih Asih	Showing love and care towards one another. (Hidayatulloh, 2020)
2.	Silih Asah	Mutually sharpening skills and intelligence. (Rahmah, 2020)
3.	Silih Asuh	Educating and mentoring one another. (Hidayatulloh, 2020)
4.	Silih Wawangi	Providing each other with positive feedback and support. (Indah Purwanti dan Sapriya, 2017)
5.	Cageur	Maintaining good physical and psychological well-being. (Utami, 2021)
6.	Bageur	Kind and having good behaviour (Utami, 2021)
7.	Bener	Honest and integrity in actions and speech. (Utami, 2021)
8.	Singer	Exercising wisdom in decision-making and actions. (Utami, 2021)
9.	Pinter	Intelligence and intellectual abilities. (Utami, 2021)

Table 2 Ethical Values in the Accounting Code of Ethics

No	Ethical Principles	Definition
1.	Integrity	Honest and avoiding conflicts of interest.
2.	Objectivity	Fair and impartial.
3.	Competence	Knowledge and Skills
4.	Confidentiality	Maintain the confidentiality of client or company financial information

5. Professionalism	Be professional and pay attention to ethics and morality
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Internalizing Sundanese cultural values into the Accountant's Code of Ethics

Table 3 Conformity of Accounting Code of Ethics with Sundanese Cultural Ethical Values

No	Sundanese Values	Accountant's Code of Ethics (IAI)
		" <i>Silih asih</i> " emphasizes the attitude of mutual respect, tolerance, compassion, care, and openness.
1.	Silih Asih	Silih Asih can strengthen the aspect of integrity by reinforcing the obligation of accountants to behave honestly (openly), impartially, and fairly in carrying out their duties. However, accountants need to maintain the boundaries of tolerance and openness to avoid weakening the aspect of confidentiality for an accountant.
2.	Silih Asah	In terms of competence, the value of " <i>silih asah</i> " can encourage individuals, especially fellow accountants, to continuously learn and enhance their skills. It can assist accountants in continuously improving their competence in recognizing and addressing complex and challenging situations.
3.	Silih Asuh	The value of " <i>silih asuh</i> " carries a similar meaning to " <i>silih asah</i> ," which is about mutually educating and guiding one another. Therefore, both values can enhance the competence of fellow accountants as they work together to educate and mentor each other.
4.	Silih Wawangi	Mutually providing positive contributions can build trust and honesty among accounting professionals, which are essential elements in maintaining integrity and objectivity.
5.	Cageur	The value of " <i>cageur</i> ," which means being physically and psychologically healthy, can enhance the professionalism of an accountant. An accountant should always prioritize maintaining their physical and psychological well-being, even when working under client pressure. This can also have a positive impact on the overall qualities and characteristics that an accountant should possess.

No	Sundanese Values	Accountant's Code of Ethics (IAI)
6.	Bageur	The attitude of " <i>bageur</i> " or behaving well can serve as a fundamental ethic that accountants should implement. It can foster the development of key principles and characteristics within the accounting profession. When it comes to confidentiality, integrity, and professionalism, the value of " <i>bageur</i> " can act as a reinforcing element when interpreted as the commitment to uphold morality and adherence to the code of ethics for accountants.
7.	<i>Bener</i>	The value of " <i>bener</i> " can support the implementation of the entire accounting code of ethics, which encompasses integrity, objectivity, competence, confidentiality, and professionalism. For example, the value of " <i>bener</i> " can reinforce integrity and confidentiality by promoting honest and integrity-driven behavior in carrying out accounting duties. It can also enhance objectivity by preventing decisions based on personal preferences or discrimination.
8.	Singer	In terms of professionalism, the value of "Singer" can act as a strengthening element by encouraging accountants to work swiftly and effectively, enabling them to successfully complete their assigned tasks.
9.	<i>Pinter</i>	In the application of accounting code of ethics, the value of " <i>pinter</i> " can serve as a strengthening element in enhancing the competence and professionalism of accountants. A knowledgeable and skilful accountant can effectively carry out their tasks, thus promoting integrity and objectivity in decision making processes.

Implementing Sundanese Cultural Values into the Accountant's Code of Ethics

In its application, Indonesian accountants need to be aware that Indonesia is a diverse country with various cultural ethics that can be aligned with the Indonesian accounting code of ethics. This is in line with previous research, which suggests that according to (Putri & Kamayanti, 2013) The accounting code of ethics adopted by the Indonesian Institute of Accountants (IAI) from Western countries is considered less effective in resolving ethical violations that are of a local nature in Indonesia. Sundanese local wisdom, as a culture that highly upholds the values of politeness and courtesy, emphasizes the importance of maintaining decorum. (Indah Purwanti dan Sapriya, 2017), It would be highly appropriate to apply and implement Sundanese local wisdom in the principles and values of accountants in Indonesia.

Rosidi (in: Rahmatiani, 2016) has been stated that local wisdom serves to address the influence of foreign cultures when these two cultures interact. However, it is important to balance these local wisdom values with the progress of the times, including in the implementation of the accountant's code of ethics. This means that the internalization of Sundanese cultural values in the accountant's code of ethics should remain in harmony with modern values while

still preserving traditions. It is crucial to strike a balance between upholding local traditions and embracing advancements in science and technology.

Therefore, the application of local values such as Sundanese values is deemed more fitting with the customs of the community and can serve as a foundation to strengthen the construction of culturally based ethical principles for accountants. This is further supported by research studies by Dewi & Ludigdo, 2012. One of the ways to prevent ethical violations is through the creation of an ethical culture. In this case, the cultivation of cultural values can contribute to the development of a natural and positive ethical culture that strengthens the principles of the accountant's code of ethics. Therefore, the findings of this research are expected to provide insights for the development of business ethics and professional ethics curricula that consider local or cultural content and values. This can benefit the development of ethics in the accounting profession in Indonesia.

CONCLUSION

The findings of this research lead to the conclusion that the Sundanese cultural values approach can be used to enhance the ethical awareness of accountants. These values include *silih asih*, *silih asah*, *silih asuh*, *cageur*, *bageur*, *bener*, *singer*, and *pinter*. These cultural values can be internalized into the accounting code of ethics through various means, such as developing a professional ethics curriculum that incorporates local content and cultural values relevant to the accountant's code of ethics.

This research is expected to provide valuable insights for the development of business ethics and professional ethics curricula, particularly in the context of professional ethics for accountants, by incorporating local or cultural content and values. Furthermore, it highlights the importance of instilling Sundanese cultural values from an early age to strengthen the application of Sundanese cultural values as a reinforcement of ethical principles for accountants.

SUGGESTIONS

In this research, the focus was solely on Sundanese cultural values. The analysis conducted is subjective as it is based on the researcher's perspective. The researcher hopes that future studies can explore other local cultural ethics that can be used as constructs for general principles within the IAI code of ethics.

Furthermore, this research is expected to make a significant contribution to the development of business ethics and professional ethics curricula. It emphasizes the benefits of incorporating local or cultural content and values in the development of these curricula. Research on accounting and culture has been limited thus far, so this study can serve as an additional discourse in the field and pave the way for further research.

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THE EFFECT OF INTERNAL CONTROL SYSTEMS, ANTI-FRAUD AWARENESS AND INFORMATION ASYMMETRY ON FRAUD PREVENTION (EMPIRICAL STUDY AT SEVERAL BRANCH OFFICES AND SUB-DISTRICT OFFICES OF PT. XXX RIAU PROVINCE)

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ABSTRACT

This study aims to examine and obtain empirical evidence of the Influence of Internal Control Systems, Anti-Fraud Awareness and Information Asymmetry on Fraud Prevention at Branch Offices and Branch Offices of PT. Bank Riau Kepri Syariah (Perseroda). The research method used is a quantitative research method. The data used in this research is primary research obtained through the distribution of questionnaires directly to employees who work in the Branches and Branch Offices of PT. Bank Riau Kepri Syariah (Perseroda). This research is simple research, which means taking several samples of respondents to be used as research objects. The tool used in this research is the SPSS Statistics program version 26. The results of this study are Internal Control Systems and Anti-Fraud Awareness that affect fraud prevention. Information asymmetry has no effect on fraud prevention.

Keywords: *Internal Control System, Fraud Awareness, Information Asymmetry and Fraud Prevention*

INTRODUCTION

The main purpose of the internal control system is to manage the company, achieve company goals and maintain and improve company performance. The benefits of an internal control system for the company are to prevent and minimize all forms of fraudulent acts committed by management or employees. With a good control and integrity system, it will be able to reduce the level of accounting fraud in the company (Dewi and Ratnadi 2017). In Indonesia, many companies have implemented control systems. However, there is still a lot of fraud that occurs. Anti-Fraud Awareness is an effort used to increase anti-fraud awareness by all parties involved in an organizational unit or company. Through good leadership and supported by high anti-fraud awareness, it is hoped that it will raise awareness and sensitivity of all parties to the dangers of fraud and the controls needed to prevent it.

Tuanakotta (2013) said that there are two concepts in efforts to prevent fraud besides internal control, namely increasing awareness about fraud (fraud awareness). According to Bank Indonesia, anti-fraud is an effort to raise awareness about the importance of prevention efforts by all parties in the organization. Information asymmetry can be a factor that encourages someone to commit an act of fraud. If there is information asymmetry within the organization, management will present useful financial reports for the employees of the organization, in order to motivate them to obtain compensation, bonuses, positions and others. In presenting the financial statements, management manipulates

financial reports to improve the company's financial ratios and improve the company's reputation to attract investors to invest in the company (Rizky 2018).

Anti-fraud awareness is a way for an organization to increase awareness in preventing fraud or fraud committed by all parties within the organization, by having a good internal control system and anti-fraud awareness, the organization can continue to develop in achieving its goals (Wulandari and Nuryanto 2018). In this study the data collection method was carried out using questionnaires distributed to the intended respondents. Questionnaires were distributed directly to employees of PT.Bank XXX branch offices in Riau province. The research object used is the branch office of PT. Bank XXX uses primary data collection through distributing questionnaires.

RESULT

From the results of the research above, the following discusses the effect of each independent variable on the dependent Variable.

a) Effect of Internal Control System on Fraud Prevention.

The results of the T-test analysis show a significant value of $0.00 < 0.05$ so it can be concluded that there is a significant influence of the internal control system on fraud prevention. In line with the SPI theory where SPI regulates and provides direction in company activities aimed at company effectiveness and also has the responsibility to maintain control which gives confidence that there is control over assets and also ensures that the assets owned are maintained.

In this case, especially fraud in terms of activities that contain economic elements. The practice of fraud can occur in large, small, private, state and nonprofit companies. Fraud has occurred at many levels of organizations such as private companies, public companies, government, non-for-profit, and others (ACFE, 2016). In fraud committed by someone, no matter how big the fraud is, it will have a fatal impact on the company. However, this is not in line with (Pratama, 2017) indicating that the control system has no significant effect on fraud prevention. Matters concerning the influence of pressure, the effectiveness of the internal control system, unethical behavior, and positions in financial management against fraud.

So that the internal control system has no significant effect on fraud prevention. Thus the existence of an Internal Control System for Fraud Prevention greatly assists companies in committing fraud committed by someone in the company intended to gain greater profits, and can be carried out to secure personal interests.

b) Effect of Fraud Awareness on Fraud Prevention.

The results of the test above state that H2 is accepted, then the anti-fraud variable has a significant effect on fraud prevention at PT. This XXX. Anti-fraud awareness is very important to prevent and minimize fraud, where in the results of this research the parties within the company to prevent fraud continue to implement and educate well about anti fraud policies such as ethics, honest culture and poor supervision. The application of attribution theory is to explain events and causes of behavior or reasons with internal factors and individual external factors.

c) The Effect of Information Asymmetry on Fraud Prevention.

The p-value is $0.105 \leq 0.05$, then H3 is rejected. This means that the information asymmetry variable has no effect on fraud prevention. The greater the inconsistency in obtaining information, the agent will manipulate

financial reports to improve the reputation of the organization and obtain compensation, not to prevent fraud. This research is in line with research conducted by Arifin (2020) which gives the result that information asymmetry does not have an effect on accounting fraud.

CONCLUSION

Conclusion Based on the discussion of the research that has been done in the results and discussion section. Conclusions that can be drawn regarding the Internal Control System, Fraud Awareness, and Information Asymmetry on Fraud Prevention. are as follows: a). The results of this study show that Internal Control has a significant effect on Fraud Prevention. Good Internal Control such as increasing the implementation of Internal Control, good procedures, will reduce the occurrence of fraud. b). The results of this study show that Fraud Awareness has a significant effect on Fraud Prevention. With awareness of fraud, will increase awareness and prevent fraud. c). The results of this study show that Information Asymmetry has no significant effect on Fraud Prevention.

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PROFESSIONAL TRAINING, FINANCIAL REWARDS, WORK ENVIRONMENT EFFECT ON STUDENT'S INTEREST TO WORK AS PUBLIC ACCOUNTANT

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ABSTRACT

This research held to know how perception of professional training, financial award, and work environment giving effect to student's interest to work as accountant public. Population on this research are students from Udayana University, Warmadewa University, Mahasaraswati University, and Indonesian Hindu University with 307 respondents used as sample. Multiple linear regression technique was chosen as the technique to analyze the data. Research results shows that professional training, financial award, and work environment gives influential positive-significant effect to student's interest to work as accountant public.

Keywords: Professional Training, Financial Award, Work Environment, Student's interest to work as accountant public

INTRODUCTION

Working is one of the many important aspects of maintaining life sustainability, and having a proper job is a dream for all students. Graduates in accounting, students have a variety of job prospect choices such as teaching accountants, governmental accountants, non-accountants, and the most expected job, a public accountant. Among the public, the attractiveness of becoming a public accountant is quite high. Companies, both governmental and go public-private, need a public accountant to verify their financial statements, hence a public accountant considered a job with one of the highest social strata. Someone who wants to work as a public accountant must have a CPA (Certified Public Accountant) certification by IAI which testing the theoretical knowledge about accountant public.

Indonesian Institute of Certified Public Accountants, IAPI, publishes that in 2020 there are 4,226 IAPI members with 1,422 public accountants and 2,311 people with CPA degrees. In 2021, there are 1,450 public accountants out of a total of 4,639 IAPI members with 2,157 people with CPA degrees. A comparison between public accountants and IAPI members from 2020 to 2021 shows a decrease of 3%, by the same token, comparison between CPAs and IAPI members also experienced a decrease from 55% to 46%. This phenomenon identifies a lack of interest from accounting students to become public accountants and the number of public accountants is not proportional to the number of mandatory audits in Indonesia.

LITERATURE REVIEW

Theory of Planned Behavior

Ajzen (1991) developed a theory known as the theory of planned behavior. The theory reveals that the behavior shown by individuals arises due to the

existing desire to behave. Three factors cause a person's desire to behave including subjective norms, attitudes towards behavior, and perceived behavior control. The theory has implications because a person's desire is based on individual behavior as a determining factor in doing his job.

Attitude Toward the Behavior

Robbins and Judge (2017:44) revealed that attitudes tend to predict a person's behavior because attitudes indirectly determine the actions and choices of each individual. Afriyanti (2021: 26) argues that attitudes towards behavior are also influenced by beliefs about the consequences of behavioral (behavior beliefs). Ajzen (2020) claims that the function of beliefs about the possible consequences of behavior is related to the individual's subjective opportunity to behave in the desired way, which will later add to the experience and show a result.

Subjective Norm

Afriyanti (2021:28) reveals that subjective norms are a person's view of the desires of an object that has an impact on his life. Ajzen (2020) says that subjective norms can be distinguished between two, injunctive normative is the belief/hope that a person or group of people has a social referent (family, friends, co-workers, and partners) agrees to carry out the behavior that have considered before, and descriptive normative is a side of belief in how important it is for the other individual to carry out the behavior.

Perceived Behavioral Control

According to Robbins and Judge (2017: 47), perceived behavior control is a situation when employees trust the organization where they work, care about their welfare, and always assess their contribution. Ajzen (2020), individual belief in perceived behavioral control is related to various factors that may inhibit or facilitate the performance of the behavior.

Interest

Interest shows the courage, persistence, and the many sacrifices that are calculated by individuals to make in trying new things. According to Hidayah, et al (2017: 4), interest is related to a person's belief in take on or dealing with other people, activities, objects, experiences that arise from the activity itself which is called psychological behaviorism. Public Accountant Profession

The profession or work of an accountant is related to independent work to audit the financial statements of a company and also provide opinions on those financial statements. Being accountant in indonesia required a certification from IAI that can be obtained by completing exam related to the profession, also known as USAP (Ujian Sertifikasi Akuntan Publik). Other requirements for becoming a public accountant are graduate from bachelor class, taking exams in order to obtain a BAP or CPA degree which is the main requirement for a public accountant in Indonesia so that they can carry out their work as a public accountant.

Work as Public Accountant

KAP is an organization or forum for public accountant's professional associations. KAP has a civil partnership and firm business form, also must obtain a business license from the Minister of Finance. The career paths when working as a public accountant are junior auditors, senior auditors, auditor supervisors, managers and partners.

Professional Training

Basri and Rusdiana (2017:31) wrote about training is a professional program that encourages employees to get the information and skills needed when executing their work. Professional training is useful for strengthening the knowledge, competence and skills needed when doing work. A public accountant should participate in training inside/outside the institution so that he can fulfill the requirements to become a professional public accountant.

Financial Reward

According to Mujanah (2019: 29) financial rewards is a reward given as a form of remuneration (compensation) for services that have been done by someone in a work relationship. Financial compensation can be in the form of direct compensation (salary) or indirectly (allowances from protection activities). Tariffs related to compensation for services should show commensurate remuneration for each member and employee taking into account the experience and qualifications of each individual.

Work Environment

Winata (2021: 88) said that the work environment directly affects the performance of each employee. Psychological and physical activity causes the work environment to form as a social behavior. When an auditor carries out an audit of a company, a relationship will be formed between individuals because he will cooperate with the auditee and will also be in contact with various parties involved in the organization to meet the needs of good supervisors, compact work groups, recreation, and others.

RESEARCH METHOD

The research was conducted in Denpasar City especially at Udayana University, Warmadewa University, Mahasaraswati University, and Indonesian Hindu University. The population of this study was 1,517 students, with a sample of 307 students obtained from calculations using the slovin formula and proportional stratified random sampling technique, then analyzed using multiple linear regression.

RESULT AND DISCUSSION

Result

Table 1
Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.217	1.156		4.513	.000
	Professional Training	.311	.051	.289	6.147	.000
	Financial Reward	.444	.069	.306	6.455	.000
	Work Environment	.444	.069	.315	6.443	.000

Source: Processed data (2023)

Obtained equation from multiple linear regression is: $Y = 0,289X_1 + 0,306X_2 + 0,315X_3 + e$

Table 2
Determination Coefficient (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764 ^a	.584	.580	3.344

Source: Processed data (2023)

Referring to the results of the R^2 test, adjusted $R^2 = 0.580$, proved that 58% of student's interest in working as public accountants is influenced by the independent variables tested this time.

Table 3
Goodness of Fit Test's Result (F – test)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4755.855	3	1585.285	141.743	.000 ^b
	Residual	3388.823	303	11.184		
	Total	8144.678	306			

Source: Processed data (2023)

The goodness of fit test of the model showed a significance number of 0.000 which proves that the dependent variable has a significant effect on the independent variables simultaneously.

Table 4
Hypothesis Test (t – Test)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.217	1.156		4.513	.000
	Professional Training	.311	.051	.289	6.147	.000
	Financial Reward	.444	.069	.306	6.455	.000
	Work Environment	.444	.069	.315	6.443	.000

Source: Processed data (2023)

Referring to the results obtained from the previous hypothesis testing, the Beta values of all independent variables obtained positive values and all significance numbers were <0.05 this value indicates that there is a significant positive effect on the dependent variable by the independent variables. Discussion

The Effect of Professional Training on Student's Interests in Working as Public Accountants.

Referring to the t test numbers, it is obtained that β_1 is 0.289 and a significance of 0.000 so that H1 is accepted. The test results prove that Professional Training has a significant positive effect on student's interest in working as public accountants. Student interest will be high in becoming a public accountant if they receive a lot of professional training.

The Effect of Financial Reward on Student's Interests in Working as Public Accountants

β_2 is obtained at the number 0.306 with significance of 0.000, so H2 is accepted. The test results prove that Financial Rewards has a significant positive effect on students' interest in working as public accountants. If the rewards in terms of finance given by the company are high, the interest of students will also be high to work as public accountants.

The Effect of Work Environment on Student's Interests in Working as Public Accountants

β_3 was 0.315 with a significance of 0.000 so that H3 was accepted. The test results prove that the work environment has a significant positive effect on student's interest in working as public accountants. The better the work environment will also increase the interest of students to be able to work as a public accountant.

CONCLUSION

Referring to the test results and also the described interpretation earlier, the conclusions from the research conducted this time are that Financial Rewards, Professional Training, and the Work Environment have a significant positive influence on students' interest in working as public accountants.

Advice that can be given to students at Udayana University, Warmadewa University, Mahasaraswati University, and Indonesian Hindu University, preferably in preparing themselves for work, students should be able to increase their activity in obtaining Professional Training information in order to gain a variety of varied experiences. Students not only should be able to improve their self-competence in order to get a commensurate financial reward according to their qualifications and experience, but also increase self-control in order to adapting to the atmosphere that occurs in the work environment.

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INTERNALIZATION OF MINANGKABAU LOCAL WISDOM TO THE ACCOUNTANT CODE OF ETHICS

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ABSTRACT

The research aims to internalize the values of Adat Basandi Syara', Syara' Basandi Kitabullah, and Kato Nan Ampek of the Minangkabau tribe in the accountant's code of ethics. The method used is a literature study by collecting data from credible sources such as books, journals, and other articles that are appropriate to the research topic. The data analysis used is a qualitative descriptive analysis. The results of the study show that internalizing the values of Adat Basandi Syara', Syara' Basandi Kitabullah, and Kato nan Ampek is compatible with the accountant's code of ethics. The value of Adat Basandi Syara', Syara' Basandi Kitabullah require accountant to carry out their duties and responsibilities in accordance with the principles of Islamic Sharia. Meanwhile, the value of Kato nan Ampek teaches accountants to uphold integrity, to always be careful in maintaining the confidentiality of stakeholders, and to act professionally in carrying out their duties. By internalizing and practicing these values, it can be used as an effort to develop and strengthen the accountant code of ethics, resulting in better and more comprehensive standards of behavior for accountants.

Keywords: *Local Wisdom, Minangkabau Culture, Accountant Code of Ethics*

INTRODUCTION

The rapid and complex development of the world today has resulted in increasingly fierce business competition. Many businesspeople take actions that are not in accordance with ethics and morals, including using the services of an accountant. The accounting profession plays an important role in managing company finances, so accountants are always faced with demands to understand a code of ethics in order to be able to maintain the quality and trust of stakeholders (Mafazah, 2022). However, an accountant also has the potential to engage in unethical behavior (Putri & Kamayanti, 2013). To overcome this, the Indonesian Institute of Accountants (IAI) issued the Code of Ethics for Indonesian Accountants as a response to unethical behavior that may be committed by public accountants. This code aims to provide guidance to public accountants in carrying out their professional responsibilities.

Even though it has been regulated in the code of ethics, violations and irregularities are still committed by public accountants (Ramadhea Jr, 2022). The violation case that caught the world's attention was the Enron scandal involving one of the public accounting firms from The Big Five, Arthur Andersen. Not only international, but cases of other violations also occurred in Indonesia, such as the case of Rafael Alun Trisambodo, a former Director General of Taxes (DJP) at the Ministry of Finance (Kemenkeu), who was named a suspect by the Corruption Eradication Commission (KPK) in the alleged gratuity case. The KPK suspects

that Rafael received gratuities from a number of companies or taxpayers facing tax problems, especially regarding the obligation to report tax accounting to the state through the Director General of Taxes (Syakirun Ni'am, 2023).

Most of Indonesia's population, especially in West Sumatra (Minangkabau), is Muslim. The Minangkabau people are very devout Muslims and do not recognize other beliefs. Their customs and philosophies follow the principle of "*Adat Basandi Syara', Syara' Basandi Kitabullah*", which means that adat follows Islamic law, which is based on the Koran. Religion has a significant influence on decisions, habits, and individual attitudes in the culture of society. Every culture has specific rules for communicating, including West Sumatra, which is rich in traditions and customs that influence the way people speak and behave in their daily lives. Good communication skills can enhance an individual's reputation in the eyes of others.

An accountant who obeys and follows the code of ethics will behave ethically in carrying out their professional activities. This is evidenced by Khofshoh (2018) which found that understanding the accountant's code of ethics has a positive influence on the ethical behavior of accountants. Thus, it is important for an accountant to have an understanding of the ethical code of the accounting profession and apply it in their work to avoid unethical behavior. Based on the description above, Minangkabau local wisdom values such as *Adat Basandi Syara', Syara' Basandi Kitabullah*, and *Kato nan Ampek* are compatible with the accountant's code of ethics. The customary values of *Adat Basandi Syara', Syara' Basandi Kitabullah* influence the decision-making process, and the factors that exist in this value are able to protect oneself from acts of fraud. Meanwhile, the value of *Kato Nan Ampek* is also very necessary as a means to build ethical communication, politeness, and mutual respect in establishing professional relationships. Therefore, the aim of the research is to internalize the values of Minangkabau local wisdom into the accountant's code of ethics. By internalizing these values, it is hoped that they will become a guide in enforcing the accountant's code of ethics.

METHODOLOGY

The method used in this study is a literature study or literature review. Literature study is an activity related to the method of collecting library data and processing it into research material. Techniques in the study of literature include exploring information or sources relevant to the research topic, reading the literature that has been obtained, analyzing or reviewing the literature, and compiling it into research material.

This study examines references that focus on discussing the internalization of Minangkabau local wisdom values towards the accountant's code of ethics from several references, such as previous scientific research, books, and credible data sources. The nature of this research is a qualitative descriptive analysis, namely describing regularly based on the results of the researcher's understanding or interpretation of the data collected so that it is easily understood by the reader.

RESULT

Adat Basandi Syara', Syara' Basandi Kitabullah

Adat Basandi Syara' is a customary concept originating from Minangkabau culture that is based on Islamic law. The word "*Basandi*" refers to being the foundation or foothold for something so that it becomes solid. The word "*syara*" refers to the religion of Islam; "*Kitabullah*" refers to the Al-Quran and also the

Sunnah as an explanation of the Al-Quran. Therefore, the *Adat Basandi Syara', Syara' Basandi Kitabullah*, illustrates that Minangkabau custom rests on Islamic law, and Islamic law rests on Al-Qur'an. This expression is also reinforced by "*Syara' mangato adat mamakai*" which implies that the shari'a regulates adat in its implementation (Amin, 2022).

