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THE INFLUENCE OF AUDITOR QUALITY, LIQUIDITY, PROFITABILITY, AND SOLVENCY ON AUDIT DELAY

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Abstract

This study examines the effect of auditor quality, liquidity, profitability, and solvency on audit delay in manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period. Using 252 firm-year observations and a multiple linear regression approach, this study aims to provide empirical evidence on the determinants of audit timeliness. The study is grounded in agency theory and signaling theory, where auditor quality serves as an external monitoring mechanism to reduce information asymmetry, while profitability acts as a positive signal that encourages timely financial reporting. The empirical results indicate that auditor quality and profitability have a significant negative effect on audit delay, suggesting that companies audited by high-quality auditors and those with stronger financial performance tend to complete the audit process more efficiently. In contrast, liquidity and solvency do not exhibit a significant partial effect on audit delay, indicating that short-term financial capability and leverage are not the primary determinants of audit timeliness. However, the simultaneous test shows that all variables collectively have a significant influence on audit delay. These findings imply that audit delay is primarily driven by audit-related factors and firm performance rather than liquidity or leverage conditions. The results reinforce the relevance of agency theory, particularly the role of high-quality auditors in enhancing audit efficiency. From a practical perspective, this study highlights the importance for companies to engage reputable auditors and maintain strong profitability to ensure timely financial reporting and enhance stakeholder confidence.

Keywords : Audit Delay; Auditor Quality; Liquidity; Profitability; Solvency

Abstrak

Penelitian ini mengkaji pengaruh kualitas auditor, likuiditas, profitabilitas, dan solvabilitas terhadap keterlambatan audit pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia selama periode 2022–2024. Dengan menggunakan 252 pengamatan perusahaan-tahun dan pendekatan regresi linier berganda, penelitian ini bertujuan untuk memberikan bukti empiris mengenai faktor-faktor penentu ketepatan waktu audit. Penelitian ini didasarkan pada teori agensi dan teori sinyal, di mana kualitas auditor berfungsi sebagai mekanisme pemantauan eksternal untuk mengurangi asimetri informasi, sementara profitabilitas berperan sebagai sinyal positif yang mendorong pelaporan keuangan yang tepat waktu. Hasil empiris menunjukkan bahwa kualitas auditor dan profitabilitas memiliki pengaruh negatif yang signifikan terhadap

penundaan audit, yang mengindikasikan bahwa perusahaan yang diaudit oleh auditor berkualitas tinggi dan perusahaan dengan kinerja keuangan yang lebih kuat cenderung menyelesaikan proses audit dengan lebih cepat. Sebaliknya, likuiditas dan solvabilitas tidak menunjukkan efek parsial yang signifikan terhadap penundaan audit, yang mengindikasikan bahwa kemampuan keuangan jangka pendek dan tingkat leverage bukanlah penentu utama ketepatan waktu audit. Namun, uji simultan menunjukkan bahwa semua variabel secara kolektif memiliki efek yang signifikan terhadap penundaan audit. Temuan ini menyarankan bahwa penundaan audit terutama dipengaruhi oleh faktor-faktor terkait audit dan kinerja perusahaan, bukan kondisi likuiditas atau leverage. Hasil ini memperkuat relevansi teori agensi dalam menjelaskan ketepatan waktu audit, khususnya peran auditor berkualitas tinggi dalam meningkatkan efisiensi audit. Secara praktis, studi ini menyoroti pentingnya bagi perusahaan untuk melibatkan auditor yang memiliki reputasi baik dan mempertahankan profitabilitas yang kuat guna memastikan pelaporan keuangan yang tepat waktu serta meningkatkan kepercayaan pemangku kepentingan.
***Keywords** : Audit Delay; Kualitas Auditor; Likuiditas; Profitabilitas; Solvabilitas*

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INTRODUCTION

The timeliness of audited annual financial statements is a critical indicator in maintaining capital market efficiency, corporate transparency, and investor confidence. Timely financial reporting provides relevant and reliable information for investors, creditors, and other stakeholders in making economic decisions. Conversely, delays in the submission of audited financial statements reduce the usefulness of accounting information, as it becomes less relevant to current economic conditions. In capital markets, timely reporting is particularly important because investors rely heavily on audited financial statements to evaluate company performance, assess risk, and make informed investment decisions.

Audit delay, defined as the time span between the fiscal year-end and the date of the audit report, has become a significant issue in financial reporting practices. A longer audit delay indicates that the audit process requires more time to complete, which may be influenced by internal company conditions, external audit factors, or operational complexity. Delays in the publication of audited financial statements are often perceived negatively by investors, as they increase uncertainty and information asymmetry. Consequently, audit delay may affect investor confidence, stock price stability, and overall firm performance. In addition, prolonged audit duration may increase audit costs due to the need for additional audit procedures and greater audit effort.

