



Analysis of Factors Affecting Audit Report Lag with Audit Quality as a Moderating Variable in Consumer Cyclical Companies Listed on the Indonesia Stock Exchange in 2021–2023

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ARTICLE INFO

Keywords:

Audit Report Lag, Company Size, Audit Quality, Leverage, Indonesia Stock Exchange

ABSTRACT

This study analyzes internal factors affecting audit report lag (ARL) in consumer cyclical companies listed on the IDX during 2021–2023, and examines audit quality as a moderating variable. Data from 70 companies were analyzed using moderated regression. Results show that only company size has a significant positive effect on ARL, while audit quality moderates the effect of leverage on ARL. These findings underscore the importance of firm characteristics and audit quality in improving the timeliness of financial reporting, with implications for management to accelerate the audit process and for regulators to enhance market transparency.

ABSTRAK

Penelitian ini menganalisis faktor-faktor internal yang memengaruhi audit report lag (ARL) pada perusahaan sektor consumer cyclical di BEI periode 2021–2023, serta peran kualitas audit sebagai variabel moderasi. Data dari 70 perusahaan dianalisis menggunakan regresi moderasi. Hasil menunjukkan hanya ukuran perusahaan berpengaruh signifikan positif terhadap ARL, sedangkan kualitas audit memoderasi pengaruh leverage terhadap ARL. Temuan ini menegaskan pentingnya karakteristik perusahaan dan kualitas audit untuk meningkatkan ketepatan waktu pelaporan keuangan, memberikan implikasi bagi manajemen dalam mempercepat proses audit dan bagi regulator dalam meningkatkan transparansi pasar.

Introduction

Audit Report Lag (ARL) refers to the time gap between the end of a financial reporting period and the issuance date of the audited report. Timely reporting is essential to ensure the reliability of financial information, strengthen investor confidence, and maintain capital market integrity. In Indonesia, the Financial Services Authority (OJK) requires listed companies to submit audited annual reports within three months of year-end, yet compliance varies significantly, indicating persistent challenges in meeting this deadline.

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Previous studies (Fujianti & Satria, 2020) found that firm size and profitability influence ARL, while leverage often has no significant effect. Audit quality is considered an important moderating factor that can strengthen or weaken these relationships. Auditors with strong reputations and expertise tend to complete audits more efficiently without compromising quality (Wulandari & Barokah, 2020).

The consumer cyclicals sector has unique characteristics, including sensitivity to macroeconomic conditions, fluctuating consumer demand, and operational complexity. These factors can increase the risk of audit delays due to more complicated financial reporting and challenging audit procedures. Therefore, it is important to test whether audit quality moderates the effect of internal company factors on ARL specifically in this sector.

This study contributes by examining the moderating role of audit quality in the relationship between firm characteristics (size, profitability, operational complexity, leverage, and liquidity) and ARL among consumer cyclicals companies listed on the Indonesia Stock Exchange from 2021 to 2023. The findings aim to help management and regulators understand the determinants of timely reporting and develop strategies to improve audit efficiency.

Literatur Review

Firm Size

Firm size refers to the scale of a business entity's operations, which is generally measured using total assets. Companies with larger asset bases tend to have better resource capabilities, making the preparation of financial statements more efficient. In addition, larger entities typically face greater pressure from authorities and stakeholders to ensure timely financial reporting. As a result, large firms often complete audits more quickly than smaller companies. In research, firm size is commonly measured using the natural logarithm of total assets. (Puji Muniarty, 2021)

$$\text{Firm Size} = \text{Ln}(\text{Total Assets})$$

Profitability

Profitability measures a company's ability to generate profit over a given period. This ratio indicates the amount of profit relative to total sales or assets employed. Higher profitability levels increase the likelihood that a company has effective reporting and monitoring systems, enabling audits to be completed more quickly. Common indicators include Return on Assets (ROA) and Earning Power. (Henry Jirwanto, 2024)

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}}$$

Liquidity

Liquidity reflects a company's ability to meet short-term obligations as they come due. Companies with high liquidity generally face fewer difficulties in carrying out operational activities and repaying debts, thereby facilitating the audit process. The current ratio is a common metric used to assess this aspect. (Henry Jirwanto, 2024).

