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FINANCIAL REPORTING TIMELINESS WITH PUBLIC ACCOUNTING FIRM REPUTATION AS THE MODERATING VARIABLE

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Abstract

The research aims to find the relationship between financial performance and the accuracy of submitting financial reports. Financial performance is measured using profitability and solvability ratios. The population of the research is secondary consumer goods sector companies registered on IDX in 2020-2022. Sampling was carried out using the purposive sampling method, resulting in 24 company samples. Quantitative data is collected and analyzed using SPSS. The research results show that (1) profitability negatively affects timeliness, (2) solvability negatively affects the timeliness of submitting financial reports, (3) PAF's reputation cannot moderate the relationship between profitability on timeliness, (4) PAF's reputation cannot moderate the relationship between solvability on timeliness. The research's implications help go-public companies submit their financial reports on time by knowing the factors that influence the timeliness of financial reports. Companies that do not properly submit their financial reports will receive a bad image from investors and sanctions from the Indonesian Stock Exchange.
Keywords: profitability, solvability, public accounting firm reputation, timeliness of financial reporting.

INTRODUCTION

When a company develops its business, it will face several business risks. One of the risks that the company will face is the need for funding. Companies that need funds to develop their business can obtain funding by offering some of their shares to the public or becoming a Go Public company. According to Law Number 8 of 1995 Article 86, going public companies must submit their financial reports on time to the Capital Markets and Financial Service Authority and announce these reports to the public. If going public companies do not submit their financial reports by established regulations, the company will be subject to sanctions.

According to a copy of Financial Services Authority Circular Letter Number 20/SEOJK.04/2021, the deadline for submitting annual financial reports during the 2019 COVID pandemic was extended to no later than five months after the date of the annual financial report. However, after the pandemic ended, there were changes in regulations regarding the limits for submitting financial reports. According to The Financial Services Authority's Regulation Number 14/POJK.04/2022 article 4, financial reports must be submitted to the Financial Services Authority three months after the date of the annual financial report. If going public companies do not submit their financial reports on time, the company will receive sanctions from the Indonesian Stock Exchange and could even be threatened with delisting.

The sanctions and fines imposed by the IDX on companies late in submitting financial reports do not make companies disciplined in submitting their financial reports. According to the official Indonesia Stock Exchange announcement, 91 listed companies late to submit their financial reports ending on December 31 2021 (www.idx.co.id). The following year, IDX imposed sanctions on 143 companies that had not submitted their 2022 financial reports and were subject to written warnings (https://market.bisnis.com).

Companies that are late in submitting their financial reports can be caused by factors such as profitability, solvability, PAF reputation, company size, audit opinion and audit committee. This research will be carried out using profitability and solvability variables to see the influence of the three variables on the timeliness of submitting financial reports, with the reputation of the Public Accounting Firm as a moderating variable. Profitability and solvability variables are used because they can represent the company's performance regarding its financial reports.

Profitability is one of the factors that can influence the timeliness for submitting financial reports because profitability is one of the measurements commonly used by shareholders and creditors in assessing the success of a company's financial performance, especially in achieving profits. According to Fatmawati & Rohimah (2022), profitability influences the timeliness of submitting financial reports. Companies with high profitability ratios will speed up the publication of their financial reports. A high profitability ratio is a good signal for investors and creditors regarding company performance. Meanwhile, according to Budiantoro et al., (2022), profitability does not influence the timeliness of submitting financial reports. Companies with high or low profitability do not influence management in publishing their financial reports on time.

The next factor that can influence the timeliness of submitting financial reports is solvability. Solvability is a ratio used to measure a company's ability to fulfil its financial obligations in the future. Dhanurista et al. (2021) states that solvability influences the accuracy of submitting financial reports. Companies with a high level of solvability will take longer to submit financial reports. A high level of solvability can be bad news for investors and shareholders regarding the company's financial condition. A company with a higher level of solvability, the more difficulty it is for the company to fulfil its short-term and long-term obligations. According to Probokusumo et al. (2017), solvability does not influence the time required to submit financial reports. Submission of a company's financial reports does not depend on the company's high or low level of solvability.

