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The Influence of Multiple Directorship, Auditor Reputation, and Company Performance on Audit Delay (A Study on Companies Listed on the Indonesia Stock Exchange for the 2021–2023 Period)

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A R T I C L E I N F O

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A B S T R A C T

This research examines how numerous directorships, auditor reputation, profitability, and solvency affect audit delay in IDX-listed businesses between 2021 and 2023. To enhance financial reporting timeliness and reliability in Indonesia, the study seeks practical insights for decision-makers, auditors, and regulators. The quantitative study uses EViews 12 to analyze secondary panel data from 722 IDX-listed firms, resulting in 2,166 firm-year observations. It uses descriptive statistics, classical assumption testing, and panel data regression to test hypotheses. Purposive sample selected organizations having comprehensive yearly financial reports and relevant variable data. Key findings suggest that highly reputable auditors, particularly Big Four firms, may take longer due to stricter audit standards and more thorough processes to ensure quality and credibility, which aligns with agency theory by reducing information asymmetry. In contrast, many directorships, profitability, and solvency did not significantly affect audit delay. These findings contrast previous empirical studies and emphasize contextual considerations in audit timeliness. The model explains 74.6% of audit delay variance, leaving 25.4% to other variables.

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INTRODUCTION

Public corporations must publish their financial performance promptly and transparently in an environment of rising transparency and accountability expectations. Indonesia Stock Exchange (IDX)-listed companies must provide audited yearly financial statements in compliance with Financial Accounting Standards. The timely publication of audited financial reports indicates a firm's operational health and governance. Reporting on time helps investors, creditors, and regulators make judgments. Auditors might delay reporting, which can lower market trust and indicate internal inefficiencies.

The Financial Services Authority (OJK) adopted Regulation No. 14/POJK.04/2022 on Periodic Financial Statements by Issuers or Public Companies to improve reporting compliance. This rule requires audited financial reporting on certain dates and includes administrative penalties including fines and trade bans. Despite the regulation's stated requirements, audit delays persist in Indonesia's capital market. IDX data from 2021–2023 is unreliable. In 2023, 129 firms submitted audited reports late, up from 2022. 81 firms got written warnings and cash fines, while 53 were temporarily suspended. These numbers highlight the critical need to uncover audit delay reasons, which damage transparency and market ecosystem confidence.

The recurrence of audit delays across industries reveals financial reporting structural issues. In 2023, consumer goods, energy, and real estate industries saw more delayed audits. Operational complexity, post-pandemic economic recovery pressures, or management inefficiencies may cause these delays. The industrial sector improved, demonstrating that internal controls, management practices, and auditor capabilities may affect audit timeliness across industries. Audit delay occurs between fiscal year-end and independent auditor report signing. Audit complexity, management-auditor interaction, and evidence collecting issues might lengthen this gap, reducing financial reports' utility and relevance, according to Handayani et al. (2022).

Several literature-identified reasons may cause audit delay. One such element is multiple directorships or interlocking directorates, when one person has many company directorships. Although common, this method may weaken directors' roles, diminish their participation at audit meetings, and reduce their response to auditor queries. Multiple-tasking directors may be less accessible to give paperwork, approvals, or explanations throughout the audit process, prolonging it. Empirical research are varied on this. Aljaaidi and Alwadani (2023), Siregar and Utama (2022), and Habib et al. (2018) found that numerous directorships increased audit time, but Ebrati and Kawshalya and Srinath (2019) found no impact.

Another factor affecting audit timing is auditor reputation. Audits are completed more efficiently by Big Four audit firms (PwC, Deloitte, KPMG, and EY) due to their greater resources, experienced staff, and robust audit methodologies. Big Four auditors usually reduce audit delays. The connection is not always constant. Adela and Badera (2022) and Jura and Tewu (2021) revealed that auditor reputation did not effect audit time, potentially owing to contextual variables as client size, internal control quality, or industry characteristics.

Another firm-level factor influencing audit time is profitability, generally measured by ROE. Profitable firms are more encouraged to disclose their financial data quickly to provide positive signals to investors and markets. Handayani et al. (2022) claim that prosperous organizations have better organized financial paperwork and less audit problems, which speeds up audits. Loss-making firms may be scrutinized further, extending audits. However, empirical results are inconclusive. Yulianti et al. (2021), Mashuri and Ermaya (2022), and Lutfiani and Nugroho (2023) found that profitability significantly affects audit delay, but Machmuddah et al. (2020) and Gustiana and Rini (2022) found opposite results, suggesting that firm- or audit-specific variables may moderate the relationship.

