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The Influence of Profitability, Liquidity, Solvency and Company Size on Audit Report Lag in Infrastructure Sector Companies Listed on the IDX in 2019-2022

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ABSTRACT
The amount of time the auditor took to complete the audit report, as measured from the book's closing date to the audit report's release date, is known as the audit report lag. The goal of this research was to assess the impact of profitability, liquidity, solvency, and firm size on audit report lag in infrastructure companies listed on the Indonesia Stock Exchange between 2019 and 2022. This is a type of quantitative study that employs a sample selection methodology known as purposive sampling. There are 32 company samples selected from 69 companies. Multiple linear regression was used to examine the data in this study. IBM SPSS 25 is the statistical processing application that was used. The findings of this study's analysis show that both profitability and solvency have a major impact on audit report latency. While liquidity and business size have no substantial impact on the audit report latency of Indonesian Stock Exchange-listed infrastructure companies.

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INTRODUCTION

The Indonesian people's financial literacy index has improved by 49.68% in 2022, up from 38.03% in 2019. Meanwhile, in 2022, the financial inclusion index rose to 85.10%, up from 76.19% in 2019. The increase in both the financial literacy index and financial inclusion shows the increasing interest of the Indonesian people in investing, which is reflected in the increase in the number of investors registered with KSEI based on the single investor identification (SID) which has reached 11.75 million as of October 2023 compared to 2019 which was only 2.48 million. The growing number of Indonesians seeking financial freedom, often known as Financial Independence Retire Early (FIRE), is driving this surge in the number of investors.

The growing number of stock investors has created a greater need for the information offered in financial statements, particularly for new investors. Financial statements summarize a company's performance over a given time period; one of the aspects of financial statements that aids investors' decision-making is their timeliness (IASB, 2018). If factual and important information is not readily available when needed, it can become irrelevant. Delays in producing financial statements are detrimental to the company, resulting in negative market and investor reactions, as well as errors in investment decisions due to the asymmetry of information circulating in the public.

The amount of time between the fiscal year's end and the audit report's signature date is known as the audit report lag (Pizzini & Ziegenfuss, 2015). Investors, creditors, and stakeholders may be unable to make informed judgments due to audit report latency. The impact of audit report lag can cause stakeholders to make wrong decisions such as losses in investing due to wrong targets in building new infrastructure or creditors who experience losses due to the company defaulting. Therefore, reducing delays is considered important to improve the timeliness and trust of investors in the company and the capital market (Sujarwo, 2019) and delays can also affect the image and quality in the eyes of the business of investors. Companies with a short audit report lag time will be more attractive to investors than companies with a long audit report lag time. Therefore, companies need to find out what factors cause audit report lag. Many factors have a significant influence on the delay in audit reports and this study will focus on profitability, liquidity, solvency, and company size.

The initial element that affects profitability lags in audit reports (Nurhidayati et al., 2021). Profitability according to Putri & Abidin (2022), Shinta & Satyawan (2021), Ocak & Ozden (2018) explains how audit report latency is impacted by profitability. Meanwhile, Karnawati and Kartika (2022), and Pamungkas & Mutiara (2021) state that profitability does not affect audit report lag. The second factor that affects audit report lag is liquidity (Ayuputri, 2021). According to Ayuputri (2021), Tampubulon and Siagian (2020) liquidity affects audit report lag. Meanwhile, the results of research by Setyawan (2020), and Erita (2020) state that liquidity does not

affect audit report lag. The third factor that affects audit report lag is solvency (Ismayanti et al., 2023). Research conducted by Ismayanti et al. (2023), Wi et al. (2022) solvency impacts the latency of audit reports. Meanwhile, according to Suminar et al. (2022), Bugeara and Triyanto (2020) stated that solvency does not have an effect on audit report lag. Finally, the size of the organization affects the delay in audit reports (Rusminah et al., 2023). According to research conducted by Rusminah et al. (2023), Bagaskara et al. (2023) stated that company size influences audit report lag. Meanwhile, this is different from the results of research conducted by Fadhrul et al. (2021), Fitriani & Bahri (2022) which stated that company size does not affect audit report lag.