The reputation of a public accounting firm, which from now on is abbreviated to PAF, is the quality of an agency that provides professional services in the field of accounting and has obtained permits in accordance with legal requirements. The PAF's reputation is seen from the achievements and public trust in the PAF. With a good reputation, PAF is trusted to be able to carry out the audit process on company financial reports professionally and efficiently. PAF reputation in this research will be used as a moderating variable, which is considered to strengthen or weaken the influence of company performance on the accuracy of submitting financial reports.

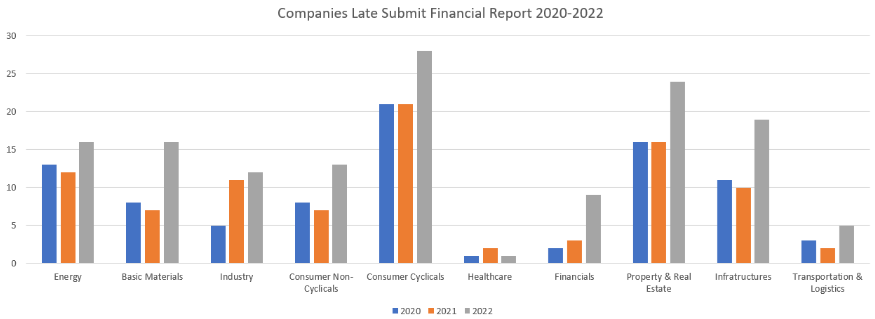

Figure 1. 1 Company Late in Submitting 2020-2022 Financial Reports

In Figure 1.1, in 2020-2022, the companies that were most late in submitting their financial reports were consumer cyclical or secondary raw materials companies. In 2020, 21 out of 88 companies needed to be on time in submitting their financial reports. In the following year, 2021, 21 out of 91 companies in the secondary raw materials needed to be on time in submitting financial reports. In 2022, there will be 28 out of 143 secondary raw material companies that will be late in submitting their financial reports. Because companies in the secondary raw materials sector are the companies most late in submitting financial reports for three consecutive years, these companies will be used as research samples.

LITERATURE REVIEW AND H YPOTHESIS DEVELOPMENT

Agency Theory

Jensen & Meckling (1976)) stated that a cooperative relationship between one or more people where the principal as one of the parties involves other people as agents to provide services on behalf of the principal with decision-making authority is called agency theory. The principal referred to in this business context is the shareholder, and the agent is the company management.

Collaborative relationships created between principals and agents can give rise to several risks, such as differences in communication that benefit one of the parties. In conveying information about the company's condition, management can reduce or add information that they feel will benefit them. To avoid this uncertainty, the relationship between principal and agent requires a third party who acts as an independent party. The independent party is a public accounting firm that is employed to ensure that the credibility of the information presented by management is guaranteed.

The agent, in relation to the principal, must report the results of the company's performance. Company performance assessment can be measured using solvability and profitability ratios. If a company has a high profitability ratio and a low solvability ratio, then the company can be said to have good performance. A company with a good level of profitability indicates the company's good ability to generate profits. Meanwhile, a low level of solvability indicates that the company is able to fulfil its obligations. The company's financial performance will be assessed from the financial reports produced by company management. Before financial reports are given to shareholders and investors, their credibility needs to be ensured first through an auditor as an independent party. If the company has poor financial performance, the auditor will need more time to carry out the audit process. Companies that employ PAFs with good reputations are expected to be able to minimize delays in submitting financial reports because of their experience and qualified resources.

Signalling Theory

Spence (1973) suggests that signal theory arises when the party sending the information gives a sign/signal to the party receiving the information regarding the condition of the company. The party sending the information is company management, which is obliged to report performance regarding the condition of the company to shareholders. The information received by shareholders will be a signal/sign to shareholders when making decisions.

Companies with a high level of profitability will speed up the delivery of their financial reports because this news is considered good news regarding financial performance for shareholders and investors. Meanwhile, if a company has a high level of solvability, it will take longer to submit its financial reports because it is a bad signal to shareholders and investors. A high level of solvability shows that the company has financial problems, which makes the company's financial reports less trustworthy.

Timeliness of Financial Statement Reporting

Givoly & Palmon (1982) stated that the time limit for submitting financial reports is the availability of financial reports and disclosure of reports to stakeholders in a timely manner so that stakeholders can make the right business decisions. Timely submission of financial reports is essential in maintaining trust and transparency of company financial reports in the capital market.

