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The Effect of Capital Structure, Profitability, Size, Ownership Structure, Independent Commissioners and Audit Committee on Timeliness in Submitting Financial Statements (Empirical Study on Coal Mining Companies Listed on the Indonesia Stock Exchange (Idx) 2017-2019)

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ABSTRACT: Financial Report is a record of financial information in a company during an accounting period that can be used to describe the company's performance as well as for decision making for internal & external parties of the company in determining the company's strategic decisions and plans to be carried out to maximize profits. One of the things that describe the situation in the company's finances is the timeliness in submitting financial statements. There are many phenomena regarding the timeliness in submitting financial reports, including 43 companies listed on the Indonesia Stock Exchange (IDX) are required to pay fines for not submitting interim financial reports ending on March 31, 2020. Based on the IDX announcement dated August 10, 2020, from all 799 companies listed on the new stock exchange 628 that submitted interim financial reports ending March 31, 2020 in a timely manner.

The purpose of this study was to determine the effect of Capital Structure, Profitability, Size, Ownership Structure, Independent Commissioner & Audit Committee on timeliness in submitting financial reports to mining companies. The method used in this study is a quantitative research method with secondary data from IDX data in 2017 - 2019. The population of data in this study is 24 companies. And the results of this study indicate that profitability and ownership structure have a significant effect on the accuracy of financial reporting and capital structure, size, independent commissioners, and audit committees have no significant effect on timeliness in submitting financial statements.

KEYWORDS: Capital Structure, Profitability, Size, Ownership Structure, Independent Commissioner, Audit Committee, timeliness

PRELIMINARY

Research Background

Financial Statements are a record of financial information in a company during an accounting period that can be used to describe the company's performance as well as for decision making for internal & external parties of the company in determining the company's strategic decisions and plans to be carried out to maximize profits.

One of the things that describe the situation in the company's finances is the timeliness in submitting financial statements. In a financial report where there are several users, including investors, employees, lenders, suppliers / other business creditors, customers, government & society.

Based on the Decree of the IDX Board of Directors No.Kep-00027/BEI/03-2020 dated March 20, 2020 regarding Relaxation of the Deadline for Submission of Financial Statements and Annual Reports, the deadline for submitting financial reports for the first quarter of 2020 has been extended to June 30, 2020. from the 31st calendar to the 60th calendar day since the expiration of the time limit, the listed company still does not fulfill its obligations, the stock exchange will issue a written warning letter II and a fine of Rp. 50 million.

Research by Wiwik Utami (2006) states that the delay in the publication of financial statements is very detrimental to investors because it can increase information asymmetry in the market, insider trading, and give rise to rumors that make the market uncertain..

Identification of problems

From the background described above, it can be identified the problem to be studied in relation to the phenomenon of the problem, is there any influence of capital structure, profitability, size, ownership structure, audit committee, and independent commissioner on accuracy in financial reporting?

Formulation of the problem

Based on the background that has been explained, the formulation of the problem in this study is there any effect of capital structure, profitability, size, ownership structure, audit committee, and independent commissioner on accuracy in financial reporting?

Research purposes

The purpose of this study was to determine the effect of capital structure, profitability, size, ownership structure, audit committee, and independent commissioners on the accuracy of financial reporting.

LITERATURE REVIEW, FRAMEWORK AND HYPOTHESES LITERATURE REVIEW

Timeliness

Timeliness is one way to measure the transparency and quality of financial reporting. According to Mareta (2015), the delivery of information as early as possible is very necessary so that it can be used as a basis for making economic decisions and preventing delays in making these decisions. A way to support the relevance of information, so that it is presented in a transparent and quality manner in a financial report. (McGee, 2009) This variable is measured by a dummy variable. Category 1 is for companies that are on time in submitting financial statements and category 0 is for companies that are not on time.

Capital Structure

According to Palupi (2006) capital structure is a comparison or balance of the company's long-term funding which is indicated by the comparison of long-term debt to its own capital or it can be concluded that the relationship between the debt owned by the company and the capital owned by the company (Nasution, 2017).

Profitability

The ratio that describes the company's ability to meet short-term obligations (debt) is the liquidity ratio. To meet these debts, especially debts that are past due, the company will be billed. To show or measure the company's ability to meet its maturing obligations, both obligations to parties outside the company (business entity liquidity) and within the company (company liquidity) that is a function of the liquidity ratio. So this ratio is to determine the company's ability to finance and fulfill obligations (debts) when billed (Kasmir, 2017).