Thus, based on the research results that have been described previously, showing inconsistencies and phenomena that are still occurring today, this encourages the conduct of research entitled " Profitability, liquidity, solvency, and size of the company as a function of IDX listing for infrastructure sector companies in 2019–2022: An analysis"

LITERATURE REVIEW

Signaling Theory

According to Handika et al (2021), signal theory refers to company information that serves as a signal for investors in the investment Process of determining decisions. This signal can be in the form of financial and non-financial information that indicates that the company has superior quality compared to other companies. Signal theory has benefits in ensuring accuracy and timeliness in delivering financial reports to the public. The longer the audit delay, the more the information delivered will lose its relevance in decision-making. Financial reports that are delivered on time will give a good signal to the public. The timeliness of the delivery of a company's audited financial reports will show considering the data in the financial reports is in accordance with the actual results based on the auditor's examination.

Signal theory is related to profitability, because good company profitability will send a good signal (good news) to parties outside the company, resulting in an increase in the company's stock price. Conversely, companies that announce low profitability will trigger a less favorable market reaction, causing the company's stock price to fall (Salsabila, 2020). A corporation is considered profitable if it can turn a profit on its day-to-day operations. High profits will draw in investors to fund the business, therefore profitability will provide good news for outside parties. High profitability makes companies want to quickly submit their financial reports to investors so that the audit process time is faster.

Signal theory is related to liquidity, because companies with high liquidity will provide a positive signal to the market because it shows good company performance (good news), thus encouraging companies to want to quickly submit company financial reports (Niamianti et al., 2021).

Signaling theory is also related to solvency, because companies with good or safe solvency want to convey good news faster, so that investors can catch the positive signals that the company sends (Yuristiadarma, 2021).

Agency Theory

According to (Sunarsih et al, 2019), agency theory is the delegation of authority from a person to an agent who is given the right to make business decisions. When a person instructs an agent to execute a service on behalf of the principle and gives the agent permission to make the best decision for the principal.

Agency theory is related to company size (Jensen and Meckling, 1976), since big businesses tend to possess excellent internal control and can minimize agency conflicts that occur so that the process of completing financial reports does not take a long time.

Legitimacy Theory

Theory of legitimacy is a theory in the form of a social contract which states that every company ought should be capable of convince the public that the company's activities and performance are in line and in accordance with the goals of the community, so that it can provide a mindset and belief that the company's operational activities can benefit the community (Aruan et al., 2021). Meanwhile, according to Syabilla et al., (2021) legitimacy theory is a theory that is directly related between the company as a business entity or internal with the community as a public or external party.

Accounting Concepts

Accounting, according to Anggadini and Suhayati (2015), is an information system, which means it is the result of an integrated process, such as identifying, documenting, and disseminating economic information. The economic information produced is expected to help interested parties in making decisions. The purpose of accounting is to provide relevant data and information for internal and external parties.

Financial Accounting

Kieso, Weygandt, and Warfield (2019) define financial accounting ought should be capable for use by internal and external stakeholders. Managers, creditors, investors, and government agencies all use financial statements.

Bahri (2020:4) states that financial accounting is accounting related to recording transactions to periodic financial reporting based on financial accounting standards.

Financial Statements

Sujarweni (2019) stated that financial reports are records regarding a company's fiscal information during a specific time frame and can provide information about the entity's financial performance.

According to Bahri (2020:189), A financial statement is an overview of the documentation of financial transactions that took place within the reporting period and are prepared to account for the tasks assigned to them by the entity's owner. Accounts Payable are intended to give information on an the financial situation, When making financial decisions, the majority of users

consider performance and cash flow.

Auditing

Auditing is the process of gathering and evaluating evidence about information in order to assess and report the level of conformance between the data and predetermined standards. Meanwhile, Mulyadi (2014:9) defines an impartial and methodical way to collect and analyze data on economic events and actions is through an audit. The purpose of an audit, according to Arens (2017:168), is to provide users of financial statements with an auditor's opinion regarding whether the financial statements are presented truthfully in all material aspects in compliance with the applicable financial accounting system.