Profitability

Ross et al. (2013) revealed that profitability is a financial ratio that is used as a measure of a company's efficiency in using and managing its assets. So, a company with a high level of profitability is a company with good financial performance, which indicates that the company can generate good profits in the future.

Solvability

(Wild et al., 2004) states that solvability is a company's long-term ability to fulfil its obligations. So, solvability is a ratio used by a company to measure its ability to fulfil its obligations, both short-term and long-term obligations. A company with a high level of solvability indicates that the total debt owned by the company is greater than the company's total assets, so the company does not have sufficient wealth to pay all debts.

Reputation of Public Accounting Firm

Subramanyam (2014) states that public accounting firms are independent external auditors whom companies employ to provide opinions related to the company's financial reports. Auditors are tasked with ensuring that the financial reports presented by the company comply with applicable accounting principles. Independent Public Accounting Firms are qualified to carry out audit procedures because they have adequate education, training and experience Boynton et al. (2001)

The Effect of Profitability on Timeliness of Financial Report Submission

In signalling theory, company management is obliged to provide signals related to the company's condition to shareholders. A company with a high level of profitability indicates that it can generate profits and has good management effectiveness. Thus, companies with high profitability will be an excellent signal to users of financial reports. Companies tend to immediately report their financial reports because they are considered a good signal regarding management performance to users of financial reports.

Fatmawati & Rohimah (2022) shows that profitability influences the timeliness of submitting financial reports. Companies with a high level of profitability will speed up the submission of their financial reports because they want to convey good news regarding the company's financial condition immediately. The hypothesis is also supported by Na'im (1999)'s research, which showed that the company is late in submitting its financial report because it has low profitability.

H1: Profitability has a negative effect on the timeliness of financial report submissions.

The Effect of Solvability of Timeliness of Financial Report Submission

In signalling theory, company management is obliged to provide signals related to the company's condition to shareholders. A company with a high level of solvability indicates a problem in its financial report regarding its financial performance. Companies with high solvability ratios will reported as bad news to the shareholders. Companies need to take more time to solve this problem so that late financial report submissions may occur.

Research from Dhanurista et al. (2021) states that high solvability can cause companies to submit their financial reports late. A high solvability ratio indicates that the company has a higher level of debt than its capital, so the company will need more time to prepare its financial reports.

H2: Solvability has a positive effect on the timeliness of financial report submissions.

The reputation of public accounting firms moderates the influence of profitability on the timeliness of financial report submissions.

Based on agency theory, in the relationship between the agent and the principal, a third party is needed as an independent party. The third party in question is an auditor who is trusted to guarantee the information provided by company management to shareholders to avoid information asymmetry. Companies with a high level of profitability and a good PAF reputation will further speed up the delivery of company financial reports.

A Public Accounting Firm is an independent party employed by a company to ensure that the financial reports presented are credible. According to research from Handayani & Wirakusuma (2013), a public accounting firm's reputation moderates profitability's effect on the timeliness of submitting financial reports. Companies that employ a public accounting firm with a good reputation are expected to help the company submit its financial reports more quickly so that it is timely in submitting its financial reports.

H3: PAF's reputation strengthens the negative influence of profitability on the timeliness for submitting financial reports.

The reputation of public accounting firms moderates the influence of solvability on the timeliness of financial report submissions.

An Auditor is needed as an independent third party to avoid irregularities. Auditors must examine financial reports before they are given to users of financial reports to ensure the credibility of financial reports. A company that has a high level of solvability can mean that the company is having bad financial risks. If something like this happens, the auditor will need more time to collect evidence that can be used to prove the level of debt the company has. If the company uses PAF services with a good reputation, delays in submitting financial reports can be minimized because the processing process is effective and efficient.

According to Handayani & Wirakusuma (2013), a public accounting firm's reputation can moderate solvability's influence on the timely submission of financial reports. Companies that employ public accounting firms with a good reputation hope to assist them in submitting financial reports promptly, even though the company currently has a high level of solvency.

H4: PAF's reputation weakens the positive influence of solvability on the timeliness for submitting financial reports

RESEARCH METHOD

The objects of this research are profitability, solvability, reputation of PAF, and limits for submitting financial reports in secondary raw material companies. Research object data will be taken from annual financial and company auditor reports published on the Indonesia Stock Exchange website in 2020-2022. After collecting the data, statistical tests will be conducted using the SPSS application to look for relationships between variables.