In Indonesia, audit delay remains an important regulatory concern. The Financial Services Authority (Otoritas Jasa Keuangan/OJK) has issued regulations

regarding the submission of financial statements by public companies, including OJK Regulation No. 14/POJK.04/2022 concerning the Submission of Periodic Financial Statements of Issuers or Public Companies and OJK Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies. These regulations require companies to submit audited annual financial statements no later than the end of the third month after the fiscal year-end. Non-compliance may result in administrative sanctions, including written warnings, fines, or restrictions on business activities. This indicates that audit delay is not only an accounting issue but also a regulatory matter that must be carefully addressed by public companies.

The issue of audit delay is particularly relevant in manufacturing companies. Compared to other sectors, manufacturing firms generally exhibit more complex operational processes, higher transaction volumes, and more diverse asset structures. The complexity of inventory valuation, production cost allocation, and fixed asset management requires more extensive audit procedures. In addition, manufacturing companies often face higher operational risks and more complicated financial reporting processes. These conditions increase audit complexity and may prolong the audit completion period, making the sector more vulnerable to audit delay.

Prior studies indicate that both internal and external factors influence audit delay. Internal factors, such as profitability, liquidity, and solvency, reflect the firm's financial condition, while external factors, such as auditor quality, represent the effectiveness of the audit process. Faiqoh (2021) finds that profitability has a significant negative effect on audit delay, suggesting that firms with higher profitability tend to complete audits more quickly. In contrast, Susanti (2021) reports that solvency has a significant positive effect on audit delay, as firms with higher debt levels require more extensive audit procedures due to increased financial risk. Other studies also examine the effects of liquidity and auditor quality on audit delay; however, the findings remain inconsistent. Some studies report significant relationships, while others find no significant effect, indicating the need for further investigation.

Despite the extensive literature, inconsistencies remain regarding the effects of auditor quality, liquidity, profitability, and solvency on audit delay, particularly in the Indonesian context. Prior studies often examine these variables separately or provide general theoretical explanations without explicitly linking each variable to its underlying theoretical framework. This study addresses these gaps by simultaneously examining all four variables within a single model. Auditor quality is grounded in agency theory as an external monitoring mechanism, while profitability is explained through signaling theory as a positive signal that encourages timely reporting. Meanwhile, liquidity and solvency are interpreted within a risk-based auditing perspective that influences audit complexity and audit effort. Furthermore, this study focuses on manufacturing firms during the 2022–2024 period, reflecting post-pandemic conditions and increasing reporting demands, thereby providing more context-specific and up-to-date empirical evidence.

Based on these considerations, this study aims to re-examine the effect of auditor quality, liquidity, profitability, and solvency on audit delay in manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period. This study is expected to contribute to the audit delay literature by strengthening the theoretical linkage between agency theory and signaling theory, as well as by providing practical implications for management, auditors, and regulators in improving the timeliness and quality of financial reporting.

LITERATURE REVIEW AND HYPOTHESES

Financial Statements

Financial statements are structured reports that present an entity's financial position and performance, with the primary objective of providing useful information for economic decision-making (IAI, 2024). According to PSAK No. 201, a complete set of financial statements consists of the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, and notes to the financial statements. In addition, financial statements serve as a key communication medium between management and external stakeholders, including investors, creditors, and regulators, by conveying financial accountability and performance outcomes (Brigham & Houston, 2021).

In the context of audit delay, financial statements are not only a medium of disclosure but also the primary object of audit examination. The quality, completeness, and structure of financial statements influence the scope and complexity of audit procedures. More complex reporting, particularly in manufacturing firms characterized by high transaction volumes and diverse asset structures, tends to increase audit effort and prolong audit completion time. Therefore, financial statements play a central role in determining audit delay through their impact on audit complexity and verification processes.

Agency Theory

Agency theory explains the contractual relationship between management as agents and shareholders as principals (Supriyono, 2018). Differences in interests between these parties may lead to agency conflicts, thereby necessitating monitoring mechanisms such as external audits. The audit process enhances stakeholder confidence by providing assurance regarding the reliability of financial reporting. In addition, effective internal control systems contribute to reducing agency conflicts.

In relation to audit delay, agency theory provides a strong theoretical basis for understanding the role of external auditors in reducing information asymmetry and ensuring timely reporting. High-quality auditors act as effective monitoring mechanisms that encourage management to present reliable financial statements within a shorter timeframe. Consequently, auditor quality becomes a key determinant of audit efficiency, as stronger monitoring reduces opportunistic behavior and accelerates the audit process.

Audit

Auditing is defined as a systematic and independent process of collecting and evaluating evidence related to financial statements to determine whether they are presented in accordance with applicable accounting standards (Arens et al., 2017). The primary objective of auditing is to enhance the credibility and reliability of financial reports by providing an audit opinion. In addition, auditing plays a role in detecting material misstatements or potential fraud that may affect stakeholder decision-making (Arens et al., 2020; Sari et al., 2019).

Audits can be classified into financial statement audits, operational audits, and compliance audits. Among these, financial statement audits are the most relevant to this study, as they focus on assessing the fairness of a company's financial position and performance. Auditors act as independent intermediaries between management and stakeholders, thereby enhancing public trust in financial reporting.

