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## *Factors that Affect Stock Prices with Audit Delay as An Intervening Variable*

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### **KEYWORDS**

Profitability, Leverage,  
Audit Opinion,  
Company Size, Stock  
Price, Audit Delay

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### **ABSTRACT**

This research aims to determine the effect of profitability, leverage, audit opinion, and company size on stock price without delay as an intervening variable (a case study of the LQ 45 company listed on the Indonesia Stock Exchange (BEI) for the period 2018 – 2022). The population in this research is companies classified as LQ 45 in the 2018 - 2022 period. The research sample was selected using a purposive sampling technique, namely a sample determination technique using predetermined criteria so that a total sample of 95 research samples was obtained. This research method uses quantitative methods. The data analysis technique in this research uses the panel data analysis method. This research uses secondary data obtained through data on idx.com, yahoo.finance.com, and the respective company websites. The research results show that profitability and company size has a negative effect on audit delay. Leverage and audit opinion has noeffect on audit delay. Profitability and company size has a positive effect on stock prices. Leverage and audit delay has a negative effect on stock prices. Audit opinion has no effect onstock prices. Audit delay is unable to mediate the effect of profitability, leverage, audit opinion, and company size on stock price.

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### **INTRODUCTION**

In the modern economic era, competition between business actors is increasingly fierce. This condition requires all companies to always have the ability to develop their business, even though the business development process requires large amounts of capital, so loans from banks alone are deemed insufficient, so many business actors prefer the capital market as a means of generating capital for their business activities (Udayana & Miartana, 2018).

Shares can be interpreted as proof of a person's ownership of a company in the form of valid securities (Ramadhan & Nasution, 2020). Shares are a form of modern financial investment that is experiencing rapid development. This development is supported by internet technology which makes it easier for business people to receive information about company performance. The performance measurement tool can be reflected in the stock price. A high stock price means that the value of the company as public trust in the company is also high (Pevzner, Xie, & Xin,

2015). Investing in the capital market requires a lot of thinking, lots of risks, challenges to be faced, and changes that are difficult to predict, so stock investors must always collect accurate information so they can know the next steps in making investment decisions. Investors will experience big losses if they do not collect accurate information when investing.

Fundamental factors can be used by investors in deciding to invest. Fundamental factors focus on important data from financial statements to see whether a stock is priced correctly. These fundamental factors can be seen from financial reports and financial ratios (Pradanimas & Sucipto, 2022). This research focuses on company fundamentals from the perspective of a company's financial performance.

One of the company shares that investors can choose to invest in is shares that are included in the LQ 45 Index category. LQ 45 shares are shares that are ranked at the top based on market capitalization over the last 12 months. The stock index for these 45 stocks is adjusted every six months.

The following is a graph of the closing stock price of the LQ 45 company from 2018 – 2022.



**Figure 1. Graph of Stock Price Development of LQ 45 Companies 2018 - 2022**

Source: Finance.yahoo.com, data processed (2023)

Based on Figure 1, we can see that the closing stock price per year of the LQ 45 company experienced small fluctuations. In 2018 the closing stock price was IDR 982.73 Rupiah, then in 2019 there was an increase with the closing stock price at IDR 1,014.73. In 2020 there was a decline due to the Covid-19 pandemic, so the closing stock price was IDR 934.89 and then experienced a slight decline again in 2021 with the closing stock price being IDR 931.41. In 2022 there will be a slight increase, so that the closing stock price is IDR 937.18. Based on Figure 1, it can be concluded that the closing stock price graph for the LQ 45 index experienced fluctuations. In general the value of a company is expressed by the movement of its stock price on the capital market. The higher the stock price of an issuer indicates the more valuable the issuer is. Stock price movements can be caused by several factors such as economics, politics, security, etc.

Based on this, this research will examine the factors that can influence stock price movements. The first factor is profitability. Company profitability is the ability of a company to

generate profits related to sales, total assets and own capital (Alarussi & Alhaderi, 2018). High profitability indicates good profitability, which will ultimately affect the company's prospects in attracting investors (Wicaksana, 2021). The high level of profitability of an issuer indicates the higher its ability to generate profits, and will have an impact on the company's stock price in increasing.

The second factor is leverage. Leverage is a tool to measure the extent to which an issuer's assets are financed with debt (Sarpingah, 2023). Investors will evaluate issuers who have management more leverage good, so that the better the debt management of a company (leverage) an issuer, the stock price will increase, conversely, the less debt management a company has (leverage) then the stock price will decrease.

