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THE INFLUENCE OF COMPANY SIZE, COMPANY PROFIT, SOLVENCY AND CPA FIRM SIZE ON AUDIT REPORT LAG

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ABSTRACT

Purpose – To reveal the effect of each of company size, company profit, solvency and the size of public accountant on audit report lag for the infrastructure, utility and transportation sectors listed on the Indonesian Stock Exchange.
Methodology – The population of this research are infrastructure, utility and transportation companies that are listed on and supervised officially by the Indonesian Stock Exchange from 2013–2015. The technique used for choosing the sample was purposive sampling. The sample consisted of 57 companies chosen from the population. The data was analysed using double regression analysis.
Findings – The study finds that *first*, company size has a negative and significant effect on audit report lag. *Second*, company profit has a negative and significant effect on audit report lag. *Third*, solvency has no significant effect on audit report lag, and *fourth*, the size of public accountant has no significant effect on audit report lag.
Conclusion – The magnitude of a company has is a significant negative influence on audit report lag. This case can be interpreted as the bigger the company is, the smaller the audit report lag will be.

Keywords: Company size, company profit and loss, solvency, size of public accountant, audit report lag.
JEL Codes: M41, M12

1. INTRODUCTION

The purpose of a financial report (IAI, 2012:4) is to give useful information for the financial report users that relates to financial position, performance and company cash flow, and to show the results of management performance with respect to managing resources in the company. Financial reports must fulfil four characteristics, which are it can be easily understood, it is relevant, it can be relied on and it can be compared. If the financial report cannot be submitted on time, the information in the financial report will lose value, and the report will lose its relevance (Wijaya, 2012).

A report is said to be timely if the information is presented to the users of the financial report as ready to use before the information loses its meaning and while it still has the capacity to be useful in making a decision (IAI, 2009 cited in Wiguna, 2012). The timeliness of submitted financial reports and audit reports is most important in terms of increasing the stock market price of those companies that have gone public. If those companies are behind schedule in submitting their reports, according to the rules set by Badan Pengawas Pasar Modal-Laporan Keuangan (BAPEPAM-LK) (the Indonesian Capital Market Supervisory Agency and Financial Institution), they will be given an administration sanction according to the law. This is as decreed by BAPEPAM-LK, under chairman's decree No. KEP-431/BL/2012 regarding the Annual Report Submission of Issuer or Public Company, and Otoritas Jasa Keuangan (OJK) (the Indonesian Financial Services Authority) Regulation No. 6/POJK.03/2015 regarding Bank Report Transparency and Publication.

In 2016, PT Bursa Efek Indonesia (BEI) (the Indonesian Stock Exchange) gave fine sanctions and suspended stock trading of 18 registered companies because they had not completed their audited financial report for the period up to 31st December

2015, based on regulation II.6.3 Number I-H regarding sanctions (CNN Indonesia, 2016; Kompas, 2016). The factors that caused the companies to take a long time to finish the audit were not only internal factors, but also external factors. The internal factors are usually influenced by profitability, the age of the company, profit or loss, and solvency. The external factors are usually influenced by the quality of the certified public accountant (CPA) / public accounting office that audited the financial report of the related company (Kompasiana, 2015).

With respect to the financial reports of companies registered on BEI, for the periods ending on 31st December 2013, 2014 and 2015, there are ten, five and twelve issuers, respectively, that did not obey their duty to submit the financial reports for the years 2013–2015 punctually. (IDX, 2013; 2014; 2015). Some research projects regarding audit report lag are influenced by factors such as the company size. Megayanti and Budiartha (2016) indicate that the size of the company has a negative influence on audit report lag. Meanwhile, different results are pointed out by Dura (2017), who reveals that the size of the company impacts audit report lag. Another factor related to audit report lag is the profit and loss of the company, for which profit has a negative effect on audit report lag (Aristika et al., 2016; Sumartini and Widhiyani, 2014; Puspitasari and Sari, 2012). Ratna Sari (2014) states that solvency influences audit report lag, even though the size of the public accounting firm/CPA firm (kantor akuntan publik [KAP]) does not impact audit report lag (Sumartini and Widhiyani, 2014).

Based on the previous explanation, the purpose of this research is to analyse and determine the following: How does company size influence audit report lag? How does company profit and loss influence audit report lag? How does solvency influence audit report lag? How does CPA firm size influence audit report lag?