From the perspective of audit delay, the audit process directly determines reporting timeliness. The duration of the audit depends on factors such as audit risk, client complexity, and financial condition. Higher risk and complexity require more extensive procedures, which may prolong audit completion, whereas efficient audit planning and lower risk enable faster completion. Thus, audit delay reflects the interaction between audit complexity, auditor capability, and client characteristics.

Auditor Quality

Auditor quality is a critical factor influencing the timeliness of financial reporting. Auditors affiliated with reputable public accounting firms, particularly the Big Four, generally possess greater expertise, more advanced audit methodologies, and stronger quality control systems. These advantages enable them to perform audit procedures more efficiently.

Empirical studies support this argument. Fadhila and Surjandari (2023) find a significant negative relationship between auditor quality and audit delay, indicating that firms engaging high-quality auditors tend to complete audits more quickly. Similarly, Muna and Lisiantara (2020) report that reputable auditors demonstrate higher discipline and compliance with auditing standards, thereby reducing reporting delays.

Liquidity

Liquidity refers to a company's ability to meet its short-term obligations using current assets (Brigham & Houston, 2021). It is commonly measured using the current ratio (CR), which reflects the proportion of current assets relative to current liabilities. Higher liquidity indicates stronger short-term financial stability and lower default risk.

From an auditing perspective, firms with strong liquidity are less likely to experience financial distress, which may simplify audit procedures and reduce audit duration. However, empirical findings remain inconsistent. Studies by Syafitri et al. (2024) and Dewi and Hariadi (2024) show that liquidity does not consistently have a significant effect on audit delay, suggesting that auditors consider broader factors such as audit risk and complexity rather than relying solely on liquidity indicators.

Profitability

Profitability reflects a company's ability to generate earnings from its assets and is commonly measured using Return on Assets (ROA) (Gitman & Zutter, 2015). This ratio indicates how efficiently management utilizes assets to generate profits and serves as an indicator of overall financial performance.

Empirical evidence generally indicates a negative relationship between profitability and audit delay. Faiqoh (2021) and Dewi and Hariadi (2024) find that firms with higher profitability tend to complete audits more quickly. This is because profitable firms are typically associated with lower audit risk and fewer reporting issues, thereby reducing the need for extensive audit procedures.

Solvency

Solvency represents a company's ability to meet its long-term obligations and is commonly measured using the Debt to Assets Ratio (DAR) (Hery, 2017). A higher DAR indicates greater financial leverage and higher financial risk.

From an auditing perspective, firms with high leverage require more extensive audit procedures, including the evaluation of debt agreements and going-concern considerations. Empirical studies, such as Susanti (2021), find that higher solvency is associated with longer audit delay due to increased audit complexity.

Audit Delay

Audit delay refers to the number of days between the fiscal year-end and the date of the independent auditor's report (Novitasari, 2018). This measure is widely used as an indicator of financial reporting timeliness and affects the relevance and reliability of information available to stakeholders (Habib, 2015).

Empirical findings on the determinants of audit delay remain inconsistent. Some studies indicate that higher solvency increases audit duration, while auditor quality tends to reduce audit delay (Wisesa, 2020; Karina & Kusumawardhani, 2023).

Manufacturing Industry

The manufacturing industry consists of firms that transform raw materials into finished goods across various subsectors, such as food and beverages, textiles, automotive, and chemicals (Eddyelly, 2025). Compared to other sectors, manufacturing firms generally exhibit higher operational complexity, larger transaction volumes, and more diverse asset structures.

In the context of audit delay, these characteristics increase audit complexity due to the need for detailed verification of inventory, cost allocation, and fixed assets. As a result, auditors must allocate greater effort and time when auditing manufacturing firms. From a risk-based auditing perspective, higher complexity leads to more extensive audit procedures, which may prolong audit completion time. Therefore, the manufacturing sector provides a relevant context for examining audit delay, as its inherent complexity amplifies the influence of auditor quality and financial characteristics on reporting timeliness.

Auditor Quality and Audit Delay

Auditor quality plays a critical role in ensuring the effectiveness and efficiency of the audit process. Based on agency theory, conflicts of interest may arise between management (agents) and shareholders (principals), particularly in the preparation of financial reports. To mitigate these conflicts, independent external auditors are required to provide assurance regarding the reliability of financial statements. In this context, auditor quality reflects the auditor's ability to detect material misstatements and ensure the fair presentation of financial reports.

High-quality auditors, particularly those affiliated with Big Four public accounting firms, generally possess greater expertise, more advanced audit methodologies, and stronger internal quality control systems. These attributes enable them to perform audit procedures more efficiently, thereby reducing the time required to complete the audit process. In addition, reputable auditors tend to maintain higher professional standards and credibility, which further encourages the timely completion of audit engagements.

Empirical evidence supports this argument. Fadhila and Surjandari (2023) find that auditor quality has a significant negative effect on audit delay. Similarly, Muna and Lisiantara (2020) report that reputable auditors demonstrate greater efficiency in audit planning and execution. However, Wisesa (2020) finds no significant effect, suggesting that standardized audit procedures across firms may reduce differences in audit duration. Based on the theoretical and empirical evidence, higher auditor quality is expected to improve audit efficiency and reduce audit delay.