Audit Report Lag

Halim (2007) defines audit report lag as the duration between the end of the fiscal year and the day the independent auditor's report is finished for an audit. Audit report lag, according to Astuti (2021:41), is the amount of time that elapses between the company's financial closing date of December 31 and the date that appears in the independent auditors report after an annual financial statement audit is completed. This time is measured in days.

The length of time between the audit's closure date and the financial year's date of report issuance can be quantified as the audit report lag, with days serving as the unit of measurement, so that it can be formulated as follows (Astuti, 2021:42):

Audit Delay/Audit Report Lag= Audit Report Date – Financial Report Year Closing Book

Profitability

Profitability is a ratio used to evaluate a company's potential to generate a profit (Kasmir, 2019. This ratio also assesses a company's managerial effectiveness. Meanwhile, according to Harahap (2009:304) Profitability is defined as a business's capacity to turn a profit while utilizing all of its assets, such as its cash, capital, sales activity, personnel count, and branch offices, firms, and so on. Brigham and Houston (2019:118) state that profitability shows the results or outputs of the company's funding policies and operational policies.

In this study, ROA was chosen because it focuses on the company's total assets, how management can manage its assets well to maximize profits to convince investors that their investments are profitable. Hery (2018) formulates ROA as follows:

$$\textit{Return On Asset} = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Liquidity

A liquidity ratio is that describes a company's capacity in order to fulfill immediate obligations and debts (Kasmir, 2019:129). Vu et al. (2020)

explained that there are three liquidity ratios that are often used to measure a company's liquidity level: Current Ratio, Quick Ratio, and Cash Ratio.

In order to assess a company's ability to service short-term debt, the current ratio compares current assets and current liabilities. The Quick Ratio evaluates The capacity of a business to pay down short-term debt with its current assets, less inventories. The cash ratio is used to assess a company's ability to use cash and cash equivalents to pay off short-term debt.

In this study, the ratio that will be used to measure liquidity is Current Ratio/CR. Kasmir (2019:134) formulates CR as follows:

$$Current\ Ratio = \frac{\text{Current Assets}}{\text{Current Debt}}$$

Solvency

According to Kasmir (2019:150), The solvency ratio calculates how much of an organization's assets are funded by debt. Solvency demonstrates the capacity of an organization to meet its immediate and future financial responsibilities if it is liquidated (Munawir, 2014:32).

In this study, the ratio used to measure solvency is Debt Equity Ratio/DER. Kasmir (2019:159) formulates DER as follows:

$$Debt\ Equity\ Ratio = \frac{\text{Total Debt}}{\text{Equity}}$$

Company Size

The company size scale, according to Hery (2017:97), can be used to categorize a firm's size in a number several metrics, including the value of stocks and overall assets. A company's size can be determined by calculating its asset value, sales value, or equity value.

Large-scale organizations have a broader range of activities, an increasing volume of activities, and a greater number of transactions, which increases the complexity of transactions. According toTony (2021:14), the company size indicators are as follows:

