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Factors: Factors affecting the timeliness of internet financial reporting

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Abstract
With the development of the times it makes information technology systems develop rapidly as well. So with the advancement of information technology that is currently available, it makes it easier for companies to provide the necessary information for users of financial statements. The current rapid development of information technology systems is the progress of the internet in disseminating excellence in companies which of course can attract investors or what is called Internet Financial Reporting.This article reviews what factors influence the timeliness of internet financial reporting. By using a literature review, we can find out what are the factors that can affect the timeliness of the internet financial reporting from other researchers.

Keywords: Timeliness, Internet Financial Reporting

1. Introduction

The rapid development of information technology systems at this time, namely the availability of the internet, of course there are many changes in disseminating information to the public. Currently the internet is used by companies as a means of communication. With the existence of corporate financial reporting on the internet, it builds communication to investors who need information related to a company's financial statements to assess a company's financial performance before deciding to invest their money in the company. Keumala & Muid (2013) [18] stated that Internet Financial Reporting is seen as a tool in conveying information more effectively to customers, investors and shareholders so that it can create a positive impression and corporate image.

The company's financial reports are disseminated via the internet which can generally be accessed on the company's website. The internet offers a unique form of disclosure that becomes a medium for companies to provide information to the wider public as soon as possible (Abdelsalam *et al*., 2008) [1]. Financial reports are prepared by management with the aim of being responsible for the duties assigned by the company (Baridwan, 2003). According to Bapepam in 2017, every company that goes public has an obligation to submit financial reports prepared in accordance with financial accounting standards and have been audited on time. Companies that are late in submitting financial reports in a timely manner will be subject to administrative sanctions and fines in accordance with the provisions stipulated by law.

SAK (2002) states that financial statements are part of the financial reporting process including balance sheets, profit and loss statements, statements of capital changes, notes and other reports as well as explanatory material that is an integral part of financial statements. Relevant information will be useful for users if it is available on time between the presentation of the desired information and the frequency of reporting the information. If the information is not delivered in a timely manner, it will cause the information to lose value in affecting the quality of decisions (IAI, 2002). Based on OJK regulation No.8 / POJK.04 / 2015 regarding websites of issuers or public companies in article 2, which states that Issuers or Public Companies are required to have a Website. The website contains company information or data related to the company that is easy for other users to access through the internet network system to increase transparency while increasing access to shareholders and other stakeholders to the actual and up-to-date information of the Issuer or Public Company as the application of governance principles. good corporate governance by Issuers or Public Companies.

The timeliness of delivering the company's financial statements greatly affects the level of benefits and value of the report (Maryati, 2014) [24]. The timeliness of submitting financial reports is in accordance with the copy of the Decree of the Chairman of BAPEPAM Number: KEP346 / BL / 2011 dated 5 July 2011 which states that the annual financial statements must be submitted no later than the end of the third month after the date of the annual financial statements. Although in practice there are still some companies that go public late in submitting their financial reports. The timeliness of financial reports is a significant characteristic of accounting information.

Outdated information is less useful for market participants in their investment decision-making process (Owusu, 1994).

2. Literature Review

2.1 Agency Theory

Agency Theory (Agency Theory), describes the relationship that occurs between the agent and the principal which causes the emergence of information asymmetry and ultimately leads to conflict (Debreceny *et al*., 2002) [5]. In Kusrinanti (2012), there are three types of agency relationships, namely 1) Bonus plan hypothesis that explains agency relationships can lead to information asymmetry between management and shareholders. 2) Debt / equity hyphothesis which explains that there is a relationship between leverage and the choice of accounting procedures. 3) Political cost hypothesis which explains that large companies tend to come under public pressure, which is overcome by the company's efforts to publish financial reports on time.

2.2 Signal Theory

Jogiyanto (2000) in Widaryanti (2011) [29] suggests that signal theory discusses how success or failure signals of management (agents) should be conveyed to owners of capital (principles). Signaling theory can be used to predict the quality of company disclosures, namely by using the internet as a medium for company disclosure to improve the quality of disclosure (Almilia, 2008) [3].

Signal theory is used to predict the quality of voluntary reports through the website so that companies are able to provide positive signals for parties with an interest in the current state of the company and the company's prospects in the future (Darmayoni, DM & Dwirandra, AANB, 2020).

2.3 Financial statements

According to Fahmi (2011: 22) [9] The financial report is information that describes the condition of a company, which then becomes information that describes the performance of a company.

2.4 Internet Financial Reporting

The existence of the internet has resulted in the evolution of financial reporting from conventional designs in the form of printed annual reports to contemporary internet-based financial reporting (Lipunga, 2014) [22]. According to Mooduto (2013) [25], Internet Financial Reporting (IFR) is a company financial mechanism through the internet or through a website owned by the company. In implementing IFR, each company usually has its own reasons.Companies classified as implementing IFR are companies that report financial information, interim financial reports, and / or complete annual reports through the company's website (Khan & Ismail, 2011) [19]. Financial Accounting Standards Board(FASB) mentions several motives behind the financial reporting through a company's website, namely:

1. Reducing the cost and time to distribute information
2. Communicate with unknown information users
3. Complementing the usual practice of disclosing information in print (traditional) format
4. Increase the amount and type of data being disclosed
5. Increase access to potential investors for small companies

2.5 Timeliness of Submitting Financial Statements

According to IAI (2007), the purpose of financial statements is to provide information regarding the financial position of a company that is useful for a large number of users in making economic decisions. Relevant information will be useful to users if it is available in a timely manner before the user loses the opportunity or ability to influence the decisions to be taken.

