Economics & Business Solutions Journal
Volume 09, Number 02, 2025, Page 199-219

An Empirical Review of Audit Delay : Firm Size as Moderating Variable

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ABSTRACT
This study aims to investigate the influence of auditor quality and company profitability on audit delay, with company size serving as a moderating variable. A quantitative research approach is employed, utilizing audited financial report data from manufacturing firms listed on the Indonesia Stock Exchange for the period 2021 to 2023. The sample is selected using a purposive sampling technique, comprising 127 companies over a three-year observation period, resulting in a total of 381 observations. The analysis is conducted using multiple regression and moderated regression analysis (MRA), processed with SPSS version 25. The findings reveal that auditor quality does not significantly affect audit delay, whereas profitability and company size exert a significant influence on audit delay. Furthermore, company size does not moderate the relationship between auditor quality and profitability on audit delay.
***Keywords**: Audit Delay, Auditor Quality, Profitability, Company Size*

INTRODUCTION

In recent years, the Indonesian capital market has undergone considerable transformation, evidenced by a steady rise in the number of companies pursuing initial public offerings (IPOs). This trend reflects a broader global movement where access to capital markets is increasingly seen as a strategic avenue for corporate growth. Between 2021 and 2023, the number of IPOs in Indonesia increased from 51 to 59 companies annually, resulting in a total of 825 listed firms on the Indonesia Stock Exchange (IDX) by the end of 2022 (IDX, 2022). This expansion has elevated the importance of transparent and timely financial disclosures, particularly for market participants who rely on audited financial statements to assess firm performance and risk.

Timely financial reporting is a cornerstone of market efficiency and investor confidence. According to the Financial Services Authority Regulation No. 14/POJK.04/2022, public companies in Indonesia are mandated to submit audited annual financial statements both to the regulator and the public. Delays in reporting may signal weak internal control systems, audit inefficiencies, or managerial intent to withhold unfavorable information, which can distort investor perceptions (Habib, Bhuiyan, & Islam, 2019). Empirical studies globally have demonstrated that timeliness

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

in audit completion significantly enhances the relevance and reliability of financial information and serves as a key input for equity valuation and lending decisions (Yasser, Soliman, &Aljaaidi, 2022).

One of the recurring challenges to achieving timely reporting is *audit delay*, defined as the number of days between the fiscal year-end and the issuance of the auditor's report (Al-Ghanem&Hegazy, 2011). Audit delay undermines the usefulness of financial disclosures, as outdated information may no longer reflect the firm's current condition or risks. In markets like Indonesia, where regulatory enforcement is tightening, delayed reporting not only results in reputational damage but also financial penalties—as exemplified in 2022, when the IDX sanctioned 31 issuers for late submission of interim reports, with penalties up to IDR 150 million.

Audit delay is influenced by a complex interplay of internal and external factors. Internally, firm-specific characteristics such as size, profitability, complexity of operations, and governance practices can affect the duration of the audit process. Externally, the expertise, reputation, and workload of the auditor also play a critical role (Abdillah et al., 2019; Al-Dhamari& Ismail, 2015). Nevertheless, findings in the literature remain inconclusive. Some studies report a negative association between profitability and audit delay, while others show no significant relationship or find firm size to be a moderating factor (Dao & Pham, 2014; Alqaralleh, 2021).

This study aims to contribute to this ongoing discourse by analyzing the impact of auditor quality and profitability on audit delay, with firm size as a moderating variable. Auditor quality is defined as the probability that an auditor will detect and report material misstatements, which has been shown to influence both the accuracy and timeliness of financial reporting (Francis, 2011). Profitability may increase the complexity of financial statements and thereby affect the audit effort and time required. Meanwhile, larger firms may benefit from more robust internal controls and dedicated audit teams, potentially moderating the effects of the other variables.

Manufacturing companies play a vital role in economic growth and job creation, making them significant subjects for studying audit delays. Their complex operations and regulatory compliance requirements introduce unique challenges that can hinder timely audits. Moreover, the reliance on diverse processes, advanced technologies, and industry-specific standards further complicates financial reporting. Understanding these

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dynamics is essential, as delays can impact financial transparency, investor confidence, and stakeholder relationships, ultimately influencing the overall stability and performance of the manufacturing sector.