Kato nan Ampek

In Minangkabau society, communication is a very important aspect, taking into account the term "*Kato*" which refers to the use of appropriate words and according to the interlocutor (Sudirman, 2022). In Minang society, it is known as "*Kato nan Ampek*". Literally, "*Kato nan Ampek*" has four meanings. This becomes a guideline for the Minangkabau people to maintain polite norms in the use of everyday language.

- a. *Kato mandaki* is a speech etiquette used by Minang people to talk to older people.
- b. *Kato manurun* is the etiquette of speech used by Minang people to talk to younger people.
- c. *Kato malereang* is the language used for people who are respected.
- d. *Kato mandata* is the language used by peers while respecting one another (Natasha & Laili, 2023).

Table 1 Indonesian Accountant Code of Ethics

Basic Principles of Ethics	
Integrity	Consistency demonstrates firmness and honesty in professional and business relationships.
Objectivity	Not affected by subjectivity or conflict of interest.
Competence	Providing competent professional services and acting conscientiously and carefully in carrying out professional duties.
Confidentiality	Maintain the confidentiality of information obtained from professional and business relationships.
Professionalism	Comply with applicable regulations and avoid behaviors that can discredit the accounting profession.

Source: (Indonesia, 2020)

Table 2 Accountant Code of Ethics Based on Minangkabau Local Wisdom Values

Adat Basandi Syara', Syara' Basandi Kitabullah

Integrity	This value encourages accountants to act honestly and uphold ethical values in carrying out their accounting practices. They must avoid actions that harm others or manipulate data.
Objectivity	Accountants will try to promote objectivity in providing information and assessing financial reports.
Competence	Increase knowledge and competence in accounting to provide quality services to clients and other related parties. In addition, they will carry out their duties with due care, conduct rigorous analysis, and comply with applicable rules and professional standards.
Confidentiality	Maintain privacy related to their work and do not disclose confidential information to unauthorized parties. This can help accountants build trust with clients and maintain business continuity.
Professionalism	This value encourages accountants to uphold ethics and morality. In addition, accountants are required to treat all parties with respect and avoid conflicts of interest that can harm others.

Kato Nan Ampek

Integrity	This value encourages accountants to communicate honestly. In addition, they are required to avoid using words that doubt the truth and convey information clearly and transparently.
Objectivity	In communicating with clients or interested parties, accountants are required to be neutral and impartial.
Professionalism	Accountants are required to communicate politely and respect applicable professional rules and standards. They must also uphold integrity, ethics, and professional responsibility in carrying out their duties.

CONCLUSION

Basically, culture is still inherent in humans. This happens because there is an internalization process that is carried out from an early age through experience, education, and social interaction with the surrounding environment, especially the family. This culture is passed down from generation to generation so that it forms the values and norms that are adhered to by every individual in society. Cultural heritage can affect the way a person carries out his professional life. In this context, internalizing the customary values of *Adat Basandi Syara', Syara' Basandi Kitabullah*, and *Kato nan Ampek* into the accountant's code of ethics

plays an important role in shaping professional behavior that is in accordance with cultural and religious values.

Accountants who respect these customary values will uphold the principles of integrity, objectivity, competence, and confidentiality in carrying out their accounting practices. This can help accountants create business continuity, maintain their professional reputation, and build strong relationships with stakeholders. Thus, the internalization of the customary values of *Adat Basandi Syara'*, *Syara' Basandi Kitabullah*, and *Kato nan Ampek* becomes a solid foundation in the development of an accountant's code of ethics that reflects professional principles as well as cultural and religious values that are highly respected in Minangkabau society.

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THE INFLUENCE OF FINANCIAL DISTRESS, AND AUDIT FEES ON AUDIT DELAY IN MINING COMPANIES

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ABSTRACT

Delays in financial reporting up to the publication of audited financial reports in the course of the publication of audited financial reports are referred to as audit delays. The purpose of this study is to determine the impact of financial hardship and audit fees on audit delays at mining companies listed on the Indonesian Stock Exchange (IDX). The population used in this study is one mining company for three research years, namely 2019, 2020, and 2021, with a total of 22 companies. The study used a targeted non-probability sampling technique by analyzing data from 66 research samples processed with SPSS version 24 with multiple linear regression data analysis. The results of the study partly show that financial hardship has an impact on the audit delay and that examination fees do not have an impact on the audit delay. At the same time, financial difficulties and audit fees have an impact on the audit delay.

Keywords: *Financial Distress, Audit Fee, Audit Delay*

INTRODUCTION

Financial reports are the result of an accounting process that contains information and provides information about the economic data of the company. This is a list that shows the financial position and results of operations of the Company for some time, including balance sheets, income statements, and financial statements changes (Firmansyah, 2022). Financial reporting has far-reaching public interest benefits as it provides information on the company's financial position, financial performance, and cash flows, which is later used by users as a basis for economic decisions (Ambia, 2022). According to the Indonesian Accounting Association (2015), the purpose of financial reporting is to provide information on the financial condition, financial performance, and cash flows of companies that is useful to users of financial reports in making economic decisions.

The financial statements show the results of management's responsibility for the use of the resources deployed. To achieve that objective, the annual financial statements present information about the entity that includes assets, liabilities, equity, income, and expenses, including profits and losses, contributions and distributions to owners in their capacity as owners, and cash flows. The information provided in the notes to the financial statements assists the addressees of the financial statements in predicting the future cash flows of the company and, in particular, concerning the timing and certainty of the acquisition of cash and cash.

This research involves mining companies whose activities involve the exploration, discovery, extraction, processing, and marketing of their minerals, which are of economic value, both mechanically and manually on the surface, below the surface, and the surface of the water. Mining is one of the pillars for the expansion of a region's economy and a source of foreign exchange for Indonesia,

as it is the supplier of the most important resources for the country's economic growth.

The term “audit delay” refers to the period required by auditors to produce audited financial statements, starting from the date of the entity’s annual financial statements. An audit report is considered late if it exceeds the deadline of 120 days set by the OJK after the publication of the annual financial report (Takalumang, 2022). Based on the information provided by Ferry Sadirana on the CNBC news site, there was one case in which the mining company PT Garda Tujur Buana Tbk had failed to submit its audited financial statements for 2020 to the stock exchange as of July 31, 2021. Not just one company, but there are still many companies that have experienced similar cases and based on the records of the Indonesian Stock Exchange, in 2016, there were 17 companies, in 2017, there were ten companies, in 2018 there were five companies, and in 2019 there were five companies. There were 26 companies, and in 2020 there were 88 companies. Late submission of audited annual financial reports. This means that there are still many publicly traded companies that still experience delays in auditing (Kristiana & Annisa, 2022).

Factors affecting audit delays include financial difficulties and audit fees. The two factors can be explained by the first factor, namely that the condition of the entity in the financial sector affects the performance of the entity so that the entity is unable to meet its obligations. If the entity is unable to meet its obligations, and if it does so continuously, it will go into bankruptcy, a condition referred to as financial distress or financial distress (Takalumang, 2022). Amellia (2022) argues that public companies that run into financial difficulties are certain to have a bad image in the public eye. The second factor is the audit fee, which is a fee paid to the auditor for services provided to the company during the audit process. The amount of costs incurred by the company was agreed upon by both parties (Foster et al., 2021). The examination fee is very important for the discussion and the determination must be agreed by both parties. If the audit fee is sufficient, the auditor is liable to his client following the agreement (Pratiwi et al., 2019).

Based on studies by Candra & Anggraeni (2019) and Kristiana & Annisa (2022), state that financial hardship has a significant negative impact on audit delay. Meanwhile, Fairuzzaman's research (2022) concluded that a positive effect is not significant. The study on examination fees conducted by Sofiana et al., (2018) and Hernadi & Munandar (2022) concluded that examination fees have a significant impact on audit delay. Meanwhile, the studies by Castio & Lovita (2020) and Purba et al., (2022) concluded that examination fees do not have an impact on examination delay. Therefore, the researchers selected these two variables based on the various researchers mentioned above as independent variables in this study, so the study was conducted to determine the impact of the three independent variables, namely financial hardship, and examination fees, on examination delay. The data come from mining companies listed on the Indonesian stock exchange in 2019, 2020, and 2021.

RESEARCH METHODS AGENT THEORY

Jensen & Meckling (1976) was the first researcher to use agency theory, which is defined as the relationship between companies, which are a collection of contracts (contract nexus) with owners of economic resources (clients), and managers as agents who regulate the use and control of these resources. In this study, which uses agent theory to describe the relationship between managers and

owners, where the principal is the owner who provides or distributes information to the agent as manager, this serves information processing. The results feed into the decision-making of the headmaster. However, if the manager does not make the right decision to fulfill the will of the client, problems will arise as a result. Audit delays are an important factor in the implementation of agency theory (Fairuzzaman, 2022).

Audit Delays

Takalumang (2022) The term “audit delay” refers to the period it takes an auditor to issue an audited financial report, beginning with the date of the company’s annual financial report. An audit report is deemed to be overdue if it exceeds the 120-day deadline set by the OJK after the publication of the annual financial report. This variable is measured by the difference between the days or dates included in the audited financial report minus the date of the financial statements (Hernadi & Munandar, 2022) To put it :

$$= -$$

Financial Hardship

Putri (2022) Financial distress is a situation in which a company experiences financial difficulties and affects the company's performance so that the company is unable to meet its obligations, and if the company is permanently unable to meet its obligations, the company faces insolvency. Sofiana et al., (2018) argues that financial difficulties can cause companies to tend to file their financial reports in a less timely manner compared to companies that do not experience financial difficulties. Prihadi (2019:471) calculated financial distress using the Z-score formula to predict the extent of insolvency. The Altman Z-Score formula used is as follows:

$$Z = 6,56_1 + 3,26_2 + 6,72_3 + 1,05_4$$

Information:

" : Z-score value

1: Working capital / Total assets.

2: retained earnings / total assets.

3: EBIT / balance sheet total

4: Fair value of equity / carrying amount of total liabilities.

In discriminant conditions, if $Z > 2.6$, there is no distress, and if the value of $Z < 1.1$, it is a company in financial distress.

Examination Fees

Zusraeni & Hermi (2020) also considers that the audit fee is a fee paid to the auditor in return for the services he or she provides in preparing and completing the task of a financial audit report. The amount of the fees to be paid shall be determined by agreement between the two parties. The measurement method is replaced by the fees or professional services included in the financial statements, which are measured using the natural logarithm of fees (Putri, 2022) with the formula:

$$= ()$$

Population And Sample

This study uses a quantitative method in which variables are tested in the form of numbers. The data used are secondary data taken from the official website of the Indonesian Stock Exchange www.idx.co.id. The population of this study is

a registered mining company and the sample used consists of 66 samples. Determine the sample in this study based on several criteria that must be met, namely mining companies listed on the Indonesian stock exchange in 2019, 2020, and 2021, companies that publish their financial reports successively, and companies that experience delays in reporting their financial reports.

Data Analysis Descriptive Statistics

Descriptive statistics refer to figures that are later processed into various relevant issues. The resulting output is in the form of a table or graph that represents a summary of the data, which can be interpreted as an attempt to describe the data by various statistical measures (Santoso, 2017:3). This study describes the data of the independent variables and the dependent variables.

Classic Acceptance Test

This test includes the normality test, multicollinearity test, autocorrelation test, and heteroskedasticity test, which aims to provide sufficient confidence about the reliability of the data before performing the regression analysis. The normality test aims to find out, using decision-making based on the results of the Kolmogorov-Smirnov test, whether the residual variables in the regression model have a normal or abnormal distribution (Santoso, 2019:202) **if the variable has an If value is <0.05, this model is also not normal, otherwise a value of > 0.05 means that this model is normal.**

The multicollinearity test aims to find out if there is a correlation between the independent variables in the regression model by considering the values included in the tolerance and VIF table, if the tolerance value is > 0.10 and the VIF value is <10.00, then multicollinearity does not occur, on the contrary also. The Durbin-Watson table is used for the autocorrelation test, which is then compared with the correlation value. The next test is the heteroscedasticity test, which can be performed using a scatter plot based on decision-making. If the pattern is spread out in the graph and does not form a pattern, there is no heteroskedasticity.

Multiple Linear Regression Analysis

This analysis was performed to find out how much influence the independent variables have on the dependent variable. Regardless of the regression model used to test the equation, it can be formulated as follows:

$$= + 1 + 2 +$$

Note: AUDLAY = audit delay, a = constant, β = regression coefficient, FD = financial distress, AF = audit fee, ε = error.

Simultaneous Test (Test F)

The model feasibility test is a testing procedure whose objective is to test the feasibility of the regression model used in the research simultaneously or contemporaneously (Candra & Anggraeni, 2019). When testing simultaneously in this research, the signal level or value is used. If the significance value is <0.05, we can say that the regression model is feasible or acceptable to explain the effect of the independent variables on the dependent variable. This test can be seen in the ANOVA table.

Level Of Certainty

The measure of certainty ($\text{Adj } R^2$) measures the extent to which the model can explain the variation of the dependent variables. The value ($\text{Adj } R^2$) is a value between zero and one (Candra & Anggraeni, 2019). The determination value is the value of 0 and 1, the small value of R^2 means that the ability of the independent variable to explain the variation of the dependent variable is very limited.

Subtest (t-test)

The t-test is used to measure the effect of each variable to explain the variation in the dependent variable at a 0.05 significance level. If the significance value of each variable is <0.05 , we can say that the independent variable has a partial effect on the dependent variable, and if it is negative, we can say that it has a negative effect, and if it is positive, it has a positive effect (Hernadi & Munandar, 2022).

RESULTS AND DISCUSSION

The study uses mining companies listed on the Indonesian stock exchange for 47 companies. After examination or sampling of the results, only 22 companies meet the necessary criteria. The observation period covered three years, namely 2019, 2020 and 2021.

Results of descriptive statistics

Table 2. Descriptive Statistical Test

Variable	N	Min	Max	Mean	Std. Deviation
<i>Financial Distress</i>	66	-3819,31	2677,09	89,2139	713,20043
<i>Fee Audit</i>	66	18,85	25,50	22,3292	1,84691
<i>Audit Delay</i>	66	49,00	202,00	122,9848	27,95738

Source: Data processed by SPSS 24 in 2023

1. The variable 'Financial distress' has an average value of 89.2139 with a standard deviation of 713.20043. Financial distress shows that the highest or maximum value is 2677.09 and the minimum value is -3819.31.
2. The audit fee variable can be described by looking at the average of 22 enterprises out of 22.3292 with a standard deviation of 1.84691. The lowest value of the examination fee is 18.85 and the highest value is 25.50.
3. The audit delay variable shows an average value of 122.9848 with a standard deviation of 27.95738. The highest score for the Company is 202.00, which means that the auditor conducts an audit to report audited financial reports for 202 days from the closing date of the Company's financial report. The lowest value is now 49.00, which means that the auditor audits the financial statements and reports the audited financial statements for only 49 days.

Results of the Classic Acceptance Test

1. Normality Test

Table 3. Normality test

Unstandardized Residual	Information
<i>Asymp. Sig. (2-tailed)</i> ,072	Normalverteilung

Source: Data processed by SPSS 24 in 2023

In Table 3, the results of the normality test using the Kolmogorov-Smirnov test with a level of significance confirmed by the results of the Asymp value. Sig (2tailed) is 0.72, which means it is greater than 0.05. From these results, it can be concluded that the residual values are normally distributed.

2. Multicollinearity Test

Table 4. Multicollinearity test

Variable	Tolerance	VIF	Information
<i>Financial Distress</i>	,938	1,067	There is no multicollinearity.
<i>Fee Audit</i>	,938	1,067	There is no multicollinearity.

Source: Data processed by SPSS 24 in 2023

In Table 4. the results of the multicollinearity test show that in this test, the variables of financial burden, exam duration, and exam fee have a tolerance value of > 0.10 and a VIF value of < 10.00 . From this, it can be concluded whether the variables in the study are free of multicollinearity, or no multicollinearity occurs.

3. Autocorrelation Test

Table 5. Autocorrelation test

dL	dU	DW	4-dU	4-dL	Information
1,5395	1,6640	$< 2,137$	$< 2,336$	2,4605	There is no autocorrelation

Source: Data processed by SPSS 24 in 2023

In Table 5, the results of the autocorrelation test are obtained from the calculation of the Durbin-Watson test with a sample of 66 with 2 variables by looking at the DW table when $K = 2$ because the independent variables are 2, with $n = 66$. After all, the research sample used is 66 samples, the dL value (lower limit) is 1.5395 and the dU value (upper limit) is 1.6640. Thus, the value of $dL < DW < dU$ is $1.5395 < 2.137 < 1.6640$, so it can be concluded that the test did not show autocorrelation in this study.

4. Heteroskedasticity Test

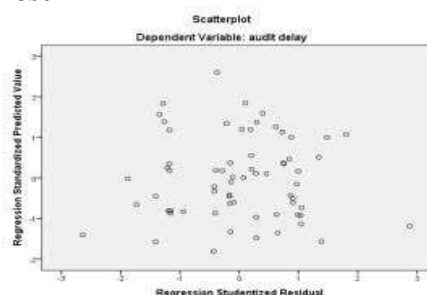


Figure 1. Heteroskedasticity test

Source: Data processed by SPSS 24 in 2023

The scatter plot does not form a regular pattern and the points are distributed above and below the number 0 on the Y-axis so that heteroskedasticity does not occur.

5. Multiple Linear Regression Analysis

Table 6. Multiple Linear Regression Test

Variable	Unstandardized Coefficients	
	B	Std. Error
(Constant)	115,313	4,687
FINANCIAL DISTRESS	,002	,000
FEE AUDIT	-,055	,209

Source: Data processed by SPSS 24 in 2023

The following is the regression model in this study:

$$= 115.313 + 0.002 - 0.055 +$$

Information:

$$= \text{Audit Delay} = \text{Fee Audit} \\ = \text{Financial Distress} = \text{Error}$$

1. The constant value is 115,313. The value of the audit delay can be assumed to be 73.114 if the financial burden, duration, and fees are 0 (zero).
2. The regression coefficient for the variable Financial distress is 0,002. Therefore, the audit delay can be expected to increase by 0.002 if the variable 'Financial distress' increases by 1 %.
3. The regression coefficient for the fee variable is -0.055. It can therefore be assumed that an increase in the examination fee variable of 1% increases the examination delay by -0.055.

6. Simultaneous Test Results

Table 7. F test

Model	F	Sig.	Information
1	6,234	,003 ^b	Influential

Source: Data processed by SPSS 24 in 2023

From Table 7, it can be explained that in this study, Sig. 0.009, from which it can be concluded that the value is <0.05, which means that the independent variables simultaneously affect the dependent variable.

7. Determination Coefficient Results

Table 8. Coefficient of Determination

Model	R Square
1	,128

Source: Data processed by SPSS 24 in 2023

The results in Table 8 explain that the test results for the measure of determination are at the R-square value of 0,128. It can therefore be concluded that the independent variables financial distress, audit duration, and audit fees in this study can only explain 12.8% of the audit delay variables, whereas the model does not have a high value in explaining the dependent variables. While the remaining 87.2% of the audit delay of the dependent variables is explained by other variables outside this study.

8. Hypothesis Testing Results (Partial Test)

Table 9. T test

Model	t	Sig.	Information
FINANCIAL DISTRESS	3,418	,001	Influential
FEE AUDIT	-,264	,792	No effect

Source: Data processed by SPSS 24 in 2023

1. Testing the hypothesis of financial distress concerning the audit delay
Based on the results of the t-test for the independent variable financial distress, it has a significant value of 0.001, which is less than 0.05. Thus, it can be concluded that financial hardship has a significant impact on the audit delay. In this study (H1) was accepted.
2. Testing the Examination Fee Hypothesis about Examination Delay
Based on the results of the t-test, the fee variable has a significant value of 0.792, which is greater than 0.05. The result can then be achieved that the examination fee does not have a significant influence on the examination delay. In this study (H2) was rejected.

DISCUSSION

Based on the results of the tests carried out, the variable ‘financial distress’ has a positive impact on the audit delay. The greater the financial difficulties in the company, the longer it takes for the financial audit to be completed. This is because companies in financial difficulty tend to be exposed to a high level of audit risk, in particular concerning control risks and exposure risks. In the case of this risk, the examiner shall perform a risk assessment before the conduct of the review process, at the time of the review planning. This process may result in a lengthy audit process and may affect the Company's compliance with its obligations to submit audited financial reports to the stock exchange, so the Company may be expected to experience audit delays. This statement suggests that financial distress has an impact on audit delay, as it takes time for the auditor to identify companies that are in distress.

The last variable shows that the results of the audit fees do not have an impact on the audit delay, which is supported by the studies of Purba et al (2022), Foster et al (2021), Castio & Lovita (2020), and Damayanti (2022), which show that the audit fees do not have an impact. An audit delay due to the number of fees paid to the auditor cannot have an impact on the conduct of the audit process, as the auditor will continue to work professionally. The amount of the fee received depends on the risk of the contract and the complexity of the services provided as well as the required expertise. The company's high audit fee is also due to the high number of hours and staff, as well as certain audit techniques and technologies used by the auditor during the audit process.

CONCLUSION

Financial distress, measured using the Altman Z-Score formula with a dummy variable, indicates that financial distress has a significant impact on audit delay. The audit fees shall be calculated based on the natural logarithm of the fee account included in the notes to the financial statements of the entity. The results of the data analysis show that the audit fee does not affect the audit delay, as the amount of the fee paid to the auditor depends on the risk of the contract, the number of audit staff, and the complexity of the services provided. As a suggestion

of this study, it is hoped that future research may broaden the scope of research by using several additional research variables which may affect audit delay, such as KAP size, solvency, profitability, etc.

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THE EFFECT OF AUDITOR COMPETENCE AND PROFESSIONALISM ON AUDITOR PERFORMANCE (EMPIRICAL STUDY ON THE INSPECTORATE OF MALUKU PROVINCE AND AMBON CITY)

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ABSTRACT

This study aims to be able to analyze and know the roles and functions of the Provincial and Regency/City Inspectorates in general according to what is regulated in article 4 of the Minister of Home Affairs Regulation No. 64 of 2007. As well as being able to analyze the competence and professionalism of the auditors. This study uses a quantitative method with an empirical study approach. The data collection technique is to distribute and fill out research questionnaires which is distributed to the auditors in inspectorate of Maluku province and Ambon city. The results of the research show that the competence of an auditor greatly influences the performance of an auditor, Meanwhile, the professionalism of an auditor does not affect the performance of an auditor.

Keyword: *Inspectorate, Auditor, Competence, Professionalism, Auditor Performance*

INTRODUCTION

The roles and functions of the Inspectorate (Provincial, Regency/City) in general are regulated in article 4 of Minister of Home Affairs Regulation No. 64 of 2007. In that article it is stated that in carrying out the task of supervising government affairs, the provincial, regency/city inspectorate has the following functions: first, planning the supervision program; second, formulation of policies and supervision facilities; and third, inspection, investigation, testing, and assessment of supervisory duties.

The phenomenon that occurs in the government related to the quality of audit results; the prosecutor's office regrets the work of the Ambon City government inspector (Rakyat Maluku, Wednesday, January 30, 2019) The Ambon District Prosecutor's Office (Kejari) investigator team regrets the performance of the Ambon City Government Inspectorate auditor team. Because, since 2019 until now, they not published audit results on alleged misappropriation of Village Funds (DD) and Village Fund Allocations (ADD) Urimessing Village.

There was also a case covered by (AMBON, Siwalimanews, 29 October 2021), the Maluku Provincial Inspectorate and the Attorney General's Office were asked to be transparent in the case of alleged corruption in alleged fraud funds and the use of BPJS service funds for Covid patients at Dr. H Ishak Umarela Hospital, Tulehu Village, Salahutu District, Central Maluku Regency. According to the head of the Maluku Provincial Inspectorate, Ros Soamole, the results of an audit of alleged irregularities in Covid funds at the Dr. H Ishak Umarela hospital have been submitted to prosecutors since last week. This statement is different from the prosecutor's statement. According to the Head of Intelligence at the Ambon

Prosecutor's Office, Djino Talakua, they are still waiting for the results of an audit on alleged corruption in BPJS services for Covid patients at the Dr. H Ishak Umarela Hospital from the Government Internal Monitoring Apparatus (APIP) Maluku Province.

Based on the cases and phenomena above, the auditor's performance has become a topic of conversation in society, especially users of audit reports issued by auditors. The performance of auditors is increasingly being doubted by the public because of delays and conducting audits for years with no results.

Auditor performance, namely the results of his work achieved while carrying out his duties and obligations imposed on him based on expertise, experience, and timeliness which are measured through considerations of quantity, quality, and timeliness (Z. Fanani, 2008). One of the factors that can support to improve the performance of internal auditors is competence. Competence is the qualification required by the auditor to carry out the audit properly (Sukriah et al., 2009). Besides Auditor Competency, another factor that influences auditor performance is auditor professionalism. An auditor must also have professionalism..Auditor professionalism is the auditor's skills, ability, and commitment when carrying out their duties which are prudent, thorough, and based on standardization and applicable laws (SPAI, 2004).

Based on the background previously described the formulation of the problem in the following research activities is:

1. Does the competence of the auditor affect the performance of the auditor?
2. Does the professionalism of the auditor affect the performance of the auditor?

LITERATURE

In this study, researchers used attribution theory. According to Fritz Heider in Queena (2012) attribution theory is a theory that provides an explanation regarding individual behavior. Attribution theory provides an explanation regarding the process of how we determine a cause or motive regarding individual behavior.

Based on attribution theory which states that competence is an internal factor or internal attribute related to a person's behavior, attitude and character. Likewise, internal auditors in carrying out and carrying out their duties or behavior audit activities are supported by internal and external strengths obtained through competence. Government internal auditors who have competence will have good performance. Research conducted by Hayuningtyas Pramesti Dewi (2020) proves that competence influences auditor performance. Contrary to this research, there is research conducted by Snow, Rismawati & Muhammad Dirga Bachtiar (2014) proving that competence does not affect auditor performance. Based on the concepts and results of previous research, the hypotheses that can be developed are as follows:

H1: Competence has a positive effect on auditor performance.

