

Determinants of Audit Delay: The Role of Firm Size, Profitability, Audit Opinion, Solvency, and Liquidity

Victor Bagus Pambudi^{1*)}, Arief Himmawan Dwi Nugroho²⁾

^{1,2}Universitas Stikubank Semarang, Indonesia

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Correspondent:

victorbagus3007@mhs.unisbank.ac.id

ABSTRACT

Purpose: The impact of firm size, profitability, audit opinion, solvency, and liquidity on audit delays is the subject of this study.

Design/Methodology/Approach: Data were collected from 62 basic-materials and industrial firms on the IDX across 2022–2025 using purposive sampling. Of the 248 firm-year observations obtained, 73 outliers were excluded, yielding a final sample of 175 observations that were tested with multiple linear regression in SPSS 25.

Findings: Firm size, audit opinion, solvency, and liquidity each show a significant positive relationship with audit delay, where each increased by 0.265, 44.266, 0.453 and 0.117 days, respectively, while profitability shows none. Together, the five variables significantly explain audit delay among basic materials and industrial manufacturers on the IDX from 2022 to 2025.

Research Implications: These findings suggest that larger firms, and those carrying higher debt or liquidity levels, should begin preparing financial statements earlier and coordinate more closely with their auditors to avoid delay. Public accounting firms can use this insight to allocate audit resources toward higher-risk clients, while investors may treat firm size, leverage, and liquidity as early indicators of how promptly a firm's financial reports are likely to arrive. The limitation of this study is that it covers only four years, does not list companies that incurred losses, and involves only two types of corporate sectors; therefore, generalizing the findings to other sectors should be done with caution.

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INTRODUCTION

Indonesian listed companies (issuers) have grown rapidly in recent years. Listed companies are required to prepare financial statements in accordance with applicable accounting standards (SAK) and have them independently audited by accountants registered with the Financial Services Authority (OJK). Financial statements are important because they provide information that connects company management with external stakeholders, including investors, potential investors, government, and creditors. However, the usefulness of this information depends on its timeliness. Previous studies have shown that audit reporting delays remain a concern in Indonesia, including in the highly regulated banking sector (Handoyo & Maulana, 2019) and among companies listed on the Indonesia Stock Exchange (IDX) (Handayani & Trisnawati, 2024). In Indonesia, timely financial reporting is regulated by Law No. 8 of 1995 on Capital Markets and POJK No. 14/POJK.04/2022. The regulation requires listed companies to submit audited annual financial statements to OJK no later than three months after the end of the financial year. Timely reporting is important because it increases the relevance of financial information and can strengthen public confidence and investor response. However, compliance remains a challenge. IDX records show that 61 companies failed to submit their audited financial statements on time for the 2022 fiscal year (Bursa Efek Indonesia [BEI], 2023), increasing to 218 companies for the 2025 fiscal year (BEI, 2026).

Similar delays were also reported among consumer cyclical companies (Fitri & Azmiyanti, 2025), indicating that the problem is not limited to a particular industry.

One important factor contributing to late financial reporting is audit delay, which refers to the period between the company's fiscal year-end and the date the auditor completes the audit and issues the audit opinion (Ardi et al., 2023). A longer audit process can directly increase the likelihood that a company will miss the reporting deadline. Therefore, identifying the factors that influence audit delay is important for improving the timeliness of financial reporting (Sulistyawati et al., 2025). Firm size is commonly measured by total assets and reflects the scale of a company's operations. Larger firms generally have better internal controls and greater resources, which may help auditors complete their work more efficiently. Management incentives to maintain an efficient audit process may also contribute to shorter audit delays (Maulana & Purwanto, 2024). Profitability reflects a company's ability to generate earnings. Highly profitable companies have stronger incentives to disclose favorable financial information quickly, which may encourage timely completion of the audit (Maulana & Purwanto, 2024).