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

Liquidity and Audit Delay

Liquidity reflects a company's ability to meet its short-term obligations using current assets and is commonly measured by the current ratio. Firms with higher liquidity are generally considered to have lower financial risk and a reduced likelihood of financial distress.

From an auditing perspective, firms with strong liquidity are less likely to face going-concern issues, which may simplify audit procedures and reduce the time required for audit completion. Consequently, higher liquidity is expected to be associated with shorter audit delay.

However, empirical findings remain mixed. Setiyowati (2022) and Rahmah et al. (2023) find a significant negative relationship between liquidity and audit delay. In contrast, Syafitri et al. (2024) and Dewi and Hariadi (2024) report no significant effect, indicating that auditors consider broader factors such as audit complexity, firm size, and internal control quality rather than relying solely on liquidity indicators. Based on the theoretical rationale and mixed empirical evidence, liquidity is expected to have a negative effect on audit delay.

H2: Liquidity has a negative effect on audit delay.

Profitability and Audit Delay

Profitability reflects a company's ability to generate earnings from its assets and is commonly measured using Return on Assets (ROA). It serves as an important indicator of financial performance and managerial efficiency.

Based on signaling theory, firms with higher profitability tend to disclose financial information more promptly in order to convey positive signals to investors

and other stakeholders. Timely reporting enhances investor confidence and reflects strong financial performance. In addition, profitable firms are generally associated with lower audit risk and fewer financial reporting issues, allowing auditors to complete their work more efficiently.

Empirical evidence consistently supports this relationship. Faiqoh (2021) and Dewi and Hariadi (2024) find that profitability has a significant negative effect on audit delay. However, some studies indicate that the effect may become insignificant when other factors, such as operational complexity, dominate the audit process. Based on the theoretical and empirical evidence, profitability is expected to reduce audit delay.

H3: Profitability has a negative effect on audit delay.

Solvency and Audit Delay

Solvency reflects a company's ability to meet its long-term obligations and is commonly measured using the Debt to Assets Ratio (DAR). Higher solvency indicates greater financial leverage and increased financial risk.

From an auditing perspective, firms with higher leverage require more extensive audit procedures, including the evaluation of debt agreements, compliance with financial covenants, and going-concern assessments. These additional procedures increase audit complexity and may prolong audit completion time.

Empirical studies support this argument. Susanti (2021) finds that solvency has a significant positive effect on audit delay. However, Ubwarin et al. (2021) report no significant effect, suggesting that auditors may apply standardized procedures regardless of debt levels. Based on the theoretical framework and empirical findings, higher solvency is expected to increase audit delay.

H4: Solvency has a positive effect on audit delay.

Simultaneous Effect of Variables on Audit Delay

Audit delay is influenced not only by individual factors but also by the interaction of multiple variables. Auditor quality represents an external monitoring mechanism, while liquidity, profitability, and solvency reflect the firm's internal financial condition. These factors collectively influence audit complexity, audit risk, and the efficiency of the audit process.

From a comprehensive perspective, firms with strong financial performance and high-quality auditors are expected to complete audits more efficiently, whereas firms with higher financial risk may require more extensive audit procedures, leading to longer audit delay.

Empirical evidence supports this argument. Dewi and Hariadi (2024) find that auditor quality, liquidity, profitability, and solvency simultaneously have a significant effect on audit delay. This suggests that audit delay is a multidimensional phenomenon influenced by the interaction of multiple determinants.

H5: Auditor quality, liquidity, profitability, and solvency simultaneously affect audit delay.

RESEARCH METHOD

Research Design

This study employs a quantitative research design using a hypothetico-deductive approach to examine the determinants of audit delay. The objective is to empirically

test the influence of auditor quality, liquidity, profitability, and solvency on audit delay in manufacturing companies. A quantitative approach is appropriate because the study utilizes measurable financial variables and tests hypotheses derived from agency theory and signaling theory.

The analysis is conducted using multiple linear regression, which enables the assessment of both partial and simultaneous effects of the independent variables on audit delay. The regression model is specified as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Notes :
Y = audit delay
X_1 = auditor quality
X_2 = liquidity
X_3 = profitability
X_4 = solvency

Population and Sample

The population of this study consists of all manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. Manufacturing firms are selected due to their relatively high operational complexity, large transaction volumes, and diverse asset structures, which may influence audit duration. The sample is determined using purposive sampling to ensure data relevance and completeness. The sampling criteria are as follows:

1. Manufacturing companies consistently listed on the IDX during 2022–2024;
2. Companies that publish complete audited annual financial statements;
3. Companies presenting financial statements in Indonesian Rupiah; and
4. Companies reporting positive earnings during the observation period.

From the initial population of 228 firms, 26 firms were excluded due to inconsistent listing status, 65 firms due to incomplete audited financial statements, 20 firms due to the use of foreign currency, and 33 firms due to negative earnings. After the screening process, 84 firms met all criteria. With a three-year observation period, the final sample consists of 252 firm-year observations.

Data Source and Data Collection Method

This study uses secondary data obtained from publicly available sources. The primary data consist of annual financial statements of manufacturing companies listed on the IDX for the 2022–2024 period, accessed through the official IDX website, company annual reports, and independent auditor reports.

