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The Effect of Return on Assets, Audit Opinion, Company Size, and Debt to Equity Ratio in Timeliness of Corporate Financial Reporting in Indonesia

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ABSTRACT

This study aims to examine the effect of return on assets, audit opinion, firm size, and debt to equity ratio on timeliness of company financial reporting. This study is a quantitative study, using secondary data obtained from the Indonesia Stock Exchange (IDX). The total population in this study was 45 companies listed on the Indonesia Stock Exchange in 2017-2019. There are 20 companies that meet the criteria to be used as samples in this company. The analysis technique used in this research is multiple linear regressions. The results showed that the return on assets and debt to equity ratio variables had a significant effect on the timeliness of financial reporting. While the firm size variable has no significant effect on the timeliness of financial reporting. This study uses research variables, namely return on assets, audit opinion, firm size, and debt to equity ratio. These factors were then tested using logistic regression analysis. Selection of banking sector companies listed on the Indonesia Stock Exchange as research objects and the 2017-2019 research periods.

Keywords: Return on Assets, Audit Opinion; Company Size; Debt to Equity Ratio; Timeliness of Financial Reporting.

Introduction

The timeliness of financial reporting is an important characteristic of financial statements. In addition, financial statements that are reported on a timely basis reduce the risk of misinterpretation of the information presented (Lara, 2018). The timely presentation of financial statements to the public is a signal from the company indicating the existence of useful information to meet the needs of investors in making decisions. The benefits of financial statements are reduced if the financial statements are not timely. Timeliness is defined as the utilization of information by decision-makers before the information loses its capacity or ability to make decisions (Rabiyah et al, 2021). Timeliness is information that is ready to be used before it loses meaning by users of financial statements and its capacity is still available in decision making. The timeliness of financial reporting is one of the important factors in presenting relevant information (Rahman, 2021).

Based on data from the official website of PT Indonesia Stock Exchange in the financial statements of banking companies, in 2017-2019 2 companies did not publish their annual financial statements, namely PT Bank Central Asia Tbk, and PT Bank Mayapada International Tbk. In addition to banking companies, the Indonesia Stock Exchange (IDX) also noted that there were 10 issuers who as of June 29, 2018, had not submitted audited financial statements ending as of December 31, 2017, and had not paid fines for the late submission of the financial statements (Isnaini & Karim, 2021).

On this basis, the Indonesia Stock Exchange temporarily suspended Securities trading in the Regular Market and Cash Market since the first session of Securities Trading on July 2, 2018, for 2 listed companies, namely: PT Apexindo Pratama Duta Tbk. (APEX) and PT Sunson Textile Manufacturer Tbk. (SSTM). The Indonesia Stock Exchange reported that there were 10 companies that as of June 29, 2019, had not submitted their annual financial statements ending as of December 31, 2018, and had not paid fines for the late submission of the financial statements. On this basis, the Indonesia Stock Exchange has temporarily suspended Securities trading in the Regular Market and Cash Market since the first session of Securities Trading on July 1, 2019, for a listed company, namely: PT Apexindo Pratama Duta Tbk. (APEX), PT Bakrieland Development Tbk. (ELTY), PT Sugih Energy Tbk. (SUGI), and PT Nipress Tbk (NIPS).

As of June 30, 2020 42 listed companies have not submitted the Audited Financial Statements ending as of December 31, 2019. The IDX Authority issued a written warning II to 42 listed companies that did not fulfill the obligation to submit audited financial statements ending as of December 31, 2019. Reasons for the delay in reporting these financial problems are the transition from the old management to the new management, the change of the public accounting firm of one of the subsidiaries, income that has suffered losses and the implementation of an unfinished investigative audit (Sunarto et al, 2021). The data above proves that many public companies are late in submitting their annual financial reports, while investors really need financial reports quickly because the capital market moves dynamically every minute.

Regulations regarding the timing of financial reporting in Indonesia are regulated by Bapepam-LK Number KEP-431/BL2012 concerning the submission of the Annual Report of Issuers or Public Companies. Since 12 December 2012, Bapepam has changed its name to the financial services authority as the capital market supervisory agency in Indonesia. Financial services authority regulation number 29/POJK.04/2016 also explains that annual financial reports and audited financial reports must be submitted to the financial services authority by the end of the fourth month (120 days) after the closing date of the company's books. The Financial Services Authority also stated that the decision of Bapepam and LK number KEP-431/BL2012 dated August 1, 2012, regarding the submission of the annual Report of Issuers or public companies was revoked and declared invalid on January 1, 2017. Law No. 8 of 1995 concerning the Capital Market. The law states that all companies listed on the capital market are required to submit periodic financial reports to Bapepam-LK by the time limit set in the Bapepam-LK Regulation. Companies that violate these rules are subject to administrative sanctions which can be in the form of written warnings, fines, and temporary suspension.

