ELEMENTS THAT INFLUENCE THE TIMELINESS OF COMMERCIAL FINANCIAL PUBLICATIONS (STUDY ON CEMENT AND INFRASTRUCTURE SERVICE PROVIDERS RECORDED ON THE IDX FOR 2019–2021)

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ABSTRACT
In the world of capital markets one of the significance factors timeliness of financial publications. The reason is the information contains matters related to the financial performance of an entity, which is used for making decisions by users. The financial statements are published on time and will show better in terms of quality and timing of decision-making. This inquiry intent to scrutinize some elements that influence the reliability of financial publications of cement and infrastructure service companies recorded on the IDX during 2019-2021. The factors tested in this delving are leverage ratio (DER), profitability (ROA), firm size, and age. The feature used in this inquest is secondary data amongst specimen appointments exerting a purposive sampling manner. The number of selected data in this analysis is 75 data. Logistic regression analysis is the analytical tool in this study with a consequence plane of 5%. The outcome appears that leverage ratio (DER), profitability (ROA), company size, and age have no impact on the timeliness of the firm's financial publication of cement companies and infrastructure services recorded on the IDX.

Keywords: timeliness; leverage ratio (DER); profitability (ROA); size and age

1. INTRODUCTION

According to Hutahaean (2014), some of the data collected and then processed is a form of information used by stakeholders known as information. Subjects of information about certain conditions act as policy makers, which are then used as the basis for making decisions on a problem. Scoot (2012) defines information as truth that can determine decisions for both individuals and businesses. In the business world, information is presented as text in business financial statements.

Reports that are prepared regularly with basic accounting principles as the basis and report the financial performance of individuals or entities such as financial condition, profit and loss, alteration of equity, cash flow, and CALK are the definition of financial information according to IAI (2020). Hidayat's opinion (2018) describes financial statements, namely information related to the monetary activities of an issuer and its performance, because it will be used by its users, an entity should not delay its financial reporting.

Regulations regarding the timeliness of the company's financial reporting are contained in OJK No.29/POJK.04/2016 concerning the annual report. This rule emphasizes that financial statements that are the obligation of issuers or public companies to be reported are reports made based on SAK and have been audited, as well as the reporting period which is given at the end of the fourth month (April) after (31 December). If the company delays the annual financial report so that it is late, it will be given strict sanctions in the form of fines and other administration.

This research was motivated by a press release by the IDX regarding the delay in several issuers in submitting their financial performance which ended on June 30, 2020, in the press, it was reported that 85 issuers had not submitted financial reports. The thing that underlies the research object of cement companies and infrastructure services is that, in the RAPBN period of the presidential administration, Ir. H. Joko Widodo, the government's main focus is on infrastructure development which is directed to support strengthening the provision of basic services; increased productivity through connectivity and mobility infrastructure; provide energy and food infrastructure that is affordable, reliable, and takes into account environmental aspects; and equitable distribution of infrastructure and access to Information and Communication Technology.

This study was conducted to observe whether there is a correlation between several individual factors such as leverage ratio, profitability, size, and age of the industry that have significant control over the timeliness of the publication of financial statements. The object of this test is cement and infrastructure services with the consideration that the condition of infrastructure development in Indonesia is the main focus of the government, which has quite an impact on the economy due to the explosion of infrastructure development.

2. LITERATURE REVIEW

Information that presents the financial activities of an entity is known as the financial statement. This report is used as an intermediary to communicate with the user. To IAI (2020) financial statements contain the financial performance of an entity such as assets, liabilities, profit and loss, cash flows, and their explanations which are arranged according to established standards.

According to Sulistyanto (2008), agency theory is a sacrifice that occurs from any agency correlation, such as a work agreement link, between shareholders and managers. So, in an agency relationship, not only the principal but also the agent, each party will bear the agency costs themselves. Ikhsan & Suprasto (2008) explains that there are three (3) things that become the focus of agency theory itself, which is to determine the most efficient relationship between the principal and the agent involved in the contract, such as 1) human (selfish and related to risk-averse rationality; 2) organization (regarding conflicting goals between organizations; 3) information (information as a commodity).