Audit opinion represents the auditor's final assessment of whether the financial statements fairly present the company's financial condition. An unqualified opinion generally indicates fewer financial reporting problems and may be associated with a shorter audit process. In contrast, modified opinions may require additional audit procedures and therefore increase audit delay. Solvency reflects a company's dependence on debt to finance its assets. High leverage may increase audit complexity and the audit procedures required, potentially extending audit delay (Maulana & Purwanto, 2024). Liquidity reflects the company's ability to meet its short-term obligations (Ayuptri et al., 2023). A higher liquidity position generally indicates stronger short-term financial capacity and may influence the speed of the audit process.

Although these variables have been widely examined, previous studies have produced inconsistent findings. Regarding firm size, Maulana and Purwanto (2024), Rusminah et al. (2023), Aulia et al. (2024), and Zen and Nugroho (2025) found that larger firms experience shorter audit delays. In contrast, Ardi et al. (2023), Ayuptri et al. (2023), and Lutfiani and Nugroho (2023) found no significant relationship. Endri et al. (2024) and Hanif and Ariani (2023) also reported insignificant effects, while Senduk et al. (2023) found that the effect of firm size may depend on company age. These findings indicate that the relationship between firm size and audit delay remains inconclusive.

Similar inconsistencies are found for profitability. Ayuptri et al. (2023), Ardi et al. (2023), and Bahri and Amnia (2020) reported that higher profitability reduces audit delay. However, Rusminah et al. (2023), Lutfiani and Nugroho (2023), Maulana and Purwanto (2024), Zen and Nugroho (2025), Sitanggang et al. (2026), Santoso and Octavian (2024), and Lau and Daito (2025) found no significant effect. These differences suggest that the relationship may vary across industries, samples, and research periods.

Evidence concerning audit opinion is also mixed. Sitanggang et al. (2026) found that non-unqualified opinions were associated with longer audit report lags, while Rusminah et al. (2023) reported a positive effect of audit opinion on audit delay. Endri et al. (2024) found that better audit opinions were associated with shorter audit report lags. Similarly, Chang et al. (2020) showed that stronger internal audit attributes were associated with shorter reporting lags. However, Lutfiani and Nugroho (2023) and Maulana and Purwanto (2024) found no significant effect of audit opinion on audit delay. These inconsistent findings indicate that the role of audit opinion requires further examination.

Solvency has also produced inconsistent results. Ardi et al. (2023), Rusminah et al. (2023), Jannah et al. (2024), Dani and Silfi (2023), and Rachmawati et al. (2024) found that higher solvency risk or leverage was associated with longer audit delays. In contrast, Ayuptri

et al. (2023), Lutfiani and Nugroho (2023), Maulana and Purwantoro (2024), and Zen and Nugroho (2025) found no significant effect. These differences suggest that the effect of solvency may depend on company characteristics and research context. Liquidity also shows mixed empirical evidence. Aulia et al. (2024) and Ayuptri et al. (2023) found a positive relationship between liquidity and audit delay. However, Rusminah et al. (2023) and Puspita and Sabrina (2024) found no significant effect. Rani and Triani (2021) further showed that the relationship between liquidity and audit delay may depend on firm size. Thus, the influence of liquidity on audit delay remains inconclusive.

The inconsistent findings across previous studies indicate that the determinants of audit delay are not yet fully established. Differences in industry characteristics, research periods, and company conditions may contribute to these variations. Therefore, this study examines the effects of firm size, profitability, audit opinion, solvency, and liquidity on audit delay among basic materials and industrial companies listed on the IDX during 2022–2025. The study is expected to contribute to the literature on audit delay and provide practical insights for companies, auditors, and investors in improving the timeliness of financial reporting.

LITERATURE REVIEW

Grand Theory

This study employs signaling theory, which was introduced by Spence (1973) to explain information asymmetry and was later applied in corporate finance. The theory suggests that management decisions and corporate information provide signals to external stakeholders about a company's condition and prospects (Brigham & Houston, 2014). In the context of audit delay, the timeliness of audited financial statement publication can also serve as a signal to the market. A shorter audit delay may indicate good financial performance, effective governance, and fewer reporting problems, while a longer delay may signal financial difficulties, uncertainty, or unresolved issues.