Solvency, or a company's capacity to satisfy long-term commitments, also affects audit delay. Highly leveraged organizations entail more financial risk, thus auditors verify and test more to determine going concern risks (Saputra & Fadjarenie, 2022). Additional scrutiny frequently lengthens audits. Machmuddah et al. (2020), Nugroho et al. (2021), and Karina and Kusumawardhani (2023) found that solvency risk increases audit delays. However, Alfiani and Nurmala (2020) and Ubwarin et al. (2021) showed no significant association, indicating that solvency may be moderated by the auditor's risk appetite or the regulatory environment.

This research analyses the variables affecting audit delay among Indonesia Stock Exchange-listed businesses between 2021 and 2023. This study includes all publicly listed enterprises over a three-year period, providing a more holistic assessment than earlier studies that concentrated on certain industries or time ranges. This research adds multiple directorships, a relatively underexplored variable in Indonesia, as a possible audit delay factor. The study advances corporate governance and financial reporting efficiency discussions. This study examines whether multiple directorships affect audit delay, auditor reputation on audit timeliness, firm profitability on audit delay, and solvency on audit completion speed. The overall purpose is to discover actionable insights for company decision-makers, auditors, and regulators to enhance financial reporting timeliness and reliability in Indonesia.

This research makes several contributions. It examines principal-agent dynamics in audit delays to validate agency theory. Practically, the results may help business management solve governance issues that cause late reporting. The findings assist auditors manage resources by revealing customer characteristics that predict audit inefficiency. Policymakers and regulators may use the findings to revise reporting rules and enforcement techniques. Finally, the work offers a platform for future audit timeliness research in institutional and regulatory settings. The research intends to improve Indonesia's capital market financial reporting by contributing to transparency, efficiency, and accountability.

LITERATURE REVIEW

Theoretical Basis

Agency theory explains how shareholders (principals) and firm management (agents) might clash owing to different interests and information availability (Jensen & Meckling, 1976). In theory, an efficient contract has equal access to high-quality information, but managers, who are actively engaged in daily operations, have more expertise than stockholders. This mismatch requires timely financial reporting to ensure information relevance and decision-making usefulness (Handayani et al., 2022). To avoid agency issues, organizations use monitoring systems like independent audits (Sudjono & Setiawan, 2022). Audits by objective, external auditors verify financial statements' correctness and dependability. These auditors verify provided information to reduce audit delay and boost stakeholder confidence in the organization's openness and governance (Gaol & Duha, 2021).

Audit Delay

Audit delay is the time between the financial reporting date and the audit completion date that auditors need to perform the audit (Handayani et al., 2022; Siahaan & Andayani, 2021). Audit processes are long, especially in situations with large transaction volume and sophisticated evidence, which delays financial reporting (Nugroho et al., 2021). Financial information has less impact on investor choices when audit reports are released beyond regulatory deadlines (Hendi & Sitorus, 2023). A company's stock value and market reputation depend on timely audit reporting. In response, the Indonesian Financial Services Authority (OJK) issued POJK No. 14/POJK.04/2022, requiring yearly audited financial reports to be filed within 91 days of the fiscal year-end with increasing penalties for delays (OJK, 2022). However, continuous noncompliance persists (Mulyadi et al., 2022; Aljaaidi & Alwadani, 2023; Yulianti, 2021; Karina & Kusumawardhani, 2023).

Concurrent Directorships

The Financial Services power Regulation No. 33/POJK.04/2014 gives the board of directors complete power and responsibility for operating a public business to meet its goals. Directors are nominated by shareholders to protect company interests and ensure management follows strategy. However, directors with numerous directorships—whether internal or external—often attend fewer board meetings, reducing their participation in key debates and decision-making. Lack of monitoring may compromise financial reporting and business success. Article 6, paragraph 1a of Regulation No. 33/POJK.04/2014 restricts directors to one public company directorship. Excessive positions might distract directors from financial statement preparation and internal control. Kutubi et al. (2021) found that directors with numerous duties postpone loss provisions, complicating audits and delaying financial disclosures.