An auditor's conclusion derived from audit findings is known as an audit opinion. The auditor bases this opinion on accounting rules and factors pertaining to field findings (Rahmadan, Friyani, Hizazi, & Gowon, 2023). Investors believe that the audit report contains information, then investors will carry out operations in the form of buying and selling shares of the related company. This will cause changes in the stock price of companies with the best audit reports.

The fourth factor is company size. Company size is the size of a company expressed in total assets (Mulyadi, Octavianti, & Sulistiana, 2022). The larger the company size in terms of total assets, the higher the stock price will be, while the smaller the company size, the lower the stock price will be.

Investors need financial reports that have been audited and have information that is relevant, reliable and easy to understand to obtain all information related to profitability levels, leverage, audit opinion and company size. Companies must immediately publish audited financial reports so that investors can use them. Audit delay has an impact on providing information to users of financial reports, if financial reports are published on time then the information submitted will be more reliable, whereas if financial reporting is delayed, the information sent will not reflect the actual situation of the company (Ariestia & Sihombing, 2021). Delay in publication due to audit delay the old one will cause a negative market reaction.

Based on Financial Services Authority Regulation Number 29/POJK.04/2016 which requires public companies registered on the IDX to report audited annual financial reports no later than the fourth month (120 days) after the financial year ends. Even though there are regulations regarding the submission of financial reports, a phenomenon that occurs from year to year is that the Indonesian Stock Exchange (BEI) still detects that listed companies are late in submitting audited annual financial reports based on company audits of financial reports. In 2021, PT Charoen Pokhp and Indonesia Tbk experienced delays in publishing the 2020 audited financial report. The 2020 annual financial report was published on May 28 2021 (149 days) and signed by the public auditor on May 28 2021, however the closing price of CPIN shares was at The day of the publication of the financial report on May 28 2021 actually experienced an

increase in the closing price of IDR 6,700 per share, whereas before the publication of the financial report on May 27 2021 the closing price was IDR 6,550 per share.

Based on the explanation above, this research will use audit delay as an intervening variable. The reason for including audit delay as an intervening variable is because according to the Signaling theory put forward by Spence (1973), it is explained that the sender (owner of information) provides a signal or signal in the form of information that reflects the condition of a company which is beneficial for the recipient (investor). Signaling theory explains how companies should convey signals to users of financial reports, especially investors (Sumunar, 2023). This means that companies must convey all company information transparently to investors, remembering that information is a very important element in decision making. Brigham & Houston (2013) explain that a signal is an action taken by company management to provide guidance to investors regarding management in looking at the company's prospects. The availability of information is very important because it influences investment decisions for external parties to the company. The announcement publishes information that can provide signals to investors. Investors need accurate, complete and relevant capital market information as an analytical tool in making investment decisions. This information can be provided to investors through the publication of audited financial reports (Panjaitan & Hutabarat, 2022). When evaluating company performance, the contents of financial reports can give a good or bad impression to investors and other users of financial reports. Recipients of information who feel optimistic about the company's future prospects can increase demand for shares and have the potential to push stock prices up. Audit delay as an intervening variable is considered capable of mediating the relationship between the independent variables, which in this case are profitability, leverage, company size and audit opinion on the dependent variable, namely stock price, so that it becomes the cause of change. The aim of this research is to empirically prove the influence of profitability, leverage, audit opinion and company size on stock prices directly and indirectly (via audit delay ).

## METHODS

The data used by researchers is secondary data sourced from websites [www.idx.co.id](http://www.idx.co.id), [finance.yahoo.com](http://finance.yahoo.com) and the LQ 45 sector company website. Data collection in this research was carried out using the documentation method, namely by collecting secondary data. The population in this research is the LQ 45 company listed on the Indonesia Stock Exchange. Sample selection used purposive sampling technique.

The data analysis technique in this research uses the panel data analysis method. Panel data is a combination of time series and cross-sectional data. Hypothesis testing is carried out using a panel data regression model. The data analysis tools used in this research are Microsoft Excel 2021 and Eviews 12 software. Before carrying out the regression test, the researcher will first select the estimation model by carrying out the Chow test, Hausman test and Lagrange multiplier test. After selecting the estimated model, tests for normality, multicollinearity and

heteroscedasticity were carried out. As well as carrying out the Goodness of Fit Test of a Model by carrying out the coefficient of determination test and the F statistical test.

