Journal of Islamic Economics& Social Science
JIESS
Journal Homepage: http://publikasi.mercubuana.ac.id/index.php/jiess
e-ISSN: 2722-7111 | p-ISSN: 2722-7499

Determinants of the Accuracy of Islamic Banking Financial Reporting in Indonesia (Empirical Study on Indonesian Islamic Banking Listed on the IDX in 2018-2020)

Muhammad Apriansyah Putra[1]; Yusmaniarti [2]; Hesti Setiorini [3]

[1] mrianp0304@gmail.com, Universitas Muhammadiyah Bengkulu, Indonesia
[2] yusmaniarti@umb.ac.id, Universitas Muhammadiyah Bengkulu, Indonesia
[3] hestisetiorini@umb.ac.id, Universitas Muhammadiyah Bengkulu, Indonesia

Article Info:

Keywords:
Profitability;
Liquidity;
Leverage;
Company Size;
Timeliness of Financial Reporting

Article History:
Received : April 13, 2022
Revised : May 11, 2022
Accepted : May 16, 2022
Available online : May 22, 2022

Article Doi:
http://dx.doi.org/10.22441/jiess.2022.v3i1.006

Abstract:

The timeliness of financial reporting can affect the value of benefits for users of financial statements. The delay in financial reporting is a bad image in the seen of investors and other external parties. This study aimed to determine the effect of profitability, liquidity, leverage, and firm size on the timeliness of financial reporting. The sample of this study was taken by using the total sampling method. The sample is the financial statements of Islamic banks from the last 3 years consisting of 15 Islamic banking companies with 45 research data (3 years x 15 sample companies). The data collection techniques of this used documentation and literature studies that were taken from the official website of the Indonesia Stock Exchange, namely www.idx.co.id as secondary data The technique of analyzing the data used descriptive statistical tests and hypothesis testing. The results of this study indicate that Profitability, Liquidity, and Leverage have no effect on the timeliness of the company's financial reporting. This can be seen from the P values Profitability: 0.900, Liquidity 0.338, Leverage 0.192 which is greater than the significance level of 0.05, and the size of the company has an effect on the timeliness of the company's financial reporting. This can be seen from the P values which are smaller than the limit of significance value of 0.000 0.05 Hence, simultaneously profitability, liquidity, leverage, and firm size affect the timeliness of financial reporting.

Introduction

The development of the capital market in Indonesia is currently increasing very rapidly and of course, in the future, the investment business will become so complex, with a very tight level of competition, especially in the effort to provide and obtain information in every decision making. One of the important sources of information in the investment business in the capital market is the financial statements provided by each public company. Go public companies are required to submit their financial statements because financial statements are the final result of a company as a form of corporate responsibility to convey various existing information regarding the company's activities (Pratiwi, 2021).

Every company that goes public must submit financial statements that are prepared under financial accounting standards and have been audited on time (Afriyeni & Marlius, 2019). The demand for compliance with timeliness in the submission of public financial reports in Indonesia has been regulated in Law no. 8 of 1995 concerning the Capital Market. This regulation states that issuers and public companies are required to submit annual financial reports that have been audited by an independent accountant, no later than the end of the fourth month (120 days) after the date of the company's financial statements. 36/PM/2003 concerning Obligations to Submit Financial Reports periodically.

Financial statements are records of a company's financial information in an accounting period that can be used to describe the company's performance. Financial statements have the objective of conveying information related to the financial situation, performance, and cash flow of the company and are useful for reporting users to make economic decisions and convey accountability in the use of resources (Febriana, 2021). Information in published financial statements is an important tool to show the financial position and results achieved in a company. The financial data will be more meaningful when compared and analyzed further so that data can be obtained that forms the basis for interested parties to support economic decisions taken (Sukarman & Sugiar, 2017).

Timely financial reporting is important for investors because it will reduce uncertainty in making economic decisions and the unequal distribution of financial information among stakeholders may harm various parties, including the company. Financial statements that are presented too late will cause the information to lose its relevance in influencing the economic decisions of users, where the information serves as a forecast (predictive) and confirmation (Setiawati et al., 2021). Therefore, a financial report must be submitted on time so that the information contained in the financial report does not lose its relevance. Financial reports submitted on time or late will cause the information contained in the financial statements to lose value and will affect the quality of decisions that will be taken later.

Before losing the opportunity to influence decisions, it would be better if the information was already available at the time of decision making. The financial reports submitted are used by interested parties, especially investors to maximize the value of their investments. Investors consider the decision to invest in one company by comparing the financial statements presented by each company. Investors such as shareholders or company owners from outside parties need financial reports to find out the rate of return on investment and help them decide whether to buy, hold or sell company shares.