In accordance with the attribution theory used in research activities, an auditor's behavior can be influenced by the ability, expertise, honesty, commitment from within himself to carry out his responsibilities and duties with the principle of prudence and thoroughness. Research conducted by Muhammad Rizkia (2019) proves that professionalism affects auditor performance. Based on the concepts and results of previous research, the hypotheses that can be developed are as follows:

H2: Professionalism Has a Positive Effect on Auditor Performance

In this study, the research locations were in the Maluku Provincial Inspectorate and Ambon City. The object of this research is the auditor. The population is the auditors who work at the Maluku Province Inspectorate and those who work at the Ambon City Inspectorate. Sampling in this study using all of population. questionnaires distribute for the sample and using multiple regression to analysing data.

Data collection was carried out by distributing questionnaires which were carried out for 29 days, from 18 May 2023 to 16 June 2023.

Table 1 Data distribution

No		Distribution Amount	Return Amount
1	Questionnaires distributed at the Inspectorate of the Province of Maluku	23	23
2	Questionnaires distributed at the Ambon City Inspectorate	20	20

All questionnaires distributed were returned.

The validity test is carried out using the moment correlation formula product proposed by Pearson in Arikunto (2006). Reliability test can be measured using Alpha Cronbach (Arikunto, 2006:178). A reliable variant if it has a Cronbach's Alpha value > 0.60 .

The level of validity and reliability test is valid and reliable.

For the normality, multicollinearity and heteroscedastic test in assumption classic test is not problem and the data be able to regression test. The t test for this study show in table 2:

Table 2 t test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,977	5,688		1,754	,047
	Competence	,128	,067	,278	1,899	,045
	Professionalism auditor	,175	,105	,246	1,977	,101

a. Dependent Variable: Auditor Performance

Table 3 Hypothesis Testing Results

	Hypothesis	Result	Accept/reject
H1	Auditor competence has a positive effect on the performance of internal auditors	The value of t count is $1.899 > t$ table is 1.685 with sig. $0.045 < 0.050$	Accepted

H2	Auditor professionalism has a positive effect on the performance of internal auditors	Value of t count $1.977 > t$ table 1.685 with sig. $0.101 > 0.050$	Rejected
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Statistical testing on the hypothesis (H1) proves that auditor competence has a positive and significant effect on the performance of internal auditors. This means that H1 is accepted. The results of this study are supported by previous research conducted by Hayuningtyas Pramesti Dewi (2020), Safrizal, et al (2020), Istiariani (2020) stated that auditor competence has a positive effect on auditor performance. So, the more competent an internal auditor is in carrying out his auditor's function and increasing his ability to think creatively, the more the performance of an auditor will increase.

Statistical testing on the hypothesis (H2) proves that auditor professionalism influences the performance of internal auditors. This means H2 is rejected. The results of this study are in contrast to previous research conducted by Garusu (2020) and Monique (2020) stating that professionalism has a positive effect on auditor performance.

CONCLUSION

1. The higher the competence of an internal auditor, the better the performance he will produce.
2. The higher the professionalism of an internal auditor, it is not necessarily able to improve the performance of an internal auditor.

The results of this study are expected to be input for the Inspectorate auditor because in order to produce a quality audit an auditor needs to have and improve competence and professional attitude, by carrying out his supervisory function independently without the influence of others, so as to produce good and quality performance.

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DIFFERENCES IN PERCEPTIONS OF PRACTICING ACCOUNTANTS AND EDUCATOR ACCOUNTANTS ON PROFESSIONAL ETHICS IN THE ACCOUNTING PROFESSION

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ABSTRACT

This study aims to examine the perception between Practicing Accountants and Educator Accountants on the Professional Ethics of Accountants. Research samples were taken from Practising Accountants and Educator Accountants spread across Banjarmasin City. Hypothesis testing is performed using the Difference Test (Mann-Whitney U Test). The test results show that there is a difference in perception between Practicing Accountants and Educator Accountants on the principle of integrity. However, there is no significant difference in perception between Practicing Accountants and Educator Accountants on the principle of objectivity, the principle of professional competence and prudence, the principle of confidentiality, and the principle of professional conduct.

Keywords: *Accountant Professional Ethics, Practicing Accountant, Accountant Educator.*

INTRODUCTION

Professional ethics is a goal so that every professional holder remains in professional values, responsible and upholds the profession held by members of the profession Muchtar (2016: 95). The professionalism of a profession requires three main things that must be possessed by every member of the profession, namely expertise, knowledge, and character. Character shows the personality of a professional which is shown in ethical attitudes and actions.

Several studies show differences in perceptions between practicing accountants and educator accountants on the ethical principles of the accountant profession (Mintoro and Hersona, 2021; Muhdin, et al 2019; Syarah 2011; Widyawati, et al., 2015; Widyasmono 2012). Other studies have shown that there is no difference in perception between practicing accountants and educator accountants on the ethical principles of the accountant profession (Ariestyo 2007; Ardiani, Sunarsih & Pramesti 2020). This research offers several contributions: first, as an empirical fact regarding the perception of accountant professional ethics. Second, contribute to improving the quality of professional ethics education and in the development of the accountant profession. Third, explore testing by expanding sampling that is still rare.

THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESIS

In brief, the theoretical framework presenting the figure follows.

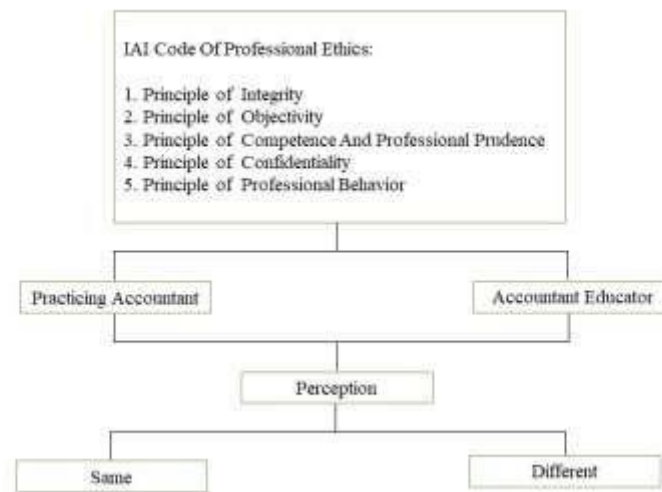


Figure 1 Theoretical Framework Model

Perceptions of the Accountant's Professional Code of Ethics

The hypotheses were formulated as follows:

- H1: There is a difference in perception between practicing accountants and educator accountants on the principle of integrity in the accountant's professional code of ethics.
- H2: There are differences in perception between practicing accountants and educator accountants on the principle of objectivity in the accountant professional code of ethics.
- H3: There is a difference in perception between practicing accountants and educator accountants on the principles of professional competence and prudence in the accountant professional code of ethics.
- H4: There is a difference in perception between practicing accountants and educator accountants on the principle of confidentiality in the accountant's professional code of ethics.
- H5: There is a difference in perception between practicing accountants and educator accountants on the principles of professional behavior in the accountant professional code of ethics.

METHOD

This study was carried out using *purposive sampling*. The data source is primary data obtained through questionnaires distributed to practicing accountants and educator accountants in Banjarmasin City. This instrument is measured by 9 case questions using the *Likert* scale, when responding to questions on the Likert scale, respondents determined their level of agreement with a statement by choosing one of the available options. Usually, five scale options are provided in the format answer 5 strongly disagrees, 4 disagrees, answer 3 is uncertain, answer 2 affirmatively, and answer 1 strongly agrees.

RESULT AND DISCUSSION

Test Validity and Reliability

The data is completed with validity and reliability tests so that it can be said that all the concept of measuring variables used in this study is valid and reliable.

Hypothesis Testing

Table 1 Kolmonogrof-smirnov Test (KS Test)

One-Sample Kolmogorov-Smirnov Test						
		Principle of integrity	Principle of objectivity	Principles of professional competence and prudence	Principles of confidentiality	Principles of professional behavior
N		34	34	34	34	34
Normal Parameters	Mean Std. Deviation	8.12 1.591	8.35 1.686	6.21 1.839	2.79 1.366	8.12 1.919
Most Extreme Differences	Absolute Positive	.176 .118	.211 .164	.250 .250	.194 .170	.211 .163
	Negative	-.176	-.211	-.191	-.194	-.211
Test Statistic		.176	.211	.250	.194	.211
Asymp. Sig. (2-tailed)		.009 ^c	.001 ^c	.000 ^c	.002 ^c	.001 ^c

The overall value of the *Sig. KS Test* < 0.05 so that data can be stated on the principle of integrity, the principle of objectivity, the principle of professional competence and prudence, the principle of confidentiality, and principle of abnormal distribution of professional behavior, a nonparametric test will be used, namely *the Mann-Whitney U test*.

Table 2 Average Group of Accountants

Main work		PIN	POB	PKOM	PKR	PPP
Practicing accountant	Mean	7.69	8.15	6.69	2.69	7.77
	N	13	13	13	13	13
	Std. Deviation	0.947	1.519	1.316	1.316	1.964
Educator accountant	Mean	8.38	8.48	5.90	2.86	8.33
	N	21	21	21	21	21
	Std. Deviation	1.857	1.806	2071	1.424	1.906
TOTAL	Mean	8.12	8.35	6.21	2.79	8.12
	N	34	34	34	34	34
	Std. Deviation	1.591	1.666	1.839	1.366	1.919

Table 3 Mann-Whitney U. Test

No.	Variable	Sig. (2-tailed)	Description
1.	Principles of Integrity	0,035	There are differences
2.	Principle of Objectivity	0,362	There is no difference
3.	Principles of Professional Competence and Prudence	0,119	There is no difference
4.	Principle of Confidentiality	0,715	There is no difference

5.	Principles of Professional Conduct	0,317	There is no difference
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Integrity Principles

The 1st hypothesis is accepted. Differences in perception occur due to differences in the implementation of the principle of integrity in its application in the field. Accountants practicing as practical executors who are also their business certainly expect a little leeway in the technical application of this integrity principle, especially those that are considered to hinder their efforts in getting clients. The finding of this study is in line with Syarah (2011); Widyasmono (2012); Widyawati & Ika (2015); Susilowati (2015); Muhdin (2019); Mintoro & Hersona (2021) which states that there are differences in perception between practicing accountants and educator accountants on the principle of integrity in the accounting profession.

Principle of Objectivity

The 2nd hypothesis is rejected. The principle of objectivity requires an accountant to be fair, impartial, intellectually honest, not prejudiced or biased, and free from conflicts of interest or under the influence of other parties. The principle of objectivity contained in accountant professional ethics is intended to be obeyed, the results of the study provide an illustration that practicing accountants and educator accountants have a consistent understanding of the principle of objectivity and apply it in the field. The results of the study are in line with Ariestyo (2007) and Ardiani, Sunarsih, & Pramesti (2020) which states that there is no difference or similarity in perception between practicing accountants and educator accountants on the principle of objectivity.

Principles of Professional Competence and Prudence

The 3rd hypothesis is rejected. Accountants practicing as practitioner executors who are also businesses will certainly uphold the principles of professional competence and prudence that greatly affect the performance of KAP, KJA, or where they work. Likewise, educator accountants who are academics certainly have the same sensitivity to the principles of professional competence and prudence in practice, namely delivering learning to students who are also prospective accountants.

The finding of this study is in line with Ariestyo (2007) and Ardiani, Sunarsih, & Pramesti (2020) who stated that overall, there is no difference in perception between the group of practicing accountants and educator accountants on the accountant professional code of ethics, including the principles of professional competence and prudence.

Principle of Confidentiality

The 4th is rejected. It is a must for practicing accountants or educator accountants to respect and always keep client secrets or secrets in their work environment so as not to be known by the outside community.

The results of this study are in line with Ariestyo (2007) and Ardiani, Sunarsih, & Pramesti (2020) who stated that there are no differences in perception or similarity in perception between practicing accountants and educator accountants towards the principle of confidentiality in the accountant professional code of ethics.

Principles of Professional Conduct

The 5th is rejected. Basically, every accountant, both practicing accountants and educator accountants, is required to behave in a manner consistent with the good reputation of the profession and stay away from actions that can discredit the profession. Practicing accountants who strive optimally to provide the best service to their clients and educator accountants who have an important role in delivering learning to prospective accountants. The results of this study are in line with Ariestyo (2007) and Ardiani, Sunarsih, & Pramesti (2020) who stated that there are no differences in perception or similarity in perception between practicing accountants and educator accountants on the principles of professional behavior in their application in their respective work environments.

CONCLUSION

The Accountant Professional Code of Ethics is designed to be followed by all accountants, particularly those listed in it, including accountants working in businesses and practicing accountants serving the public. Educator accountants, though not directly bound by the Accountant Professional Code of Ethics in their practice, still have a significant role in shaping the future of professional accountants. Through their teaching, they still have an understanding of accountant professional ethics in students, and these perceptions and views held by educator accountants are likely to be adopted by prospective accountants.

This study concluded that there are indeed differences in perception between practicing accountants and educator accountants, but not across all principles. In the principles of objectivity, professional competence and prudence, confidentiality, and professional behavior, no significant differences in perception were found. This indicates that these principles are consistently understood and well-applied in the field by both groups. However, concerning the integrity principle, differences were observed. Various factors account for these differences in its application in the field. Further research and analysis are required to understand these factors fully.

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**THE EFFECT OF AUDIT COMMITTEE EFFECTIVENESS,
ACCOUNTING COMPLEXITY, PROFITABILITY, AND LIQUIDITY
ON AUDIT REPORT LAG (EMPIRICAL STUDY ON LQ-45
COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE
IN THE YEAR 2018-2021)**

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ABSTRACT

The objective of this study is to investigate the delay in audit reports. The study examines four independent variables, namely the effectiveness of the audit committee, accounting complexity, profitability, and liquidity, in relation to the dependent variable, which is the audit report lag. The research approach adopted in this study is quantitative, utilizing secondary data obtained from the annual financial reports of companies listed on the Indonesia Stock Exchange (IDX). The population for this study consists of LQ-45 companies listed on the IDX from 2018 to 2021. Purposive sampling was employed as the sampling method, resulting in a sample size of 106 LQ-45 companies over the four-year period. The collected data was analyzed using SPSS version 25, employing descriptive statistical tests, classical assumption tests, multiple linear regression analysis, and hypothesis testing as the data analysis techniques. This study's findings indicate that the audit committee's authority, accounting complexity, and profitability significantly impact the audit report lag. However, liquidity was found to have no significant effect on the audit report lag.

Keywords: *Audit Report Lag, Audit Committee Effectiveness, Accounting Complexity, Profitability, liquidity, Indonesia Stock Exchange.*

BACKGROUND

For publicly listed companies, investors are the primary suppliers of capital, and their trust and confidence are of utmost importance. Establishing and maintaining this trust relies on providing financial reports that offer both quantitative and qualitative insights into the company's performance and financial condition. These reports are prepared in accordance with the Financial Accounting Standards (FAS or Standar Akuntansi Keuangan (SAK)). Based on the International Financial Reporting Standards (IFRS), one of the qualitative characteristics outlined in the conceptual framework for preparing financial statements is relevance. According to Alfredson, as cited by (Rusmin and Evans, 2017), for financial information to be considered relevant, it should possess qualities that have a significant effect on the economic decision-making of those who use the information.

According to the Indonesian Institute of Accountants (2019), the objective of financial reports is to provide financial information regarding the reporting entity that is beneficial for current investors, prospective investors, lenders, and other creditors in making decisions related to the allocation of resources to that entity. Financial reports serve as a reflection of the company's financial position

and performance. Furthermore, financial reports also function as a means of communication between the management (internal to the company) and external parties.

According to Yahya (2021), companies that fail to comply with the designated deadline for submitting audited annual financial reports are subject to sanctions and penalties imposed by the Financial Services Authority (Otoritas Jasa Keuangan or OJK). Consequently, auditors are required to exercise caution and precision in conducting audits of financial reports, as any deterioration in auditor performance quality can threaten the company's future and contribute to an increase in the delay of submitting audit reports (audit report lag). The Capital Market and Financial Institutions Supervisory Agency (Bapepam and LK) has issued regulations regarding the prescribed timeframe for the submission of financial reports.

In practice, there are still many cases of delayed submission of audit reports in Indonesia. According to a report by Neraca.co.id (2018), on October 8, 2018, PT Bursa Efek Indonesia (BEI) imposed sanctions on 15 issuers. Several of these issuers were even fined amounts ranging from Rp 50 million to Rp 150 million. This information was announced through a press release in Jakarta. Rina Hadriyani, Head of Corporate Assessment Division I at the Indonesia Stock Exchange (IDX), stated that "only 15 issuers have not submitted their financial reports as of June 30, 2018." One of the 612 issuers, PT Buana Lintas Lautan Tbk (BULL), was fined Rp 50 million and received written warnings I and II for exceeding the deadline for submitting the audit report for the first half of 2018. Meanwhile, the other 10 issuers received a written warning I as of October 1, 2018, for failing to submit audited financial reports as of June 30, 2018.

The phenomenon of audit report lag is a recurring issue in Indonesia, as previously discussed. The latest phenomenon relates to audit report lag based on the monitoring of data from the Indonesia Stock Exchange (IDX). It has been found that as of May 9, 2022, 91 listed companies had not yet submitted audited financial reports for the period ending on December 31, 2021. Referring to provision II.6.1 of Exchange Regulation Number I-H on Sanctions, the IDX has issued Written Warning I to these 91 Listed Companies for their failure to comply with the timely submission obligation of Audited Financial Reports for the period ending on December 31, 2021. Among these 91 companies issued with Written Warning I, there is also a company included in the LQ-45 index, namely PT Medco Energi Internasional Tbk (MEDC) (www.idx.co.id, 2022).

Among the multitude of internal factors that impact audit report delays, accounting complexity is recognized as a significant factor influencing such delays. The degree of complexity within a company can be evaluated based on the presence of segments or subsidiary entities it possesses. Companies with subsidiary entities aim to increase sales and revenue, thereby increasing the company's overall value. The audit process for companies with subsidiary entities necessitates a longer duration due to the intricate nature of the transactions involved and the requirement to audit consolidated financial statements (Handoyo & Maulana, 2019).

Another influential factor contributing to audit report delays is profitability. According to Ang (1997) and Dura (2018), profitability ratios serve as measures of a company's success in generating profits. The level of profitability within a company reflects the effectiveness that needs to be achieved in its operations. A company's profitability serves as an indicator to evaluate the effectiveness of its

policies and decisions implemented during a specific accounting period. The Return on Assets (ROA) ratio is used to indicate profitability.

The liquidity ratio assesses a company's ability to fulfil its liabilities or debts promptly. There are three commonly used liquidity ratios: the current ratio, the quick ratio (or acid test ratio), and the cash ratio, along with the cash turnover ratio and inventory turnover ratio to net working capital. In this research, the current ratio is used as a measure to gauge the level of liquidity within the company.

The effectiveness of the audit committee represents an external factor that significantly gives effects audit report delays. The audit committee assumes a critical role in corporate governance, particularly in enhancing the quality of financial reporting (Ika and Ghazali, 2012; Abdillah et al., 2019).

LITERATURE REVIEW

Agency theory provides an explanation of the relationship involving the owners or shareholders as principals and the company's management as agents. In the context of agency relationships, contracts are established between one or more individuals acting as principals and other individuals acting as agents to carry out tasks in accordance with the interests of the principals, accompanied by the delegation of decision-making authority to the agents (Jensen and Meckling, 1976; Abdillah et al., 2019). Agency theory is based on the assumption that the separation of ownership and management in a company can give rise to agency problems (Hamdani, 2016).

Based on Hery's (2016) statement, financial reports are the outcome of the accounting process, serving as a crucial means of communicating financial data and the activities of a company to stakeholders. These reports play a significant role as information tools that connect the company with interested parties, providing an overview of the financial condition and performance of the company. Additionally, financial reports encompass the management's accountability for the stewardship of entrusted resources.

Audit report lag refers to the duration it takes for auditors to finalize the audit process of a company's financial reports after the company's fiscal year-end (Carslaw and Kaplan, 1991; Bamber et al., 1993; Abdillah et al., 2019). To measure audit report lag, the number of days between the company's fiscal year-end (starting from January 1) and the date of signing the independent auditor's report (IAR) by the auditors, as documented in the company's audited financial reports, is calculated.

According to the research conducted by Abdillah et al. (2019), accounting complexity refers to the level of complexity in the accounting process that occurs within a company. This complexity is often caused by the presence of segments or subsidiary entities operating within the company. Operational complexity reflects the interaction among company units that share common goals, where they collaborate and mutually affect each other.

According to Adyani and Sampurno (2011), profitability ratios are measures used to evaluate the overall management performance of a company by indicating the extent to which the company is able to generate profits. Profitability ratios are considered valid indicators for assessing a company's operational performance, as they can be used as a benchmarking tool for various investment alternatives with comparable levels of risk.

According to the research conducted by Riyanto (1995), as cited in Dura (2018), liquidity refers to a company's ability to fulfill its immediate financial obligations. This concept is further emphasized by Munawir (2001) and Dura

(2018), who state that liquidity describes a company's ability to fulfill its liabilities or debts as they become due. In other words, liquidity reflects a company's ability to effectively manage its short-term financial resources.

Sugiyono (2014) states that a conceptual framework is a systematic representation of the relationships between variables under investigation. This framework serves as a guide in solving research problems and formulating research hypotheses. Typically, a conceptual framework is presented in the form of a diagram accompanied by qualitative explanations. In this context, the following framework of thinking is presented:

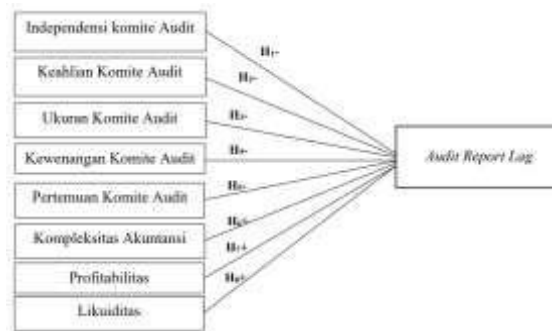


Figure 1. Conceptual Framework Model

RESEARCH METHODOLOGY

1. Research Design

The research design used in this study is quantitative causative. This research used secondary data obtained from existing sources. Secondary data refers to data indirectly collected by the researcher but obtained from sources such as financial reports (Sekaran, 2017). The data used in this study is quantitative, in the form of numerical data. This data is processed and analyzed using mathematical or statistical techniques. For this research, the required data includes audited financial reports and annual reports of companies listed as LQ-45, covering the period from 2018 to 2021. These data were obtained from the Indonesia Stock Exchange.

2. Population and Sample

The population selected as the sample for this research consists of companies listed on the Indonesia Stock Exchange and categorized as LQ-45 companies during the period from 2018 to 2021. The choice of this population is based on the fact that companies included in the LQ-45 index have highly liquid stocks. Additionally, the liquidity and market capitalization levels of these LQ-45 companies have been acknowledged by market participants. The LQ-45 company list is updated twice a year, specifically in the periods from February to July and from August to January. In this study, the sampling method used is purposive sampling. Purposive sampling is a sampling technique that involves selecting samples based on specific criteria (Sugiyono, 2018). The researcher chose the purposive sampling method because not all samples meet the predetermined criteria. Using this method, the researcher can select samples most suitable for the research objectives.

3. Data Source

In this study, the research method used is quantitative research with a descriptive approach. Quantitative research is an approach based on a positivist philosophy, which is used to investigate a specific population or sample. Data is

collected using research instruments, and data analysis is conducted quantitatively/statistically and with the aim of testing predetermined hypotheses (Sugiyono, 2018). The positivist philosophy perceives reality, phenomena, or events as entities that can be categorized as relatively stable, tangible, observable, measurable, and characterized by cause-and-effect relationships.

The data used in this study are sourced from secondary data. The research object is selected from companies listed as LQ-45 companies on the Indonesia Stock Exchange within the period of 2018 to 2021.

4. Data Collection Method

The data obtained in this research are sourced from various data repositories. Since the study uses secondary data in the form of audited financial reports and annual reports of companies, the data collection method used the documentation method. Data is obtained by examining documents such as audited financial reports and companies' annual reports. The collected secondary data consists of audited annual financial reports from companies listed in the LQ-45 index on the Indonesia Stock Exchange during the period of 2018-2021, which were accessed through the official website of the Indonesia Stock Exchange (BEI).

RESEARCH RESULTS AND DISCUSSION

Table 1. Descriptive Statistics Test

	N	Minimum	Maximum	Mean	Std. Deviation
INKA	106	0,25	0,75	0,5742	0,13592
KHKA	106	0,25	4,00	0,7134	0,75477
UKKA	106	3,00	7,00	3,4434	0,74425
KWKA	106	0,00	1,00	0,6887	0,46523
PTKA	106	2,00	59,00	13,0566	12,56740
KA	106	0,00	1,00	0,9245	0,26541
PF	106	-0,06	1,00	0,0936	0,12001
LK	106	0,23	7,19	1,8808	1,30443
ARL	106	29,00	120,00	75,7830	19,42556
Valid N (listwise i)	106				

The results of the descriptive analysis shown in Table 1 above reveal that out of a total of 106 research samples, the Independent Audit Committee variable has an average value of 0,5742. This value indicates that the average audit committee in the listed companies of LQ-45 in the Indonesia Stock Exchange (IDX or BEI) consists of independent members. However, several companies still have non-independent members in their audit committees, as indicated by the minimum value of 0,25. The standard deviation of INKA, which is 0,13592 and smaller than the average value, suggests that audit committee members' independence level in the sampled companies is relatively homogenous and normally distributed.

The expertise of the Audit Committee (KHKA) resulted in an average score of 0,75477 (75%), indicating that the sampled companies listed as LQ-45 have audit committee members who possess financial or accounting expertise, constituting approximately 75% of the total audit committee members. The minimum value for this variable is 0,25, suggesting the presence of companies where none of their audit committee members have expertise in finance or accounting. However, there are also companies where all of their audit committee members have expertise in finance or accounting, as evidenced by the maximum score of 4,00. The standard deviation for KHKA is 0,75477, which is greater than its mean value of 0,7134. Thus, the higher standard deviation implies heterogeneity in the expertise of audit committee members among the sampled companies (indicating a non-normal distribution).

The number of members in the Audit Committee (UKKA) has an average value of 3,4434, indicating that, on average, the companies in the sample have approximately three members in their audit committees. The minimum value of 3 suggests the presence of companies with a minimum of three members in their audit committees, while the maximum value of 7,00 indicates the presence of companies with a maximum of seven members in their audit committees. The UKKA variable has a standard deviation of 0,74425, reflecting the variability in the number of members among the audit committees across the sampled companies.