## RESULTS

### Descriptive Statistical Analysis

**Table 1.**  
**Descriptive Statistics**

	<b>ROE</b>	<b>DER</b>	<b>OA</b>	<b>SIZE</b>	<b>AD</b>	<b>HS</b>
Mean	0.201692	2.622632	0.968421	32.50853	66.16842	4549.816
Median	0.140000	1.010000	1.000000	32.26000	71.00000	3850.000
Maximum	1.450000	16.08000	1.000000	35.23000	148.0000	12425.00
Minimum	-0.070000	0.130000	0.000000	30.42000	16.00000	690.0000
Std. Dev.	0.282919	3.290526	0.175804	1.451496	30.09264	3091.089
Observations	95	95	95	95	95	95

Source: Data processed with Eviews, 2024

The results of descriptive statistical tests (table 1) produced from 95 samples of LQ 45 companies listed on the Indonesia Stock Exchange (BEI) for the 2018 - 2022 period show that the stock price (HS) as measured by the closing price as of December 31 has the highest value at IDR 12,4250 at the Indonesian Semen Company (Persero) Tbk, and the lowest value is IDR 690 at the Media Nusantara Citra Company Tbk. with a standard deviation of IDR 3091,089. The profitability variable which is proxied by Return On Equity (ROE) has the highest value at 1.450000 for the Unilever Indonesia Tbk Company, and the lowest value is -0.070000 for the State Gas Company (Persero) Tbk. The average value is 0.201692 and the standard deviation is 0.282919. The average value is IDR 4549,816 and the standard deviation is IDR 3091,089. The leverage variable which is proxied by the Debt to Equity Ratio (DER) has the highest value at 16.08000 for Bank Tabungan Negara (Persero) Tbk and the lowest value is 0.130000 for PT. Media Nusantara Citra Tbk. The average value is 2.622632 and the standard deviation is 3.290526. For the audit opinion (OA) variable, which is measured by 0, it means the issuer received an opinion other than unqualified, while 1 means the issuer received an unqualified opinion, has the highest value at 1.000000 and the lowest value at 0.000000. The average value is 0.968421 and the standard deviation is 0.175804. The company size variable (SIZE) as measured by the Natural Logarithm of Total Assets has the highest value at 35.23000 for Bank Mandiri (Persero) Tbk, and the lowest value is 30.42000 for Media Nusantara Citra Tbk. The average value is 32.50853 and the standard deviation is 1.451496. The audit delay (AD) variable, which is calculated using the formula Date of Audit Opinion Report Issued minus Date of Book Closing of the Company's Financial Report, has the highest value at 148,0000 for the Charoen Pokphand Indonesia Tbk Company, and the lowest value is 16,00000 for the Bank Negara Indonesia Company (Persero) Tbk. The average value is 66.16842 and the standard deviation is 30.09264.

**Table 2.**  
**Chow Test Results for Equation Model I**

Effects Test	Statistic	d.f.	Prob.
Cross-section F	11.755669	(18,72)	0.0000
Cross-section Chi-square	130.236059	18	0.0000

Source: Data Processed with E-Views, 2024

**Table 3.**  
**Chow Test Results for Equation Model II**

Effects Test	Statistic	d.f.	Prob.
Cross-section F	32.909861	(18,72)	0.0000
Cross-section Chi-square	212.293113	18	0.0000

Source: Data Processed with E-Views, 2024

Based on the output results in equation models I and II, it shows that the cross-section probability  $F < \alpha$  ( $0.0000 < 0.05$ ). This shows that fix effect model better in comparison common effect model.

#### Hausman Test

**Table 4.**  
**Hausman Test Results for Equation Model I**

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.917334	4	0.1403

Source: Data Processed with E-Views, 2024

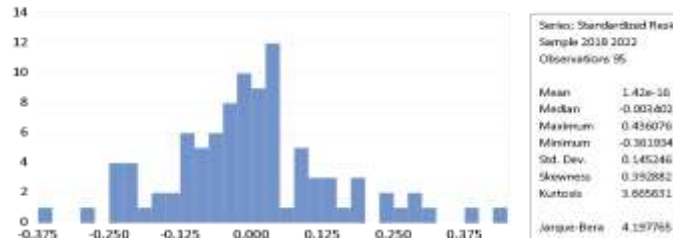
**Table 5.**  
**Hausman Test Results for Equation Model II**

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.079100	5	0.1519

Source: Data Processed with E-Views, 2024

Based on the model output results of equations I and II, it shows that probability cross-section random  $> 0.05$ . It can be concluded that the model selection decision for equations I and II is random effect model better than fixed effect model.