$$\text{Company Size} = \text{Ln (Total Assets)}$$

Conceptual Framework of Thinking

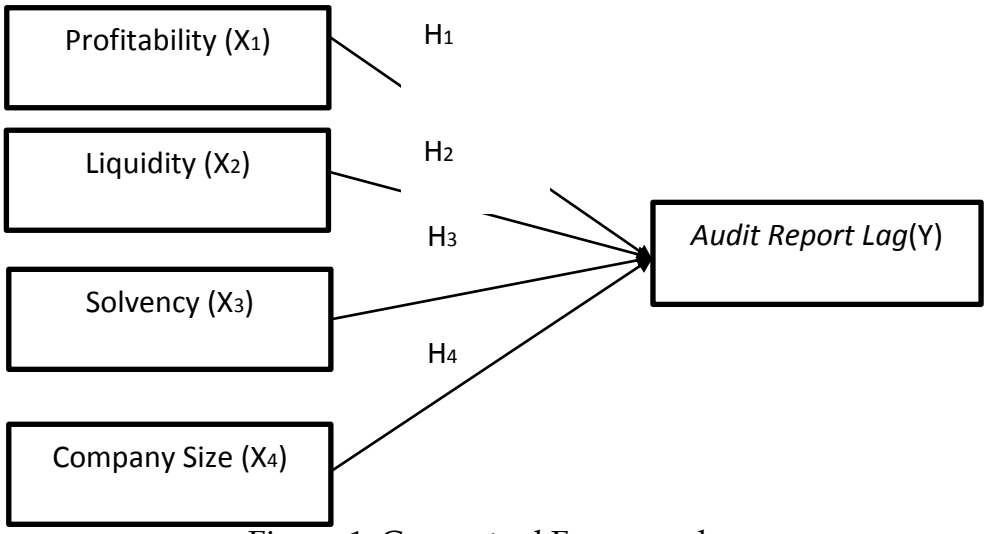

Figure 1. Conceptual Framework
Source: Processed data, 2024

H1: In infrastructure sector businesses Listed with the Stock Exchange of Indonesia, audit report lag is influenced by profitability.
H2: Audit Report Lag is impacted by liquidity in infrastructure sector companies with listings on the Indonesia Stock Exchange.
H3: Audit Report Lag is impacted by solvency in infrastructure sector businesses listed on the Indonesia Stock Exchange.
H4: Infrastructure Sector Companies Listed on the Indonesia Stock Exchange: Audit Report Lag is Affected by Company Size

METHODOLOGY

Quantitative research methodologies are used in this study. Utilizing a specific group or sample, quantitative research is an approach to research that is grounded in the positivist school of thought. Research tools are used to gather data, which is then quantitatively or statistically examined to test the established hypothesis. The population under investigation consists of 69 infrastructure sector companies that are included on the Indonesian Stock Exchange. The population subset selected for the study is known as the sample. 32 businesses made up the study's sample. In this study, a purposive sample approach was integrated with non-probability sampling.

The infrastructure sector The focus of this study is on companies that are scheduled to list on the Indonesia Stock Exchange (IDX) in the year 2022. The official website of the Indonesia Stock Exchange offers the study data for download. The research took place between June and July of 2024. The study makes use of secondary data that was found on PT Indonesia Stock Exchange's official website. Specifically, the data takes the form of audited annual financial reports for infrastructure sector enterprises spanning the years 2019 to 2022. Other data for this study were gathered from journals, publications, and other research-related sources. Documentation is the method utilized to acquire data. The data for this study was obtained from the Indonesia Stock

Exchange's (IDX) official website in the form of firm annual financial report documents. In this study, the hypothesis is evaluated using multiple linear regression analysis, as well as conventional assumption tests that are used as a precondition for hypothesis testing. Version 25 of IBM the data analysis was done using SPSS.

RESEARCH RESULT

Descriptive Statistics

Table 1 Descriptive Statistics of Profitability, Liquidity, Solvency, Company Size and Audit Report Lag

	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	128	-.0791	.1562	.032252	.0403138
Liquidity	128	.1926	410.2414	6.117812	38.6996123
Solvency	128	.0092	9.2107	1.568710	1.4426081
Company Size	128	24.57	33.26	29.4424	2.00662
Audit Report Lag	128	36	172	87.73	25,999
Valid N (listwise)	128				

Source: SPSS 25 Processed Data, 2024

Based on the data in table 1, the sample is 128 samples. Through table 1, it is explained that the lowest profitability value of the company in the infrastructure sector for the period 2019 - 2022 is -0.0791 which is the profitability value of the company Smartfren Telecom Tbk. (FREN), while the highest profitability value is in the company Paramita Bangun Sarana Tbk. (PBSA) of 0.1562. The average value of the profitability owned by the company is 0.032252 and the standard deviation value is 0.0403138.

Based on the data in table 1, it can be seen that the company's liquidity variable has an average of 6.117812 with a minimum value of 0.1926 and a maximum value of 410.2414. Based on the results, it can be explained that the company with the highest liquidity value is Maharaksa Biru Energi Tbk. (OASA) at 410.2414, while the company with the lowest liquidity value is Link Net Tbk. (LINK) at 0.1926. The company's standard deviation value is 38.6996123.

