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Who's To Blame For Audit Delays: Financial Pressure, Profitability, Or The Auditor?

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Abstrak

Penelitian ini mengkaji pengaruh *financial distress*, profitabilitas, dan kualitas audit terhadap *audit delay* pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020–2023. *Audit delay*, yaitu jeda waktu antara akhir tahun fiskal dan penerbitan laporan audit, masih menjadi isu krusial di pasar negara berkembang karena menimbulkan kekhawatiran terhadap transparansi dan kepercayaan para pemangku kepentingan. Dengan menggunakan teknik *purposive sampling*, sebanyak 100 observasi firm-year dianalisis menggunakan regresi linier berganda. Hasil penelitian menunjukkan bahwa *financial distress* tidak berpengaruh signifikan terhadap *audit delay*, yang mengindikasikan bahwa perusahaan dalam kondisi sulit keuangan mungkin justru lebih memprioritaskan pelaporan tepat waktu. Berbeda dari dugaan awal, profitabilitas justru menunjukkan hubungan positif dengan keterlambatan audit, yang mengisyaratkan bahwa perusahaan dengan laba tinggi mungkin menjalani proses audit yang lebih kompleks karena kerumitan operasional dan pengawasan auditor yang lebih ketat. Sementara itu, kualitas audit yang diukur dari keterlibatan auditor Big Four berpengaruh negatif terhadap keterlambatan audit. Artinya, auditor berkualitas tinggi cenderung mempercepat proses audit karena efisiensi dan keahliannya yang lebih baik. Temuan ini memberikan wawasan yang lebih mendalam bagi regulator, investor, dan praktisi dalam mengelola waktu audit dan meningkatkan praktik pelaporan keuangan di sektor manufaktur Indonesia.
Kata Kunci: *audit delay*, *financial distress*, kualitas audit, profitabilitas

Abstract

This research investigates the influence of financial distress, profitability, and audit quality on audit delay among manufacturing firms listed on the Indonesia Stock Exchange (IDX) during the 2020–2023 period. Audit delay, the time lag between fiscal year-end and audit report issuance, remains a pressing issue in emerging markets, raising concerns over transparency and stakeholder confidence. Using purposive sampling, 100 firm-year observations were analyzed through multiple linear regression. The results reveal that financial distress does not significantly affect audit delay, suggesting that distressed firms may prioritize timely reporting. Contrary to expectations, profitability shows a positive relationship with audit delay, indicating that highly profitable firms may undergo more complex audits due to operational intricacies and enhanced auditor scrutiny. Audit quality, measured by the involvement of Big Four auditors, negatively impacts audit delay, suggesting that high-quality auditors expedite the audit process through greater efficiency and expertise. These findings provide nuanced insights for regulators, investors, and practitioners in managing audit timelines and improving financial reporting practices in Indonesia's manufacturing sector.
Keywords: *audit delay; audit quality; financial distress; profitability*

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1. Introduction

Timely presentation of financial statements is essential for maintaining transparency and the credibility of information disclosed to stakeholders. However, in practice, delays in the submission of audit reports, commonly referred to as audit delay, remain a persistent issue across various industry sectors. Audit delay refers to the time elapsed between the end of an organization's fiscal period and the date on which the audited financial statements are officially released (Puspitasari & Adi, 2024). The longer the delay, the greater the uncertainty faced by investors, creditors, and regulators in making informed economic decisions (Sukmantari et al., 2023).

The consequences of audit delay are far-reaching. For investors, delays increase information asymmetry, potentially eroding market confidence and inducing stock price volatility (Zulaecha & Suyatiningsih, 2016). From a regulatory perspective, companies that fail to meet reporting deadlines risk administrative sanctions from the Financial Services Authority (OJK) or even trading suspensions by the IDX. Furthermore, for creditors and financial institutions, audit delays can hinder credit assessment processes, as audited financial statements are a critical component in loan evaluations (Anrizal et al., 2024).