Auditor Reputation

As it represents the audit process's quality, trustworthiness, and efficiency, auditor reputation affects audit delay. Strong public accounting firms (KAP),

especially those linked with the Big Four (PricewaterhouseCoopers, Deloitte Touche Tohmatsu, KPMG, and Ernst & Young), can issue audited financial statements faster. These businesses' enormous resources, highly skilled staff, and modern technology infrastructure speed up and improve audits (Amin et al., 2021; Handayani, 2022). Reputable auditors use advanced technology and use well-qualified individuals to ensure high audit quality and accuracy. This expertise lowers audit delays and ensures financial reports meet regulatory deadlines, boosting openness and investor trust (Hendi & Sitorus, 2023).

Profitability

A company's capacity to make profits within a specific time is measured by profitability. Financial metrics like assets, equity, sales, and shares may measure it (Mardjono & Astutie, 2022). This research examines profitability and audit delay in Indonesia Stock Exchange-listed enterprises. Highly successful organizations speed up financial reporting to please stakeholders, notably investors (Carslaw & Kaplan, 1991, quoted in Rani & Triani, 2021). Losing organizations have more business risk, therefore auditors are more cautious, which may delay audits (Gaol & Duha, 2021). Profit margin, return on assets, ROE, basic earning power, earnings per share, and contribution margin reveal a company's financial health (Harahap, 2016). This research uses ROE as the profitability indicator because it gives a complete and investor-relevant perspective of business performance.

Solvency

Current liabilities ratios measure a company's solvency, which indicates its capacity to satisfy long-term commitments (Karina & Kusumawardhani, 2023). A high solvency ratio implies a higher debt load than total assets or equity, which may increase financial risk and worries about the firm's capacity to meet its commitments (Saputra & Fadjarenie, 2022). Financial distress may delay financial statement preparation and external audits (Ubwarin et al., 2021). Due to greater audit risk, difficult debt verification, and going concern evaluations, Machmuddah et al. (2020) and Nugroho et al. (2021) found that higher solvency levels lead to lengthier audit delays. Alfiani & Nurmala (2020) and Ubwarin et al. (2021) showed no significant link, indicating that auditor traits, business size, and regulatory compliance may affect solvency's impact on audit timeliness.

METHODOLOGY

Research Population and Sample

This research defines the population as all objects or persons with data-sampling features. The population includes all IDX-listed firms from 2021 to 2023. Purposive sampling was used to choose the population subset for study. The researcher may choose the sample using criteria relevant to the study aims using this non-probability sampling approach. This study uses the following sample criteria: (a) companies must be listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 observation period; (b) companies must publish complete and accessible annual financial reports for each year; and (c) companies

must provide complete data relevant to all variables under investigation. By using these criteria, the study includes businesses who supply appropriate and accurate financial information, allowing for a full and rigorous empirical investigation of the research variables. In analyzing audit delay and its causes, this sample method improves relevance and trustworthiness.

Data Types and Sources

This quantitative analysis uses secondary data from the Indonesia Stock Exchange website and listed company websites. Companies' 2021–2023 annual financial statements and reports are the main data sources. These publicly released papers, which terminate on December 31 each year, are reliable and thorough for assessing the variables under research. Audited and published reports improve research validity and transparency. The paper examines how board members' multiple directorships, external auditor reputation, business profitability, and solvency levels affect audit delay in the Indonesian capital market using official and verifiable data. This time span was chosen to cover recent advancements and make the data relevant to contemporary regulatory and corporate governance issues. This methodological approach assures that empirical research is based on trustworthy, factual facts, enabling more accurate and relevant interpretations of business features and audit reporting timeliness.

Operational Definitions of Variables

The dependent variable in this study is audit delay (Y), while the independent variables include numerous directorships (X1), auditor repute (X2), profitability (X3), and solvency (X4). Audit delay serves as a significant indicator of both audit duration and the timeliness of financial reporting. The measurement involves counting the days from the fiscal year-end (December 31) to the signing of the independent audit report (Handayani et al., 2022; Mulyadi, 2022). An extended audit delay may diminish the relevance and utility of financial statements for stakeholders. This study employs the methodology established by Machmuddah et al. (2020) to assess audit lag for companies listed on the Indonesia Stock Exchange. Audit Delay is calculated as the difference between the Audit Report Date and the Fiscal Year-End Date.