By focusing on manufacturing firms listed on the IDX from 2021 to 2023, this study seeks to offer empirical insights that are both contextually relevant and theoretically grounded. The findings are expected to assist regulators, practitioners, and academics in understanding the determinants of audit delay and developing strategies to enhance reporting timeliness.

THEORETICAL BACKGROUND

Signal Theory

Signal theory provides a framework for understanding how companies communicate information to external stakeholders through financial disclosures. As articulated by Jama'an (2008), signal theory focuses on how firms convey meaningful cues—such as financial statements—to users of financial information to reduce information asymmetry. These signals typically include operational and financial indicators that help convey the firm's current condition to external parties, particularly investors and analysts.

The core premise of signal theory is that managers, possessing superior internal knowledge, have incentives to disclose credible and favorable information to distinguish their firm from others in the market (Spence, 1973). Financial reporting, therefore, acts as a deliberate signal aimed at shaping the perceptions of stakeholders and influencing their decisions. Timely publication of financial statements enhances transparency, allowing the market to evaluate the firm's performance more accurately. Consequently, when the firm anticipates positive results, it is more likely to expedite the release of its audited financial statements to capitalize on investor optimism.

In contrast, if the financial results are unfavorable or may raise concerns, management may intentionally delay the disclosure process. Such delays can be perceived by the market as a negative signal, potentially eroding investor confidence and triggering declines in the firm's stock price. Prolonged audit delays increase the risk that financial information becomes outdated and less useful in decision-making

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processes, thereby weakening its relevance and reliability (Marcelino&Mulyani, 2021; Al-Dhamari& Ku Ismail, 2015).

Recent literature also emphasizes that signaling through timely reporting serves not only to inform but also to build reputational capital in highly competitive environments. Firms that consistently deliver timely, high-quality financial disclosures tend to be rewarded with greater investor trust, lower cost of capital, and favorable market valuation (Kim, Li, & Li, 2019). Hence, the strategic management of audit timing becomes integral to how firms shape external perceptions and manage market expectations. In essence, signal theory underscores the informational value of financial reporting and its role in conveying the firm's underlying performance. Delays in financial disclosure may be interpreted as attempts to withhold negative information, which could harm the firm's credibility and investment appeal in capital markets.

Audit Delay

Audit delay refers to the time interval between the end of a company's fiscal year and the date on which the independent auditor issues their report. Utami (2006) defines audit delay as the duration required to complete the audit engagement, while Al-Ghanem and Hegazy (2011) describe it more precisely as the total number of days between the fiscal year-end date and the signing date of the audit report. This time lag serves as a crucial indicator of audit efficiency and is often associated with the credibility and timeliness of financial disclosures.

The auditor's capacity to complete fieldwork and finalize the audit process significantly affects the length of the audit delay. Extended procedures, such as complex evidence collection or intricate evaluations of internal controls, may prolong the audit timeline. To mitigate these risks, auditors typically engage in comprehensive audit planning that includes detailed time budgets for each audit phase. This allows for better scheduling and allocation of resources, ensuring the audit is completed within regulatory and contractual deadlines (Widosari, 2012; Knechel et al., 2019).

Audit delay can be influenced by both internal and external factors. Internally, firm-specific characteristics such as revenue size, operational complexity, profitability, solvency, company size, and managerial quality can significantly impact the audit process. Externally, factors such as auditor quality, audit firm reputation, and the nature of the audit opinion also play a critical role. For instance, larger or more complex firms

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may require additional audit procedures, while the presence of high-quality auditors may reduce audit delay due to better expertise and resource allocation (Habib&Bhuiyan, 2011; Afify, 2009).

Extended audit delay can compromise the relevance and usefulness of financial reports. Delayed disclosures reduce the informational value for investors and other stakeholders, potentially leading to decision-making under uncertainty. This diminishes market confidence, particularly if delays are interpreted as signals of poor performance or governance issues. Conversely, timely audit completion enhances the reliability and relevance of financial statements, supporting more informed investment and credit decisions (Blankley, Hurtt, &MacGregor, 2014).

Given its implications, audit delay is not merely a procedural issue but a strategic concern that reflects the interaction between firm-specific characteristics and auditor performance. As such, understanding the determinants of audit delay remains a vital area of research for improving audit quality and ensuring financial reporting transparency in capital markets.