Company sample selection was conducted using a purposive sampling method where samples were taken non-randomly and using certain criteria. The criteria used in sampling are:

Table 1. Company Sample

No	Description	Amount
1.	Secondary consumer goods company listed on IDX 2020-2022	111
2.	Secondary consumer goods company that not publish their financial and audit report for 2020-2022	(8)
3.	Secondary consumer goods company that loss in 2020-2022	(76)
4.	Secondary consumer goods company that does not have closing year 31 December and uses foreign currency in their financial report	(3)
Sample amount		24
Analysis Unit 2020-2022		72

Source: Data Processed

Dependent Variable (Y)

The dependent variable in this research is the timeliness of submitting company financial reports. The timeliness of the reporting of financial reports will be measured using a dummy variable, category 0 for companies that are late in submitting financial reports and category 1 for companies that submit their financial reports on time.

Independent Variable (X)

Two independent variables were used in this research: profitability and solvability. The profitability variable is measured using the Return on Equity (ROE) calculation. Ross et al. (2013:55) stated that ROE is the most basic ratio measuring company performance. According to Subramanyam (2014:565), the formula for calculating profitability using ROE is as follows.

$$ROE = \frac{Net\ Income}{Shareholders'\ Equity}$$

Another independent variable is solvability. Solvability in research will use the debt-to-equity ratio (DER) formula, which compares the amount of debt with the amount of equity owned by the company. According to Subramanyam (2014:36), the formula for calculating solvability using the DER ratio is as follows.

$$DER = \frac{Total\ Debt}{Shareholders'Equity}$$

Moderating Variable (Z)

A Public Accounting Firm with a good reputation is a PAF that has more "in-house" experience in handling public companies. A quality public accounting firm has much involvement in the audit process by providing public accountants with more experience in handling the audit process. Public accounting firms are divided into two parts, namely, big four PAF and non-big four PAF. Investors choose companies that use Big Four public accounting services because Big Four public accounting firms have good audit quality compared to small public accounting firms (DeAngelo, 1981). The offices that are part of the big four PAF are:

1. PricewaterhouseCoopers (PwC) with PAF Tanudiredja, Wibisana, Rintis & Partners.
2. Ernst & Young (EY) with PAF Purwantono, Suherman and Surja.
3. Delloite with PAF Satrio Bing Eny & Partners.
4. KPMG with Siddharta PAF Widjaja & Partners.

PAF reputation will be measured using dummy variables. Companies that use the big four PAF services will be given a dummy value of 1. Companies that do not use Big Four PAF will be given a dummy value of 0.

RESULT AND DISCUSSION

General Description of the Study

Research was conducted to measure the effect of profitability and solvability on the timeliness of submitting financial reports with the reputation of the Public Accounting Firm as a moderating variable. Profitability will be measured using the ROE (Return on Equity) formula, while the solvability variable will be measured using DER (Debt to Equity Ratio). The timeliness of submitting financial reports will be measured using a dummy variable with dummy 1 for companies that are timely in submitting financial reports and 0 for companies that are late in submitting their financial reports. The moderating variable PAF reputation is also measured using a dummy variable with 1 for Big Four PAFs and 0 for non-Big Four PAFs.

The research uses the secondary consumer goods sector listed on the Indonesia Stock Exchange in 2020-2021 as the research sample. 24 of the 111 registered secondary companies for 2020-2022 meet the research criteria. So, the analysis units that will be used are 72. Data was obtained from the company's financial reports and annual reports for 2020-2022.

Data Analysis

Descriptive Statistical Analysis

The statistical results of the descriptive analysis are as follows.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROE	72	.001	.295	.10026	.070697
DER	72	.058	2.864	.75235	.664222
Timeliness	72	0	1	.53	.503
PAF Reputation	72	0	1	.25	.436
ROE*PAF Reputation	72	.00	.30	.0365	.07636
DER*PAF Reputation	72	.00	2.86	.2245	.59331
Valid N (listwise)	72				

Figure 4.1 Descriptive Statistic Result

The table above shows that the data studied amounted to 72 data from 24 companies. The table above shows the minimum value, maximum value, average and standard deviation of each variable.