**Normality test**



**Figure 2. Normality Test Results for Equation I**

Source: Data Processed with E-Views, 2024



**Figure 3. Normality Test Results for Equation II**

Source: Data Processed with E-Views, 2024

Based on figures 4.1 and 4.2, the results of the normality test for equation 1 can be seen that the Jarque - Bera value is  $0.122593 > 0.05$  and the results of the normality test for equation 2, the Jarque - Bera value is  $0.229672 > 0.05$ , which means that in models 1 and 2 the data is normally distributed.

**Multicollinearity Test**

**Table 6.**  
**Multicollinearity Test Results of Equation Model I**

	ROE	DER	OA	SIZE
ROE	1	-0.03612	-0.17644	-0.30627
DER	-0.03612	1	0.022029	0.583924
OA	-0.17644	0.022029	1	0.16574
SIZE	-0.30627	0.583924	0.16574	1

Source: Data Processed with E-Views, 2024



**Table 7.**  
**Multicollinearity Test Results of Equation Model II**

	<b>ROE</b>	<b>DER</b>	<b>OA</b>	<b>SIZE</b>	<b>AD</b>
ROE	1	-0.03612	-0.17644	-0.30627	-0.18857
DER	-0.03612	1	0.022029	0.583924	-0.59761
OA	-0.17644	0.022029	1	0.16574	-0.01188
SIZE	-0.30627	0.583924	0.16574	1	-0.65331
AD	-0.18857	-0.59761	-0.01188	-0.65331	1

Source: Data Processed with E-Views, 2024

Based on the results of the multicollinearity test for equation models I and II above, it is known that the correlation value between variables is not more than 0.80, so it can be said that there is no multicollinearity problem.

### Heteroscedasticity Test

**Table 8.**  
**Heteroscedasticity Test Results for Equation Model I**

<b>Variable</b>	<b>Coefficient</b>	<b>Std. Error</b>	<b>t-Statistic</b>	<b>Prob.</b>
C	-0.178332	0.449801	-0.396468	0.6927
ROE	0.012902	0.057526	0.224287	0.8230
DER	0.007158	0.005770	1.240534	0.2180
OA	-0.009878	0.042064	-0.234824	0.8149
SIZE	0.008397	0.014004	0.599624	0.5503

Source: Data Processed with E-Views, 2024

**Table 9.**  
**Heteroscedasticity Test Results for Equation Model II**

<b>Variable</b>	<b>Coefficien t</b>	<b>Std. Error</b>	<b>t-Statistic</b>	<b>Prob.</b>
C	3.070149	0.925779	3.316286	0.0013
ROE	-0.035628	0.097766	-0.364421	0.7164
DER	0.006482	0.009691	0.668931	0.5053
OA	0.024003	0.068547	0.350171	0.7270
SIZE	-0.081364	0.024818	-0.278439	0.1490
AD	-0.108406	0.126361	-0.857909	0.3932

Source: Data Processed with E-Views, 2024

Based on the results of the heteroscedasticity test for equation models I and II above, it is known that the significance probability value is above 0.05, so it can be said that there is no heteroscedasticity problem.



**Coefficient of Determination Test**

**Table 10.**

**Coefficient of Determination of Model Equation I**

Root MSE	0.078849	R-squared	0.281756
Mean dependent var	0.479955	Adjusted R-squared	0.249834

Source: Data Processed with E-Views, 2024

Based on the table above, it can be concluded that the R - Squared value is 0.281756 or 28.17%, meaning that the independent variable can explain its influence on the dependent variable by 28.17% while the rest is explained by other factors outside the model.

**Table 11.**

**Coefficient of Determination of Model Equation II**

Root MSE	0.107443	R-squared	0.245771
Mean dependent var	0.543670	Adjusted R-squared	0.203399

Source: Data Processed with E-Views, 2024

Based on the table above, it can be concluded that the R - Squared value is 0.245771 or 24.57%, meaning that the independent variable can explain its influence on the dependent variable by 24.57% while the rest is explained by other factors outside the model.

