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Auditee and Auditor Factors Affecting Audit Delay with Audit Firm Reputation as Moderating Variable: Supporting SDG 16 in Tourism Firms

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ABSTRACT

Objective: To examine the effects of auditee and auditor factors on audit delay and evaluates whether audit firm reputation moderates these relationships. The analysis focuses on tourism, restaurant, and hotel companies listed on the Indonesia Stock Exchange, while linking timely audited reporting to the transparency and accountability principles of Sustainable Development Goal 16. **Method:** The study employed a quantitative explanatory design using secondary data from audited annual reports for 2017–2021. Purposive sampling yielded 22 companies and 110 firm-year observations. Liquidity, firm size, financial distress, and audit opinion were tested as explanatory variables, while audit firm reputation was examined through moderated regression analysis. **Results:** Liquidity had no significant effect on audit delay. Firm size and financial distress significantly increased audit delay, whereas an unqualified audit opinion reduced the reporting lag. Audit firm reputation did not moderate the liquidity–audit delay relationship but significantly moderated the effects of firm size, financial distress, and audit opinion. **Novelty:** The study integrates auditee financial characteristics and auditor-related attributes within a single moderation model in a sector observed across pre-pandemic and pandemic periods. It extends audit-delay research by demonstrating that reputable audit firms do not uniformly accelerate reporting; their moderating role depends on the underlying company characteristic. The findings offer sector-specific evidence relevant to stronger corporate reporting discipline and the accountability orientation of SDG 16.

INTRODUCTION

In the last few years, business activity in Indonesia has been growing rapidly, and this is marked by the increasing number of companies going public and being listed on the Indonesia Stock Exchange (IDX) (Rina, 2018). Companies going public and listed on the Indonesia Stock Exchange (BEI) are required to submit annual financial reports audited by public accountants (Abdillah et al., 2019). Annual financial statements should be published so that investors, as an external party, can measure and assess firm performance (Krueger et al., 2019). Therefore, the firm must provide information that is informative, transparent and available in the financial statements (Coibion et al., 2019).

In the Covid 19 pandemic situation, the submission of the annual report which should be no later than April 30 will be June 30 of the following year, for 2019 which will be published in 2020 (OJK, 2020). However, there are still many companies that do not fully comply with these regulations. This non-compliance can be seen from the company's delay in submitting audited annual financial reports. In 2017 there were 34 companies that were late (IDX, 2018), in 2018 there were 26 companies that were late (IDX, 2019), in 2019 there were 42 companies that were late (IDX, 2020), in 2020 there were 52 companies that were late (IDX, 2021), and in 2021 there were 91 companies that were late (IDX, 2022). The delay in audit reporting is called audit delay.

Audit delay is the length of time for audit completion which is measured from the closing date of the financial year to the date the independent audit report is completed. According to Verawati & Wirakusuma (2016), the length of time for completing an audit indicates the time between the date of the financial report and the date of the audit opinion in the audited financial report. Worldwide, delays in auditing financial statements have been identified as one of the causes of overall delays in the publication of their annual reports (Mathuva et al., 2019). The only major source of information that investors can trust is audited annual reports (Mathuva et al., 2019).

The period of a company's audit delay can be influenced by several factors. These factors can, among others, come from auditee factors and auditor factors, such as liquidity, company size, financial distress, auditor opinion, and audit firm reputation (Abdillah et al., 2019; Baatwah et al., 2019; Khoufi & Khoufi, 2018).

Theoretical background

Audit delay

The availability of information that is useful for most report users, such as financial position, performance and cash flow, is the aim of financial reports (Ha et al., 2018). Financial reports must be published in a timely manner to users when they need them to make decisions, because information loses its usefulness if it is not available when needed (Ha et al., 2018). The predictability of a company's future performance can be determined by the delivery of information. The importance of effective information delivery in strengthening company reporting through timely delivery of financial information to the capital market (Oussii & Boulila Taktak, 2018; Rochmah Ika & Mohd Ghazali, 2012). Basically, the timeliness of completing audit tasks shows that auditors must work efficiently without ignoring the reliability of the information produced in financial reports (Abdillah et al., 2019; Baatwah et al., 2019) stated that the timeliness of financial information is considered an important element for decision makers, and the single most important determinant by companies in financial reporting is the length of the audit process.

Audit delay is the time needed for an auditor to produce an audit report on the performance of a company's financial statements (Pratiwi & Wiratmaja, 2018).

