Al-Kharaj: Journal of Islamic Economics and Business
Volume 7 (4), 2025
P-ISSN: 2686-262X; E-ISSN: 2685-9300

Analysis of the Effect of Company Size, Audit Quality, and Audit Delay on Audit Size as a Moderating Variable (A Study of Basic Materials Companies Listed on the Indonesia Stock Exchange in 2022-2024)

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Keywords:
Audit Delay, Audit Quality, Basic Materials, Moderating Effect, Firm Size

Abstract

This study addresses the increasing issue of audit delays in the Basic Materials sector listed on the Indonesia Stock Exchange during 2022–2024. The research aims to empirically analyze the impact of firm size and audit quality on audit delay, as well as examine the moderating role of Public Accounting Firm (KAP) size. The study employs a quantitative explanatory causal design using secondary data from annual financial statements and audit reports. The population consists of all Basic Materials companies listed during the period, with a purposive sample of 36 companies. Data analysis utilized SPSS 27 with classical assumption tests and moderated multiple regression analysis. Results indicate that audit quality significantly affects audit delay while firm size does not show a significant impact. Moreover, KAP size moderates the relationship between audit quality and audit delay but not between firm size and audit delay. The coefficient of determination shows that the combined variables explain up to 62.8% of the variance in audit delay. The findings highlight the critical role of auditor competence and KAP resources in timely audit completion. The study concludes that improving audit quality and engaging larger KAPs can help reduce audit delays in Indonesia's capital market.

INTRODUCTION

Global economic developments and capital market dynamics require companies to improve the transparency and quality of financial reports, including the timeliness of audited reports, which are important indicators of investor confidence and market efficiency (Sidiprasetija Coandi, 2025). Audit delay, or the delay in submitting audit reports, has become a global issue, impacting market confidence and corporate credibility (Julianti et al., 2025). This phenomenon is also common in the Basic Materials sector, which plays a crucial role in national economic growth and has unique characteristics in terms of scale and operational complexity (Azwina et al., 2023).

Theoretically, agency theory provides a conceptual framework for understanding conflicts of interest between company owners and management, which can affect the fairness of financial statements and audit accuracy (Gunawan, 2021). Meanwhile, the resource-based view and signaling theory support the analysis of audit quality, which ensures the accuracy and credibility of financial statements (Sudane et al., 2020). However, previous research has shown divergent results regarding the effect of company size and audit quality on audit delay, and few studies have explored the role of Public Accounting Firm (KAP) size as a moderating variable in the context of the Indonesian capital market (Raudatul Zannah et al., 2024).

The specific problem identified in this study stems from the increasing trend of audit delays in the Basic Materials sector in Indonesia from 2022 to 2024, with the percentage of late reporting increasing from 4.2% to 12.7% (Indonesia Stock Exchange data, 2022-2024). This creates an urgency to find solutions that can expedite the audit process without sacrificing quality, as delays negatively impact transparency and economic decision-making (Alba, 2023). Several factors suspected of influencing audit delays include company size, which influences audit complexity, and audit quality, which reflects auditor professionalism (Widyasari Arsjah, 2024).

The context of this research is highly relevant to the Indonesian capital market, particularly the Basic Materials sector, which has specific characteristics such as a growing number of issuers, transaction complexity, and the role of public accounting firms as strategic partners in the audit process (Sugiarto Reskino, 2024). This study aims to fill a research gap by focusing on the moderating effect of public accounting firm size on the relationship between firm size, audit quality, and audit delay, an aspect that has rarely been studied in depth (Permatasari Saputra, 2021).

The novelty of this study lies in the empirical analysis that combines these three variables within the context of the Indonesian capital market and uses secondary data from the past three years to capture actual and relevant trends and dynamics of audit delay (Meo Paramitalaksmi, 2024). This research not only provides theoretical contributions by broadening understanding of the role of public accounting firm size as a moderating variable in auditing theory but also provides practical benefits for public companies, auditors, and regulators in improving the effectiveness of financial reporting (Dela Vebriani, 2022).