In the publication of financial statements, the timeliness of reporting is an aspect that is considered in the capital market, considering that the users of these reports are capital market investors. Timeliness is a limitation in terms of period, which has been arranged by the IDX for issuers to report their finances for a period. Hilmi & S. (2008) argues that the quality of reported information is related to the period between the date it was created and the reporting date. Several regulations concerning punctuality are confirmed by Law no. 8 of 1995 concerning the capital market, financial statements are one form of document that requires the company's financial statements to be published to the public and reported to Bapepam-LK (Capital Market and Financial Institution Supervisory Agency). Then, one of the firm actions regulated in the decision of the directors of PT BEI Number Kep-307/BEJ/07-2004, concerning sanctions against issuers who are late in submitting their financial reports. The decision contains sanctions in the form of a written warning, with a fine of Rp. 500,000,000, up to the heaviest fine is that the stock exchange imposes a temporary suspension of trading on the securities of issuers who are recorded to have committed the violation. Next in the attachment is the decision of the chairman of Bapepam Number: KEP-40/BL/2007 regarding the period of submission of periodic financial reports and annual reports for issuers whose securities are listed on the Indonesia Stock Exchange and in other countries. This regulation states that the annual financial report must be accompanied by an accountant's report with a common opinion and submitted to Bapepam no later than the end of the third month (90 days) after the date of the annual financial report. The reported financial statements must consist of a statement of financial position, income statement, statement of changes in equity, cash flow statement, and other reports accompanied by explanations that are an integral part of the financial statements if required by the authorized institution following the industry sector, and notes to financial statements. . Another regulation was issued on August 1, 2012, the Decree of the Chairman of Bapepam and LK Number: Kep-431/BL/2012 which states that issuers or public companies whose registration statements have been effective must submit an annual report to Bapepam and LK no later than 4 months after the end of the financial year.

The next regulatory update regarding the timeliness of corporate financial reporting has been regulated in the Financial Services Authority Regulation Number 29/POJK.04/2016 concerning the annual report of issuers or public companies. This regulation stipulates that issuers or public companies are required to submit an annual report to the Financial Services Authority no later than the end of the fourth month after the end of the financial year. Public companies report their finances in the form of financial statements following applicable accounting standards that have been audited by an accountant registered with Bapepam within 90 days at the latest from the end of the financial year, and this is mandatory. This research will refer to the latest OJK regulations regarding the timeliness, namely regulation Number 29/POJK.04/2016.

The delay in the financial statements of a company can be caused by various reasons, both inside and outside the company such as leverage, profitability, scale, and age of the company which is closely related to the accuracy of the company's financial publication time. Darya (2019) explains leverage, which is a ratio that shows the ability to pay off its obligations with its assets or as a debt guarantor. The higher the leverage ratio generated by the company, the higher the financial risk. With this, if the company spreads bad news, its reputation will also decline, because investors do not want to invest their capital with a big risk. ratio leverage with DER in this analysis uses the formula: "DER = Total liabilities / Total capital x 100%".

The ratio serves to measure the standard of success of a company in earning a profit. According to Bairizki (2020) to measure the level of profit obtained from the company's operational activities as a whole, both from sales income or income from investment, profitability ratios can be used. Meanwhile, Muchtar (2021) argues that profitability is a ratio to evaluate the ability of issuers to seek profit and to know the benchmark for the degree of effectiveness of a company's management. The purpose of this ratio is to see asset turnover estimated from marketing capacity and its calculation with the formula: "ROA = net profit after tax / total assets x 100%", the industry will be assessed for the more effective use of its assets if the rate of return (profit) is higher.

Pande and Mertha (2016) argue that company size is defined as the size of the company that can be calculated by the number of assets owned. This research applies total assets as a scale to assess the capacity of the entity. Total assets as the basis for knowing the size of the company. Indirectly, the size of this company will show how much profit will be obtained in a certain period due to high or low output.