Based on the Basic Framework for the Preparation and Presentation of Financial Statements Financial Accounting Standards, financial statements must meet four qualitative characteristics which are characteristics that make financial statement information useful to its users. The four characteristics are understandable, relevant, reliable, and comparable. Timeliness in submitting financial statements can affect the benefits for users of financial statements (Studi et al., 2021). Timeliness is one of the important factors in presenting relevant information. Financial statements will be said to be useful if the information is provided on time to decision-makers before the information loses its ability to influence decision-making (Suryadi, 2021).

Timeliness is the period or length of days required to announce the audited annual financial statements to the public, from the closing date of the company's financial year to the date of submission to the Capital Market Supervisory Agency (Bapepam) (Sitinjak & Tobing, 2020). Timeliness implements that financial statements should be presented at a time interval, meaning to explain changes in the company that may affect users of information when making predictions and decisions. If there is an undue delay in financial reporting then the information provided will lose its relevance. Several previous studies regarding the factors that affect the timeliness of financial reporting, including research conducted by (Sintia et al., 2021) explain that solvency, leverage, and profitability influence the timeliness of financial reporting, while company size does not affect the accuracy of financial reporting. time and financial reports. (Sitinjak & Tobing, 2020) in their research results show that leverage, profitability and company age do not affect the timeliness of financial reporting, while liquidity influence the timeliness of financial reporting.

In the research of Afriyeni & Marlius (2019) profitability and company size affect the timeliness of submitting financial reports, while liquidity and leverage show the opposite. Research conducted by Sukarman & Sugiar (2017) shows that audit opinion and company size partially affect the timeliness of financial reporting, while profitability partially does not affect the timeliness of financial reporting.

Meanwhile, Suryadi's research (2021) explains that partially profitability, company size, company age, auditor's opinion, ownership structure, and leverage do not affect the timeliness of financial reporting. Febriana's research (2021) shows that profitability has no significant effect on the timeliness of financial reporting, while solvency, liquidity, and firm size influence the timeliness of financial reporting.

There are differences in the results carried out by previous studies. However, there are several factors in that study that greatly affect the timeliness of financial statements, namely profitability, liquidity, leverage, and firm size. Therefore, researchers are interested in using the variables of profitability, liquidity, leverage, and firm size as the basis for research because these four variables most influence the timeliness of financial reporting.

Profitability is one indicator of the company's success to be able to generating profits. According to Nurmiati in Sitinjak & Tobing (2020) The higher the level of profitability, the higher the company's ability to generate profits for the company. Companies that have high profitability can be said that the company financial statements contain good news and companies that experience good news will tend to submit their financial reports on time (Syahputri & Kananto, 2020). This also applies if the company's profitability is low which is bad news, so the company tends not to be on time in submitting its financial statements. Study Sintia et al., (2021) and Afriyeni & Marlius (2019) that profitability affects the timeliness of financial reporting while research Febriana (2021), Setiawati et al., (2021) and Suryadi (2021) shows that profitability has no effect.

Another factor is liquidity, namely the ability to meet short-term obligations of a company (Clinica & Orrore, 2017). Companies that can meet short-term obligations on time can be said that the company is in a liquid state. Companies that have a high level of liquidity indicate that the company can pay off its short-term debt. The more liquid something is, the more time it is in submitting financial statements because it has the urge to immediately report to the public (Praditya Syalfiar & Ftiriani, 2019).). Companies with this condition will be more timely in submitting financial statements. Research result Febriana (2021) and Sitinjak & Tobing (2020) states that liquidity affects the timeliness of financial reporting while research conducted by Praditya Syalfiar & Ftiriani (2019) and Afriyeni & Marlius (2019) mention otherwise. In addition to profitability and liquidity, the next factor is leverage.

Leverage is used to measure the level of company assets financed by the use of debt (Yusra et al., 2017). A company that has high financial leverage means it has a lot of debt to outsiders. This means that the company has a high financial risk because it is experiencing due to high debt. Companies tend not to be on time in submitting their financial statements when experiencing financial difficulties, while companies that are not experiencing financial difficulties will tend to be on time in submitting their financial statements. Because financial difficulties are also bad news, companies with this condition tend not to be on time in their financial reporting. Research conducted Praditya Syalfiar & Ftiriani (2019) and Sintia et al., (2021) states that Leverage affects the timeliness of financial reporting while the research conducted E Janrosl (2018), Sitinjak & Tobing (2020) and Afriyeni & Marlius (2019) states that Leverage does not affect the timeliness of financial reporting.

In addition, company size is also the most influential factor in the timeliness of financial reporting. Company size can be interpreted as a scale where a company can be classified into large companies or small companies in various ways (Setiawati et al., 2021). Company size can be assessed in several ways. The size of the company size can be based on the total value of assets, total sales, market capitalization, number of workers, and so on. The greater the value of these items, the larger the size of the company (E Janrosl, 2018). Total assets become one of the indicators to assess the size of a company. The greater the total assets owned by the company, it can be interpreted that a lot of capital is invested, the more sales, the more turnover of money, as well as the greater the market capitalization, the greater the opportunity for the company to be known by the wider community.