Companies with strong financial performance generally have greater incentives to disclose positive information quickly. Therefore, management may cooperate more effectively with auditors to ensure timely completion of the audit. In contrast, companies experiencing financial difficulties may have less incentive to disclose information promptly, potentially resulting in longer audit delays. Based on this perspective, signaling theory provides a relevant framework for examining how firm size, profitability, audit opinion, solvency, and liquidity influence audit delay, as these factors can reflect the quality of information signals communicated to stakeholders.

The Effect of Company Size on Audit Delay

Firm size, commonly measured by total assets, sales, or market capitalization, can influence the timeliness of financial reporting. Larger companies generally have more qualified accounting staff, stronger internal control systems, and better information technology, which can support efficient financial statement preparation and facilitate auditors in obtaining sufficient evidence. They also face greater regulatory oversight and reputational pressure, creating stronger incentives for management to complete the audit on time. Therefore, larger firms are expected to experience shorter audit delays because their resources, internal controls, and reporting capabilities can support a more efficient audit process. This expectation is consistent with previous studies by Maulana and Purwantoro (2024), Rusminah et al. (2023), Aulia et al. (2024), and Zen and Nugroho (2025), which found a negative relationship between firm size and audit delay.

H1: Firm size has a negative effect on Audit Delay

The Effect of Profitability on Audit Delay

Profitability reflects a company's ability to generate profit from its resources and business activities. It is commonly measured using ratios such as Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). High profitability indicates efficient management and provides positive information to investors and creditors. Therefore, profitable companies generally have stronger incentives to disclose financial information promptly because timely disclosure can increase investor confidence, support share prices, and improve access to capital. This incentive may also encourage management to cooperate with auditors to complete the audit more quickly. In contrast, companies with declining profits or losses may be less motivated to disclose financial information promptly because they may prefer to delay unfavorable news. From the auditor's perspective, financial difficulties may also require additional procedures, particularly in evaluating going-concern issues and subjective accounting estimates. Therefore, higher profitability is expected to reduce audit delay. This expectation is supported by Bahri and Amnia (2020), Ardi et al. (2023), and Ayuptri et al. (2023), who found a negative relationship between profitability and audit delay.

H2: Company profitability has a negative effect on Audit Delay

The Effect of Audit Opinion on Audit Delay

An audit opinion is the auditor's formal conclusion about whether a company's financial statements are fairly presented. The opinion may be unqualified, qualified, adverse, or a disclaimer. Differences in audit opinions can influence the time required to complete the audit. An unqualified opinion indicates that the financial statements do not contain material misstatements and generally requires fewer additional audit procedures. As a result, auditors can complete the audit more efficiently. In contrast, an opinion other than unqualified usually indicates the presence of financial reporting issues that require additional evidence, testing, and discussions with management. These procedures can extend the audit process and increase audit delay. Therefore, companies receiving non-unqualified opinions are expected to experience longer audit delays than those receiving unqualified opinions. This expectation is supported by Rusminah et al. (2023) and Sitanggang et al. (2026), who found a positive relationship between audit opinion and audit delay.

H3: Audit Opinion has a positive effect on Audit Delay.

The Effect of Solvency on Audit Delay

Solvency reflects a company's ability to meet its short- and long-term obligations and is commonly measured using the Debt to Asset Ratio (DAR) or Debt to Equity Ratio (DER). Higher debt relative to equity indicates greater financial risk and may send a negative signal to investors because it can increase the possibility of financial distress. High levels of debt also require auditors to perform more extensive procedures, such as reviewing loan agreements, assessing collateral, and identifying potential liabilities. Auditors may also apply greater professional skepticism and conduct broader substantive testing. These additional procedures can increase the time needed to complete the audit. In contrast, companies with a more stable financial structure generally require less extensive audit work and may experience shorter audit delays. Therefore, higher solvency risk or debt levels are expected to increase audit delay. This expectation is supported by Ardi et al. (2023), Rusminah et al. (2023), Dani and Silfi (2023), Jannah et al. (2024), and Rachmawati et al. (2024), who found a positive relationship between solvency and audit delay.