It is estimated that the longer a company is in existence, the better the experience in dealing with information processing problems. Investors consider whether the company has been in the market for a long time and can maintain its viability, as well as whether the profitability of the company is quite good. Imaniar (2018) explains that established companies are often more effective in implementing processing cycles to produce understandable and necessary outputs because they have learning experiences.

3. METHOD

The dependent variable on the timeliness of financial news publications, which is following the test variable used by (Zebua et al., 2020) is timeliness. To measure timeliness, it is applied in this research. The calculation is with a dummy variable with type 1 if it is on time (reports its financials with a tenor of 120 days after December 31) and enters group 0 if it is late (more than the specified tenor. The independent variable in this study is the leverage ratio, with DER (dividing total liabilities by total capital) as a scale calculation Profitability, by calculating ROA by dividing net income and total assets Company size assessed by log total assets (Ln) Company age measured by measuring since the company was listed on the IDX expressed in years.

This study covers the analysis of the elements of the leverage ratio, profitability, size, and age of cement companies and infrastructure service companies listed on the IDX in 2019 - 2021. The application of the purposive sampling method for sample selection with the following provisions: Companies listed on the IDX consecutively from the year 2019 to 2021, cement companies, companies in the field of infrastructure services, publish financial reports during the year of observation, financial reporting using Rp. analysis. Thus, 25 entities were selected as samples with 3 years of observation, so the total data obtained was 75 data.

Tabel 1. ***Number of Samples***

Sector	Number Of Companies On IDX	Fill The Criteria	
		Yes	No
Cement	65	5	1
Infrastructure Services	59	20	39
Total	**65**	**25**	**40**

source: primary data IDX (www.idx.com)

The method of data collection is by reviewing, and analyzing intermediary data on financial statements that have been examined, as well as the annual report of cement and infrastructure service companies (IDX), accessed through the IDX website and the company's main page.

Data analysis determined descriptive statistics to explain the dependent and independent variables used in this study with analytical tools such as mean and std. devs. The multivariate used logistic regression as a hypothesis test. To prove whether these components have an effect, a logistic regression test is carried out with the model: Ln TL/1-TL = 0 + 1DER + 2ROA + 3SIZE + 4AGE + £. Where Ln TL/1-TL=Timeliness, a = Constant, 1DER = Leverage Ratio/DER, 2ROA = Profitability/ROA, 3SIZE = Firm Size, 4AGE = Firm Age , £ = Error.

The logistic regression test looks at elements such as: assessing the feasibility of the regression model, this test is assessed by looking at the Chi-Square at the bottom of the Homser and Lemeshow with an estimated benchmark degree of 5 percent, to see the Goodness of Fit Test with the data suitability hypothesis and form (H0: suitable, H1: not suitable). If Chi-Square > benchmark percentage then H0 is accepted and If < benchmark presentation then H0 is rejected, as the basis for decision making."The overall assessment of the model is done by calculating the overall value of the regression model. Measurements are made by reducing the scale between likelihood -2LL) at the beginning (Block Number = 0) with a value of -2 log likelihood (-2LL) at the end (Block Number = 1), so that the difference in value between the initial -2LL is obtained. and the final -2LL."The level of significance (α) used is 5% and the criteria for acceptance and rejection of the hypothesis are based on the significance of the p-value (probability value). If p-value >, then the alternative hypothesis is rejected, and vice versa if p-value <, then the alternative hypothesis is accepted."

RESULTS

1. Statistics Descriptive

Tabel 1. Summary of Statistics Descriptive Test Results

	N	MIN	MAX	MEAN	STD. DEVIATION
DER	75	9.00	605.00	147.7600	127.20125
ROA	75	.00	14.00	4.1867	3.75857
SIZE	75	2652.00	3326.00	3010.7467	161.25346
AGE	75	1.00	44.00	13.0800	10.22815

source: primary data processed from spss

Based on the table, the leverage ratio variable as measured by DER the average value obtained is 147.7600 with a standard deviation of 127.20125, this shows the leverage ratio of the companies that are sampled on average have equity values that can cover their debts. The profitability variable measured using ROA has a *mean* of 4.1867 with a standard deviation of 3.75857. This shows that the profitability of the companies that are used as samples on average earn positive profits. The size of the company shows an average value of 3010.7467 with a standard deviation of 161.25346. This shows that the companies sampled in this study are large. Company age variable with an average value of 13.0800 and a standard deviation of 10.22815. This shows that the sample companies have been established for more than 3 years.