**Simultaneous Significance Test (F Statistical Test)**

**Table 12.**

**F Statistical Test for Equation Model I**

Root MSE	0.078849	R-squared	0.281756
Mean dependent var	0.479955	Adjusted R-squared	0.249834
S.D. dependent var	0.093532	S.E. of regression	0.081010
Sum squared resid	0.590630	F-statistic	8.826410
Durbin-Watson stat	1.334636	Prob(F-statistic)	0.000005

Source: Data Processed with E-Views, 2024

Based on the table above, it is known that the probability value (F-Statistic) is 0.000005 < 0.05, meaning that together the independent variables influence the dependent variable.

**Table 13.**

**F Statistical Test for Model Equation II**

Root MSE	0.107443	R-squared	0.245771
Mean dependent var	0.543670	Adjusted R-squared	0.203399
S.D. dependent var	0.124372	S.E. of regression	0.111006
Sum squared resid	1.096679	F-statistic	5.800264
Durbin-Watson stat	1.003207	Prob(F-statistic)	0.000111

Source: Data Processed with E-Views, 2024

Based on the table above, it is known that the probability value (F-Statistic) is  $0.000111 < 0.05$ , meaning that together the independent variables influence the dependent variable.

**Statistical Test Results (T Test)**

**Table 14.**

**Model I t Statistical Test Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.068627	0.732589	5.553761	0.0000
ROE	-0.187943	0.092018	-2.042457	0.0440
DER	-0.026343	0.009181	-2.869281	0.0051
OA	-0.022144	0.051162	-0.432812	0.6662
SIZE	-0.066821	0.022773	-2.934249	0.0042

Source: Data Processed with E-Views, 2024

Based on table 14, it can be concluded that profitability has a negative effect on audit delay, because it has a regression coefficient of -0.187943 with a probability value of  $0.0440 < 0.05$ . Signaling H1 “Accepted”.

Leverage has no effect on audit delay, because it has a regression coefficient of -0.026343 with a probability value of  $0.0051 > 0.05$ . Signaling H2 “Rejected”.

Audit opinion has no effect on audit delay because it has a regression coefficient of -0.022144 with a probability value of  $0.6662 > 0.05$ . Signaling H3 “Rejected”.

Company size has a negative effect on audit delay, because it has a regression coefficient of -0.066821 with a probability value of  $0.0042 < 0.05$ . Signaling H4 “Accepted”.

**Model II t Statistical Test**

**Table 15.**

**Model II t Statistical Test Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.066910	1.482408	0.045136	0.9641
ROE	0.777532	0.167599	4.639249	0.0000
DER	-0.046860	0.017191	-2.725911	0.0077
OA	-0.031453	0.070495	-0.446174	0.6566
SIZE	0.113311	0.043762	2.589248	0.0112

AD	-0.121622	0.153041	-0.794698	0.4289
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Source: Data Processed with E-Views, 2024

Based on table 15, it can be concluded that profitability has a positive effect on stock prices, because it has a regression coefficient of 0.777532 with a probability value of 0.0000 <0.05. Signaling H5 “Accepted”.

Leverage has a negative effect on stock prices, because it has a regression coefficient of -0.046860 with a probability value of 0.0077 <0.05. Signaling H6 “Accepted”.

Audit Opinion has no effect on stock prices, because it has a regression coefficient of -0.031453 with a probability value of 0.6566 > 0.05. Signaling H7 “Rejected”.

Company size has a positive effect on price, because it has a regression coefficient of 0.113311 with a probability value of 0.0012 <0.05. Signaling H8 “Accepted”.

Audit Delay has a negative effect on stock prices, because it has a regression coefficient of 0.121622 with a probability value of 0.4289 <0.05. Signaling H9 “Accepted”.

### The Effect of Profitability on Stock Prices with Audit Delay as an Intervening Variable

Calculating With Sobel Test

$$\begin{aligned}
 S_{ab1} &= \sqrt{b^2 Sa1^2 + a1^2 Sb^2} + Sa1^2 Sb^2 \\
 &= \sqrt{(-0.122)^2 (0.092)^2 + (-0.188)^2 (0.153)^2} + (0.092)^2 (0.153)^2 \\
 &= \sqrt{0.015 \times 0.008 + 0.035 \times 0.023} + 0.008 \times 0.023 \\
 &= \sqrt{0.0001 + 0.0008 + 0.0002} \\
 &= \sqrt{0.001} = 0.032
 \end{aligned}$$

Calculating the t-count value

$$\begin{aligned}
 t &= \frac{ab}{S_{ab}} \\
 t &= \frac{(-0.188) \times (-0.122)}{0.032} \\
 t &= \frac{0.023}{0.032} \\
 t &= 0.717
 \end{aligned}$$

Based on the calculation results obtained, the t-count is 0.717. This value is smaller than the t-table 1.96 so it can be concluded that audit delay unable to mediate the effect of profitability on stock prices. Marks H10 “Rejected”.

