



CONTRIBUTING FACTORS TO THE AUDIT DELAY

Novianti Augustina & Vita Elisa Fitriana*

AFILIASI:

Fakultas Bisnis, Universitas Presiden

***KORESPONDENSI:**

Vita.elisa@president.ac.id

THIS ARTICLE IS AVAILABLE IN: <https://ejournal.umc.ac.id/index.php/JPK>

DOI: [10.32534/jpk.v9i4.3270](https://doi.org/10.32534/jpk.v9i4.3270)

CITATION:

Augustina, Novianti., Fitriana, V. E. (2022).

CONTRIBUTING FACTORS TO THE AUDIT DELAY.

Jurnal Proaksi, Vol. 9 (No.4), 333 - 345.

Riwayat Artikel :

Artikel Masuk:

10 Oktober 2022

Di Review:

29 November 2022

Diterima:

30 Desember 2022

Abstrak

Telah dilakukan banyak penelitian mengenai keterlambatan pelaporan audit dalam perusahaan yang terdaftar di Bursa Efek Indonesia, tetapi hasil yang diperoleh masih beragam. Oleh karena itu, penelitian ini bertujuan untuk menganalisis faktor-faktor yang mempengaruhi keterlambatan pelaporan audit tersebut, berupa ukuran bisnis, ukuran KAP, komite audit, dan kompleksitas audit sebagai variabel independen, sedangkan leverage sebagai variabel kontrol. Data berasal dari perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2018-2020. Berdasarkan metode purposive sampling, jumlah sampel yang diperoleh adalah 72 perusahaan per tahun. Dari analisis regresi linier berganda didapatkan hasil bahwa ukuran KAP berpengaruh negatif terhadap audit delay, sedangkan ukuran bisnis, komite audit, dan kompleksitas audit tidak menunjukkan pengaruh yang signifikan terhadap audit delay

Keywords: audit, audit delay, ukuran KAP

Abstract

Even there are large amount of research investigating audit delay of company that are registered on the IDX has been finished, but there are still numerous results obtained. Therefore, the purpose of this paper is to analyze the factors that affect the audit delay, which consist of business size, public accounting firm size, audit committee, and audit complexity as independent variables while leverage as control variable. The data was taken from manufacturing companies listed on the Indonesia Stock Exchange in 2018-2020. Based on the purposive sampling method, the number of samples obtained is 72 companies per year. The result of multiple linear regression shows that public accounting firm size has a negative effect on audit delay. Meanwhile, the business size, audit committee, and audit complexity did not show a significant effect on audit delay

Keywords: audit, audit delay, public accounting firm size

INTRODUCTION

The preparation of financial statements can be considered very complex due to many accounting processes relying on the kind and level of business complexity. Intercompany transactions are increasingly complex, so that the risk of unintentional errors increases as well (Janartha & Herkulanus, 2016). The date on which the auditor's report was issued is the date on which the auditor collected adequate and relevant audit proof necessary to assist the audit opinion, together with proof whether all financial statements were made and recognized by management as being responsible for the financial statements (Leventis et al., 2005).

Recently, research conducted by Ginting & Hidayat (2019) claimed that the profitability and fraudulent financial statement do not have the effect to audit delay. Nevertheless, as well the size of business and the size of public accounting firm have a substantial negative impact to audit delay. In addition, Ginting & Hidayat (2019) also suggests that future research add the new independent variable, which is leverage, audit committee, and audit complexity. Therefore, this study will extend those previous researches by adding the new variable, which are audit committee and audit complexity as an independent variables, and leverage as the control variable to identify whether those factors can impact audit delay.

Based on OJK Regulation No. 29/POJK 04/2016, public companies are mandatory to submit an annual report at least 4 (four) months once a fiscal year has ended. An audit report is published after the auditor employed by the company expresses his opinion. Meanwhile, audit delay refers to the amount of time it takes for an audit to be completed, as measured from the end of the accounting year to the publication of the audit reports (Kartika, 2009). The publication of financial reports would be calculated as delayed if the audit takes longer than expected. Audit delay effects on the accuracy of accounting information. This delay can harm the organization, investors, and other interested parties. Conversely, if a financial report is generated precisely and accurately, it will be of practical value (Murdijaningsih & Muntahanah, 2021).

With the rising globalization of business and accelerated growth of international capital markets, there is a need to have an understanding of the factors that contribute audit delays in the new developing countries (Jaggi & Tsui, 1999). The auditor's role plays in the duration of financial statement disclosures has prompted some researchers to investigate the factors that influencing audit delays. Even though a large amount of research seeking audit delay of company that are registered on the IDX has been finished, there are still numerous changes of the results. This is probably due to the differences in independent and dependent variables studied and the differences in the observation period. Thus, the goal of this study is to look into the impact of size of business, size of public accounting firm, audit committee, and audit complexity on audit delay in the business.

