DEBT ON ASSET RATIO, RETURN ON ASSET AND AUDIT OPINION TOWARD RETURN SHARE WITH THE INTERVENING AUDIT DELAY VARIABLE
(STUDI IN MANUFACTURED COMPANY REGISTERED IN BEI IN 2015-2017)

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Abstract: The aim of this research is to comprehend whether the DAR, ROA, Audit Opinion variable influenced the return share and whether the intervening audit delay variable is able to moderate the independent variable toward return share. The population and the research sample are 54 manufactured companies which are registered in BEI in 2015-2017. The analysis used is multiple linear regression and path analysis. The result of this research was the evidence that DAR, ROA, and Audit Opinion affected the return share. Meanwhile, path analysis using Audit Delay as intervening variable only moderated the audit opinion variable toward return share. But Audit Delay was not able to moderate DAR, ROA variable toward return share.

Keywords: DAR, ROA, Audit Opinion, Audit delay and Return share.

1. Introduction

The monetary performance measures the liquidity, solvability, profitability, activity and monetary market from a company (Subramanyam dan John, 2010). Liquidity is the ratio which measures the short-term liquidity ability of the company by seeing the company current assets rather than current liabilities (Mamduh dan Halim, 2016).

Solvability is the company ability in fulfilling the long-term liabilities (Mamduh, 2016). The solvability value can be counted by comparing the total liabilities and total assets or can be counted by comparing the total assets and total equity. Profitability ratio talks about how far the company gets the profits during the active period. The types of profitability ratio are *net profit margin* (NPM)*, return on assets* (ROA), *return on equity* (ROE) and *earnings per share* (EPS). ROA measures the assets ability which is used on the net income, and can be measured by comparing the net income and the assets which are used in the company operational, while ROE compares the net income and the company equity. Moreover, *earning per share* (EPS) is the net income which can be shared among common stockholders (Prastowo, 2011). The bigger the profitability ratio value, the better the company performance. The companies which gain the profits tend to take long time of audit rather than the companies which lose out.

The monetary report and the ratio analysis can be used by the stockholder especially the investors who are available or have potential to make decisions (Kieso, Donald dan Weygandt, 2008). The monetary ratios can be used by the investors to predict the share price in the future, so that the investors can decide whether to keep their shares or not.

The auditor opinion becomes one of orientations which are used by the investor to know whether the monetary performance of the company has been reported or not. The reported monetary by the company should be audited first by the external auditor in which the report is credible and believable by the all parties (Suwardjono, 2010). A proper opinion without any exceptions can be given by the auditor if the audit has been held or ended based on the auditing standard, a report presentation based on the accountancy principle which generally valid, and there is no certain condition that need a further explanation (Halim Abdul,2001).

Audit process which is done by an auditor takes time from the end year until the audit report has been signature and can be reported. The long time needed in finishing the audit can give negative effects for the company. The negative effects can diminish the information value in the monetary report so that it is not relevant anymore to take a decision (Uthama, 2016). Audit opinion and audit report lag are related to each other, the better the result statement from the auditor the faster the monetary report done, so that the audit report lag cannot stand too long (Whittred, 1980). This case can push the available investor and the potential investor to learn the company monetary condition and make the decision faster. The researches which are relevant to the monetary performance with the share price or the audit opinion have been done by Arber H.Hoti et.all (2012). The result showed that audit quality and auditor opinion had effect on the change of share price. Kayed Abdullah Al-Attar (2017), in his research, showed that audit had a direct influence on the company share in the Amman Stock Market, while the enhancement of audit quality caused the increase of monetary performance in which it was shown from company share price.

The research from Sunardi dan Holiawati (2016) about the influence of CGPI and the Audit Opinion toward the share showed that the result of CGPI variable partially did not affect the share price, while the audit opinion affected the share price. Syarifah and Muhammad (2018) in researching the factors which influenced the audit and its effect toward abnormal return in BEI, showed the result of company measurement variable, leverage and audit opinion had a significant influence toward audit delay, but the audit delay did not influence the share price fluctuation, so it did not have significant effect toward abnormal return for registered company in BEI. Marchyta and Astuti (2015) researched the influence of financial capital structure and the company characteristics on profitability and company value with debt variable affected significantly on profitability and significant debt total to company value. The company characteristics which were measured with the company measurement affected significantly positively on profitability and company value, but the liquidity did not have any significant differences. The company development which was not significant on profitability and company value was a bad control variable.

