

Moderating Role of Audit Committee in Determinant Relationship with Audit Delay

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Abstract

Purpose – The objective of this study is to examine the moderating role of Audit Committee in the relation between determinants, which are Financial Distress, Complexity of Operation, and CPA Reputation, toward Audit Delay.

Design/Methodology/Approach – Purposive sampling was applied in filtering research data from the financial statements of property and real estate companies registered on the Indonesia Stock Exchange during 2022-2024. A total of 160 financial statements from 73 issuers were analyzed after outlier adjustment. Data analysis was performed using Moderated Regression Analysis (MRA) with the SPSS 26 application.

Results – This study found a positive influence of Financial Distress on Audit Delay. Whereas, Complexity of Operation and CPA Reputation do not have significant impact to Audit Delay. MRA analysis shows that the audit committee does not act as a moderator in the relationship between determinants with Audit Delay.

Research limitations/Implications – The presence of Audit Committee in property and real estate issuers registered on IDX has not been effective enough because companies only consider the existence of Audit Committees as a means of complying with OJK regulations, thereby failing to accelerate the financial statement audit process. Practically, these findings highlight that management

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and regulators need to strengthen the role and effectiveness of audit committees to ensure timeliness and enhance investor confidence in audited financial statements.

Keywords: Audit Delay, Audit Committee, Complexity of Operation, CPA Reputation, Financial Distress

Introduction

Every company that conducts operational activities needs to perform accounting processes to produce financial statements in order to provide an overview of companies' financial condition within a specific period. For publicly listed companies, audited financial reports are essential as they form the basis of investment decisions and reflect accountability to stakeholders. Financial statements that are to be published must be accompanied by an opinion from a Certified Public Accountant/CPA to ensure the accuracy of the information and as a guarantee that the financial statements are reliable.

According to Khairunnisa & Praptiningsih (2022), delays in submitting audited reports (audit delay) can reduce the relevance of information and weaken investor confidence. In Indonesia, Otoritas Jasa Keuangan Republik Indonesia No. 14/PJOK.04/2022 requires issuers to submit audited financial reports within three months after fiscal year-end, yet many companies fail to meet this deadline. This is evident from the formal announcement of Indonesia Stock Exchange (IDX), that

recorded at the end of the 2022 fiscal year there were 61 issuers that were late, rising to 137 issuers in 2023, and slightly decreasing to 128 issuers in 2024, with the property and real estate sector consistently among the top sectors experiencing delays. The sector's unique characteristics, such as complex entity structures, long-term projects, and fixed asset valuations that are difficult to measure fairly.

Previous studies highlight several determinants of audit delay, but the findings remain inconclusive. Complexity of operation is believed to be a factor that extends the duration of the audit. This is aligned with the research from Ambia et al. (2022) and Isnaeni & Nurcahya (2021). However, the results of Jannah et al. (2024) reveal the opposite, where the complexity of operation has not been shown to impact audit delay. Similarly, financial distress may extend the audit process due to increased auditor caution. Related studies conducted by Sugiyanto (2022) and Gustiana & Rini (2022) concluded that there is a positive impact. The research by Tsaqif et al. (2024) revealed negative effect. Conversely, the conclusions of studies by Pingass & Dewi (2022) and Fairuzzaman et al.

(2022) are that financial distress has no relationship with audit delay. The same applies to CPA reputation, where reputable auditors may accelerate the process as in the results of research by Ala et al. (2022). Meanwhile, in the studies by Ambia et al. (2022), Febriana et al. (2024), and Khairunnisa & Praptiningsih (2022), there was no significant effect. These inconsistencies indicate the need to explore additional mechanisms that might influence the relationship between these determinants and audit delay.