Based on the descriptive statistical analysis, the variable representing the authority of the audit committee has an average value of 0,6887. This value indicates that approximately 68% of the companies in the sample have an audit committee charter and explicitly disclose it in their annual reports, while the remaining companies either do not have an audit committee charter or do not explicitly disclose its existence in their annual reports. This variable utilizes a dummy variable, where the minimum value is 0 and the maximum value is 1.

The results of the descriptive statistical analysis conducted on the variable PTKA, which represents the number of audit committee meetings held within a year, reveal that the minimum value is 2,00 and the maximum value is 59,00. These values indicate that some companies conduct a minimum of two audit committee meetings annually, while others hold as many as 59 meetings in a year. The average value of this variable is 13,0566, suggesting that, on average, the sampled companies hold approximately thirteen audit committee meetings in a year.

Based on the descriptive statistical analysis, the variable Accounting Complexity has an average value of 0,9245. From this result, it can be concluded that approximately 90% of the sampled companies have multiple operating segments or subsidiaries, while the remaining companies have a single operating segment or subsidiary. This variable uses a dummy scale with a minimum value of 0 and a maximum value of 1.

The profitability variable (ROA) has an average value of 0,0936. This value indicates that, on average, the profitability of the sampled companies, calculated by comparing the total assets held by shareholders to the current year's net income, is approximately 9,3%. The minimum value of this variable is -0,06, indicating the presence of companies that experienced losses (negative net income) during the research year. On the other hand, the maximum value is 1,36, indicating the existence of companies with a higher net income relative to their total assets. The standard deviation of ROA is 0,12001, reflecting the level of variation in profitability among the sampled companies.

The liquidity variable (Current Ratio) has an average value of 1,8808. This value indicates that, on average, the liquidity of the sampled companies, calculated by comparing total current assets to short-term liabilities, is 100%. The minimum value of this variable is 0,23, indicating the presence of companies that experienced liquidity constraints (loss) during the research year. On the other hand, the average value is 1,8808, which can be interpreted as each current liability being covered by 1,88 times the current assets. There is a company with the lowest liquidity, namely PT. Tower Bersama Infrastructure Tbk., in the year 2020, with a minimum value of 0,23, indicating lower liquidity compared to other companies. Meanwhile, the maximum value is 7,19, held by PT. Ace Hardware Indonesia Tbk. in the year 2018, indicating a high level of liquidity.

The results of the descriptive analysis presented in Table 10 indicate that out of the total 106 research samples, the audit report lag (ARL) variable has an average value of 75,7830. This suggests that companies listed in the LQ-45 index on the Indonesia Stock Exchange (BEI) take an average of 76 days to complete the audit of their financial reports. The fastest completion time recorded is 29 days, observed in PT. Unilever Indonesia Tbk., while the longest completion time is 120 days, observed in PT. Sarana Menara Nusantara Tbk. The standard deviation of the ARL variable is 19,42556, which is lower than its mean value ($19,42556 < 75,7830$). This indicates that the time required by the sampled companies to complete their audited financial reports is relatively homogeneous and follows a normal distribution.

Hypothesis Testing

In this research, hypothesis testing is conducted using multiple regression analysis since there are eight independent variables being tested to determine their effect on the dependent variable. This regression analysis is employed to examine the relationship between the independent variables, namely Independence of Audit Committee (INKA), Expertise of Audit Committee (KHKA), Size of Audit Committee (UKKA), Authority of Audit Committee (KWKA), Frequency of Audit Committee Meetings (PTKA), Complexity of Accounting (KA), Profitability (PF), and Liquidity (LK), on the dependent variable, Audit Report Lag (ARL).

1. t-Statistic Test

The t-test is used to evaluate whether each independent variable has a significant partial effect on the dependent variable. To determine significance, a comparison between the calculated t-value and the tabulated t-value is conducted. If the calculated t-value is greater than the tabulated t-value or if the calculated t-value is smaller than the negative of the tabulated t-value, and the significance value is less than 0,05, then the result is considered significant, and the hypothesis is accepted. Conversely, if the calculated t-value is smaller than the tabulated t-value or if the calculated t-value is greater than the negative of the tabulated t-value, and the significance value is greater than 0,05, then the result is considered nonsignificant, and the hypothesis is rejected. The results of the t-test for each variable can be found in Table 2 below.

Table 2. Results of the t-test

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
a.	(Constant)	3,973	0,182		21,79 0	0,000
	INKA (X1)	0,024	0,090	0,023	0,264	0,792
	KHKA (X2)	0,050	0,041	0,102	1,202	0,232
	UKKA (X3)	0,060	0,177	0,038	0,339	0,735
	KWKA (X4)	-0,204	0,055	-0,322	-3,731	0,000
	PTKA (X5)	0,044	0,039	0,121	1,113	0,269
	KA (X6)	0,460	0,101	0,413	4,562	0,000
	PF (X7)	0,042	0,017	0,210	2,505	0,014
	LK (X8)	0,007	0,037	0,017	0,192	0,848
a. Dependent Variable Audit Report Lag (Y)						

Based on the t-test results table presented above, it is found that the effect of the independent variable "Independency Komite Audit (INKA)" on the dependent variable "Audit Report Lag (ARL)" is approximately 0,792, which is greater than the significance level of 0,050. However, the calculated t-value of 0,264 is smaller than the t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Independency Komite Audit" on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H1) is rejected, suggesting that there is no significant effect of the independent variable "Independency Komite Audit (INKA)" on the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the effect of the independent variable "Independency Komite Audit" on the dependent variable "Audit Report Lag" is not significant.

In the t-test conducted on the variable "Audit Committee Expertise (KHKA)" in relation to "Audit Report Lag (ARL)", it was found that the effect of the independent variable "Audit Committee Expertise (KHKA)" on the dependent variable "Audit Report Lag (ARL)" is approximately 0,232, which is greater than the significance level of 0,050. However, the calculated t-value of 1,202 is smaller than the critical t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Audit Committee Expertise" on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H2) is rejected, suggesting that there is no significant effect of the independent variable "Audit Committee Expertise (KHKA)" on the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the effect of the independent variable "Audit Committee Expertise" on the dependent variable "Audit Report Lag" is not significant, and its direction is positive.

In the t-test conducted on the variable "Audit Committee Size (UKKA)" in relation to "Audit Report Lag (ARL)", it was found that the effect of the independent variable "Audit Committee Size (UKKA)" on the dependent variable "Audit Report Lag (ARL)" is approximately 0,735, which is greater than the significance level of 0,050. However, the calculated t-value of 0,339 is smaller than the critical t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Audit Committee Size" on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H3) is rejected, suggesting that there is no significant effect of the independent variable "Audit Committee Size (UKKA)" on the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the effect of the independent variable "Audit Committee Size" on the dependent variable "Audit Report Lag" is not significant, and its direction is positive.

In the t-test conducted on the variable "Audit Committee Size (UKKA)" in relation to "Audit Report Lag (ARL)", the obtained result indicates that the effect of the independent variable "Audit Committee Size (UKKA)" on the dependent variable "Audit Report Lag (ARL)" is approximately 0,735, which is greater than the significance level of 0,050. However, the calculated t-value of 0,339 is smaller than the critical t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Audit Committee Size" effect on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H3) is rejected, which means that there is no significant effect of the independent variable "Audit Committee Size (UKKA)" on the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the independent variable "Audit Committee Size" effect on the dependent variable "Audit Report Lag" is not significant, and its direction is positive.

The t-test conducted on the variable "Audit Committee Meetings (PTKA)" in relation to "Audit Report Lag (ARL)" shows that the effect of the independent variable "Audit Committee Meetings (PTKA)" on the dependent variable "Audit Report Lag (ARL)" is approximately 0,269, which is greater than the significance level of 0,050. However, the calculated t-value of 1,113 is smaller than the critical t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Audit Committee Meetings" on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H5) is rejected, which means that there is no significant effect of the independent variable "Audit Committee Meetings (PTKA)" on the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the effect of the independent variable "Audit Committee Meetings" on the dependent variable "Audit Report Lag" is not significant, and its direction is positive.

The t-test conducted on the variable "Accounting Complexity (KA)" in relation to "Audit Report Lag (ARL)" indicates that the effect of the independent variable "Accounting Complexity (KA)" on the dependent variable "Audit Report Lag (ARL)" is equal to 0,000, which is smaller than the significance level of 0,050. Furthermore, the calculated t-value of 4,562 is greater than the critical t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Accounting Complexity" on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is rejected, and the alternative hypothesis (H6) is accepted, which means that there

is a significant effect between the independent variable "Accounting Complexity (KA)" and the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the audit report lag can be significantly affected by accounting complexity, and an increase in accounting complexity will result in a noticeable delay in the audit report.

The t-test conducted on the variable "Profitability (PF)" in relation to "Audit Report Lag (ARL)" indicates that the effect of the independent variable "Profitability (PF)" on the dependent variable "Audit Report Lag (ARL)" is equal to 0,014, which is smaller than the significance level of 0,050. Furthermore, the calculated t-value of 2,505 is greater than the critical t-value in the table (1,98472). Additionally, the coefficient B is positive, indicating a positive direction of the effect of the independent variable "Profitability" on the dependent variable "Audit Report Lag". Therefore, the null hypothesis (H0) is rejected, and the alternative hypothesis (H7) is accepted, which means that there is a significant effect between the independent variable "Profitability (PF)" and the dependent variable "Audit Report Lag (ARL)". Thus, it can be concluded that the audit report lag can be significantly affected by profitability, and an increase in profitability will result in a noticeable decrease in the audit report lag. Based on the results of the t-test table above, the effect of liquidity (LK) on "Audit Report Lag (ARL)" is 0,848, which is greater than the significance level of 0,050. However, the calculated t-value of 0,192 is smaller than the critical t-value (1,98472). Additionally, coefficient B has a positive value, indicating a positive direction of the effect of liquidity on audit report lag. Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H8) is rejected, meaning that there is no "Significant Effect of Liquidity (LK)" on "Audit Report Lag (ARL)". Thus, it can be concluded that the effect of liquidity on audit report lag is not significant.

2. F-Statistic Test

Table 3. F-Statistic Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Squares	F	Sig.
	Regression	3,696	8	0,462	8,191	0,000 ^b
	Residual	5,470	97	0,056		
	Total	9,166	105			

From Table 3, it can be seen that the calculated F-value is greater than the critical F-value ($8,191 > 2,03$), with a significance level of 0,000, which is smaller than 0,05. Therefore, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted. This indicates that the independent variables, namely audit committee independence, audit committee expertise, audit committee size, audit committee diligence, meeting frequency of the audit committee, accounting complexity, profitability, and liquidity, when tested together or simultaneously, have a significant effect on the dependent variable, which is audit report lag.

3. Coefficient of Determination (R²) Test

The value of the coefficient of determination is used to measure the extent to which independent variables (audit committee independence, audit committee expertise, audit committee size, audit committee diligence, meeting frequency of the audit committee, accounting complexity, profitability, and liquidity) contribute to the dependent variable (audit report lag). Information about the R² value can be found in Table 4 as follows:

Table 4. Coefficient of Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,635 ^a	0,403	0,354	0,237478420

Based on the analysis in Table 4, it can be concluded that the adjusted R-squared (coefficient of determination adjusted) is 0,354 or 35,4%. This means that 35,4% of the variation in the dependent variable, "Audit Report Lag" (ARL), can be explained by the independent variables, namely "Independent Committee" (INKA), "Committee Expertise" (KHKA), "Committee Size" (UKKA), "Committee Independence" (KWKA), "Committee Meetings" (PTKA), "Accounting Complexity" (KA), "Profitability" (PF), and "Liquidity" (LK). The remaining 64,6% is effected by other factors that were not discussed in this research or referred to as unexplored variables.

The Effect of Audit Committee Effectiveness on Audit Report Lag

The Audit Committee is an integral part of the corporate governance structure of a company, proven to reduce audit report lag as identified in this study. The lack of audit committee effectiveness has been found to have a negative effect on audit report lag. There are several reasons underlying these findings. Firstly, the audit committee has the ability to effectively oversee the financial reporting process. In this regard, the audit committee can encourage management to timely deliver financial reports. Secondly, the audit committee plays a crucial role in increasing the effectiveness of internal control within the organization. The more effective the audit committee, the more effective the internal control. Additionally, the audit committee is responsible for ensuring that external audits are conducted properly, considering factors such as independence, expertise, size, competence, and frequency of audit committee meetings. The findings of this research are consistent with previous studies conducted by Abdillah et al. (2019).

The Effect of Accounting Complexity on Audit Report Lag

The hypothesis examined in this study states that accounting complexity has a positive effect on audit report lag. Based on the significance testing of individual parameters conducted in the study, the results indicate that the variable of accounting complexity has a positive impact on audit report lag, consistent with the direction of the initial hypothesis. These findings suggest that the more complex the accounting structure of a company, the longer the time required for the annual financial reporting process. Conversely, if a company has a simpler accounting structure, the time needed for the annual financial reporting process will be shorter. However, auditors can anticipate this through early preparation and efficient scheduling, thus reducing the required audit time. Additionally,

companies with high accounting complexity tend to have effective internal controls, which can reduce audit-related risks.

It can be concluded that the more complex a business is, the more complicated the transactions occurring within that business. This is due to the presence of consolidated financial reports that need to be audited by an auditor. As a result, auditors require more time to complete the audit due to the increasing complexity of the financial reports that need to be audited. Additionally, the number of subsidiaries or business segments owned by a company also affects the auditor's performance in conducting the audit.

The Effect of Profitability on Audit Report Lag

The research results indicate that the seventh hypothesis, which suggests a positive relationship between profitability and audit report lag, is supported. In this study, when companies achieve high levels of profitability, they tend to expedite the financial reporting process to disseminate positive information in the market. Profitability levels can also serve as an indication of the company's performance in a given year, whether it is good or poor. When a company incurs losses, management may accelerate the issuance of annual financial reports to avoid the dissemination of negative information.

This is related to agency theory, where the profitability of a company is affected by stakeholders such as suppliers, creditors, and investors, who assess the company's ability to generate profits or returns from sales and investments within a year. As the company's performance improves, its profitability increases as well.

The Effect of Liquidity on Audit Report Lag

The eighth hypothesis states that liquidity has a positive effect on audit report lag. However, the results of the individual parameter significance test conducted by the researcher indicate that liquidity (LK) does not have a significant and positive impact on ARL. In other words, there is no significant relationship between liquidity levels and the efficiency of financial reporting processes performed by auditors. These results reject the initial hypothesis proposed.

According to Kheiran Yutinsia Heirsan & Sylvia Feittry (2020), companies with high liquidity not only want to provide good news to their stakeholders but also tend to promptly disclose their financial statements. Both companies with high liquidity and good reputation are motivated to expedite the issuance of audit reports. Another objective is to maintain a positive image in the eyes of the public and avoid potential sanctions resulting from delays in disclosing financial audit reports.

CONCLUSIONS

This research aimed to examine the relationship between audit committee effectiveness, measured through independence, expertise, size, tenure, audit committee findings, and audit report lag (ARL). Additionally, variables of accounting complexity, profitability, and liquidity were included in the study. The analysis was conducted on data from 106 companies listed in the LQ45 index on the Indonesia Stock Exchange during the period of 2018-2021. Based on the data analysis and previous discussions, the following conclusions can be drawn:

There is evidence of a negative relationship between audit committee effectiveness, particularly in terms of its expertise, and audit report lag. The research findings suggest that the audit committee plays a significant role in

reducing the time taken for audit report issuance as part of the company's governance structure.

It can be concluded that accounting complexity has a positive effect on audit report lag. This means that the more complex the company's operations and transactions, the more time auditors require to perform the audit effectively. Specifically, the audit of consolidated financial statements, which requires auditor involvement, can cause delays in the audit process. This impact is also reflected in the timeliness of financial report delivery to the public.

It can be concluded that profitability has a positive effect on audit report lag. The test results indicate that companies with high profitability are likely to have reduced default risk. Lower risk and increased auditor confidence enable companies to maintain business continuity. Auditors can analyze financial statements more efficiently, resulting in shorter audit report lag.

It can be concluded that liquidity does not have a significant effect on audit report lag. The findings suggest that liquidity is not the primary factor affecting the duration of audit report lag. Regardless of the company's liquidity level, there is little difference in the duration of audit report lag between companies with high liquidity and those with moderate liquidity.

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THE EFFECT OF APPLICATION OF GOVERNMENT ACCOUNTING STANDARDS, INTERNAL CONTROL AND REPORTING SYSTEMS ON THE PERFORMANCE ACCOUNTABILITY OF SERANG CLASS IIB PRICES

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ABSTRACT

Good governance or what is commonly called good governance in a country is the most prominent issue in the management of public administration today. One of the manifestations of Good Governance, the government is required to increase its accountability. In Law Number 1 of 2004 concerning the State Treasury, it is explained that Financial Statements must be prepared based on an accounting process that must be carried out by every Budget User and Budget User Proxy and State/Regional General Treasurer. In carrying out the mandate of Law Number 1 of 2004 concerning the State Treasury, the Government of the Republic of Indonesia has established PP Number 24 of 2005 which regulates Government Accounting Standards (SAP). In implementing and realizing good governance, the government makes efforts to improve the quality of internal control through Government Regulation (PP) Number 60 of 2008 concerning the Government's Internal Control System. The Internal Control System (SPIP) is the one that is applied throughout the environment in the central government and local government. A good reporting system is needed in terms of monitoring and controlling performance in order to implement the budget that has been set.

Keywords: *Accountability, Government Accounting Standards, SPIP, Reporting System*

INTRODUCTION

Under current conditions, the government is responsible for providing various public services and carrying out the functions required under existing regulations. For this reason, government organizations at any level are expected to be able to accurately identify problems, set agendas and directions, and appropriate strategies. The progress of the nation's welfare will not be achieved consistently without accountability and transparency in the implementation of governance in providing better public services.

Performance Accountability

According to Kusumastuti (2014: 2) explains that Accountability is the responsibility of public officials to the people who give them the authority to take care of their interests. Decision makers in government, the private sector and civil society organizations are accountable to the community and related institutions.

Government Accounting Standards

Since the issuance of Government Regulation (PP) Number 71 of 2010 concerning Government Accounting Standards (SAP), in lieu of PP Number 24 of

2005 concerning Government Accounting Standards, every financial reporting entity, both at the central government and regional governments, is required to implement Government Accounting Standards (SAP) Accrual Based in financial reporting. The government hopes that every use of finance, whether originating from the APBN or APBD.

Internal Control

In accordance with the mandate of Law Number 1 of 2004 concerning the State Treasury which states that "In order to improve the performance, transparency and accountability of state financial management, the President as the Head of Government regulates and administers the Internal Control System in the environment as a whole".

RESEARCH METHODS

According to Sugiyono (2017: 3) explains that "The research method is basically a scientific way to obtain data with specific purposes and uses." In this study the method used is descriptive method with a qualitative approach. Rujakat (2018: 4) explains that a qualitative approach is a type of research whose findings are not obtained through quantification procedures, statistical calculations or other forms of methods that use numerical measurements. The principle qualitative approach is to understand the object under study in depth.

Data Type

In carrying out this research the authors use two data as reference material, namely: 1. Primary Data, is the type of data obtained and extracted from the main source, both qualitative and quantitative data. According to Sugiyono (2017: 193) explains that primary data is data that directly provides data to data collectors. 2. Secondary data, is the type of data obtained and explored through the results of second party processing from the results of field research, both in the form of qualitative data and quantitative data.

Instrument Test

One of the problems in research is how the data obtained is accurate and objective. The data collected will not be useful if the measuring device used to collect research data does not have high validity and reliability.

Data analysis techniques

Data analysis techniques are methods used by researchers to manage data that has been received in order to produce research information that can be proven empirically. According to Haryono (2020), data analysis techniques are commonly used in research with a qualitative approach.

DISCUSSION

The research was conducted at Class IIB Detention Center in Serang, one of the Correctional UPTs in the Banten area. Class IIB prison in Serang was built in 1885 by the Dutch colonial government. Originally functioning as a prison, it changed its function to become the Class IIB Serang Detention Center on November 22, 1990. It is located on Jalan Mayor Syafe'i, next to the Pawnshop Office on the east side, the State Confiscated Storage House on the west side, and the Serang Regional Government Office on the south side.

Processed Results

Performance Accountability at Class II B Detention Center in Serang

Performance is a representation of the level of achievement of the implementation of an activity or program or policy in realizing the goals, objectives, mission and vision of the organization contained in the strategic planning of an organization. The term performance is often used for refers to the achievement or level of success of individuals and groups of individuals towards the goals or targets to be achieved. Without goals or performance targets, a person or organization will not have benchmarks.

Measuring the performance achievements of Class IIB Serang State Detention Center in 2021, is carried out by comparing targets (plans) and realization based on performance indicators for each activity target and budget absorption. Recording and measurement of performance is carried out on aspects of financial and non-financial performance as indicators for the success of an organization that is integrated into the organization's management system. The results of the performance achievements of the Class IIB Serang Detention Center in 2021 can be seen in table 4.1.

Table 4.1 Performance Achievements of Class IIB State Detention Houses

No	Activity Target	Performance Indicator	Target	Realization	Achievements
1	Improved Management Support Services	Compilation of Plan Documents, Work, Budget UPT Correctional and Reporting which accountable and on time	1 Service	1 Service	100%
		Compilation of BMN management documents And to the house ladder	1 Service	1 Service	100%
		Fulfilment of data and enhancement employee competency penitentiary	1 Service	1 Service	100%
		Compilation of Budget Execution Documents and Financial Statements which accountable and on time	1 Service	1 Service	100%
		Amount Service Office	1 Service	1 Service	100%
		IKPA value	100	98,18	98.18%
		Smart Value	100	99.57	99.57%

Source: Class IIB Serang State Detention Center in 2021

The achievement of these activity targets is influenced by the performance indicators of activities carried out by the Serang Class IIB State Detention Center, including:

- a. Compilation of work plan documents, UPT Penitentiary and Reporting budgets that are accountable and timely with the target performance indicators being 1 Service with activity realization of 100%
- b. Compilation of BMN and Household management documents with target performance indicators for these activities is 1 Service with activity realization of 100%
- c. Fulfillment of Data and improvement of the competence of Correctional employees with the target performance indicators for these activities is 1 Service with activity realization of 100%
- d. Compilation of Budget Implementation Documents and financial reports that are accountable and timely with the target performance indicator for these activities is 1 Service with activity realization of 100%
- e. The number of Office Services with the target performance indicators for these activities is 1 Service with activity realization of 100%
- f. The IKPA score with the activity performance indicator target is 100 with activity realization of 98.18
- g. The SMART score with the activity performance indicator target is 100 with an activity realization of 99.57.

The SMART score with the activity performance indicator target is 100 with an activity realization of 99.57.

Implementation of Government Accounting Standards in Class II B Prisons in Serang

Based on the results of observations and interviews on the application of government accounting standards applied to Class IIB Serang State Detention Centers, it was found that the standards used in the preparation of accrual-based financial reports were in accordance with the standards set, namely PP Number 71 of 2010 concerning Government Accounting Standards.

Implementation of Internal Control at Class II B Detention Center in Serang

Based on the results of observations, interviews and documentation at the Serang Class IIB State Detention Center, internal control has been carried out very well, all forms of work activities have been carried out in accordance with predetermined objectives and applicable regulations, as evidenced by the report on the implementation of the Government Internal Control System (SPIP) in 2021 which reaches 100%. The understanding of Class IIB State Detention Center employees' understanding of Internal Control has been going well and implemented in their respective sub-sections. application of the Reporting System at Class II b prisons in Serang.

Based on the results of the interviews and documentation, the performance reports generated through the reporting system at the Serang Class IIB State Detention Center went well. The existence of a Government Agencies Performance Accountability Report for 2021 is a form of accountability to the public for the administration of government and the use of the budget to support the vision and mission of the Ministry of Law and Human Rights of the Republic of Indonesia with reference to the Strategic Plan of the Ministry of Law and Human Rights for 2015-2019.

Based on LAKIP Class IIB Serang Detention Center in 2021, the results of measuring achievements and performance indicators as well as the realization of the Serang Class IIB State Detention House budget have reached 100.48%, this

CONCLUSION

Based on the results of the research and discussion conducted, the conclusions obtained are as follows:

The Effect of Government Accounting Standards on Performance Accountability in Serang Class IIB Detention Center, through the Accounting System used based on the results of interviews and observations of Class IIB Serang Detention Center staff, resulted in information that the accounting system used is the SAIBA Application which is integrated with the Ministry of Finance including the preparation and reporting of agency finances.

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**THE INFLUENCE OF *ROLE CONFLICT*, *ROLE AMBIGUITY*, AND
ROLE OVERLOAD ON *REDUCED AUDIT QUALITY* WITH
BURNOUT AS A MODERATOR (CASE STUDY OF KAP
PEKANBARU CITY BRANCH)**

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ABSTRACT

The purpose of this study is to analyze the effect of role conflict, role ambiguity, and role overload on reduced audit quality with burnout as moderator at the Pekanbaru City Branch Public Accountant. The method used in this study is qualitative which is converted into quantitative in the form of questionnaires. In this study, the sample used was 39 respondents whose respondents were auditors. The questionnaire data used Likert scale. This sample uses Morgan and Krejcie tables, while the analysis uses bootstrapping assisted by the SmartPLS ver. 3.2.9. The results of this study show that role conflict has a positive and significant effect on reduced audit quality, while role ambiguity and role overload have a positive, but not significant effect on reduced audit quality. Burnout is able to strengthen and have a significant effect on role conflict on reduced audit quality, while burnout is not able to strengthen and does not have a significant effect on role ambiguity and role overload on reduced audit quality.

Keywords: *Role Conflict, Role Ambiguity, Role Overload, Reduced Audit Quality, Burnout.*

INTRODUCTION

The auditor is an independent body that checks, tests, and reports on the accuracy of financial reports, as well as improving the quality and reliability of financial reports in accordance with generally accepted standards (Napitupulu & Saragih, 2021). By involving the auditor, management can give confidence to external parties who use financial statements about the accuracy of the information contained in these financial statements. In addition, financial reports also show the company's performance during the accounting period and function for investors to make decisions (Indarti et al., 2016). The audit report produced by the auditor is of high quality. The goal is to make a statement about the fairness of financial statements (Indarti et al., 2023). The financial report is a record of the company's financial information for one financial year that is used to describe the company's performance (Aljufri et al., 2021). Auditors must produce high quality audit reports in their work (Apriliani, 2016). Audit quality is a guarantee that is used to compare actual conditions with expected conditions (Dewi & Dwiyantri, 2019).