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Leverage

Leverage measures the extent to which a company uses external funds to finance its operational activities. Firms with high debt ratios typically face greater financial risk, which increases the audit testing burden. This ratio is measured by comparing total debt to total assets. (Henry Jirwanto, 2024)

$$\text{Debt to Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Good Corporate Governance

Good Corporate Governance (GCG) is a system that directs and controls a company to balance the interests of various stakeholders. GCG includes principles such as transparency, accountability, independence, and fairness. Implementing good governance is believed to improve the quality of financial reporting and expedite the audit process. (Henry Jirwanto, 2024)

$$\text{Good Corporate Governance} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

Audit Quality

Audit quality describes the auditor's ability to detect and report violations of applicable financial systems. One proxy commonly used to assess audit quality is the reputation of the Public Accounting Firm (PAF), particularly whether it belongs to the Big Four group. Auditors from well-known PAFs are believed to have greater expertise and experience, which can positively affect audit duration. (Puji Muniarty, 2021)

Audit Report Lag

Audit Report Lag (ARL) refers to the time span between the financial statement closing date and the date the audited report is issued by the independent auditor. ARL serves as a benchmark for evaluating the timeliness of financial reporting. If this lag is too long, the relevance of the financial information decreases, potentially affecting the quality of economic decisions made. (Puji Muniarty, 2021)

$$ARL = \text{Audited Financial Statement Date} - \text{Fiscal Year End Date}$$

Research Methods

This study employs a quantitative method, in which the researcher tests hypotheses using various statistical analyses, including classical assumption tests, normality tests with Kolmogorov-Smirnov, multicollinearity tests, F-tests, t-tests, autocorrelation tests, and heteroscedasticity tests. In addition, descriptive statistical analysis and scatterplots are used to support data interpretation. This research involves five main independent variables: firm size, profitability, liquidity, leverage, and Good Corporate Governance. The dependent variable is Audit Report Lag, with Audit Quality as the moderating variable.

Data, Population, and Sample

This study uses a population consisting of all companies in the Consumer Cyclical sector listed on the Indonesia Stock Exchange, totaling 149 companies. However, only 65 companies were selected as the research sample. The sample was chosen using purposive sampling, a non-probability technique based on specific criteria aligned with the research objectives. The selection criteria used include the following:

Table 1. Population Criteria

No.	Criteria	Number of Companies
1	Consumer cyclicals sector companies	149
2	Consumer cyclicals sector companies that do not clearly present audit information, such as missing audit report dates	50
3	Consumer cyclicals sector companies whose financial statements are unavailable for the required years	34
	Final sample size	65
	Observation years	3
	Total observations	195

Source: Author's Processing

Based on the selection criteria using purposive sampling, a total of 65 companies from the Consumer Cyclical sector listed on the Indonesia Stock Exchange were selected. The following list includes the names of issuers used as the research sample:

Table 2. Research Sample

Kode Emiten	Nama Perusahaan
ABBA	PT Mahaka Media Tbk
AKKU	PT Anugerah Kagum Karya Utama Tbk
ARGO	PT Argo Pantes Tbk
ARTA	PT Arthavest Tbk
AUTO	PT Astra Otoparts Tbk
BOGA	PT Bintang Oto Global Tbk