The larger the size of the company, the more resources it has, more sophisticated accounting staff and information systems, and a strong internal control system so that the completion of financial reports will be faster. Companies that fall into the large category will be more timely in reporting financial statements to the public, whereas large companies have a lot of information that must be submitted to the public as stakeholders *(principal)* (Pratiwi, 2021). According to research Syahputri & Kananto (2020), Sukarman & Sugiar (2017) and Pratiwi (2021) explains that company size affects the timeliness of financial reporting, while research Setiawati et al., (2021) and Sintia et al., (2021) explained that the size of the company does not affect the timeliness of financial reporting.

The reason of researcher chose banking companies as research objects are because banking is one group of companies that play an active role in the capital market to support the real sector in the Indonesian economy. Banking is a company that is currently in great demand by investors because the yield or return on shares that will be obtained is promising. Banks are currently one of the central economic institutions in people's economic life since the development of traffic or financial transactions that are increasing rapidly and covering the global region.

Based on data obtained from research Syahputri & Kananto (2020) regarding the timeliness of submission of financial statements of banking companies on the Indonesia Stock Exchange for the period 2016-2019. The number of companies that report financially on time is 80% of the total number of banking companies listed on the Indonesia Stock Exchange, while 20% of them are late in reporting their financial statements. While the research conducted Gafar et al., (2017) shows that during the last 4 years 2010-2014 the companies engaged in the banking sector on average were 81% punctual in submitting financial reports.

This research is important because the timeliness of financial reporting can affect the value of benefits for users of financial statements. Delay in financial reporting is a bad image in the eyes of investors and other external parties. Therefore, the more timely financial reporting, the more useful the information in it, and users of financial statements can make better and faster decisions.

Based on the description of the background phenomenon and the inconsistency of the results of previous research, motivates the interest of researchers to conduct research with the title " Determinants of the Accuracy of Islamic Banking Financial Reporting in Indonesia (Empirical Study on Indonesian Islamic Banking Listed on the IDX in 2018-2020)".

Literature Reviews

Timeliness of financial reporting

Timeliness is the company's ability to complete financial reports on time. One way to measure the transparency and quality of financial reporting is timeliness. Timeliness of financial reporting is the period of announcing the audited annual financial statements to the public from the closing date of the company's books (December 31) until the date of submission to Bapepam-LK (Nurmiati, 2016). Financial statements are the language of business because they contain information about the company's financial condition to its users. So the more timely the submission of financial reports, the more accurate the information contained in them.

Profitability

Profitability is a company's ability to generate profits. The greater the profitability ratio, the better the company's performance so that the company will tend to provide financial information to other interested parties. Profitability is often used as a measure of the performance of a company's management, as a measure of the efficient use of company capital, and as the main focus of shareholders because they expect income on investment in the form of dividends. Profit is considered important by investors because it is assumed that high profits will also increase the stock market price so companies that announce low profits will affect the market value and decrease the assessment of the company's financial performance. In this study, profitability is measured by ROE (Return On Equity), which is to measure net profit after tax with own capital. The higher the ratio, the better, because the company's position will be stronger. Researchers use Return On Equity (ROE) because the Return On Equity (ROE) is the ability of a company to generate profits on its capital.

Liquidity

Liquidity is the ability to meet the short-term obligations of a company. Companies that can meet short-term obligations on time can be said that the company is in a liquid state. Companies that have a high level of liquidity indicate that they company has a high ability to cover short-term obligations. This is good news that should be made public immediately. Therefore, the more liquid the company is, the more time the company is in terms of submitting financial statements. Liquidity in this study is proxied by the current ratio (CR), namely by dividing current assets (current assets) with current debt(current liabilities). The reason the researcher chose the Current Ratio (CR) is that the Current Ratio (CR) is the ratio used to state the company's ability to meet all of its short-term obligations that will soon mature using its current assets.

Leverage

Leverage is the company's ability to meet its financial obligations on time. This ratio can be proxied by the Debt to Equity Ratio (DER), which is to see how much the company is financed by debt by adding to the company's capital. The reason the researcher chooses the Debt to Equity Ratio (DER) is that it explains the company's funding sources. The higher the total debt, the higher the risk of business failure. This affects the image and value of the company.

Company size

Company size is the size, scale, or variable that describes the size of the company based on several provisions, such as total assets, log size, market value, shares, total sales, total income, total capital, and others. In determining the size of the company, it can be seen in terms of total asset value, total sales, large capitalization, number of human resources, and so on. The larger these values, the larger the size of the company. Company size is measured by transforming the total assets owned by the company into the form of a natural logarithm. Company size is projected using Log Natural Total Assets. The natural logarithm (Ln) is used to reduce the significant difference between the size of the company that is too large and the size of the company that is too small, so from the total assets, a natural logarithm (Ln) is formed which aims to make the total asset data normally distributed. The logarithm of total assets shows that the greater the company's assets, the greater the exponential number.