Multiple directorships, as the initial independent variable, arise when a board member occupies various roles within the same or different companies. Mizruchi (1996) cautions that multiple roles may hinder a director's ability to manage effectively. Saleh et al. (2021) argue that an excess of directorships may diminish governance engagement, potentially leading to delays in audits and increased inefficiencies. Annual reports, particularly those containing board member biographies, provide details on various directorships. The calculation of several directorships is determined by the ratio of directors holding multiple positions to the total number of directors (Aljaaidi & Alwadani, 2023).

The reputation of the auditor, as the second independent variable, influences both audit timeliness and the reliability of financial statements. Public accounting firms with strong reputations, such as the Big Four (PwC, Deloitte, EY, and KPMG), typically conduct audits more efficiently and with higher quality due to their resources and trained personnel (Ubwarin et al., 2021;

Machmuddah, 2020). Entities audited by Big Four firms are designated as 1, while those audited by non-Big Four firms are assigned a designation of 0. This method allows researchers to examine the extent to which auditor reputation influences audit delay.

The third and fourth independent variables are profitability and solvency. Profitability indicates a firm's capacity to generate income. Mardjono and Astutie (2022) suggest various profitability metrics, including Return on Equity (ROE), which this study employs to represent shareholders' profits. Return on Equity (ROE) is calculated as Net Income After Tax divided by Total Equity. High profitability typically promotes financial transparency (Carslaw & Kaplan, 1991; Rani & Triani, 2021). The Debt-to-Equity Ratio (DER) quantifies a company's reliance on debt financing. Increased DERs signify a heightened financial burden, potentially extending the duration of the audit process (Saputra & Fadjarenie, 2022; Karina & Kusumawardhani, 2023). Alfiani and Nurmala (2020) as well as Ubwarin et al. (2021) observed that the relationship between solvency and audit delay is not consistently statistically significant, suggesting that the effects may vary based on contextual factors and other moderating variables.

Data Analysis Methods

EViews 12 software facilitates quantitative data analysis in this research, enabling the examination and evaluation of variables to yield reliable results. The analytical approach includes descriptive statistics, testing of classical assumptions, and hypothesis testing. Each of these processes is essential for comprehending data behaviour and selecting appropriate statistical models. Descriptive statistics offer a fundamental summary of the variables, whereas the selection of regression models and the verification of classical assumptions enhance the rigour of the study. Hypothesis tests investigate the relationship between independent and dependent variables.

Descriptive statistics summarise information and offer an initial understanding of each variable without generalising to the population (Sugiono, 2018). This study calculates the mean, standard deviation, maximum, minimum, and total values for each variable. These measures elucidate data distribution and variability. Prior to conducting more complex analyses, descriptive statistics provide an overview of the sample by detailing each variable, including audit delay, number of directorships, auditor reputation, profitability, and solvency.

This study employs panel data regression due to the dataset's time-series and cross-sectional nature. Panel data offers a comprehensive perspective by analysing multiple variables over time. According to Gujarati and Porter (2009), the three primary approaches for estimating panel data are the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). The Common Effect Model employs Ordinary Least Squares (OLS) while disregarding individual and temporal variations. Dummy variables serve to represent unobserved heterogeneity in the Fixed Effect Model, while the Random Effect Model employs generalised least squares to estimate random variations across entities and time periods.

Diagnostic tests are employed to select the most appropriate panel data regression model. Begin with the Chow Test to evaluate the Common Effect

Model against the Fixed Effect Model. Gujarati and Porter (2009) suggest employing the Common Effect Model when the cross-section chi-square p-value exceeds 0.05. When the p-value is below 0.05, the Fixed Effect Model is favoured, leading to the implementation of the Hausman Test. The Hausman Test differentiates between Fixed Effect and Random Effect Models. A p-value of 0.05 or greater indicates the use of the Random Effect Model, while a p-value of 0.05 or less suggests the Fixed Effect Model. The Breusch-Pagan Lagrange Multiplier Test differentiates between the Common Effect Model and the Random Effect Model. When the p-value exceeds 0.05, the Common Effect Model is employed; conversely, the Random Effect Model is utilised. Conventional assumption testing guarantees that regression estimates are unbiased and meet econometric criteria. Panel data analysis suggests the necessity of testing for multicollinearity and heteroscedasticity, which is addressed in this study (Basuki & Prawoto, 2016; Santika et al., 2023). Given the panel data and substantial sample size, tests for normality and autocorrelation are unnecessary. The residual distribution approaches normality in panel data comprising over 100 observations (Gujarati & Porter, 2009). Autocorrelation holds greater significance in pure time-series data compared to panel data, where cross-sectional variations are more pronounced.