Many factors influence companies in submitting financial reports to Bapepam-LK (Financial Services Authority) on time. Return on assets is a ratio that shows how big the contribution of assets is in creating net income. The higher the return on assets, the higher the amount of net profit generated from each rupiah of funds embedded in total assets. On the other hand, the lower the return on assets, the lower the net profit generated from each rupiah of funds embedded in total assets. (Herry, 2017). Return on assets shows the company's ability to generate net income on its assets. Based on this definition, it can be concluded that return on assets is a ratio used to measure the company's ability to generate profits on the contribution of company assets. The higher the return on assets values, the better the company's financial performance in creating profits (Kartadjumena et al, 2021). Companies that have a high return on assets can be said that the financial statements that contain good news from companies that have good news will tend to submit their financial reports on time.

Literature Review

The effect of asset returns on the timeliness of financial reporting (Herry, 2017) return on assets is a ratio that shows how big the contribution of assets is in creating net income. Return on assets is also often called the profitability ratio which is used to measure the effectiveness of the company in generating profits by utilizing the assets used. This ratio is used to measure how much net profit is generated from each rupiah of funds embedded in total assets. The higher the return on assets, the higher the amount of net profit generated from each rupiah of funds invested in total assets (Maddatuang et al, 2021). Conversely, the lower the return on assets means the lower the amount of net profit generated in each rupiah of funds embedded in total assets. Companies that announce losses or low rates of return on assets will bring negative reactions from the market and a decrease in the assessment of their company's performance and companies that announce their profits have a positive impact on the assessment of other parties on the company's performance (Desi, 2021). Companies that have a high Return on Assets can be said that the financial statements contain good news from companies that have good news tend to submit their financial reports on time (Hastutik, 2015). Profit is good news for the company so that the company does not delay the delivery of information that contains good news. Companies that can generate profits tend to be timelier in submitting their financial statements than companies that experience losses (Askari & Moradpour, 2016).

The effect of the audit opinion on the timeliness of financial reporting. The audit opinion is an opinion or statement to assess the fairness issued by the auditor (Syukur et al, 2021). The purpose of the audit of financial statements by an independent auditor is to express an opinion on the fairness of all material matters, results of operations, financial position, changes in equity, and cash flows by generally accepted accounting in Indonesia (Kurniaty, 2016). Thus, this opinion has applied generally accepted accounting principles in Indonesia, in which the company publishes its financial statements earlier if it receives an unqualified opinion from the auditor (Amrah & Hashim, 2020).

The term Unqualified does not mean unqualified or unqualified. So the meaning of Unqualified is without qualification (qualification) or without objections (reserve), (Putri, 2020). Companies that receive an audit opinion with an unqualified opinion from an independent auditor for their financial statements have a positive effect on the submission of their financial statements (Imaniar, 2016). Company size is the size of the wealth owned by the company by looking at the total assets owned by the company (Hastutik, 2015). The larger the company, the more likely it is that the company will submit its financial statements more quickly and on time. The bigger the company, the greater the resources owned by the company and the greater the resources used, the faster the process of making and submitting financial reports (Kristiantini & Sujana, 2017). Companies that have large resources have more sources of information, more accounting staff, and more sophisticated information systems, have a strong internal control system, supervision from investors, regulators, and the public spotlight companies to report financial statements more quickly to the public (Dwiyani et al, 2021).

The debt to equity ratio is also known as the financial leverage ratio (Sujarweni, 2019). Debt to equity ratio is a comparison of debts with equity in company funding and shows the company's own capital to meet its obligations. The high debt to equity ratio reflects the company's high financial risk (Karim et al, 2021). This high risk indicates the possibility that the company will not be able to pay off its obligations or debts in the form of principal or interest. High corporate risk indicates that the company is experiencing financial difficulties. While financial difficulties are considered bad news that affects the company's condition in the eyes of the public. So that the management tends to delay the submission of financial reports that contain bad news (Maddatuang et al, 2021).

