CHAPTER V

CONCLUSIONS, IMPLICATIONS, AND LIMITATIONS

A. Conclusion

Based on the result of research and discussion, this study concludes that:

1. Profitability has positive and significant effect on timeliness of financial reporting. It means that the higher the profitability then the company will produce a good report (good news). This includes companies will give the right time to submit the financial report because it can be automated as good news that must immediately know the public that the company has a high profitability. Conditions like this happen because the company wants to show the company's performance that the company can be managed properly and in accordance with the spirit of the report users finance.
2. Solvency does not significantly affect to timeliness of financial reporting. It means the companies that have a high level of solvency indicate that the company has financial difficulties, so the financial statements produced contain bad news. Total debt owned by a company shows difficult conditions for the company itself, because the company has a high debt then the auditor will take a long time in auditing the financial statements causing a decrease in delivering financial statements
3. Size company does not significantly affect to timeliness of financial reporting. It means that the that the company is on time or not on time in delivering the financial statements are not considering the characteristics

of a company. Large companies and small companies both want to submit financial statements on time. In this is inappropriate for investor behavior if it puts pressure on large companies only. Basically the exact accuracy is affected by how much the sense of responsibility a company complies with the regulations set by Bapepam regarding information disclosure, especially regarding the timeliness of financial reporting company and how much responsibility the company provides information about the condition of the company to the public or parties to which have an interest in the company.

4. Audit report lag as a variable moderating can be moderate the effect profitability has positive and significant effect on timeliness of financial reporting. It means high profitability tends to require faster financial statement audit time because of the demand to bring the good news to the public so it will make a low audit report lag.
5. Audit report lag as a variable moderating can be moderate the effect solvency has positive and significant effect on timeliness of financial reporting. It means indicates a high level of solvency will take a long time for the auditor to audit the financial statements, resulting in a worsening publication of financial statements. While low solvency tends to want to immediately publish financial reports because it's good news. the low amount of debt that a company has will cause a relatively short audit process.

6. Audit report lag as a variable moderating can be moderate the effect size company has positive and significant effect on timeliness of financial reporting. It means the larger the company, the company has a good internal control system, has the more resources, can reduce the error rate in the presentation of financial statements and facilitate the auditor in carrying out the task. So it will be faster in the completion of the financial report.

B. Implications

This research has several implication, as follows:

1. For investor, this research showed that there are companies that have not been right in submitting its financial statements therefore investors should more cautious in investing. As a consideration for investors to keep watch over and communicate more intensively to the company manager to know more in the circumstances experienced by the company.
2. For academics, this study is expected to be a comprehensive reference for further studies, especially studies related to the determination of the timeliness financial reporting in companies, because this study combines variables that used in earlier studies.

C. Limitations

The limitation in this research as follows:

1. This research uses only variables profitability, solvency, company size and audit report lag as a variable moderating.

2. Sample in this research is still limited to manufacturing company generalization of the results of this research has not can be applied to the object outside the manufacturing company.
3. The research period is only three years , so it is feared the results of this research are less able describes the real situation about the factors that can affect timeliness finance report.
4. This research is still far from the word perfection. Preferably research subsequently re-examined the timeliness of reporting finance by using variables that have no effect in research this however by using different proxies. It is expected to be found new research results and expected also there will be a new theory can be developed again.
5. The result of coefficient of determination calculation only 12% the ability of independent variables in this study affect timeliness. While 88% is explained by other variables. Future research are expected to add other variables that may affect the determinants of timeliness that tested in this study.