H4: Solvency has a positive effect on Audit Delay

The Effect of Liquidity on Audit Delay

Liquidity reflects a company's ability to meet its short-term obligations using its current assets and is commonly measured by the Current Ratio (current assets divided by current liabilities). Although a high liquidity ratio may indicate a strong ability to meet short-term obligations, it can also indicate inefficient management of current assets, such as excessive receivables, inventory, or idle cash. These conditions may require auditors to conduct more detailed examinations of current asset accounts, potentially increasing audit delay. High liquidity may also be associated with greater complexity in current assets, including large inventories, various types of receivables, and short-term investments that require careful valuation. Auditors may therefore need additional procedures, such as receivable confirmations, inventory observation, and valuation assessments. These procedures can increase the time required to complete the audit. However, previous studies have reported inconsistent findings regarding the relationship between liquidity and audit delay. Based on this reasoning, higher liquidity is expected to increase audit delay. This expectation is supported by Ayuptri et al. (2023) and Aulia et al. (2024), who found a positive relationship between liquidity and audit delay.

H5: Liquidity has a positive effect on Audit Delay

METHODS

This research adopts an explanatory quantitative design to test the relationship between five predictors — firm size, profitability, audit opinion, solvency, liquidity, and audit delay. It focuses on 62 basic materials and industrial manufacturers listed on the IDX between 2022 and 2025, drawing all data from www.idx.co.id. From an initial 248 observations, 73 were removed as outliers, leaving 175 usable data points. The unit of analysis is numerical, processed through statistical techniques. Analyzed through multiple linear regression in SPSS 25. The population comprises manufacturing companies in the basic-materials and industrial sectors listed on the IDX. A four-year window (2022–2025) was chosen because it captures the most current data available and should be long enough to reveal the factors behind audit delay. Samples were drawn through purposive sampling against four criteria: continuous IDX listing in the basic materials and industrial sectors from 2022–2025, complete annual financial-statement data across those years where data was collected in June, no reported losses because profitability ratios are designed to measure the degree of efficiency in generating profit rather than loss conditions, and reporting in Indonesian Rupiah (IDR). The documentation method involves collecting secondary data from various sources, both personal and institutional (Sanusi, 2017). This approach follows similar secondary-data-based designs used by (Pramudita & Utami, 2023) in examining audit delay determinants through KAP reputation and audit complexity. The data used in this research were obtained from the financial statements of basic-materials and industrial companies listed on the IDX. The dependent variable, audit delay, captures how many days pass between the financial statement date and the auditor's report date. Five predictors enter the model: firm size (log of total assets), profitability (ROA), audit opinion (coded 0 = unqualified, 1 = otherwise), solvency (debt-to-equity), and liquidity (current ratio). Prior to conducting the multiple linear regression analysis, the data were first tested using classical assumption tests, comprising the normality test (Kolmogorov-Smirnov), multicollinearity test (Tolerance and VIF), heteroscedasticity test (Glejser Test), and autocorrelation test (Durbin-Watson). These tests were conducted to ensure that the regression model used satisfies the requirements of the Best Linear Unbiased Estimator (BLUE).

RESULTS

Descriptive Statistics

The descriptive statistics show that company size has a mean of 27.9744, with a standard deviation of 1.45792, indicating relatively homogeneous data. Profitability, measured by ROA, has a mean of 8.41%, with a standard deviation of 8.47%, indicating relatively high variation among the sampled companies. Audit opinion has a mean of 0.01, indicating that approximately 99% of the companies received an unqualified opinion (WTP).