Research Model, Hypotheses, and Method
Research model

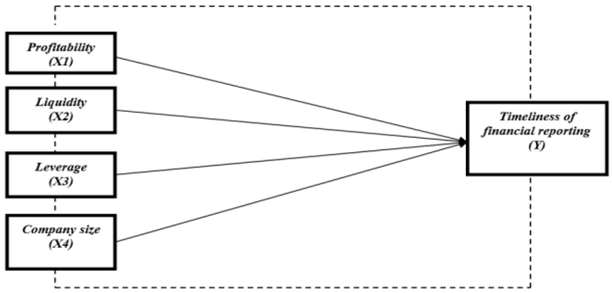

Figure 1: Research Model

Information:

The effect of the independent variable partially

The influence of independent variables simultaneously

 p-ISSN: 2722-7499
e-ISSN: 2722-7111

Method

This study used a quantitative approach, namely research that uses numerical data in presenting data reports and analysis using statistical tests. The method used in this study is a descriptive method where the data in this descriptive method is more varied, which can be in the form of numbers and can also be in the form of words.

The population is a generalization area consisting of subjects or objects that have certain capacities and characteristics determined by the researcher to be studied and also so that conclusions can be drawn. The population in this study was the Financial Statements of Indonesian Islamic Banking. The sample is part of the number and characteristics possessed by each population (Putri Romadhan & Satrio, 2019). The sampling technique used in this research was the total sampling technique. The total sampling technique is a sampling technique if all members of the population are used as samples. The sample in this study is the financial statements of Islamic banks from the last 3 years consisting of 15 Islamic banking companies.

The technique used in this research was the descriptive-analytical technique, which is a technique that describes the history of data usage to then see a comparison of an event, by digging into depth data to provide insight into events and answer what has happened. The variable in this study has 1 dependent variable, namely Timeliness of financial reporting (Y), and 4 independent variables, namely Profitability (X1), Liquidity (X2), Leverage (X3), and Company size (X4).

This study used data collection techniques documentation and literature study. Where documentation Documentation was secondary data collection by viewing or copying working paper notes or records of events that have passed which are considered related to research. In this study, the researchers used secondary data obtained through the company's annual financial report from the official website of the Indonesia Stock Exchange, namely www.idx.co.id. While the literature study used in this research was sourced from journals, theses, books on Islamic economics, accounting books, and books related to research variables.

In this study, data analysis used descriptive statistical analysis so that it can describe the variables that exist in this study. Descriptive analysis is an analysis used to analyze data by describing or explaining data. Data processing in this study using the PLS program (Partial Least Square).

Results and Discussion

Results

Descriptive statistics are statistics used to analyze data by describing or describing the data that has been collected as it is without the intention of making generally accepted conclusions or generalizations. The descriptive statistical analysis aims to describe the characteristics of the research sample which includes the average value, maximum value, minimum value, and also the standard deviation. Based on the data processing using PLS (Partial Least Square) which includes timeliness, profitability (ROE), liquidity (CR), leverage (DER), and company size (LN) it can be seen the average (mean), minimum value, maximum values, and standard deviations are shown in table 1:

Table 1: Descriptive Statistics

Variabel	N	Min	Max	Mean	Standard Deviation
Timeliness	45	0,000	1,000	0,889	0,314
Profitability	45	-0,001	0,260	0,063	0,068
Liquidity	45	0,000	18,885	6,644	4,738
Leverage	45	0,000	6,076	1,578	1,410
Company Size	45	0,000	32,810	29,057	6,407

Source: Smart PLS 3 Output Data

Based on the descriptive statistics of the research variables in the table above, it can be explained as follows:

The minimum value for the punctuality variable is 0 which means it is not on time, while the maximum value is 1 which means it is on time. Meanwhile, the timeliness of the submission of financial reports obtained an average of 0.889 and the standard deviation of the variables was 0.314.

Profitability calculated using Return On Equity (ROE) has a minimum value of -0.001 and a maximum value of 0.260. While the average value is 0.063 with a standard deviation of 0.068. Liquidity (CR) has a minimum value of 0.000 and a maximum value of 18.885. While the average is 6.644 with a standard deviation of 4.738. Leverage (DER) has a minimum value of 0.000 and a maximum value of 6.076. While the average is 1.578 with a standard deviation of 1.410. Company size has a minimum value of 0.000 and a maximum value of 32.810. While the average value is 29,057 with a standard deviation of 6,407.

p-ISSN: 2722-7499
e-ISSN: 2722-7111

In this study, only a validity test was conducted because the construct in this research model is a formative construct. Formative constructs are formed by forming indicators (formative). The forming indicators in this research are Return On Equity which forms profitability, Current Ratio which forms liquidity, Debt to Equity Ratio which forms leverage, natural logarithm which forms company size, and Dummy variable which forms the timeliness of financial reporting.