BOLA	PT Bali Bintang Sejahtera Tbk
BOLT	PT Garuda Metalindo Tbk
CLAY	PT Citra Putra Realty Tbk
DFAM	PT Dafam Property Indonesia Tbk
DIGI	PT Arkadia Digital Media Tbk
ERAA	PT Erajaya Swasembada Tbk
ERTX	PT Eratex Djaja Tbk
ESTA	PT Esta Multi Usaha Tbk
ESTI	PT Ever Shine Tex Tbk
FILM	PT MD Entertainment Tbk
FITT	PT Hotel Fitra International Tbk
GEMA	PT Gema Grahasarana Tbk
GLOB	PT Globe Kita Terang Tbk
HDTX	PT Panasia Indo Resources Tbk
HOTL	PT Saraswati Griya Lestari Tbk
HRTA	PT Hartadinata Abadi Tbk
IMAS	PT Indomobil Sukses Internasional Tbk
INDR	PT Indo-Rama Synthetics Tbk
INOV	PT Inocycle Technology Group Tbk
JGLE	PT Graha Andrasentra Propertindo Tbk
JIHD	PT Jakarta International Hotels & Development
JSPT	Tbk
KICI	PT Jakarta Setiabudi Internasional Tbk
LMPI	PT Kedaung Indah Can Tbk
LPIN	PT Langgeng Makmur Industri Tbk
LPPF	PT Multi Prima Sejahtera Tbk
MAPB	PT Matahari Department Store Tbk
MAPI	PT Map Boga Adiperkasa Tbk
MARI	PT Mitra Adiperkasa Tbk
MASA	PT Mahaka Radio Integra Tbk
MINA	PT Multistrada Arah Sarana Tbk
MNCN	PT Sanurhasta Mitra Tbk
MPMX	PT Media Nusantara Citra Tbk
MSIN	PT Mitra Pinasthika Mustika Tbk
MSKY	PT MNC Digital Entertainment Tbk
MYTX	PT MNC Sky Vision Tbk
PBRX	PT Asia Pacific Investama Tbk
PGLI	PT Pan Brothers Tbk
PLAN	PT Pembangunan Graha Lestari Indah Tbk
PMJS	PT Planet Properindo Jaya Tbk
PNSE	PT Putra Mandiri Jembar Tbk
PTSP	PT Pudjiadi & Sons Tbk
SCMA	PT Pioneerindo Gourmet International Tbk
SCNP	PT Surya Citra Media Tbk
SHID	PT Selaras Citra Nusantara Perkasa Tbk
SMSM	PT Hotel Sahid Jaya International Tbk
SOFA	PT Selamat Sempurna Tbk
SSTM	PT Boston Furniture Industries Tbk
TELE	PT Sunson Textile Manufacturer Tbk
TMPO	PT Omni Inovasi Indonesia Tbk
TFCO	PT Tempo Inti Media Tbk
TOYS	PT Tifico Fiber Indonesia Tbk

Variables This study uses variables, consisting variable, Audit independent Profitability, and Good Corporate one moderating Quality. Details of each variable are presented in Table 3.	TRIS	PT Sunindo Adipersada Tbk	seven types of of one dependent Report Lag, five variables (Firm Size, Liquidity, Leverage, Governance), and variable, Audit
	UANG	PT Trisula International Tbk	
	VIVA	PT Pakuan Tbk	
	WOOD	PT Visi Media Asia Tbk	
	ZONE	PT Integra Indocabinet Tbk	
	KPIG	PT Mega Perintis Tbk	
	CSAP	PT MNC Land Tbk PT Catur Sentosa Adiprana Tbk	

Table 3 Research Variables

Variable	Measurement	Scale
Dependent Variable		
Audit Report Lag	ARL = Audited Financial Statement Date – Fiscal Year-End Date	Ratio
Independent Variables		
Firm Size	Firm Size= Ln (Total Asset)	Ratio
Profitabilitas	$ROA = \frac{Net\ Income}{Total\ Assets}$	Ratio
Liquidity	$Current\ Asset = \frac{Current\ Ratio}{Current\ Liabilities}$	Ratio
Leverage	$Debt\ to\ Asset\ Ratio = \frac{Total\ Debt}{Total\ Assets}$	Ratio
Good Corporate Governance	$Good\ Corporate\ Governance = \frac{Market\ Price\ per\ Share}{Earnings\ per\ Share}$	Ratio
Moderating Variable		
Audit Quality	Big Four PAF = 1, Non-Big Four = 0	Ratio

Result and Discussion

Normality
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	
N		112	
Normal Parameters ^{a,b}	Mean	.0000000	
	Std. Deviation	.22653691	
Most Extreme Differences	Absolute	.124	
	Positive	.065	
	Negative	-.124	
Test Statistic		.124	
Asymp. Sig. (2-tailed)		.000 ^c	
Monte Carlo Sig. (2-tailed)	Sig.	.056 ^d	
	99% Confidence Interval	Lower Bound	.050
		Upper Bound	.061

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Based on 10,000 sampled tables with starting seed 299883525.