LITERATURE REVIEW

Agency Theory and Legitimacy Theory

There are two theories that were used in this research, which are agency theory and legitimacy theory. The usage of these two theories indicates this research is well grounded by scientific reasoning. According to Jensen & Meckling (1976), the relationship between an agent (the management of a firm) and the principal (the owner) to execute some function on their duty on the part, which includes assigning the agent specific decision-making authority. As a person with the authority and obligation to manage and make business decisions, the agent must be accountable by producing audit report that have reviewed by an independent auditor. In this research, agency theory reflects the role of company to achieve the high performance, hence it could satisfy shareholder interest. For reporting their work, company will issue financial report which covers for company condition. To confirm whether the information is fairly presented, audit is needed.

In addition, legitimacy theory is important theory to organizations, values emphasize boundaries, and social norms, also a response to these limits motivate the benefit of analyzing organizational performance with respect to the environment (Dowling & Pfeffer, 1975). Audit delay is considered as the prevailing norm that must be obeyed because the audited financial statements are needed immediately by users for decision making. If the time required to release financial statements is not long, the company and public accounting firm will gain trust and become more legitimate.

Audit Delay

According to sources from Abernathy et al. (2017), audit delays is measure from the amount of time among the date from the audit report and the end of the company's fiscal year. Audits must be conducted on time in order for financial data to be recorded and released on time. If the financial statements are late in reporting, the value may be irrelevant to the company's status or the present economic conditions.

Business Size

According to Mareta (2017), a company with large assets will have many sources of information and human resources that enable the company to report financial statements quickly to the public. Business size can be interpreted as a scale used to assess the capacity of a company.

Public Accounting Firm Size

KAP is a legal corporate entity that has been granted authority by the Minister of Finances to serve as a forum for public accountants to offer their services. In the current era, there are 2 (two) types of public accounting firms, which is known as the big four and also non-big four. The size of a public accounting firm may be described as large if it is associated with the Big Four, has a high number of clients, competent auditors, and implements audit new technology to assist the audit's work (Van Caneghem, 2004).

Audit Committee

The audit committee is used to measure the impact of delayed audits on mechanisms of corporate governance. As a whole, risk management, internal control, and internal and external audits are among the financial reporting processes and systems that the audit committee is responsible for overseeing (Vuko & Cular, 2014). As stipulated on OJK Regulation No. 55/POJK 04/2015, at least, committee audit consist of 3 members, which consist of independent commissioner and party from out of company.

Audit Complexity

According to Bonner (1994), audit complexity is determined by the audit's tasks, with more complex assignments necessitating higher degrees of information processing. Several audits seem to be more complicated than the others due to the factors of size, internal control, and risk (Thornton & Moore, 1993).

Leverage (As Control Variable)

The leverage ratio is a judge the ability of a company's operating results to pay the interest and principal payments of the loan (Nasution, 2016). It means that when a firm uses debt to support its business activities instead of utilizing its own capital, this is referred to as leverage.

Hypothesis Development

The size of business has been the most often examined variable by many researchers, such as the research of Khoufi & Khoufi (2018); Fiatmoko & Anisykurillah (2015); and Modugu et al. (2012). Prior studies by Ginting & Hidayat (2019) found that the bigger a company is, the shorter it takes to complete an audit process. Large organizations are well-known for their strong internal controls and because these organizations are closely watched by capital supervisors, investors, and

Agustina & Fitriana
Contributing Factors to The Audit Delay

the government, so they are often offered incentives to cut down on the time it takes for audits to be done (Elviene & Apriwenni, 2019). Therefore, when the company size is large, it means the company has many resources, more advanced technology, and is under a lot of external pressure, which encourages and enables the company to complete audit task on time. Conversely, smaller companies are more likely to have limited audit costs, and their staff are also limited to pursue the audit process and minimize audit delay. Based on the preceding explanation, it can be argued that larger companies size reduces the length or possibility of audit delay.

H1: Firm size has a negative impact on audit delays.