In this study, the authors bring an update by adding the moderating variable of the audit committee in the relationship between financial distress, complexity of operation, and CPA reputation on audit delay. Otoritas Jasa Keuangan Republik Indonesia Regulation No. 55/PJOK.04/2015 declares that an audit committee is required to have at least three members and is established to aid the board of commissioners in fulfilling its duties. Audit committees are often linked to audit delays as an independent variable, as in studies by Sirait (2021), Afridayani & Anisa (2021), Khairunnisa & Praptiningsih (2022), and Rajaguk-guk (2022). During the implementation of this research, the authors have not found any studies that use the audit committee as moderator of audit delay. Testing its moderating role therefore provides novelty, offering insights into how governance structures may alter the effects of

financial distress, complexity of operation, and CPA reputation in audit delay.

From the introduction above, this study aims to examine the relation between financial distress, complexity of operation, and CPA reputation with audit delay, and to assess the moderating role of audit committee in issuers of property and real estate sector on IDX.

Literature Review & Hypothesis

Agency Theory

According to Susilawati & Kushendar (2023) in the book “Teori Administrasi Publik Menggali Dasar-Dasar Pemerintahan Modern”, agency theory highlights the relationship between principals, which is the group that gives the mandate, and agents, which is the group that carries out the mandate, where the two do not always have aligned interests. In the context of research, principals rely on independent auditors (CPA) to assess the fairness and timeliness of fiscal reporting by management.

Signal Theory

Through financial reports, stakeholders analyze the financial health of a company, its growth potential, and the risks it may face (M. Syahrudin et al., 2025). Signals are defined as information about the company to principals or investors that will ultimately influence investment decisions. The timely submission of financial reports reflects

positive signals about the transparency and financial health of the entity. Conversely, delays in the audit process will create negative perceptions that have the potential to reduce investor confidence in the financial information presented.

Audit Delay (AD)

Audit delay refers to the interval between the financial statement reporting date and the issuance of the audit opinion report, indicating the duration taken to complete the audit (Kimberli & Kurniawan, 2021). A prolonged audit process leads to later submission of financial reports to the public. Such delay may undermine stakeholders' confidence in the reliability and accountability of the financial information presented. In addition, audit delay will also result in greater uncertainty regarding the company's performance and financial position, making it difficult to make the right decisions, especially in companies undergoing an Initial Public Offering (IPO) on the Stock Exchange. Measurement of audit delay is based on the time span, in days, from the closing of fiscal year to the release of independent auditor's opinion.

Financial Distress (FD)

Fairuzzaman et al. (2022) define financial distress as a situation in which a company experiences a decline in financial health that, if not addressed immediately, can develop into a worse condition and lead to

potential bankruptcy. This study uses the Debt to Assets Ratio (DAR) calculation to measure financial distress, which reflects the company's assets' ability to pay debts. When assets are unable to cover the company's debts, that mean financial distress has occurred and bankruptcy is a possibility. This condition tends to cause audit delays because auditors need to add audit procedures to avoid giving incorrect opinions. Auditors will also increase their caution because these conditions tend to cause disputes with management.

H1: Financial distress has positive relationship with audit delay.

Complexity of Operation (CO)

Each issuer has a different level of operational complexity. According to Ningsih et al. (2024), complexity is defined as matters related to the intricacy of transactions within a company. Complexity can be measured in terms of aspects such as the number of subsidiaries, branches, locations of operations, and business diversification. This study uses the sum of subsidiaries to assess the complexity of operation within the property and real estate sector. Companies with high complexity require more thorough and careful audit procedures, which take longer to implement. This condition also means that companies are more likely to experience audit delays because independent auditors also need time to understand the company's operational stages.

H2: Complexity of operation has positive relationship with audit delay.

Certified Public Accountant/CPA Reputation (CPAR)

A Certified Public Accountant (CPA) is an entity consisting of a group of licensed accountants who hold professional certificates which means CPA meet the competency and ethical standards set by the Minister of Finance. The type of CPA that has a good reputation is the Big Four Firm (Gunawan et al., 2022). CPA reputation is determined by dummy variable, with a value of 1 given to big four or affiliated and a value of 0 given to non-big four. According to Ambia et al. (2022), CPAs that fall into the big four category tend to have better time efficiency in conducting audits, as well as being supported by more experienced human resources and higher operational flexibility compared to other CPAs.