Based on the analysis of the normality test results, the P-P Plot graph displays a pattern of data points that closely follow the diagonal line, indicating that the residuals tend to be normally distributed, although there are minor deviations at the tails of the distribution. Statistically, the Kolmogorov–Smirnov test with Lilliefors correction yields an Asymp. Sig. value of 0.000, formally suggesting that the residuals are not normally distributed. However, the Monte Carlo test yields a significance value of 0.056, slightly above the 0.05 threshold, indicating marginal normality. The 99% confidence interval from the Monte Carlo simulation, [0.050–0.061], also shows that the p-value falls within a borderline area. Therefore, despite the discrepancy between visual and statistical results, the residuals can be considered approximately normally distributed. Given that the Kolmogorov–Smirnov test is highly sensitive to minor deviations, particularly in large sample sizes, and supported by favorable visual patterns, the assumption of residual normality in this model can be deemed sufficiently met for regression analysis purposes, especially considering the sample size used is ≥ 100 .

Multicollinearity Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	25.789	31.707		.813	.418		
	LN_X1	21.263	9.916	.211	2.144	.034	.951	1.052
	LN_X2	-.042	.897	-.007	-.047	.963	.449	2.227
	LN_X3	.815	1.361	.085	.599	.550	.456	2.193
	LN_X4	.831	1.600	.051	.519	.605	.941	1.063
	LN_X5	-6.457	5.791	-.115	-1.115	.268	.866	1.155

a. Dependent Variable: Audit Report Lag (Y)

There is no multicollinearity among the independent variables. The regression model passes the multicollinearity test.

Heteroskedastisitas Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-6.962	3.695		-1.884	.062		
	LN_X1	.656	1.156	.057	.567	.572	.951	1.052
	LN_X2	.021	.105	.029	.200	.842	.449	2.227
	LN_X3	-.042	.159	-.038	-.264	.793	.456	2.193
	LN_X4	-.226	.186	-.123	-1.213	.228	.941	1.063
	LN_X5	.783	.675	.122	1.161	.249	.866	1.155

a. Dependent Variable: UJI_PARK

None of the independent variables have a statistically significant effect on the UJI_PARK variable, as all significance values are above 0.05. Although the variable LN_X5 has the highest beta coefficient (Beta = 0.122) and indicates a positive direction of influence, the effect remains statistically insignificant. Moreover, there is no indication of multicollinearity in the model, as evidenced by the Variance Inflation Factor (VIF) values being below 5 and tolerance values above 0.1. Therefore, the model can still be considered structurally valid. However, these results overall suggest that the regression model has not adequately explained the variation in the UJI_PARK variable. This may be due to several factors, such as: (1) the independent variables used may not be entirely relevant or appropriate for explaining the dependent variable; (2) there may be other more influential

variables that were not included in the model; and/or (3) the sample size and data variability may not be large enough to yield sufficient statistical significance.

**Autocorrelation
Runs Test**

	Unstandardized Residual
Test Value ^a	.24965
Cases < Test Value	53
Cases >= Test Value	54
Total Cases	107
Number of Runs	53
Z	-.291
Asymp. Sig. (2-tailed)	.771

Based on the results of the Runs Test, a significance value of 0.771 was obtained, which is greater than the 0.05 significance level. This result indicates that there is no specific pattern or regularity in the distribution of residuals, suggesting that the residuals in the regression model are randomly distributed. This condition implies that the classical assumption of residual independence has been met namely, that the residual value of one observation is not dependent on or correlated with the residuals of other observations. Satisfying this assumption is crucial to ensuring the validity of the regression estimation results, as the presence of autocorrelation would lead to biased and unreliable analysis outcomes. Therefore, with the assumption of residual independence fulfilled, the regression model is deemed appropriate for use in further analysis.

**R-Square Test
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.273 ^a	.075	.029	21.4129	2.030

a. Predictors: (Constant), LN_X5, LN_X3, LN_X1, LN_X4, LN_X2

b. Dependent Variable: Audit Report Lag (Y)

Based on the results of the Model Summary, it can be concluded that the regression model has low predictive power, as indicated by an R Square value of only 0.075. The addition of independent variables has not effectively improved the model's strength, as reflected in the Adjusted R Square value of 0.029. However, from the perspective of classical assumptions, the model passes the autocorrelation test, as evidenced by the Durbin-Watson value of 2.030, which falls within the acceptable range. Therefore, while the model is deemed usable, it should be noted that many other factors outside the model likely influence the Audit Report Lag.