Classical Assumption Test

Normality test

The normality test is carried out to see whether the distribution of data that will be used in research is normal or not. The normality test carried out in the research was the Kolmogorov-Smirnov (KS) test. The following are the results of the normality test.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		72
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.07937513
Most Extreme Differences	Absolute	.067
	Positive	.067
	Negative	-.059
Kolmogorov-Smirnov Z		.565
Asymp. Sig. (2-tailed)		.907

a. Test distribution is Normal.

b. Calculated from data.

Figure 4.2 Normality Test Results

Based on the normality test results in Table 4.2, the KS test results show that the data is usually distributed. This is shown by the significance value of 0.907 (90.7%), which is greater than 0.05 (5%).

Heteroscedasticity test

The heteroscedasticity test is carried out with the aim of testing the regression model to determine whether there is similarity or dissimilarity in variations from one observation to another. The heteroscedasticity test will be carried out using the Glejser method. The Glejser method concludes the research results by looking at the significance value of each variable.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.052	.011		4.912	.000
	ROE	.026	.027	.134	.956	.343
	DER	.012	.011	.172	1.049	.298
	PAF Reputation	.030	.020	.287	1.532	.130
	ROE*PAF Reputation	-.090	.053	-.268	-1.695	.095
	DER*PAF Reputation	-.014	.017	-.184	-.853	.397

a. Dependent Variable: ABRES

Figure 4.3 Heteroscedasticity Test Results

Based on the output of the test results above, it is known that there are no symptoms of heteroscedasticity. This is because the five variables have significant values above 0.05.

Multicollinearity test

The multicollinearity test in this research used the TOL (Tolerance) and VIF (Variance Inflation Factor) methods. The multicollinearity test is carried out to test whether or not the regression model formed has a high or perfect correlation between the independent variables. If the regression model formed has a high or perfect correlation, then the regression model can be stated to have symptoms of multicollinearity.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.768	.019		40.681	.000		
	ROE	-2.159	.049	-1.008	-43.989	.000	.719	1.391
	DER	-.067	.020	-.089	-3.331	.001	.529	1.891
	PAF Reputation	.132	.035	.114	3.742	.000	.406	2.463
	ROE*PAF Reputation	.175	.095	.047	1.840	.070	.571	1.751
	DER*PAF Reputation	-.055	.030	-.065	-1.853	.068	.304	3.286

a. Dependent Variable: Timeliness

Figure 4.4 Multicollinearity Test Results

The results of the multicollinearity test show that the five variables meet the requirements for being free from multicollinearity with a VIF value smaller than ten and a Tolerance value greater than 0.1.

Autocorrelation test

The autocorrelation test is carried out to determine whether there is a correlation between observation data sorted according to time and space. The autocorrelation test will be carried out using the Durbin-Watson method. The Durbin-Watson statistical test criteria will be met if the Durbin-Watson value is between Du and 4-Du. The following are the results of the autocorrelation test using the Durbin-Watson method.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.987[a]	.975	.973	.082	1.890

a. Predictors: (Constant), DER*PAF Reputation, ROE, ROE*PAF Reputation, DER, PAF Reputation

b. Dependent Variable: Timeliness

Figure 4.5 Autocorrelation Test Results

The Durbin-Watson output results show a value of 1,890. Decision-making requires two auxiliary values, which can be seen in the Durbin-Watson table, namely dL and dU, with K = number of independent variables and n = number of research samples. The results from the

Durbin Watson table with n=72 and k=5, you will get the values dL = 1.4732 and dU = 1.7688. So the 4-du value is 4-1.7688 = 2.2312 while the 4-dl value is 4-1.4732 = 2.5268. So, the Watson Durbin value of 1.890 is between du 1.7688 and 4-du 2.2312, so it is stated that there are no symptoms of autocorrelation.