Profitability is a measure of the company's ability to generate profits, both in relation to sales, certain assets and share capital. This ratio provides a measure of the level of management effectiveness of a company. Low profitability indicates that the level of performance of the company's management is not good (Mareta, 2015) or it can be concluded from various sources is the relationship between the debt owned by the company and the capital owned by the company (Nasution, 2017).

Size

The size of the company assesses a company's worth or not, can be judged from the number of assets owned by the company. If the assets in a company are large, it can be said that the level of the company is high or large. On the other hand, if the assets in a company are low or small, it can be said that the level of the company is low or small.

Ownership Structure

Ownership Structure variable which is proxied with institutional ownership above 50% using a ratio scale and the data unit is decimal. Which is measured by comparing the number of institutional shares with the number of shares outstanding.

Independent Commissioner

Independent commissioners are members of the Board of Commissioners who come from outside the issuer or public company (not affiliated). Or According to the Limited Liability Company Law Number 40 of 2007, an independent commissioner is a member of the board of commissioners who is not affiliated with the board of directors, other members of the board of commissioners and the controlling shareholder, and is free from business relationships or other relationships that affect his ability to act independently or act solely for the benefit of the company. Independent commissioners are measured using the same size as research by Rosadi (2014).

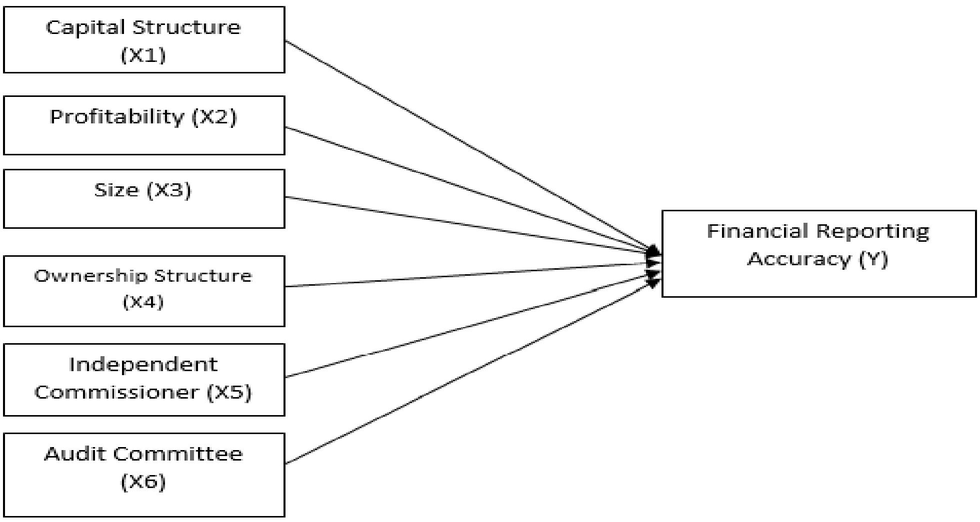
Audit Committee

The Audit Committee is to ensure the implementation of corporate governance. The audit committee which is part of the organ of the board of commissioners and is the party that has direct access and communication mechanisms with various parties in every element of control in the company (Baskoro, 2017).

Research Variable

Variabel	Indicator	Measuring Scale
Timeliness in Submitting Financial Reports	Category 1 is for companies that are on time in submitting financial statements and category 0 is for companies that are not on time.	Nominal
Capital Structure	$DER = \frac{\text{Total Utang}}{\text{Ekuitas}}$	Ratio
Profitability	$\text{Return on Asset} = \frac{\text{Net Profit}}{\text{Total Asset}} \times 100\%$	Ratio
Size	Ln TotalAset	Ratio
Audit Committee Member	Frequency of Audit Committee meetings in 1 year	Ratio
Ownership Structure	$\text{Kep. Institusional} = \frac{\text{Jumlah Saham Investor Institusi}}{\text{Jumlah Saham yang Beredar}} x100\%$ Menurut (Indah Suryani, Dahlia 2018)	Ratio
Independent commissioner	$\text{Proporsi komisaris independen} = \frac{\text{jumlah komisaris independen}}{\text{jumlah dewan komisaris}} x\ 100\%$	Ratio