2. Regression Model Feasibility Results

To test the suitability of the data with the model, the Hosmer and Lemeshow Test with the hope that the data was normal and there was no difference. The hypothesis is, H0 if the model has adequately explained the data and H1 if the model does not adequately explain the data. The results of testing the similarity of the prediction model with observations obtained a Chi-square value of 12,099 with a significance of 0.097 > 0.05 and the results of the calculated Chi-square test obtained a value of 7.456, then H0 is accepted. Thus, a significance greater than 0.05 means that there is no difference between the estimation data of the logistic regression model and the observation data. This means that the model is correct (goodness of fit) with no need for model modification.

3. Results of Overall Model Fit & Model Accuracy

The assessment of the integrity of the regression form can be tested for the value *of -2 log-likelihood* or the omnibus test. The results show a value of -2 log-likelihood, the initial model (block 0) shows a value of 53,438, while in the final model (block 1) it becomes 49,488. This shows that there is a decrease in the value of -2 log-likelihood from block 0 to block 1, which is 53,438 – 49,488 = 3.95. This decrease indicates a good regression model or in other words, the hypothesized model fits the data.

The percentage of the model's accuracy in classifying observations is 89.3%. This means that from 75 observational samples there are 66,975 samples whose classification is correct by the logistic regression model. As a result, there were 67 whose financial statements were on time and 8 whose financial statements were not on time. Of the 75 samples of observational data, the company's timely data contained 50 samples of observations that were predicted correctly. So the percentage to predict the correctness on time is 100%. Thus the percentage of truth as a whole is 89.3% so it can be concluded that the prediction of timeliness in this model is 89.3%, where this value is more than 50% which means that this model has the good predictive ability.

4. Logistics Regression Test Results

Tabel 2. Summary of Logistics Regression Test Results

independent variable	beta value	Value Significance	Hypothesis	results	Status
DER	0,000	0,922	(+)	(-)	H1 Rejected
ROA	-0,101	0,318	(+)	(-)	H2 Rejected
SIZE	0,000	0,977	(+)	(-)	H3 Rejected
AGE	0,021	0,612	(-)	(-)	H4 Rejected

source: primary data processed from spss

The hypothesis is significant if the significant value is less than 5%

H 1. Positive correlation between leverage ratio and timeliness of financial statement publication.
Significant results obtained DER 0.922 > 0.05 positive beta value then the first hypothesis is rejected because the significance value of DER > 0.05 means that there is a negative DER correspondence to the precision of the issuer's financial issuance time.
H 2. Positive correlation between profitability and timeliness of financial statement publication.
Significant ROA was obtained of 0.318 > 0.05 with a negative beta number, the second hypothesis was rejected, because the ROA significance value was > 0.05, which means there is no correlation or negative to the precision of the entity's financial publication time.
H 3. A positive relationship between *size* and timeliness of financial statement publications
Results obtained significant values of 0.977 > 0.05 with a positive direction value, the third hypothesis is rejected, because the SIZE significance value is > 0.05, which means there is a negative or nil link to the timeliness of corporate financial publications.
H 4. The negative correlation of *age* on the precision of financial statement publication time
Significant results were obtained of 0.612 > 0.05 with a negative beta value, the fourth hypothesis was rejected, because of the significant value of AGE > 0.05 which means there is a positive correlation between age on the timeliness of the company's financial reporting.