Statistical Test

Coefficient of Determination

The coefficient of determination is used to measure how far the model's ability to explain variations in the dependent variable. The resulting coefficient value will range from zero to one. If the coefficient of determination value is close to one, then the independent variable can provide almost all the information needed to predict variations in the dependent variable. The following are the results of the coefficient of determination test.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.987[a]	.975	.973	.082

a. Predictors: (Constant), DER*PAF Reputation, ROE, ROE*PAF Reputation, DER, PAF Reputation

Figure 4.6 Coefficient of Determination Test Results

Analysis of the coefficient of determination test results is seen from the adjusted R square value. The adjusted R square value is 0.973; this shows that profitability, solvability, PAF reputation, profitability*PAF reputation, and solvability*PAF reputation explain 97.3% of the variance in the timeliness of submitting financial reports. The value of 97.3% is quite high because it is close to 1. The remaining 2.7% of the variance in the timeliness of submitting financial reports is explained by other variables not included in the regression model.

Moderated Regression Analysis (MRA) Test

The Moderating Regression Analysis test is a test to determine the effect of moderating variables in strengthening or weakening the relationship between the independent variable and the dependent variable.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.768	.019		40.681	.000
	ROE	-2.159	.049	-1.008	-43.989	.000
	DER	-.067	.020	-.089	-3.331	.001
	PAF Reputation	.132	.035	.114	3.742	.000
	ROE*PAF Reputation	.175	.095	.047	1.840	.070
	DER*PAF Reputation	-.055	.030	-.065	-1.853	.068

a. Dependent Variable: Timeliness

Figure 4.7 MRA Test Results

Based on the results of the Moderating Regression Analysis test above, the following are the results of the equation:

$$Y = 0.768 - 2.159\ (ROE) - 0.067\ (DER) + 0.175\ (ROE^{*}PAF\ Reputation) - 0.055\ (DER^{*}PAF\ Reputation) + \varepsilon$$

Hypothesis Test

The hypothesis test that will be carried out is the partial influence test (t-test). This test is carried out to determine the individual influence of each variable on the dependent variable. Analysis of the results of the t-test uses a comparison of the t values between count and stable. The table value in this test is 1.99656 (0.025:66).

Profitability on the Accuracy of Submitting Financial Reports.

Based on the t-test results in Table 4.7, the count value is -43.9, and the significant value is 0.000; the count value is greater than Table 1.99656, and the significance value of 0.000 is less than 0.05, so profitability has a negative effect on the timeliness of submitting financial reports.

Profitability is the company's ability to generate profits using the ROE ratio. A high ROE ratio can indicate that the company has an excellent ability to generate profits in a given period. From the descriptive test results, the average profitability of secondary consumer goods companies in 2020-2022 shows a profitability value of 10.02%. This means that with the amount of equity owned, the company can generate profits of up to 10.02%.

The research results are in line with research by Givoly & Palmon (1982) and Na'im (1999), which states that profitability influences the timeliness of submitting financial reports. A company with a high level of profitability will be considered a good signal for shareholders and investors regarding the company's sound financial condition. This will cause management to speed up the delivery of its financial reports. However, the research results are different from research from Dyer & McHugh (1980), which states that profitability has no significant effect on the timeliness of submitting financial reports.

H1: Hypothesis is accepted. Profitability has a negative effect on the timeliness of submitting financial reports.

Solvability on the Accuracy of Completion of Financial Reports.

The t-test in Table 4.7 shows a value of -3.33 with a significance value of 0.001, the count value is greater than the table, and the significance value is less than 0.05, so solvability has a significant adverse effect on the timeliness of submitting financial reports. The results of the descriptive test show that the average solvability of secondary goods consumer companies is considered very good, with 0.75235 less than one. The company is in good condition with a low proportion of debt to equity.

The research results are in line with Ukago (2004), who states that solvability has a negative influence on the timeliness of submitting financial reports. If the company has a high solvability value, the company will try to speed up the submission of its financial reports. Companies with a high level of solvability will give bad signals about the company's condition to shareholders and investors so that company management will immediately submit their financial reports to the public to avoid successive bad signals to the company. Research is different from Na'im (1999) and Respati (2001), who state that solvability does not affect the accuracy of submitting financial reports.

H2: Hypothesis is rejected. Solvability has a negative effect on the timeliness of submitting financial reports.

PAF Reputation moderates Profitability on the Accuracy of Submitting Financial Reports.

The count value of 1.84 in the t-test results shows a value that is smaller than the table, and the significance value is 0.07 greater than 0.05, so it can be concluded that PAF's reputation cannot moderate the relationship between profitability and the timeliness of submitting financial reports. PAFs, whether part of the big four or non-big four, with high or low levels of profitability, will always work optimally to publish financial reports on time. Public accountants will carry out the audit process in accordance with applicable standards and demonstrate high professionalism so that their image will be maintained in providing audit services.