Framework



RESEARCH METHODS

Population and Research Samples

The population in this study are mining companies listed on the Indonesia Stock Exchange for the period 2017-2019. According to Sugiyono (2010: 149), the sample is part of the number and characteristics possessed by the population. Sampling was carried out by purposive sampling with the type of judgment sampling, namely the sampling was carried out with certain criteria in order to obtain a relevant sample. The sampling technique used is non-probability sampling using purposive sampling method. According to Sugiyono (2010: 120) Non Probability sampling is a sampling technique that does not provide an opportunity or opportunity for each member of the population to be selected as a sample. And purposive sampling is a sampling technique with certain considerations or criteria.

Data Analysis Method

Data analysis was performed using logistic regression analysis covering the following analysis:

Overall Model Fit

This test is used to test simultaneously the effect of independent variables on the dependent variable. The first step is to overal fit the model for data. Some statistical tests are given to assess this. The hypothesis for assessing model fit is. Ghozali (2011)

H0: The hypothesized model is fit with the data

HA: The hypothesized model does not fit the data

From this hypothesis it is clear that we will not reject the null hypothesis so that the model is fit with the data. The statistics used are based on the likelihood function. Likelihood L of the model is the probability that the hypothesized model represents the input data. To test the null and alternative hypotheses, L is transformed into -2LogL.

Goodness of Fit Test

The accuracy of the sample regression function in estimating the actual value can be measured from the Goodness of Fit Test [18]. This test is carried out using the statistical value of the Hosmer and Lemeshow Test to test the null hypothesis and obtain evidence that the empirical data used is in accordance with the model. If the statistical value of the Hosmer and Lemeshow Test is significant or smaller than 0.05, then the null hypothesis is rejected and the model is deemed unfit. However, if the statistical value of the Hosmer and Lemeshow Test is greater than 0.05, then the null hypothesis is accepted and means that the model is able to predict its observational value or the model can be said to be in accordance with its observational data.

Coefficient of Determination (Cox and Snell R Square dan Nagelkerke's R Square)

The coefficient of determination is overview which states how well the sample regression line matches the data. Tests carried out to measure how much power the independent variable can explain the dependent variable. The coefficient of determination is 0 and 1. A small R2 value means that the ability of the independent variables to explain the independent variables is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict the dependent variable. Ghozali (2011)

Hypothesis Testing

This test is carried out to test how far all the independent variables entered in the model are able to influence the dependent variable. This test is performed using a significance level of 0.05 (α = 5%). Acceptance or rejection of the hypothesis is carried out with the following criteria:

- If the significant value is greater than 0.05 then the hypothesis is rejected (the regression coefficient is not significant). This means that partially the independent variable does not have a significant effect on the dependent variable.
- If the significant value is less than 0.05 then the hypothesis is accepted (significant regression coefficient). This means that partially the independent variable has a significant effect on the dependent variable.

RESEARCH RESULTS AND DISCUSSION

Hypothesis Testing and Discussion

Goodness of Fit Test

The accuracy of the sample regression function in estimating the actual value can be measured from the Goodness of Fit Test (Ghozali; 2011). This test is carried out using the statistical value of the Hosmer and Lemeshow Test to test the null hypothesis and obtain evidence that the empirical data used is in accordance with the model. Where is the hypothesis Ho: Eligible Model and H1: Model is not feasible.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	1.108	8	.997

From the table above it can be seen that the Sig value is 0.997 which means that the model of this test is feasible because the Sig value >0.05 then the hypothesis is accepted and means that the model is able to predict the value of the observations or the model can be said to be in accordance with the observational data.

Coefficient of Determination (Cox and Snell R Square dan Nagelkerke's R Square)

The coefficient of determination is an overview that states how well the sample regression line matches the data. Tests carried out to measure how much power the independent variable can explain the dependent variable. The coefficient of determination is 0 and 1. A small R2 value means that the ability of the independent variables to explain the independent variables is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict the dependent variable

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	16.597[a]	.304	.657

Based on the results in the table above, it shows that the value of Adjusted R Square (R^2) is 0.304 or 30.14%. This can be interpreted as an independent variable measured by Timeliness, which can be explained by the variation of the six independent variables, namely Capital Structure, Profitability, Size, Ownership Structure, Independent Commissioner & Audit Committee. While the remaining 69.86% is influenced by other factors or variables not examined.