In increasing a credibility of the statements of financial position, the business uses the service of the KAP that hold a high quality. The quality of KAP can be seen through the public accounting firm size that audit the business's annual financial statement. The KAP size is one of the variables that often investigated by many researches such as the research of Fadrul & Astuti (2019); Turel & Tuncay (2016); and Modugu et al. (2012). Prior studies by Ginting & Hidayat (2019) found a negative relationship between size of public accounting firms and audit delays. Public accounting firms are dividing to 2 groups based on their size: Big Four Public Accounting Firm and non-Big Four Public Accounting Firm. According to Fiatmoko & Anisykurlillah (2015), completing audits on time can maintain and enhance its reputation as a huge public accounting firm and maintain the trust from its clients to return to use its services. Therefore, it can be argued that large public accounting firms have superior audit technology, and expertise in auditing public companies that allow them to do the audit process and the audit process can be completed on time if there is greater flexibility in planning the process. On the contrary, non-Big Four public accounting firm have limited staff and technology skills than Big Four public accounting firm, so they are difficult to keep the audit completed on time. On the basis of the explanation given in the preceding paragraph, it can be argued that larger size of public accounting firms reduces the length or possibility of audit delay.

H2: Public accounting firm size has a negative impact on audit delays.

The audit committee is a critical governance tool in the process evaluating quality of financial reporting, and its specific duty is to resolve any concerns regarding the creation and oversight of financial information (Broye & Johannes, 2021). A business with an audit committee consisting of only a few people has less time to spend to supervising auditor hiring, interrogating management, and communicating with internal control system employees (Anderson et al., 2004). Therefore, a company with larger audit committees is more likely to support supervising the audit process, meaning that many people are helping to carry out the audit task, so the company's audit delay can be reduced. In contrast, a company that consists of a small audit committee does not have enough time and resources to monitor the audit process and assist the audit task, so the auditor should take a longer time to finish it. Based on the preceding clarification, it can be argued that an audit committee with a larger size reduces the length or possibility of audit delay.

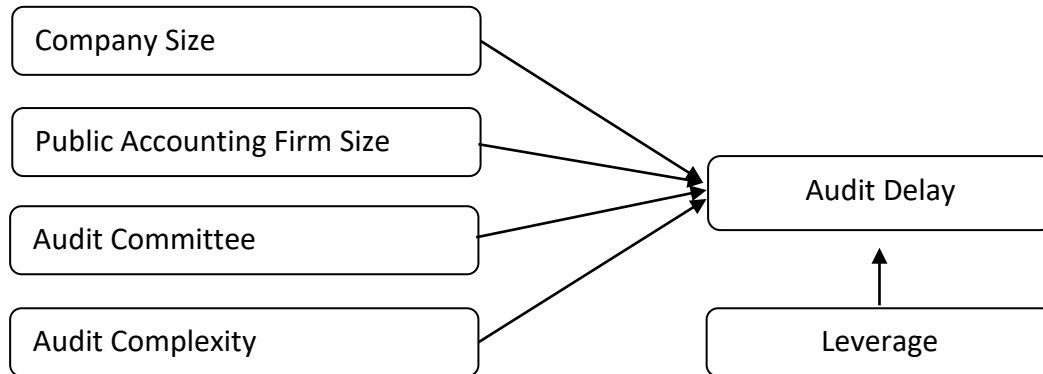
H3: Audit committee has a negative impact on audit delays.

Audit complexity is the auditor's assessment of the difficulty to an audit assignment. One of the audit complexities of a firm can be determined by the number of subsidiaries owned by the firm. Research by Sengupta (2004) discovered that the reporting lag is considerably longer for diversified business, completed acquisitions, and those businesses that reported unique items on their income statement. The number of subsidiaries owned by the corporation indicates the fact that the corporation has more operating units that must be reviewed in each transaction and associated records (Che-Ahmad & Abidin, 2008). It means that if the company has more operating branches and subsidiaries, the company will face more activities and transactions to record. With many transactions, the auditor's work in checking will also be more. Therefore, it indicates that many

operations of the company will result in the auditor’s work complicated, causing the greater possibility of audit delay. Based on the clarifications above, it can be argued that the lower level of audit complexity reduces the length or possibility of audit delays.

H4: Audit complexity has a positive impact on audit delays.

Berikut kerangka penelitian yang menunjukkan gambaran penelitian secara keseluruhan beserta variabel-variabel yang diujikan.



Gambar 1. Kerangka Penelitian

RESEARCH METHOD

The study uses a quantitative approach. Quantitative research methods are concentrated on collecting and analyzing numerically expressed data that has been structured. The data sources are using secondary data, in which the source of the data is not collected by direct observation but instead uses information that has already been processed and provided through other sources. Manufacturing manufacture companies are chosen because the number of companies is bigger than other sector, so that it is expected to increase the generalization ability. The sampling technique use in the study as purposive sampling and following are the characteristic to select the sample:

Table 1. Sample Selection with Criteria.