The first part of the the paper started with the research backgrounds, followed by the theoretical frameworks which can help to develop the hypotheses. Moreover, it is continued by research methodology section which covers the data gathered and proxies used as measurements in this study. The statistical results explained in the findings section as the basis for answering the reseach questions and provide analysis the in the discussion section. Finally, the paper is sum up, any implication raised along with recommendation for future research is also detailed.

2. LITERATURE REVIEW

2.1. The Timeliness of Financial Reporting

According to Subekti and Widiyanti (2004:02), audit report lag is the time difference between the financial report date and the audit opinion date for a financial report, which indicates the duration of the completion of the audit by the auditor. Audit report lag, which is called audit delay in some research, can be explained as the duration of the completion of the audit, which is from the date of closing the book to the date the audit report is published (Utami, 2006:04). Ahmad and Kamarudin (2003:7) define audit report lag as the number of days between the date of the financial report and the date of the audit report. According to Iskandar and Trisnawati (2010), the time duration to finish an audit is called the audit report lag and will influence the timeliness of the information published in an audited financial report referring to BAPEPAM-LK No. KEP-431/BL/2012 the longest time allowed for financial reports that have been audited is 120 days.

Knechel and Payne (2001 cited in Arifa, 2013) divide audit reporting lag into three types: (1) scheduling lag, which is the time difference between the close of the company book year and the start of the auditor's fieldwork; (2) fieldwork lag, which is the time difference between the start of the fieldwork and the end of the fieldwork; and (3) reporting lag, which is the time difference between the end of the fieldwork and the publishing date of the audit report.

2.2 Company Size

Generally, a large company is monitored by investors, a capital supervisor and the government, so they have a tendency to be faster in finishing their audit process decrease their audit report lag. A large company also has adequate internal control systems, which ease the audit process. BAPEPAM-LK regulation No. KEP-11/PM/1997 states that small and medium-sized companies, based on assets, are legal entities that have total assets not exceeding Rp 100 hundred billion, while a large company is legal entity for which total assets are worth more than Rp 100 billion.

Dyer and McHugh (1975 cited in Ahmad et al., 2003) explain that company management with a substantial value of total assets has a greater incentive to decrease audit report lag and accelerate the publishing of financial reporting to the public because there are controls from investors, regulators and society. Higher external pressures force them to report on time. A large company has stronger internal controls, which are able to reduce the number of errors on financial reports, and mean the report can be relied on and trusted by the auditor, so it does not need intensive checking.

2.3 Company Profit

Profit, as explained by Pradhono and Yulius (2004), is net profit during one year before extraordinary accounts are added, as stated on the profit and loss report. Extraordinary accounts or items are events or transactions that have a material

effect, are expected to occur less often and do not come from any repetitive factors in normal company activity (APB Opinion No. 9 in Ghozali and Chairiri, 2007).

According to Febrianto and Widiastuty (2005), the three types of accounting profit, which are gross profit, operating profit and net profit, are useful for measuring the efficiency of the manager in managing the company. Investors and creditors are certain that the measurement of performance is an indication of the better conditions and prospects of the company in the future. The assessment of a company's performance is based on the information on the profit and loss reports which presents the information on gross profit, operating profit and net profit.

2.4. Solvency

Solvency is defined as the ability of a company to fulfil its financial obligations in either the short term or the long term (Rahardjo, 2005:121). According to Kasmir (2010: 151), the solvency ratio is used to measure how far the assets of company would go towards paying the company's debt. Incurring a high amount of debt will affect the future of the company because the company could be stuck with a high level of debt, which can be difficult to pay off. Therefore, a company must balance the amount of company debt and pay attention to the sources that could be used to guarantee the payment of the debt.

There are five measurements that can determine solvency in a company, according to Fahmi (2012: 62), which are debt to total assets ratio, debt to equity ratio, times interest earned, fixed charge coverage and times interest earned. However, according to Kasmir (2010: 155), there are seven kinds of solvency ratio, which are the debt to assets ratio (DAR) (or debt ratio), debt to equity ratio, long-term debt to equity ratio, tangible assets debt coverage, current liabilities to net worth, times interest earned and fixed charge coverage. This research is in line with Andika's (2015) research, which states that the indicator used to measure the solvency of a company is the DAR because this ratio can indicate the health of a company.