Firm Size

Firm size is a multidimensional construct that reflects the scale of a company's operations and is commonly measured using indicators such as total assets, total sales revenue, or the number of employees (Suhardianto, Muda, &Purba, 2022). Larger firms typically possess more structured internal control systems, sophisticated accounting processes, and standardized financial reporting procedures (Sulistyawati et al, 2024). These attributes contribute to a reduced risk of material misstatements in financial statements, thereby facilitating the auditor's task and potentially accelerating the audit process (Sundgren&Svanström, 2014).

In addition, firms of substantial size are often more financially capable of engaging reputable audit firms and allocating greater resources toward audit-related activities. This financial flexibility enables them to bear higher audit fees, which may serve as an incentive for auditors to initiate fieldwork earlier and ensure timely completion of the audit engagement. The scale and resource availability in larger firms are also associated with improved audit preparedness, better documentation, and enhanced communication between management and auditors—all of which can reduce audit delay (Alzoubi, 2016; Nekhili et al., 2016).

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Moreover, large corporations are typically under greater scrutiny from regulators, investors, and analysts, prompting them to prioritize timely and high-quality financial disclosures. The reputational and legal consequences of delayed reporting are more pronounced for large firms, providing additional motivation for timely audit completion (Habib, UddinBhuiyan, & Islam, 2019). Consequently, firm size not only impacts audit complexity but also indirectly affects the efficiency and timeliness of audit execution.

Empirical evidence consistently supports the negative association between firm size and audit delay. Studies have shown that larger companies tend to experience shorter audit lags due to better internal processes, auditor expertise, and pressure to meet disclosure deadlines (Khasharmeh& Joseph, 2017; Abdullah et al., 2020). Thus, firm size emerges as a critical determinant in understanding variations in audit timeliness across different types of firms.

Relationship Between Auditor Quality and Audit Delay

Auditor quality refers to the likelihood that an auditor will detect and report material misstatements during an audit engagement (DeAngelo, 1981). High-quality auditors—often affiliated with Big Four firms—tend to complete audits more efficiently due to superior training, standardized procedures, and greater expertise, potentially reducing audit delay (Prianti& Abbas, 2022). Conversely, some studies suggest that auditor quality may not significantly affect audit timeliness, as even well-resourced audit firms can face delays due to client complexity or documentation issues (Utami et al., 2022). Recent empirical evidence offers mixed findings. While Big Four auditors are generally associated with shorter audit lags (Alqaralleh, 2021; Abdullah et al., 2020), other research indicates that audit delay is not solely determined by auditor type but also by organizational characteristics, audit scope, and regulatory factors (Knechel et al., 2019).

H1: Auditor quality has a significant effect on audit delay.

Relationship Between Profitability and Audit Delay

Profitability refers to a firm's ability to generate earnings over a defined period and reflects the efficiency of resource utilization (Salehi et al., 2022). Higher profitability signals strong managerial performance and financial health, often considered favorable by investors. Firms with positive financial results are more motivated to publish audited financial statements promptly to convey this "good news"

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to the market (Habib et al., 2019). Timely reporting reinforces investor confidence and may positively impact stock prices, particularly when earnings are strong. Conversely, delayed financial reporting, even in the presence of high profitability, may lead to negative investor perceptions and reduce trust. As a result, firms with strong earnings have an incentive to avoid audit delays to preserve market credibility and investment appeal (Yasser et al., 2022; Al-Dhamari& Ismail, 2015).

H2: Profitability has a significant effect on audit delay.

Relationship Between Firm Size and Audit Delay

Firm size reflects the scale of a company's operations and is commonly measured by total assets, revenue, or number of employees (Alqatamin, 2018). Larger firms typically exhibit stronger internal controls, better managerial oversight, and more sophisticated accounting systems, all of which contribute to faster audit completion. Additionally, large companies often face greater scrutiny from stakeholders, prompting timely financial reporting (Khasharmeh&Aljifri, 2020). Empirical research confirms that firm size negatively correlates with audit delay. Marcelino and Mulyani (2021) found that larger firms experience shorter audit lags due to enhanced audit readiness and skilled personnel capable of meeting tight reporting deadlines. As a result, size serves as a key predictor of audit timeliness in public companies.

H3: Firm size significantly influences audit delay.