### The Effect of Leverage on Stock Prices with Audit Delay as an Intervening Variable

Calculating With Sobel Test

$$\begin{aligned}
 S_{ab} &= \sqrt{b^2 Sa2^2 + a2^2 Sb^2} + Sa2^2 Sb^2 \\
 &= \sqrt{(-0.122)^2 (0.009)^2 + (-0.026)^2 (0.153)^2} + (0.009)^2 (0.153)^2
 \end{aligned}$$

$$\begin{aligned}
 &= \sqrt{0.0149 \times 0.0001 + 0.0007 \times 0.0234 + 0.0001 \times 0.0234} \\
 &= \sqrt{0.000001 + 0.000016 + 0.00002} \\
 &= \sqrt{0.00002} = 0.004
 \end{aligned}$$

Calculating the t-count value

$$\begin{aligned}
 t &= \frac{ab}{Sab} \\
 t &= \frac{(-0.026) \times (-0.122)}{0.004} \\
 t &= \frac{0.003}{0.004} \\
 t &= 0.75
 \end{aligned}$$

Based on the calculation results obtained, the t-count is 0.75. This value is smaller than the t-table 1.96 so it can be concluded that audit delay unable to mediate influence leverage to the stock price. Marks H11 “Rejected”.

### The Effect of Audit Opinion on Stock Prices with Audit Delay as an Intervening Variable

Counting With Sobel Test

$$\begin{aligned}
 S_{ab3} &= \sqrt{b^2 Sa^2 + a^2 Sb^2} + Sa^2 Sb^2 \\
 &= \sqrt{(-0.122)^2 (0.051)^2 + (-0.022)^2 (0.153)^2} + (0.051)^2 (0.153)^2 \\
 &= \sqrt{0.0149 \times 0.0026 + 0.0005 \times 0.0234 + 0.0026 \times 0.0234} \\
 &= \sqrt{0.00004 + 0.00001 + 0.00006} \\
 &= \sqrt{0.0001} = 0.01
 \end{aligned}$$

Calculating the t-count value

$$\begin{aligned}
 t &= \frac{ab}{Sab3} \\
 t &= \frac{(-0.022) \times (-0.122)}{0.01} \\
 t &= \frac{0.003}{0.01} \\
 t &= 0.30
 \end{aligned}$$

Based on the calculation results obtained, the t-count is 0.30. This value is smaller than the t-table 1.96 so it can be concluded that audit delay unable to mediate the influence of audit opinion on stock prices. Marks H12 “Rejected”.

### The Effect of Company Size on Stock Prices with Audit Delay as an Intervening Variable

Calculating With Sobel Test

$$\begin{aligned}
 S_{ab4} &= \sqrt{b^2 Sa^2 + a^2 Sb^2} + Sa^2 Sb^2 \\
 &= \sqrt{(-0.122)^2 (0.022)^2 + (-0.067)^2 (0.153)^2} + (0.022)^2 (0.153)^2 \\
 &= \sqrt{0.0149 \times 0.0005 + 0.0045 \times 0.0234 + 0.0005 \times 0.0234} \\
 &= \sqrt{0.00001 + 0.00011 + 0.00001} \\
 &= \sqrt{0.0001} = 0.032
 \end{aligned}$$

Calculating the t-count value

$$t = \frac{ab}{S_{ab}^2}$$
$$t = \frac{(-0.067) \times (-0.122)}{0.032}$$
$$t = \frac{0.008}{0.032}$$
$$t = 0.25$$

Based on the calculation results obtained, the t-count is 0.25. This value is smaller than the t-table 1.96 so it can be concluded that audit delay is unable to mediate the effect of company size on stock prices. Mark H13 “Rejected”.

### **The Effect of Profitability on Audit Delay**

Based on table 14, it can be concluded that profitability has a negative effect on audit delay in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the period 2018 – 2022. This means, there is an inverse correlation between the time required to complete a financial audit and the level of profitability of a company. While high profitability may indicate a worthy report, it does not necessarily mean the audit will be completed quickly at an LQ 45 company. Companies that produce information reports containing good news are less likely to experience audit delay shorter to prevent high volatility and prevent situations where management has more information than shareholders, because the principles of agency theory prevent information asymmetry (Adela & Badera, 2022). This can be interpreted that companies with a high level of profitability such as the LQ 45 company do not require faster time in auditing financial reports.