According to the data in table 1, the company's solvency variable has an average of 1.568710, a minimum of 0.0092, and a maximum of 9.2107. According to the data, Maharaksa Biru Energi Tbk. (OASA) has the maximum solvency value of 9.2107, while Maharaksa Biru Energi Tbk. (OASA) has the lowest solvency value of 0.0092. 1.4426081 is the company's standard deviation value.

According to the data in table 1, the firm size variable has an average value of 29.4424, with a minimum of 24.57 and a maximum of 33.26. According to the findings, Telkom Indonesia (Persero) Tbk. (TLKM) has the highest solvency value at 33.26, while Maharaksa Biru Energi Tbk. (OASA) has the lowest at 24.57. The company's standard deviation number is 2.00662.

Table 1 shows that the company's audit report lag variable has an average value of 87.73. The company's minimum value is 36 in PP Presisi Tbk. (PPRE), while its maximum value is 172 in Citra Marga Nusaphala Persada Tbk. (CMNP). The corporation owns a standard deviation value of 25.999.

Classical Assumption Test

a. Normality Test

Table 2 Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		128
Normal Parametersa, b	Mean	.0000000
	Std. Deviation	24.29213269
Most Extreme Differences	Absolute	.074
	Positive	.074
	Negative	-.041
Test Statistics		.074
Asymp. Sig. (2-tailed)		.082c

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: SPSS 25 Processed Data, 2024

Table 2's data processing results indicate that the significance figure, or Asymp.Sig (2-tailed), generated is 0.082, greater than 0.05, suggesting that the study's data are normally distributed.

b. Multicollinearity Test

Table 3 Multicollinearity Test Results
Coefficientsa

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Profitability	.898	1.114
Liquidity	.891	1.122
Solvency	.660	1,516
Company Size	.637	1,571

a. Dependent Variable: Audit Report Lag

Source: Processed data from SPSS 25, 2024

According to the findings of the multicollinearity test in table 3, each variable has a tolerance value more than 0.1: profitability 0.898, liquidity 0.891, solvency 0.660, and firm size 0.637. The VIF values for each variable are 1.114 for profitability, 1.122 for liquidity, 1.516 for solvency, and 1.571 for

company size less than 10. As a result, the independent variables pass the test or show no signs of multicollinearity.

c. Heteroscedasticity Test

Table 4 Heteroscedasticity Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	149.130	38,640		3,860	.000
	Profitability	105,289	57,335	.163	1,836	.069
	Liquidity	-.088	.060	-.131	-1.472	.144
	Solvency	-3,350	1,869	-.186	-1,792	.076
	Company Size	-2.004	1,368	-.155	-1.465	.146

a. Dependent Variable: Y

Source: SPSS 25 Processed Data, 2024

Table 4 displays the significance results (Sig.) for the variables Profitability 0.069, Liquidity 0.144, Solvency 0.076, and Company Size 0.146 based on the findings of the heteroscedasticity test. Profitability, liquidity, solvency, and company size all had p-values greater than 0.05. As a result, there are no indications of heteroscedasticity.

d. Autocorrelation Test

Table 5 Autocorrelation Test Results

Runs Test

	Unstandardized Residual
Test Valuea	-2.67339
Cases < Test Value	64
Cases >= Test Value	64
Total Cases	128
Number of Runs	61
Z	-.710
Asymp. Sig. (2-tailed)	.478

a. Median

Source: SPSS 25 Processed Data, 2024

As seen in Table 5, Asymp has a noteworthy value. There appear to be no autocorrelation symptoms, as indicated by the Sig (2-tailed) of 0.478, over 0.05.

Hypothesis Testing Results

a. Multiple Linear Regression Test

Table 6 Multiple Linear Regression Equation Test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	149.130	34,776		4.288	.000
	Profitability	105,289	51,601	.179	2,040	.043
	Liquidity	-.088	.054	-.144	-1.636	.104
	Solvency	-3,350	1,682	-.204	-1,991	.049
	Company Size	-2.004	1.231	-.169	-1.627	.106

a. Dependent Variable: Audit Report Lag

Source: SPSS 25 Processed Data, 2024

Table 6's multiple linear regression equation test allows for the development of the following multiple linear regression model:

Y = 149,130 + 105,289 – 0.088 – 3,350 – 2,004 + e

The results of this regression equation reveal the following interpretation outcomes:

1. The consistent amount of 149.130 indicates that if profitability, liquidity, solvency, and company size are absent, the audit report lag is 149.130.
2. The coefficient of regression for X1 (profitability) is 105.289, indicating a positive correlation with audit report latency. Should profitability increase by one unit, the audit report lag will increase by 105.289. A unidirectional relationship between the audit report lag and the profitability variable is indicated by a positive coefficient, wherein the longer the audit report lag period, the greater the profitability value.
3. X2 (liquidity) exhibits a regression coefficient of -0.088, indicating a negative correlation with audit report latency. If liquidity improves by one unit, the audit report latency will fall by -0.088. An adverse coefficient indicates an inverse link between the liquidity variable and the audit report lag, implying that the lower the liquidity, the longer the audit report lag.
4. Solvency (X3) shows a negative correlation with audit report latency, as indicated by the regression coefficient of -3.350. If solvency increases by one unit, the audit report lag decreases by -3.350. A negative coefficient indicates that there is an inverse link between the solvency variable and the audit report lag, meaning that the lower the solvency, the longer the audit report lag.
5. The firm's size, represented by X4, has a negative correlation with the audit report latency, as indicated by the regression coefficient of -2.004. The audit report lag will drop by -2.004 for every unit the company grows in size. When a coefficient is negative, it indicates that the audit report lag duration

is inversely related to the company size variable; that is, the smaller the company, the longer the lag period.

b. Coefficient of Determination (R^2)

Table 7 Results of Determination Coefficient

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.390a	.152	.125	22.21557

a. Predictors: (Constant), Profitability, Liquidity, Solvency, Company Size
b. Dependent Variable: Audit Report Lag
Source: SPSS 25 Processed Data, 2024

Based on the test findings using as the adjusted value R^2 of the coefficient of determination, which is 0.125. It is therefore possible to deduce that the profitability of the independent factors, liquidity, solvency and company size in explaining the variance of the audit report lag variable is 12.5%, although additional variables not included in the regression model analysis account for the remaining 87.5%, such as other independent variables, namely audit committee characteristics of 48.7% (Asmoro & Fachriyah, 2018) and auditor switching of 21.4% (Wijaya & Herijawati, 2024) which greatly affect audit report lag.

c. t-test (Partial Test)

Table 8 t-Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	149.130	34,776		4.288	.000
	Profitability	105,289	51,601	.179	2,040	.043
	Liquidity	-.088	.054	-.144	-1.636	.104
	Solvency	-3,350	1,682	-.204	-1,991	.049
	Company Size	-2.004	1.231	-.169	-1.627	.106

a. Dependent Variable: Audit Report Lag
Source: SPSS 25 Processed Data, 2024

In light of the test of table 8, As is well known, the t-test of the profitability variable is 2,040 > 1.979 and the significance value is 0.043 < 0.05 which states that Ha1 is accepted and H01 is rejected, meaning that profitability has a significant effect on audit report lag. Liquidity has a t-test of -1.636 < 1.979 and a significance value of 0.104 > 0.05 which states that Ha2 is rejected, meaning that Liquidity does not have a significant effect on audit

report lag. Solvency has a t-test of -1.991 > 1.979 and a significance value of 0.49 < 0.05 which states that Ha3 is accepted and H03 is rejected, meaning that Solvency has a significant effect on audit report lag. Company size has a t-test of -1.627 < 1.979 and a significance value of 0.106 > 0.05 which states that Ha4 is rejected, meaning that company Size makes little difference to the audit report lag.

d. F Test (Simultaneous Test)

Table 9 F Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10903.290	4	2725.822	5,523	.000b
	Residual	60704.380	123	493,532		
	Total	71607.670	127			
a. Dependent Variable: Audit Report Lag						
b. Predictors: (Constant), Profitability, Liquidity, Solvency, Company Size						

Source: SPSS 25 Processed Data, 2024

Considering the outcomes of simultaneous regression, the F count value is 5.523 > 2.44 and the importance score is 0.000 < 0.05. It follows that the audit report latency is influenced concurrently by profitability, liquidity, solvency, and company size.