Sampling Criteria	Amount
Population: Manufacturing companies listed on the IDX until 2020	183
1. Companies that are not listed on the IDX consecutively from 2018-2020	(18)
2. The company has published annual financial statements for the period 2018-2020	(25)
3. Financial reports are presented in the currency of Rupiah for the period 2018-2020.	(26)
4. Companies that did not suffer losses for the period 2018-2020	(42)
The number of sample companies selected	72
Total date for three years (72x3 years)	216

Source: Website Indonesia Stock Exchange (2021)

Agustina & Fitriana
Contributing Factors to The Audit Delay

Every variable examined has operational definition and measurement, here is the explanation.

1. Audit Delay (Y) as dependent variable measured using the length of time from accounting year end to audit report issued (Kartika, 2009).

$$\text{Audit Delay} = \text{Audit report date} - \text{Financial statement date}$$

2. Business Size (X1) as various scale on which a firm is classed depending on numerous factors including log size, total assets, and market value of its shares (Suryanto, 2016).

$$\text{Company size} = \text{Ln}(\text{Total assets})$$

3. Public Accounting Firm Size (X2) as independent variable measured using dummy variable

$$\text{Big four} = 1 \ \& \ \text{Non big four} = 0$$

4. Audit Committee (X3) as independent variable measured using the number of members. The quantity of audit committee member disclosed in the financial statements is used to assess the variable of audit committee (Oussii & Boulila Taktak, 2018).

$$\text{Audit Committee} = \text{Quantity of members}$$

5. Audit Complexity (X4) as independent variable measured using the number of subsidiaries. Audit complexity is determined by the audit's tasks, with more complex assignments necessitating higher degrees of information processing (Bonner, 1994).

$$\text{Audit Complexity} = \text{Quantity of subsidiaries}$$

6. Leverage (X5) as control variable measured using Debt to Equity Ratio. The leverage ratio measures the business's capability to pay out the interest and principal payments of the loan through its operating results (Nasution, 2016).

$$\text{Leverage} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

RESULT AND DISCUSSION

This section is presenting the statistical result and discussion.

Descriptive Statistic Analysis

Descriptive statistic are numerically and graphically methods for organizing, presenting, and analyzing data (Fisher & Marshall, 2009). Descriptive statistics overview the data through the minimum, maximum, mean (average), and standard deviation values.

Table 2. Descriptive Statistic Analysis

	N	Min	Max	Mean	Std. Deviation
Audit Delay	216	29.00	162.00	83.1435	23.60731
Business Size	216	25.93	33.49	28.6906	1.56231
Public Accounting Firm Size	216	.00	1.00	.3148	.46552
Audit Committee	216	2.00	4.00	3.0417	.26081
Audit Complexity	216	.00	39.00	5.5093	7.80816
Leverage	216	.00	5.44	.8075	.76048

Source: Processed Data (2021)

Normality Test

The purpose of the normality test is to see if the regression model's dependent and independent variables are distributed in a normal manner. The Kolmogorov-Smirnov Test can be used to determine if the residuals are regularly distributed or not.

Table 3. One Sample Kolmogorov-Smirnov Test Result

		Unstandardized Residual	
N		216	
Normal Parameters	Mean	.000000	
	Std. Deviation	22.65656350	
Most Extreme Difference	Absolute	.130	
	Positive	.130	
	Negative	-.065	
Test Statistic		.130	
Asymp. Sig. (2-tailed)		.000	
Monte Carlo Sig. (2-tailed)	Sig.	.001	
	99% Confidence Interval	Lower Bound	.000
		Upper Bound	.002

Source: Processed Data (2021)

From the first result, the normally test is $0.001 < 0.05$. This implies that the data of a normal test is not normal. The researcher uses the outlier method to eliminate 20 data that have extreme values, depending on the effects of the normality test earlier. Then, the data becomes 196 from 216 research samples. In this analysis, the findings of the normality test are shown as follows:

Table 4. One Sample Kolmogorov-Smirnov Test Result

		Unstandardized Residual	
N		196	
Normal Parameters	Mean	-5.0051895	
	Std. Deviation	16.63550429	
Most Extreme Difference	Absolute	.078	
	Positive	.064	
	Negative	-.078	
Test Statistic		.078	
Asymp. Sig. (2-tailed)		.005 ^c	
Monte Carlo Sig. (2-tailed)	Sig.	.175 ^d	
	99% Confidence Interval	Lower Bound	.165
		Upper Bound	.185

Source: Processed Data (2021)

Based on the result above, the Monte Carlo significance result in the Kolmogorov Smirnov test is 0.175, it indicates that regression model has met the normality criteria since the significance value is $0.175 > 0.05$.