**F-Test
ANOVA^a**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3730.177	5	746.035	1.627	.160 ^b
	Residual	46309.711	101	458.512		
	Total	50039.888	106			

a. Dependent Variable: Audit Report Lag (Y)

b. Predictors: (Constant), LN_X5, LN_X3, LN_X1, LN_X4, LN_X2

Based on the results of the F-test in the ANOVA table, the calculated F value is 1.627 with a significance level of 0.160. This indicates that the collective contribution of the independent variables (LN_X1 to LN_X5) to explaining the variation in Audit Report Lag remains limited. The significance value exceeding 0.05 suggests that the model does not provide a statistically significant improvement over a model without predictors, implying that the explanatory power of the independent variables is not sufficient to reliably predict changes in the dependent variable.

T-Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	25.789	31.707		.813	.418		
	LN_X1	21.263	9.916	.211	2.144	.034	.951	1.052
	LN_X2	-.042	.897	-.007	-.047	.963	.449	2.227
	LN_X3	.815	1.361	.085	.599	.550	.456	2.193
	LN_X4	.831	1.600	.051	.519	.605	.941	1.063
	LN_X5	-6.457	5.791	-.115	-1.115	.268	.866	1.155

a. Dependent Variable: Audit Report Lag (Y)

Among the five independent variables (LN_X1 to LN_X5), only LN_X1 has a statistically significant effect on Audit Report Lag, as indicated by a significance value of 0.034, which is less than 0.05. The other four variables do not show a significant partial effect, suggesting that they do not individually contribute meaningfully to explaining variations in the dependent variable.

Moderation Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	37.560	14.164		2.652	.009
	Firm Size (X1)	2.486	.503	.375	4.943	.000
	Profitability (X2)	.165	.267	.046	.616	.539
	Liquidity (X3)	-2.381E-8	.000	-.002	-.028	.977
	Leverage (X4)	.006	.063	.007	.102	.919
	Corporate Governance (X5)	-.772	4.504	-.012	-.171	.864
	Audit Quality (Z)	-2.123	8.116	-.018	-.262	.794

a. Dependent Variable: Audit Report Lag (Y)

The moderation test in this study was conducted by including the Audit Quality variable (Z) in the regression model. However, the presented model only examines the direct effect of Z, without incorporating interaction terms between Z and other independent variables (e.g., Leverage × Z). The results indicate that Audit Quality does not have a significant direct effect on ARL (Sig. = 0.794), and there is no statistical evidence from the displayed table that Z explicitly moderates the relationship between the independent variables and ARL.

Absolute Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.084	.090		.929	.355
	Firm Size (X1)	.000	.003	.009	.092	.927
	Profitability (X2)	.002	.002	.143	1.390	.167
	Liquidity (X3)	.008	.005	.160	1.550	.124

Leverage (X4)	.002	.005	.042	.407	.685
Corporate Governance (X5)	.029	.024	.124	1.188	.237

a. Dependent Variable: abs

The absolute test was conducted using the dependent variable *abs*, which likely represents the absolute form of residuals or accrual values. The regression was performed on variables X1 through X5. The results indicate that none of the independent variables have a statistically significant effect on *abs*, as all significance values are above 0.05. Nevertheless, Liquidity (X3) and Profitability (X2) exhibit relatively higher standardized beta coefficients compared to the other variables, although their effects are not statistically significant.