The formative construct test in the measurement model test can only be done with a validity test, while the reliability test cannot be done because the indicators in a latent variable are assumed to be uncorrelated. The formative construct validity test can be seen from the bootstrapping output which will produce the T-statistics value which is reflected in the outer weight. The results of the bootstrapping output based on this research are shown in Figure 2:

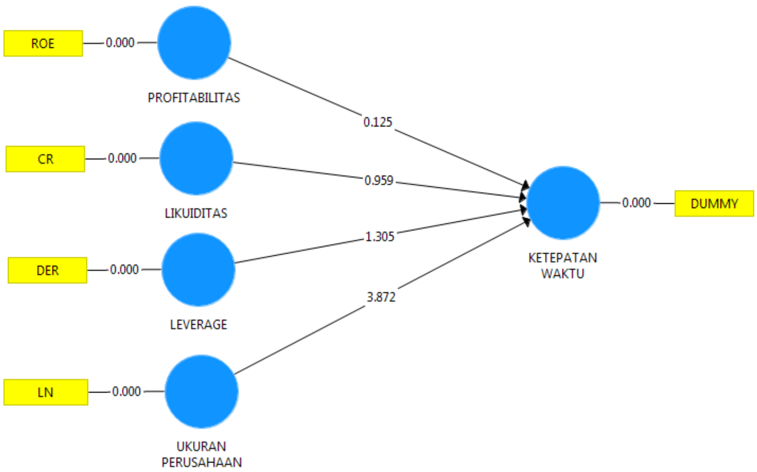

Figure 2: Bootstrapping Output Results
Source: Smart PLS 3 Output Data

The results of the bootstrapping output above present the T-statistics value to be able to determine the validity of each indicator to measure the construct and the T-statistics value is useful in measuring the significance of the independent variable in influencing the dependent. The output shows that all independent variables directly affect the dependent variable. The results of T-statistics show that the profitability indicator is 0.125, liquidity is 0.959, leverage is 1.305, and company size is 3.872. The following is the outer weigh table to find out the value of T-statistics in testing the validity of the constructs shown in table 2:

Tabel 2: *Outer Weight*

	Original Samples (O)	Conclusion
CR <- Liquidity	1,000	Valid
DER <- Leverage	1,000	Valid
DUMMY <- Timeliness	1,000	Valid
LN <- Company Size	1,000	Valid
ROE <- Profitability	1,000	Valid

Source: Smart PLS 3 Output Data

Based on the table above, the results can be interpreted as follows:

The Return on Equity indicator that forms profitability does not have a T-statistics value because the profitability variable only has one indicator, so it is assumed to be valid and able to measure the profitability variable.

The Current Ratio indicator that forms liquidity does not have a T-statistics value because the profitability variable only has one indicator, so it is assumed to be valid and able to measure the liquidity variable.

The Debt to Equity Ratio indicator that forms leverage does not have a T-statistics value because the profitability variable only has one indicator, so it is assumed to be valid and able to measure the leverage variable.

The natural logarithm indicator that makes up the size of the company does not have a T-statistics value because the profitability variable only has one indicator, so it is assumed to be valid and able to measure the company size variable.

p-ISSN: 2722-7499
e-ISSN: 2722-7111

To test whether all independent variables affect the dependent variable, then the path coefficient test is carried out. Path coefficients indicate the level of significance in hypothesis testing, which can be seen from the P Values with a significance level of less than 0.05 the independent variable is considered to affect the dependent variable. The results of this test are obtained from the bootstrapping process which can be seen in Table 3 below:

Tabel 3: ***Path coefficients***

Variables	Original Samples (O)	P Values
Profitability -> Timeliness	-0,013	0,900
Liquidity -> Timeliness	-0,234	0,338
Leverage -> Timeliness	0,395	0,192
Company Size -> Timeliness	0,831	0,000

Source: Smart PLS 3 Output Data

Based on the results of the table above, it can be explained as follows:

Profitability shows the P Values of 0.900, then the P Values is greater than the limit of the significant value of 0.05. Therefore, the hypothesis can be drawn that Profitability does not affect the Timeliness of Financial Reporting.

Liquidity shows the P Values of 0.338, so the P Values are greater than the stipulation limit for a significant value of 0.05. Therefore, the hypothesis can be drawn that Liquidity does not affect the Timeliness of Financial Reporting.

Leverage shows the P Values value of 0.192, then the P Values value is greater than the stipulation limit for a significant value of 0.05. Therefore, the hypothesis can be drawn that Leverage does not affect the Timeliness of Financial Reporting.

Company size shows a P Values of 0.000 which is smaller than the stipulation limit for a significant value of 0.05. Therefore, the hypothesis can be drawn that Firm Size affects the Timeliness of Financial Reporting.