Multicollinearity Test

It's necessary to conduct a multicollinearity test to assess whether the independent variables in a model share similar characteristics.

Table 5. Multicollinearity Test Result

		Collinearity Statistics	
		Tolerance	VIF
1	Business Size	.434	2.304
	Public Accounting Firm Size	.643	1.555
	Audit Committee	.831	1.203
	Audit Complexity	.538	1.859
	Leverage	.961	1.041

Source: Processed Data (2021)

From table 4.5 above, it obtained the VIF and tolerance of each variable. The VIF of business size is 2.30, for the public accounting firm size is 1.56, for the audit committee is 1.20, for the audit complexity is 1.86, and for the leverage is 1.04. The results conclude that the VIF is not more than 10, the model is said to be multicollinearity free. The tolerance value of the company size is 0.43, for the public accounting firm size is 0.64, for the audit committee is 0.83, for the audit complexity is 0.54, and for the leverage is 0.96. The results conclude that the tolerance is more than 0.1, the model is said to be multicollinearity free.

Autocorrelation Test

Regression models can be tested using an autocorrelation test to see if there is any correlation among the error in period t and the error in period t-1 (previous). Use the Durbin Watson test to determine whether or not autocorrelation exists (DW-Test).

Table 6. Autocorrelation Test Result

	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.416 ^a	.173	.151	16.61749	1.896

Source: Processed Data (2021)

For this result, the Durbin Watson (DW) obtained to be 1.896 larger than upper bound (du) of 1.8187 yet lower than (4-du) or 4-1.8187, so the $du < d < 4-du$ equation is $1.8187 < 1.896 < 2.1813$. As a result, it is reasonable to conclude that autocorrelation does not exist.

Heteroscedasticity Test

Tests for heteroscedasticity evaluate whether or not the variance of residuals in a regression model is unequal for all observations. The heteroscedasticity test was the Glejser test. In the Glejser heteroscedasticity test, each independent variable is correlated with the absolute value of the residual.

Table 7. Heteroscedasticity Test Result

	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
Business Size	-.229	.770	-.032		-.298	.766
Public Accounting Firm Size	3.907	2.201	.157		1.776	.077
Audit Committee	.694	3.481	.015		.199	.842
Audit Complexity	-.147	.136	-.104		-1.081	.281
Leverage	2.499	1.078	.167		2.018	.052

Source: Processed Data (2021)

From the findings of the heteroscedasticity test, it shown that for each independent variable, the significance amount of company size is 0.766, for the public accounting firm size is 0.077, for the audit committee is 0.842, for the audit complexity is 0.281, and for the leverage is 0.052. It is concluded that each variable significance amount obtained is greater than the significance amount of 0.05. As a result, the regression model in this analysis has no heteroscedasticity.

Regression Analysis

Table 8. Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	133.684	36.285		3.684	.000
Business Size	-.988	1.129	-.088	-.875	.383
Public Accounting Firms Size	-11.615	3.227	-.296	-3.599	.000
Audit Committee	-6.704	5.104	-.095	-1.313	.191
Audit Complexity	.108	.200	.048	.538	.591
Leverage	-4.829	1.581	-.206	-3.054	.003

T table = 1.97253

Source: Processed Data (2021)

The following multiple regression model may be deduced from the data in table 8:

$$\text{Audit Delay} = 133.684 - 0.988 \text{ Business Size} - 11.615 \text{ Public Accounting Firms Size} - 6.704 \text{ Audit Committee} + 0.108 \text{ Audit Complexity} - 4.829 \text{ Leverage}$$

The conclusion are as follows:

1. Business size get the T-score 0.875 < T-table 1.973 on the significant 0.383>0.05, it means the size of a corporation has no substantial impact on the amount of time it takes to complete an audit.
2. Public accounting firms size get the T score 3.599 > T table 1.973 on the significant 0.000<0.05, it means the size of public accounting firm has a substantial impact on the amount of time it needs to finish an audit process.
3. Audit committee get the T score 1.313 < T table 1.973 on the significant 0.191>0.05, it means the audit committee has no substantial impact on the amount of time it takes to complete an audit.
4. Audit complexity get the T score 0.538 < T table 1.973 on the significant 0.591>0.05, it means the audit complexity has no substantial impact on the amount of time it takes to complete an audit.
5. Leverage gets the T score 3.054 > T table 1.973 on the significant 0.003<0.05, it means the leverage has a substantial impact on the amount of time it needs to finish an audit process.