The purpose of this study is to empirically demonstrate the effect of firm size and audit quality on audit delay and to examine the moderating role of audit firm size in Basic Materials companies listed on the Indonesia Stock Exchange. The practical benefits of this study will assist audit teams and companies in designing efficient audit strategies and regulations that support timely information disclosure, while also serving as a reference for stakeholders in investment decision-making (Mia Amelia Zahra, 2024).

Thus, this research is expected to be able to provide a significant contribution to the accounting and auditing literature and provide applicable solutions to overcome the increasing problem of audit delays in public companies in Indonesia (Farida Arifani, 2025).

METHODS

Research Design

This study uses a quantitative design with a causal explanatory approach to examine the effect of firm size and audit quality on audit delay, as well as the moderating role of audit firm size in Basic Materials companies listed on the Indonesia Stock Exchange (IDX) for the 2022-2024 period (Ningrum, 2025). This approach allows for empirical hypothesis testing through the analysis of causal relationships between variables, where numerical data is analyzed to explain the audit delay phenomenon (Ulfa, 2021). This design was chosen because it is appropriate for empirical studies in the manufacturing sector, which require objective measurement of financial variables. Furthermore, the causal design supports testing of moderating interactions through multiple regression. This explanatory study aims to uncover the mechanisms by which independent variables influence the dependent variable.

Methods Used

The data collection method is secondary, obtained from annual financial reports and audit reports published on the official BEI website (www.idx.co.id) and the Financial Services Authority (Amanda, 2024). Documentation techniques were applied to systematically access data on company size, audit quality, audit delay, and KAP size during the 2022-2024 period. Variable measurements were carried out as follows: audit delay was calculated as the difference in days between the fiscal year-end date and the audit report date (Yanti, 2021); company size used the natural logarithm of total assets (SIZE); audit quality was measured using the modified Jones model for discretionary accruals; and KAP size was categorized as binary (Big 4=1, non-Big 4=0) (Gessela, 2024). The moderating variable was formed through the interaction term (SIZEKAP and KAKAP). All measurements followed consistent Indonesian financial accounting standards.

Research Subjects

The study population included all Basic Materials sector companies listed on the IDX in the 2022-2024 period, totaling approximately 110 issuers based on IDX data (Ningrum, 2025). The sample was determined through purposive sampling with the following criteria: (1) continuously listed during the study period; (2) publishing complete audited financial reports; and (3) using Rupiah currency (Ulfa, 2021). These criteria resulted in 36 sample companies, equivalent to 108 observations (3 years x 36 companies), representing sectors with complex characteristics such as mining and chemicals (Amanda, 2024). The purposive technique ensured the relevance of the data for testing the moderation hypothesis. This sample is consistent with similar studies on the IDX that target specific sectors to reduce bias (Gessela, 2024).

Data Analysis Tools

Data analysis was performed using SPSS version 27 software with classical assumption test stages (Kolmogorov-Smirnov normality, VIF multicollinearity <10, Durbin-Watson autocorrelation, Glejser heteroscedasticity), followed by multiple linear regression for direct effects and moderated regression analysis (MRA) for interactions (Yanti, 2021). The basic regression model: Audit Delay = $\beta 0 + \beta 1$ SIZE + $\beta 2$ KA + ε, while the moderation model: Audit Delay = $\beta 0 + \beta 1$ SIZE + $\beta 2$ KA + $\beta 3$ KAP + $\beta 4$ (SIZEKAP) + $\beta 5$ (KAKAP) + ε (Ningrum, 2025). Partial t-test and simultaneous F-test were used for hypotheses with a significance of α=0.05. Descriptive statistics complement the data description. This approach has been tested in audit delay studies in Indonesia (Ulfa, 2021; Amanda, 2024).