Moderating Role of Firm Size in the Relationship Between Auditor Quality and Audit Delay

Auditor quality is often assessed based on the audit firm’s reputation, typically distinguished between Big Four and non-Big Four firms. Larger companies with extensive operations, complex financial structures, and high reporting standards tend to appoint Big Four auditors due to their greater technical expertise and capacity to meet tight deadlines (Francis, 2011). These auditors are more likely to complete audits efficiently, especially when working with firms that have robust internal controls and well-developed information systems. Firm size may strengthen the influence of auditor quality on audit delay, as large firms usually provide better audit support through well-organized documentation, experienced finance teams, and strong governance structures (Al-Harshani, 2021). This synergy between a high-quality auditor and a large, well-managed client may result in more timely audit completions.

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H4: Auditor quality significantly affects audit delay, and this relationship is moderated by firm size.

Moderating Effect of Firm Size on the Relationship Between Profitability and Audit Delay

Profitability reflects a company's ability to generate earnings over a specific period and is often linked to stronger management practices and operational efficiency (Salehi et al., 2022). Firms with higher profitability are typically more motivated to disclose financial results promptly, especially when the information presents a favorable signal to stakeholders. According to signal theory and compliance theory, timely disclosure of positive financial performance serves both as a strategic communication tool and a regulatory obligation (Yasser et al., 2022). Firm size may enhance this relationship, as larger firms generally possess more resources, efficient internal controls, and structured reporting systems that support faster audit completion. Empirical evidence by Marcelino and Mulyani (2021) supports the notion that firm size strengthens the effect of profitability on reducing audit delay, facilitating earlier publication of financial statements.

H5: Profitability has a significant effect on audit delay, moderated by firm size.

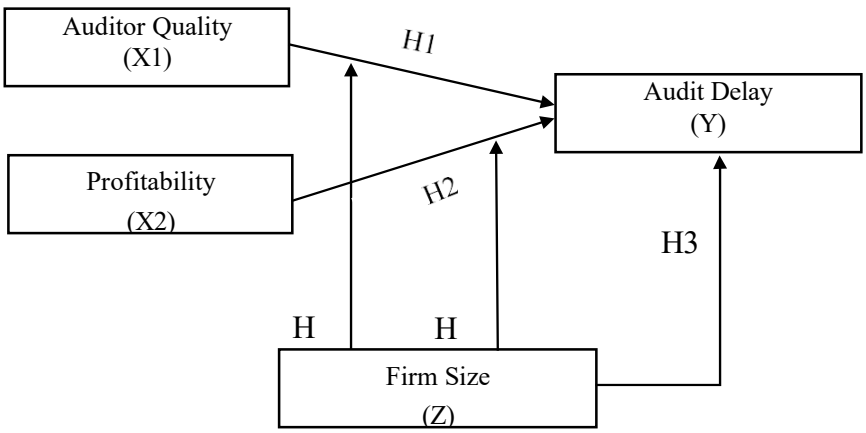

Figure 1. Theoritical Framework

METHOD, DATA AND ANALYSIS

The population in this study comprises all manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023 (Prasetyo&Jannah, 2019). A

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sample is a subset of the population that must represent the entire group under study. This research applies purposive sampling to select companies based on specific criteria, as follows:

1. Listed as manufacturing companies on IDX during 2021–2023.
2. Consistently submitted audited financial statements for the entire research period.
3. Reported financial data in Indonesian Rupiah.
4. Closed fiscal year on December 31.
5. Did not conduct an Initial Public Offering (IPO) between 2021–2023.
6. Were not delisted or suspended during the study period.
7. Provided complete data relevant to the study, such as audit report dates, total assets, net income, and auditor identity.

Table 1 : Operational Variable Definition

No.	Variable	Definition	Indicator / Measurement
1	Audit Delay (X1)	Audit delay refers to the length of time required by a company to complete the audit of its financial statements.	Audit Delay = Date of Audit Report – Balance Sheet Date
2	Auditor Quality (X2)	Auditor quality refers to the auditor's ability to detect and report material misstatements or violations in the company's financial reporting process.	Affiliation with Big Four audit firm = 1 Affiliation with non-Big Four audit firm = 0
3	Profitability (Z)	Profitability is the firm's capacity to generate earnings over a specific accounting period.	Net Profit / Total Assets (Return on Assets - ROA)
4	Firm Size (Y)	Firm size can be measured by various metrics such as total assets, total revenue, or number of employees.	Natural Logarithm of Total Assets (Ln Total Assets)

The hypothesis testing was conducted using multiple linear regression and Moderated Regression Analysis (MRA), along with classical assumption tests and hypothesis tests, supported by SPSS version 26.