2.5. Public Accountant Size

In order to increase the quality and credibility of its financial reports, a company will hire an auditor who comes from a well-known public accountant office, which also has a good reputation. CPA firm is a public accountant organization, which has obtained its permission to operate in accordance with legislation and provides professional services as a public accountancy practice (Rachmawati, 2008). A public account office that meets such criteria consists of CPA firm affiliated with a large public accountant office, which is universally recognized by the Big Four worldwide accounting firms. The Big Four CPA firms have several branches, a sizeable number of clients and more than 25 professional staff (Arens et al., 2009).

Hence, it can be concluded that a company collaborating with a large public accountant office tends to deliver their audited financial report to the public on time.

3. DEVELOPMENT OF HYPOTHESES

3.1. Influence of Company Size on Audit Report Lag

The research results of Megayanti and Budiartha (2016) explains that company size negatively affects audit report lag. This is because companies that have gone public or large companies have good internal control systems, which can reduce the number of errors in presented financial reports, making it easier for the auditor to audit the financial reports. Aristia et al. (2016) also confirms that company size negatively affects audit report lag, and describes that this means the bigger the company size, the shorter the delays in the auditing process.

H_1: Company size negatively affects audit report lag.

3.2. Influence of Company Profit and Loss on Audit Report Lag

The research result from Megayanti and Budiartha (2016) stated that the company size affect negatively on audit report lag. The cause is the go-public company or big company which has good internal control system so that it could reduce errors in presenting financial report to make ease for the auditor in auditing the financial report. Then, Aristia et al (2016) stated that company size affect negatively on audit report lag which means the bigger the company size, the slower the delays of auditing process.

H_2: Company profit and loss negatively affects audit report lag.

3.3. Influence of Solvency on Audit Report Lag

The research of Artaningrum et al. (2017) shows that solvency positively affects audit report lag. High solvency reflects a high level of risk in company finances. The high level of risk of a company indicates that the company has been struggling financially. The public being aware of financial problems in a company is bad news, and may cause management to delay the financial report.

H_3: Solvency negatively affects audit report lag.

3.4. Influence of Public Accountant Office Size on Audit Report Lag

According to Arifin et al. (2016) CPA firm size negatively affects audit report lag. This is because a company has used an independent auditor service that is part of the Big Four and so has less audit report lag compared to a company that has used an independent auditor service that is not one of the Big Four firms.

H_4: CPA firm size negatively affects audit report lag.

4. DATA AND METHODOLOGY

The population of this research are infrastructure, utility and transportation companies that were listed and supervised officially by OJK from 2013–2015. The technique used to choose the sample was purposive sampling. The sample includes 57 observations from 19 companies during the period from 2013–2015, which were analysed using multiple regression analysis. Previously, classical assumption tests were conducted to ensure the data is free from problems such as normality, multicollinearity, autocorrelation and heteroscedasticity. SPSS version 22 (2017) is used to run the above statistical tests.

a. Descriptive Statistics

The most important characteristic of the samples is explained as follows. The variable of audit report lag (Time) has the widest standard deviation for 13.76 days needed to release the audit report. These include samples like Eka Sari Lorena Transport PLC (120 days) and Tower Bersama Infrastructure PLC (48 days). Meanwhile, the solvency variable (Solva) using debt to assets ratio (DER) shows the least standard deviation for 0.20. Pelayaran Nelly Dwi Putri PLC has lowest DER for 0.14 in 2015 whilst Tower Bersama Infrastructure PLC relies higher to debt with the DER ratio of 0.93 in 2015.

Results for Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TIME	57	48.00	120.00	82.0702	13.76312
SIZE	57	5.00	8.00	6.4737	.70976
PL	57	-6.00	7.00	2.5789	4.43584
SOLVA	57	.14	.93	.5405	.20377
CPAF	57	.00	1.00	.3158	.46896
Valid N (listwise)	57				

b. Normality Test

The level of normality was determined using the Kolmogorov-Smirnov test (K-S test). The normality level of the variables in a study can be seen from the value of Asymp. Sig. (two-tailed) on the Kolmogorov-Smirnov table. The 0.200 Asymp. Sig. (2-tailed) value which is higher than the 5% level of significant shows that the data used in this study is normally distributed.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		57
Normal Parameters[a,b]	Mean	.0000000
	Std Deviation	11.42596542
Most Extreme Differences	Absolute	.100
	Positive	.100
	Negative	-.085
Test Statistic		.100
Asymp. Sig. (2-tailed)		.200[c,d]