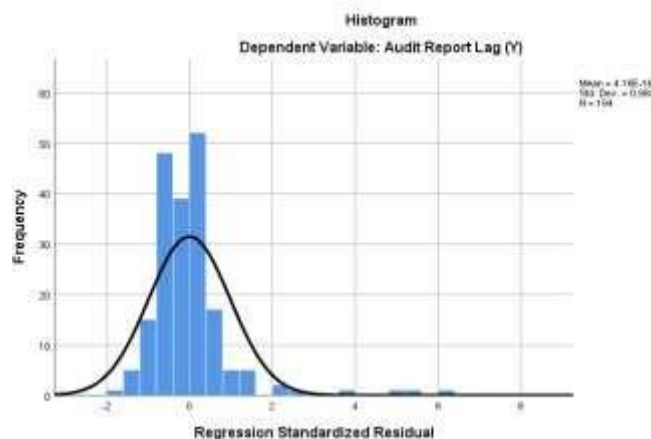
Descriptive Statistics Test
Descriptive Statics

	N	Minimum	Maximum	Mean	Std. Deviation
Firm Size (X1)	194	11.8121	79.4564	24.099266	6.2101494
Profitability (X2)	195	-2.4508	79.4564	5.367649	11.5227416
Liquidity (X3)	195	-46237268.0000	16.2821	-237112.262420	3311119.6740751
Leverage (X4)	195	-598.4446	24.3622	-2.710313	43.9310683
Corporate Governance (X5)	195	.0	3.0	1.359	.6212
Audit Report Lag (Y)	195	43.0	349.0	96.795	41.2034
Audit Quality (Z)	195	0	1	.14	.346
Valid N (listwise)	194				

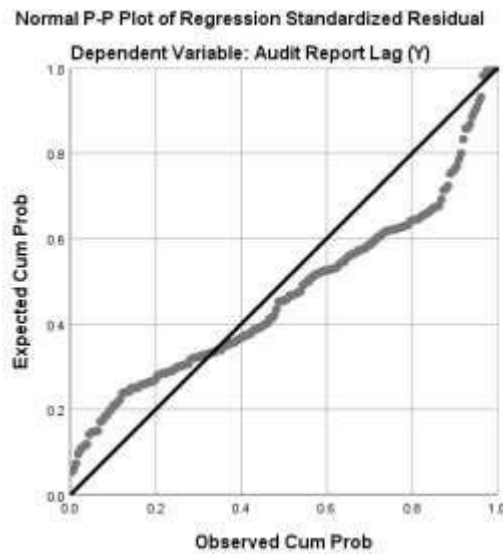
The descriptive statistics show generally acceptable results, with most variables falling within a reasonable range. However, exceptions are observed in the liquidity and leverage variables, which display extreme or highly significant outlier values. The presence of such outliers may affect the accuracy and validity of subsequent statistical analyses, such as linear regression or Structural Equation Modeling (SEM), as they can lead to violations of assumptions such as normality and homogeneity of variance.

Therefore, further data treatment is necessary, including techniques such as data transformation (e.g., logarithmic or square root transformation), winsorizing, or even the removal of outliers when methodologically justified. On the other hand, the variables of firm size, profitability, and audit report lag demonstrate relatively normal distributions and proportional variation across samples. These characteristics make these three variables informative and representative, and suitable for use in further inferential analyses without requiring special treatment. With their favorable distribution, these variables hold strong potential for explaining causal or correlational relationships within the designed research model.

Visual Normality Test



Based on the visualization results through the histogram and normal curve, it can be concluded that the assumption of residual normality is visually satisfied. The residual distribution exhibits a symmetrical pattern resembling a normal distribution, with most values concentrated around zero and no evident signs of excessive skewness or kurtosis. This indicates that the deviations of residuals from the central value are random and balanced. Therefore, there is no significant indication of a violation of the normality assumption, making the data appropriate and valid for further regression analysis.



Based on the visualization of the Normal P–P Plot, most of the residual points closely follow the diagonal line, particularly in the central part of the distribution, indicating alignment with a normal distribution. Although there are slight deviations at the tails (left and right ends of the plot), these deviations are relatively minor and remain within statistically acceptable tolerance limits. Therefore, there is no significant indication of a violation of the residual normality assumption. Consequently, it can be concluded that the normality assumption in this linear regression model has been met, making the model suitable for further analysis, such as hypothesis testing and parameter estimation.

