ABSTRACT

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THE ABILITY OF COMPANY SIZE TO MODERATE THE EFFECT OF PROFITABILITY AND SOLVENCY ON AUDIT DELAY

(xvi+69; 5 figures; 22 tables; 4 appendixes)

Companies that go public are required to submit financial information in the form of financial statements. The financial statement that is prepared under four main characteristics which are: understandable, relevant, reliable, and comparable can be useful as financial information in business and decision making. However, information is no longer useful if it is not presented accurately and precisely. The worst is information will be reduced or even lost power if the information is delivered late and not timely. This study aims to determine the effect of profitability and solvency on audit delay, and to determine the ability of company size to moderate the effect of profitability on audit delay and solvency on audit delay. This study was conducted on 35 mining companies listed on the Indonesia Stock Exchange during the period 2012 - 2016 using secondary data collection methods. The analytical technique used is moderation regression analysis (MRA). This study is using SPSS version 21. The result shows that profitability has negative effect on audit delay. Solvency has positive and significant effect on audit delay. Company size is able to moderate the effect of profitability on audit delay and also strengthen the relationship of profitability with audit delay. And the last, company size is not able to moderate the effect of profitability and solvency on audit delay.

Keywords: profitability, solvency, company size, audit delay, and moderating variable.

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