c. Multicollinearity Test

The level of normality can be determined using the variance influence factor (VIF). All four independent variables score less than 10, meaning that there is no multicollinearity among independent variables in this study regression model.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std Error	Beta			Tolerance	VIF
1	(Constant)	134.201	15.414		8.706	.000		
	SIZE	-6.482	2.440	-.334	-2.657	.010	.837	1.194
	PR	-1.206	.362	-.389	-3.336	.002	.976	1.024
	SOLVA	-13.081	8.360	-.194	-1.565	.124	.865	1.156
	CPAF	.047	3.747	.002	.012	.990	.813	1.230

a. Dependent variable: TIME

d. Autocorrelation Test

The autocorrelation test used in this research was the Durbin-Watson test. The DW score of 1.909 is more than upper bound score of 1.725 and concluded that there is no positive autocorrelation.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std Error of the Estimate	Durbin-Watson
1	.557[a]	.311	.258	11.85728	1.909

a. Predictors: (Constant), CPAF, PL, SOLVA and SIZE

b. Dependent variable: TIME

e. Heteroscedasticity Test

The heteroscedasticity test used in this research was the Glejser test. Since each variable has sig value more than 0.05, thus, there is no heteroscedasticity problem occurred.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	1.058	10.354		.102	.919
	SIZE	1.257	1.639	.115	.767	.446
	PL	.083	.243	.048	.342	.733
	SOLVA	-2.617	5.616	-.069	-.466	.643
	CPAF	.999	2.517	.060	.397	.693

a. Dependent variable: abs_res

4. FINDINGS AND DISCUSSION

4.1. Findings

After all the data was obtained for the selected samples using the SPSS application, the data was found to be free from problems, such as normality, multicollinearity, autocorrelation and heteroscedasticity, based on the results of the multiple regression analysis as follows:

TIME = 134.201 – 6.482 SIZE – 1.206 PL – 13.047 SOLVA + 0.047 CPAF + e

Where:
TIME = Audit report lag
α = Constant
β1-β4 = Regression Coefficient
SIZE = Company Size
PL = Income Statement
SOLVA = Solvency Level
CPAF = CPA Firm Size
e = Error

The following table reveals the results of the t test:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std Error	Beta			Tolerance	VIF
1	(Constant)	134.201	15.414		8.706	.000		
	SIZE	-6.482	2.440	-.334	-2.657	.010	.837	1.194
	PL	-1.206	.362	-.389	-3.336	.002	.976	1.024
	SOLVA	-13.081	8.360	-.194	-1.565	.124	.865	1.156
	CPAF	.047	3.747	.002	.012	.990	.813	1.230

a. Dependent variable: TIME

With a significance level of 5%, the company size variable negatively and significantly affects the audit report lag, which can be seen from the result $t_{calculated}$ is greater than t_{table} (2.657>1.67469). For the constant significance testing and independent variable, the previous table shows a value of 0.010 < α (0.05). Therefore, H0 is rejected and Ha is approved. In conclusion, when company size increases then audit report lag decreases.

The next variable is company profit and loss, which is assessed using comprehensive income, which negatively affects audit report lag statistically. It is seen that $t_{calculated}$ is greater than t_{table} (3.336>1.67469), which has a significance of 0.002. This significance level is smaller than the significance level, which is 5% or 0.05. Therefore, H0 is rejected and Ha is approved. In conclusion, when company size increases, then audit report lag decreases.

The third variable is the solvency variable, which is assessed using the debt to total asset ratio. The total for t_{table} is smaller than for $t_{calculated}$ (1.565<1.67469). As this has a significance of 0.124 > α (0.05), H0 is approved and Ha is rejected. In conclusion, solvency has no significant effect on audit report lag.

The CPA firm size variable is assessed using a dummy variable with a value of 1 for the Big Four CPA firms and a value of 0 for CPA firm other than the Big Four. The total value of t_{table} is smaller than for $t_{calculated}$ (0.12<1.67469), and has a significance of 0.990 > α (0.05). Therefore, H0 is approved and Ha is rejected. In conclusion, CPA firm size has no significant effect on audit report lag.