Statistical Normality Test

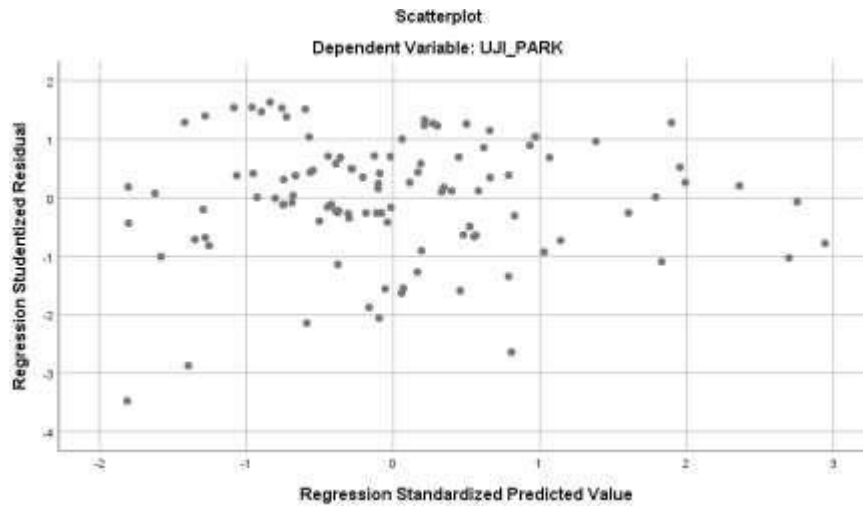
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		194
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	37.74426008
Most Extreme Differences	Absolute	.187
	Positive	.187
	Negative	-.116
Test Statistic		.187
Asymp. Sig. (2-tailed)		.000 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

The Kolmogorov–Smirnov (K–S) test is interpreted based on the asymptotic significance value (Asymp. Sig.). If this value is below 0.05, the null hypothesis (H_0) is rejected, indicating that the residuals do not follow a normal distribution. Conversely, if the Asymp. Sig. value is equal to or greater than 0.05, H_0 is not rejected, suggesting that the residuals are considered normally distributed and the normality assumption in regression is satisfied. Based on the results of the K–S test, an Asymp. Sig. value of 0.000 was obtained, which is below the 0.05 threshold. Therefore, H_0 is rejected, and it is statistically concluded that the residuals do not have a normal distribution.

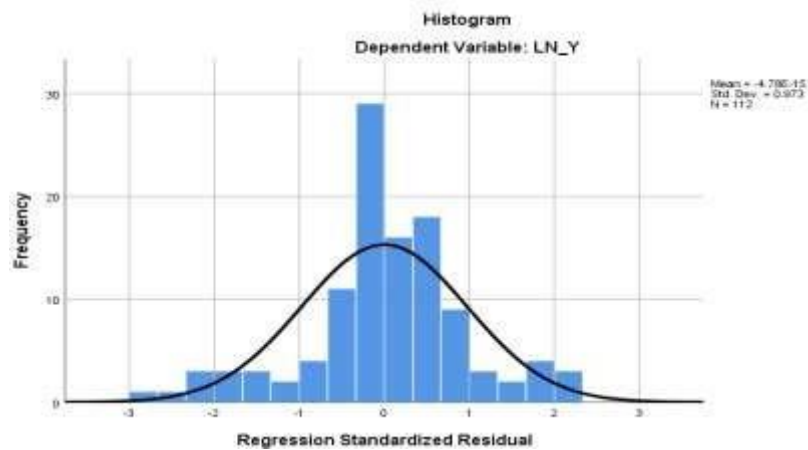
Scatterplot Test



The Park test is used to detect heteroscedasticity in linear regression, which refers to a condition where the variance of residuals is not constant across all levels of predicted values. This violates the assumption of homoscedasticity and can lead to inefficient regression estimates and misleading interpretations. Therefore, this test is essential for ensuring the validity of the model.