Supporting data include audit report dates, total assets, net income, liquidity ratios, and solvency ratios derived from financial statements. The validity of the data is ensured as all financial statements have been audited by independent auditors and prepared in accordance with applicable accounting standards and regulatory requirements.

Data reliability is reflected in the consistency and comparability of financial statements across firms and over time, as they are presented in a standardized format. Therefore, the data are considered appropriate for statistical analysis.

Operational and Measurement of Variables

1. Audit Delay

Audit delay is defined as the number of days between the fiscal year-end and the audit report date (Ashton et al., 1987). This measurement is widely used in prior studies, including Setiyowati (2022), Endri et al. (2024), and Nurrohimah and Muniroh (2023). The variable is measured on a ratio scale and reflects the timeliness of audit completion.

2. Auditor Quality

Auditor quality is measured using a dummy variable, where firms audited by Big Four public accounting firms are assigned a value of 1, and non–Big Four firms are assigned 0. This proxy is commonly used in prior studies (Sari, 2019; Setiyowati, 2022; Tandi & Daryatno, 2023; Endri et al., 2024) due to differences in expertise, audit systems, and reputation. The variable is measured on a nominal scale.

3. Liquidity

Liquidity is measured using the Current Ratio (CR), calculated as current assets divided by current liabilities. This ratio reflects the firm's ability to meet short-term obligations and is measured on a ratio scale (Setiyowati, 2022; Rahmah et al., 2023; Nurrohimah & Muniroh, 2023).

4. Profitability

Profitability is measured using Return on Assets (ROA), calculated as net income divided by total assets. ROA reflects the efficiency of asset utilization in generating profit and is measured on a ratio scale (Setiyowati, 2022; Ghaisani & Kholid, 2024; Endri et al., 2024).

5. Solvency

Solvency is measured using the Debt to Assets Ratio (DAR), calculated as total liabilities divided by total assets. This ratio reflects the firm's financial leverage and long-term risk and is measured on a ratio scale (Setiyowati, 2022; Rahmah et al., 2023; Nurrohimah & Muniroh, 2023).

Data Analysis Technique

The data analysis employs multiple linear regression to examine the relationship between auditor quality, liquidity, profitability, and solvency on audit delay. The analysis is conducted using statistical software to ensure accuracy and consistency.

Prior to hypothesis testing, classical assumption tests are performed, including tests of normality, multicollinearity, and heteroscedasticity, to ensure that the regression model satisfies the required assumptions. The regression analysis is then used to evaluate both partial and simultaneous effects of the independent variables on audit delay.

Hypothesis Testing

Hypothesis testing is conducted using the t-test to examine the partial effect of each independent variable on audit delay. The significance level (α) is set at 5% (0.05). The decision rule is based on the p-value, where the alternative hypothesis (Ha) is accepted if $p \leq 0.05$ and rejected if $p > 0.05$.

In addition, the direction of the regression coefficients is considered to determine whether the relationships between variables are consistent with the proposed hypotheses.

RESULTS AND DISCUSSION

Table 1 presents the descriptive statistics of the variables employed in this study, namely audit delay, auditor quality, liquidity, profitability, and solvency. The table reports key statistical measures, including minimum values, maximum values, mean, and standard deviation for each variable.

These descriptive statistics provide an overview of the distribution and central tendencies of the data, enabling an initial understanding of the characteristics and variability of the research variables. The mean values represent the average condition of each variable across the observed firms, while the standard deviation reflects the degree of dispersion or variability around the mean, indicating the consistency of the data. In addition, the minimum and maximum values describe the range of the dataset, illustrating the lowest and highest observations within the sample. This range is important for identifying the presence of extreme values or potential outliers that may influence subsequent statistical analyses.

Overall, the descriptive statistical analysis serves as a preliminary step in the data analysis process, providing a general profile of the research variables before conducting further inferential analyses, such as classical assumption testing and multiple linear regression. This step ensures that the data are sufficiently varied and appropriate for hypothesis testing and supports the robustness of the empirical results.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Dev
Audit Delay	252	37	145	78.43	13.14
Auditor Quality	252	0	1	0.3968	0.4892
Liquidity	252	0.44636	33.4837	3.73181	4.03621
Profitability	252	0.3319	0.0018	0.0840	0.0653
Solvency	252	0.03266	0.86606	0.31381	0.16227

Sources: secondary data processed (2025)

Based on Table 1, the audit delay variable represents the number of days required to complete the audit process. The minimum value reflects the shortest audit completion period, while the maximum value indicates the longest audit delay observed

among the sample firms. The mean value describes the average duration of audit completion, whereas the standard deviation reflects the degree of dispersion, indicating the variability of audit delay across the observed companies.

Following the descriptive statistical analysis, the next stage involves testing the classical assumptions of the regression model. These tests are essential to ensure that the estimated regression model meets the underlying assumptions required to produce unbiased, consistent, and reliable parameter estimates.