In Indonesia, instances of delayed financial reporting have led to several negative consequences. A wildly discussed case occurred in 2002, when PT Kimia Farma Tbk was involved in a financial scandal involving overstated sales and inventories, which resulted in a significantly inflated reported profit. A subsequent audit revealed that the company's profit was overstated by IDR 32.6 billion, equivalent to 24.7% of the initially reported earnings. Although the case is primarily recognized as a financial statement manipulation scandal, delays in the audit process prolonged the period of uncertainty for both investors and regulators. Such delays hinder the timely disclosure of accurate financial information, elevate the risk of declining market trust, and exacerbate the adverse effects on the company's stock price. According to the Indonesia Stock Exchange (IDX) announcement number S-00012/BEI.PLP/04-2024 dated April 19, 2024, a total of 129 publicly listed companies and 8 listed securities had yet to fulfill their audit reporting obligations on time. This statistic underscores the ongoing prevalence of audit delay in Indonesia, even amidst tightening regulations and rising demands for transparency.

Given the high frequency of audit delays and the significant economic and reputational impacts they can cause, it becomes urgent to identify the underlying factors contributing to this phenomenon. Despite existing regulations and enforcement mechanisms, the persistence of audit delays indicates that current approaches may be insufficient. Therefore, a deeper understanding of the determinants of audit delay, particularly within the context of Indonesia's capital market, is essential to support policy improvements, enhance audit efficiency, and protect stakeholder interests.

Numerous studies have attempted to identify factors contributing to audit delay, with financial distress emerging as a frequently examined determinant. Sumarni et al. (2022) argue that financially distressed firms tend to undergo more complex audits due to heightened going concern risks, necessitating additional audit procedures to assess business continuity. However, empirical findings regarding the relationship between financial distress and audit delay are mixed. Kristiana & Annisa (2022) suggest that financial distress has a negative effect on audit delay, positing that distressed firms may be more motivated to expedite audits to preserve investor confidence

Profitability is another variable suspected to influence audit delay. Highly profitable firms typically maintain more stable financial systems and well-organized reports, allowing audits to be completed more efficiently (Owusu-Ansah & Leventis, 2006). Conversely, firms with low profitability are more susceptible to earnings management, prompting auditors to perform additional procedures to detect potential misstatements (Alkhatib & Marji, 2012). Nonetheless, study by Puspitasari & Adi (2024) indicated that profitability does not have a significant impact on audit delay.

In addition to financial distress and profitability, audit quality plays a critical role in influencing audit delay. Auditors from Big Four firms are generally regarded as higher quality due to stricter audit standards and superior resources. For instance, Saputra & Agustin (2021) observed that companies audited by Big Four firms tend to experience shorter audit delays due to greater operational efficiency. However, Wulandari (2021) found the opposite: Big Four auditors may actually extend the audit period due to the implementation of more rigorous procedures, particularly when potential errors or fraud are detected, necessitating further investigation before issuing an audit opinion.

The inconsistency in findings concerning the effects of financial distress, profitability, and audit quality on audit delay reveals a clear research gap. This study presents several contributions that distinguish it from prior research. Firstly, it incorporates the most recent data from 2020 to 2023. Secondly, the study narrows its focus to manufacture companies listed on the IDX, offering a more targeted and sector-specific perspective, which contrasts with the broader or more generalized scopes of previous studies. Thirdly, to ensure the robustness of the findings, the research employs key control variables, namely, firm leverage, firm size, firm liquidity, and company sales growth, to account for additional factors that may influence the occurrence of audit delay.

The findings of this research are anticipated to offer significant value to key stakeholders. For corporations, the study provides a framework for optimizing financial reporting systems and mitigating audit delays, thereby

enhancing organizational credibility among stakeholders. For investors and other stakeholders, the research offers critical insights into the determinants of audit delays, facilitating more informed investment decisions and comprehensive risk assessments. Auditors stand to benefit by identifying underlying factors contributing to delays, thereby enhancing the efficiency and effectiveness of the audit process. Lastly, for academics and researchers, this study lays the groundwork for further scholarly exploration into audit delays and their influencing factors, contributing to the advancement of knowledge in this domain.