H3: The Certified Public Accountant (CPA) has negative relationship with audit delay.

Audit Committee (AC)

Arif & Hikmah (2023) write that the audit committee is responsible for upholding the trustworthiness of the financial reporting process. Furthermore, audit committee also has a strategic role as a liaison between the company's internal management and external auditors. It is expected that the presence of audit committee will reduce audit delay and improve

punctuality of audited financial statement disclosures, as stated by Setiyowati & Januarti (2022). The authors measured this variable by identifying the sum of audit committee members disclosed in the Notes to the Financial Statements.

Financial Distress and Audit Committee

Financial distress in the company generally has the potential to cause longer audit delays. The reason is that companies experiencing financial pressure typically struggle to produce accurate financial statements, which may intensify auditors' concerns about going concern. However, an effective audit committee can oversee the financial reporting process, reduce the potential for manipulation or information asymmetry, and accelerate coordination between management and independent auditor. Thus, the positive correlation among financial distress and audit delay can be weakened by the presence of a strong audit committee.

H4: Audit committees can diminish the influence among financial distress and audit delay.

Complexity of Operation and Audit Committee

The higher level of operational complexity may lead to an extended audit process. However, an effective audit committee can help manage this complexity by ensuring that financial reports are prepared on time, monitoring the readiness of reporting

systems from various units, and anticipating technical issues that may arise during the audit process. The audit committee also contributes to bridging communication between independent auditors and company management. Therefore, the audit committee has the potential to weaken the direct relationship among complexity of operation and audit delay.

H5: Audit committees can diminish the influence among complexity of operation and audit delay.

Certified Public Accountant (CPA) Reputation and Audit Committee

Reputable CPA, such as those from the big four, are generally able to complete audit procedures in a shorter time than non-big four. On the other hand, these CPAs are also sometimes more cautious and strict in their audit procedures, which can prolong the audit period. In this situation, an effective audit committee can ensure that the necessary documents and data are ready, thereby speeding up the audit process even if the CPA uses stricter procedures. The potential for delays due to CPA reputation can be reduced, which indicates the negative correlation among CPA reputation and audit delay will be stronger if the audit committee plays an optimal role.

H6: Audit committees can amplify the influence among CPA reputation and audit delay.

Based on the above hypotheses, the summary of the discussion in this

study is illustrated in the following framework.

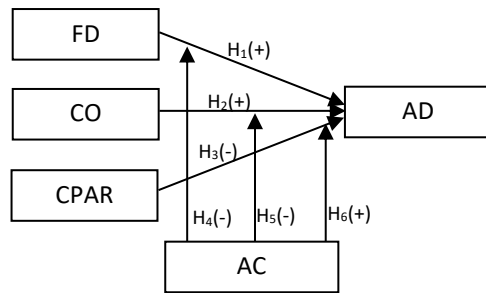


Figure 1
Framework
Source: Author (2025)

Research Method

Table 1
Variable Measurement

Code	Variable	Measurement
AD	Audit Delay	Days from the closing date to the date of independent auditor's report
FD	Financial Distress	$DAR = \frac{\text{Total Liabilities}}{\text{Total Assets}}$
CO	Complexity of Operational	Number of Subsidiaries
CPA R	Certified Public Accounting Reputation	1: Audited by Big Four CPA 0: Audited by Non Big Four CPA
AC	Audit Committee	Number of Audit Committee Members

Source: Author (2025)

The research applies a quantitative approach, in which qualitative data is converted into numbers using dummies. The research data was processed using Microsoft Excel and SPSS 26. Documentation techniques were then used for gathering data in this study. This documentation is a

collection of data from various documents or written sources, such as financial reports, archives, journal articles, policy documents, or other secondary data that existed. The authors obtained financial data from property and real estate issuers spanning the period 2022 to 2024, which was downloaded from Indonesia Stock Exchange website or the formal website of each issuer, and compiled the data needed for processing.