RESULTS

1. Descriptive Statistics

The data presented for all variables are taken from samples on the Indonesia Stock Exchange

with the provisions of predetermined criteria, the following data collected are from the number of days on the audit delay, then the results of Ln Total Assets on company size, then the size of the KAP determined from the KAP that audits including Big 4 or Non-Big 4, and proxy values to see the quality value of the audit, the following is what each company gets:

Table 1. Sample Table from BEI

No	Company name	Audit Delay (days)	Ln Total Assets	KAP Size	Audit Quality (X2)
1	APPLI	86	26.66	Non-Big 4	3.8
2	STEEL	70	20.37	Non-Big 4	3.6
3	AIM	151	22.79	Non-Big 4	2.9
4	CLPI	120	20.50	Non-Big 4	3.0
5	CTBN	76	19.11	Non-Big 4	3.4
6	DPNS	86	25.83	Non-Big 4	3.7
7	IGAR	84	27.26	Non-Big 4	3.9
8	HENNA	86	28.12	Big 4	4.7
9	INRU	76	28.93	Big 4	4.8
10	IPOL	120	28.70	Big 4	4.5
11	KDSI	80	28.04	Big 4	4.6
12	KRAS	120	28.66	Big 4	4.4
13	LMSH	76	28.70	Big 4	4.6
14	OKAS	84	28.04	Non-Big 4	3.8
15	PICO	86	27.26	Non-Big 4	3.7
16	PSAB	70	20.67	Non-Big 4	3.5
17	SMBR	151	22.55	Non-Big 4	2.8
18	SMCB	84	20.67	Big 4	4.5
19	SQMI	178	22.55	Non-Big 4	2.6
20	SRSN	84	27.02	Big 4	4.4
21	TALF	118	27.45	Big 4	4.2
22	TINS	80	19.79	Big 4	4.3
23	TIRT	120	19.79	Non-Big 4	3.1
24	TPIA	88	28.70	Big 4	4.8
25	TRST	120	28.04	Big 4	4.3
26	UNIC	84	27.26	Big 4	4.6
27	YPAS	178	20.69	Non-Big 4	2.7
28	KMTR	70	22.73	Non-Big 4	3.6
29	ZINC	—	21.77	Non-Big 4	3.2

No	Company name	Audit Delay (days)	Ln Total Assets	KAP Size	Audit Quality (X2)
30	Vocational High School	88	21.83	Non-Big 4	3.4
31	OPMS	79	19.59	Non-Big 4	3.3
32	ESIP	88	19.93	Non-Big 4	3.4
33	NPGF	120	20.89	Non-Big 4	3.1
34	KKES	70	28.70	Big 4	4.8
35	PACK	83	28.04	Big 4	4.5
36	MBMA	88	27.26	Big 4	4.7

Source: Indonesia Stock Exchange

Based on the results of data processing, it can be explained as follows:

Table 2. Descriptive Statistical Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Ukuran Perusahaan	36	19.11	28.93	24.5803	3.62155
Kualitas Audit	36	2.60	4.80	3.8667	.68868
Audit Delay	36	70.00	178.00	97.5556	29.41180
Valid N (listwise)	36				

Source: SPSS 27

Based on the descriptive statistical test in the table above, the minimum, maximum, average, and standard deviation values of each variable in the line study can be seen. The company size variable has the lowest score of 19.11 and a standard deviation of 3.62155 and the highest number of 28.93 with an average of 24.5803 and a number of observations of 36 data. Toba Pulp Lestari Tbk in 2023-2024 as the highest company size, while Citra Tubindo Tbk as the lowest company size in 2023-2024. The audit quality variable has an average score of 2.60 as the lowest score and 4.80 as the highest score with an average of 3.8667 and a standard deviation of 0.68868 and a total of 36 observations.

2. Classical Assumption Test

Normality Test Results

This test is used to see whether the residual or interfering variable in the data is normally distributed in a regression model. The data distribution can be considered normal if the probability asymp.sigl (2-tailed) figure is > 0.05 or exceeds 0.05.

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			36
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		22.57295309
Most Extreme Differences	Absolute		.099
	Positive		.099
	Negative		-.085
Test Statistic			.099
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.490
	99% Confidence Interval	Lower Bound	.477
		Upper Bound	.503

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Based on the results of the normality test with the One Sample Kolmogorov-Smirnov Test applied in the model normality test, Table 2 shows that the result of the asymp.sig (2-tailed) is 0.200. This figure meets the normality criteria, which is above 0.05. Therefore, the conclusion is that there is a normal distribution in the research variable data.