### **The Effect of Leverage on Audit Delay**

Based on table 14, leverage has no effect on audit delay in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the 2018 - 2022 period. This happens because auditors will carry out audits on companies with high or low debt levels in the same way according to the audit process (Nurhasanah, Husaini, & Meldawati, 2022). No matter how much debt a company has, audits are usually conducted in accordance with established audit procedures. The purpose of an audit is to ensure that the company's financial information, including but not limited to financial statements and related records. A company's debt level may influence the complexity of the audit and the auditor's attention to several debt topics, such as risk management, compliance with financial regulations, and disclosure of relevant information. Apart from that, audits will still be carried out in accordance with applicable audit standards, which require auditors to carry out audits carefully, objectively and independently.

### **The Effect of Audit Opinion on Audit Delay**

Based on table 14, audit opinion has no effect on audit delay on LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the period 2018 – 2022. This means that any opinion issued by the auditor will not affect the length of audit delay in companies classified as LQ 45. This could be because the auditor carries out his duties professionally so that any opinion issued by the auditor will not affect the length of time for the financial report audit (Nurhasanah et al., 2022). Based on signaling theory, audit opinion can actually have an influence on audit delay, but

this influence may not be as great as other variables, such as the complexity of financial transactions or the need to obtain additional information. One way to inform stakeholders about the quality of a company's financial reports is to provide an audit opinion. Conditional opinion or disclaimer may be considered a negative signal, indicating that there is a problem or uncertainty in the company's financial statements. Faced with a situation like this, a company may feel compelled to complete the audit quickly to reduce uncertainty and improve the company's reputation in the eyes of stakeholders.

#### **The Effect of Company Size on Audit Delay**

Based on table 14, company size has a negative effect on audit delay in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the 2018 – 2022 period. This means that the larger the company size, the audit delay will get lower. Negative influences can occur, the bigger the company, the higher the ability to use advanced information technology, due to its own financial capabilities (Rohadi & Sulistiyo, 2022). Large companies are usually equipped with a strong internal control system, adequate resources and advanced technology. This allows them to report financial reports quickly. Large companies are also closely watched by various external parties such as the government, investors and creditors who have an interest in financial reports. Pressure from these parties encourages companies to submit financial reports on time in order to maintain their reputation and public trust (Adela & Badera, 2022).

#### **The Effect of Profitability on Stock Prices**

Based on table 15, profitability has a positive effect on stock prices in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the 2018 - 2022 period. This indicates that the greater the profitability of a company will have an impact on the increase in the company's stock prices. Based on the research results, profitability will be a positive signal for investors. Companies with high profitability will show good company prospects so that they will be attractive to investors because they can generate high net profits so that they will be profitable (Pradanimas & Sucipto, 2022). Companies that record high profitability tend to influence investors' perceptions of the company, which in turn can increase demand for its shares. This demand can increase the company's stock price, resulting in a positive relationship between profitability and stock price.

#### **The Effect of Leverage on Stock Prices**

Based on table 15, leverage has a negative effect on stock prices in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the 2018 – 2022 period. Negative relationship between leverage and stock prices can occur because leverage increasing the level of financial risk of the company. Company that owns leverage High ones will have a greater interest burden and are also more susceptible to changes in interest rates (Di Maggio et al., 2017). Investors may also become concerned and lose their confidence in the company if they have difficulty paying their debts. Level leverage which have high financial risks, investors tend to avoid shares of companies that have high levels leverage tall one. This risk can reduce demand for shares and lower stock price.

### **The Effect of Audit Opinions on Stock Prices**

Table 15 indicates that, for the years 2018 through 2022, the audit opinion has no effect on stock prices of LQ45 businesses listed on the Indonesia Stock Exchange (BEI). This means that whether or not getting a WTP opinion on the company's financial report has no effect on the increase or decrease in the company's stock price (Sumunar, 2023). This shows that the audit opinion does not contain sufficient information to be used as a reference for making decisions to buy or invest shares in the company. Based on the context of signal theory, an audit opinion that does not affect stock prices can cause investors to pay attention to other cues or signals that are considered more important or informative than the audit opinion, such as company performance or growth, business perspective and strategy. In this regard, audit opinions may not have a material impact on stock prices.