This research contains job performance measures that are directly targeted by auditor behavior studies and corrects the anomalous results reported in previous studies. One limitation that often arises in audit-quality research is access to qualified respondents. The lack of auditing has prompted some researchers to treat 'accountants' as a homogeneous group when conducting audit investigations despite the fact that respondents' specific duties may range from keeping the books

of accounts to CFOs or those whose areas of expertise may include financial statement preparation, auditing, taxation, consulting, or appraisals. business (Smith et al., 2018).

This research is qualitative research which is converted to quantitative using primary data. The method used in this study is a survey method by distributing questionnaires to auditors who work at KAP Pekan Baru City Branch. Questionnaire data collection was in the form of paper which was distributed to the respondents. Based on 39 valid respondents' answers, analysis was carried out using the Structural Equation Model (SEM) method through SmartPLS 3. The results obtained through SmartPLS 3 included model images, Loading Factor tests, R-square tests, reliability tests, and hypothesis testing.

The model below shows the relationship between the independent variables, the moderating variable and the dependent variable in this study can be described as follows:

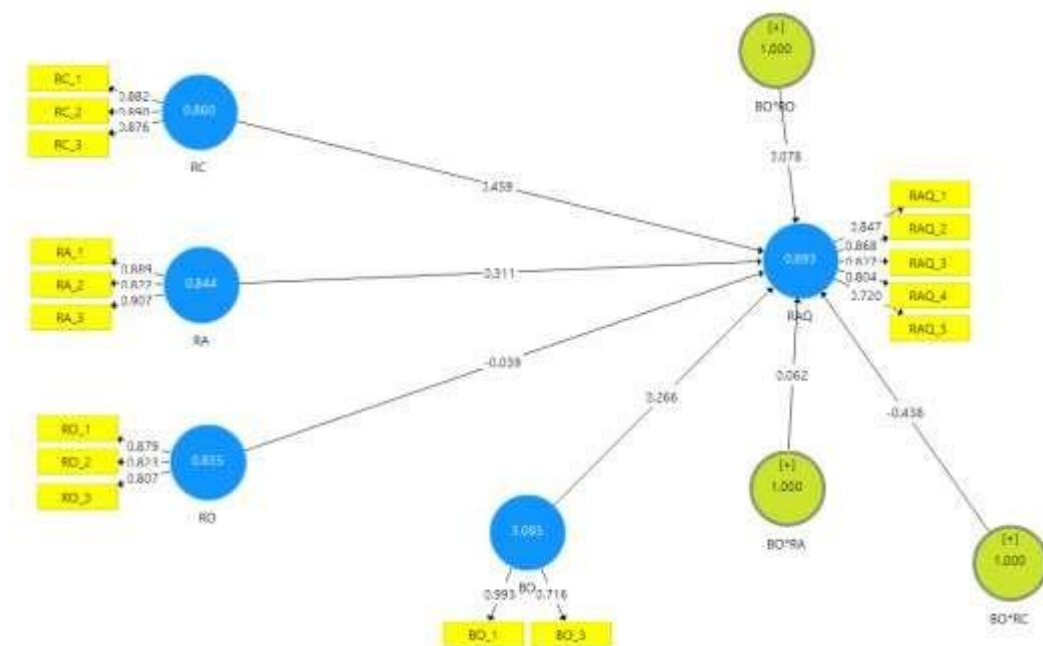


Figure 1 Relationship Model between Variables Independent, Moderation and Dependent

The results of testing the hypothesis based on the questionnaire answers by the respondents obtained through smartPLS 3 are presented in the following table:

Table 1 Hypothesis Testing Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values
Role Conflict [X1] -> Reduced Audit Quality [Y]	0.459	2,474	0.009
Role Ambiguity [X2] -> Reduced Audit Quality [Y]	0.311	1,532	0.067
Role Overload [X3] -> Reduced Audit Quality [Y]	-0.039	0.315	0.377
X1 * M -> Reduced Audit Quality [Y]	-0.438	1,861	0.035
X2 * M -> Reduced Audit Quality [Y]	0.062	0.237	0.407
X3 * M -> Reduced Audit Quality [Y]	0.078	0.295	0.385

Based on Table 1 above, *role conflict* has a significant positive effect (0.459) on *burnout*, with a *p-value* of $0.009 < 0.05$. In the analysis results, the coefficient describing the relationship between *role conflict* (X1) and *burnout* (Y) has a positive value (0.459), indicating a positive direction in the relationship. However, when statistical tests were carried out, the *pvalue* obtained was 0.009, which was greater than the specified level of significance (0.05). There is a significant influence between system image *role conflict* (X1) and *burnout* (Y) in the research sample used. In other words, the results of the study suggest that the relationship between *role conflict* and *burnout* may be coincidental or statistically inconsistent in the sample studied.

Role ambiguity has an insignificant positive effect (0.311) on *burnout*, with a *p-value* of $0.067 > 0.05$. This means that even though there is a relationship between *role ambiguity* and *burnout*, the relationship is not statistically significant.

Role overload has a negative (-0.039) insignificant effect on *Reduced Audit Quality*, with a *p-value* of $0.377 > 0.05$. In that case, the study found that *role overload* did not have a significant effect on *reduced audit quality*.

Burnout strengthens and has a significant effect as a moderator of the relationship between *role conflict* on *reduced audit quality*, with a *p-value* of $0.035 < 0.05$. Hypothesis H4 which states that *burnout* will act as a moderator (a variable that affects the relationship between other variables) between *role conflict* and *reduced audit quality* is accepted. That is, research finds that *burnout* can strengthen and have a significant effect on moderating the relationship between *role conflict* and *reduced audit quality*.

Burnout is not significant as a moderating relationship between *role ambiguity* and *reduced audit quality*, with a *p-value* of $0.407 > 0.05$. *Burnout* will act as a moderator (a variable that affects the relationship between other variables) between *role ambiguity* and *reduced audit quality* is rejected. That is, the study found that *burnout* was able to strengthen but not significantly moderate the relationship between *role ambiguity* and *reduced audit quality*.

Burnout is able to strengthen but not significantly as a moderating relationship between *role overload* and *reduced audit quality*, with a *p-value* of $0.385 > 0.05$. Hypothesis H6 which states that *burnout* will act as a moderator (a variable that influences the relationship between other variables) between *role overload* and *reduced audit quality* is rejected. That is, the study found that *burnout* was able to strengthen but not significantly moderate the relationship between *role overload* and *reduced audit quality*.

CONCLUSION

This study concludes that *role conflict* has a positive and significant effect, for the variable *role ambiguity* it has a positive but not significant effect, and *role overload* has a negative but not significant effect on *reduced audit quality*. This means that the contribution of *role conflict*, *role ambiguity*, and *role overload* to *reduced audit quality*, whether large or small, has no effect on *reduced audit quality*. In addition, *burnout* as a moderator also has no effect in increasing the significance of the positive influence of the relationship between *role conflict*, *role ambiguity*, and *role overload* on *reduced audit quality*. Thus *burnout* cannot also affect *reduced audit quality*.

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INFLUENCE OF COMPANY SIZE, COMPANY AGE, SOLVENCY AND PROFITABILITY ON AUDIT DELAY

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ABSTRACT

This study aims to analyze the effect of firm size, firm age, solvency and profitability on audit delay. Quantitative approach is used in this research. Financial data of companies traded on the Indonesia Stock Exchange are used as secondary data in this study. Causal research seeks to establish a relationship between the variables studied and the results of the research questions. Companies traded on the Indonesia Stock Exchange engaged in the property & real estate sector are used as samples for this study, covering the years 2019 to 2021. Sampling was carried out by purposive sampling. A total of 22 companies were included in the study sample, and the study lasted for three years, resulting in a total of 66 samples. This study uses multiple linear regression analysis, descriptive statistics, and the classical assumption test for analysis. By using linear regression analysis, the results of this study found that solvency and profitability have a significant positive effect on audit delay. The results of the linear regression then show that firm age has a significant negative effect on audit delay while the firm size variable has no significant effect on audit delay.

Keywords: *Size Company, Age Company, Solvency Profitability, and Audit Delay.*

INTRODUCTION BACKGROUND

External parties, especially investors, receive financial information primarily through financial data. Every issuer and public company listed on the Indonesia Stock Exchange is required to submit annual financial information no later than four months after the end of the financial year. The slow delivery of financial data can affect the company's reputation. Therefore, it is important for companies going public to ensure that their financial data prepared and delivered on time with high accuracy and reliability. Companies often rely on the services of financial consultants to assist in the preparation of their financial data.

Based on the circular letter According to the announcement of the Indonesia Stock Exchange (IDX) regarding the submission of audited financial data until December 31, 2019, as many as 26 issuers did not submit audited financial data due to negligence. Nine out of 26 businesses temporarily suspended trading in the Regular Market and Cash Market since the first session of securities trading on August 31, 2020, and 17 businesses also stopped trading.

According to the Declaration of Fiscal Data Submission in the August 2020 Review of the Indonesia Stock Exchange Round of December 31, 2020, as many as 36 companies listed on the IDX on August 29, 2021, have not submitted their Budget Evaluation Summary completed on December 31, 2020. IDX announced 45 issuers in 2021 that have not paid penalties for late submission of financial data and have not submitted audited financial data as of December 31, 2021.

Formulation Of the Problem

1. Does company size affect audit delay in property&real estate companies in 2019-2021?
2. Does company age affect audit delay in property&real estate companies in 2019-2021?
3. Is solvency influential to audits delayed in company property&real estate in 2019-2021?
4. Is profitability influential to audits delayed in company property&real estate in 2019-2021?

Problem Objective

1. To test and obtain empirical evidence of the effect of company size on audit delay in property & real estate companies in 2019-2021.
2. To test and obtain empirical evidence of the effect of company age on audit delay in property&real estate companies in 2019-2021.
3. To test and obtain empirical evidence of the effect of solvency on audit delay in property&real estate companies in 2019-2021.
4. To test and obtain empirical evidence of the effect of profitability on audit delay in property & real estate companies in 2019-2021.

LITERATURE REVIEW

1. Signalling Theory

Spence (1973) proposed signalling theory, which Leland and Pyle (1977) used in primary market research. According to Spence, the marking hypothesis can provide pertinent data that can be used by beneficiaries. The receiver then at that point, changes the way they behave as indicated by how they interpret the sign.

2. Audit Delays

Audit delay is the amount of time between the end of the financial year and the date in the audit data to complete the audit. The period that must be fulfilled by the auditor is no later than 90 days after the financial year ends, as stipulated in Article 19 paragraph 1 of Regulation 29/POJK.04/2016 of the Financial Services Authority.

3. Company Size

One element that influences the ideality of financial disclosure is the size of the organization. Rhode Island Act No. Regarding Micro, Small, and Medium Enterprises, there are three business sizes: Companies with a net worth of more than IDR10 billion are considered large. Companies that have a net worth between IDR1 billion to IDR10 billion are considered Medium Enterprises. SMEs are companies with a minimum annual revenue of IDR1 billion and a net worth of less than IDR200 million, excluding land and buildings.

4. Company Age

According to Indra & Arisudhana (2017), intellectual capital disclosure is likely to be influenced by the age of the company because older businesses are more experienced in publishing their financial data.

5. Solvability

The solvency of the company is its ability to fulfil all its obligations, both short term and long-term. Kasmir asserts (2017:151), the solvency ratio, also called the leverage ratio, is a ratio used to assess the assets financed by a

company's debt. It shows the proportion of the organization's obligations to its resources.

6. Profitability

The company's ability to make a profit is evaluated using profitability ratios. Munawir (2014:33) that profit shows the limit of an association to create profit in a certain period. Profitability can be determined by comparing the total assets or capital of a company with the profit generated during a certain period.

RESEARCH METHODS

Population and Sample Determination Method

The population in this study is property&real estate companies listed on the IDX for the 2019-2021 period with a population of 86 companies. The criteria for the research sample are:

- a. Property & real estate company listed on the IDX during 2019-2021.
- b. Property & real estate companies that do not issue annual reports and are presented in IDR.
- c. Property real estate companies that do not issue independent auditor data during 2019-2021.
- d. Property & real estate companies delisting from the IDX during 2019-2021.

Data Types and Sources

- a. Quantitative information

In this review, quantitative information is contained in the quantity of organizations and annual data of assembly organizations listed on the IDX for the period 2019-2021.

- b. Qualitative Data

In this review, subjective information is contained in the list of names of property and land organizations listed on the IDX for the 2019-2021 period which has been handled as an example in this review.

Method of collecting data

Utilize documentation methods in this study. According to Sugiyono (2018:329) documentation is a way to obtain data and information in the form of data and information that can support research in the form of books, images, etc.

RESEARCH RESULTS AND DISCUSSION RESEARCH RESULTS

Data Description

Table 1 The Result of Descriptive test

	N	Minimum	Maximum	Means	std. Deviation
Size Company	66	15.60	30.72	26.4173	4.60003
Age Company	66	421.00	11771.00	6990.34	3633,60
Solvability	66	0.00	0.79	0.3898	0.21251
Profitability	66	-0.11	0.12	0.04175	0.0060
Audit Delays	66	49.00	180.00	104.4848	24.99615

The calculation results from the descriptive test table show that N or how much information for each variable is 66 information from organizations in the Property and Land area recorded on the IDX from 2019 to 2021.

Discussion

1. Effect of Company Size on Audit Delay
Company size has a coefficient value of -0.007 and an importance value of 0.147 which indicates a more prominent level of importance than 0.05. This shows that company size has no effect on audit delay which causes H1 to be rejected. This shows that company size has an effect on audit delay.
2. Effect of firm age on audit delay
The company age variable has a coefficient value of 0.159 and an importance value of 0.000. The value of the company's age variable coefficient has a positive sign indicating that the longer the company's life, the longer the audit delay, the H2 is rejected because the company's age has a positive and significant effect on the audit delay.
3. Effect of Solvency on Audit Delay
The solvency variable has a coefficient value of -0.444 and a significance level of 0.000. The fact that the value of the variable coefficient of solvency is positive indicates that lower solvency results in a smaller audit delay. This suggests that H3 is rejected, and the audit delay negatively impacts solvency.
4. The effect of profitability on audit delay
Judging from the consequences of speculation testing, it shows that the dissolvability variable has a coefficient value of -2.360 and an importance value of 0.000. The fact that the value of the Profitability variable coefficient is positively marked indicates that the value of Audit Delay decreases in proportion to the value of Profitability, and vice versa. Since Profitability negatively and significantly affects Audit Delay, it indicates that H4 is acceptable.

CONCLUSION

1. Conclusion
 - a. Audit delay is not affected by the size of the company. This shows that the level of audit delay is not affected by the size of the company.
 - b. Audit Delay is positively and significantly affected by the age of the company. Because the Company's Age is positive, the Audit Delay increases proportionally with the Company's age.
 - c. Audit Delay is significantly and negatively affected by solvency. Since solvency has a negative value, the audit delay is reduced proportionally to solvency, and vice versa. Productivity has a significant effect on Review Deferment. If the Audit Delay value is getting lower, profitability is getting higher.
2. Suggestion
 - a. For Companies
The company should evaluate the company's performance periodically in order to control the dominant factors that can affect audit delay. From the results of this study, the most dominant factors are the age of the company and profitability. Therefore, the company is expected to improve its internal control system.

b. For Further Researchers

For future research, it is expected to be able to use different companies with different periods so that the use of the sample scope is also wider and looks for other variables related to audit delay.

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GOODS CONTROL ON PROCUREMENT AUDIT AT PT SUMBER ALFARIA, TBK (ALFAMART) TANGERANG CITY AREA

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ABSTRACT

The purpose of this study is to determine the process of procuring goods or services that have been running at Alfamart, Tangerang City, which is one of the mini markets under the auspices of PT. Sumber Alfaria Trijaya, Tbk. (Alfamart). Like companies in general. Alfamart which is engaged in retail also has certain targets to be achieved in an effort to grow and develop into a leading company in its field. The result of the research is that the control environment has been running with a clear organizational structure and division of tasks. Risk assessment goes well using computerized technology. The activity went well because the receipt and release of goods was carried out by giving authority to authorized store officials and physical inspection of merchandise was carried out routinely. Information and communication goes well between shopkeepers, shop assistants, salespeople and cashiers, who routinely conduct briefings before starting store operations and handovers between store clerks every shift exchange. Monitoring (supervision) of all activities related to merchandise inventory is carried out in accordance with the authorization of the store clerk and the Regional Coordinator who regularly visits the store. And suggestions for PT. Sumber Alfaria Trijaya, Tbk. (Alfamart) made a policy to carry out a thorough physical inspection of finished goods (stock taking). Grand regularly, for example every six months, not only when there is a change of head of the shop.

Keywords: *Procurement, Goods*

INTRODUCTION

In the current era of the Covid-19 pandemic, the activities of retail companies tend to have positive and negative impacts. In the development of a company that can create a competition between retail companies in obtaining set quality standards and reflecting company innovation in the procurement process of goods and services (Mulyapradana et al., 2021). Retail companies can be obtained with the smallest sacrifices, supported by efficient production methods, allowing the cost of goods produced to be smaller than competitors. There are three important stages in the procurement process including procurement planning, procurement implementation, and the procurement stage for the goods or services received (Bayangkara, 2015). Control over planning ensures that the

goods or services obtained are really needed in the operation of the user unit, its type, specifications, and quantity. Several PT Sumber Alfaria Trijaya Tbk store outlets have provided complete basic necessities at affordable prices, comfortable places, and affordable locations.

LITERATURE

Management Audit

Management audit is an evaluation of the efficiency and effectiveness of company operations covering all internal company operations that must be accounted to various parties who have higher authority (Abbas, Ismail, Taqi, & Yazid, 2021b). The targets in this management audit are activities, programs, and areas within the company that are known to still require improvement or improvement both in terms of economy, efficiency and effectiveness (Abbas, Eksandy, Hidayat, & Larasati, 2020). The purpose of this function is to conduct a comprehensive assessment of the organization's internal procurement, whether or not it is able to meet the needs of goods with minimal sacrifice in accordance with applicable regulations.

Retail Company

Retail companies or trading goods companies are companies or organizations that carry out their business activities by buying finished goods to suppliers and then reselling these goods to consumers without intending to change or add the main function of the goods (Abbas, Basuki, Immawati, & Mulyadi, 2021).

Merchandise Inventory

Inventory is a current asset in the form of goods or equipment intended to support government operational activities, and goods to be sold or handed over in the context of service to the community (Abbas, Eksandy, & Hakim, 2020; Abbas, Eksandy, Hakim, & Santoso, 2020). In practice, trading companies need merchandise inventory in their operational activities, because trading or retail companies are companies that sell merchandise to consumers without changing the form and benefits of these goods (Qosasi et al., 2019).

In accounting and recording, there are two methods that can be used in recording inventory, namely the Physical Method and the Perpetual Method (Sri, Abbas, Satmoko, & Mialasmaya, 2021). In this method, each type of inventory has a stock card that records in detail the entry and exit of goods in the warehouse along with the price.

Some periods to determine the purchase price are:

1. FIFO (First In First Out) In this method, goods that enter first will be issued first.
2. LIFO (Last In First Out) In this method, the goods that enter last will be issued first.
3. Average In this method, both the goods issued and the remaining goods are valued based on the average price.

Control Over Inventory

Control over inventory begins when goods are received until they are sold and received by consumers. In the application of control over merchandise includes the following components:

1. Inventory Recording is an asset that is available for sale in the normal course of business using the perpetual method and periodic method.
2. The Perpetual method is that companies do not need to do stock-taking because they already know the actual stock when the incident occurs.
3. The Periodic Method is the recording of inventory carried out at the end of the sales period by checking directly the inventory of goods.

METHOD

This research method uses descriptive qualitative methods. According to (Sugiyono, 2017) this method is data that forms words, sentences or images. Descriptive research is non-hypothetical research, so in research there is no need to formulate hypotheses, while qualitative data is data described with words or sentences separated by categories to obtain conclusions. The source of data obtained from one of the retail company outlets of PT. Sumber Alfaria Tbk which has been listed on the Indonesia Stock Exchange. The data used were obtained from the results of documentation, observation, and interviews.

RESULTS AND DISCUSSION

The process of procurement of goods and services must reflect the desire of the organization to obtain its needs economically, efficiently and effectively. In the procurement system, there are four processes, namely procurement planning, procurement implementation, contract execution of delivery of goods and payment, and reporting.

a. Alfamart Outlets

One of the Alfamart outlets in the Tangerang City area is a mini market under the auspices of PT. Sumber Alfaria Trijaya Tbk. This outlet is open every day for 24 hours and uses a shift work system from shift 1 to shift 3. Control over the procurement of merchandise inventory is very important for employees to protect inventory as a company asset and the main basis as a reflection of management attitudes and actions regarding company control.

Organizational structure is very important in the activities of Alfamart outlets in Tangerang City, considering the large number of inventory items to avoid damaged, lost or misappropriated goods. Physical inspection in receiving merchandise using a scanner that is directly connected to the main computer, every item dispensing through the cashier will be scanned and will automatically be updated and then see the amount of inventory available.

b. Goods Control Activities

The operational activities of Alfamart outlets in Tangerang City last for 24 hours, and are divided into three shifts, namely the first shift (07.00-16.00 WIB), the second shift (14.00-23.00 WIB), the third shift (22.00-07.00 WIB). Each shift has at least two employees on duty.

Control over inventory starts from the inventory arriving at the outlet and the goods will be checked by employees. Every incoming small container will be checked and adjusted to the goods receipt data. Goods that have undergone physical inspection before entering the store's warehouse. If there is a damaged item in the shipment or there is a mismatch of the physical amount with the invoice, the store official will immediately make a return invoice to the warehouse. Goods that have been inspected are then entered into the store's merchandise inventory data and placed in the store's warehouse before being displayed on the front shelf in accordance with the FEFO (First Expired

First Out) principle, namely the product that is closest to expiration must be displayed at the front. Physical examinations should be carried out daily by employees.

Store officials compile every valid transaction and then the results of the preparation are checked by the Regional Coordinator who regularly visits the store.

c. Results of Inventory Control Analysis

The control environment at the Alfamart Store in Tangerang City is structured and disciplined. The division of authority has been going well and each employee has carried out his part of the work. But it often happens that employees arrive late and leave earlier than they should, causing other employees to work more than their working hours. To overcome this problem, late employees are penalized in the form of warning letters from store officials to regional coordinators. Receipt of goods from the warehouse to the store is carried out with a good system. Every item that comes to the store will be checked first then put in and moved to the store's warehouse and arranged according to type.

All existing information is always collected by store officials, so every activity is carried out according to a system of procedures and reported to the regional coordinator. There are certain times when stores experience massive Stock Opname, this is one form of procedure carried out so that every existing inventory can be clearly known and reduce fraud that occurs in the store.

CONCLUSION

The conclusion of the research is that the control environment has been running with a clear organizational structure and division of tasks. Risk assessment works well because the receipt and disbursement of goods is carried out by authorizing toko officials, and physical inspection of merchandise is carried out regularly and using computerized technology. Information and communication go well between shopkeepers, shop assistants, salespeople and cashiers, who routinely conduct briefings before starting store operations and handover between store clerks every shift exchange. Supervision of all activities related to merchandise inventory carried out in accordance with the authorization of store officers and Regional Coordinators who regularly make visits to the store. Advice for PT. Sumber Alfaria Trijaya, Tbk. (Alfamart) makes a policy of conducting a thorough and regular physical inspection of merchandise, for example every six months, not only when there is a change of shop head.

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INTEGRATING JAVANESE CULTURAL VALUES IN THE ETHICS AND CODE OF ETHICS OF PUBLIC ACCOUNTANTS TO STRENGTHEN PROFESSIONALISM

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ABSTRACT

This study aims to integrate the richness of Javanese cultural values with the accountant's code of ethics to increase the professionalism and compliance of accountants with the code of ethics. The research method used is a literature review using descriptive data analysis. The literature sources used are in the form of books, journals, and research results that are appropriate to the research topic. The results of the study reveal that nine Javanese cultural values have integrity for strengthening the accountant's code of ethics. These values include (1) Ojo Dumeh (not selfish), (2) Alon-alon asal kelakon (be wise and careful), (3) Bahasa Jawa Kromo Inggil (communicate politely and politely), (4) Ewuh-pakewuh (Shyness), (5) Unggah-ungguh (Be respectful and polite), (6) Eling lan waspodo (careful and alert), (7) Sungkan (respect), (8) Mangan ora mangan sing penting kumpul (Togetherness), and (9) Rukun agawe (be cooperative). These nine values can be an alternative in strengthening professionalism and compliance with the code of ethics for accountants, especially accountants with Javanese ethnic background.

Keywords: *Javanese Culture, Ethics, Public Accountant Code of Ethics, Professionalism*

INTRODUCTION

The Indonesian nation is rich in culture, each region has a very distinctive and diverse culture, such as Javanese culture which prioritizes politeness, and Sundanese culture which reflects concern for others, all of these cultures contribute to the diversity and depth of Indonesian culture (Antara & Yogantari, 2018). Culture is a collective program of human thought that distinguishes individual members of a society from other societies. Ethics is the study of right and wrong actions at the individual, social and institutional levels, including in the field of public accounting. An understanding of the impact of culture on ethics can contribute to the process of developing a company code of ethics and reviewing employees as well as practical training related to ethical issues within the company (Nugraha, 2021). This shows that people are increasingly aware of the need for ethics in acting morally and responsibly, especially in the field of public accounting.

The Code of Ethics for the Public Accountant Profession regulates the professional behavior of public accountants and emphasizes the importance of adhering to the basic principles of ethics and carrying out their responsibilities for the benefit of society and other stakeholders (Jr, 2022). Ikatan Akuntansi Indonesia, (2021) reveals that accountants must uphold the standards set out in the accountant's code of ethics when carrying out their work, including integrity,

competence, confidentiality, objectivity and professionalism. Although the IAI Code of Ethics have comprehensive rules, lately there has been an increase in cases of violations of the code of ethics committed by accountants. An example of unethical behavior in Indonesia is corruption being one of the most common types of behavior. Including the case where Bogor Regent Ade Yasin became a suspect in BPK auditor bribery related to allegations of giving bribes to obtain an Unqualified Opinion (WTP) on the 2018 Bogor District Government Financial Report. The bribe was in the form of Rp. 500 million in cash and shares to the BPK auditor. Ade Yasin was prosecuted for violating the Corruption Eradication Law (UU No. 31/1999 as amended by Law No. 20/2001, Article 5 paragraph 1 letter a or b, or Article 13 of the law (Putri, 2022). The accountant's code of ethics does not specifically mention Javanese culture in relation to this situation, but Ade Yasin may have been influenced by the values of honor, morality, and honesty from Javanese culture due to his background as a regent from Java. to examine further how Javanese cultural values can be applied as a basis for increasing ethical awareness among accountants.