Table 1. The Result of Descriptive Statistic

	N	Min	Max	Mean	Std. Deviation
Firm Size	175	25,29	31,97	27,9744	1,45792
Profitability	175	,00	,52	,0841	,08468
Audit Opinion	175	0	1	,01	,076
Solvabilitas	175	-1,69	5,16	,6718	,81440
Solvency	175	,28	467,13	6,4517	35,26946
Audit Delay	175	79	141	86,99	5,599

Source: Data processed by the researcher, 2026

Solvency, measured by DER, has a mean of 67.18% and a standard deviation of 0.81440, indicating considerable variation in capital structure. Liquidity, measured by the Current Ratio, has a mean of 6.4517 and a very high standard deviation of 35.26946, indicating substantial variation among the companies. Meanwhile, audit delay ranges from 79 to 141 days, with a mean of 86.99 days and a standard deviation of 5.599, indicating that audit completion time is relatively homogeneous among the sampled companies.

Normality Test (Kolmogorov-Smirnov)

Table 2. The Result of Normality Test

One Sample Kolmogorov-Smirnov Test	Unstandardized Residual
Asymp Sig. (2-tailed)	0,072 ^d

Source: Data processed by the researcher, 2026

With a Kolmogorov-Smirnov significance score of 0.072 comfortably clearing the 0.05 cutoff, the residuals do not depart from normality, so there's no indication the residuals stray from normality, and this assumption of the model holds.

Multicollinearity Test

Table 3. The Results of the Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Firm Size	0,970	1,031
Profitability	0,905	1,105
Audit Opinion	0,908	1,101
Solvency	0,898	1,114
Liquidity	0,971	1,029

Source: Data processed by the researcher, 2026

Tolerance scores for all five predictors sit above the 0.10 floor, and their VIF figures stay well under 10, together ruling out problematic multicollinearity (Ghozali, 2021).

Heteroscedasticity Test

Table 4. The Results of the Heteroscedasticity Test

Model	Std. Error	Beta	t	Sig.
(Constant)	1,978		-0,440	0,661
Firm Size	0,071	0,095	1,233	0,219
Profitability	1,260	0,093	1,174	0,242
Audit Opinion	1,409	-0,106	-1,340	0,182
Solvency	0,132	0,013	0,161	0,872
Liquidity	0,003	-0,044	-0,573	0,567

Source: Data processed by the researcher, 2026

Since every variable's significance value against the absolute residuals exceeds 0.05, indicating that heteroscedasticity does not occur in this model (Ghozali, 2021).

Autocorrelation Test

Table 5. The Result of Autocorrelation Test

Model	Durbin-Watson
1	1,747

Source: Data processed by the researcher, 2026

The Durbin-Watson statistic is 1.747, which falls within the commonly used 1.50–2.50 band taken to indicate the absence of autocorrelation.

F-test (simultaneous test)

Table 6. The Result of F-Test

Model	df	F	Sig.
Regression	5	193,679	0,000 ^b

Source: Data processed by the researcher, 2026

The F-statistic of 193.679 ($p = 0.000$) confirms that five predictors, taken together, exert a statistically significant joint influence on audit delay (Ghozali, 2021).

Adjusted R-Square Test

Table 7. The Results of the Adjusted R-Square Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,923 ^a	0,851	0,847	2,190

Source: Data processed by the researcher, 2026

At 0.847, the Adjusted R-Square indicates that the five predictors jointly capture roughly 84.7% of what drives variation in audit delay, with the remaining 15.3% attributable to factors this model doesn't include.

t-test (Partial Test)

Table 8. The Results of T-Test

Model	Std. Error	Beta	t	Sig.
(Constant)	3,234		24,278	0,000
Firm Size	0,116	0,069	2,287	0,023
Profitability	2,061	-0,041	-1,326	0,187
Audit Opinion	2,305	0,598	19,208	0,000
Solvency	0,215	0,066	2,105	0,037
Liquidity	0,005	0,739	24,581	0,000