Authors chose the companies of property and real estate sector that conducted IPO as the object of observation on the basis of large number of companies in this sector that were declared late in submitting their 2022 to 2024 annual financial reports in the IDX's official announcement. Of all the companies announced as being late, companies in this sector consistently ranked at the top (1st and 2nd) in terms of the number of companies experiencing delays.

The population includes all property and real estate issuers listed on the Indonesia Stock Exchange as of July 1, 2025, totaling 94 issuers. The sample was selected through purposive sampling, meaning the selection of samples guided by particular criteria. The criteria for sample screening are as follows.

1. Property and real estate issuers on the IDX as of July 1, 2025.
2. Issuers have been registered on the IDX since 2022.
3. Issuers have published complete financial reports from 2022 to 2024.

Based on these criteria, 73 companies were obtained as samples that met the requirements. Details of the data calculation are described in the following table.

Table 2
Sample and Data Calculations

Criteria	Number of Companies	Data (3 years)
Property and real estate issuers as of July 1, 2025	94	282
Listed after 2022	(10)	(30)
Have not published 2022, 2023, and/or 2024 annual financial reports	(11)	(33)
Number of sample	73	219
Number of outlier		(59)
Total data tested		160

Source: Processed Data (2025)

After totaling, the data used in this study amounted to 219. However, when testing normality with 219 data, the distribution was found to be abnormal. Therefore, to improve data normality, outliers were applied to 59 extreme data, leaving 160 research data.

Results and Discussion

Descriptive Statistics

Table 3
Descriptive Statistics Results

Variable	Min	Max	Mean	Std. Dev.
AD	79.0000	98.000	86.600	2.752
FD	.0023	1.541	.339	.246
CO	.0000	228.000	18.581	37.944
CA	2.0000	4.000	2.988	.250

Source: Processed Data (2025)

Table 3 shows the results of descriptive statistics testing of audit delay from 160 research samples, indicating that the shortest time taken to complete an audit was 79 days and the longest was 98 days. The average time required to complete an audit was 86.6 days with a standard deviation of 2.752.

The first independent variable, financial distress, was calculated using the Debt to Assets Ratio (DAR), which produced a minimum ratio of 0.0023, meaning that total assets were only able to cover 0.23% of the company's total debt, indicating financial distress. The highest value of this variable was 1.541, meaning that total assets had the ability to finance 154.06% of the debt. The average financial distress in the study is 0.339 and the standard deviation is 0.246.

Then, in the second independent variable, complexity of operation, it shows the existence of companies in the property and real estate sector that do not have subsidiaries, so the minimum value for this variable is 0. Meanwhile, the maximum value is 228 subsidiaries. The average of the 160 complexity of operation data is 18.581 and the standard deviation is 37.944.

The audit committee variable in this research acts as a moderating that quantified on the number of audit committee members. In property and real estate sector, audit committee consists a minimum of two members and a maximum is composed of four members. Based on the data processing results, the mean number

of audit committee is 2.988, accompanied by standard deviation of 0.250.

Table 4
Frequency Analysis Results

	Frequency	Percent
Issuers audited by non-big four CPA	143	89.4
Issuers audited by big four or affiliated CPA	17	10.6
Total	160	100.0

Source: Processed Data (2025)

In addition to descriptive testing, frequency testing was also conducted in the dummy variable studied in this research, namely CPA reputation. Of the 160 data tested, there were 17 companies audited by the big four or affiliated CPA, which is 10.6% of the total data. The remaining 143 companies or 89.4% were audited by non-big four CPA.

Classical Assumption Test

Classical assumption tests must be performed on research data that will be analyzed using linear regression to ensure that the model used meets the eligibility requirements and is capable of producing valid and accurate estimates. This test includes four tests, namely normality, multicollinearity, heteroscedasticity, and autocorrelation with the help of the SPSS 26 application.

Normality Test

Table 5
Normality Test Results

		Unstandardized Residual
N		160
Normal Parameters	Mean	.0000000
	Std. Deviation	2.61738024
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.059
Test Statistic		.066
Asymp. Sig. (2-tailed)		.083

Source: Processed Data (2025)

The One Sample Kolmogorov Smirnov method was used as a normality testing method using SPSS 26, where the results can be assessed through Asym. Sig. (2-tailed). As seen in Table 5 that shows the normality test after outliers were removed, the Asymp. Sig. (2-tailed) equals 0.083, exceeding 0.05. Therefore, the analysis suggests that the tested data conform to normal distribution.