DISCUSSION

The Effect of Profitability on Audit Report Lag

Profitability has an impact on audit report latency, according to the findings of the multiple linear regression tests, with a computed t value of 2.040 and a significance value of 0.043. Profitability has a positive correlation with audit report latency, as indicated by the (+) sign on the t count. As indicated by the value B, the regression coefficient X1 in table 4.6 is also known to be 105.289. This indicates that the probability of the company receiving an audit report delayed increases by 105.289 times for every unit increase in profitability. As a result, the first hypothesis (H1), which argues that profitability has a considerable effect on audit report latency, is supported whereas H01 is rejected. The results of this study are in line with agency theory because a high level of profitability indicates that management as an agent works effectively and efficiently or is used as good news for investors or principals so that the company tries to accelerate financial reporting. This minimizes agency problems so that investors (principals) can immediately get information that they consider to be good news regarding the condition of the company. Increasing the company's profitability shows that the company is doing well, so it is intended that this information will be communicated swiftly to users of financial reports because it is good news. This argument

leads to the conclusion that the higher a company's profitability, the less likely it is that its audit report will lag.

The study's findings are consistent with previous research by Fadrul et al., (2021), Clarisa & Pangerapan, (2019), Gaol & Duha, (2021), Sumarni et al., (2022), Meirawati et al., (2022), Suminar et al., (2022), Fitriani & Bahri, (2022), Prasetyo & Rohman (2022) showing that the profitability variable has a significant effect on audit report lag. A significant effect means that the company's profitability affects the length of the audit report lag. The research hypothesis stating that profitability affects the audit report lag is in accordance with and supported by existing theories. Thus, The study's findings demonstrate that profitability affects the delay in audit reports infrastructure companies listed on the Indonesia Stock Exchange.

The Effect of Liquidity on Audit Report Lag

The use of multiple linear regression testing demonstrates that there is no discernible impact of liquidity on audit report delayed, with a t-value of -1.636 <1.979 and a significance value of 0.104 > 0.05. Thus, the second hypothesis (H2), which asserts that liquidity has a major effect on audit report latency, is rejected, but H02 is supported. The study's findings show that liquidity, audit report lag is unaffected, as determined by the difference between current assets and current liabilities, implying that liquidity has no bearing on the correctness of financial report delivery. This is because in carrying out audit activities in companies that have high or low liquidity levels, auditors will continue to carry out their audit activities in the same way and in accordance with applicable audit procedures. The results of this study are also not in line with the signaling theory which states that good financial reporting conditions will provide a good signal to shareholders.

The rejection of the second theory, which claims that business liquidity does not have a significant effect on audit report lag, is in line with research conducted by Fadrul et al., (2021), Sumarni et al., (2022), Meirawati et al., (2022), Erita, (2020), Fitriani & Bahri, (2022) that liquidity does not affect audit report lag. Regardless of the extent of the firm's liquidity, the company must submit its financial reports to the public as part of its responsibilities as a public corporation regulated and monitored by the Financial Services Authority. Thus, the results of this study prove that liquidity does not have a significant effect on audit report lag in infrastructure companies listed on the Indonesia Stock Exchange.

The Effect of Solvency on Audit Report Lag

The use of multiple linear regression testing findings show that solvency has a significant effect on audit report lag, as evidenced by a t-value of -1.991>1.979 and a significance value of 0.49. The (-) sign on the t-value indicates that solvency has a negative effect on audit report lag. It is also known that the regression coefficient X3 in table 4.6 is -3.350, which can be seen from the B value. This means that every one unit increase in solvency will reduce the possibility of the company experiencing audit report lag by 3.350 times. Thus, the third hypothesis, Ha3, which argues that solvency has a

considerable effect on audit report latency, is accepted, and H03 is rejected. This study's findings are consistent with signaling theory since timely submission of audited financial reports sends a signal to readers of financial reports about the company's state, which they can use to make investment decisions. The degree of debt (liability) disclosed in the financial accounts is an important factor to consider when determining the health of the organization. Companies with a high degree of debt are more trusted by creditors because they are perceived to have strong bona fides to be able to pay interest to creditors, which gives the company more confidence in presenting its financial reports to the public.