Ina Rinati(2012) in her research proved that ROA variable had significant influence on share price, while other variables not. But those variables had influence on share price. Juanita and Satwiko (2012) analyzed the influence of company measurement, auditor, owning, cost-benefit, profitability, and solvability on audit delay in manufactured company which had been registered in BEI. The result showed the result of those variables influenced significantly on audit delay report. Meanwhile, Rahmawati, Selvia Eka (2015) stated that company measurement, profitability, and complexity operation influence negatively on audit delay and the solvability, audit opinion, and KAP measurement did not influence the audit delay. Research such as audit delay had been done by Sebayang, Esynasali Violetta, Laksito and Herry (2014). Their research showed that company measurement and the gender of auditor significantly influenced the audit delay, while profitability, auditor quality, and auditor opinion did not influence the audit delay. Based on those relevant studies, there is also the difference of research result among the researchers. In this case, the writer makes a research entitled "DAR, ROA and Audit Opinion toward Return Share with the Intervening Audit Delay Variable in Manufactured Company registered in BEI in 2015-2017"

2. Theoritical Framework
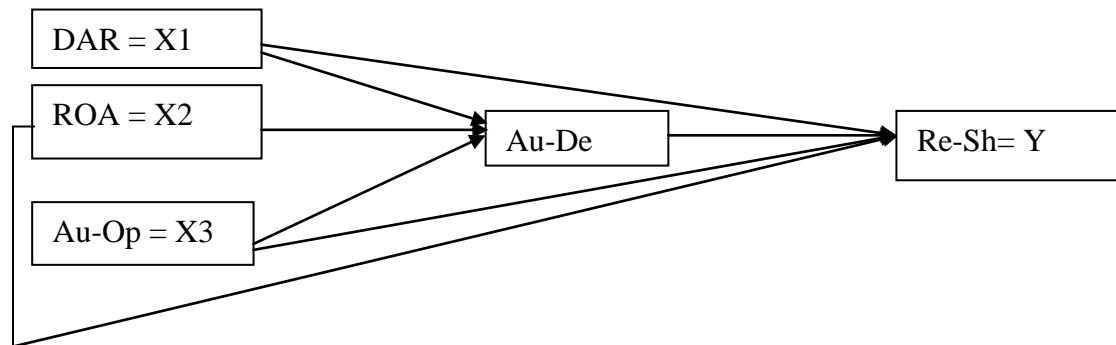
3. Research Methodology

Data and Data Source

The data source of this research is a secondary data which is got via various sources like *Indonesian Stock Exchange* (IDX) and *Indonesian Capital Market Directory* (ICMD). According to Indriantoro and Supomo (2002:147), secondary data is the research data source which is got indirectly by the researcher via mediator. The data sources from each variable used in this research such as share price, DAR, ROA, Au-De, and Au-Op is got from monetary report which is issued by the company. This data is used as the research sampling.

Technique of Collecting Data

The technique used in collecting data is documentary study method via data and monetary report issued by the manufacture company registered in BEI 2015-2017.
Collecting secondary data can be done by:
a. Manual investigation for the printed data.
b. Computer investigation for the electronic data by downloading from website BEI.

4. The Definition of Operational Variable

Dependent Variable	Definition	Measurement
Return Share	the difference of closing stock price of recent year with the closing stock price last year then	$\dfrac{Pt - Pt\text{-}1}{Pt\text{-}1}$
Independent Variable	**Definition**	**Measurement**
DAR	Ratio which compares debt total with active total	$\dfrac{debt\ total}{active\ total}$
ROA	The company ability in getting income net from the assets used.	$\dfrac{income\ net}{Average\ active\ total}$
Au-Op	opinion statement from the auditor on monetary report of a company	1 = WTP 0 = Selain WTP
Intervening Variable	**Definition**	**Measurement**
Audit Delay	the delay of closing book date until The launching date of audited monetary report.	the counted total days from Dec 31st until the monetary report legally taken.