The Influence of Financial Distress on Audit Delay

Financial distress occurs when a company struggles to meet its financial obligations, often due to declining profitability, high debt, or liquidity issues (Lau, 2021). Distressed firms typically face challenges in preparing timely and accurate financial statements, increasing the risk of misstatements and audit complexity. Auditors must perform additional procedures and exercise greater skepticism, particularly regarding going concern assessments, which prolongs the audit process. Resource constraints and administrative inefficiencies further delay audits, as distressed firms may struggle to provide necessary documentation. Additionally, auditors face increased pressure from regulators and investors, requiring more in-depth reviews and tailored procedures. Empirical evidence, such as that provided by Syaula et al. (2023), supports this relationship, showing that financially distressed firms experience significantly longer audit delays due to greater scrutiny and complexity. Based on this reasoning, the following hypothesis is proposed:
H1: Financial distress has a positive effect on audit delay.

The Influence of Profitability on Audit Delay

Profitability reflects a firm's efficiency in generating earnings and often signals the quality of its financial management. Highly profitable firms tend to have better organization, transparency, and documentation, which simplify audits by easing evidence collection and reducing complexity. In contrast, less profitable firms may face audit delays due to limited resources, potential earnings manipulation, or weak internal controls. These issues often prompt more rigorous auditor scrutiny and extend the audit process. (Syaula et al., 2023).

Several previous studies support this view. For instance, Apriyustiono & Aris (2024) found that firms with higher profitability experience shorter audit completion times due to better financial reporting practices. Similarly, Rani & Triani (2021) observed that firms with strong financial performance tend to prioritize timely audit completion to enhance their credibility with investors. Accordingly, this study proposes the following hypothesis:
H2: Profitability has a negative effect on audit delay.

The Influence of Audit Quality on Audit Delay

Audit quality reflects an auditor's ability to detect and report material misstatements. Auditors from reputable firms, especially the Big Four, follow stricter standards and conduct more thorough procedures, often leading to longer audit durations. Their cautious approach, including extensive testing and evidence collection, increases the likelihood of audit delay. In contrast, auditors from smaller firms may prioritize client expectations over rigor, potentially reducing audit time but compromising quality.

Prior studies provide evidence on the positive relationship between audit quality and audit delay. Saftiana et al. (2024) argued that high-quality auditors tend to conduct more comprehensive audits, which can prolong the audit process. Likewise, Dewi & Wahyuni (2021) found that Big Four auditors are associated with longer audit lags due to their stricter adherence to auditing standards and more thorough documentation requirements. Based on this reasoning, the study proposes the following hypothesis:
H3: Audit quality has a positive effect on audit delay.

2. Method

This study examines manufacturing firms listed on the IDX from 2020 to 2023, chosen for their operational complexity and tendency toward audit delays. Using purposive sampling, the sample includes firms continuously listed during the period, complete audited financials in Rupiah, and no major reporting sanctions. Secondary data were obtained from the IDX, S&P Capital IQ, and company websites. Multiple linear regression with the Ordinary Least Squares (OLS) method is used to analyze variable relationships, supported by descriptive statistics, diagnostic tests (normality, multicollinearity, heteroscedasticity), along with tests for R^2, overall significance, and hypotheses, using SPSS. The regression model is as follows:

$$DELAY_{i,t} = \alpha + \beta_1 FD_{i,t} + \beta_2 PROFIT_{i,t} + \beta_3 AQ_{i,t} + \beta_4 LEV_{i,t} + \beta_5 SIZE_{i,t} + \beta_6 LIQ_{i,t} + \beta_7 SG_{i,t} + \varepsilon_{i,t}$$