The Javanese, who are one of the largest ethnic groups in Indonesia, have an extraordinarily abundant cultural heritage (Al Fauzan et al., 2021). Javanese cultural values also have an important role in directing and guiding human behavior by promoting cooperation and togetherness (Suhartini, 2021). Javanese cultural values can be used as a reference or source of inspiration to implement values in the accountant's code of ethics. These values include *Ojo Dumeh* (not selfish), *Alon-alon asal kelakon* (be wise and careful), *Bahasa Jawa Kromo Inggil* (communicate politely and politely), *Ewuh-pakewuh* (Shyness), *Unggah-ungguh* (Be respectful and polite), *Eling lan waspodo* (careful and alert), *Sungkan* (respect), *Mangan ora mangan sing penting kumpul* (Togetherness), and *Rukun agawe* (be cooperative).

This research aims to combine the unique richness and quality of Javanese culture with the existing code of ethics for accountants, in order to increase professionalism in the accounting industry. It is hoped that by incorporating Javanese cultural values into the accountant's code of ethics, accountants will have more complete guidelines in carrying out their duties and obligations.

METHOD

The literature study method was chosen in this study because it allows the researcher to overcome the limitations of time, resources, and accessibility of the desired population or sample. By using literature review from Google Scholar and journals in the last 10 years, researchers can gain a deep understanding of the influence of Javanese cultural values on accounting practice and the professionalism of public accountants.

The method of data analysis applied in this study is descriptive analysis, which involves accurate data collection, organization of the data, and analysis carried out to provide a clear picture of how Javanese cultural values can be applied in accounting practice, and their impact on increasing professionalism accountant.



Figure 1: Geographical Literature (Processed by Researchers, 2023).

RESULTS AND DISCUSSION

Implications Of Integration Of Javanese Cultural Values In Public Accounting Ethics And Code Of Ethics

The integration of Javanese cultural values into the ethics and code of ethics of public accountants can increase professionalism and public confidence in the accounting profession. Relevant articles show nine dominant ethical values in Javanese culture that can be adapted in accounting practice. The IAI code of ethics identifies five key ethical values that accountants are expected to have. This integration strengthens the moral foundations of accountants and helps them deal with complex ethical situations. As a result, accounting practices will become more integrity and socially responsible.

Table 1 Javanese Cultural Values

Cultural values		Code of ethics for accountants
Ojo Dumeh		Not selfish (Ainina, 2016) .
Alon – alon asal kelakon		Be wise and careful (Ainina, 2016).
Bahasa Jawa Kromo Inggil		Communicate politely and politely (Ainina, 2016).
Ewuh-pakewuh		Shyness (Rozai, 2019).
Unggah – ungguh		Be respectful and polite (Lestari et al., 2022).
Eling lan waspodo		Be careful and alert (Putri & Kamayanti, 2013).
Sungkan		Respect (Cista, 2014).
Mangan ora mangan sing penting kumpul		Togetherness (Fatimah, 2018).
Rukun agawe		Be cooperative (Zunaidi, 2020).

Table 2 Principles of the Code of Ethics

Principle	Definition
Integrity	Be straightforward and honest in all relationships professional and business.
Objectivity	Not influenced by outsiders
Competence	An understanding of recent advances in accounting practice
Confidentiality	Maintain the confidentiality of information obtained from results of professional and business relationships.
Professionalism	Comply with applicable laws and regulations and avoid any behavior that the accountant knows might discredit the accounting profession.

Source: Indonesia, 2020

Table 3 Accounting Code of Ethics with Javanese Cultural Values

Cultural Values	Code Of Ethics for Accountants
Ojo Dumeh	Public accountants are obliged to protect public trust in client financial reporting. With these values, accountants can carry out their duties humbly, understand client culture, and create positive relationships.
Alon – alon asal kelakon	Public accountants must maintain high service standards and adhere to honesty and integrity in their professional duties. Accountants are responsible for ensuring client financial reports are accurate and in accordance with industry standards
Bahasa Jawa Kromo Inggil	Accountants can increase emotional ties with Javanese ethnic stakeholders, facilitate communication, and increase professionalism and understanding of local culture.
Ewuh-pakewuh	This value teaches the importance of thinking carefully before giving opinions or advice to customers, helping public accountants in accounting improve their professionalism.
Unggah – ungguh	This value ensures public accountants behave politely, respect others, and respect diversity. This maintains public trust and enhances the integrity and professionalism of accountants.
Eling lan waspodo	This value requires public accountants to carry out work carefully and thoroughly and consider all related factors and the results of decisions taken.
Sungkan	Public accountants must be courteous, provide honest information, and promote public confidence in financial reporting requirements.

Cultural Values	Code Of Ethics for Accountants
Mangan ora mangan sing penting kumpul	Public accountants carry out ethical and professional responsibilities, build positive relationships, and apply the principles of accountability, honesty, transparency, and peace in accounting and bookkeeping services.
Rukun agawe	This value is important for public accountants because it supports collaboration within teams, clients, and stakeholders. This increases positive perceptions of the public accounting profession and builds fruitful relationships with the public.

Integrating Javanese Cultural Values into Important Indicators of Professionalism

Table 4 Integrating Professionalism into Javanese Cultural Values

Professionalism Component	Explanation
Devotion to the profession	Javanese culture emphasizes loyalty and commitment to obligations, so an accountant who adheres to these values will have high dedication, work diligently, and carry out his accounting responsibilities with professionalism and honesty.
social responsibility	Accountants influenced by Javanese culture will prioritize social responsibility, considering the impact of accounting choices on clients, society, and the environment.
Independent ability	The integration of Javanese cultural values with professionalism will give an accountant independence. They can take initiative, make wise decisions, and handle their responsibilities without relying too much on outside supervision.
Belief in the profession	Javanese culture increases the accountant's confidence in professionalism by prioritizing accurate and reliable contributions to financial data as well as high morale and behavior in the workplace.
Connection with fellow professionals	Javanese-cultured accountants promote cooperation, respect, and help fellow accountants reach a higher level of professionalism together.

Source : Agusti & Pertiwi, 2013

CONCLUSION

Culture shapes rules, expectations, traditions, and guiding moral principles. In Indonesia, there are many different cultures. One of the cultures with the largest population in Indonesia is Javanese culture. Javanese cultural values include *Ojo Dumeh* (not selfish), *Alon-alon asal kelakon* (be wise and careful), *Bahasa Jawa Kromo Inggil* (communicate politely and politely), *Ewuh-pakewuh* (Shyness),

Unggahungguh (Be respectful and polite), *Eling lan waspodo* (careful and alert), *Sungkan* (respect), *Mangan ora mangan sing penting kumpul* (Togetherness), and *Rukun agawe* (be cooperative) which becomes crucial to increasing the professionalism and social responsibility of public accountants.

The results of the study using the literature study method show that integrity, objectivity, competence, confidentiality and professionalism from Javanese culture can become a strong moral basis for accountants in dealing with complex ethical situations. By combining aspects of Javanese culture and the code of ethics for the public accounting profession, it is hoped that accountants will have characters that are more sensitive to ethical aspects and act in accordance with the public interest, so that ethical violations can be minimized and the trust of the public and stakeholders can be further enhanced.

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FACTORS AFFECTING AUDIT DELAY IN CONSUMER CYCLICALS SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019-2021

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ABSTRACT

This study aims to determine the effect of company size, profitability, solvency, and auditor's opinion on audit delay. The type of research data is quantitative from secondary data sources. The population in this study is consumer cyclicals sector companies listed on the IDX in 2019-2021, The sampling technique is using purposive sampling method and obtained by 102 companies with total sample of 306. The method of analysis of this study uses Structural Equation Modelling-Partial Least Square (SEM-PLS) using Warp-PLS 7.0 software. The results showed that company size has positive and significant effect on audit delay. Profitability has negative and significant effect on audit delay. solvency has positive and significant effect on audit delay. And audit opinion has negative and significant effect on audit delay.

Keywords: *Audit delay, Company size, Profitability, Solvency and Audit opinion.*

INTRODUCTION

Audit delay is the time that auditors needed to audit financial statements from the closing date of the financial year to the date of audited financial statements (Wulandari and Wiratmaja, 2017). The time that auditors needed to complete the audit of financial statements can affect the accuracy or delay for publishing financial statements. Based on the Otoritas Jasa Keuangan (OJK) regulation number 29/POJK.04/2016 explained that the public companies are required to submit their annual reports to OJK no later than the end of the fourth month after the book year ends.

Cases related to audit delays occur in several public companies in consumer cyclicals sector. On June 10, 2020, Indonesia Stock Exchange (IDX) imposed a warning letter 1 sanctions on 11 consumer cyclicals sector companies. On June 10, 2021, as many as 18 consumer cyclicals sector companies received a warning letter 1. And on May 12, 2022, 18 consumer cyclicals sector companies received a warning letter 1. Based on data obtained from the IDX, consumer cyclicals sector companies are the companies with the highest number of delays in submitting financial statements for 2019-2021.

This study aims to determine the effect of company size, profitability, solvency and auditor's opinion on audit delay.

LITERATURE REVIEW AND HYPOTHESIS

Agency Theory

Jensen and Meckling (1976) in Tekin and Polat (2020) describe that agency theory is a theory that connects one or more persons (the principals) engage another person (the agent) to perform some activities on their behalf which involves delegating some decision-making authority to the agent. Audit delay has a close relationship with the timeliness of financial statement submission, because

if a financial statement is presented not on time, it can reduce the benefits of the information so that it can cause asymmetric information to the principal.

Signalling Theory

Signalling Theory explains that the sender of information provides a signal of information that can describe the conditions of the company that is useful for investors (Angelyn, 2022). If the company has shorter audit delays, it shows a lot of goodnews from the company (Anggraini and Praptiningsih, 2022).

Company Size

Company size is the size of the company based on the total assets. Big company allow a long audit delay, because big company has many assets, that is making the auditors have to check more about their financial statements. H1: Company Size has a positive and significant effect on audit delay.

Profitability

Profitability is the companies' ability to generate profits for a certain period (Indriani and Alamsyah, 2020). Companies that have high profitability tend to want their financial statements to be completed immediately.

H2: Profitability has a negative and significant effect on audit delay.

Solvency

The solvency ratio can be used to measure how much debt a company bears compared to its assets. Companies with high debt ratio will be more careful in submitting their financial statements because it will have an impact on investor interest in investing.

H3: Solvency has a positive and significant effect on audit delay

Audit Opinion

Audit opinion is a opinion from the auditor of an audited financial statement. The company that get opinions other than unqualified will have a longer audit delay because auditors are required to find problems that occur accompanied by evidence that can support that opinion.

H4: Audit Opinion has a negative and significant effect on audit delay

RESEARCH METHODOLOGY

This study used quantitative methods. The data used in this study is secondary data obtained from financial statements on the IDX. The population in this study is consumer cyclicals sector companies listed on the IDX in 2019-2021. The sampling technique used in this study is purposive sampling. Sample criteria were as follows:

1. Consumer cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021.
2. Consumer cyclicals sector companies that have submitted complete financial statements and have been audited by auditors.

The qualified consumer cyclicals sector companies are 102 companies with a total sample of 306. The data was processed using Warp-PLS 7.0 software. In this study, the evaluation of the measurement model (outer model) uses formative constructs so that the values seen are the significance of weight indicators and multicollinear. The evaluation on structural model (inner model) using the Goodness of Fit and R-Squared tests.

RESULTS

1. Outer Model

Table 1.1 Outer Model

	P-value	VIF
CS	<0.001	0.000
Prof	<0.001	0.000
Solv	<0.001	0.000
AO	<0.001	0.000
AD	<0.001	0.000

Source: Data processed by Researchers, 2023

Based on table 1.1 it can be seen that overall indicators can be said to be significant. Where, the resulting P-Value <0.001 for each indicator so that the result is less than 0.05. The VIF result of each indicator is 0 which is <5 so that it can be said that the model is accepted and does not contain collinearity problems.

2. Inner Model

In this study using the Goodnes of Fit and R-Squared tests to evaluation of the structural model. The following is the inner model test in this study:

Table 2.1 Tabel Goodnes of Fit

Average path coefficient (APC)=0.199, P<0.001
Average R-squared (ARS)=0.203, P<0.001
Average adjusted R-squared (AARS)=0.192, P<0.001
Average block VIF (AVIF)=1.084
Average full collinearity VIF (AFVIF)=1.756

Source: Data processed by Researchers, 2023

Based on the test results in the table above, p-value for the APC, ARS and AARS < 0.05. The value of AVIF and AFVIF is <5, it can be said that each variable in this study does not experience multicollinearity problems.

Table 2.2 R-Squared Coefficient

Dependent Variables	R-Squared
Audit delay	0.203

Source: Data processed by Researchers, 2023

Based on table 2.2 shows that this research model has an R-Squared value of 0.203. This can be interpreted that audit delay is influenced by firm size, profitability, solvency and audit opinion with a percentage of 20.3%, so 79.7% is influenced by other factors not discussed in this study.

3. Hypothesis

Table 3.1 Hypothesis

Independent Variables	Dependent Variables	Path Coefficients	P-Value
Company Size	Audit Delay	0.213	<0.001
Profitability	Audit Delay	-0.349	<0.001
Solvency	Audit Delay	0.095	0.047
Audit Opinion	Audit Delay	-0.137	0.007

Source: Data processed by Researchers, 2023

The results of the hypothesis test state that:

The size of the company has a significant effect on audit delay as evidenced by the p-value <0.001 (p-value <0.05) with a positive relationship direction. That is, companies that are categorized as large in the sense that they have a large amount of assets will make the audit delay period longer because this big company will make auditors have to examine more transactions from the firm's financial statements. The results of this study are in line with the research of Latuamury and Hediyanthi (2022).

Profitability of audit delay shows a significant effect with a p-value of <0.001 (pvalue <0.05) with a negative influence direction. This means that companies that have high profitability are faster in conducting the audit process compared to companies that experience decreased profitability because these companies will be more careful in carrying out the audit process, causing the firm to publish its financial statements longer. The results of this study are in line with Gaol and Duha (2021) which shows the direction of negative and significant relationships.

Solvency to audit delay shows a significant effect with a p-value of 0.047 (p-value <0.05) with a positive direction of influence, which means that the greater the solvency ratio, the longer the audit delay of a firm. The results of this study are in line with the research of Indriani and Alamsyah (2020) which shows a positive and significant relationship.

Audit opinion on audit delay shows a significant effect with a p-value of 0.007 (pvalue <0.05) with a negative influence direction. The value of the path coefficient is 0.137. That is, companies that get unqualified opinion will experience faster audit delays than the companies that get non unqualified opinion. The results of this study are in line with Puryati (2020) which states that audit opinions have a significant effect on the direction of negative relationships.

CONCLUSION

The results of the research obtained can be concluded as follows:

1. Company size has a positive and significant effect on the audit delay of consumer cyclicals sector companies listed on the IDX 2019-2021.
2. Profitability has a negative and significant effect on the audit delay of consumer cyclicals sector companies listed on the IDX 2019-2021.
3. Solvency has a positive and significant effect on the audit delay of consumer cyclicals sector companies listed on the IDX 2019-2021.
4. Audit opinion has a negative and significant effect on the audit delay of consumer cyclicals sector companies listed on the IDX 2019-2021.

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AUDITOR INTEGRITY, COMPETENCY AND PROFESSIONALISM ON THE QUALITY OF THE AUDITOR WORK

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ABSTRACT

This study aims to empirically examine the effect of integrity, competence and professionalism on the quality of auditor work. The variables in this study are the quality of the auditor's work, integrity, competence, and professionalism. The population in this study were all employees of the Aru Islands District Inspectorate. The sample in this study was ASN at the Aru Islands District Inspectorate. The type of research used was quantitative research and the source of data in this study was primary data. The data were obtained by distributing questionnaires and measured using multiple regression analysis which was processed using SPSS 23 software. The sampling technique used was purposive sampling. The results of this study indicate that the integrity, competence and professionalism of auditors have a positive and significant effect on the quality of audit work.

Keywords: *Quality of Auditor Work, Integrity, Competence, Professionalism*

INTRODUCTION

Every government entity is required to submit an accountability report in the form of financial reports for one period. As mandated in the 1945 Constitution of the Republic of Indonesia that state finance is one of the main elements in the administration of state government and has very important benefits for realizing the goals of the state to achieve a just, prosperous and prosperous society (Regulation of the Republic of Indonesia Financial Audit Agency Law No. 15 of 2006).

Audit is a process to collect all evidence or information so that the auditor can make a report and determine the level of conformity of materiality between the information and the predetermined criteria, so that the company must have more understanding in choosing the Financial and Development Supervisory Agency (BPKP) to audit the company's financial statements. An auditor with high integrity must also have competence in his field of work. According to Ichrom and Bambang (2015), auditor competence is an auditor with sufficient and explicit knowledge and experience who can conduct an audit objectively, carefully and thoroughly. Competence is then explained in the Statement of the first general standard in SAP is: "Inspectors collectively must have sufficient professional skills to carry out inspection tasks".

In improving audit quality, an auditor is very dependent on the level of competence. In addition to having integrity and competence, auditors are also required to have an attitude of professionalism as an auditor. Auditor professionalism is defined as an attitude and behavior of the auditor in carrying out his profession seriously and responsibly in order to be able to achieve good performance and audit quality (Haryanto and Susilawati, 2018). Integrity,

competence and professionalism must be owned by an auditor to get the quality of the results of the audit work performed.

In Aru Islands Regency, the Inspectorate has an important role in conducting audits of each Regional Apparatus Organization (OPD) in relation to financial reports, they are appointed and SKed by the Regent of Aru Islands Regency Number 821.15/213 TA 2018 to carry out this task. Presidential Regulation Number 29 of 2014 gives more authority to the Government Internal Supervisory Apparatus (APIP), namely the inspectorate to play a role in achieving local government performance. The Inspectorate conducts a review of performance reports in order to ensure the reliability of the information presented. The inspectorate, which is part of the internal audit, has a role in assessing whether the control system that has been set is running accurately and that each section is actually implementing policies in accordance with the plans and procedures that have been set.

THEORETICAL BASIS

Theory of Planned Behavior or TPB (Theory of Planned Behavior) is a further development of the Theory of Reasoned Action. TPB is a conceptual framework that aims to explain the determinants of certain behaviors. According to Ajzen (1991), the central factor of individual behavior is that behavior is influenced by individual intentions (behavior intention) for that particular behavior. Intention to behave is influenced by three components, namely (1) attitude, (2) subjective norm and (3) perception of behavioral control (perceived behavior control). A person may have various kinds of beliefs about a behavior, but when faced with a certain event, only a few of these beliefs arise to influence behavior. It is these few beliefs that stand out in influencing individual behavior (Ajzen 1991).

Mulyadi [2002:29] Internal Audit is an auditor who works within an entity/company whose job is to find out whether the procedures and policies that have been prepared and established by management have been complied with, determine whether the safeguarding of the assets of the entity/organization is good or not, determine the level of effectiveness and efficiency of procedures for organizational activities, as well as determining the reliability of information that has been produced by parts of the entity/organization.

Wardana and Ariyanto (2016) say that integrity is a factor underlying public trust and a benchmark for auditors in taking differences of opinion without accepting fraud or eliminating principles. In improving audit quality, an auditor is very dependent on the level of competence. Prihartini (2015) reveals that auditor competence is the auditor's ability to apply his knowledge and experience in conducting audits so that auditors can conduct audits thoroughly, accurately, intuitively, and objectively. This means that the higher the competence of an internal auditor, the better the audit quality will be. Auditor professionalism is defined as an attitude and behavior of the auditor in carrying out his profession seriously and responsibly in order to be able to achieve good performance and audit quality (Haryanto and Susilawati, 2018).

With high integrity, the auditor can improve the quality of the audit results. According to Ajzen (1991), the central factor of individual behavior is that behavior is influenced by individual intentions (behavior intention) towards that particular behavior. The intention to behave is influenced by three components, namely (1) attitude, (2) subjective norm and (3) perceived behavior control. A person may have various kinds of beliefs about a behavior, but when faced with a

certain event, only a few of these beliefs arise to influence behavior. Previous research from Citra Ari Mangesti, Sri Ayem, Teguh Erawati (2019) proves that integrity influences positive effect on the quality of the auditor's work. Thus the first hypothesis that can be developed is:

H1: Influence of integrity on the quality of the auditor's work

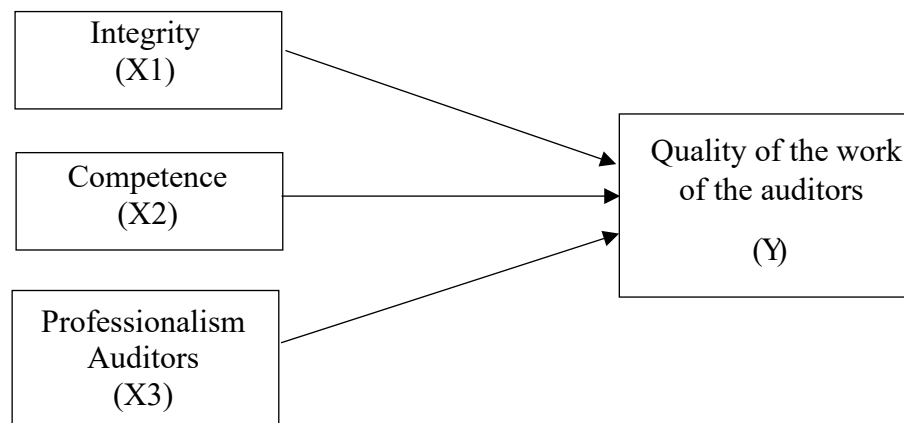
Theory of Planned Behavior or TPB (Theory of Planned Behavior) is based on the assumption that humans are rational beings and use the information that is possible for them systematically (Achmat, 2010). People think about the implications of their actions before they decide to perform or not perform certain behaviors. Previous research from previous researchers, namely (Yoga Wasis Budiarsa 2018) proved that competence affects audit quality, so the second hypothesis that can be developed is:

H2: The effect of competence on the quality of the auditor's work

In TPB, attitudes, subjective norms, and perceptions of behavioral control are determined through key beliefs. A person's attitude is the result of a psychological process, therefore attitudes cannot be observed directly, but must be inferred from what is said or done (Suprapti, 2010: 135). Previous research from Citra Ari Mangesti, Sri Ayem, Teguh Erawati (2019) proved that professionalism has a positive effect on the quality of auditor work, so the third hypothesis that can be developed is:

H3: The effect of professionalism on the quality of the auditor's work.

Research Model



RESEARCH METHODS

The objects in this study are the quality of the auditor's work, integrity, competence, and professionalism. The sample is part of the population that is representative of that population. The sample of this study was the State Civil Apparatus (ASN) at the Aru Islands District Inspectorate, which consisted of 8 auditor teams consisting of the team leader, deputy team leader and 4 members of the auditor team. Sampling using purposive sampling criteria, namely samples that have the following criteria: ASN class III, Internal Auditor Team, 2 years working experience.

Operational Definition and Variable Measurement

1. Integrity. According to Sukriah et al (2009) in Parasayu and Rohman (2014) states that integrity can accept unintentional mistakes and honest differences of opinion but cannot accept principal fraud. Integrity is measured by ten

question items adopted from Tri Cahyo Utomo Wirawan's research questionnaire (2021).

2. Competence. Prihartini (2015) reveals that auditor competence is the auditor's ability to apply his knowledge and experience in conducting audits so that auditors can conduct audits thoroughly, accurately, intuitively, and objectively. This means that the higher the competence of an internal auditor, the better the audit quality will be. Competence is measured by ten question items adopted from the research of Muhammad Iqbal Reza Pratama (2017).
3. Auditor Professionalism. Auditor professionalism is defined as an attitude and behavior of the auditor in carrying out his profession seriously and responsibly in order to be able to achieve good performance and audit quality (Haryanto and Susilawati, 2018). Auditor professionalism is measured by eight question items adopted from Try Cahyo Purnomo's research (2021).
4. Quality of Auditor's work. According to Wooten (2013), there are three indicators in measuring the quality of financial statement audits, namely the detection of misstatements caused by fraud or errors so that the financial statements are not presented fairly in accordance with SAK; the second is compliance with applicable general cost standards, and the third is compliance with the Company's Operating Standards (SOP). Written determination of what must be done, when, where, by whom, how to do it, what is needed, and so on, all of which are work procedures that must be obeyed and carried out. The quality of the auditor's work is measured by ten question items adopted from the Muhammad Iqbal Reza Pratama questionnaire (2017).

Multiple Linear Regression Analysis

In order to solve the problem as well as prove whether the hypothesis is accepted or rejected in this study, the Multiple linear regression statistical analysis tool is used.

RESULTS AND DISCUSSION

Table 1 Reliability Test Results

Variable	Cronbach's Alpha	Number of item	Information
Integrity	0.694	10	Reliable
Competence	0.770	10	Reliable
Professionalise Auditors	0.776	8	Reliable
Quality of the work of the auditors	0.674	10	Reliable

Source: Processed primary data

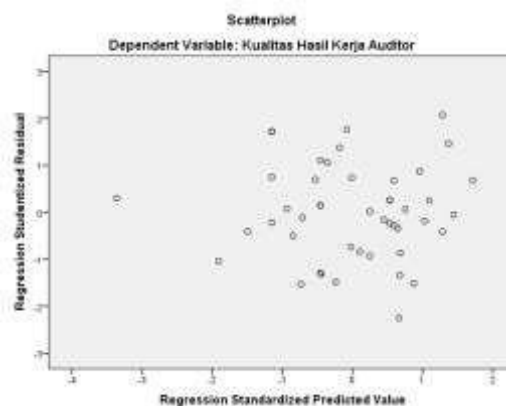
Table 1 above shows the Cronbach's alpha value for integrity is 0.694, competence is 0.770, auditor professionalism is 0.776 and the performance of regional financial managers is 0.674. Thus, it can be concluded that the statements in this questionnaire are reliable.

Table 2 Test Results Multicollinearity Test Coefficients

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Integrity	,317	3,156
Competence	,031	32,679
Professionalise Auditors	,025	39,468

a. Dependent Variable: Quality of the work of the auditors

Based on table 2 above, it can be seen that the tolerance value is close to 1 and the variance inflation factor (VIF) exceeds 1 for each variable as indicated by the tolerance value for integrity (X1) 0.317, competence (X2) 0.031, auditor professionalism (X3) 0.25 and VIF for each variable integrity (X1) is 3,156, competence (X2) is 0.31 and auditor professionalism (X3) is 39,468. Thus, it can be concluded that the regression equation model does not have a multico problem and can be used in this study.