The higher the debt to equity ratio of a company, the less time the company is in submitting the company's financial statements (delaying information). The debt to equity ratio is an important ratio to consider when examining the company's financial health. If the ratio increases, this means that the company is financed by creditors (debtors) and not from its own financial sources, which may be a fairly dangerous trend (Yuliana & Amanah, 2017). The debt to equity ratio affects the timeliness of financial reporting (Zebua, 2020).

Methods

The population of this study is all banking companies listed on the Indonesia Stock Exchange for the period 2017-2019, which are 45 companies and not all of these populations are the object of research, so further sampling is needed. The sample is a collection of subjects that represent the population (Chandrain, 2017) the sample in this study is a banking company. The sampling technique used in this study is the purposive sampling method, namely the determination of the sample based on certain criteria as desired by the researcher. The sample selection was carried out purposively to obtain a representative sample based on the specified criteria. Determination of sample criteria is needed to avoid errors in determining the research sample, which in turn affects the results of the analysis. The criteria selected in determining the sample are:

1) Banking companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2019 research periods.
2) Banking companies listed on the IDX consecutively for the period 2017-2019.
3) The company has published an annual financial report for the period 2017-2019.
4) Banking companies that have complete data and information used to analyze the factors that affect the timeliness of financial reporting for the 2017-2019 period.

1. Analysis Method

Descriptive statistics are used to describe the variables in this study. A descriptive statistical test is to find out the general description or characteristics of the data used in this study. The analytical tools used are the mean (mean), standard deviation, variance, frequency distribution, minimum and maximum values (Ghozali, 2016). This test is intended to analyze several assumptions from the resulting regression equation that is valid for predicting. The classical assumption test used in this study is the normality test, multicollinearity test, and heteroscedasticity test.

This normality test aims to test whether in the regression model the confounding or residual variables have a normal distribution or not. A good regression model is to have a normal or close to normal data distribution. One way to see the normality of the residuals is to look at the histogram graph with the following criteria:

1) If the data spread around the diagonal line and follows the direction of the diagonal line, then the regression model meets the assumption of normality.
2) If the data spreads far from the diagonal line or does not follow the direction of the diagonal line, then the regression model does not meet the assumption of normality.

Linear regression analysis was used to measure the presence or absence of the influence of return on assets, audit opinion, company size, and debt to equity ratio as the independent variable (free) on timeliness as the dependent variable (bound).

The general form of multiple regressions is as follows:

$$Y = a + \beta_1 RoA + \beta_2 AO + B_3 Size + \beta_4 DER + e$$

Description:

a	= Constant
RoA	= *Return on Asset*
AO	= Audit Opinion
Size	= Company Size
DER	= *Debt to Equity Ratio*
Y	= Punctuality
$\beta_1, \beta_2, \beta_3, \beta_4$	= Regression Coefficient
e	= Error

Analysis of the coefficient of determination (R^2) is used to determine the percentage effect of return on assets (X_1), audit opinion (X_2), company size (X_3), and debt to equity ratio (X_4) on the timeliness of financial reporting (Y). The F test is used to determine the simultaneous effect of return on assets (X_1), audit opinion (X_2), company size (X_3), and debt to equity ratio (X_4) on the timeliness of financial reporting (Y). The criteria for testing the F test in this study are:

1) If the probability value or significance value is < 0.05, then simultaneously return on assets (X_1), audit opinion (X_2), company size (X_3), and debt to equity ratio (X_4) have a significant effect on the timeliness of financial reporting (Y).
2) If the probability value or significance value is > 0.05, then simultaneously return on assets (X_1), audit opinion (X_2), company size (X_3), and debt to equity ratio (X_4) have no significant effect on the timeliness of financial reporting. (Y).

The t-test was conducted to partially test the effect of return on assets (X_1), audit opinion (X_2), firm size (X_3), and debt to equity ratio (X_4) on the timeliness of financial reporting (Y), with the following criteria:

1) If the probability value or significance value is < 0.05, then partially return on assets (X_1), audit opinion (X_2), company size (X_3), and debt to equity ratio (X_4) have a significant effect on the timeliness of financial reporting (Y).

2) If the probability value or significance value is > 0.05, then partially return on assets (X_1), audit opinion (X_2), company size (X_3), and debt to equity ratio (X_4) have no significant effect on the timeliness of financial reporting. (Y).