Information
DELAY : Audit delay
FD : Financial distress
PROFIT : Profitability

AQ : Audit quality
LEV : Leverage
SIZE : Firm size
LIQ : Liquidity
SG : Sales growth
α : Intercept
β_1–β_7 : Coefficients
i : Firm
t : Year
ε : Error term

Table 1. Variables and Measurements

No.	Variable	Proxy	Formula
Independent Variable			
1.	Financial distress	Altman Z-score (Novia & Salim, 2019)	$Z - score = 1.2x1 + 1.4x2 + 3.3x3 + 0.6x4 + 1.0x5$ x1 = Working Capital / Total Assets x2 = Retained Earnings / Total Assets x3 = Earnings Before Interest and Taxes / Total Assets x4 = Market Value of Equity / Total Liabilities x5 = Sales / Total Assets
2.	Profitability	Return on Asset (ROA) (Singh et al., 2024)	$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}}$
3.	Audit quality	Dummy Variable (Irhamna et al., 2024)	1 = Big Four 0 = Non-Big Four
Dependent Variable			
1.	Audit delay	The time a company takes from fiscal year-end to issuing its audit report. (Laili et al., 2023)	$\text{Audit Delay} = \text{Audit Report Date} - \text{Fiscal Year} - \text{End Date}$
Control Variable			
1.	Company Size	Natural Logarithm of Total Asset (Saraswati & Bernawati, 2020)	$\text{SIZE} = \text{Ln (Total Aset)}$
2.	Liquidity	Current Ratio (Utami, 2017)	$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liability}}$
3.	Leverage	Debt-to-Equity Ratio (DER) (Wiranawata, 2022)	$\text{DER} = \frac{\text{Total Debt}}{\text{Total Equity}}$
4.	Growth	Sales Growth (Haryati et al., 2024)	Sales Growth = $\left(\frac{\text{Sales t} - \text{Sales t}-1}{\text{Sales t}-1}\right)$

Source: processed by the author (2025)

3. Result and Discussion

Research Object

Table 2. Sample Selection Process

Sample Selection Criteria	Number of Firms	Number of Firm-Years
Firms listed on the IDX	678	2.712
Less:		
Non-manufacturing firms	-499	1.996
Incomplete data for operational variables	-87	348
Outliers	-67	268
Final Sample	**25**	**100**

Source: processed by the author (2025)

Descriptive Statistical Analysis

Table 3. Descriptive Statistical Analysis

Var.	N	Min	Max	Mean	Std. Dev.
DELAY	100	50	127	89.7624	19.6851
FD	100	0.00	1	0.604	0.49151
PROFIT	100	-8.87	15.75	3.671	4.78109
AQ	100	0.00	1	0.4554	0.50049
LEV	100	11.36	235.41	64.5911	41.2465
LIQ	100	19.67	377.13	155.0334	63.66707
SIZE	100	10.86	17.15	13.7077	1.54258
SG	100	-0.62	1.3	0.0848	0.32791
Valid N (listwise)	100				

Source: processed by the author (2025)

The DELAY variable ranges from 50 to 127 days, with a mean of 89.76 days and a standard deviation of 19.69. This suggests that, on average, companies require approximately three months to complete their audit process. The FD variable has a mean value of 0.6040 with a standard deviation of 0.4915, indicating that a significant proportion of firms in the sample experienced financial distress during the observed period. The PROFIT variable ranges from -8.87 to 15.75, with a mean of 3.67 and a standard deviation of 4.78. The negative lower bound indicates some firms underperformed financially, while the mean reflects modest overall profitability. The AQ variable shows a mean of 0.4554 and a standard deviation of 0.50049. This suggests that less than half of the firms engaged high-quality auditors.

Among the control variables, LEV ranges from 11.36 to 235.41, with a mean of 64.5911 and a high standard deviation of 41.2465. This indicates considerable variation in capital structure, with some firms exhibiting extremely high reliance on debt financing. LIQ shows a broad range from 19.67 to 377.13, with a mean of 155.0334 and a standard deviation of 63.66707. The widespread suggests substantial differences in firms' short-term financial flexibility. The SIZE variable ranges from 10.86 to 17.15, with a mean of 13.7077 and a standard deviation of 1.54258. This indicates a relatively balanced sample across small to large firms. Finally, SG has a mean of 0.0848 and a standard deviation of 0.32791, indicating generally modest yet highly variable growth rates across the firms.