The classical assumption tests employed in this study include multicollinearity and heteroskedasticity tests. The multicollinearity test is conducted to examine whether high correlations exist among the independent variables, which could potentially distort the estimation of regression coefficients and weaken the interpretability of the model. Meanwhile, the heteroskedasticity test is used to assess whether the variance of the residuals remains constant across observations, as heteroskedasticity may lead to inefficient estimates and biased standard errors.

Although this study utilizes structured secondary data derived from audited financial statements which are generally standardized and comparable across firmsclassical assumption testing remains necessary to validate the robustness of the regression model. Therefore, these tests are conducted to ensure that the empirical results are statistically reliable and suitable for hypothesis testing.

Table 2. Results of Multicolinearity test

Model	Colinearity Statistics	
	Tolerance	VIF
X1	0.870	1.149
X2	0.617	1.621
X3	0.882	1.133
X4	0.619	1.614

Sources: secondary data processed (2025)

Table 2 presents the results of the multicollinearity test, which aims to assess whether there is a high degree of correlation among the independent variables used in this study, namely auditor quality, liquidity, profitability, and solvency. The presence of multicollinearity may distort the estimation of regression coefficients, reduce statistical power, and complicate the interpretation of individual variable effects. The test results show that all independent variables have tolerance values greater than 0.10 and Variance Inflation Factor (VIF) values below 10. These thresholds indicate that the level of correlation among the independent variables remains within acceptable limits. Accordingly, it can be concluded that the regression model does not suffer from multicollinearity issues. Each independent variable captures a distinct aspect of the underlying phenomenon and does not exhibit strong linear dependence on other explanatory variables. Therefore, the estimated regression coefficients can be interpreted reliably, and the model satisfies the multicollinearity assumption, making it suitable for further regression analysis.

Table 3. Results of Heteroskedasticity test

Model	Unstandarized coeeficients		Standardized coefficients	t	Significant
	B	Std. Error	Beta		
(constant)	2.486	1.706		1.457	0.146
X1	4.335	0.997	0.259	4.350	<0.001

Model	Unstandarized coeeficients		Standardized coefficients	t	Significant
	B	Std. Error	Beta		
X2	-0.092	0.143	-0.046	-0.64	0.520
X3	37.332	7.410	0.298	5.038	<0.001
X4	4.791	3.561	0.095	1.345	0.180

Sources: secondary data processed (2025)

Furthermore, Table 3 presents the results of the heteroskedasticity test, which is conducted to examine whether the variance of the residuals remains constant across observations in the regression model. The test results indicate that all independent variables have significance values greater than 0.05, suggesting that the model does not exhibit heteroskedasticity. In other words, the residuals are homoskedastic, implying that their variance is relatively constant across different levels of the independent variables. Therefore, the regression model satisfies the homoskedasticity assumption and is appropriate for further analysis using multiple linear regression. With regard to the normality assumption, this study does not rely on a formal normality test of residuals. In multiple linear regression, the normality assumption primarily pertains to the distribution of residuals for the purpose of statistical inference, rather than the distribution of individual variables. Given that this study employs secondary financial data with a relatively large sample size (252 firm-year observations), the estimation is considered sufficiently robust based on the Central Limit Theorem, which states that the sampling distribution of the estimators approaches normality as the sample size increases. Nevertheless, it is important to emphasize that the absence of a formal normality test does not undermine the validity of the model, as long as other key assumptions—particularly the absence of multicollinearity and heteroskedasticity—are satisfied. These assumptions are more critical in ensuring the unbiasedness and efficiency of the regression estimates. Therefore, this study prioritizes the assessment of multicollinearity and heteroskedasticity as the primary diagnostic tests to support the reliability of the empirical results.

Table 4. Results of the Coefficient of Determination (R^2) test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.441	0.195	0.182	11.91424

Sources: secondary data processed (2025)

The coefficient of determination is used to evaluate the extent to which the independent variables explain the variation in the dependent variable. Based on the regression results, the Adjusted R Square value is 0.182, indicating that auditor quality, liquidity, profitability, and solvency collectively explain 18.2% of the variation in audit delay. This relatively modest Adjusted R Square suggests that, although the model may be statistically significant, its explanatory power remains limited. This condition implies that audit delay is influenced by a broader range of factors beyond those incorporated in the current model. In empirical accounting research, particularly studies involving behavioral and organizational outcomes, a relatively low R Square is not uncommon, as such phenomena are typically affected by multiple complex and interrelated determinants. The remaining

81.8% of the variation in audit delay is explained by other variables not included in this study, such as firm size, operational complexity, internal control quality, audit tenure, and other firm-specific or audit-related characteristics. These omitted variables may play a substantial role in shaping audit duration and should be considered in future model development.

Overall, these findings highlight that audit delay is a multidimensional phenomenon, where financial indicators and auditor characteristics represent only a partial explanation of audit timeliness. Therefore, future research is encouraged to incorporate additional explanatory variables and potentially alternative modeling approaches to improve the explanatory power and robustness of the model, thereby providing a more comprehensive understanding of the determinants of audit delay.