Hypothesis Testing

This test is carried out to test how far all the independent variables entered in the model are able to influence the dependent variable. This test is performed using a significance level of 0.05 (α = 5%)

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1[a]	Struktur_Modal	.777	1.144	.461	1	.497	2.174	.231	20.474
	Profitabilitas	.965	.506	3.647	1	.056	2.626	.975	7.073
	Size	-.240	.269	.792	1	.374	.787	.464	1.334
	Struktur_Kepemilikan	-37.021	18.453	4.025	1	.045	.000	.000	.426
	Komisaris_Independen	20.158	11.193	3.243	1	.072	568141438.697	.169	1914668776004542720.000
	Komite_Audit	.142	.238	.357	1	.550	1.153	.723	1.839
	Constant	18.456	11.524	2.565	1	.109	103621847.226		

a. Variable(s) entered on step 1: Struktur_Modal, Profitabilitas, Size, Struktur_Kepemilikan, Komisaris_Independen, Komite_Audit.

From the table above, it can be seen that the variables that affect the timeliness of submitting financial statements are profitability (0.05) and ownership structure (0.045) because <0.05 while Capital Structure (0.497), Size (0.374), Independent Commissioner (0.072) , and the audit committee (0.550) > 0.05, which means that it has no significant effect on the timeliness of submitting financial statements.

While the value of Exp (B) to determine the type of influence on variables that have a significant effect. If the value is below "1", it means less risk for the timely submission of financial statements. Exp (B) on size (0.787) and ownership structure (0.000) tend to have less risk in timeliness in submitting financial reports, while for variables capital structure (2.174), profitability (2.626), independent commissioners (568.141.438.6) , and the audit committee (1,153) is more than "1" which means a big risk in the timeliness of submitting financial statements.

DISCUSSION

From the analysis above, it can be concluded that Sig > 0.05 which means that there is no significant effect between Capital Structure, Size, Independent Commissioner and Audit Committee with the accuracy of financial reporting. The results are different from Anita, Lusiana, and Puput which result that capital structure and size have a significant effect. And it is also different in the research of I Gede Ari Pramana Putra and Wayan Ramantha with the results of the independent commissioner having a significant effect and the audit committee having an insignificant effect, the same as the results of this study. The same results were also obtained from Rina Yuliastuty Asmara's research which resulted in company size having an insignificant effect on timeliness.
And for the variables of profitability and ownership structure in this study have a significant influence on the accuracy of financial reporting, these results are different from the research conducted by Indah and Dahlia which results that profitability and ownership structure have no significant effect on the accuracy of financial reporting.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

Logistic Regression Testing is done to see the effect of the independent variable with the dependent variable. The logistic regression equation results obtained are:

$Y = 18{,}456 + 0{,}777\ X_1 + 0{,}965\ X_2 - 0{,}240\ X_3 - 37{,}021\ X_4 + 20{,}158\ X_5 + 0{,}142\ X_6 + e$

The regression equation shows that there is a negative relationship between size and ownership structure in the accuracy of financial reporting submissions. A negative relationship means that the movement of size and ownership structure does not go in the same direction, as size and ownership structure increase, resulting in a decrease in accuracy in financial reporting on the contrary. Meanwhile, the variables of capital structure, profitability, independent commissioners and audit committees have positive values, which means that the movement of the variables of capital structure, profitability, independent commissioners and audit committees goes in the same direction. the right financial or in accordance with the time.
The results of the hypothesis from the study are that profitability and ownership structure have a significant effect on the timeliness of submitting financial reports, while other variables, namely capital structure, size, independent commissioners, and audit committees have no significant effect on timeliness in submitting financial statements.

SUGGESTION

- Some suggestions that can be put forward in the results of this study are due to the imperfections of the research carried out by the author, the author provides suggestions that are expected to gain knowledge from this research, as follows:
- Further research needs to be done to find out more things that affect the timeliness in submitting financial statements other than the variables of capital structure, profitability, size, ownership structure, independent commissioner, and audit committee.
- The research time should be made long, so that it can give a better picture. Because the results may be different when using different periods.

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