Audit Delay = Date signed. Auditors – Date Annual Financial Reported

Audit firm reputation

The reputation of a public accounting firm can also influence audit delay. Providing relevant information can be seen from the accuracy and reliability of financial reports. Public Accounting Firms (KAP) that have a good reputation are allied with universal KAPs such as the Big Four. Compared to non-Big Four KAPs, audits carried out by Big Four KAPs are able to be completed earlier (Khoufi & Khoufi, 2018). The capabilities, skills and professionalism of the resources available at Big Four KAPs are able to expedite the audit process so that audit delays are reduced. Khoufi and Khoufi (2018) strengthened this research by finding that the audit delay KAP reputation results were negatively influenced by the KAP reputation results. With the following formula:

Audit Firm Reputation : Audit Firm Big-Four = 1 / Non Big-Four = 0

Liquidity

Liquidity is the ability of a company to meet its financial obligations which must be fulfilled immediately. A company's ability to pay may not necessarily be able to fulfill all its financial obligations. The liquidity of a business entity can be determined by

comparing the amount of current assets with current liabilities. The results of this comparison are called the Current Ratio or Working Capital Ratio. In general, it can be said that a Current Ratio of less than 2:1 (200%) is considered not good. If a company determines that the Current Ratio that must be maintained is 3:1 or 300%, this means that every current debt of Rp. 1 must be guaranteed by current assets of Rp. 3 or guaranteed by net working capital of Rp. 2. Thus, the working capital ratio with current debt is 2:1 (because working capital is nothing more than the excess of current assets over current debt), (Prasetyo, 2013 in Karyadi, Muhamad, 2017). The company's capacity/ability to pay off current liabilities is described through liquidity. The author assesses liquidity through the Current Ratio, using the formula:

Liquidity : $\text{Current Asset} - \text{Current Liability}$

Firm size

Firm size is a resource owned by the company that can provide economic benefits in the future. The greater the resources a company has, the company is classified as a large company. And conversely, the smaller the resources a company has, the smaller the size of the company. Larger company sizes have better internal control. Companies that have good internal controls will make things easier for auditors so that this can reduce errors in working on their audit reports. Apart from that, larger companies tend to have higher external pressure to complete their audit reports on time because they are closely monitored by investors, the government and capital regulatory bodies (Arifatun, 2013 in Muhammad Rizal Saragih, 2019). Firm size describes the size of a company as indicated by total assets, number of sales, average total sales and average total assets. In this research, company size is proxied by total company assets. With the following formula:

Firm Size : $\text{Ln}(\text{Total Asset})$

Financial distress

Another factor that causes audit delays is financial distress. Financial distress is a condition where the company's finances are in trouble, crisis or unhealthy which occurs before the company goes bankrupt (Listyaningsih & Cahyono, 2018). High audit risk tends to be faced by companies that are in difficult financial situations, resulting in the auditor taking longer to review the report accounts or in other words, the audit delay is getting longer (Akhalmeh et al., 2017; Khoufi & Khoufi, 2018) revealed that debt to total assets has no effect on audit delay. In their research, Muliantari and Latrini (2017) revealed the influence of financial distress on audit delay. With the following formula:

Financial Distress : $\text{Total Liability} / \text{Total Asset}$

Audit opinion

The audit report is the final result of the audit process which contains the auditor's opinion and can be relied on by users of financial reports to make decisions. According to Fiatmoko & Anisykurlillah (2015) "An audit report is a formal tool used by auditors to communicate conclusions about audited financial reports to interested parties." Audit Opinion is the auditor's opinion regarding the fairness of a company's financial statements. With the following formula:

Audit Opinion : $\text{Unqualified opinion} = 1 / \text{Non- Unqualified opinion} = 0$

Based on the description of variables, the framework of thinking conducted by researchers in this study can be described as follows Figure 1:

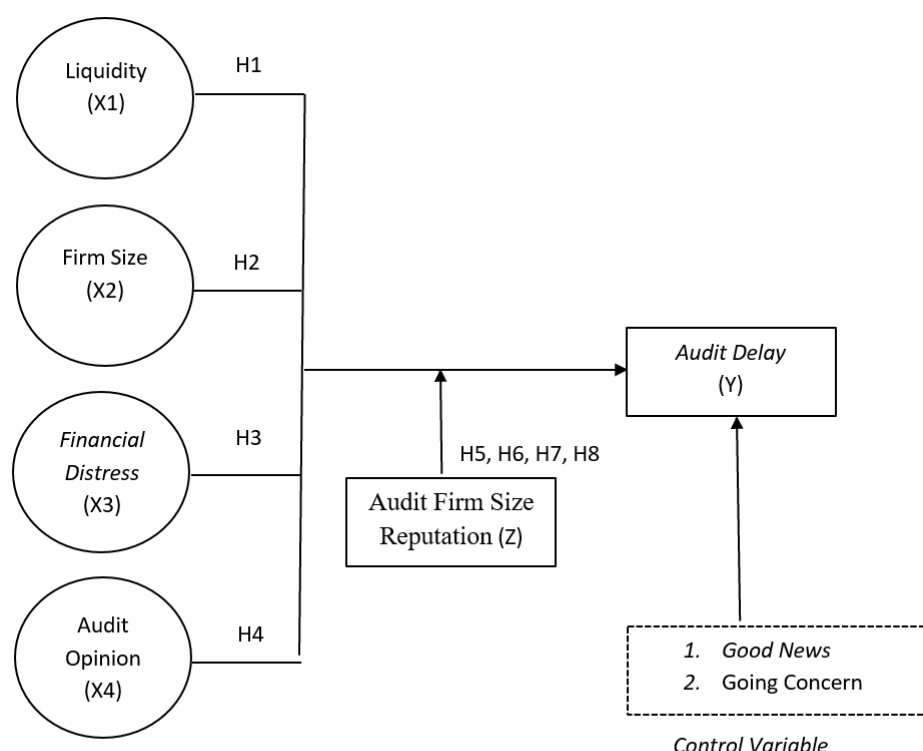


Figure 1. Conceptual framework

- H1: Liquidity has a significant effect on audit delay
H2: Firm Size has a significant effect on audit delay
H3: Financial Distress has a significant effect on audit delay
H4: Audit Opinion has a significant effect on audit delay
H5: Audit Firm Size Reputation moderates liquidity influence on audit delay
H6: Audit Firm Size Reputation moderates Firm Size influence on audit delay
H7: Audit Firm Size Reputation moderates financial distress influence on audit delay
H8: Audit Firm Size Reputation moderates audit opinion influence on audit delay

RESEARCH METHOD

This research uses an empirical study strategy and focuses on collecting information regarding audit delay. The research analysis unit used is the company's financial report, namely tourism, restaurant and hotel sector companies listed on the Indonesia Stock Exchange. The setting of this research is noncontrived, meaning that the author did not manipulate the data. Based on the time of implementation, this research uses panel data, namely a study carried out over a certain period to determine the effect of changes made in a situation, using a panel or group of subjects as a sample base (Yusuf, 2014).

The population in this study is tourism, restaurant and hotel companies that issue financial reports from 2017 – 2021. Table 1 is a list of companies sampled in this research.

Table 1. Companies sampled

No	Code	Company
1	AKKU	PT. Anugerah Kagum Karya Utama Tbk
2	ARTA	PT. Arthavest Tbk
3	BAYU	PT. Bayu Buana Tbk
4	DFAM	PT. Dafam Property Indonesia Tbk
5	FAST	PT. Fast Food Indonesia Tbk

No	Code	Company
6	ICON	PT. Island Concepts Indonesia Tbk
7	IKAI	PT. Intikeramik Alamasri Industri Tbk
8	INPP	PT. Indonesian Paradise Property Tbk
9	JGLE	PT. Graha Andrasentra Propertindo Tbk
10	JIHD	PT. Jakarta International Hotels & Development Tbk
11	JSPT	PT. Jakarta Setiabudi Internasional Tbk
12	KPIG	PT. MNC Land Tbk
13	MAPB	PT. MAP Boga Adiperkasa Tbk
14	NASA	PT. Andalan Perkasa Abadi Tbk
15	PANR	PT. Panorama Sentrawisata Tbk
16	PDES	PT. Destinasi Tirta Nusantara Tbk
17	PJAA	PT. Pembangunan Jaya Ancol Tbk
18	PNSE	PT. Pudjiadi & Sons Tbk
19	PSKT	PT. Red Planet Indonesia Tbk
20	PTSP	PT. Pioneerindo Gourmet International Tbk
21	PUDP	PT. Pudjiadi Prestige Tbk
22	SHID	PT. Hotel Sahid Jaya International Tbk