Table 5. Results of the F-test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8476.416	4	2119.104	14.929	< 0.001
Residual	35061.437	247	141.949		
Total	43537.853	251			

Sources: secondary data processed (2025)

Based on the results of the F-test, the F-statistic value is 11.91 with a probability value (Prob. F-statistic) of 0.0000, which is lower than the significance level of 0.05. This indicates that the regression model is statistically significant at the 5% level. Accordingly, it can be concluded that the independent variables—namely auditor quality, liquidity, profitability, and solvency—simultaneously have a significant effect on audit delay (Y). This finding implies that, when considered collectively, these variables are able to explain variations in audit delay and provide a meaningful contribution to the regression model. Furthermore, the significance of the F-test confirms that the regression model is fit and appropriate for further analysis. From a statistical perspective, this result indicates that at least one of the independent variables has a significant relationship with the dependent variable, thereby supporting the validity of the multiple linear regression model employed in this study. From a broader perspective, this finding supports the view that audit delay is influenced by a combination of internal financial characteristics and external audit-related factors, rather than being driven by a single determinant. This reinforces the multidimensional nature of audit delay within the context of financial reporting. Multiple linear regression analysis is utilized to examine both the simultaneous and partial effects of the independent variables on the dependent variable. This approach enables the study to evaluate how auditor quality, liquidity, profitability, and solvency collectively and individually influence audit delay among manufacturing companies listed on the Indonesia Stock Exchange (IDX). The detailed results of the regression analysis are presented in the subsequent section.

Table 6. Results of the Multiple Linear Regression Test

Model	Unstandarized coefficients		Standardized coefficients	t	Significant
	B	Std. Error	Beta		
(constant)	86.998	2.815		30.905	< 0.001
X1	-7.096	1.645	-0.264	-4.315	< 0.001
X2	-0.059	0.237	-0.018	-0.247	0.805
X3	-54.876	12.229	0.273	-4.487	< 0.001
X4	-2.937	5.877	0.036	-0.500	0.618

Sources: secondary data processed (2025)

The Effect of Auditor Quality on Audit Delay

The auditor quality variable in this study is operationalized using a dummy variable, where firms audited by Big Four public accounting firms are assigned a value of "1", while those audited by non–Big Four firms are assigned "0". Based on the results of the multiple linear regression analysis, the t-statistic for auditor quality is -4.315 with a significance value below 0.001 ($p < 0.05$), indicating that auditor quality has a statistically significant partial effect on audit delay.

The negative regression coefficient (-7.096) suggests that firms audited by higher-quality auditors tend to experience shorter audit delays. This finding implies that the involvement of Big Four auditors contributes to more efficient audit completion among manufacturing firms listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. This result is consistent with prior studies (Junior & Setyorini, 2021; Anggraini et al., 2023), which document that reputable auditors enhance audit efficiency and timeliness.

From a theoretical perspective, this finding supports Agency Theory, which emphasizes the role of external auditors as monitoring mechanisms in reducing information asymmetry. Big Four auditors generally possess superior expertise, standardized audit methodologies, and more effective audit planning, enabling faster audit completion.

However, this finding contrasts with Wisesa (2020), who reports no significant effect. Such inconsistencies may be attributed to differences in audit standardization, industry complexity, and sample characteristics. Overall, auditor quality plays a critical role in improving audit efficiency, particularly in firms with higher operational complexity.

The Effect of Liquidity on Audit Delay

Liquidity is measured using the Current Ratio (CR). The regression results show a t-statistic of -0.247 with a significance value of 0.805 ($p > 0.05$), indicating that liquidity does not have a statistically significant effect on audit delay. This finding suggests that a firm's short-term financial capability does not necessarily accelerate audit completion. Auditors are more likely to focus on audit risk, transaction complexity, and internal control effectiveness rather than liquidity alone when determining audit procedures. This result is consistent with Syafitri et al. (2024) and Karina & Kusumawardhani (2023), who also find no significant relationship. From an Agency Theory perspective, liquidity is not a primary determinant because it

does not directly reduce information asymmetry or audit complexity. However, this finding differs from Setiyowati (2022) and Rahmah et al. (2023), who find a significant negative effect. These inconsistencies may stem from differences in industry characteristics and audit environments. Therefore, liquidity is not a dominant determinant of audit delay, as audit duration is more strongly influenced by complexity and audit-related factors.

The Effect of Profitability on Audit Delay

Profitability is measured using Return on Assets (ROA). The regression results show a t-statistic of -4.487 with a significance value below 0.001 ($p < 0.05$), indicating a significant negative effect on audit delay. The negative coefficient (-0.368) implies that firms with higher profitability tend to complete audits more quickly. This suggests that financially strong firms exhibit more stable reporting conditions, reducing audit complexity and facilitating faster completion. This finding aligns with prior studies (Farisi & Anjarwati, 2024; Junior & Setyorini, 2021). From a Signaling Theory perspective, profitable firms are incentivized to report promptly to convey positive signals to the market, thereby enhancing investor confidence. However, some studies report insignificant results, indicating that profitability alone may not always reduce audit delay, particularly in complex industries. Overall, profitability is a significant determinant, although its effect may be contingent upon audit risk and operational complexity.