Multicollinearity Test

Table 6
Multicollinearity Test Results

Variable	Collinearity Statistics	
	Tolerance	VIF
FD	.932	1.073
CO	.676	1.480
CPAR	.791	1.265
FD*CA	.657	1.523
CO*CA	.630	1.588
CPAR*CA	.857	1.167

Source: Processed Data (2025)

Ideally, regression equations do not face multicollinearity issues. The outcomes of the multicollinearity test are reflected in tolerance and VIF

values of every independent variable. The table of multicollinearity test results shows the test results for all independent variables, including those that have been moderated. Table 6 shows that each independent variable and their interactions with the moderating variable have a tolerance level above 0.1 and VIF ranging between 1 and 10, indicating that the regression model is clear from multicollinearity.

Heteroscedasticity Test

Table 7
Heteroscedasticity Test Results

Variable	Sig.
FD	.089
CO	.441
CPAR	.254
FD*CA	.768
CO*CA	.379
CPAR*CA	.415

Source: Processed Data (2025)

In this research, heteroscedasticity testing was conducted using the Glejser method. The table above shows that the independent variables, namely financial distress, complexity of operation, and CPA reputation, have significance values of 0.089, 0.441, and 0.254. Then, the interaction of independent variables with the audit committee moderation variable has significance values of 0.768, 0.379, and 0.415. All variables and interactions exhibit significance level exceed 0.05, suggesting the absence of heteroscedasticity in the data.

Autocorrelation Test

Table 8
Autocorrelation Test Results

	Unstandardized Residual
Test Value	.15860
Cases < Test Value	80
Cases ≥ Test Value	80
Total Cases	160
Number of Runs	76
Z	-.793
Asymp. Sig. (2-tailed)	.428

Source: Processed Data (2025)

With an Asymp. Sig. (2-tailed) value of 0.428, which more than 0.05 in autocorrelation examination results using the Run Test method, the regression model is ideal because there are no signs of autocorrelation.

Determination Coefficient Analysis

Table 9
Determination Coefficient Analysis Results

R	R Square	Adjusted R Square	Std. Error of the Estimate
.309	.096	.060	2.6682079

Source: Processed Data (2025)

In a regression model, coefficient of determination indicates the proportion of the variance in the dependent variable that can be accounted to the independent variables. The closer it is to 1, the stronger the independent variables are in explaining variations in the dependent variable, which means that the quality of the regression equation is better. Table 9 shows the determination coefficient in the Adjusted R Square column is 0.060, meaning that the independent and moderating variables contribute 6% to the explanation of audit delay,

whereas the remaining 94% is influenced by other variables outside the scope of this study.

F Test

Table 10
F Test Results

	Sum of Squares	df	Mean Square	F	Sig.
Regression	115.1	6	19.19	2.696	.016
Residual	1089.3	153	7.119		
Total	1204.4	159			

Source: Processed Data (2025)

F test is employed to assess the collective impact of the independent variables on the dependent variable within the regression model. F statistics test yields a significance level of 0.016, which is lower than 0.05. Accordingly, the results confirm that independent variables, together with their interaction terms, exert a simultaneous impact toward dependent variables.