Result

A stock exchange or Stock Exchange is a market that deals with the buying and selling of securities of companies that are already listed on the exchange. The stock exchange, together with the money market, is the main source of external capital for companies and governments. Usually, there is a central location, at least for the record, but trading is now less and less associated with such a place, as modern stock exchanges are now electronic networks, which provide advantages in terms of speed and transaction costs. The Indonesia Stock Exchange (IDX) is a combination of the Surabaya Stock Exchange (BES) and the Jakarta Stock Exchange (JSX) which were formed from capital market institutions. The Indonesia Stock Exchange (IDX) consists of 9 industrial sectors, including the agricultural sector, the mining sector, the basic and chemical industry sector, the various industrial sectors, the consumer goods industry sector, the property sector, real estate and building construction, the infrastructure sector, utilities and transportation, the financial sector, as well as the trade and services sector and investment.

A stock exchange is often the most important component of a stock market. There is no obligation to issue shares through the stock exchange itself and shares do not have to be traded on that exchange: this is called an “off-exchange”. Shares that have been traded must be reported to the stock exchange. The first offering of shares to investors is called the primary market or primary market and the subsequent trade is called the second (secondary) market.

1. Description of Research Variables

Descriptive analysis is used to describe the research variable data including minimum, maximum, mean, and standard deviation. The data used in this study was obtained from the Indonesia Stock Exchange in the form of financial report data with 3 (three) years of observation starting from 2017-2019. So the total number of observations is 60, while the research variable data includes the dependent variable, namely the timeliness of financial reporting and the independent variables include RoA (Return on Assets), audit opinion, company size, and DER (Debt to Equity Ratio). The results of descriptive statistical data processing can be seen in the following table:

Table 1. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
Y	60	14.00	96.00	53.2333	26.63079
X1	60	.02	5.58	1.2092	.76563
X2	60	1.00	1.00	1.0000	.00000
X3	60	14.95	30.19	20.1236	3.87628
X4	60	159.37	1474.84	546.5950	250.61867
Valid N (list wise)	60				

Source: Author’s Findings

Based on the table above, it is known that the timeliness of financial reporting (Y) as a whole has a minimum value of 14.00 and a maximum of 96.00. The average timeliness of financial reporting is 53.2333 with a standard deviation of 26.63079. Furthermore, the return on assets (X1) has a minimum value of 0.02 and a maximum of 2.58. The average return on assets is 1.2092 with a standard deviation of 0.76563. Furthermore, the value of the audit opinion (X2) is a minimum of 1.00 and a maximum of 1.00. The average audit opinion is 1.0000 with a standard deviation of

0.00000. Furthermore, the results of the analysis of company size (X3) show a minimum value of 14.95 and a maximum of 30.19. The average company size is 20.1236 with a standard deviation of 3.87628. Furthermore, the results of the analysis of the debt to equity ratio (X4) show the lowest Debt to Equity Ratio of 159.37 and the highest of 1474.84. The average debt to equity ratio is 546.5950 with a standard deviation of 250.61867.

Table 2. Multicollinearity Test

	Model	Collinierity Statistics Tolerance	VIF
1	(Constant)		
	X_1	.872	1.147
	X_3	.896	1.116
	X_4	.934	1.070

Source: Author's Findings

Table 2 shows that the RoA variable (X_1) with a tolerance value of 0.872 and a VIF value of 1.147, the audit opinion variable (X_2) in this study did not get a tolerance value and a VIF value, this is because the data held is homogeneous, meaning that all data are the same, so that it cannot be processed by the SPSS application, the firm size variable (X_3) has a tolerance value of 0.896 and a VIF value of 1.116, the DER variable (X_4) has a tolerance value of 0.934 and a VIF value of 1.070. It can be concluded that all variables do not occur multicollinearity because each variable tolerance value is greater than 0.1 and the VIF value is less than 10.

Table 3. Multiple Linear Regressions

	Coefficients[a]						
	Unstandardized Coefficient		Standardized Coefficients			Collinierity Statistics	
Model	B	Std. E	Beta	T	Sig.	Tolerance	VIF
(Constant)	64.210	17.103		3.754	.000		
X_1	-22.867	3.881	-.657	-5.891	.000	.872	1.147
X_3	1.501	.756	.218	1.984	.052	.896	1.116
X_4	-.025	.011	-.233	-2.160	.035	.934	1.070

Source: Author's Findings

From the test with multiple linear regressions, the following equation is obtained:

$Y = a + \beta 1 RoA + \beta 2 AO + \beta 3 Size + \beta 4 DER + e$

$= 64.210\ a – 22.867\ RoA + 1.501\ Size – 0.025\ DER$

Based on the multiple linear regression equation above, it can be explained that:

a) Constant (a)