5. **Technique Of Analysing Data**
    1. Normality Test
       The data testing is used to see the residue value is distributed normally or not.
    2. Autocorrelation Test
       The Run Test is a non-parametric test which is used to test the multiple linier regression models optimally as the data sampling above 100 (Ghozali, 2005: 102).
    3. Multicolinearity Test
       This test to examine whether there is correlation within free and independent variables in the regression model.
    4. Heterokedastisity Test
       The test is to examine whether there is inequality variance from a residue to another in regression model.

6. **Hypothesis and Data Analysis**
The technique of analysing data in this research are:
a. Statistic Descriptive Test
   This analysis is shown in a statistic descriptive table which explains the minimum and maximum value, the mean, and standard deviation for each variables used.
b. Multiple Regression
   The multiple regression is used to know whether the research hypothesis is significantly proved or not, which the equivalents as:
   $$HSit = \alpha + bDAR + bROA + bAu\text{-}Opt + \epsilon \qquad (1)$$
   $$ADit = \alpha + b\ DARAu\text{-}De + bROAAu\text{-}De + bOAAu\text{-}De + \epsilon \qquad (2)$$
   Path Analysis is used to describe the relation pattern which reveals the influence of a set of variables toward other variables directly or indirectly via other variables as the intervening variable. In the path analysis, to accept or refuse the hypothesis is used the direct and indirect coefficient value. It is called hypothesis is accepted or intervening variable if the indirect relation is bigger than direct relation.

Examining Hypothesis

a. Goodness-fit Test (R^2)
   The test is a model test which examines the goodness-fit of regression model. The goodness-fit (R^2) is mainly used to measure how far the model capability in measuring the dependent variable variation (Ghozali, 2005:141).
b. F Score Test
   The F score is used to see the meaning of the regression model result. If the F-count score is bigger than F-table, or the significant level is 5% smaller, so this case shows that Ho is refused and Ha is accepted.
c. The t Score Test
   The individual significant parameter test or t-test basely shows how big the influence of an independent variable individually in explaining the independent variable variation.
d. Path Analysis
   Path Analysis is used to describe the relation pattern which reveals the influence of a set of variables toward other variables directly or indirectly via other variables as the intervening variable.

The sample data is taken from the manufactured company registered in BEI 2015-2017. There are 61 companies which had been observed for 3 years, but only 54 companies which can be used as sample.

7. Result

The research sample is from the manufactured company which is registered in BEI of 2015-2017. There are 61 companies which had been observed for 3 years, but only 54 companies which can be used as sample. The finding of this research can be seen below:

Goodness-Fit Test (R²)

Table 4.6 Goodness-Fit Test (R²)

Model	R	R *Square*	*Adjusted R Square*	*Std. Error of Estimate*
1	0.581	0.338	0.321	1.84123

a. Predictors: (Constant), Au-De, ROA, DAR, Au-OP
b. Dependent Variabel: Return Share

Simultant Test (F Test)

Table 4.7 Result F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	271.685	4	67.921	20.035	0.000
Residual	532.253	157	3.390		
Total	809.938	161			

a. *Predictors: (Constant)*, Au-De, ROA, DAR, Au-Op
b. *Dependent Variable:* Return Share (Re-Sh)

**Partial Test (t test)**

Table 4.8 Result t test
Coefficients

Model	Standardized Coefficients Beta	t	Sig	Information
(Constant)		1.058	.292	
DAR	.503	7.645	.000	Supported
ROA	.240	3.678	.000	Supported
Au-Op	-0.194	-2.634	.009	Supported
Au-De	-0.058	-0.793	.429	Supported

a. Dependent Variable: Return Share

Path Analysis Test

a. *debt to assets ratio* (DAR) variable on return share with *audit delay* (Au-De) variable as control variable.
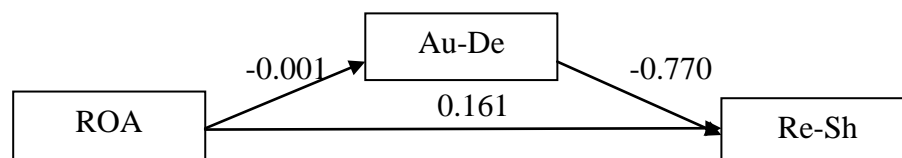
Picture 4.1 Path Analysis Diagram (1)
DAR, Au-De and Return Share(Re-Sh)
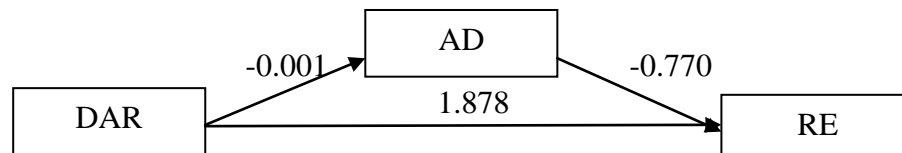
From the path analysis diagram 4.1 above, the DAR variable on return share with Au-De variable as control variable showed that Au-De variable on DAR has coefficient value -0.0001and return share variable on Au-De has coefficient value -0.770. meanwhile, return share variable on DAR variable has coefficient value 1.878.