### **The Effect of Company Size on Stock Prices**

Based on table 15, company size has a positive effect on stock price in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the 2018 - 2022 period. According to (Pradanimas & Sucipto, 2022) the results of research on this high company size will be a positive signal for investors. This is due to the fact that businesses with large assets tend to be more stable and have a good reputation and prospects ahead of them, as well as having less risk, which makes them preferred by investors. Based on this, demand for shares in the company increases and will increase the stock prices. Based on signal theory, the size of a company can be seen as a positive signal for the market and investors. Large companies often have the potential for steady growth and expansion into new markets and related industries. This can tell the market that the company has attractive growth prospects in the future, which can increase investor interest and lead to higher stock prices.

### **The Effect of Audit Delay on Stock Prices**

Based on table 15, audit delay has a negative effect on stock prices in LQ45 companies listed on the Indonesia Stock Exchange (BEI) for the period 2018 – 2022. This shows that in creasingly delay If a company submits an audit report, the lower the company's stock prices will be due to reduced investor demand for company shares (Sumunar, 2023). Studies have shown that financial reporting delays, which are often referred to audit delay, can have a negative impact on a company's stock prices. This can occur because it creates uncertainty, provides signals that are not positive, increases capital costs, damages reputation, and delays investment decision making. Company management usually tries to minimize delays in financial reporting to minimize these negative impacts. Companies that experience audit delay The length of time causes the lack of information obtained by investors in analyzing company financial reports that investors can use to make investment decisions. This can cause a negative reaction for investors, which can cause a company's stock prices to decline.

### **The Effect of Profitability on Stock Prices with Audit Delay as an Intervening Variable**

Based on the results of the Sobel test, audit delay unable to mediate the effect of profitability on stock prices in the LQ 45 Company listed on the Indonesia Stock Exchange



(BEI) in 2018 – 2022. According to this statement, there are two independent variables—audit delay as an intervening variable and profitability as an independent variable (Dwiyani, Purnomo, & Darmanto, 2020); If audit delay cannot mediate the effect of stock prices on profitability, this shows that there is a direct relationship between profitability and stock prices which is not explained by the mediating variable audit delay. This shows that it is getting shorter or longer audit delay in LQ 45 companies will not affect the relationship between profitability and stock price in LQ 45 companies.

### **The Effect of Leverage on Stock Prices with Audit Delay as an Intervening Variable**

Based on the results of the Sobel test, audit delay unable to mediate influence leverage on stock price in LQ 45 Companies listed on the Indonesia Stock Exchange (BEI) in 2018 - 2022. This research shows that "audit delay" is not effective in reducing or controlling the effect sleverage to the stock price. Audit delay is the time required to complete the audit process of a company's financial statements. Leverage here it refers to the use of borrowed funds by a company to expand its business and investment activities (Nielsen, 2010).

### **The Effect of Audit Opinion on Stock Prices with Audit Delay as an Intervening Variable**

Based on the results of the Sobel test, audit delay unable to mediate the influence of the audit opinion on the stock price of the LQ 45 Company listed on the Indonesia Stock Exchange (BEI) in 2018 - 2022. Audit Delay failed to mediate the effect of audit opinion on stock prices, this may indicate that investors do not consider audit delay as an important factor when evaluating the quality of a company's audit opinion and financial reports. The LQ 45 company experienced audit delay This long period does not have a negative impact on the influence of audit opinions on stock price and vice versa (Yulianti, Astutik, Widowati, & Prapti, 2021).

### **The Effect of Company Size on Stock Price with Audit Delay as an Intervening Variable**

Based on the results of audit delaythe Sobel test, unable to mediate the influence of company size on stock price in LQ 45 Companies listed on the Indonesia Stock Exchange (BEI) in 2018 - 2022. Audit delay unable to mediate the effect of company size on stock price, this shows that company size has a direct influence or not depending on the audit process on stock price (EL Deeb & Ramadan, 2020). Based on these, audit delay does not have a significant influence on the relationship between company size and stock price.

## **CONCLUSION**

The research results show that profitability and company size has a negative effect on audit delay. Leverage and audit opinion has no effect on audit delay. Profitability and company size has a positive effect on stock price. Leverage and Audit delay has anegative effect on stock prices. Audit opinion has no effect on stock price. Audit delay unable to mediate the effect of profitability, leverage, audit opinion and company size on stock price.

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