Classical Assumption Analysis

Normality Test

Table 4. Normality Test Result

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			100
Normal Parameters[a,b]	Mean		0
	Std. Deviation		17.10422303
Most Extreme Differences	Absolute		0.051
	Positive		0.045
	Negative		-0.051
Test Statistic			0.051
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		0.762
	99% Confidence Interval	Lower Bound	0.751
		Upper Bound	0.773

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 957002199.

Source: processed by the author (2025)

Based on Table 4, the Asymp. Sig. (2-tailed) value is 0.200, exceeding the 0.05 threshold, indicating the residuals follow a normal distribution and satisfy the regression model's normality assumption. The Monte Carlo Sig. (2-tailed) at 99% confidence yields a stable range (0.751–0.773), reinforcing this result. Additionally, the Most Extreme Differences test shows a minimal deviation of 0.051, further confirming the normality of the residuals.

Multicollinearity Test

Table 5. Multicollinearity Test Result

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	160.03	17.361		9.218	<.001		
	FD	0.399	4.15	0.01	0.096	0.924	0.756	1.323
	PROFIT	0.778	0.428	0.189	1.816	0.073	0.751	1.332
	AQ	-6.211	3.779	-0.158	-1.644	0.104	0.879	1.137
	LEV	0.122	0.049	0.256	2.481	0.015	0.76	1.317
	LIQ	-0.052	0.032	-0.168	-1.617	0.109	0.749	1.336
	SIZE	-5.129	1.295	-0.402	-3.96	<.001	0.788	1.269
	SG	-0.686	5.885	-0.011	-0.117	0.907	0.845	1.184
a. Dependent Variable: AD								

Source: processed by the author (2025)

As shown in Table 5, tolerance values for all independent variables range from 0.749 to 0.879, well above the 0.1 threshold, indicating low intercorrelation. VIF values range from 1.137 to 1.336, all far below the critical value of 10, confirming no multicollinearity and that each variable contributes uniquely to the regression model.

Heteroscedasticity Test

Table 6. Glesjer ABS_RES Test Result

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	11.25	10.013		1.124	0.264		
	FD	-1.965	2.394	-0.094	-0.821	0.414	0.756	1.323
	PROFIT	-0.205	0.247	-0.096	-0.83	0.408	0.751	1.332
	AQ	0.279	2.179	0.014	0.128	0.898	0.879	1.137
	LEV	0.042	0.028	0.171	1.493	0.139	0.76	1.317
	LIQ	-0.018	0.019	-0.113	-0.973	0.333	0.749	1.336
	SIZE	0.298	0.747	0.045	0.399	0.691	0.788	1.269
	SG	2.129	3.394	0.068	0.627	0.532	0.845	1.184
a. Dependent Variable: AB_RES								

Source: processed by the author (2025)

The Glejser test results show that all independent variables have significance values greater than 0.05, indicating the absence of heteroscedasticity in the model.

Autocorrelation Test

Table 7. Autocorrelation Test Result

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.495[a]	0.245	0.188	17.73625	2.238

a. Predictors: (Constant), SG, FD, SIZE, AQ, LEV, PROFIT, LIQ

b. Dependent Variable: AD

Source: processed by the author (2025)

Table 7 shows a Durbin-Watson (DW) statistic of 2.238, which falls between the critical values DU = 1.693 and 4 − DU = 2.307. Since this range indicates no positive or negative autocorrelation, the residuals are independent. A DW value near 2 further supports this, confirming that the regression model meets the assumption of residual independence.