b. *Return on Assets* (ROA) variable on return share with *audit delay* (Au-De) variable ad control variable.
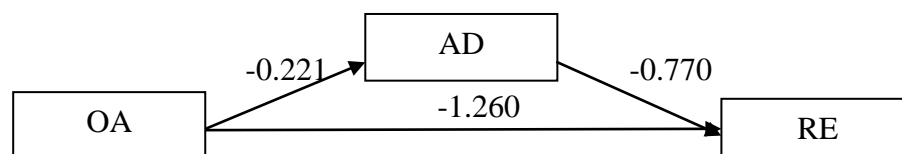
Picture 4.2 Path Analysis Diagram (2)
ROA, Au-De and Return Share (Re-Sh)

From the path analysis diagram 4.2 above, the ROA variable on return share with Au-De as control variable showed the coefficient value -0.0001 and return share on Au-De has coefficient value -0.770. meanwhile return share on ROA variable has coefficient value 0.161.

c. *Audit Opini* (Au-Op) variable on return with *audit delay* (Au-De) variable as control variable.

Picture 4.3 Path Analysis diagram (3)
Au-Op, Au-De and *Return* Share (Re-Sh)

The result of path analysis diagram 4.3 above, Au-Op on return share with Au-De variable as control variable showed that Au-De variable on Au-Op has coefficient value -0.221 and return share variable on Au-De has coefficient value -0.770. Meanwhile, return share variable on audit opinion variable has coefficient value -1.260.

8. Disccussion
a. Statistic Descriptive Analysis on share return with the audit delay moderator
The debt to assets ratio (DAR) variable on return share (Re-Sh) based on the partial test shows the signification value 0,000 with the Sig. value 0.05 so that can be stated that DAR variable affects on the variable (Re-Sh). The bigger DAR the bigger return share (Re-Sh). Meanwhile the audit delay variable (Au-De) as a moderator variable is not able to moderate because the significant value of DAR on return share is bigger than DAR

value on return share (Re-Sh) with the moderation of audit delay (Au-De). The audit delay (Au-De) variable is the long time needed since the closing book on 31 December until the monetary report which has been audited is reported to the society.

In this research, the audit delay (Au-De) variable which is counted since the closing book until the monetary report ready to publish is not able to moderate DAR on (Re-Sh). It means short or long time needed by the auditor to do audit monetary report does not affect the influence of DAR variable on share price or return share.

The result of variable research is suitable with the research done by Adi. Et. All (2016). The research by Syarifah and Nuryatno (2018) stated that audit delay (Au-De) did not affect share price, so did not have significant effect on company abnormal return. As well as the research by Marchyta and Astuti (2015) stated that debt variable significantly affected on profitability and total debt affected company value. Meanwhile Diena and Inanga (2011) in their research stated that debt ratio or leverage did not affect the share price.

b. Return on Assets (ROA) on Return Share (RS) with the audit delay (Au-De) as the moderator

The test result of return on assets (ROA) on return share (Re-Sh) partially showed that the result significantly affected which mean the bigger ROA value the bigger the return share value. ROA is the ability of the company to reach the income from total assets which is used in operating the company. The bigger ROA, the better the welfare of the stockholder. But, by using the audit delay (Au-De) variable within return on assets (ROA) toward return share (Re-Sh), the audit delay (Au-De) variable is not able to moderate or is not able to increase the influence of ROA toward Re-Sh, this is caused the signification of ROA value toward return share (Re-Sh) is bigger than ROA value toward Re-Sh and the moderator variable (Au-De). Thus, the velocity of the report publishing to public does not affect the ROA toward Re-Sh.