The Variance Inflation Factor quantifies the extent of multicollinearity in a dataset. According to Gujarati and Porter (2009), VIF values below 10 suggest the absence of multicollinearity, while values exceeding 10 indicate a likelihood of multicollinearity among independent variables. Multicollinearity can affect regression outcomes; therefore, it is essential to identify and mitigate it. The Glejser test evaluates the presence of heteroscedasticity. A p-value greater than 0.05 indicates homoskedasticity, while a value below 0.05 signifies heteroskedasticity, potentially affecting regression estimates.

Linear regression analysis evaluates the study hypotheses by investigating the relationship between audit delay and various factors, including directorships, auditor reputation, profitability, and solvency. This study employed the following regression equation: $ADit = \alpha + \beta1RJDit + \beta2RAit + \beta3Pit + \beta4Sit + \varepsilon it$. In this equation, ADit denotes audit delay, RJDit indicates multiple directorship, RAit represents auditor reputation, Pit signifies profitability, Sit stands for solvency, α is the constant, β denotes the coefficients of the independent variables, and εit is the error term. This model allows for the simultaneous evaluation of all explanatory factors affecting the response variable.

The model's validity and the significance of relationships are evaluated through R^2, F-statistic, and t-statistic. The R^2 test assesses the model's capacity to account for variation in the dependent variable. Higher R^2 values signify a superior fit between the model and the data, while values near zero reflect inadequate explanatory power (Gujarati & Porter, 2009). The F-statistic assesses the significance of the regression model. Models that are statistically viable exhibit p-values lower than 0.05. The significance of each independent variable is evaluated through the t-statistic. Variables with p-values less than 0.05 are deemed to significantly influence audit delay.

RESEARCH RESULT

Research Overview

This study employs secondary data obtained from publicly accessible sources, primarily consisting of companies audited financial statements and annual reports. The sample includes all firms listed on the Indonesia Stock Exchange (IDX) that consistently published complete and sequential financial statements and annual reports throughout the observation period from 2021 to 2023. As detailed in Table 4.1, the total number of companies listed on the IDX by the end of 2023 was 927. However, only 722 of these firms submitted their annual reports regularly during the specified period. After applying purposive sampling based on the completeness of data and relevance to the research variables, 722 companies were selected as the final sample. Utilizing a panel data approach covering three consecutive years, the total number of firm-year observations used in the analysis amounted to 2,166. The consistent availability of annual financial data over the three-year period ensures the robustness and reliability of the empirical findings. This careful sample selection strengthens the internal validity of the study and enhances the credibility of the conclusions drawn regarding the relationship between multiple directorships, auditor reputation, profitability, solvency, and audit delay in the Indonesian capital market context.

Descriptive Statistical Analysis

This study presents minimum, maximum, mean, median, and standard deviation values for all variables, including audit delay (Y), multiple directorships (X1), auditor reputation (X2), profitability (X3), and solvency (X4), to give a general overview of the data.

Table 1. Descriptive Statistics

	RJD (X1)	RA (X2)	P (X3)	S (X4)	AD (Y)
Mean	0.466212	0.247403	0.043684	0.778743	5.138198
Median	0.481212	0.000000	0.049979	0.668974	5.170516
Maximum	0.881374	0.881374	3.783343	5.941808	7.361376
Minimum	0.000000	0.000000	-4.422593	-6.136694	3.402307
Std. Dev.	0.342771	0.396130	0.377308	1.010256	0.309161
Observations	2166	2166	2166	2166	2166

The audit delay variable ranges from 15 to 787 days, mean 89.58 days, with 2,166 observations, demonstrating that most organizations complete audits on time. several directorship (X1) spans from 0 to 1, with a mean of 0.51, suggesting that almost half of the company directors hold several positions. Auditor repute (X2), a dummy variable, had a mean of 0.28, indicating that non-Big Four auditors dominated; just 28% of enterprises were audited by Big Four firms. ROE, which measures profitability (X3), ranges from -41.65 to 21.97 and averages around zero, indicating huge performance differences. Solvency (X4), measured by the debt-to-equity ratio, has a mean of 1.30 and considerable dispersion, reflecting different financial arrangements. These results highlight company variability

and suggest additional inferential study to determine how these factors affect audit delay.