The Impact of Business Size on Audit Delay

Testing the first hypothesis (H1), on the negative impact of business size to audit delay, means the larger firms size reduces the length or possibility of audit delay. According to the research findings of the hypothesis test that have been explained in the research results, it shows that size of the business has no significantly impact audit delay. It indicates that larger total asset owned by the firm will not influence the audit delay. This conclusion is due to the auditor considers that asset of each company would be assessed in the same manner in accordance with professional standards of public accountants. Because the company in IDX is regulated by both investors and the government, companies of all sizes will be subject to the same sort of pressure when it comes to filing their

financial statements. This study finding is consistent with research running by [Kartika \(2009\)](#) and [Lucyanda & Nura'ni \(2013\)](#). On the contrary, analysis by [Ginting & Hidayat \(2019\)](#) and [Turel & Tuncay \(2016\)](#) shows the opposite results.

The Impact of Public Accounting Firm Size on Audit Delay

Testing the second hypothesis (H2), on the negative impact of public accounting firm size to audit delay, which means that larger size of public accounting firms reduces the duration or possibility of audit delays. According to the research findings of the hypothesis test explained in the research results, it shows that the size of public accounting firm has a significantly impact audit delay. Size of public accounting firm significantly affects audit delays, indicating that non-big or big public accounting firm will affect the audit delay. It is due to big public accounting firms have superior audit technology and expertise in auditing public companies that allow them to do the audit process and with greater flexibility in planning the audits process to be completed on time compare to non-big public accounting firms. The study finding is familiar with the study running by [Ginting & Hidayat, \(2019\)](#) and [Lucyanda & Nura'ni \(2013\)](#), but not in line with [Modugu et al. \(2012\)](#), [Modugu et al. \(2012\)](#) and [Angruningrum & Wirakusuma \(2013\)](#).

The Impact of Audit Committee on Audit Delay

Testing the third hypothesis (H3), on the negative impact of the audit committee to audit delay, which means larger audit committee capacity reduces the time or possibility of audit delay. According to the research findings of the hypothesis test explained in the research results, it demonstrates the audit committee has no significantly impact on audit delay. Audit committee has no significant affect audit delay, indicates that whether the quantity of audit committee members list in the financial statement of company is big or small, it will not influence the audit delay. It is along with the primary role of the audit committee is to serve as a supervisor and the authority to issue a company's report is still primarily controlled by the auditor's role as a financial statement auditor so that the length or shortness of the issuance audit report of a company does not affect by the audit committee in a company. The study finding is steady with the study running by [\(Oussii & Boulila Taktak, 2018\)](#) and [\(Sultana et al., 2015\)](#), but not in line with [Nor et al. \(2010\)](#) and [Lin et al. \(2006\)](#).

The Impact of Audit Complexity on Audit Delay

Testing the fourth hypothesis (H4), on the positive impact of audit complexity to audit delay, means a lower level of audit complexity reduces the length or possibility of audit delay. According to the research findings of the hypothesis test explained in the research results, it shows the audit complexity has no substantial influence audit delay. Audit complexity positive is not significantly affected audit delay, indicating that the company's number of subsidiaries will not directly affect audit delay. It is due to a company has anticipated the possibility of an audit delay that will occur. The form of anticipation may be related to when the company chooses a trusted auditor or advances the documenting transactions assisted by their employees. Audit delay is unaffected by whether a large or small corporation has subsidiaries. The study finding is corelate with the study running by [Abdillah et al. \(2019\)](#). On the contrary, the research by [Che-Ahmad & Abidin \(2008\)](#) shows the opposite results.

CONCLUSION

This study's findings lead us to the conclusion that the variable of business size, audit committee, and audit complexity has no significantly impact the audit delay. The one and only variable that significantly impact the audit delay is public accounting firm size variable. Indicating that larger size of public accounting firms reduces the length or possibility of audit delay. The company is preferring to choose the services of big four public accounting firm because they believe

that big public accounting firm, the more resources it has, more expert auditors and sophisticated information systems so that it will be faster to complete audit report. This is consistent with agency theory with the perception that clients have more satisfied with the data evaluated by a top public accounting firm.

RECOMMENDATION

There must be certain restrictions that impact researchers in this study.

Practical Suggestion:

In the practical perspective, the result shed the light of the importance public accounting firm size. The result reveals that the size of public accounting firm will influence the punctual or lateness of audit report will be issued. Besides, timeliness of audit report is one of “signal” given to the public related to company’s performance. Therefore, choosing big accounting firm will be more beneficial for company.