Moderated Regression Analysis

Moderated Regression Analysis (MRA) is a statistical technique employed to evaluate the overall influence of independent variables on dependent variables by incorporating the interaction between independent and moderating variables. This technique aims to determine whether the presence of a moderator amplifies or diminishes the relation between independent and dependent variables. In this study, the moderated regression model is formulated as follows.

$$AD = \alpha + \beta_1 FD + \beta_2 CO + \beta_3 CPAR + \beta_4 FD*CA + \beta_5 CO*CA + \beta_6 CPAR*CA + e$$

Note:

AD : Audit Delay
 FD : Financial Distress
 CO : Complexity of Operation
 CPAR : CPA Reputation
 CA : Committee Audit
 α : Constant
 β : Regression Coefficient
 e : Error

Table 11
Moderated Regression Analysis Results

Variable	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	86.594	.212	407.601	.000
FD	.828	.219	3.776	.000
CO	-.140	.257	-.546	.586
CPAR	.222	.238	.931	.353
FD*CA	-.053	.292	-.181	.856
CO*CA	.108	.189	.571	.569
CPAR*CA	-.372	.660	-.047	.574

Source: Processed Data (2025)

Assessment of the significance of the effect in MRA refers to the significance value produced from the test. If the significance level is less than 0.05, then the independent variable is considered to have a significant influence on the dependent variable. Then, to identify the orientation of the relationship, we can look at the moderation equation above. If there is a plus sign, it means that independent and dependent variables have a unidirectional/positive relation, while if there is a minus sign, it means that

the direction of the relationship is inversely proportional.

The data taken from Table 11 for the preparation of the moderation regression equation is the Unstandardized Coefficients in the "B" column, so that the resulting regression equation is as follows.

$$AD = 86.594 + 0.828FD - 0.140CO + 0.222CPAR - 0.053FD*CA + 0.108CO*CA - 0.372CPAR*CA + e$$

The moderation regression model shows a constant (α) value of 86.594, suggesting that if financial distress, complexity of operation, CPA reputation, and audit committee are valued at 0, then the audit delay will be a positive 86.594.

Relation Among Financial Distress and Audit Delay

Seen from the MRA test presented in Table 11, it is known that the financial distress has a positive impact toward audit delay, thus H1 is accepted. This is based on the financial distress coefficient which has a positive correlation and significance below 0.05, which can be concluded to have a significant effect. In other words, the greater the level of financial pressure, the longer the audit completion process tends to take because auditors tend to increase conservatism during the implementation and determination of audit opinions to avoid possible audit risks. These findings are reinforced by previous research of Sugiyanto (2022) and Gustiana & Rini (2022).

In conditions of financial distress, financial reports can send negative signals to investors and the market about the company's financial health. To minimize such negative reactions, management tends to delay the publication of financial reports by extending the audit period, so that negative signals do not immediately reach the market. This reinforces the research findings that financial distress has a positive effect on audit delay, as companies seek to control the flow of information that could undermine investor confidence and the company's image.

Relation Among Complexity of Operation and Audit Delay

The analysis indicates that complexity of operation has a negative correlation with a significance level of 0.586. Since the significance value is higher than 0.05, it can be inferred that complexity of operation does not impact to audit delay, which leads to H2 being rejected. This finding indicates that there is no significant difference in audit delay between companies that have many subsidiaries and those that have none at all. Companies with subsidiaries tend to pay more attention to company records in order to maintain the transparency and accountability of their financial reports, which may be one of the main reasons for the absence of differences in audit delay. Similar conclusions were also reached in the study by Jannah et al. (2024), but contradicted the research by

Ambia et al. (2022) and Isnaeni & Nurcahya (2021).

Although the complexity of operation has the potential to cause negative signals in the form of audit delay, the results of the study prove that companies are able to maintain the timing of financial report publication despite having complex operations. This can be interpreted as companies striving to send positive signals to the market regarding their credibility and ability to manage diverse business activities without affecting audit delay.

Relation Among Certified Public Accountant (CPA) Reputation and Audit Delay

The CPA reputation shows a coefficient of 0.222 with significance level of 0.353, that is above 0.05, showing that CPA reputation has a positive but insignificant effect to audit delay. Therefore, H3 is rejected. This test also implies that there is no significant difference in the length of time taken to complete audits by the big four or affiliated CPA compared to issuers audited by non-big four CPA. This may be due to the cautious nature of high-reputation CPA, which causes audit delay to become longer. This conclusion concurs with the research of Ambia et al. (2022), Febriana et al. (2024), and Khairunnisa & Praptiningsih (2022).

