CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

This study examined the effect of profitability and solvability on audit delay with PAF quality as a moderating variable. The study was conducted on consumer goods sector companies listed on the Indonesia Stock Exchange in 2019 and 2020. The data collected was 140 data from 70 companies using the MRA test. Based on the analysis and discussion that has been conducted in this study, the conclusion of this research are as follows:

Profitability (ROE) has a significant negative effect on audit delay. The research shows that a high profitability level can shorten the range of audit delays. A high level of profitability will be good news about the company's performance so that company management will accelerate the publication of its financial statements.

Solvability (DER) has a significant negative effect on audit delay. The high solvability level would shorten the audit delay. Companies with high solvability will become bad news about the company's poor ability to fulfil its obligations, so companies tend to advance the publication of their financial statements, so that bad news does not occur in a row.

The quality of PAF cannot moderate the effect of profitability on audit delay. So that the auditor conducting the audit process, whether the company has a high or low level of profitability, does not affect the audit delay range. Public accountants will always work professionally under applicable standards in the audit process regardless of whether the company's ability to generate profits is good or bad.

PAF quality cannot moderate the effect of solvability on audit delay. In carrying out audit processes for companies with high or low solvability levels, public accountants will not influence the completion time of financial statement audits. Public accountants, both experienced and inexperienced, will carry out the audit process on time regardless of the company's ability to fulfil its obligations.

B. Implication

1. Theoretical Implication

This research is expected to assist researchers in contributing to the accounting field, especially in auditing. The following are the theoretical implications obtained from this research.

Profitability has a significant negative effect on audit delay. So, a high level of profitability can shorten the audit delay period because a high level of profitability can be good news about the company's performance to investors and shareholders so that the company will accelerate the publication of its financial statements. Solvability has a significant negative effect on audit delay. A high level of solvability can shorten the audit delay range. A high level of solvability can be bad news for the company, so it will accelerate the publication of its financial statements to avoid bad news in a row.

The quality of PAF cannot moderate the effect of profitability and solvability on audit delay. It means that the quality of PAF cannot impact the effect of profitability and solvability on audit delay. Public accounting firms that carry out the audit process for companies with high or low profitability or solvability will continue to try to complete the audit process on time. PAFs with more or less experience will comply with regulations and carry out the audit process properly regardless of the profitability and solvability of the company.

2. Practical Implication

The study was conducted using consumer goods sector companies and resulted in profitability and solvability influencing audit delay. Profitability and solvability are ratios that can measure company performance. The high ratio of profitability and solvability can shorten the audit delay range. Companies must always strive to minimize audit delays because the timely submission of financial reports can provide a good image in the eyes of investors and shareholders. Therefore, every company should pay more attention to its performance (profitability and solvability) by making a good strategy so that the audit process can be completed on time and that audit delays can be minimized. Companies that are late in submitting financial reports can indicate problems in the financial statements, especially regarding the company's performance in the future. So that investors will consider and re-evaluate related to investment in the company.

The implication for public accounting firms is that by knowing several factors such as profitability and solvency that can affect audit delay, PAF is expected to maximize the audit process so that audit delay can be minimized. Public Accounting Firms, both experienced and inexperienced, are expected to work professionally under the applicable standards.

C. Research Limitation

The research that has been done is still far from perfect. Here are some limitations of the research:

1. This study only uses the 2019 and 2020 research years. Hence, it is impossible to conclude the quality of a Public Accounting Firm as measured by the experience of its public accountant. For future researchers, it is hoped that they can use a more extended research period so that the quality of PAF measured using the experience of Public Accountants can be more visible.

2. The study only uses two independent variables with one moderating variable, while many other variables can affect audit delay in the company. Further researchers should add other variables such as audit opinion, company reputation, company size, auditor specialization, and industry sector to enrich the discussion related to audit delay.