Theoretical Suggestion:

For the theoretical perspective, the amount influence from independent variable toward dependent variable is relatively small. It indicates that there are many other factors that has not been included on examination. Therefore, future research is possibly to conducting further research using another variable such as audit partner identification (Lee & Levine, 2020) and audit personnel salaries (Hoopes et al., 2018). These two variables are rarely examined, but has high possibility to explain audit delay. Therefore, the future research could extend those proposed variables and contributing more to enrich audit delay literature.

REFERENCE

- Abdillah, M. R., Mardijuwono, A. W., & Habiburrochman, H. (2019). The effect of company characteristics and auditor characteristics to audit report lag. *Asian Journal of Accounting Research*, 4(1), 129–144.
- Abernathy, J. L., Barnes, M., Stefaniak, C., & Weisbarth, A. (2016). An international perspective on audit report lag: A synthesis of the literature and opportunities for future research. *International Journal of Auditing*, 21(1), 100–127.
- Anderson, R. C., Mansi, S. A., & Reeb, D. M. (2004). Board characteristics, accounting report integrity, and the cost of debt. *Journal of Accounting and Economics*, 37(3), 315–342. <https://doi.org/10.1016/j.jacceco.2004.01.004>
- Angruningrum, S., & Wirakusuma, M. G. (2013). Pengaruh profitabilitas, leverage, kompleksitas operasi, reputasi KAP dan komite audit terhadap audit delay. *E-Jurnal Akuntansi Universitas Udayana*, 5(2), 251–270. <https://doi.org/10.54964/liabilitas.v4i1.49>
- Bonner, S. E. (1994). A model of the effects of audit task complexity. *Accounting, Organizations and Society*, 19(3), 213–234. [https://doi.org/10.1016/0361-3682\(94\)90033-7](https://doi.org/10.1016/0361-3682(94)90033-7)
- Broye, G., & Johannes, P. (2021). Determinants of audit committee effectiveness: Reviewing a decade of empirical research. *In Accounting Auditing Control*, 27(1), 51–109. www.cairn-int.info
- Che-Ahmad, A., & Abidin, S. (2008). Audit delay of listed companies: A case of Malaysia. *International Business Research*, 1(4), 32–39. <https://doi.org/10.5539/ibr.v1n4p32>
- Dowling, J., & Pfeffer, J. (1975). Pacific sociological association organizational legitimacy: Social values and organizational behavior. *Source: The Pacific Sociological Review*, 18(1), 122–136.
- Elvienne, R., & Apriwenni, P. (2019). Pengaruh profitabilitas, solvabilitas, dan ukuran perusahaan terhadap audit delay dengan reputasi KAP sebagai pemoderasi. *Auditing*, 8(2), 125–147. <https://doi.org/10.46806/ja.v8i2.616>
- Fadrul, & Astuti, S. (2019). Analysis of factors affecting the audit report lag on manufacture companies sub sector chemical enlisted on Indonesia Stock Exchange (BEI) year 2013-2017. *Bilancia*, 3(1), 45–56.