This research is in line with Soares & Amin (2016) dan Wijayani & Ratmono (2023), who state that PAF's reputation cannot moderate the relationship between profitability and the timeliness of submitting financial reports. The role of PAF's reputation at high or low levels of profitability is independent of the length of time the company's financial reports are published. This research is different from Handayani & Wirakusuma (2013), who state that PAF's reputation can moderate the influence of profitability on the timeliness of submitting financial reports.

H3: Hypothesis is rejected. PAF's reputation needs to moderate the influence of profitability on the timeliness of submitting financial reports.

PAF's reputation moderates Solvability on the Accuracy of Completion of Financial Reports.

The results of the t-test for the interaction between PAF reputation and solvability show a count value of 1.853, which is smaller than the table, and a significance value of 0.068, which is greater than 0.05, so it is concluded that PAF reputation cannot moderate the relationship between solvability and the timeliness of submitting financial reports—auditors in carrying out their duties in carrying out audit procedures. When a company has a high or low level of debt, it will not affect the time required to submit financial reports. Auditors, both in the big four and non-big four, will arrange the completion of the financial report audit so that delays in submitting financial reports can be avoided.

The research is in line with research from Soares & Amin (2016), which states that PAF's reputation needs to moderate the relationship between solvability and the timeliness of submitting financial reports. PAFs, whether part of the Big Four or non-Big Four, do not influence the solvability or accuracy of submitting financial reports. Research is different from Handayani & Wirakusuma (2013), which state that PAF's reputation is able to moderate the relationship between solvability and the accuracy of submitting financial reports.

H4: Hypothesis is rejected. PAF's reputation needs to moderate the influence of solvability on the timeliness of submitting financial reports.

CONCLUSION

Research was conducted to examine the effect of profitability and solvability on the timeliness of submitting financial reports with PAF's reputation as a moderating variable. The research was conducted on secondary consumer goods sector companies listed on the Indonesia Stock Exchange in 2020-2022. The data collected was 72 from 24 companies using the Moderated

Regression Analysis test. Based on the results of the analysis and discussion that has been carried out, it can be concluded that:

1. Profitability (ROE) has a negative effect on the timeliness of submitting financial reports. Companies with a high level of profitability will immediately speed up the publication of financial reports. Companies with high profitability will be good news regarding the company's financial performance for shareholders and investors.
2. Solvability (DER) has a negative effect on the timeliness of submitting financial reports. If a company has a high solvability ratio, it will be considered bad news regarding the company's financial performance. So that the company does not get bad news in a row, management will speed up the publication of its financial reports.
3. PAF's reputation needs to moderate the influence of profitability on the timeliness of submitting financial reports. PAFs, whether included in the big four or non-big four, with high or low levels of profitability will not affect the delivery of financial reports. PAFs, both big four and non-big four, will try to minimize delays in submitting financial reports.
4. PAF's reputation is unable to moderate the influence of solvability on the timeliness of submitting financial reports. PAFs that are included in the big four or non-big four, whether the company has high or low debt levels, do not affect the timeliness of submitting financial reports. While carrying out audit procedures, public accountants will avoid delays in submitting financial reports without looking at the level of the company's ability to fulfil its obligations.

Implications

The research was conducted using financial performance variables to determine the timeliness of submitting financial reports. Financial performance is measured using the profitability and solvability ratio. The research results show that a high level of profitability and solvability can enable companies to submit their financial reports on time. Companies going public need to pay attention to the timing of submitting financial reports because if the company is late in submitting its financial reports, the company will get a bad image from shareholders and investors. Therefore, companies need to pay attention to financial performance, which is one of the factors in the accuracy of submitting financial reports. Companies need to design good strategies to produce sound financial performance.

Research needs to add independent variables because many other variables can influence the accuracy of submitting financial reports. Future research is expected to add variables such as company size, audit opinion, and company reputation to broaden the discussion regarding the delivery of financial reports. Limited research period. The study used three years of research to measure the company's financial performance. It is hoped that future researchers can use a more extended research period so that financial performance can be measured more clearly.

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