R Square is the contribution of the influence given by the independent variable (X) to the dependent variable (Y), in other words, the value of R Square is useful for seeing how much influence the variable X contributes simultaneously to variable Y. The value of R Square can be seen in Table 4 below :

Tabel 4: ***R Square***

	R Square	R Square Adjusted
Timeliness	0,461	0,407

Source: Smart PLS 3 Output Data

The table above shows the R Square value of 0.461, when viewed from the r table value with df = 43, the r table value is 0.2483. Then the value of R Square is greater than the value of the r table, meaning that the independent variable has a simultaneous effect on the dependent variable. Therefore, it can be concluded that the hypothesis that Profitability, Liquidity, Leverage, and Firm Size simultaneously affect the Timeliness of Financial Reporting.

Discussion

Based on the results of the research described above, for the effect of the variables Profitability, Liquidity, Leverage, and Company Size on the Timeliness of Financial Reporting. either partially or simultaneously are as follows:

1) Profitability Has No Effect on Timeliness of Financial Reporting

The results of the test show that the Profitability variable does not affect the Timeliness of Financial Reporting. This can be seen from the significance level of profitability which shows a significance value of 0.900 which is greater than the significance level of 0.05. So the first hypothesis which states that profitability affects the timeliness of reporting is rejected, H1: rejected.

The results of this test are in line with research conducted by Febriana (2021), Setiawati et al., (2021) and which shows that profitability does not affect the timeliness of financial reporting. But this study is not in line with the results of research conducted by Sintia et al., (2021) and Afriyeni & Marlius, (2019) which explains that profitability affects the timeliness of financial reporting.

The researcher concludes that profitability does not affect the timeliness of financial reporting in Indonesian Islamic Banking listed on the IDX in 2018-2020. The results of the study support the hypothesis which says that there is no influence of profitability on the timeliness of financial reporting, a company that can generate high profits is not necessarily punctual.in submitting their financial statements, and vice versa,

 p-ISSN: 2722-7499
e-ISSN: 2722-7111

uncertainly companies that generate low profits are not timely in submitting their financial statements. This is in line with research Saputri (2015) which states that profitability does not affect the timeliness of submitting financial statements.

The results of this study are not under signal theory, where profitability should be good news for companies that must be immediately submitted to the public so that it will increase the timeliness of submitting financial reports. However, companies with high profitability are not a guarantee that they will be on time in reporting their financial statements. This is because the high and low profitability tends not to affect the timeliness of financial reporting (Udayana, 2017).

2) Liquidity Has No Effect on Timeliness of Financial Reporting

The results of testing the liquidity variable show that liquidity does not affect the Timeliness of Financial Reporting. This can be seen from the significance value of 0.338, which is greater than the significance level of 0.05. so that H2 in this study is rejected, meaning that liquidity does not affect the timeliness of financial reporting.

The results of this study are in line with research conducted by Praditya Syalfiar & Ftiriani (2019) and Afriyeni & Marlius, (2019) which states that liquidity does not affect the timeliness of financial reporting. However, these results contradict the research conducted by Febriana (2021) and Sitinjak & Tobing (2020) states that liquidity affects the timeliness of financial reporting.

Researchers can conclude that liquidity does not affect the timeliness of financial reporting in Indonesian Islamic Banking listed on the IDX in 2018-2020. This is because the size of the company's ability to pay its short-term debt does not affect the timeliness of submitting financial statements (Anissa et al., 2019). Companies that have high liquidity are not always on time in submitting financial statements and companies that have low levels of liquidity are also not always late in submitting their financial statements. Companies that are on time and companies that are not on time do not consider the level of liquidity they have (Gusriadi, 2018). So that the timeliness of submitting financial statements is not determined by the size of the liquidity level of a company, even though this ratio is something that attracts the attention of investors and creditors.

This is following the compliance theory in which companies continue to submit financial reports based on demands for compliance with the timely submission of financial reports as regulated in Law no. 8 of 1995 concerning the capital market and further regulated in OJK Regulation Number 29/POJK.04/2016 concerning the annual report of issuers or public companies.

3) Leverage Has No Effect on Timeliness of Financial Reporting

The results of testing the Leverage variable show that leverage does not affect the Timeliness of Financial Reporting. This can be seen from the significance value of 0.192, which is greater than the significance level of 0.05. so that H3 in this study is rejected, meaning that leverage does not affect the timeliness of financial reporting.

The results of this study are in line with research conducted by E Janrosl (2018), Sitinjak & Tobing (2020) and Afriyeni & Marlius (2019) states that Leverage does not affect the timeliness of financial reporting. However, these results contradict the research conducted by Pradita Syalfiar & Ftiriani (2019) and Sintia et al., (2021) states that leverage affects the timeliness of financial reporting.

Researchers can conclude that leverage does not affect the timeliness of financial reporting in Indonesian Islamic Banking listed on the IDX in 2018-2020. Companies that have a high leverage ratio do not necessarily mean that the company is late in submitting financial statements. The existence of demands from other parties such as investors and creditors who carry out supervision makes the company continue to submit its financial statements even though they are not as expected. Then some auditors want to complete financial reports on time according to OJK regulations and can make financial reports stay on time for publication.