Agustina & Fitriana
Contributing Factors to The Audit Delay

- Fiatmoko, A. L., & Anisykurlillah, I. (2015). Faktor-faktor yang berpengaruh terhadap audit delay pada perusahaan perbankan. *Accounting Analysis Journal* 4(1), 1–10. <http://journal.unnes.ac.id/sju/index.php/aaaj>
- Fisher, M. J., & Marshall, A. P. (2009). Understanding descriptive statistics. *Australian Critical Care*, 22(2), 93–97. <https://doi.org/10.1016/j.aucc.2008.11.003>
- Ginting, C. U., & Hidayat, W. (2019). The effect of a fraudulent financial statement, firm size, profitability, and audit firm size on audit delay. *International Journal of Innovation, Creativity and Change*, 9(7), 323–341.
- Hoopes, J. L., Merkley, K. J., Pacelli, J., & Schroeder, J. H. (2018). Audit personnel salaries and audit quality. *Review of Accounting Studies*, 23(3), 1096–1136. <https://doi.org/10.1007/s11142-018-9458-y>
- Jaggi, B., & Tsui, J. (1999). Determinants of audit report lag: Further evidence from Hong Kong. *Accounting and Business Research*, 30(1), 17–28. <https://doi.org/10.1080/00014788.1999.9728921>
- Janartha, I. W. P., & Herkulanus, B. S. (2016). Pengaruh ukuran perusahaan, keberadaan komite audit dan leverage terhadap audit delay. *E-Jurnal Akuntansi Universitas Udayana*, 16(3), 2374–2407.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305–360.
- Kartika, A. (2009). Faktor-faktor yang mempengaruhi audit delay di Indonesia. *Jurnal Bisnis Dan Ekonomi*, 16(1), 1–17.
- Khoufi, N., & Khoufi, W. (2018). An empirical examination of the determinants of audit report delay in France. *Managerial Auditing Journal*, 33(8–9), 700–714. <https://doi.org/10.1108/MAJ-02-2017-1518>
- Lee, K. K., & Levine, C. B. (2020). Audit partner identification and audit quality. *Review of Accounting Studies*, 25(2), 778–809. <https://doi.org/10.1007/s11142-020-09533-0>
- Leventis, S., Weetman, P., & Caramanis, C. (2005). Determinants of audit report lag: some evidence from the Athens Stock Exchange. *International Journal of Auditing*, 9(1), 45–58. <https://doi.org/10.1111/j.1099-1123.2005.00101.x>
- Lin, J. W., Li, J. F., & Yang, J. S. (2006). The effect of audit committee performance on earnings quality. *Managerial Auditing Journal*, 21(9), 921–933. <https://doi.org/10.1108/02686900610705019>
- Lucyanda, J., & Nura'ni, S. P. (2013). Pengujian faktor-faktor yang mempengaruhi audit delay. *Jurnal Akuntansi Dan Auditing*, 9(2), 128–149.
- Mareta, S. (2017). Analisis faktor-faktor yang memengaruhi timeliness publikasi laporan keuangan periode 2009-2010 (Studi empiris pada Bursa Efek Indonesia). *Jurnal Akuntansi*, 19(1), 93. <https://doi.org/10.24912/ja.v19i1.116>
- Modugu, K., Eragbhe, E., & Ikhatua, O. J. (2012). Determinants of audit delay in Nigerian companies: empirical evidence. *Research Journal of Financial and Accounting*, 3(6), 46–54. <https://doi.org/10.25273/inventory.v1i1.5010>
- Murdijaningsih, T., & Muntahanah, S. (2021). Audit delay analysis to support the effectiveness of company's financial reporting on manufacturing companies listed on the Indonesia Stock Exchange. *J-MAS (Jurnal Manajemen Dan Sains)*, 6(1), 160. <https://doi.org/10.33087/jmas.v6i1.215>
- Nasution, I. R. (2016). Analisis rasio leverage terhadap profitabilitas pada perusahaan otomotif dan komponen yang terdaftar di Bursa Efek Indonesia. *Jurnal Akuntansi Dan Bisnis*, 2(2), 17–38.
- Nor, M. N. M., Shafie, R., & Hussin, W. N. W. (2010). Corporate governance and audit report lag. *Asian Academy of Management Journal of Accounting and Finance*, 6(2), 57–84.

- Oussii, A. A., & Boulila Taktak, N. (2018). Audit committee effectiveness and financial reporting timeliness: The case of Tunisian listed companies. *African Journal of Economic and Management Studies*, 9(1), 34–55. <https://doi.org/10.1108/AJEMS-11-2016-0163>
- Sengupta, P. (2004). Disclosure timing: Determinants of quarterly earnings release dates. *Journal of Accounting and Public Policy*, 23(6), 457–482. <https://doi.org/10.1016/j.jaccpubpol.2004.10.001>
- Sultana, N., Singh, H., & Van der Zahn, J. L. W. M. (2015). Audit committee characteristics and audit report lag. *International Journal of Auditing*, 19(2), 72–87. <https://doi.org/10.1111/ijau.12033>
- Suryanto, T. (2016). Audit delay and its implication for fraudulent financial reporting: A study of companies listed in the Indonesian Stock Exchange. *European Research Studies Journal*, 19(1), 18–31. <https://doi.org/10.35808/ersj/503>
- Thornton, D. B., & Moore, G. (1993). Auditor choice and audit fee determinants. *Journal of Business Finance & Accounting*, 20(3), 333–349. <https://doi.org/10.1111/j.1468-5957.1993.tb00259.x>
- TÜREL, A., & Tuncay, F. E. (2016). An empirical analysis of audit delay in turkey. *Annales Universitatis Apulensis Series Oeconomica*, 2(18), 97–105. <https://doi.org/10.29302/oeconomica.2016.18.2.7>
- Van Caneghem, T. (2004). The impact of audit quality on earnings rounding-up behaviour: Some UK evidence. *European Accounting Review*, 13(4), 771–786. <https://doi.org/10.1080/0963818042000216866>
- Vuko, T., & Cular, M. (2014). Finding determinants of audit delay by pooled ols regression analysis. *Croatian Operational Research Review*, 5, 81–91.