Model Specification Test

Coefficient of Determination Test (R-squared)

Table 8. Coefficient of Determinantion (R-squared)

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.495[a]	0.245	0.188	17.73625	2.238

a. Predictors: (Constant), SG, FD, SIZE, AQ, LEV, PROFIT, LIQ

b. Dependent Variable: AD

Source: processed by the author (2025)

The coefficient of determination (R^2) of 0.245 implies that approximately 24.5% of the variation in audit delay can be accounted for by the model, leaving 75.5% attributable to other unexamined factors.

Simultaneous Significance Test (F-Test)

Table 9. Simultaneous Significance Test (F-Test)

ANOVA[a]						
Model		Sum of Squares	df	*Mean* Square	F	Sig.
1	Regression	9494.852	7	1356.407	4.312	<.001[b]
	Residual	29255.445	93	314.575		
	Total	38750.297	100			

a. Dependent Variable: AD

b. Predictors: (Constant), SG, FD, SIZE, AQ, LEV, PROFIT, LIQ

Source: processed by the author (2025)

Based on the ANOVA results in Table 9, the regression model is statistically significant in explaining variations in audit delay. The F-statistic of 4.312 at the 1% significance level confirms that the independent variables collectively have a meaningful impact on audit delay.

Hypothesis Test (T-Test)

Table 10. Hypothesis Test (T-Test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	160.03	17.361		9.218	<.001
	FD	0.399	4.15	0.01	0.096	0.924
	PROFIT	0.778	0.428	0.189	1.816	0.073
	AQ	-6.211	3.779	-0.158	-1.644	0.104
	LEV	0.122	0.049	0.256	2.481	0.015
	LIQ	-0.052	0.032	-0.168	-1.617	0.109
	SIZE	-5.129	1.295	-0.402	-3.96	<.001
	SG	-0.686	5.885	-0.011	-0.117	0.907

a. Dependent Variable: AB_RES

Source: processed by the author (2025)

Hypothesis 1 (H1) tests the effect of financial distress on audit delay. The results show a coefficient of 0.399 with a two-tailed p-value of 0.924. Since the hypothesis assumes a directional (one-tailed) test, the p-value is adjusted to 0.462. This value exceeds the 10% significance threshold, indicating that FD does not have a statistically significant effect on DELAY. Therefore, Hypothesis 1 is rejected.

Hypothesis 2 (H2) examines the negative influence of profitability on audit delay. The unstandardized coefficient for PRFT is 0.778, with a significance level of 0.073 (7.3%). While this p-value is below the 10% threshold, the direction of the relationship contradicts the hypothesis. The positive coefficient (0.778) suggests that higher profitability is associated with increased audit delay, contrary to the hypothesized negative effect. As a result, despite marginal statistical significance, the directional inconsistency leads to the rejection of Hypothesis 2.

Hypothesis 3 (H3) assesses the impact of audit quality on audit delay. The coefficient for AQ is -6.211, with an initial two-tailed p-value of 0.104. Adjusting to a one-tailed test yields a significance level of 0.052 (5.2%), which meets the 10% significance threshold. However, the negative coefficient indicates an inverse relationship, improved audit quality is associated with shorter audit delay, contradicting the hypothesized positive effect. Due to this directional mismatch, Hypothesis 3 is rejected.

Financial Distress Has No Effect on Audit Delay

The results of the first hypothesis test indicate that financial distress does not have a significant effect on audit delay. Several factors may explain this lack of association. First, although companies experiencing financial distress often face financial and operational pressures that could complicate the audit process, this does not necessarily lead to audit delays. Distressed firms may receive increased attention from both management and auditors to ensure timely completion of financial statements, aiming to maintain stakeholder trust and avoid negative market perceptions. Second, professional auditors typically have established procedures to anticipate and manage audit risks associated with financially distressed clients. These procedures include careful audit planning and resource allocation, which help ensure that the audit remains on schedule despite the company's financial condition.