Model Testing

This study examined the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) to determine the most suitable panel regression model. The Chow, Hausman, and Lagrange Multiplier tests were employed to identify the optimal model fit. These tests assess which model most accurately represents the structure of the panel data and ensures the robustness of the regression results.

Table 2. Chow Test

Effects Test	**Statistic**	**Degrees of Freedom**	**Probability**
Cross-section F	4.922215	(721, 1440)	0.0000
Cross-section Chi-square	2691.419126	721	0.0000

The initial diagnosis involved the Chow test, which compares the Common and Fixed Effect Models. Gujarati and Porter (2009) suggest employing the Fixed Effect Model when the F-statistic probability value is less than 5%. Table 2 presents a cross-section F-statistic probability value of 0.0000, significantly lower than the 0.05 threshold. Consequently, the null hypothesis, which posits that the Common Effect Model is sufficient, is rejected, while the alternative hypothesis, asserting that the Fixed Effect Model provides a superior fit, is accepted.

The Hausman test was employed to distinguish between the Fixed Effect Model and the Random Effect Model subsequent to the Chow test. Gujarati and Porter (2009) recommend the Fixed Effect Model when the p-value is less than 0.05. The chi-square statistic is 79.505665, with a p-value of 0.0000 in Table 3, indicating that the Fixed Effects Model (FEM) is superior to the Random Effects Model (REM) for this dataset.

Table 3. Hausman Test

Test Summary	**Chi-Sq. Statistic**	**Degrees of Freedom**	**Probability**
Cross-section random	79.505665	4	0.0000

Classical Assumption Test

This research used standard assumption tests to guarantee regression estimates were reliable and unbiased. Diagnostics are necessary to check that regression analysis data meets basic assumptions. Given that the Fixed Effect Model (FEM) was chosen as the best estimate strategy, conventional assumption testing focused multicollinearity and heteroskedasticity checks, which are important for panel data analysis.

This research used Variance Inflation Factor (VIF) to discover independent variable multicollinearity. Gujarati and Porter (2009) say a VIF < 10 shows no multicollinearity. This table summarizes VIF results:

The table shows that all independent variables have VIF values below 10, suggesting that this model does not exhibit multicollinearity.

Table 4. Multicollinearity Test Results

Independent Variable	VIF	Conclusion
Multiple Directorships (X1)	3.9080	Within Acceptable Limits
Auditor Reputation (X2)	3.9174	Within Acceptable Limits
Profitability (X3)	3.9099	Within Acceptable Limits
Solvency (X4)	3.9015	Within Acceptable Limits

The Glejser test detected heteroskedasticity. This test checks for uneven residual variances across observations. The results are below:

Table 5. Heteroskedasticity Test Results (Glejser Method)

Variable	Coefficient	t-Statistic	Probability
Constant (C)	0.101929	11.92006	0.0000
Multiple Directorships (X1)	-0.014689	-1.323132	0.1860
Auditor Reputation (X2)	0.021692	0.974881	0.3298
Profitability (X3)	-0.001495	-0.207358	0.8358
Solvency (X4)	0.008879	2.185879	0.0290

Three of the four variables had p-values over 0.05, indicating no heteroskedasticity. Solvency (X4) has a p-value of 0.0290, just below the cutoff. This suggests heteroskedasticity for one variable, but not enough to reject the model. Thus, resilient standard errors may be used to preserve robustness. To determine residual normality, the Jarque-Bera test was used. A 0.0000 p-value indicated a statistically significant departure from normalcy. However, Gujarati and Porter (2009) demonstrate that the Central Limit Theorem supports normality in high sample sizes, especially over 100 observations. The regression analysis is unaffected by the breach of normality since this research has 2,166 observations.