The coefficient of determination (R2) is used to measure how well the independent variable is able to explain the dependent variable. The following is the table of the test results for the coefficient of determination:

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.557[a]	.311	.258	11.85728	1.909

a. Predictors: (Constant), CPAF, PL, SOLVA, SIZE

b. Dependent variable: TIME

The total for R^2 is 0.311 or 31.1%. It means that 31.1% of the independent variable is audit report lag; this can be explained using four independent variables, which are company size, income summary, solvency and CPA firm size. The remainder of 68.9% (100% - 31.1%) can be explained by other variables outside this research.

4.2. Discussion

4.2.1. The Influence of Company Size on Audit Report Lag

Company size is assessed using the total assets, and is found to negatively affect audit report lag. Generally, a large-scale company is put under the spotlight by actors such as investors, stock supervisors and the government. Therefore, a large company is under high pressure to quickly publish its financial reports so they can be used for business decision-making. A large company will also allocate a greater amount of finances for audit fees in order to have a shorter audit report lag. This means that, regarding the time taken to publish the financial report of a company, a large-scale company will always have a shorter audit report lag compared to a small-scale company. In this research, Hypothesis 1 is accepted.

4.2.2. The Influence of Company Profit and Loss on Audit Report Lag

The company profit and loss is found to negatively affect audit report lag. The higher the income of a company, the fewer the number of days of audit report lag. The audit report lag is shorter because the company wants to more quickly inform the stock holders of 'good news'. Profit is one of the important indicators for shareholders in the company. In this research, Hypothesis 2 is accepted.

4.2.3. The Influence of Solvency on Audit Report Lag

Solvency has no influence on audit report lag. This can be seen from the stable company solvency number, which has no relation to the diverse audit report lag values. It shows that, regardless of whether the company has big or small debts, the auditing process for the financial report of a company will not be affected by the level of debt. This is because the auditor will certainly have allowed sufficient time and has the skill to complete the auditing process taking into account the company's debt. The result is not consistent with the theories. Therefore, the level of debts that a company has will not affect the time taken to audit the financial report of company. In this research, Hypothesis 3 is rejected.

4.2.4. The Influence of CPA Firm Size on Audit Report Lag

The results show that Big Four and Non-Big Four CPA firms have spent relatively the same period of time for completing an audit. The experience and understanding of the industry by any CPA firm is shown by the number of clients they have audited. While the Big Four CPA firms itself is a group of international accountancy offices that deals with the biggest audit projects for public companies, has branches with a great number of clients and has more than 400 professional staff. However, the companies that are working in the infrastructure, utility, and transportation sectors often use firms other than the Big Four CPA firms with variety of results for audit report lag. This shows that choosing the Big Four CPA firms does not have a significant effect on audit report lag. In this research, Hypothesis 4 is rejected.

Rank	Firms	Revenue ($ millions)	Partners	Professionals	Total Employees
1	Delloite	16,147.00	3,033	55,552	70,603
2	PwC	12,200.00	2,892	35,350	49,000
3	Ernst & Yo	11,190.00	3,000	30,600	39,400
4	KPMG	7,889.00	1,960	22,994	30,903

The following is the list of international CPA firms in Indonesia:

No.	Firms	Affiliation
1	Haryanto Sahari & Rekan	PricewaterhouseCoopers
2	Osman Bing Satrio & Rekan	Deloitte Touche Tohmatsu
3	Purwantono, Sarwoko & Sandjaja	Ernst & Young Global
4	Siddharta & Widjaja	KPMG International
5	Aryanto, Amir Jusuf, Mawar & Saptoto	RSM International
6	Doli, Bambang, Sudarmadji & Dadang	BKR International
7	Hadori Sugiarto Adi & Rekan	HLB International
8	Hendrawinata Gani & Rekan	Grant Thornton International
9	Johan, Malonda, Astika & Rekan	Baker Tilly International
10	Kanaka Puradiredja, Suhartono	Nexia International
11	Mulyamin Sensi Suryanto	Moore Stephens International Limited
12	Paul Hadiwinata, Hidajat, Arsono, Ade Fatma & Rekan	PKF International
13	Santoso Harsokusomo, Irwan & Rekan	Crow Horwath International
14	Tjiendradjaja & Handoko Tomo	Mazars
15	Rama Wendra	Parker Randall International
16	Tanubrata Sutanto & Rekan	BDO Global Coordination