This is under the compliance theory in which companies continue to submit financial reports based on demands for compliance with the timely submission of financial reports as regulated in Law no. 8 of 1995 concerning the capital market and further regulated in OJK Regulation Number 29/POJK.04/2016 concerning the annual report of issuers or public companies.

4) Company Size Affects Timeliness of Financial Reporting

The results of the test show that the Firm Size variable affects the Timeliness of Financial Reporting. This can be seen from the significance level of Company Size which shows a significance value of 0.000 which is smaller than the significance level of 0.05. So the fourth hypothesis which explains the company size affects timeliness of financial reporting acceptable, H4 : acceptable.

This results is in line with the research conducted by (Syahputri & Kananto, 2020), (Sukarman & Sugiar, 2017) and (Pratiwi, 2021) which explains the company size affects timeliness of financial reporting. In other hand, it is different with the research results conducted by (Setiawati et al., 2021) and (Sintia et al., 2021) which descibes the company size does not affect timeliness of financial reporting.

Researchers can conclude that company size affects the timeliness of financial reporting in Indonesian Islamic Banking listed on the IDX in 2018-2020. The larger the size of a company, the more resources and information systems the company has. Large companies must have been supported by adequate facilities so that the interest of always completing financial reports will be resolved more quickly. Large companies also have more knowledge about existing regulations, therefore large companies are more obedient to regulations regarding punctuality than small companies. In addition, large companies will be more likely to maintain a good image of the company in the eyes of the public so that public trust in the company is maintained.

This is following signal theory, where large companies have many sources of information, more accounting staff, sophisticated information systems, strong internal controls, investor supervision, regulators, and the public spotlight will give positive signals to investors. It can also strengthen the relationship between shareholders (principals) and company management (agents). Where agency theory is closely related to financial information which, if delivered on time, is very useful for the wearer. Agency theory is one way to better understand the information economy by expanding the relationship between one individual to two individuals, namely the agent and the principal.

5) Profitability, Liquidity, Leverage, and Company Size Affect the Timeliness of Financial Reporting

Based on the results of the tests conducted, shows that profitability, liquidity, leverage, and firm size simultaneously affected the timeliness of financial reporting. This can be seen from the value of the r table with df = 43, the value of the r table is 0.2483. Then the value of R Square is greater than the value of the r table, meaning that the independent variable has a simultaneous effect on the dependent variable. So H5 in this study is acceptable, meaning that profitability, liquidity, leverage, and firm size simultaneously affect the timeliness of financial reporting.

Results of this test are in line with research conducted by Sintia et al., (2021) and Febriana (2021) which explains that profitability, liquidity, leverage, and firm size simultaneously affect the timeliness of financial reporting.

Conclusion

This study aims to determine an analysis of the factors that affect the timeliness of financial reporting in Indonesian Islamic Banking. Based on the results of the analysis, the conclusions that can be drawn from this research are as follows:

1) Profitability, Liquidity, and Leverage did not affect the timeliness of financial reporting in Indonesian Islamic Banking listed on the IDX in 2018-2020.
2) Company size affects the timeliness of financial reporting in Indonesian Islamic Banking listed on the IDX in 2018-2020.
3) Profitability, Liquidity, Leverage, and Company Size simultaneously affected the timeliness of financial reporting.

Suggestions

Based on the results of the discussion and conclusions in this study, there are several suggestions that researchers can convey:

1) For further research, you can add research samples, periods, and the latest period so that it can reflect current conditions. Future researchers are expected to add other independent variables and other variables that can affect the timeliness of financial reporting. So that the research results are more significant to predict the timeliness of financial reporting more precisely and accurately.
2) The proxy used for the independent variable is not only one proxy. so that the results obtained can be better and wider than this research.
3) For company management, it is better to analyze the timeliness of the company's financial reporting to have compliant with reporting its financial statements on time according to the rules that have been set.

References

Afriyeni, A., & Marlius, D. (2019). Analisis Faktor-Faktor Yang Berpengaruh Terhadap Ketepatan Waktu Penyampaian Laporan Keuangan Pada Perusahaan Yang Listing Di Bursa Efek Indonesia. 1–17. https://doi.org/10.31219/osf.io/rv4qf

Anissa, N., Kristianto, D., & Widarno, B. (2019). Pengaruh Profitabilitas, Likuidasi, ukuran Perusahaan, umur Perusahaan dan opini Audit Terhadap ketepatan Waktu pelaporan keuangan (Studi Kasus pada perusahaan sub sektor otomotif dan komponen yang terdaftar di BEi tahun 2012-2017). Jurnal Akuntansi Dan Sistem Teknologi Informasi, 15(8), 278–290.