Source: Data processed by the researcher, 2026

The partial t-test tells a fairly consistent story: four out of five predictors move audit delay in the same direction. Firm size comes out significant ($\text{sig.} = 0.023$), with larger companies tending to take longer to get through the audit. Profitability is the exception; its significance score of 0.187 sits above the 0.05 cutoff, so no meaningful link to audit delay could be established here. Audit opinion, by contrast, shows one of the strongest effects in the model ($\text{sig.} = 0.000$): firms that receive anything other than an unqualified opinion consistently wait longer for their audit report than those that don't. Solvency follows the same upward pattern ($\text{sig.} = 0.037$), with heavier debt loads corresponding to longer audits. Liquidity rounds out the picture with an equally strong result ($\text{sig.} = 0.000$), where firms holding more current assets relative to their short-term liabilities also tend to experience longer audit delays.

Multiple Linear Regression Analysis Test

With all independent variables held at zero, the estimated audit delay is 78.505 days. A one-unit rise in the natural log of total assets is associated with a 0.265-day increase in audit delay. The regression coefficient for profitability is -2.733, indicating that every 1% increase in the return on assets ratio decreases audit delay by 2.733 days. The regression coefficient for audit opinion is 44.266, indicating that companies receiving an opinion other than unqualified experience an audit delay that is, on average, 44.266 days longer than companies receiving an unqualified opinion.

Table 9. Multiple Linear Regression Analysis Test Results

Model	Unstandardized Coefficients
	B
(Constant)	78,505
Firm Size	0,265
Profitability	-2,733
Audit Opinion	44,266
Solvency	0,453
Liquidity	0,117

Source: Data processed by the researcher, 2026

The regression coefficient for solvency is 0.453, indicating that every 1% increase in the debt-to-equity ratio increases audit delay by 0.453 days. The regression coefficient for liquidity is 0.117, indicating that every 1% increase in the current ratio increases audit delay by 0.117 days.

DISCUSSION

Based on the inconsistencies in prior research findings as outlined in the introduction, this study examines five variables believed to influence audit delay: firm size, profitability, audit opinion, solvency, and liquidity. These five variables were selected because each reflects a different dimension of the signals a company conveys to the market, ranging from operational scale, financial performance, and the auditor's independent assessment, to capital structure and short-term obligation fulfillment capacity, so that, taken together, they are expected to provide a more comprehensive picture of the determinants of audit delay, which have thus far yielded mixed results in previous studies.

The t-test confirms firm size as a significant positive driver of audit delay, adding roughly 0.265 days per unit increase. Total assets carry more meaning than sheer resource scale; they also proxy for audit complexity, since a larger asset base typically means more transactions and business units for the auditor to work through. The larger a company's total assets, the more numerous and diverse its assets, transactions, and business units or branches that must be verified by the auditor. This condition requires auditors to conduct substantive testing, confirmation, and audit evidence tracing procedures across a broader and more in-depth scope, resulting in a longer audit completion time even when the company is supported by an effective internal control system. The result of this study contrasts with (Maulana & Purwantoro, 2024), (Rusminah et al., 2023), (Aulia et al., 2024), and (Zen & Nugroho, 2025), all of whom reported a negative relationship between firm size and audit delay. It is, however, consistent with (Jura & Tewu, 2021), who also found a positive association between firm size and audit report lag among manufacturing firms on the IDX, attributing it to the greater audit complexity that comes with larger asset bases. (Mauladiputro & Daito, 2024) offer a complementary explanation, showing that firm size interacts with financial distress to jointly extend audit report lag among property and real estate firms, suggesting that size alone may compound with a company's financial condition to slow the audit process. Accordingly, these findings do not support the initial hypothesis stating that firm size has a negative effect on audit delay, and therefore Hypothesis 1 (H1) of this study is rejected.