5. CONCLUSION

The size of a company has a significantly and negatively influences audit report lag. This can be interpreted to mean that the larger the company is, the shorter the audit report lag will be. A big company usually has an appropriate internal control system, which makes it easier for the auditor their job. A large-scale company may be placed under the spotlight of many parties, including the investors, the capital supervisors and the government, all of which demanded that the financial report of the company is published soon enough that it can be used to make decisions on the business.

a. The profit and loss of a company plays a significant role in terms of negatively influencing audit report lag. This means that the higher the profit of a company will reduce the number of days of audit report lag. Audit report lag will be shorter because the company will want to inform the investors of the 'good news' as soon as possible. Profit is one of the important indicators that can often receive the attention of the parties involved with the company.
b. In this research, solvency was not found to have a significant influence on audit report lag. Whether the company has a large or small total amount of money will not affect the auditor's process for working on and completing the audit of the financial report of the company. This is because the auditor that was appointed has allowed time and has the ability to progress audit based on the debt.
c. The CPA firm size studied on this research does not have a significant influence on audit report lag. The time for the completion of the audit is not much different regardless of whether the audit is performed by one of the Big Four CPA firms or a firm other than the Big Four CPA firms. The number of clients that a CPA firm has in one industry reflects their experience and understanding of the environmental conditions of the companies that have been audited; this is not only true for the Big Four CPA firms, but firms other than the Big Four CPA firms.

The implications are as follows:

a. The company size, which is an internal factor, has a negative influence on audit report lag. This means that the management of a big company is encouraged to deliver the financial report on time; the reason being that these companies are being monitored strictly by investors, capital supervisors and the government. Also, a big company usually has a complete organization structure; for example, they have an internal guard unit, which is more professional, and the audit committee can hasten the process of the audit that is conducted by the external auditor.

b. The profit and loss of a company is another internal factors that plays a significant negative role in the audit report lag. This means that an increase in the profit for a company will lessen the audit report lag. The reason why the audit report lag is shorter for a company that faces increasing profit is because the company wants to inform the investors of the 'good news' as soon as possible, so they wish to make the audit period as short as possible. Thus, the company must pay attention to the company's performance so that the company can create a high profit for itself.

The suggestions for future research are as follows:

a. For the next researchers, it is recommended to dig further not only into what is limited by the variables but also by adding more variables to be investigated. This is simply because, in this study, the variables that were considered only covered 31.1% of the factors that could affect the audit report lag. This means that 68.9% of factors that could affect audit report lag, such as liquidity, auditor's opinion, meetings of audit committee, company type and other factors, have not yet been researched.
b. For the next researchers, it is suggested that they study companies that works in field other than infrastructure, utilities and transportation, whether the company has been listed on the BEI or not; for example, a company that operates in mining or banking.
c. For the next researchers, it is suggested that they extend the period of investigation, such as using a five-year period of investigation or perhaps more than five years, which could give a tangible result.
d. For the auditors, it is suggested that they work in a field in which they are as experienced as possible. This is so that the work can be done effectively and efficiently. Furthermore, it will help the auditor deliver an audit results report that is appropriate to the auditing procedure and standards that have been issued by the Institute of Indonesian Public Accountant. This will mean the audit report meets the requirement of BAPEPAM-LK No. KEP-431/BL/2012, which stipulates the delivery of the yearly financial report to BAPEPAM-LK not longer than four months after the end of the last year's book or 120 days after the book was closed.
e. For the company, it is recommended that the management should monitor and evaluate the company's performance so that it produces profit for the ongoing period, and may even grow the profit from the previous period. In addition, they should provide the financial report on time and to meet what is required in paragraph 43 of the applicable Financial Accounting Standard Statement No. 1 regarding the presentation of the financial report. If there are unnecessary delays to the delivery of the report, the information that is produced will lose its relevance. One of the indicators for relevance is the report being delivered on time (timeliness).
f. For the future investors or the investors whose duty is to determine the financial data of the company, making an accurate consideration or prediction is used to establish the investment. Investors should be careful if the company exhibits any tardiness in delivering the financial report that has been audited for BAPEPAM-LK and the financial firm because the fact that a report has been produced does not guarantee its relevance.

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