Multicollinearity Test Results

The purpose of the multicollinearity test is to determine whether a correlation exists between the dependent and independent variables in the regression model. A good regression model is free from multicollinearity. The criteria for this test are: if the VIF is >10, multicollinearity is present. Conversely, if the VIF is <10, multicollinearity is absent in this study.

Table 4. VIF Variables

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Ukuran Perusahaan	.454	2.203
	Kualitas Audit	.454	2.203

a. Dependent Variable: Audit Delay

The VIF values for each independent variable were obtained. The VIF for the audit quality variable was 2.203, and the VIF for the company size variable was 2.203. Therefore, this study concludes that there is no multicollinearity, as each independent variable has a VIF value <10.

Autocorrelation Test Results

The autocorrelation test was conducted to understand whether the linear regression model found an error or residual relationship in period tl with the error in period lt1.

Table 5. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.641[a]	.411	.375	23.24692	1.370

a. Predictors: (Constant), Kualitas Audit, Ukuran Perusahaan

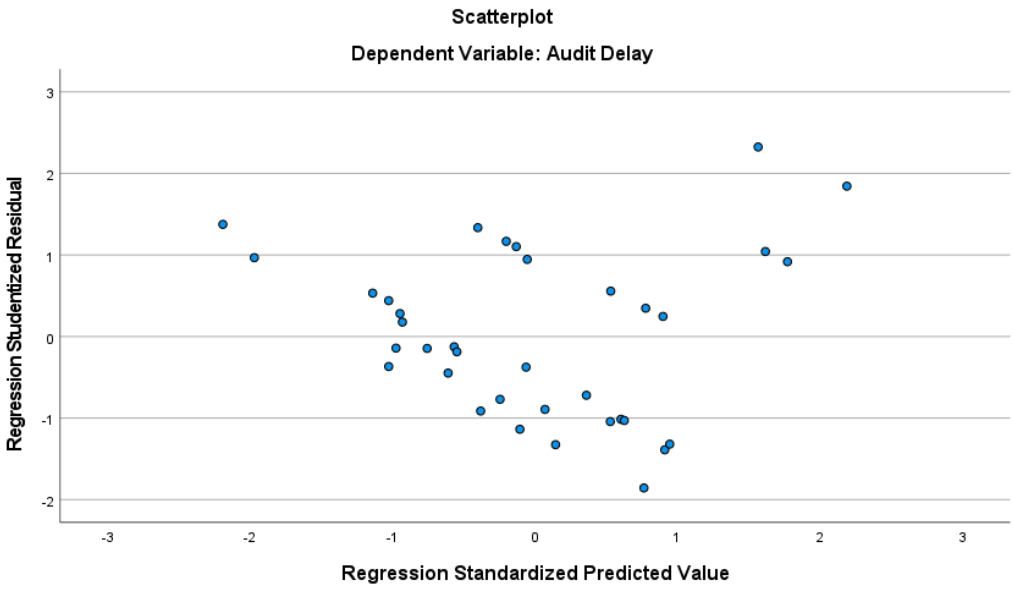
b. Dependent Variable: Audit Delay

Based on the table above, the results of the autocorrelation test that has been conducted and is then displayed in the table above, it can be seen that the Durbin Watson (DW) number obtained is 1.370 below (4-du) and exceeds the upper limit (du) of 1.2953 or 4-1.2953 = 2.7047, then the equation dU < ldW < 4-dU is 1.370 <1.2953 <2.7047. Thus, the conclusion is that no autocorrelation was found.

Heteroscedasticity Test Results

The purpose of the heteroscedasticity test is to determine whether there are differences in residual variance between observations in a regression model. Research that does not find heteroscedasticity is said to be good research. To understand the presence of heteroscedasticity, a scatterplot graph can be observed, with the following analysis provisions: if no clear pattern is found, and the distribution of points on the Y axis is below or above 0, then heteroscedasticity is not found. If there is a certain pattern that produces regular points, then it indicates the presence of heteroscedasticity.