2.6 Profitability

Profitability is an indicator of the success of a company to make a profit. Therefore, the higher the profitability, it means the higher the company's ability to generate profits for the company. Companies that have high profitability can be said that the company's financial statements contain good news and companies that experience good news will tend to submit their financial reports on time (Alexius, 2012) [2].

2.7 Audit Opinion

Opinion sheet, which is the responsibility of the public accountant, where the public accountant gives his opinion on the fairness of the financial statements prepared by management and is the responsibility of management (Fitrah Qulukhil, 2016) [11].

2.8 Company Size

Company size can be measured from the size of a company size which can be based on total asset value, total sales, market capitalization, and so on. The bigger the assets, the more capital invested, the more sales, the more money circulation and the greater the market capitalization, the greater it is known in the community (Fitri and Nazira, 2009) [12].

2.9 Company Age

The age of the company is usually a consideration for investors to invest in the company. If a company can be established for a long time, then that company can maintain its position in the competition in the industrial world which is currently getting tighter. Basically, companies are established for an indefinite period of time, not only for a few years (Kieso *et al*, 2008) [20].

2.10 Liquidity

Liquidity is the level of a company's ability to pay short-term obligations (Boubaker *et al*., 2012) [8]. It can be concluded that liquidity reflects the funds owned by a company to me*et al*l its debts that are due.

3. Methods

This article uses a literature review to determine the factors that affect the timeliness of internet financial reporting.

4. Result & Discussion

Advances in information technology have encouraged companies to submit financial reports in a timely manner via the internet to facilitate the dissemination of necessary information on investment potentials and opportunities before the information loses its ability to influence investment decisions. Timely financial reporting is an important part of financial reporting where the reported financial statements will reduce asymmetric information. When a company sets aside financial reporting to the public, the information can no longer be used for decision making.

Dolinšek *et al*., 2014, stated that each country has a different quality of Interent Financial Reporting because each country does not have standards for companies to report financial through the website and is still voluntary. There are several factors that affect the timeliness of Internet Financial Reporting, namely

4.1 Profitability
Companies that have high profitability can be said that the company's financial statements contain good news and companies that experience good news will tend to submit their financial reports on time. This also applies if the company's profitability is low, which contains bad news, so that companies tend not to submit their financial reports on time. Profitability is an indicator of a company's success to be able to generate profits so that the higher the profitability, the higher the company's ability to generate profits for the company.
Research on the relationship between profitability and timeliness of financial report submission by Hilmi and Ali (2008) [13] found empirical evidence that profitability has a significant effect on the timeliness of financial statement submission.

4.2 Audit Opinion
Audit opinion is a standard audit reporting that requires the auditor to convey an opinion on the financial statements of several kinds of auditor's opinion. (Hilmi and Ali, 2008) [13] stated that the delay in submitting financial reports is positively related to the audit opinion given by public accountants and companies that do not receive an unqualified opinion have a longer audit delay because the company is considered to submit poor financial reports, this indicates that the report For those who receive an unqualified opinion, they will be more timely in submitting their financial reports than companies that obtain an opinion other than an unqualified opinion.

4.3 Company Size
Almilia and Setiady (2006) argue that company size can show how much information is contained in it, as well as reflect the awareness of management about the importance of information, both for external parties and for internal parties. Large companies tend to present financial reports more timely than small companies. Research conducted by Ifada (2009) [14] shows that company size has a significant effect on the timeliness of financial reporting.

4.4 Company Age
Companies that have a longer career life tend to have flexibility in handling changes that will occur. This makes the company able to present financial reports in a more timely manner. The company will definitely feel the changes that occur during its operations when the company has been around for a long time. Research conducted by Almalia and Setiady (2006) shows that company age has an effect on the level of timeliness of financial reporting.

4.5 Liquidity
Liquidity is the company's ability to pay off short-term obligations. The more liquid the company is characterized by the higher the company's ability to pay off its short-term debt and the tendency to publish audited financial reports on time. Information about the company's liquidity level can make investors confident to invest in the company concerned. Research by Marwati (2016) [23] and Insani & Agustina (2015) [17], shows that liquidity has an effect on the timeliness of internet financial reporting.

5. Conclusion
The presence of the internet in this era of globalization has a very positive impact on users of corporate financial statements making it easier for users of financial statements to access the companies they want to target. Companies that submit their financial reports to the public in a timely manner are very good for market players, because the company's fundamentals can encourage the creation of investments provided by investors and can indirectly help the economy by giving trust to all stakeholders.
Based on the research results, the factors that influence the timeliness of internet financial reporting are:
1. Profitability
2. Audit Opinion
3. Company Size
4. Company Age
5. Liquidity

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