4. DISCUSSION

Correspondence of the leverage ratio (*DER*) on the timeliness of the publication of financial statements. The probability of DER on the significance test is 0.922 which is 0.922 > 0.05 positive beta value. Thus, this value cannot prove that the DER value has a (positive) effect on the timeliness of financial reporting so H1 is rejected. This supports the research by Kuswanto & Manaf (2015) finding that the leverage ratio cannot determine the timeliness of the company to submit its financial statements, because in general, the company can overcome debt problems to the debtor. Debt to equity ratio refers to how far a company depends on creditors in financing the company's assets. Because the debt in the company is greater than the existing capital it can experience financial distress due to high liabilities, which causes debt to equity to not affect the Timeliness of Financial Reporting.

1. The effect of profitability (ROA) on the timeliness of financial reporting publications

   ROA probability on result sig. of 0.318 (0.318 > 0.05) with a negative beta value then H2 is rejected, which means that "profitability, in this case, ROA harms timeliness" because of the decrease in *net profit* each year and the number of assets increases so that the profitability of the issuer decreases because the company manager has not yet developed their assets into profit. This output is in line with Imaniar's (2018) research, namely that profitability has no (negative) effect on timeliness because companies with large profits will give good news, but the response to the good news is different by users of financial statements. Thus, it has an impact on users of financial statements to conduct a re-study of their financial statements, whether the profits earned are reasonable or not in their reporting.
2. Correlation between firm size and timeliness of financial publications.

   The probability of a significant value of firm size on the results of the significance test is 0.977 (0.977 > 0.05) with a positive beta value, then H3 is rejected, interpreting industry size does not affect (negatively) the timeliness of financial publications. This study supports the opinion of Dewi & Jusia (2013) finding that there is no influence between company size and timeliness because the size of an entity is not a factor to determine whether a company is on time or not. People tend to be interested in news related to big companies because they get a lot of information, but this has an impact on the amount of pressure to manage that information so that it is presented with good news because management will delay its publication, whether the issuer is on time or not, the characteristics of a company are not a consideration.

3. The relationship between the age of the company and the timeliness of financial reporting

The significant value of company age is 0.612 (0.612 > 0.05) with a negative value, then H4 is rejected. This means that there is no positive effect of the age of the company on the timeliness of reporting on monetary activities. This is following the opinion of Imaniar (2018) which confirms that there is no positive correlation between company age and timeliness. This is because the benchmark for submitting financial statements is not the age of the company but the entity's orientation to the transfiguration of the regional trading situation, which adversely affects its monetary activity.

5. CONCLUSIONS AND SUGGESTIONS

Conclusion

From the output of checking with logistic regression, it shows that: The *leverage* (DER) has a negative influence on the accuracy of the publication of financial statements because in general, the company can overcome the problem of debt to the debtor. *Debt to equity ratio* refers to how far a company depends on creditors in financing the company's assets. Because the debt in the company is greater than the existing capital it can experience financial distress (*financial distress*) due to high obligations, it causes *debt to equity to* not affect the timeliness of financial reporting

Profitability (ROA) harms the accuracy of the publication of financial statements because net income decreases every year and total assets increase due to the less-than-optimal management of assets by management. The size of the company (SIZE) has a negative correlation with the accuracy of the publication of financial statements, because even though the size of the company is relatively large and is the main focus of the community, the more information that is obtained by the public, the greater the pressure to manage the information, causing companies to be late in submitting reports. financial statements, as well as reporting their finances, both timely and untimely companies do not consider the characteristics of a company. There is a negative correlation between AGE and the accuracy of the publication of financial statements because whether or not a company has been around for a long time is not a measure of timeliness but an adjustment to fluctuations in economic conditions that occur. Companies that have been established and have been around for a long time will become more skilled in collecting, processing, and producing information output that can be understood and needed because they have learning experiences.

Suggestion

Subsequent research is to redevelop the scope of the sample not limited to cement companies and infrastructure services. You can add variables such as public ownership, solvency, liquidity, cash flow, ROE, *risk industry, corporate governance,* or other external factors that can explain in more detail the effect on the timeliness of the company's financial reporting. In addition to using secondary data in further research, it is hoped that data accumulation can be implemented through intensive consultation on the causes of delays in consortium financial reporting.

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