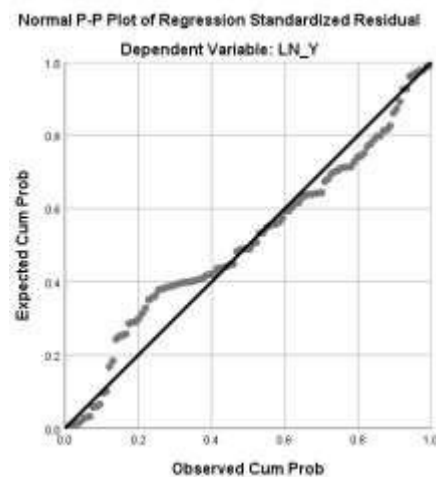
In the scatterplot, the X-axis represents the standardized predicted values, while the Y-axis shows the standardized (studentized) residuals. Each point on the graph illustrates the relationship between predicted values and model errors. If the points are randomly and evenly dispersed, the assumption of homoscedasticity is considered met. However, the presence of a discernible pattern (such as a fan shape or linear trend) indicates heteroscedasticity.

Visual Normality Test



Based on the visualization results through the standardized residual histogram, the residual distribution forms a pattern resembling a normal curve (bell-shaped), with most residual values concentrated around the center and symmetrically distributed. Additionally, the mean of the residuals is close to 0 and the standard deviation approaches 1 key characteristics of a standard normal distribution. These findings indicate that the assumption of residual normality has been satisfied in the analyzed regression model. Meeting this assumption is crucial, as residual normality is a fundamental requirement for the validity of inferential statistical tests such as the t-test and F-test. Therefore, the regression model used is deemed appropriate and reliable for decision-making and further interpretation in this study.

Based on the regression output, the Firm Size variable (X1) has a significance value of 0.000, which is below the 0.05 threshold. This indicates that Firm Size has a significant positive effect on Audit Report Lag (ARL). In other words, the larger a company is, the longer it takes to complete the audit and prepare financial statements. This is likely due to the complexity of operational activities and organizational structure in large companies, which extends the audit process. Meanwhile, other variables such as Profitability, Liquidity, Leverage, Corporate Governance, and Audit Quality do not show significant effects, as their significance values exceed 0.05. This means these variables do not sufficiently explain variation in audit report delays. Additionally, the standardized beta coefficient for Firm Size is 0.375, indicating that this variable has the largest contribution in the model. Therefore, it can be concluded that Firm Size is the primary determinant in explaining the duration of Audit Report Lag.



Based on the analysis of the Normal P–P Plot, it can be concluded that the assumption of residual normality has generally been met. This is evident from the pattern of points that closely follow the diagonal line, particularly in the central part of the plot, indicating that the residuals are approximately normally distributed. Although there are minor deviations at the tails of the distribution, these remain within acceptable limits and do not suggest substantial departures that could compromise the model's validity. Therefore, the regression model is considered to satisfy the normality assumption of residuals, making it appropriate for further inferential analyses, such as the t-test and F-test. Meeting this assumption is crucial to ensure the validity and accurate interpretation of the statistical tests conducted.

Conclusion and Suggestions

Conclusion

This study investigated the influence of internal company characteristics namely firm size, profitability, liquidity, leverage, and corporate governance on Audit Report Lag (ARL), with audit quality tested as a moderating variable, using data from consumer cyclicals companies listed on the Indonesia Stock Exchange during 2021–2023. The findings reveal that only firm size has a statistically significant and positive impact on ARL, suggesting that larger companies tend to experience longer audit delays. This may be attributed to the increased operational complexity and broader audit scope associated with larger firms. In contrast, profitability, liquidity, leverage, and corporate governance were not found to significantly affect ARL. Furthermore, audit quality did not exhibit a significant moderating effect on any of the relationships tested, nor did it have a direct effect on ARL. Despite some statistical indications of non-normal residuals, visual assessments and other diagnostic tests affirmed that the regression model meets the necessary assumptions for inferential analysis. Overall, firm size emerges as the primary explanatory factor for variations in audit report lag within this sector.

Suggestions

In light of these findings, it is recommended that large firms proactively streamline their audit processes by improving internal coordination and enhancing pre-audit readiness to minimize delays. Auditors and management should establish more rigorous timelines and resource plans tailored to the complexity of operations. Regulators might also consider revising policies or offering differentiated deadlines for firms based on size and operational scale to ensure more equitable compliance. Future research should explore additional

moderating or mediating variables, such as audit fees, auditor tenure, or industry-specific risks, and employ broader methodological approaches, including panel data analysis, to deepen understanding of audit timeliness determinants.

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