Signal Theory emphasizes that the selection of reputable auditors should be a positive signal to investors regarding the quality of financial

reports. However, the results of the study show that CPA reputation has no effect on audit delay, which means that companies do not always use auditor reputation as a means of signaling the timeliness of report publication. This can be interpreted to mean that the market assesses the quality of financial statements based on their substance and timeliness of delivery, rather than on who the auditor is. Thus, auditor reputation does not directly influence audit delay.

Audit Committee as a Moderator among Financial Distress and Audit Delay

In testing the interaction between the financial distress variable and the moderating variable, audit committee, a negative correlation and a significance of 0.856, which is below 0.05, was found. This can be defined as the audit committee having the ability to diminish the positive correlation among financial distress and audit delay, but not significantly, which leads to H4 being rejected.

Agency theory assumes that the audit committee functions as a governance mechanism to reduce agency conflicts between management and shareholders, especially when companies face financial distress. In theory, an effective audit committee can strengthen oversight, thereby preventing management from delaying the submission of financial reports. However, the results of the study show that audit committee has no effect on the relation between

financial distress and audit delay. This indicates that audit committee is not effective enough to help cut down the duration of the audit, or that factors other than audit committee are more dominant in determining audit when company is in financial distress.

Audit Committee as a Moderator Among Complexity of Operation and Audit Delay

The interaction between complexity of operation and audit committee toward audit delay produced a coefficient of 0.108 and a significance of 0.569 (>0.05), which means that audit committee fails to moderate the effect of complexity of operation on audit delay. This means that H5 is rejected. In theory, an effective audit committee helps coordinate and monitor the reporting process and communicates effectively with auditors to minimize audit delays. However, the results of this study show that the audit committee is unable to moderate this relationship.

Audit committee plays an important role in minimizing agency conflicts and overseeing the financial reporting process to ensure transparency. The audit committee is expected to assist auditors and management in ensuring that audits are completed on time. The results show that the audit committee has no effect on the relation among complexity of operation and audit delay. This can be interpreted that the audit committee is not being sufficiently competent, lacking

influence, or not yet performing its functions optimally in managing complex operational challenges.

Audit Committee as a Moderator Among Certified Public Accountant (CPA) Reputation and Audit Delay

The interaction coefficient between CPA reputation and the audit committee on audit delay is -0.372, which indicates the ability to weaken the relationship, but the significance value produced is 0.574, indicating that the audit committee does not play a role in moderating CPA reputation on audit delay. This also means that H6 is rejected.

The agency theory assumes that the audit committee serves to strengthen oversight of audit quality, including when companies use the services of highly reputable auditors. In theory, the existence of an audit committee can support auditor independence and reduce the possibility of management delaying financial reports. Yet, the results indicate that the audit committee has no effect on the relation among CPA reputation and audit delay. This shows that auditor reputation has a greater impact in the length of the audit process than the role of the audit committee, meaning that the existence of an audit committee does not contribute to accelerating or delaying audit delay.

Conclusion and Recommendation

Conclusion

The research concludes that there is a positive impact among financial distress and audit delay, while complexity of operation and CPA reputation do not exhibit a significant influence. Furthermore, the audit committee did not moderate the relation among financial distress, complexity of operation, or CPA reputation with audit delay. The findings imply that audit committees in property and real estate issuers are not yet effective in reducing audit delay, as they are often established merely to comply with OJK regulations rather than functioning as active governance mechanisms.

The main contribution of this research lies in testing the moderating role of audit committees, unlike previous studies that considered them as independent variables, and provides a novel perspective in their governance function in the audit delay context.

Recommendation

Future studies can enhance the explanatory power of the model by incorporating additional variables such as profitability, firm size, audit tenure, leverage, or auditor switching, which may significantly affect audit delay. Expanding the scope beyond the property and real estate sector to industries such as consumer cyclicals or manufacturing could also provide richer insights, as these sectors face different operational complexities. Finally, assessing the effectiveness of

audit committees not only in terms of size but also expertise, independence, and meeting frequency may offer a deeper understanding of their role in mitigating audit delay.

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