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RESULTS

Based on the sampling criteria described above, a total of 127 companies were selected. With a three-year observation period, the total number of data points obtained was 381. The results of the normality test are presented in the following figure.

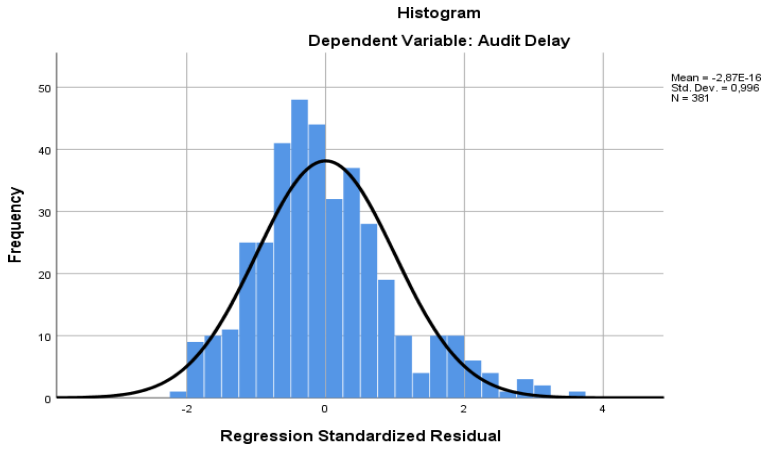

Figure 2. History Graphic

The results of the normality test are illustrated in Figure-1. The histogram reveals no significant skewness, indicating that the data distribution pattern approximates normality based on the visual analysis of the histogram. Subsequently, a statistical test was performed using the One Sample Kolmogorov-Smirnov Exact Test with Monte Carlo simulation to confirm whether the research data followed a normal distribution.

Table 2 : One-Sample Kolmogorov-Smirnov Test

N			381
NormalParameters[a,b]	Mean		,0000000
	Std. Deviation		23,06504865
Most Extreme Differences	Absolute		,063
	Positive		,063
	Negative		-,037
Test Statistic			,063
Asymp.Sig.(2-tailed)			,001[c]
Monte CarloSig.(2-tailed)	Sig.		,090[d]
	99% Confidence Interval	Lower Bound	,083
		Upper Bound	,098

Source : Processed secondary data, 2025

Table 3 presents the results of the normality test using the One Sample Kolmogorov-Smirnov Exact Test with Monte Carlo simulation, which produced a

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significance value of 0.090. Since this exceeds the 0.050 threshold, the data are considered normally distributed. These findings are consistent with the histogram analysis after outlier removal. Subsequently, a heteroscedasticity test was conducted, and the results are presented as follows.

Table 3: Heteroscedasticity Test Results

Correlations

			Auditor Quality	Profitability	Firm Size	Unstandardized Residual
Spearman's rho	Auditor Quality	Correlation Coefficient	1.000	.281**	.395**	.004
		Sig.(2-tailed)	.	.000	.000	.933
		N	381	381	38	381
	Profitability	Correlation Coefficient	.281**	1.000	.218**	.044
		Sig.(2-tailed)	.000	.	.000	.397
		N	381	381	38	381
	Firm Size	Correlation Coefficient	.395**	.218**	1.000	.004
		Sig.(2-tailed)	.000	.000	.	.934
		N	381	381	381	381
	Unstandardized Residual	Correlation Coefficient	.004	.044	.004	1.000
		Sig.(2-tailed)	.933	.397	.934	.
		N	381	381	381	381

**.Correlation is significant at the 0.01 level (2-tailed).

Source :Processed secondary data, 2025

As shown in Table 3, the significance values (2-tailed) for Auditor Quality (0.933), Profitability (0.397), and Firm Size (0.934) are all greater than 0.05. These Spearman rank test results indicate that no heteroscedasticity is present in the regression model. To verify that the regression model is free from multicollinearity, the Variance Inflation Factor (VIF) values are presented below.