Table 6. Heteroscedasticity Test



Based on the table above, it is known that the distribution of points below, above, and in the zero area, so the conclusion is that the data does not contain heteroscedasticity.

3. Moderation Regression Test

Table 7. Moderation Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	146.259	27.176		5.382	<.001
	Ukuran Perusahaan	4.201	1.610	.517	2.609	.014
	Kualitas Audit	-39.304	8.468	-.920	-4.641	<.001

a. Dependent Variable: Audit Delay

a. It is known that the significant value of the company size variable (X1) is 0.014 < 0.05, so the conclusion is that the company size variable (X1) has a significant effect on performance.
b. It is known that the significant value of the Audit Quality variable (X2) is 0.001 < 0.05, so the conclusion is that the audit quality variable (X2) has a significant effect on performance.

Table 8. Results of Moderation Regression Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641[a]	.411	.375	23.24692

a. Predictors: (Constant), Kualitas Audit, Ukuran Perusahaan

The R Square value is known to be 0.411, which means that the influence of company size and audit quality on audit delay is 41.1%.

REGRESSION EQUATION 2

Table 9. Regression Equation 2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	265.404	40.350		6.578	<.001
	Ukuran Perusahaan	2.409	1.650	.297	1.460	.155
	Kualitas Audit	-64.367	10.232	-1.507	-6.291	<.001
	Ukuran KAP (Moderasi)	67.224	127.468	1.143	.527	.602
	UP*KAP	1.970	3.062	.928	.643	.525
	KA*KAP	-15.201	31.203	-1.177	-.487	.630

a. Dependent Variable: Audit Delay

a. It is known that the significant value of the interaction variable between company size and KAP size is 0.525 (>0.05), so it can be concluded that the KAP size variable (Moderation) is not able to moderate the influence of the company size variable on the audit delay variable.

b. It is known that the significant value of the interaction variable between audit quality and KAP size is 0.630 (>0.05), so it can be concluded that the KAP size variable (Moderation) is not able to moderate the influence of the audit quality variable on the audit delay variable.

Table 10. Interaction Variables Between Quality

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.792[a]	.628	.566	19.38305

a. Predictors: (Constant), KA*KAP, Ukuran Perusahaan, Kualitas Audit, UP*KAP, Ukuran KAP (Moderasi)

It is known that the R Square value is 0.628, which means that the influence of the company size variable (X1) and audit quality (X2) on the audit delay variable (Y) after the moderating variable (KAP size) is 62.8%.

4. Absolute Difference Value Test

a. Test the absolute difference value of X1

Table 11. Absolute Difference Value Test XI

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	103.496	6.560		15.777	<.001
	Zscore: Ukuran Perusahaan	-.991	7.073	-.034	-.140	.889
	Zscore: Ukuran KAP	-5.966	7.230	-.203	-.825	.415
	Moderasi	-12.023	8.829	-.238	-1.362	.183

a. Dependent Variable: Audit Delay

a) Based on the coefficient data, the regression coefficient for the company size variable was -0.991 with a significant value of 0.889 which is greater than alpha (0.889>0.05), so it is concluded that company size has no effect on audit delay.
b) Based on the coefficient table above, the regression coefficient for the KAP size variable is -5.966 with a significant value of 0.415 which is greater than alpha (0.415>0.05), so it is concluded that the KAP size variable has no effect on audit delay.
c) Based on the coefficient data, the regression coefficient for the moderating variable is -12.023.

With a sig value of 0.183 greater than alpha (0.183>0.05), it can be concluded that the KAP size variable does not moderate the effect of company size on audit delay.