**Figure 1 Graphs Scatterplot**

Based on Figure 1 above, the scatterplot graph shows that the data is spread above and below the number 0 (zero) on the Y axis and there is no clear pattern in the distribution of the data. This means that there is no heteroscedasticity in the regression equation model so that the regression model is feasible to use to predict the quality of the auditor's work based on the variables that influence it, namely the integrity, competence and professionalism of the auditor.

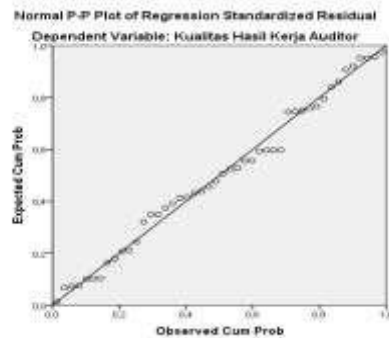


Figure 2 Normality Test Results Using Graphs P-Plot

Based on Figure 2 above, the p-plots graph shows that which compares the observation data with a distribution that is close to the normal distribution. The results of the normality test using the histogram graph are presented in Figure 3 below:

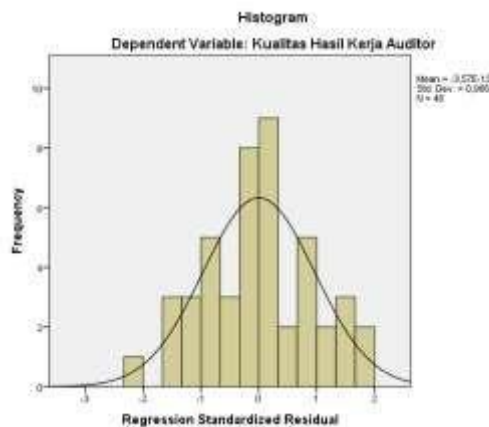


Figure 3 Normality Test Results Using Histogram Graph

Based on Figures 2 and 3 above, the spread of the data is around the diagonal line and follows the direction of the diagonal line, this indicates that the regression model meets the normality assumption. To test for normality is based on the nonparametric Kolmogorov-Smirnov (K-S) statistical test based on table 3.

Table 3 Results Kolmogorov-Smirnov Test Results (K-S)

One-Sample Kolmogorov-Smirnov Test		Unstandardized Predicted. Value
N		46
Normal Parameters ^{a,b}	Mean	39,5217391
	Std. Deviation	1,79981631
Most Extreme Differences	Absolute	,115
	Positive	,053
	Negative	-,115
Test Statistic		,115

This test compares a sample data set against a normally distributed set of values with the same mean and standard deviation. In this test, the data is not normally distributed if $p < 0.05$ and the data is normally distributed if $p > 0.05$. Based on table 3 above, the result of the Kolmogorov-Smirnov test is 0.153 greater than 0.05, this means that H_0 is accepted, which means that the residual data is normally distributed, and the results are consistent with the previous test.

Table 4 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,657 ^a	,432	,391	2,136

Table 4 above shows the Adjusted R Square (R^2) value of 0.391 or 39.1%. The coefficient of determination of Adjusted R Square (R^2) of 0.432 means that 43.2% of the performance of regional financial managers can be explained by the integrity, competence and professionalism of auditors while 57.8% is explained by other variables not explained in this study.

Table 5 Statistical Test Results t

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11,735	5,874		1,998	,052
Integrity	,623	,209	,616	2,983	,005
competence	2,120	,466	3,022	4,545	,000
Professionalism Auditors	-2,612	,610	3,131	4,286	,000

a. Dependent Variable: Quality of the work of the auditors

Table 5 above shows the significance value of the t test results on integrity (X1) of 2,983 while for t count with a total sample of 48 with a significant level of 0.005 is 2,021. the data above shows that the t table value is greater than the calculated t value, then H_0 is rejected, meaning there is a significant influence. With a significant value of t table $0.001 < 0.05$, this means accepting H_1 so it can be concluded that integrity (X1) has a significant positive effect on the quality of the auditor's work (Y). The significance of the value of the t test results on competence (X2) is 4,545 greater than the t count, namely 2,021, so H_0 is rejected, meaning that there is a significant influence. With a significant t value of $0.000 < 0.05$, which means accepting H_2 , it can be concluded that competence (X2) has a significant positive effect on the quality of the auditor's work (Y). Auditor professionalism (X3) 4,286 is greater than t count, namely 2,021, then H_0 is

rejected, meaning that there is a significant positive effect on the quality of the auditor's work (Y).

CONCLUSION

Based on the data that has been collected and processed so as to obtain the results of the tests carried out on the problem, the following conclusions can be drawn: 1) Integrity has a significant positive effect on the quality of the auditor's work and accepts the first hypothesis (H1). Auditors who have high integrity will certainly be honest, have the desire to work hard and have competence in accordance with their fields to achieve quality work results, 2) Competence has a significant positive effect on the quality of the auditor's work and accepts the second hypothesis (H2). An auditor who has good competence will have a good impact on the work of the auditor. 3) Auditor professionalism has a significant positive effect on the quality of the auditor's work and accepts the second hypothesis (H3). An attitude of professionalism must be possessed by an auditor to produce quality of the auditor's work.

The limitation in this study was in taking back the questionnaires that were distributed because there were some respondents who were not in place because they were carrying out assignments outside the area when the questionnaires were taken. The following are suggestions made by researchers based on the limitations found in this study: 1) Future research is expected to be able to add other variables not examined in this study and increase the number of respondents in future research, 2) Using different research methods, such as conducting qualitative methods, for further research.

For the Aru Islands District Inspectorate to further improve the quality of auditor work by empowering auditors who have integrity, competence and professionalism in carrying out their duties.

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THE DETERMINANT FACTORS OF EARNINGS PERSISTENCE IN INSURANCE COMPANIES IN INDONESIA

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ABSTRACT

This study aims to analyze the effect of Audit Fee, Audit Committee and Operating Cash Flow on Profit Persistence. Profit persistence is defined as accounting profit that is expected future earning and reflects sustainable earnings in the future. The independent variables used in this study are Audit Fee, Audit Committee and Operating Cash Flow. The dependent variable used in this study is profit persistence in the observation year 2016 to 2021. The population in this study is insurance subsector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2021. The sampling technique uses purposive sampling so that the selected sample amounts to 48 samplings. The analysis technique in this study uses multiple linear regression analysis. The results of this study show that Audit fee has no effect on profit persistence, audit committee has no effect on profit persistence, operating cash flow negatively affects profit persistence.

Keywords: *Audit Fee, Audit Committee, Operating Cash Flow, Earnings Persistence*

INTRODUCTION

Earnings persistence is the center of attention for users of financial statements because it is an important component of quality earnings. One of the indicators in this study that can affect earnings persistence is the audit fee. The size of the audit fee that has been agreed upon by the auditor with the client is likely to affect the quality of the resulting audit. Users of financial statements rely on the quality of earnings to make investments and make decisions about public companies. They often use profit summaries to measure company performance (NG Husin, 2020). Another thing that must be considered by the company besides earnings persistence, is to ensure that the profit information listed in the company's reports really shows how the actual condition of the company is and can be a guide or basis for predicting profits in future periods (Azzahra, 2016).

EMPIRICAL RESULTS AND ANALYSIS

This research was conducted at insurance companies listed on the Indonesia Stock Exchange. An insurance company is a company that provides risk coverage services that provide reimbursement due to loss, damage, costs incurred, loss of profit, or legal responsibility to third parties that may be suffered by the insured or policyholder due to an uncertain event (www.ojk.go.id). The total number of insurance sub-sector companies listed on the Indonesia Stock Exchange is currently 15 companies (www.idx.co.id). This study uses secondary data obtained from annual reports available on the Indonesia Stock Exchange (IDX) through the official website of the Indonesia Stock Exchange (www.idx.co.id). The population in this study are insurance companies from 2016 to 2021. The research method used is a quantitative associative approach. Sampling used a

purposive sampling method, and all results were obtained from data processed with the e-views 9.0 program.

Table 1 Descriptive Statistical Test

	Y	X ₁ _AF	X ₂ _KA	X ₃ _AKO
Mean	-2.908385	3.131493	-5.922627	-1.171053
Median	-3.012032	3.095077	-4.812293	-0.725320
Maximum	-1.488760	3.318245	-1.138230	-0.163474
Minimum	-4.985584	2.989797	-11.27329	-3.564124
Std. Dev.	0.781684	0.089234	3.697736	1.089903
Skewness	-0.079107	0.746567	-0.236570	-1.110578
Kurtosis	2.738991	2.541252	1.561234	2.566873
Jarque-Bera	0.186315	4.879797	4.587821	10.24227
Probability	0.911050	0.087170	0.100871	0.005969
Sum	-139.6025	150.3116	-284.2861	-56.21056
Sum Sq. Dev.	28.71841	0.374248	642.6428	55.83072
Observations	48	48	48	48

From the results of the Descriptive Statistics Test, earnings persistence has the lowest value = -4.985584 at PT Asuransi Dayin Mitra Tbk in 2016, and the highest value = -1.488760 at PT Asuransi Tugu Pratama Indonesia in 2017. This indicates the standard deviation value is greater than the average value and can be used as a representation of the entire data. Variable X1 shows the lowest value = 2.989797 at PT Asuransi Ramayana Tbk in 2021, and the highest value = 3.318245 at PT Asuransi Tugu Pratama Indonesia in 2020, and the average value = 3.131493 with a standard deviation = 0.089234. This shows the standard deviation value < mean value, which means the data does not vary. Variable X2 shows the lowest value = -11.27329 at PT Asuransi Multi Artha Guna Tbk in 2019, 2020 and 2021, the highest value = -1.138230 at PT Asuransi Bintang Tbk in 2017, 2018, 2019, 2020 and 2021 and the average value mean = -5.922627 with standard deviation = 3.697736. This shows the standard deviation value > the average value, meaning that the data varies, and the average value can be used as a representation of the entire data. X3 variable shows the lowest value = -3.564124 at PT Asuransi Dayin Mitra Tbk. in 2016 and 2017, the highest value = -0.163474 at PT Asuransi Ramayana Tbk. in 2017 and the average value = 1.171053 with a standard deviation = 1.089903. This shows the standard deviation value > the average value, meaning that the data varies, and the average value can be used as a representation of the entire data.

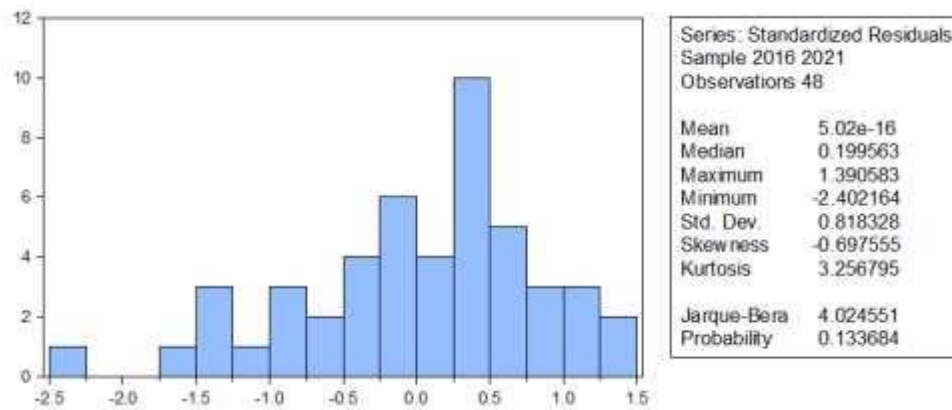


Figure 1 Normality Test

The normality test results show the Jarque-Bera value = 4.024551 and the probability value = 0.133684. Probability value > 0.05 (0.133684 > 0.05). It is concluded that the data is normally distributed.

Table 2 Autocorrelation Test

R-squared	0.171265	Mean dependent var	-0.546092
Adjusted R-squared	0.114760	S.D. dependent var	0.425791
S.E. of regression	0.400615	Sum squared resid	7.061656
F-statistic	3.030984	Durbin-Watson stat	1.968196
Prob(F-statistic)	0.039179		

Autocorrelation test results show the value of Durbin Watson = 1.968196. with Durbin Watson table and significant level $\alpha = 5\%$, number of samples (N) = 48, and 3 independent variables (k = 3), $dU = 1.6708$. We get $1.6708 (dU) < 1.968196 (d) < 2.3292 (4-dU)$. Then the data is free from autocorrelation problems.

To test the hypothesis. the author uses the T test (Partial) to answer the hypothesis that has been formulated at the beginning. The results of the T test are shown in table below:

Table 3 T test table (Partial)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.737124	8.571772	-0.319318	0.7510
X1_AF	-0.067827	2.788638	-0.024323	0.9807
X2_KA	0.122782	0.068746	1.786014	0.0810
X3_AKO	-0.656100	0.251031	-2.613625	0.0122

With the t_{table} equation: $df = n - k - 1$, namely $48 - 4 - 1 = 43 = 1.68107$. It was concluded that the operating cash flow variable has a negative effect on earnings persistence.

The variable X1 has a tcount = -0.434706 and a prob value. Significant=0.6661. The tcount value is = -0.024323 and the prob value. Significant=0.9807. Then tcount < ttable (-0.024323 < 1.68107). The probability sig. > value is at the significance level (0.9807 > 0.05), which means that variable X1 has no effect on earnings persistence. So the first hypothesis (H1) is rejected.

Variable X2 has a tcount = 1.786014 and a prob value. Significant=0.0810. Then tcount > ttable (1.786014 > 1.68107). The probability sig. > value is at the significance level (0.0810 > 0.05), which means that variable X2 has no effect on earnings persistence. Then the second hypothesis (H2) is rejected.

Variable X3 has a value of tcount = -2.613625 and a prob value. significant = 0.0122. Then tcount < ttable (-2.613625 < 1.68107). Probability value sig. < value at the significance level (0.0122 < 0.05), which means that the operating cash flow variable has a negative effect on earnings persistence. So the third hypothesis (H3) is accepted.

CONCLUSION

Based on the research results as described in the previous chapter, the following conclusions can be drawn:

1. Audit fees have no effect on profit persistence in insurance companies listed on the IDX for the 2016-2021 period. Based on the results of this study indicate that the audit fee variable has a tcount of -0.434706 and a prob value. significant 0.6661. Then it has a tcount value of -0.024323 and a prob value. significant 0.9807. Then tcount is smaller than ttable (-0.024323 < 1.68107). Probability value sig. greater than the value at a predetermined significance level, namely 0.05 (0.9807 > 0.05).
2. The audit committee has no effect on profit persistence in insurance manufacturing companies listed on the IDX for the 2016-2021 period. Based on the results of this study indicate that the audit committee variable has a tcount of 1.586014 and a prob value. significant 0.0810. Then tcount is smaller than ttable (1.586014 < 1.68107). Probability value sig. greater than the value at a predetermined significance level of 0.05 (0.0810 > 0.05), which means that the audit committee variable has no effect on earnings persistence.
3. Operating cash flow has a negative effect on profit persistence at insurance companies listed on the IDX for the 2016-2021 period. Based on the results of this study indicate that the operating cash flow variable has a tcount of 2.613625 and a prob value. significant 0.0122. Then tcount is smaller than ttable (-2.613625 < 1.68107). Probability value sig. smaller than the value at a predetermined significance level of 0.05 (0.0122 < 0.05), which means that the operating cash flow variable has a negative effect on earnings persistence.

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THE TRADITIONAL CULTURAL SUNDANESE (ANGKLUNG) VALUES AS A RESOURCE FOR REINFORCING ETHICAL CODE OF ACCOUNTANTS

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ABSTRACT

*This study aims to explore ethical code of an accountant through the representation of angklung art as a traditional musical instrument in Indonesia. The research methodology using literature review, by collecting data for the last 10 years through literature studies. Based on the analysis, it is known that the technique of creating and playing angklung can be used as a reference for understanding the accountant's code of ethics. Through the technique of playing angklung, it is known that ethical values are in the form of accuracy, professionalism, responsibility, and teamwork. While in the process of making angklung it is known to have values that strengthen the principles of the accountant's code of ethics, such as integrity, professionalism, responsibility, public interest, objectivity, confidentiality, independence, and technical standards. **Keywords: Accountant, Accountant's code of ethics, Sundanese culture, Angklung art.***

INTRODUCTION

According to Purwaji & Wibowo et al. (in: Rinaldy, 2020), ethics is the attitude or critical thinking about moral norms and values that shape the behavior and responses of every individual, whether in groups or as individuals. In the research by Hasiara & Tandirerung (2019), it is stated that professional ethics also include the ethical code for accountants found in the Public Accountant Professional Standards (SPAP). SPAP regulates the ethical code that accountants must adhere to in carrying out their duties, fulfilling responsibilities, and behaving ethically and professionally. The accountant's ethical code also includes the principle of honesty, which accountants must uphold. To achieve a sense of professionalism, accountants can study the professional ethical code from any source as long as it produces positive results. One of the ways accountants can understand the professional ethical code is through the traditional Sundanese art form called "angklung." The process of creating and playing angklung can serve as a reference for integrating the ethics of accountants.

The process of creating and playing angklung involves traditions, procedures, and an ethical code to produce a good and usable angklung. To achieve good results in making angklung, timing is crucial. In addition, the angklung craftsmen also apply a set of professional ethics in the production process. Observing the unity, togetherness, and responsibility when playing angklung can serve as a reference for the ethical code of accountants. Angklung originates from Sundanese culture, known for its gentle personality, religiosity, and spirituality. Additionally, Sundanese culture is also known for valuing politeness, being friendly, and showing great respect for elders (Rusmana, 2021).

METHODOLOGY

This study employs a literature review, also known as a literature study. According to Triandini et al. (2019), a literature review is a study used to evaluate, interpret, and examine existing research on various interesting topics and phenomena, as well as relevant statements. This research aims to enhance the ethical code of accountants in carrying out their duties, as illustrated through the art of angklung. Accountants are professionals who rely on their ethical code as a guide in their work. Therefore, the researcher attempts to find ways to maximize the ethical code of accountants through the art of angklung, which originates from the land of Sunda and possesses its own life values.

RESULTS AND DISCUSSION

According to Dewi et al. (2022) in their research, accountants are expected to demonstrate a professional attitude in carrying out their profession. They emphasize the importance of upholding ethical codes and enhancing competency. Accountants should be able to compete by learning to think strategically and being proficient in utilizing technology to stay up to date. Therefore, the responsibility and tasks of accountants go beyond simply creating reports and prioritizing public interests; understanding the professional ethical code is also crucial.

In Suasana Dewi et al.'s (2022) study, there is an understanding of the accountant's ethical code through the creation of angklung, an Indonesian musical instrument. Just like the characteristics of an accountant, the process of making angklung also fulfills the qualities that an accountant should possess. The data they obtained suggests that the creation of angklung can be manifested as an understanding of the accountant's ethical code. The making of angklung involves special traditions or rituals, including:

- a. According to Dewi et al. (2022), in the process of making angklung, it is crucial to choose the right timing for selecting bamboo. Craftsmen usually choose bamboo during the full moon after the morning prayer (subuh) to reduce the moisture content in the bamboo. **This can be analogized to accountants carrying out their duties during audits, where they need to adhere to planned schedules to achieve good results.**
- b. Before making angklung, careful checking and selection of bamboo are necessary. The chosen bamboo should be the middle part of the stalk. **Similarly, an accountant needs to be meticulous in providing information or conducting audits. Everything presented must align with the existing facts.**
- c. After the selection, the bamboo cutting takes place from 8 am to 11 am to ensure the right bamboo is harvested without errors. **This also relates to accountants who need to prioritize their tasks according to predetermined schedules.**
- d. Those who harvest and search for bamboo are individuals who understand the different types of bamboo commonly used for making angklung. Moreover, bamboo cutting has its own techniques to ensure its regrowth. **Similarly, accountants need to have a comprehensive understanding of what needs to be done and possess professionalism to provide quality information.**
- e. The harvested bamboo is left untouched for 6 months to 1 year, depending on the age of the bamboo, allowing the moisture content to decrease. The older the harvested bamboo, the faster it dries, and the quicker the angklung-making process. **This can be compared to accountants who, with sufficient**

knowledge and experience, attain maturity and professionalism. Upholding their ethical code, accountants put their competencies and independence at stake.

- f. The process of making angklung involves three or more people. It requires a combination of skill and precision to maximize the produced sound. The dried bamboo is cut into different sizes—small, medium, and large—according to the required standards, ensuring harmonized sound frequencies. **In this aspect, the quality and auditing process of an accountant are at stake. Accountants are expected to work independently or collaboratively as a team to complete tasks within designated time frames.**

Angklung is a traditional musical instrument that can adapt to the progress of time. This means that in this era, there are not only traditional angklungs but also modern ones. Similar to accountants, if accountants are patient and meticulous in their work, they will produce quality information as expected by the people who use their services. Accountants also need to keep up with the times and constantly update themselves in order to improve the quality of their duties.

According to Hermawan (2013), in the art of playing angklung, there are other values that can serve as a reference for accountants in their professional ethics. For example, when playing the angklung, values such as:

1. Togetherness: To play angklung, each player must have the same thoughts and feelings in order to create a beautiful rhythm. **Similarly, for accountants, togetherness can be achieved through teamwork or individual work.**
2. Solidarity: Solidarity is highly required when playing the angklung to ensure the success of the performance as desired. **In group work, accountants need to set aside their egos to create solidarity and achieve the desired information and results.**
3. Responsibility: Each angklung player is responsible for their instrument and the rhythm they play. This accountability is necessary in case something undesirable happens. **Similarly, accountants must be able to take responsibility for their financial reports.**

The values found in angklung teach about precision, professionalism, responsibility, and teamwork. To achieve good and high-quality results, individuals need to demonstrate these qualities professionally. Professionalism is fostered through principles and the code of ethics learned. Similarly, for accountants, the code of ethics serves as a guide in carrying out their duties. If an accountant wants to achieve good results, they must apply their professional ethics to the best of their ability.

CONCLUSION

Angklung art has values that can be used to understand the ethical code of accountants. By analogizing it in the creation and way of playing the angklung, an accountant is able to understand or reinforce their ethical code. Being an accountant also requires a professional attitude, and therefore, in the art of angklung, there is also a value of professionalism in playing and creating it. It's not just angklung art, but Sundanese culture itself can be used to understand the ethical code of accountants. The characteristics of Sundanese culture can serve as a reference for accountants to strengthen their ethical code. In the creation and playing technique of angklung, accountants can understand that with the patience

and precision they possess, they can produce quality and reliable information or audit results.

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EFFECT OF PROFITABILITY, SOLVENCY, AUDITS OPINION, AUDITS TENURE, AUDITORS REPUTATIONS AND COMPANY SIZE ON AUDITS DELAYS (FOOD AND BEVERAGE SUB SECTOR FOR THE 2018-2021 PERIOD)

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ABSTRACT

Financial reports are an important source of information for users of financial statements in making decisions. Financial reports must be reported in a timely manner. The length of time for completion of the audit by the auditor can cause audit delays which makes the financial reports not timely in reporting their financial statements. Therefore, the purpose of this study was to determine the effect of profitability, solvency, audit opinion, audit tenure, audit reputation and company size on audit delay. The theory in this study uses agency theory and signal theory. The objects of this research are 46 food and beverage companies listed on the IDX in 2018-2021. The sampling technique used is the Non-Probability Sampling technique, using a purposive sampling method. The analytical method used is panel data regression analysis using the EVIEWS 12 program. Based on the results of the panel data regression test it can be concluded that Profitability, Audit Tenure and Firm Size have a significant negative effect on audit delay and audit reputation has a negative but insignificant effect on audit delay while Solvability and Audit Opinion have no significant positive effect on audit delay.

Simultaneously Profitability, Solvability, Audit Opinion, Audit Tenure, Audit Reputation and Company Size affect Audit Delay.

Keyword: Financials Report, Profitability, Solvency, Audit Opinion, Audit tenure, Audit Reputation, Company Size, audit delay

INTRODUCTION

Development world business in Indonesia a number of year final very especially on the capital market stock exchange. This is proven more and more increase companies Which registered in Exchange Effect Indonesia (IDX) annually as a company *going public*. Year 2020 Company go 723 publicly listed companies on the Indonesia Stock Exchange, year 2021 saw an increase in the number of *go public companies* listed on the IDX as many as 770 companies and in 2022 the number of companies that *go public* registered in IDX experience enhancement Which very rapidly as much 828 company ([www. idx statistics](http://www.idxstatistics.com) 2020; 2021; 2022).

Companies listed on the Indonesia Stock Exchange have the obligation to report quarterly and annual financial reports that are prepared according to the standards for preparing financial reports in Indonesia. Financial statements are one of important source of information para user report finance in taking decision

(Thians, 2022). An important factor in the use of financial reports can be seen from the value timeliness reporting finance. According to Arini (2020) Lateness publication report finance in a manner No direct can interpreted by investors as a sign of a bad signal for the company. By because wrong one factor which can slow down company in convey report finance to the public is a delay in auditing in audit financial statements. duration time delivery of financial reports settlement result independent auditors called with *audit delays*.

Based on regulation Authority Service Finance Republic Indonesia No. 29/POJK04/2016 concerning Annual Reports of Issuers or *Go Public Companies*, Article 1 explains that the annual report is a report in it there is accountability of the Board of Directors and the Board of Commissioners in carrying out management and supervision of companies *going public* within a period of 1 book closing year to the general meeting of shareholders which is arranged based on OJK regulations. Article 7(1) explains that issuers or companies *go public* must convey report annual to Authority Service Finance (OJK) no later than the end of the fourth month after the end of the book closing year or 120 days.

However, the decision letter issued by OJK did not close possible companies listed on the Indonesia Stock Exchange or *go public* will obey report his finances in a manner appropriate time. Based on monitoring data from the Indonesia Stock Exchange (IDX), there are 24 companies that have not submitted the 2018 financial report and IDX has sent a warning written II and a fine of 50 million for delay company -company the (www.CbncIndonesia.com).

On July 30 2020 exists 30 companies 2019 book closing period which has not been submit financial reports every year even the stock exchange authority has given written warning III and a fine 150 million (www.cbncIndonesia.com). Whereas on date 11 June 2021 IDX announce as much 88 Company open (issuer) Which Not yet submit audited financial reports for the financial year period that ended 31 December 2020 www.cbncIndonesia.com. Temporary That date 13 May 2022 Bei announced that there were 91 publicly listed companies (issuers) that had not convey report finance And report annual period closed book 31 December 2021 and the exchange authority gave written warning I to 91 company the (www.cbncIndonesia.com). The phenomenon above can be seen that every year many companies are late in submitting financial reports.