The results of the multiple linear regression test show that the constant value is 64.210. If the Return on Assets (X_1), company size (X_3), and Debt to Equity Ratio (X_4) variables are equal to zero, then the timeliness of financial reporting is 64.210 or 64 days.

b) Regression Constant (β1) RoA

The value of the regression coefficient of return on assets (X_1) is negative, which is -22.867. A negative value indicates a change that is not in the same direction. This means that if return on assets (X_1) has increased by one unit, it will be able to reduce the timeliness of financial reporting (Y) by 22.867 or 22 days and vice versa if return on assets (X_1) has decreased by one unit, it will be able to increase the timeliness of financial reporting (Y) by 22.867 or 22 days assuming the independent variables are firm size (X_3), and the debt to equity ratio (X_4), the amount is constant.

c) Regression Constant (β2) Audit Opinion

From the results of the regression coefficient test, it can be seen that the Audit Opinion variable does not have a regression coefficient, this is because the data held is homogeneous, meaning that all data is the same so that it causes the data to not appear and cannot be processed by SPSS.

d) Regression Constant (β3) Size
The value of the firm size regression coefficient (X_3) is positive, which is 1.501. A positive value indicates a unidirectional change. This means that if the size of the company (X_3) has increased by one unit, it will be able to increase the timeliness of financial reporting (Y) by 1.501 or 1 day and vice versa if the size of the company (X_3) has decreased by one unit, it will be able to reduce the timeliness of reporting finance (Y) of 1.501 or 1 day assuming the independent variables return on assets (X_1) and Debt to Equity Ratio (X_4) is constant.

e) Regression Constant (β4) DER
The regression coefficient value of the debt to equity ratio (X_4) is negative, which is -0.025. A negative value indicates a change in the opposite direction. This means that if the debt to equity ratio (X_4) has increased by one unit, it will be able to reduce the timeliness of financial reporting (Y) by 0.025 days and vice versa if the debt to equity ratio (X_4) has decreased by one unit, it will be able to increase accuracy financial reporting time (Y) is 0.025 days assuming the independent variable return on assets (X_1) and firm size (X_3) is constant.

2. Multiple Coefficient of Determination (R^2)

Tabel 4. Model Summary[b]

Model	R	R Square	Adjusted R	Std. Error of the
1	.626[a]	.392	.359	21.31685

Source: Author’s Findings

The table above shows that the coefficient of determination (R^2) or R square is 0.626 (62.6%). The results of this study indicate that the percentage of the magnitude of the influence of return on assets (X_1), except for audit opinion (X_2) whose data results do not have research results, is due to the nature of the data held is homogeneous, meaning that all data is the same, so that the data cannot be processed by SPSS application or the results of the data held will not appear in the SPSS application, company size (X_3) and debt to equity ratio (X_4) affect the timeliness of financial reporting (Y) by 62.6% while the remaining 37.4% is influenced by other variables outside of this study.

Tabel 5. Uji F
ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	16395.873	3	5465.291	12.027	.000[b]
Residual	25446.860	56	454.408		
Total	41842.733	59			

Source: Author’s Findings

Based on the table, it is known that the significance value is less than 0.05, which is 0.000. The results of this study indicate that simultaneously return on assets (X_1), except for audit opinion (X_2), whose data results cannot be processed by SPSS, due to the nature of the data held are the same, so that the results of data processed in the SPSS application will not appear, firm size (X_3) and debt to equity ratio (X_4) have a significant effect on the timeliness of financial reporting (Y).

Tabel 6. Uji T

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinierity Statistics Tolerance	Collinierity Statistics VIF
(Constant)	64.210	17.103		3.754	.000		
X_1	-22.867	3.881	-.657	-5.891	.000	.872	1.147
X_3	1.501	.756	.218	1.984	.052	.896	1.116
X_4	-.025	.011	-.233	-2.160	.035	.934	1.070

Source: Author's Findings

Based on the table of T-test results, several things can be shown as follows:

1) Return on assets has a significant level of 0.000. This test shows a significant level that is smaller than the significant level of the examiners used, which is 0.05. From these results, it means that Return on Assets has a negative and significant effect on the timeliness of financial reporting.
2) Audit opinion, based on the results of the T-test, it can be seen that the audit opinion does not have a significant level, because the data held are homogeneous, meaning that all data are the same so they cannot be processed by SPSS.
3) Company size has a significant level of 0.052. This test shows a significant level that is greater than the significant level of the examiners used, which is 0.05. These results mean that company size has a positive and insignificant effect on the timeliness of the company's financial reporting.
4) The debt to equity ratio has a significant level of 0.035. This test shows a significant level that is smaller than the significant level of the examiners used, which is 0.05. From these results, it means that the debt to equity ratio has a negative and significant effect on the timeliness of financial reporting.