b. Test the absolute difference value of X2

Table 12. Absolute Difference Value Test X2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	78.970	3.919		20.151	<.001
	Zscore: Kualitas Audit	-45.395	4.530	-1.543	-10.021	<.001
	Zscore: ukuran KAP	39.160	4.770	1.331	8.210	<.001
	Moderasi	43.940	7.437	.525	5.908	<.001

a. Dependent Variable: Audit Derlay

a) Based on the coefficient data, the regression coefficient for the audit quality variable was obtained at -45.395 with a significant value of 0.001 which is smaller than alpha (0.001>0.05), so it is concluded that audit quality has an effect on audit delay.
b) Based on the coefficient table above, the regression coefficient for the KAP size variable is -39.160 with a significant value of 0.001 which is smaller than alpha (0.001>0.05), so it can be concluded that the KAP size variable has an effect on audit delay.
c) Based on the coefficient data, the regression coefficient for the moderating variable is -43.940. With a sig value of 0.001 which is smaller than alpha (0.001>0.05), it can be concluded that the KAP size variable moderates the influence of audit quality on audit delay.

c. Residual Value

Table 13. Residual Values

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.259	.040		6.530	<.001
	Unstandardized Residual	-.101	.114	-.151	-.890	.380

a. Dependent Variable: ABS_RES1

Based on the table above, it is known that the sig value of 0.380 is greater than alpha (0.380>0.05), so the data above is not a moderating variable.

5. Simple Correlation Analysis

Table 14. Simple Correlation Analysis

Correlations

		Ukuran Perusahaan	Kualitas Audit	Audit Delay
Ukuran Perusahaan	Pearson Correlation	1	.739**	-.163
	Sig. (2-tailed)		<.001	.343
	N	36	36	36
Kualitas Audit	Pearson Correlation	.739**	1	-.538**
	Sig. (2-tailed)	<.001		<.001
	N	36	36	36
Audit Delay	Pearson Correlation	-.163	-.538**	1
	Sig. (2-tailed)	.343	<.001	
	N	36	36	36

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the table above, it is known that

1. Based on the table above, the company size variable (X1) with Audit Delay (Y) with a sig value of 0.343 is greater than 0.05, so it can be concluded that there is no significant relationship. The correlation value of the company size variable (X1) with Audit Delay (Y) is 0.163, which means that the level of closeness between the relationship between variables X1 and Y is very weak.
2. Based on the table above, the audit quality variable (X2) with Audit Delay (Y) with a sig value of 0.001 is smaller than 0.05, so it can be concluded that there is a significant relationship. The correlation value of the audit quality variable (X2) with Audit Delay (Y) is 0.538, which means that the level of closeness between the relationship between variables X2 and Y is sufficient.

6. Hypothesis Testing

Table 15. T-test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	146.259	27.176		5.382	<.001
	Ukuran Perusahaan	4.201	1.610	.517	2.609	.014
	Kualitas Audit	-39.304	8.468	-.920	-4.641	<.001

a. Dependent Variable: Audit Delay

1. It is known that the sig value is 0.014>0.05 and the t table value is 2.609<1.688, so it can be concluded that H1 is accepted, which means there is an influence between variable X1 and Y.
2. It is known that the sig value is 0.001>0.05 and the t value is 4.641<1.688, so it can be concluded that H2 is accepted, which means there is an influence between variable X2 and Y.

Table 16. F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12443.052	2	6221.526	11.512	<.001[b]
	Residual	17833.837	33	540.419		
	Total	30276.889	35			

a. Dependent Variable: Audit Delay

b. Predictors: (Constant), Kualitas Audit, Ukuran Perusahaan

It is known that the sig value is 0.001<0.05 and the calculated f value is 11.512> 2.477 so it can be concluded that H3 is accepted which means that there is an influence of variables X1 and X2 on variable Y.

DISCUSSION

The Effect of Company Size on Audit Delay (H1) The analysis results show that company size does not have a significant effect on audit delay. This finding indicates that the size of a company's total assets does not directly determine the speed of audit completion. Although large companies generally have more advanced human resources and accounting information systems, they also face challenges in the form of transaction complexity, numerous business branches, and large data volumes, which prolong audit duration. This result is consistent with research by Risdiana Meirani (2024) and Mutia (2021) which states that company size is not significantly related to audit delay. This finding also strengthens agency theory, which asserts that differences in interests between management and shareholders cannot be automatically minimized simply by company scale. In this context, audit completion is more influenced by the effectiveness of internal controls and the readiness of financial statements than by company size.