Clinica, L. A., & Orrore, D. (2017). Analisis Faktor-faktor yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan (Studi Empiris pada Perusahaan Perbankan yang Terdaftar di BEI Tahun 2016-2020)". 413–420.

E Janrosl, V. S. (2018). Analisis Pengaruh Leverage, Ukuran Perusahaan Dan Profitabilitas Terhadap Ketepatan Waktu Pelaporan Keuangan Pada Perusahaan Perbankan. Jurnal Benefita, 3(2), 196. https://doi.org/10.22216/jbe.v3i2.3464

Febriana, N. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan (Studi

Empiris pada Perusahaan Manufaktur Sektor Industri Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia Periode 2015-2019). E-JRA: Jurnal Ilmiah Riset Akuntansi, 10(03), 94–103.

Gafar, A., Malisan, L., & Irwansyah, I. (2017). Faktor-Faktor yang Mempengaruhi Ketepatan Waktu Penyampain Laporan Keuangan pada Perbankan yang Terdaftar di Bursa Efek Indonesia. Forum Ekonomi, 19(1), 53. https://doi.org/10.29264/jfor.v19i1.2280

Gusriadi, D. (2018). Pengaruh Profitabilitas, Leverage, Likuiditas dan Kepemilikan Manajerial Terhadap Ketepatan Waktu Pelaporan Keuangan (Studi Empiris Pada Perusahaan Manufaktur Yang. 321–334.

Praditya Syalfiar, S., & Ftiriani. (2019). Analisis Faktor-Faktor yang Mempengaruhi Ketepatan Waktu Penyampaian Laporan Keuangan di Indonesia. Simposium Nasional Akuntansi XVI, I, 86–119.

Pratiwi, Z. M. E. (2021). Institut Agama Islam Negeri. 23, 57168.

Saputri, R.T.L. (2015). Pengaruh Profitabilitas, Ukuran Perusahaan, Debt To Equity Terhadap Ketepatan Waktu Penyampaian Laporan Keuangan (Studi pada Perusahaan Asuransi yang Terdaftar di BEI). JURNAL Akuntansi & Keuangan Vol. 6, No. 1, Maret 2015 Halaman 111 - 127, 16(1994), 1–27. http://eprints.ums.ac.id/37501/6/BAB II.pdf

Setiawati, E., Putri, E., & Devista, N. D. (2021). Pengaruh Profitabilitas, Ukuran Perusahaan, Kepemilikan Institusional, Dan Komite Audit Terhadap Ketepatan Waktu Pelaporan Keuangan. Jurnal Ekonomi Pembangunan STIE Muhammadiyah Palopo, 7(1), 56. https://doi.org/10.35906/jep01.v7i1.749

Sintia, I., Malikah, A., & Hariri. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan (Studi Empiris Pada Perusahaan Perbankan Yang Terdaftar Di Bursa Efek Indonesia Periode (2016-2019). E-JRA: Jurnal Ilmiah Riset Akuntansi, 10(06), 80–89.

Sitinjak, T., & Tobing, V. C. L. (2020). Analisis Faktor-Faktor Yang Mempengaruhi Ketepatan Waktu Penyampaian Laporan Keuangan Perusahaan Manufaktur Di Bursa …. Scientia Journal: Jurnal …. http://ejournal.upbatam.ac.id/index.php/scientia_journal/article/view/2312

Studi, P., Ekonomi, F., Bisnis, D. A. N., & Surakarta, U. M. (2021). Nanda devista b200160344.

Sukarman, & Sugiar. (2017). Analisis faktor-faktor yang mempengaruhi yang mempengaruhi ketepatan waktu penyampaian laporan keuangan. Jurnal Agribisnis, 11(6), 183–201.

Suryadi, H. (2021). Analisis Faktor yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan pada Perusahaan Consumer Goods Terdaftar Di Bursa Efek Indonesia Periode 2016-2018. Jurnal Riset Inspirasi Manajemen Dan Kewirausahaan, 5(2), 27–39. https://doi.org/10.35130/jrimk.v5i2.246

Syahputri, L. L., & Kananto, R. K. P. (2020). Analisi Faktor-Faktor Yang Mempengaruhi Ketepatan Waktu Pelaporan Keuangan (Studi Empiris pada Perusahaan Perbankan yang. Sekolah Tinggi Ilmu Ekonomi Indonesia, Jakarta, 1–15.

Udayana, E. A. U. (2017). Pengaruh Profitabilitas Dan Ukuran Perusahaan Terhadap Ketepatan Waktu Pelaporan Keuangan Dengan Opini Audit Sebagai Pemoderasi. E-Jurnal Akuntansi, 20(2), 1592–1620. https://doi.org/10.24843/EJA.2017.v20.i02.p26

Yusra, I., Hadya, R., Fernandes, J., Ekonomi, F., & Ekasakti, U. (2017). Likuiditas , Financial Leverage , Dan Prediktabilitas Beta : Pendekatan. 2(1), 81–91.