Model Fit Test (F-Statistic Test)

The F-test was employed to assess the significance of the regression model and to ascertain the impact of the independent variables on the dependent variable. The probability is 0.000000, and the F-statistic is 5.834579. This value is considerably lower than the significance criterion of 5%. This discovery identifies several factors that statistically influence audit delay: Solvency (X4), Profitability (X3), Multiple Directorships (X1), and Auditor Reputation (X2). The model demonstrates satisfactory performance in explaining variations in the dependent variable based on the data analysed.

Coefficient of Determination (R^2) Test

The goal of the coefficient of determination, also known as R2, is to evaluate the explanatory power of the regression model in terms of its ability to capture the variability of the dependent variable, which comes in the form of audit delay. During the course of this analysis, the R2 statistic was discovered to have a value

of 0.746035, which is comparable to 74.6%. It can be deduced from this number that the independent variables, which consist of Multiple Directorships, Auditor Reputation, Profitability, and Solvency, are together capable of explaining around 74.6% of the variation in audit time. Other factors that were not taken into consideration by the model are responsible for the remaining 25.4% of the total. Even if the model has a high capacity for explanation, there are other elements that might possibly effect the timeliness of the audit. The fact that this is the case shows that the model has a significant capacity for explanation.

T-Statistic Test

To determine how each independent variable affected audit delay, panel least squares with a fixed effect model was used to do partial testing using the t-test. The results are summarized in this table:

Table 6. t-Statistic Test

Variable	**Coefficient**	**Probability**	**Conclusion**
Multiple Directorships	-0.049299	0.0747	Not supported
Auditor Reputation	0.143218	0.0098	Supported
Profitability	-0.031749	0.0770	Not supported
Solvency	-0.001328	0.8955	Not supported

The variable Auditor Reputation had the sole statistically significant influence on audit time, with a coefficient of 0.143218 and a p-value of 0.0098 ($p < 0.05$). This positive correlation suggests that organizations audited by credible auditors may have longer auditing delays.

DISCUSSION

The Effect of Dual Directorships on Audit Delay

This research found that corporate directors' numerous directorships do not affect audit delay. The t-statistic of -0.0492 and probability level of 0.0747 above the significance threshold of 0.05, supporting this result. Thus, the argument that many directorships delay audits is unsupported. These data indicate that having several directorial positions does not significantly slow the external audit process. According to agency theory, overlapping jobs may cause conflicts of interest and undermine corporate governance, however this research reveals no relationship between numerous functions and reporting delays. Internal monitoring and corporate governance coordination may alleviate the negative consequences of directorial overload (Saleh et al., 2021; Lee & Isa, 2015).

These results contradict Aljaaidi and Alwadani (2023), Siregar and Utama (2022), Habib et al. (2018), and Fauziah and Murharsito (2023), who found that numerous directorships extend audit completion times. These findings are similar with Ebrati et al. (2022), Kawshalya and Srinath (2019), Elshawarby (2018), and Lee and Isa (2015), who found no significant influence of multiple positions on audit delay. This mismatch shows that contextual variables like internal control efficacy and board-level participation mediate directorship structure and audit timeliness. The Financial Services Authority of Indonesia (POJK No. 33/POJK.04/2014) emphasizes that directors are legally required to

ensure the accuracy and punctuality of financial reports, suggesting that their accountability may mitigate multiple role inefficiencies.

The Effect of Auditor Reputation on Audit Delay

This research found that auditor reputation positively affects audit delay, as shown by the t-statistic value of 0.1432 and the significance level of 0.0098, which is below 0.05. That auditor reputation improves audit delay is supported. High-reputation auditors, especially those from Big Four public accounting firms, may take longer to complete audits. This is because credible auditors use stricter audit standards and execute processes more carefully. Given the growing public scrutiny of financial reporting, such processes are essential for professional credibility and audit quality. The more thorough and comprehensive audit technique may take longer, delaying audit report release.