The Effect of Audit Quality on Audit Delay (H2) Empirical testing shows that audit quality has a significant effect on audit delay. Auditors with high competence, extensive experience, and a strong level of professional independence are able to expedite the audit process. This finding supports signaling theory, where quality auditors provide a positive signal to the market regarding the credibility of financial statements and the effectiveness of corporate governance. Good audit quality reflects the auditor's professionalism in detecting the risk of material errors and managing audit time efficiently. These results are in line with research by Sari & Utami (2022) and Raudatul Zannah et al. (2024), which confirm that auditors with high reputations and experience can reduce the level of audit delay. Therefore, the second hypothesis (H2) is accepted.

The Role of Public Accounting Firm (KAP) Size as a Moderating Variable (H3a and H3b). KAP Size in Moderating the Relationship between Company Size and Audit Delay (H3a). The

results of the study indicate that KAP size does not act as a significant moderating variable between company size and audit delay. In other words, the speed of audit completion does not differ significantly between companies audited by large and small KAPs. This is due to the need for large KAP auditors to implement strict and comprehensive audit procedures, especially when dealing with companies with complex systems and transactions. Although large KAPs have more human resources and sophisticated audit technology, the complexity of audits in large companies remains a major obstacle. This finding is in accordance with the research of Utari (2024) and Puput Ayyil Yuniar (2025), which states that KAP size does not strengthen the relationship between company size and audit delay.

Audit Firm Size in Moderating the Relationship between Audit Quality and Audit Delay (H3b) In contrast to H3a, this study found that audit firm size significantly moderates the relationship between audit quality and audit delay. Large audit firms, especially those affiliated with the Big Four, are able to strengthen the positive influence of audit quality on the timeliness of audit completion. Auditors at large audit firms are usually supported by more efficient work systems, international networks, and high audit quality control standards, thereby accelerating the audit process without sacrificing quality. This finding is in line with resource-based theory, which states that organizations with superior resources have better capabilities in producing effective performance. In this context, audit firm size is an indicator of the auditor's resource capacity and experience that affect the efficiency of audit examinations. Therefore, hypothesis H3b is accepted.

Comprehensive Analysis Overall, the results of the study indicate that external factors related to auditors, namely audit quality and KAP size, have a more dominant influence on the timeliness of audit completion compared to internal company factors such as company size. This confirms that audit delay is more determined by the professionalism and capacity of the auditor in managing the audit process, not only the dimensions of the business scale of the company being audited. This finding strengthens the relevance of agency theory and resource theory in audit practice in Indonesia, where external auditors act as an independent monitoring mechanism that is able to reduce information asymmetry between management and shareholders through timely and high-quality audit completion.

CONCLUSION

This study reveals that audit quality has a significant influence on audit delay, demonstrating the importance of auditor professionalism and competence in expediting the audit process. Conversely, firm size is not proven to have a significant effect on audit delay, indicating that the complexity and scale of the firm do not automatically affect the timeliness of audit reporting. Furthermore, the size of the Public Accounting Firm (KAP) does not moderate the effect of firm size on audit delay, but significantly moderates the relationship between audit

quality and audit delay. These findings confirm that the role of large KAPs, especially those affiliated with the Big Four, can strengthen the influence of audit quality through superior resources, technology, and experience, thus supporting more timely audit completion without compromising quality. The results of this study enrich the auditing literature by including the moderating variable of KAP size in the context of the Indonesian capital market, particularly in the Basic Materials sector.

This study is limited by the use of secondary data from financial statements for the 2022-2024 period, which may underrepresent dynamics beyond that period. The purposive sampling technique also limits the generalizability of the results to all sectors or companies outside the Basic Materials sector. Therefore, further research is recommended to examine other variables that could potentially influence audit delay, such as board characteristics or the use of audit information technology. The practical implications of this study are the need for public companies and auditors to focus on improving audit quality through rigorous training and quality control, as well as encouraging the use of well-resourced public accounting firms to expedite the audit process. Regulations that support transparency and efficiency in audit reporting can also be a policy focus to increase investor confidence and stabilize the Indonesian capital market.

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