The findings of this study align with those of Agista et al. (2023) and Pingass & Dewi (2022), which demonstrate that companies experiencing shorter audit delays tend to have lower Z-Scores, indicating financial distress. Conversely, financially healthy companies, based on Z-Score calculations, generally exhibit longer audit delays compared to the average. Furthermore, (Paramitha & Yuniarta, 2023) emphasize that, under any circumstances, auditors are committed to completing their duties professionally and within the agreed timeline, thereby minimizing audit risk and reducing the likelihood of audit delay.

Profitability Positively Influences Audit Delay

The results of the second hypothesis test reveal that firm profitability does not exhibit the anticipated negative effect on audit delay. Contrary to expectations, higher levels of profitability are associated with an increased likelihood of audit delays. This finding is consistent with the observations of Susanti (2021) and Syaula et al. (2023), who argue that greater profitability may prompt firms to adopt a more cautious approach during the audit process, consequently extending the time required to complete the audit.

Several factors may explain this phenomenon. First, highly profitable firms typically operate with greater complexity and engage in a higher volume of transactions, necessitating more comprehensive audit procedures

that lengthen the audit duration. Second, elevated profitability may heighten auditor skepticism, leading to broader audit scopes and additional substantive testing to detect or rule out potential earnings management practices. Third, such firms often place a premium on audit quality and transparency, which may involve rigorous auditor selection criteria and enhanced internal review mechanisms, both of which can prolong the audit process. Furthermore, these firms are more likely to engage in detailed discussions regarding auditor adjustments, requiring extended negotiations and clarifications that further delay the issuance of the audit report.

Audit Quality Negatively Influences Audit Delay

The results of the third hypothesis test indicate that audit quality has a significant effect on audit delay. However, the negative coefficient suggests that higher audit quality is associated with shorter audit delays, contrary to the hypothesis, which predicted a positive relationship. This finding suggests that higher-quality auditors are able to complete the audit process more efficiently. This may be attributed to their superior expertise, experience, and resources, which enable them to conduct thorough audits in a shorter time frame without compromising quality. High-quality auditors also tend to implement more effective systems and procedures, allowing for early detection and resolution of audit issues.

These findings are consistent with prior studies by Sitanggang et al. (2025) and Puspitasari & Adi (2024), which highlight that large audit firms bear significant responsibility for maintaining the credibility and integrity of their audit reports. Consequently, they tend to minimize audit delays to ensure the timely publication of financial statements and adherence to regulatory requirements. This proactive approach serves as a positive signal to markets and stakeholders, reinforcing the perception that the involvement of reputable auditors enhances both the timeliness and reliability of financial reporting.

4. Conclusion

This study examines the impact of financial distress, profitability, and audit quality on audit delay among manufacturing firms listed on the IDX from 2020 to 2023. The results show that financial distress has no significant effect on audit delay, suggesting that distressed firms and auditors may prioritize timely reporting to maintain market trust. Contrary to expectations, profitability has a positive effect on audit delay, potentially due to increased operational complexity, heightened auditor scrutiny, and more extensive internal review processes in highly profitable firms. Meanwhile, audit quality negatively affects audit delay, indicating that high-quality auditors, such as those from Big Four firms, can conduct efficient audits despite rigorous standards. These findings offer practical insights for companies aiming to improve reporting timeliness, for investors assessing audit reliability, and for regulators encouraging the use of reputable auditors. The study also contributes to the academic literature by addressing inconsistent prior findings and providing sector-specific evidence within an emerging market context.

Future research is encouraged to broaden the scope of analysis by including firms from diverse industry sectors beyond manufacturing, thereby enhancing the generalizability of findings related to audit delay. Incorporating additional explanatory variables, such as corporate complexity, governance quality, and auditor rotation, may provide deeper insights into the multifaceted drivers of audit timeliness. Methodologically, subsequent studies could employ advanced econometric techniques, such as panel data regression or robust estimation methods, to improve the precision and reliability of results. Comparative studies across ASEAN countries may also offer valuable perspectives on how institutional and regulatory differences influence audit delay, enriching the discourse on financial reporting practices in emerging markets.

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