Discussions

Testing hypothesis 1 in this study aims to examine the effect of the return on assets variable on the timeliness of financial reporting return on assets is measured by comparing the total net income with the total number of assets. This can be seen from the results of multiple linear regression analysis where the value of return on assets has a negative value with a coefficient of -22.867, meaning that there is a negative influence between return on assets and the timeliness of financial reporting. Based on the results of the T-test, it can be seen that the return on assets variable has a significant effect on the timeliness of financial reporting because the significance level is 0.000 which is smaller than the 5% (0.05) significance level. So it can be concluded that return on assets (X_1) affects the timeliness of financial reporting (Y). So the first hypothesis which states that return on assets affects the timeliness of financial reporting in this study is accepted.

Based on the test results indicating that return on assets has a significant effect on the timeliness of financial reporting, the type of influence obtained from the results of this study is negative. Return on assets with a negative sign in this study indicates the number of days used to submit or publish financial statements is decreasing or less time is needed to submit financial statements (Nurasiah, 2021). So it can be concluded that companies that have a high return on assets are not necessarily on time in submitting their financial statements and vice versa, companies that have a low return on assets are not necessarily late in submitting their financial statements.

Testing hypothesis 2 in this study aims to examine the effect of the audit opinion variable on the timeliness of financial reporting. The audit opinion variable in this study was measured using a dummy variable, where companies that received unqualified opinions were given a number 1, and companies that received opinions other than fair were given a number 0. Based on the results of tests that have been carried out, the audit opinion variable did not get results; this is because the data held is homogeneous. All data are the same or the data does not vary, namely where all audit opinion variables only use the number 1 and there is no number 0. This is because all the companies sampled receive an unqualified audit opinion in their annual financial statements.

Testing hypothesis 3 in this study aims to examine the effect of the variable firm size on the timeliness of financial reporting. Asset size is used to measure the size of the company; the asset size is measured as the logarithm of total assets. The test results of multiple linear regression analysis where the value of company size has a positive value with a coefficient of 1.501 means that there is a positive influence between company size and the timeliness of financial reporting and based on the results of the T-test, it can be seen that the company size variable has a significant level of 0.052 which is greater than significance level 5% (0.05). So it can be concluded that the size of the company (X_3) does not affect the timeliness of financial reporting (Y). Then the third hypothesis states that the size of the company affects the timeliness of financial reporting.

Testing hypothesis 4 in this study aims to examine the effect of the debt to equity ratio variable on the timeliness of financial reporting. The debt to equity ratio is measured by comparing all debt, including current debt with all equity. The test results of multiple linear regression analysis where the value of the debt to equity ratio has a negative value with a coefficient of -0.025 meaning that there is a negative influence between the debt to equity ratio and the timeliness of financial reporting and based on the test results it can be seen that the debt to equity ratio variable has a significant level of 0.035 which is smaller than the significance level of 5% (0.05). So it can be concluded that the debt to equity ratio (X_4) affects the timeliness of financial reporting (Y). Then the fourth hypothesis states that the debt to equity ratio affects the timeliness of financial reporting.

Based on the test results indicate that the debt to equity ratio has a significant negative effect on the timeliness of financial reporting, the type of influence obtained from the results of this study is negative. The higher the level of the company's debt to equity ratio, the period or the number of days needed to submit financial statements is increasing.

Conclusion

Return on assets affects the timeliness of financial reporting with a significant value of 0.000. This shows that companies with high total assets do not guarantee the company to be on time in submitting their financial statements, but companies that have low total assets are also not always late in submitting their financial statements. The audit opinion did not get the results of the study. Because the data held is homogeneous, it means that all data is the same, so the results of the data will not appear or cannot be processed by SPSS. Company size has no effect on the timeliness of financial reporting with a significant value of 0.052.

This shows that large companies are not necessarily on time in submitting their financial statements and vice versa, small companies are not always late in submitting their financial statements. Companies that are large and small have the same obligation to provide information about the state of their company to the public on time. The debt to equity ratio affects the timeliness of financial reporting with a significant value of 0.035. This shows that companies that have high and low levels of debt to equity ratio both want to report their financial statements on time. With the increasing number of investors or debtors, the supervision of company performance is increasingly being tightened so that companies are trying to report relevant information on time for decision making.

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