Table 4: Multicollinearity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	189,923	23,907		7,944	,000		
	Auditor Quality	-2,597	3,086	-,045	-,841	,401	,779	1,284
	Profitability	-87,485	15,785	-,275	-5,542	,000	,914	1,094
	Firm Size	-3,266	,856	-,200	-3,814	,000	,813	1,230

a.Dependent Variable: Audit Delay

Source : Processed secondary data, 2025

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

As shown in Table 4 the multicollinearity test results indicate tolerance values ≥ 0.10 and VIF values ≤ 10. Thus, it can be concluded that no multicollinearity exists among the independent variables in this study. Then, an autocorrelation test was conducted, and the results are presented as follows.

Table 5: Autocorrelation Test Result

Runs Test

	Unstandardized Residual
Test Value[a]	-2,32077
Cases < Test Value	190
Cases >= Test Value	191
Total Cases	381
Number of Runs	186
Z	-,564
Asymp. Sig. (2-tailed)	,573

Source : Processed secondary data, 2025

Table 5 shows the autocorrelation test results, with a test value of -2.32077 and an Asymp. Sig. (2-tailed) of 0.573, which exceeds 0.05. This indicates that the residuals are random, confirming the absence of autocorrelation. The next step is to perform multiple regression analysis, with the results presented as follows.

Table 6: Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	189,923	23,907		7,944	,000
	Auditor Quality	-2,597	3,086	-,045	-,841	,401
	Profitability	-87,485	15,785	-,275	-5,542	,000
	Firm Size	-3,266	,856	-,200	-3,814	,000

a. Dependent Variable: Audit Delay

Source : Processed secondary data, 2025

The equation derived from the above analysis is as follows.

$$AD = \alpha + \beta 1AQ + \beta 2ROA + \beta 3\ FZ + e$$

$$AD = 189{,}923 - 2{,}597\ AQ - 87{,}485\ ROA - 3{,}266\ FZ + e$$

To examine the effect of the moderating variable, Moderated Regression Analysis (MRA) was employed. MRA, a specific application of multiple linear regression, incorporates interaction terms by multiplying two or more independent variables to

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

assess their combined influence.

Tabel 7: Moderated Regession Analysis (MRA)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
2	(Constant)	194,670	29,131		6,683	,000
	Auditor Quality	34,807	56,522	,606	,616	,538
	Profitability	-684,348	326,462	-2,148	-2,096	,037
	Firm Size	-3,447	1,045	-,212	-3,298	,001
	Auditor Quality*Firm Size	-1,326	1,953	-,680	-,679	,497
	Profitability*Firm Size	21,335	11,660	1,884	1,830	,068

a. Dependent Variable: Audit Delay

Source :Processed secondary data, 2025

The equation derived from the above analysis is as follows.

$$AD = \alpha + \beta1AQ + \beta2\ ROA + \beta3FZ + \beta4AQ*FZ + \beta5ROA*FZ + e$$

$$AD = 194{,}670 + 34.807\ AQ - 684{,}348\ ROA - 3{,}447\ FZ - 1{,}326AQ*FZ + 21.335\ ROA*FZ + e$$

Based on Table 6, the t-test results for Model 1 indicate that the independent variable Auditor Quality (X1) has a t-value of -0.841 with a significance level of 0.401. Since this value exceeds 0.05, it can be concluded that Auditor Quality (X1) does not significantly affect Audit Delay (Y). In contrast, the independent variable Profitability (X2) shows a t-value of -5.542 with a significance level of 0.000, indicating a significant negative effect on Audit Delay (Y). Similarly, the moderating variable Firm Size (Z) has a t-value of -3.814 with a significance level of 0.000, suggesting a significant negative influence on Audit Delay (Y).

Based on the t-test results for Model 2, the interaction between Auditor Quality and Firm Size shows a t-value of -0.679 with a significance level of 0.497, which exceeds the 0.05 threshold, indicating no significant effect. Meanwhile, the interaction between Profitability and Firm Size (X2*Z) produces a t-value of 1.830 with a significance level of 0.068, also above 0.05. Despite this, the findings suggest that Firm Size acts as a moderator that strengthens the relationship between Auditor Quality (X1) and Profitability (X2) with Audit Delay in a meaningful way.