Profitability, per the t-test, shows no meaningful link to audit delay. A likely explanation: auditors are bound to follow professional standards regardless of a client's earnings performance, so how well a company is doing financially doesn't shorten or lengthen the work. Auditors are required to perform their procedures with the same level of rigor regardless of a company's profit performance, so audit duration is not driven by financial results. This is consistent with (Rusminah et al., 2023), (Lutfiani & Nugroho, 2023), (Maulana & Purwantoro, 2024), (Zen & Nugroho, 2025), and (Sitanggang et al., 2026), which similarly found that profitability has zero impact/effect on audit delay. (Santoso & Octavian, 2024) reached the same conclusion in the consumer-service subsector, reinforcing the view that profitability's influence on audit delay may be weaker in sectors where audit scope is driven more by asset complexity than by earnings performance. Accordingly, these findings do not support the initial hypothesis stating that profitability has a negative effect on audit delay, and therefore Hypothesis 2 (H2) of this study is rejected.

The t-test shows that audit opinion has a positive, sizable effect, adding around 44.266 days to audit delay. Firms that end up with anything other than an unqualified opinion, whether qualified or another category, consistently take longer to complete their audits. A non-qualified opinion usually calls for extra audit procedures, a wider examination scope, and more supporting evidence to justify the opinion given, which lengthens the audit process. This result aligns with the studies conducted by (Sitanggang et al., 2026) and (Rusminah et al., 2023), both of which found that audit opinion has a positive effect on audit delay. A comparable pattern was reported by (Endri et al., 2024) who found that lower-quality or qualified opinions were associated with longer audit report lag among Indonesian public accounting firm clients. Accordingly, these findings are consistent with the initial hypothesis stating that audit opinion has a positive effect on audit delay, and therefore Hypothesis 3 (H3) of this study is accepted.

Solvency also shows a positive effect in the t-test, lengthening audit delay by about 0.453 days. A high solvency figure signals heavier reliance on debt relative to equity, and the added financial risk pushes auditors toward broader, more careful procedures, especially in confirming whether the firm can meet its obligations. Verifying debt-related accounts, including obtaining creditor confirmations, adds further time to the audit. Consequently, higher solvency levels are associated with longer audit delays. This finding is consistent with the studies conducted by (Ardi et al., 2023) and (Rusminah et al., 2023). This is further supported by (Jannah et al., 2024) and (Dani & Silfi, 2023), both of whom documented that solvency significantly lengthens audit completion time in manufacturing firms, consistent with the additional creditor-confirmation and debt-verification effort this study identifies. Accordingly, these findings are consistent with the initial hypothesis stating that solvency has a positive effect on audit delay, and therefore Hypothesis 4 (H4) of this study is accepted.

Liquidity, too, turns out to push audit delays upward according to the t-test, where liquidity increases audit delay by 0.117 days. This may seem counterintuitive: a liquid firm sounds financially healthy, but a large stock of current assets (cash, receivables, inventory) actually gives auditors more line items to verify, not fewer. In this study, higher liquidity ratios are associated with longer audit delays. A larger volume of current assets such as cash, receivables, and inventory requires more detailed substantive testing, including receivables confirmation and inventory checks, which extends the audit timeline. This finding is in line with the studies conducted by (Aulia et al., 2024) and (Ayuptri et al., 2023) both of which found that liquidity has a positive effect on audit delay. Accordingly, these findings are consistent with the initial hypothesis stating that liquidity has a positive effect on audit delay, and therefore Hypothesis 5 (H5) of this study is accepted.

CONCLUSION

Taken together, the analysis shows that firm size, audit opinion, solvency, and liquidity all push audit delay upward, while profitability has no discernible effect. The study is bounded by its four-year window (2022–2025) and its focus on basic-materials and industrial firms alone. These findings suggest that larger firms, and those carrying higher debt or liquidity levels, should begin preparing financial statements earlier and coordinate more closely with their auditors to avoid delay. Public accounting firms can use this insight to allocate audit resources toward higher-risk clients, while investors may treat firm size, leverage, and liquidity as early indicators of how promptly a firm's financial reports are likely to arrive. Future work could widen the lens by adding variables such as public accounting firm size, auditor switching, or audit committee characteristics, and testing profitability through alternative measures like return on equity or net profit margin. By exploring moderation analysis, good corporate governance, for instance, is a plausible candidate for a moderating variable worth examining.

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