According to Adiraya and Sayida (2018) Wrong One size accuracy in convey financial statements contained in *the audit delay*. *Audit Delay* is the old one-time delivery of financial reports settlement result independent auditors. There are several factors that affect *audit delay*. According to Lestari and Sapphire (2017), factor Which influence *audits delayed* covers size company, profitability, solvency, audit quality and *tenure audit*. Besides that, based on results study Puryati (2020), factor Which influence *audits delay* includes: *tenure audit*, audit opinion and company size. And research Arini (2020), said There are three factors that are expected to influence *the audit delayed* that is profitability, solvency and size company. In context study This, researcher will take a number of factors just Which suspected affect *audit delay* namely Profitability, Solvency, Firm size, Opinion audit, *tenure audit*, and reputation audit. Following This a number of list Name company And recapitulation data company sub sector food And drink 2018-2021 Which late publication And experience audits delayed Which sourced from www.cbncIndonesia.com.

Tabel 1 Rekapitulasi Data Sub Sektor Makanan dan Minuman 2018-2021

No.	Perusahaan	Tahun	Profitabilitas	Solvabilitas	Ukuran	Audit Delay
			(ROA)	SOLVABILITAS (DAR)	Perusahaan Ln= (Total Asset)	
1	AISA	2018	-0,68	2,90	28,23	401
		2019	0,61	1,89	28,26	178
		2020	0,60	0,59	28,33	88
		2021	0,50	0,54	28,20	117
2	CPRO	2018	0,26	0,90	29,51	88
		2019	-0,58	0,95	29,42	267
		2020	0,60	0,89	29,48	272
		2021	0,34	0,56	29,49	119
3	DPUM	2018	0,40	0,33	28,38	119
		2019	-0,18	0,41	28,23	149
		2020	-0,26	0,52	28,02	235
		2021	-0,57	0,55	27,96	131
4	STTP	2018	0,89	0,34	27,85	89
		2019	0,18	0,28	27,78	148
		2020	0,18	0,22	28,87	145
		2021	0,16	0,16	29,00	129
5	UNSP	2018	-0,11	1,11	30,22	87
		2019	-0,58	1,65	29,76	111
		2020	-0,13	1,93	29,66	145
		2021	0,14	1,83	29,74	137

ber: www.idx.co.id (data olahan;2023)

Based on table 1.2. above it can be seen that there are sub companies the food and beverage sector that submits financial audit reports does not in accordance with the provisions or exceeding the provisions limit, namely a maximum of 4 (four) month or 120 days counted since date closing book. Company AISA in 2018 experienced a prolonged audit delay of 401 days with Profitability using ROA of -0.68, Solvability with a DAR of -0.68 2.90, And size company 28,23, And on year 2019 Profitability using ROA increased by 0.61, Solvability with DAR decreased by 1.89, and company size increased by 28.26, but still experiencing audits prolonged delays for 178 days although experience decline. On company CPRO year 2019 experience audits delayed prolonged during 267 days with Profitability use ROA as big -0.58, Solvency with a DAR of 0.95 and a firm size of 29.42, and in years 2020 Profitability use ROA increase as big 0.60, Solvability with DAR decrease as big 0.89, And size company increase 28,48, however, it still experienced a prolonged audit delay of 272 days increased. The DPUM company in 2019 experienced an audit delay prolonged during 149 days with Profitability use ROA as big -0.18, solvency with a DAR of 0.41, and company size 28.23. Will but in 2020 audit delay has increased by 235 days with profitability use ROA increase as big -0.26 solvency with DAR increased by 0.52 and company size decreased by 28.02. 2019-year STTP companies experienced a prolonged audit delay of 148 days with Profitability using ROA of 0.18, solvency with DAR of 0.28, and company size 27.78. Whereas in 2020 the audit delay has decreased for 145 days with the profitability of using ROA still as big 0.18, solvency with DAR increase as big 0.52, And size company increase 28,87. On company UNSP year 2020 experienced a prolonged audit delay of 145 days with

Profitability using ROA of -0.13, solvency with DAR of 1.93, and size company 29,66. Will but on year 2021 profitability using ROA increased by 0.14, Solvability with DAR decreased by 1.83, and company size increased by 29.74, but still experienced audits delayed prolonged for 137 days despite experiencing decline. Viewed from explanation on and table 1.2. Can pulled conclusion, that the food and beverage sub-sector companies have ROA, DAR and Company Size which face fluctuating conditions up and down each annually and is thought to affect the length of the audit reporting process. However, in the completion of the independent auditor in his audit or referred to as *audits delayed*, also there is inconsistency in matter finish results the audit.

Tabel 2 Research Gap Dari Penelitian Terdahulu

Jurnal	Profitabilitas	Solvabilitas	Opinion Audit	Audit Tenure	Reputasi Audit	Ukuran Perusahaan
Tannuka; 2018	- Signifikan	+ Tdk Signifikan				+Tidak Signifikan
liwe dkk; 2018	- Signifikan	+ Tdk Signifikan				+ Tdk Signifikan
Ginting; 2019	- Tdk signifikan	+ Signifikan				- Signifikan
Anita & Cahyati; 2019	- Tdk signifikan	+ Tdk Signifikan	- Signifikan			
Sylviana; 2019		+ Signifikan	- Signifikan			
Elvienne & Apriwenni ; 2019	- Tidak signifikan	+ Signifikan			- Tdk signifikan	+ Tdk Signifikan
Pradnyaniti & Suardikha; 2019				- Signifikan		
Arini; 2020	- Signifikan	+ Tdk signifikan				- Tdk signifikan
Indriani & Alamsyah; 2020	- Signifikan	+ Signifikan				
Gaol & Sitohang; 2020		+ Signifikan			+ Signifikan	
yanthi dkk; 2020			- Tdk signifikan	- Signifikan		
Ulfa & Ardiana; 2021				- Signifikan		
Kristianti & Mulya; 2021	+ Signifikan	- Signifikan				

Meini & Wulandari ; 2021	- Signifikan				+ Signifikan	
Meini & Nikmah 2022			- Signifikan		- Signifikan	
Putri & Martini 2022		- Signifikan	- Signifikan	+ Tdk Signifikan		+ Tdk Signifikan
Widyatusti & Zulaikha; 2022	- Signifikan	+ Tdk Signifikan	- Signifikan		- Signifikan	+ Tdk Signifikan
Prasetyo & Rohman; 2022	- Signifikan	+ Signifikan	+ Tdk Signifikan		- Signifikan	- Signifikan
Rochmah dkk; 2022	- Signifikan	- Signifikan				
Kristience dkk; 2022	+ Signifikan	+ Signifikan				+ Tdk signifikan

Sumber : Penelitian Terdahulu (dataolahan;2023)

From several studies contained in table 1.3. above can be interpreted that there are inconsistencies in research results related to *audit delay* as dependent variable, for that the researcher feels motivated to retest a number of factors Which possibility influence *audits delayed*. Difference this research with previous research, namely this research takes all factor Which there is research gaps tabled 1.3. on that is profitability, Solvability, Audit Opinion, *Tenure Audit*, Audit Reputation and Company Size by testing its effect on audit delay. In this study researchers taking companies listed on the Indonesia Stock Exchange with the research object is food and beverage companies in 2018- 2021. Researchers take food and beverage companies as they are one of the basic human needs and has increased and can also become opportunity business Which Good in Century future. According to Prastiwi et al (2018) Company food and drink tend endure long because the resulting product is a consumer product so that the company will be more resistant to all economic crises both inflation and capital deficiency. Based on the description of the explanation above and research background, researchers are interested in researching repeat about *audit delay* as the dependent variable. Therefore, researchers take title:

Effect Of Profitability, Solvency, Audit Opinion, *Audit Tenure*, Reputation Audits as Well as Size Company to *Audit Delay* (Indonesian Stock Exchange Company Sub Sector Food and Drink Period 2018 - 2021)".

REVIEW REFERENCES

1. Theory Agency (*Agency theory*)

Connection between management (party agent) with holder share (principal) explained in theory agency. According to Supriyono (2018) connection principal and agent contracts are in a scope of agency relationship where agent requested for carry out a number work on Name principal. The principal in question is the owner or shareholder, while the agent namely as management. the principal usually provides information to the agent for followed up in process information

the. And after agent process this information and get results then the agent will report to principals. The results of the information processing can be used in taking decision or step which will take in the future by principals and agents must also be held accountable for the results of the information to principal. If happen error. Principal And agent must intertwine good relationship to avoid information mismatch or asymmetry information. In theory agency, *audits delayed* is wrong.

One factor component which cause asymmetric information, because *audits delayed* closely related to the accuracy of the publication of financial statements, because if experienced financial reports delay, then trust and value towards report or information the reduce so that principal often time get incomplete information, causing asymmetry information. Besides that, principal and agent relationship cannot be denied will occur conflict because of prioritizing the interests of each other. According to Panda (2017) Conflict usually occurs when the agent wants a high bonus to reward the results of its performance to the principal and on the one hand the principal wants the agent to generate a high return on the investment made. Because in conflict the agent own information more Lots about condition company compared to principal cause principal No get information complete about condition something company even late in reporting resulting in information asymmetry. To avoid this than a third party is needed who can play a role in carrying out inspections and inspections monitoring of management performance to avoid information asymmetry that is Auditor (Afifah & Susilowati, 2021).

2. Theory Signal (Signals Theory)

Management has more accurate information that can serve as a signal for investors. Information is the most important thing for investors and businesspeople, because the information presents information, notes or descriptions past, present and future events regarding the survival of a company and the impact it causes (Laksono & Duh Mu'id, 2014). In taking decision needed information Which relevant, quality, complete and accurate. According to Prasongkoputra (2013) theory signal contains an announcement information that can be a signal for investors and those with interests and can also trigger a reaction market in the form of changes in stock prices or abnormal returns. If the stock price goes up it will generate a positive signal for investors and vice versa if share down will give signal negative investors in taking decision.

According to Prakoso and Wahyudi (2022) In general, the signal theory is indication of the company to outsiders, which means managers share data in the form of financial reports which contain (Profitability, *leverage*, reputation hood, size company and opinion auditors) to parties Which need. Accurate and timely presentation of financial reports to the public is signal from company that exists information Which useful in making decisions. If the information is not accurate and the duration time auditing report naturally will influence movement to share price and investors will judge that the company owns bad news and investors interpret it as *an audit delay* that causes it report information company No in publish and resulted decline in investor confidence, decline in dividends and decline in stock prices company the.

RESEARCH METHODS

This research method uses quantitative data with sample data on food and beverage sub-sector companies on the IDX for the 2018-2021 period. In the research the dependent variable Y, namely audit delay, is measured by the date of the independent auditor's report - the date of the annual book closing financial

statements. The independent variable X in this study is Profitability measured using the ROA ratio with the formula = profit after tax/total assets (Tannuka, 2018). Solvability is measured using the DAR ratio with the formula = total debt/total assets (Arini, 2020). Audit opinion is measured using a dummy 1.0 where if the company gets an unqualified opinion, it will get 1 and if it gets other than unqualified opinion it will get a value of 0 (Sylviana, 2019). Tenure audits are measured by counting the number of years the engagement started with number 1 and plus one for the following years If same (Sawitri and Burdiartha, 2018). Audit reputation using measurement variable dummy, with mark 1 If Company uses it _ Hood the big four and mark 0 If use besides from Cap the big four (Elvienne & Apriwenni, 2019). Size company formulated Logs natural (Total Assets).

The method used is descriptive analysis method, model selection analysis, classical assumptions and panel data regression analysis using the eviews 12 application. The population in this study is 72 food and beverage sub-sector companies listed on the IDX 2018-2021. The sampling technique used purposive sampling with predetermined criteria so that the samples obtained were 46 companies with a total sample of 184 financial report data.

RESULTS AND DISCUSSION

Results Study

Data analysis used in this study includes statistical tests descriptive, classic assumption test and hypothesis testing using the data model panel on eviews12.

Statistics Descriptive

Descriptive statistics are used to determine the characteristics of the sample used and describe variables in study seen from number of samples, minimum value, maximum value, average value and standard deviation (Tannuka, 2018). Following This show results statistics descriptive data study:

Table 3 Statistics Descriptive

Variable	Obs.	Mean	Median	Max.	Min.	Std.Dev
Dependent						
AD	174	90,54598	88,00000	235, 0000	46, 00000	26,77644
Independent						
ROA	174	0,052288	0,041234	0,599025	-0,300287	0,104951
DAR	174	0,452142	0,489156	1,10736	0,000666	0,203597
OA	174	0,994253	1,000000	1,000000	0,000000	0,075810
AT	174	2,229885	2,000000	4,000000	1,000000	1,124618
RA	174	0,425287	0,000000	1,000000	0,000000	0,495813
UP	174	29,05046	28,87437	32,82039	25,23118	1,609689

Source: output *Eviews* 12, 2023 processed data

Analysis Data Panel

1. Test Chow

Table 4 Chow test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.542.952	-45,122	0.0000
Cross-section Chi-square	171.251.351	45	0.0000

Source: Output *Eviews* 12, processed data 2023

Chow test is used to choose between Common Effect (CEM) methods and the Fixed Effects (FEM) method. The hypothesis formed in the Chow Test is:

H0: *Common Effect* Method >5%

H1: Method *Fixed Effects* < 5%

Table 5.1 above shows the probability results of 0.0000 which means H 0 rejected and H 1 accepted, so the method chosen in the *chow test* ie Method *Fixed Effects*.

2. Test Hausman

Table 5 Hauman Test

Correlated Random Effects - Hausman Test				
Equation: REM				
Test cross-section random effects				
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.	
Cross-section random	7.678.405	6	0.2626	

Source: Output *Eviews* 12, processed data 2023

Hausman test determines whether the *Fixed effect* model has a *Random effect* model in determining the best model to be used as a model regression data panel, provided that:

H0: *Random Effect* Method >5%

H1: Method *Fixed Effects* < 5%

From the table above shows the results of the probability of 0.2626 which It means H1 rejected And H 0 accepted, so method which selected from results test *Hausman* that is Method *Random effects*.

3. Test Lagrange Multiplier (LM)

Table 6 Lagrange Multiplier Test

Lagrange Multiplier Tests for Random Effects			
Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided			
(All others) alternatives			
	Test Hypothesis		
	Cross- section	Time	Both
Breusch- Pagan	54.50075	4.593502	59.09425
	(0.0000)	(0.0321)	(0.0000)
Honda	7.382462	2.143246	6.735693
	(0.0000)	(0.0160)	(0.0000)
King-Wu	7.382462	2.143246	3.934133
	(0.0000)	(0.0160)	(0.0000)
Standardiz ed Honda	7.903992	3.704886	2.972107
	(0.0000)	(0.0001)	(0.0015)
Standardiz ed King- Wu	7.903992	3.704886	2.458045
	(0.0000)	(0.0001)	(0.0070)
Gourieroux , et al.	--	--	59.09425
			(0.0000)

Source: Output *Eviews* 12, processed data202 3

The Lagrange Multiplier (LM) test is a test to find out whether the model Random Effect Model is better than the *Common Effect Model method*. LM test is based on the distribution of *Chi squares* with *a degree of freedom* equal to the number variable independent. The hypothesis formed in the LM test is:

H0: Method common Effect > 5% (Both)

H1: Method Random effects < 5% (Both)

Table above shows the results of Both of 0.0000, which means H0 is rejected and H1 is accepted, so the method chosen from the results of the *Hausman test* is Method *Random effects*.

Table 7 Table Testing Regression Models Data Panel

No	Methods	Test	Result
1	Chow Test	Common Effect Model vs Fixed Effect Model	Fixed Effect model
2	Hausman Test	Random Effect Model vs Fixed Effect Model	Random Effect Model
3	Lagrange Multiplier	Common Effect Model vs Random Effect Model	Random Effect Model

Source: Output *Eviews* 12, processed data 2023

Based on the test results of the panel data regression model on the three-model data panel Which aim for can strengthen conclusion on paired tests as well as to continue testing the classical assumptions and test hypothesis so model Which selected For in test furthermore that is *Random effects Model*.

DISCUSSION

1. Effect of profitability on audit delay
Based on the results of the regression analysis, the coefficient value is -65.41055, the higher the profitability, the faster the audit delay. The t test for the profitability variable shows a tcount value of 3.406256 which is negative, and a significant value of $0.0008 < 0.05$. Thus, profitability has a negative and significant effect on audit delay.
2. Effect of Solvency on audit delay
Based on the results of the regression analysis, the coefficient value is 13.82714, the higher the solvency, the longer the audit delay will be. The t test for the solvency variable shows a tcount value of 1.175495 which is positive, and a significant value of $0.2415 > 0.05$. Thus, solvency has no significant positive effect on audit delay.
3. Effect of audit opinion on audit delay
Based on the results of the regression analysis, the coefficient value was 13.17835, the t-test statistical audit opinion showed that the t-count value was 0.663493, which was positive, and a significant value was $0.5079 > 0.05$. Thus, the audit opinion has no significant positive effect on audit delay.
4. Effect of audit tenure on audit delay
Based on the results of the regression analysis, the coefficient value is -3.564748, the t test of tenure audit statistics shows that the t-count value is 2.736570, which is negative, and a significant value is $0.0069 < 0.05$. Thus, the tenure audit has a significant negative effect on audit delay.
5. Effect of audit reputation on audit delay
Based on the results of the regression analysis, the coefficient value is -0.364636. The t test for the reputation variable shows a t-count value of 0.063358 which is negative, and a significant value of $0.9496 > 0.05$. Thus, audit reputation has no significant negative effect on audit delay.
6. Effect of company size on audit delay
Based on the results of the regression analysis, the coefficient value is -4.361745. The t test for the firm size variable shows a t-count value of 2.507927 which is negative, and a significant value of $0.0131 < 0.05$. Thus, the size of the company has a significant negative effect on audit delay.

CONCLUSION

The results showed that the variable profitability has an influence significant negative effect on audit delay in food sub-sector companies and beverages listed on the Indonesia Stock Exchange in 2018-2021. The solvency variable has an influence positive but not significant to audit delay in food sub-sector companies and beverages listed on the Indonesia Stock Exchange in 2018-2021. Audit opinion variable has influence not significant to audit delay in food sub-sector companies and beverages listed on the Indonesia Stock Exchange in 2018-2021. The *tenure* audit variable has an influence negative significant to audits delayed in food sub-sector companies and beverages listed on the Indonesia Stock Exchange in 2018-2021. Variable _ reputation audits own no significant effect on audit delay in food sub-sector companies and beverages listed on the Indonesia

Stock Exchange in 2018-2021. Variable company size own significant negative effect on audit delay in food sub-sector companies and beverages listed on the Indonesia Stock Exchange in 2018-2021.

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EFFECT OF SOLVABILITY, INHERENT RISK, COMPANY SIZE AND COMPANY AGE ON LAG AUDIT REPORTS WITH THE AUDIT COMMITTEE AS MODERATOR

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ABSTRACT

The purpose of this study was to determine the effect of solvency, inherent risk, company size and company age on lag audit reports with the audit committee as moderator for transportation and logistics sector companies listed on the Indonesia Stock Exchange (IDX) for 2019-2021. This study uses a quantitative approach. The population in this study are transportation and logistics companies listed on the Indonesia Stock Exchange (IDX). The sampling technique used purposive sampling and obtained a sample of 20 companies. The data analysis technique used is Moderation Regression Analysis. The results of the study show that together the independent variables consisting of Solvency, Inherent risk, Firm size and Company Age on audit report lag with the audit committee as moderator. While partially the size of the company and the age of the company which is moderated by the audit committee has a negative effect. Firm age and company size moderated by the audit committee have a positive effect on audit report lag. While other variables consisting of solvency, inherent risk, solvency moderated by the audit committee and inherent risk moderated by the audit committee have no effect on audit report lag.

Keywords : Audit Report Lag, Solvency, Inherent Risk, Company Size, Company Age, AuditCommitte

INTRODUCTION

Financial statements are information tools used by companies to assess the company's financial condition and performance. All companies listed on the Indonesia Stock Exchange are required to submit financial statements and auditor reports. The information contained in the financial statements must be at a good level, so the information contained in the financial statements must be timely to support a decision, and the resulting information will lose its meaning if the submission of financial reports is delayed (Ginanjari, 2018).

Based on the decision of the Capital Market and Financial Report Supervisory Agency (Bapepam and LK) Number KEP-431/BL/2012 dated August 1, 2012 related to the submission of the Annual Report of Issuers or Public companies, all companies that have gone public must submit annual reports and upload them on the company's official website. This regulation revokes the Decree of the Chairman of Bapepam and LK Number KEP-134/BL/2006 which is a reference for companies that submit financial reports for 2007-2012, while KEP-

431/BL/2012 is used as a reference for reporting for 2013-2016. Currently, the supervisor of the capital market and LK is no longer Bapepam but the Financial Services Authority (OJK). In the submission of financial reports submitted to the OJK in accordance with the Financial Services Authorization regulation Number 29 / POJK.04 / 2016 and came into force in 2017. Delay in audit reports is a factor that must be considered by the company, because if the company is late in submitting the audit report, it means that the company has failed to fulfill its obligations to investors who have invested in the latest information. company profits during the year and can cause difficulties for new investors who carry out investment activities due to delays in audit reports, because investors need audit reports in making decisions to analyze the development of the invested company is the timeliness of the company, one of the most important factors in collecting financial reports that are not submitted to the OJK.

Cases of delay in submitting audited financial reports from year to year tend to fluctuate, based on several releases from the Indonesia Stock Exchange (IDX) where there are still many public companies in Indonesia that are late in submitting audited financial statement data. Transportation and logistics sector companies are classified as late in submitting financial reports for 2020 - 2021, there are 6 companies out of a total of 68 issuers that are late in 2021. The following is a list of Transportation and logistics sector companies that are late in submitting financial reports for the 2019-2021 period. Among them are in 2021 PT Garuda Indonesia Tbk (GIAA) received a written warning II and a fine of Rp. 50,000,000 due to late submission of financial reports (www.okezone.com) and in 2021 PT Dewata Freight International Tbk (DEAL) received a similar warning and fine for being late in submitting financial reports in accordance with existing regulations (www.neraca.co.id). The transportation sector in Indonesia, both as infrastructure and as a service, is the main vein of economic activity which in turn determines the level of economic competitive advantage. The availability of sufficient and efficient infrastructure and facilities, as well as the growth of an efficient and highly competitive service industry in all transportation sectors, both land, sea and air, will determine the speed of Indonesia's economic growth in the face of increasingly severe and severe challenges.

RESEARCH METHODS

This research uses quantitative analysis methods, quantitative data is in the form of numbers, or numerical quantitative data, and associative is research that seeks to find a relationship between a variable and other variables whose relationship can be symmetrical, casual, or interactive (Sugiono, 2017).

This research was conducted at the Indonesia Stock Exchange (IDX) which is located at Jl. General Sudirman Kav. 52-53 Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta. The company period used is from 2019 to 2021. The type of data used is the Purposive Sampling Method, namely: data collection is adjusted to predetermined criteria. registered on the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The sampling technique uses secondary data. Secondary data in this study are in the form of annual reports and financial statements of each Transportation and logistics Sector company listed on the IDX for the 2019-2020 period obtained from www.idx.co.id.

DISCUSSION

1. The effect of Solvency on Audit report lag
The results of this study prove that solvency has no effect on audit report lag with a test value β of -108.1920, t-statistic $-1.502857 < t \text{ table } 1.673034$ with a significance value of $0.1390 > 0.05$ which means H1 is rejected. The results of this study are in line with research conducted by (Agustina & Jaeni, 2022),(Prabowo, 2022) and (Tannuka, 2019) which state that solvency has no effect on audit report lag.
2. The effect of Inherent risk on Audit report lag
3. The results of this study prove that inherent risk has no effect on audit report lag with a test value β of -9.181627, t-statistic $-1.439784 < t \text{ table } 1.673034$ with a significance value of $0.1560 > 0.05$ which means H2 is rejected. This is consistent with research (Ni'mah & Triani, 2021) that companies with high delays are influenced by the amount of accounts receivable and inventory turnover.
4. The effect of company size on audit report lag
5. The results of this study prove that company age affects audit report lag with a test value β of 52.81071, t-statistic $3.229518 > t \text{ table } 1.673034$ with a significance value of $0.0022 < 0.05$ which means H3 is accepted. The results of this study are consistent with research (Agustina & Jaeni, 2022) and (Widhiasari & I Ketut Budiarta, 2016).
6. The effect of company age on audit report lag
The results of this study prove that company age affects audit report lag with a test value β of 52.81071, t-statistic $3.229518 > t \text{ table } 1.673034$ with a significance value of $0.0022 < 0.05$ which means H4 is accepted. The results of this study are consistent with research (Agustina & Jaeni, 2022) and (Widhiasari & I Ketut Budiarta, 2016).
7. The Effect of Solvency on Audit report lag Moderated by Audit Committee
The results of this study prove that the relationship between solvency and audit report lag is not moderated by the audit committee with a β test value of 35.43417, t-statistic $1.475720 < t \text{ table } 1.673034$ with a significance value of $0.1462 > 0.05$ which means H5 is rejected.
8. The effect of Inherent risk on Audit report lag moderated by audit committee
The results of this study prove that the inherent risk relationship to audit report lag is not moderated by the audit committee with a test value β of 2.935122, t-statistic $1.388964 < t \text{ table } 1.673034$ with a significance value of $0.1709 > 0.05$ which means H6 is rejected.
9. The effect of company size on audit report lag moderated by audit committee
The results of this study prove that the relationship between company size and audit report lag is moderated by the audit committee with a β test value of 628.7325, t-statistic $2.368801 > t \text{ table } 1.673034$ with a significance value of $0.0217 < 0.05$ which means H7 is accepted.

10. The effect of company age on audit report lag moderated by audit committee
The results of this study prove that the age of the company which is moderated by audit report lag has a moderating effect with a test value β of -17.26587, t -statistic $-3.169290 > t$ table 1.673034 with a significance value of $0.0026 > 0.05$ which means H8 is accepted.

CONCLUSIONS

The results showed that together the independent variables consisting of Solvency, Inherent risk, Company size and Company age against Audit report lag with audit committee as moderation. While partially the size of the company and the age of the company which is moderated by the audit committee have a negative effect. Company age and company size moderated by the audit committee have a positive effect on audit report lag. While other variables consisting of solvency, inherent risk, solvency moderated by the audit committee and inherent risk moderated by the auditor committee have no effect on audit report lag.

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