The coefficient of determination test shows that the Adjusted R^2 for Model 1 is 0.147, indicating that 14.7% of the variation in audit delay is explained by the

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independent variables Auditor Quality (X1) and Profitability (X2). The remaining 85.3% is influenced by factors outside this research model. The coefficient of determination test for Auditor Quality (X1), Profitability (X2), Firm Size (Z), and the interaction terms Auditor Quality × Firm Size (X1*Z) and Profitability × Firm Size (X2*Z) shows an increase in Adjusted R^2 to 0.150. This indicates that 15% of the variation in Audit Delay (Y) is explained by the model, while the remaining 85% is influenced by other factors outside this research framework.

The F-test results for Model 1 show a significance level of 0.000, which is below the 0.05 threshold, indicating that Auditor Quality (X1) and Profitability (X2) jointly have a significant effect on Audit Delay. Similarly, in Model 2, the F-test also yields a significance value of 0.000. This confirms that Auditor Quality (X1), Profitability (X2), Firm Size (Z), and the interaction terms Auditor Quality × Firm Size (X1*Z) and Profitability × Firm Size (X2*Z) collectively have a significant impact on Audit Delay (Y).

DISCUSSION

The Effect of Auditor Quality on Audit Delay

Based on the t-test results, Auditor Quality shows a t-value of -0.841 with a significance level of 0.401. Since this value exceeds the 0.05 threshold, H1 is rejected, indicating that Auditor Quality has no significant effect on Audit Delay. This finding supports the study by Marbun&Simbolon (2021), which also found no significant relationship between Auditor Quality and Audit Delay. However, it contradicts prior research conducted by Prianti& Abbas (2022), Utami et al. (2022), and Margaretha&Suhartono (2016), who reported a significant influence of Auditor Quality on Audit Delay.

The results suggest that auditors, regardless of whether they belong to Big Four or non-Big Four firms, are bound by the same audit standards and obligations. Consequently, the speed of the audit process is not influenced by the auditor's affiliation. These findings align with compliance theory, which posits that both Big Four and non-Big Four firms adhere to applicable regulations and submit financial reports in a timely manner.

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

The Effect of Profitability on Audit Delay

As shown in Table 6, the Profitability variable has a t-value of -5.542 with a significance level of 0.000, which is below 0.05. Therefore, H2 is accepted, indicating that Profitability significantly influences Audit Delay. This finding is consistent with prior studies by Putra &Wiratmaja (2019), Asmedi&Kurniati (2022), and Marcelino&Mulyani (2021), which also confirmed that Profitability affects Audit Delay. These results suggest that audit duration is influenced by a company's level of profitability. Higher profitability tends to accelerate the audit process, as profitable firms generally demonstrate stronger management, leading to quicker preparation and disclosure of financial statements. This reduces the likelihood of audit delays, as highly profitable companies are motivated to promptly release positive financial news. Conversely, lower profitability may prolong the audit process, as more issues typically require auditor attention, increasing the potential for delays.

This outcome aligns with Signaling Theory, which emphasizes the need for firms to communicate important information to external stakeholders, particularly investors, to signal their competitive advantage. According to this theory, financial statements play a critical role in conveying the company's condition, influencing investor decisions and share prices. As such, firms with favorable financial results are likely to expedite the publication of financial statements to deliver positive signals, while those with less favorable results may delay disclosure. However, this result contradicts the findings of Margaretha&Suhartono (2016) and Sibarani (2022), who reported no significant relationship between Profitability and Audit Delay.

The Effect of Firm Size on Audit Delay

Based on the t-test results in Table 6, Firm Size shows a t-value of -3.814 with a significance level of 0.000. Since this value is below the 0.05 threshold, H3 is accepted, indicating that Firm Size significantly affects Audit Delay. This finding supports previous studies by Marcelino&Mulyani (2021), Sibarani (2022), and Utami et al. (2022), which also concluded that Firm Size influences Audit Delay. Larger firms tend to have stronger internal controls, more qualified personnel, and advanced technology, all of which enhance management performance and help reduce audit delays. This result aligns with Compliance Theory, which suggests that larger companies are more likely to adhere to regulations due to their greater responsibilities and ethical considerations.

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

Consequently, they are motivated to submit financial reports on time. However, this result contrasts with the study by Sirait (2021), which found no significant relationship between Firm Size and Audit Delay.