According to agency theory, respected auditors undertake comprehensive and impartial audits to reduce knowledge asymmetry and possible conflicts between principals and agents. While lengthy, auditors' meticulousness and depth show their dedication to quality rather than inefficiency. Thus, audit delay may suggest due diligence rather than operational issues. Samosir et al. (2024), Sari and Nisa (2022), Mutawaqila and Oktariza (2022), and Yuliusman et al. (2020) all found a favorable association between auditor reputation and audit delay. However, Alba et al. (2023), Cerelia et al. (2022), Mayling and Prasetyo (2020), and Arumningtyas and Ramadhan (2019) observed no significant impact. This discrepancy shows how auditor reputation balances audit quality and timeliness in corporate governance.

The Effect of Profitability on Audit

This research found that profitability did not affect audit delay. A t-statistic of 0.0317 and a p-value of 0.0770 surpass the 0.05 significance level. The concept that profitability decreases audit delay is unsupported. This suggests that a company's profitability does not affect audit length. This contradicts agency theory, which states that successful corporations speed up audits to quickly communicate favorable performance to stakeholders. Financial statements are used to check information asymmetry between principals and agents, with larger profits expected to incentivize faster disclosures to minimize uncertainty and boost management confidence.

The research suggests that auditors may use similar techniques regardless of a firm's profitability, hence audit completion timeframes may not be affected by profitability. Companies in solid financial shape may not feel need to disclose their reports quickly due to lower reputational risk. In contrast, organizations with lesser profitability may have a higher motivation to hasten audits to reduce negative speculation. These findings support Ubwarin et al. (2021) and Machmuddah et al. (2020), who found no correlation between audit time and profitability. They disagree with Rani and Triani (2021), Handayani et al. (2022), Mulyadi et al. (2022), Adela and Badera (2022), and Murdijaningsih and Muntahanah (2021), who found that increasing profitability reduces audit delays. This contrast suggests that organizational or procedural variables may influence audit timeliness more than profitability.

The Effect of Solvency on Audit Delay

In this research, solvency did not affect audit delay empirically. The t-statistic of -0.0013 and p-value of 0.8955 above the 0.05 threshold for statistical significance, supporting this result. The concept that solvency increases audit delay is unsupported. The solvency ratio of a business does not seem to affect the length of its audit procedure. Financial leverage does not seem to affect audit completion time across the sample. According to agency theory, organizations with weaker solvency are financially riskier, which may increase agency conflicts and need auditors to execute more careful and lengthy processes, lengthening the audit. High-solvency organizations may have less risks, allowing for speedier audits. The results of this investigation contradict these theories. Solvency did not significantly affect audit time, suggesting that auditors may emphasize company governance standards, financial reporting complexity, or auditor reputation when assessing audit completion speed. These results contradict Machmuddah et al. (2020), Nugroho et al. (2021), Karina & Kusumawardhani (2023), Febriana, and Nati (2024), who reported a positive relationship between solvency and audit delay. They agree with Ubwarin et al. (2021), Jura & Tewu (2021), Gustiana & Rini (2022), Gozali & Harjanto (2020), and Alfiani & Nurmala (2020), who found no significant connection. Financial risk, as measured by solvency, may not independently dictate audit timeliness, particularly when overshadowed by other organizational dynamics.

CONCLUSIONS AND RECOMMENDATIONS

This research examined how many directorships, auditor reputation, profitability, and solvency affect audit delay. Panel data from 716 Indonesia Stock Exchange (IDX) businesses in 11 industrial sectors was used for the study, including 2,148 firm-year observations from 2021 to 2023. The four independent factors evaluated showed that only auditor reputation substantially affected audit delay, corroborating the original premise. Not statistically significant were many directorships, profitability, and solvency. However, all four factors affected audit delay together, showing their combined explanatory power in the model.

Despite its benefits, this study has drawbacks. The independent variables in the model explained only 74.6% of audit delay variance, leaving a large fraction unexplained by other factors. Second, board structure and financial performance metrics were emphasized. External variables including macroeconomic circumstances, market dynamics, and regulatory changes were not addressed but may explain more in future studies. Third, the three-year research during the post-pandemic recovery era may not represent long-term audit delay patterns.

ADVANCED RESEARCH

Further research should include business size, operational complexity, audit opinion, and institutional ownership. Extending the observation period beyond 2023 would help understand the long-term effects of audit delay, particularly during economic recovery. Future investigations might benefit from

include external contextual variables like government regulation, industry-specific norms, and macroeconomic stability to better explain audit delay.

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