The result of this research showed similarity with the research done by Marchyta and Astuti (2015), Ina Rinati(2012) in which their research about the influence of NPM, ROA, ROE toward share price on the LQ45 company proved that ROA variable has significant influence on share price.

Meanwhile Sebayang, et al (2014) with the independent variable, company measurement, profitability, auditor quality, and auditor opinion showed that company measurement and the auditor gender affected significantly on audit delay, while profitability, auditor quality, and auditor opinion did not affect audit delay time.

c. Audit Opinion on return share with the moderator variable audit delay (Au-De).

Audit opinion is the statement from an auditor from the audit result which is done for the company monetary report. This statement whether genuine without exception (WTP) or other statements beside WTP.

This research with the audit opinion on return share partially showed the result significantly affected, so it can be concluded the better the audit opinion statement the higher return share value. The company who has WTP audit opinion can be meant that what has been reported in the monetary report is appropriate with the company real condition and has been fulfil the standard monetary report like SAK and SPAP.

This research suits to the research done by Arber H.Hoti et.all(2012) about the influence of audit opinion on share price Croatia and Slovenia case. This research showed that audit quality and auditor opinion had effect on the dynamic of share price. The research from Kayed Abdullah Al-Attar (2017) also stated that audit opinion had direct influence

on the company share price in the Amman Stock Market. Moreover, the research from Sunardi and Holiawati (2016) found audit opinion affected share price.

Meanwhile the research from Syarifah and Muhammad (2018) showed the result of company measurement variable, leverage, and audit opinion had significant influence on audit delay, but audit delay did not influence the fluctuation of the share price, so it did not have significant effect on abnormal return of the company registered in BEI. Moreover, Robert Czernkowski & Wendy Green & Yi Wang (2010) in their research entitled *The Value of Audit Qualifications in China* found that the result is different from the previous study, this research did not find proof that audit opinion which was modified had significant information value for Chinese investors, even though the rules changed.

d. Audit delay (Au-De) on return share

Audit delay (Au-De) is the time needed by an auditor to finish their audit work until the monetary report is published to the public (BEI). The result of this research found partially that audit delay (Au-De) variable did not affect on return share. This can be meant that the auditor who finish their audit work less than the limited time which is given by BEI that is every March 30th or more did not affect the return share.

This research is equivalent with the findings done by Syarifa Yunindiah Lestari and Muhammad Nuryatno (2018) showed tat company measurement, leverage, and audit opinion (X5) had significant influence on company audit delay in BEI. Meanwhile, profitability variable and audit reputation did not affect significantly on audit delay in the company registered in BEI. Audit delay (Y) did not affect the fluctuation of share price, so it did not have significant effect on abnormal return (AR) company in BEI.

The research from Shulthoni (2013) showed the industry type, monetary performance, and KAP measurement affected audit delay, but the company measurement variable, auditor opinion, and debt ratio did not affect on audit delay. Meanwhile, the audit delay affected on investor reaction whether represent using abnormal return or trading volume activity.

9. Conclusion and Suggestion
Conclusion

This research can be concluded:

1. Debt to assets ratio (DAR) on return share with the control variable audit delay (Au-De).
    Debt to assets ratio (DAR) variable partially significantly affected return share, but by using audit delay variable between debt to assets ratio (DAR) variable on return share, audit delay (Au-De) variable was not able to moderate DAR on return share.

2. Return on assets (ROA) on return share with the control variable audit delay (Return on assets (ROA) partially affected significantly on return share, but by using audit delay (Au-De) variable between return on assets (ROA) variable on return share, audit delay (Au-De) variable was not able to moderate ROA on return share.

3. Audit opinion (Au-Op) on return share with the control variable audit delay
    Audit opinion (Au-Op) variable partially affected significantly on return share, but by using audit delay (Au-De) between audit opinion (Au-Op) variable on return share, audit delay (Au-De) was not able to moderate ROA on return share (Re-Sh).

4. Audit delay (AD) on return share

Te result of audit delay (Au-De) variable on return share (Re-Sh) partially did not affect significantly, and audit delay (Au-De) as control variable was not able to moderate debt to assets ratio (DAR) variable, return on assets (ROA) and was only able to moderate audit opinion (Au-Op) variable on return share.

Suggestion

1. The next researcher can add other variable which did not present yet in this research model.
2. Add the year of sample observation so that it can give more results as expected.

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