The Effect of Auditor Quality on Audit Delay with Firm Size as a Moderating Variable

Table 7 presents the hypothesis testing results, showing a t-value of -0.679 and a significance level of 0.497. Since this value exceeds 0.05, H4 is rejected, indicating that Auditor Quality does not significantly affect Audit Delay when Firm Size is considered as a moderating variable. This finding supports the study by Nugraheni&Putri (2020), which concluded that Firm Size does not moderate the relationship between Auditor Quality and Audit Delay. This may be attributed to auditors maintaining professional independence, making Firm Size irrelevant in influencing the effect of Auditor Quality on Audit Delay. However, this result contrasts with the findings of Margaretha&Suhartono (2016), who reported that Firm Size does moderate the relationship between Auditor Quality and Audit Delay.

The Effect of Profitability on Audit Delay with Firm Size as a Moderating Variable

According to the t-test results in Table 7, the interaction between Profitability and Firm Size yields a t-value of 1.830 with a significance level of 0.068. Since this exceeds the 0.05 threshold, H5 is rejected, indicating that Profitability does not significantly affect Audit Delay when moderated by Firm Size. This finding is consistent with previous studies by Nugraheni&Putri (2020), Cahyati& Anita (2019), and Muliantari&Latrini (2017), which also concluded that Firm Size does not moderate the relationship between Profitability and Audit Delay. One possible explanation is that large, profitable companies often require broader audit coverage, leading auditors to extend the audit process and increasing the likelihood of delays. This result is in line with Compliance Theory, which suggests that regardless of firm size, auditors issue opinions based on established standards, and companies are expected to submit financial reports on time. However, this conclusion contrasts with prior studies by Asmedi&Kurniati (2022), Marcelino&Mulyani (2021), and Putra &Wiratmaja (2019), which found that Firm Size does moderate the effect of Profitability on Audit Delay.

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

CONCLUSIONS

The results indicate that Profitability and Firm Size significantly influence Audit Delay, whereas Auditor Quality does not show any effect. A portion of the variance in Audit Delay is explained by the model, while the remainder is attributed to factors outside the scope of this research.In the second model, incorporating Auditor Quality, Profitability, Firm Size, and their interaction terms led to a slight increase in the explanatory power of the model, though a large share of the variance remains influenced by other variables not included in this study.

The hypothesis testing reveals that Auditor Quality does not significantly affect Audit Delay, leading to the rejection of the related hypothesis.In contrast, Profitability demonstrates a significant impact on Audit Delay, supporting the acceptance of the corresponding hypothesis.Firm Size also shows a significant influence on Audit Delay, confirming the acceptance of the related hypothesis.

The interaction between Auditor Quality and Firm Size does not significantly moderate the relationship with Audit Delay, resulting in the rejection of the moderation hypothesis.Similarly, the interaction between Profitability and Firm Size does not significantly affect Audit Delay, leading to the rejection of this moderation hypothesis as well.

Theoritical and Practical Implications

This study's findings have significant theoretical implications by challenging existing assumptions about auditor quality's impact on audit delay, suggesting that profitability and company size are more influential factors. Practically, the results inform stakeholders, including investors and regulators, about the critical aspects affecting audit timelines in manufacturing firms, emphasizing the need to focus on profitability and size for improving audit efficiency and financial reporting practices.

Research Limitations and Future Research Agenda

This study recorded an Adjusted R^2 of 14.7%, indicating that various other factors may influence audit delay beyond those examined. Therefore, further research is needed to explore additional variables that could better explain variations in audit delay. Given the limitations, future studies are encouraged to improve and expand the research through the following approaches :

1. Future research should explore other potential factors affecting audit delay by

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P-ISSN: 2580-6084, E-ISSN: 2580-8079

replacing or adding independent and moderating variables, such as financial distress, operational complexity, auditor switching, audit fees, and audit opinions. Identifying new variables may offer deeper insights into the determinants of audit delay.

2. It is also recommended that future studies use larger sample sizes, ideally covering all companies listed on the Indonesia Stock Exchange, to enhance the generalizability of the findings.
3. Additionally, future research should consider extending the observation period to include more recent years, which would help capture more consistent and up-to-date data and better reflect the dynamics of audit delay over time.

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