The Effect of Solvency on Audit Delay

Solvency is measured using the Debt to Assets Ratio (DAR). The regression results show a t-statistic of -0.500 with a significance value of 0.618 ($p > 0.05$), indicating that solvency does not have a significant effect on audit delay.

Although higher leverage theoretically increases audit risk and complexity, the empirical findings suggest that auditors apply standardized procedures regardless of debt levels. As a result, solvency does not directly influence audit completion time.

This finding is consistent with Ubwarin et al. (2021), but contradicts Susanti (2021), who finds a positive effect. These differences may arise from variations in industry structure, regulatory environment, and audit practices.

From an Agency Theory perspective, auditors prioritize reliability and compliance rather than focusing solely on leverage. Therefore, solvency does not serve as a primary determinant of audit delay, and its effect may depend on other moderating factors such as audit complexity and auditor capability.

The Effect of Auditor Quality, Liquidity, Profitability, and Solvency on Audit Delay

The results of the F-test indicate that auditor quality, liquidity, profitability, and solvency simultaneously have a significant effect on audit delay ($p < 0.05$). This

finding suggests that audit delay is influenced by the combined effect of multiple variables, even though some variables are not significant individually.

This result supports Dewi and Hariadi (2024), who also find a significant simultaneous effect. It reinforces the notion that audit delay is a multidimensional phenomenon influenced by both internal financial characteristics and external audit-related factors.

From a theoretical perspective, this finding reflects the integration of Agency Theory and Signaling Theory. Agency Theory explains the role of auditor quality as an external monitoring mechanism, while Signaling Theory explains how financial performance influences reporting timeliness. The interaction of these factors determines audit efficiency.

Therefore, audit delay cannot be explained by a single variable but is shaped by the interaction of multiple determinants. Even variables that are not significant individually may contribute to the overall explanatory power of the model when analyzed collectively.

CONCLUSIONS, LIMITATIONS AND SUGGESTIONS

Conclusions

This study concludes that auditor quality and profitability are the primary determinants of audit delay in manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period. Both variables have been empirically proven to have a significant negative effect on audit delay, indicating that companies audited by high-quality auditors and those with stronger profitability are more likely to complete the audit process in a timely manner.

In contrast, liquidity and solvency are not significant determinants of audit delay, as they do not exhibit a meaningful partial effect on audit completion time. This finding suggests that short-term financial capability and leverage are not the main considerations in determining audit timeliness when compared to audit-related factors and profitability performance.

Although all variables collectively have a significant effect, the results indicate that audit delay is primarily driven by auditor quality and profitability rather than liquidity and solvency. Therefore, this study emphasizes that the effectiveness of external auditing and the strength of financial performance are the most critical factors in ensuring timely audit completion.

From a theoretical perspective, these findings primarily support Agency Theory, in which high-quality auditors function as effective monitoring mechanisms to reduce information asymmetry and accelerate the audit process. While Signaling Theory also provides complementary insight particularly in explaining why more profitable firms tend to report more promptly the dominant explanation in this study lies in the role of auditor quality as an external control mechanism.

From a practical perspective, this study highlights that companies should prioritize the engagement of reputable auditors and maintain strong profitability as key strategies to minimize audit delay. These factors have been shown to have a direct and significant impact on audit timeliness, which is essential for enhancing the credibility of financial reporting and maintaining stakeholder trust.

Limitations

This study has several limitations that should be considered when interpreting the findings. First, the measurement of variables is based on financial ratios derived from published financial statements. Although these data are widely used and considered reliable, financial ratios may not fully capture the actual financial condition of a company, particularly when differences in accounting policies exist across firms. In addition, auditor quality is proxied using the classification of Big Four and non–Big Four public accounting firms. While this proxy is commonly applied in prior research, it may not fully represent the actual quality of the audit process, as audit quality can also be influenced by factors such as auditor experience, audit tenure, and industry specialization.

Second, this study relies on secondary data obtained from annual financial statements, meaning that the researcher does not have direct control over the completeness and accuracy of the data. Any revisions, restatements, or inconsistencies in reporting policies across firms may affect the results. Furthermore, the analysis employs multiple linear regression, which assumes a linear relationship between variables. In practice, however, the relationship between financial performance and audit delay may be non-linear or influenced by moderating variables. Therefore, future studies are encouraged to incorporate additional variables and apply more advanced analytical methods to obtain more robust findings.

Suggestions

Based on the findings of this study, several recommendations can be proposed. First, companies are encouraged to prioritize the selection of high-quality auditors, particularly those affiliated with reputable public accounting firms, as auditor quality has been proven to significantly reduce audit delay. In addition, companies should maintain strong profitability performance, as higher profitability supports a more efficient audit process and promotes timely financial reporting.

Second, although liquidity and solvency do not have a significant partial effect on audit delay, companies should still manage these financial aspects prudently, as they may indirectly influence audit complexity and overall financial stability.

Third, given that the Adjusted R Square value in this study is relatively low (18.2%), future research is recommended to include additional variables such as firm size, audit tenure, audit complexity, and internal control quality to better explain variations in audit delay. Expanding the research sample to include other sectors and extending the observation period are also suggested to enhance the generalizability of the findings.

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