The results of this study are in line with research conducted by Dedewi & Yusuf, (2023), Ismayanti et al., (2023), Machmuddah et al., (2020), Sumarni et al., (2022), Erita, (2020) showing that the solvency variable has a significant effect on audit report lag. A significant effect means that the company's solvency affects the length of the audit report lag. The research hypothesis stating that solvency affects the audit report lag is in accordance with and supported by existing theories. Thus, the results of this study prove that solvency has an effect on the audit report lag of infrastructure companies listed on the Indonesia Stock Exchange.

The Effect of Company Size on Audit Report Lag

Multiple linear regression results show that firm size has no significant effect on audit report lag, with a t-value of -1.627 <1.979 and a significance value of 0.106, more than 0.05. Thus, the fourth hypothesis, Ha4, which argues that firm size has a large effect on audit report lag, is rejected whereas H04 is supported. This happens because auditors execute the audit process in the same way and in line with the Public Accountant Professional Standards whether the company is large or small. The findings of this study also contradict the agency theory, which argues that having effective internal control in large firms can reduce agency conflicts between principals and agents, allowing the financial report audit process to be completed more quickly and on schedule.

The rejection of the fourth hypothesis, It claims that audit report lag is not significantly impacted by a company's size, is consistent with research conducted by Fadrul et al., (2021), Machmuddah et al., (2020), Rusminah et al., (2023), Sumarni et al., (2022), Erita, (2020), Fitriani & Bahri, (2022), and Rusydi et al., (2021) that company size has no effect on audit report lag. The time of the audit procedure is not due to the company's overall assets. The results of this study thus show that, for infrastructure companies listed on the Indonesia Stock Exchange, firm size has no discernible impact on audit report latency.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

This study sought to ascertain the impact of firm size, profitability, liquidity, and solvency on audit report latency. Return on Assets (ROA), current ratio (current ratio), debt to equity ratio (Dt to ER) (measured by Ln),

and firm size (Ln) were the independent variables. The following findings can be obtained from research that was conducted using multiple linear regression:

1. For infrastructure businesses listed on the Indonesia Stock Exchange between 2019 and 2022, profitability has a significant influence on audit report delays. Strong profitability encourages companies to file financial reports faster, which reduces the time it takes to receive an audit report. The initial hypothesis is accepted in light of the research's findings.
2. Liquidity does not significantly impact audit report lag for infrastructure businesses listed on the Indonesia Stock Exchange from 2019 to 2022. This is due to the fact that liquidity levels have no effect on the length of the audit process or the time it takes to submit financial reports. This study's findings reject the second theory.
3. For infrastructure companies listed between 2019 and 2022 on the Indonesia Stock Exchange, solvency has a significant influence on audit report latency. This occurs as a result of higher solvency firms filing financial reports faster, which shortens the time it takes for audit results to be received. The third hypothesis is approved in light of the research's findings.
4. For infrastructure companies listed on the Indonesia Stock Exchange, the size of the company had no discernible impact on audit report latency between 2019 and 2022. This is because neither the audit process's duration nor the time required to submit financial reports are impacted by the size of the business. The fourth hypothesis is rejected by the results of this study.

Based on the findings of the determination coefficient test, 12.5% of the variance in the independent variable—audit report lag—can be explained by the independent variables in this study, which are profitability, liquidity, solvency, and company size. The remaining 87.5% of the variance can be explained by other factors that were not considered in this study.

Suggestion

After conducting research and analyzing the existing research results related to the influence Audit report lag of infrastructure industry for company size, profitability, liquidity, and solvency In the audit report for 2019–2022, the company's size, profitability, liquidity, and solvency are examined, the author has several suggestions that can be used as a basis for consideration for companies and interested parties. The suggestions are as follows:

1. Companies must improve their management performance to maintain profitability and solvency, and report financial information accurately to avoid issues during audits and timely publication.
2. Investors can utilize this research to identify criteria for a good firm before making an investment choice.

ADVANCED RESEARCH

For further researchers, it is expected to add further literature studies and add independent variables such as audit committee characteristics and auditor switching, as well as attempt conducting research in several fields with various or more recent research period measuring instruments.

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