The multiple linear regression model is a model used to analyze the influence of several independent variables on one dependent variable (Ghozali, 2018). The purpose of regression analysis is to find out whether each independent variable is positively or negatively related and to estimate the value of the dependent variable if the independent variable experiences an increase or decrease, then this multiple linear regression analysis is to find out the direction of the relationship between the dependent variable and the independent variable (Busenbark et al., 2021; Elwert & Winship, 2014). This method is useful for finding out how much influence Auditee Factors and Auditor Factors with Auditor Reputation have on Audit Delay (MAKSYMOW et al., 2023). The regression equation is:

$$\text{Model 1 : } Y = a + B1.X1 + B2.X2 + B3.X3 + B4.X4 + B5.X5 + B6.X6 + B7.Z + e \quad (1)$$

$$\text{Model 2 : } Y = a + B8.X1 + B9.X2 + B10.X3 + B11.X4 + B12.X5 + B13.X6 + B14.Z + B15.(X1*Z) + B16.(X2*Z) + B17.(X3*Z) + B18.(X4*Z) + e \quad (2)$$

Explanation :

Y = Audit Delay

α = Konstanta

β_1 - β_{18} = Koefisien Variabel Independen

X1 = Likuiditas (Faktor Auditee)

X2 = Ukuran Perusahaan (Faktor Auditee)

X3 = Financial Distress (Faktor Auditee)

X4 = Opini Auditor (Faktor Auditor)

X5 = Good News (Faktor Auditee) (Kontrol)

X6 = Kelangsungan Usaha (Faktor Auditee) (Kontrol)

Z = Reputasi Auditor (Faktor Auditor) (Moderator)

e = Variabel pengganggu (disturbance's error)

RESULTS AND DISCUSSION

Results

The following are the results of descriptive calculation statistics for all Tourism, Restaurant and Hotel Sector companies listed on the Indonesian Stock Exchange during the research period, namely 2017-2021, which can be seen in the Table 2.

Table 2. Descriptive statistic 2017-2021

	N	Minimum	Maximum	Mean	Std. Deviation
CR	110	.034	9.207	2.07357	1.951027
SIZE	110	23.159	31.062	27.90639	1.303843
DAR	110	.052	1.459	.41180	.209032
OA	110	0	1	.32	.468
CROA	110	-.549	.261	-.00097	.083403
KU	110	0	1	.70	.460
SPEC	110	.046	.182	.09010	.046865
Audit Delay	110	50	330	108.94	37.957
Valid N (listwise)	110				

From table, it can be seen that the data analyzed was 110 sample data obtained from the financial reports of 22

Tourism, Restaurant and Hotel Sector companies registered on the IDX for 5 years (2017-2021).

Table 3. One-sample kolmogorov-smirnov test

	Unstandardized Residual
N	110
Normal Parameters ^{a, b}	Mean
	.0000000
	Std. Deviation
	31.86053129
Most Extreme Differences	Absolute
	.065
	Positive
	.065
	Negative
	-.049
Test Statistic	.065
Asymp. Sig. (2-tailed)	.200 ^{c, d}

Based on Table 3, it can be seen that the Kolmogorov-Smirnov value is 0.200. The Kolmogorov-Smirnov significance value above shows a value of 0.200, which means it is greater than > 0.05 , so the data is normally distributed.

Table 4. Coefficients dependent variable: Audit delay

Model	Unstandardized Coefficients	Std. Error	Beta	Standardized Coefficients	Collinearity Statistics
	B			Tolerance	VIF
1	(Constant)	-36.698	71.927		
	CR	-.945	1.672	-.049	.935
	SIZE	5.683	2.527	.195	.917
	DAR	39.725	17.689	.219	.728
	OA	-22.673	7.164	-.279	.886

CROA	65.271	43.087	.143	.771	1.298
KU	-37.721	7.372	-.458	.864	1.157
SPEC	70.346	70.040	.087	.924	1.083

The test results in this study, show that there is no multicollinearity, because all the VIF numbers produced have values below 10 and tolerance values above 0.10. The largest VIF value is 1.069 and is still smaller than < 10 . Meanwhile, the smallest value of the tolerance value is 0.728, which means it is greater than > 0.10 . From these figures it can be concluded that there is no multicollinearity, so the equation is suitable to be used.

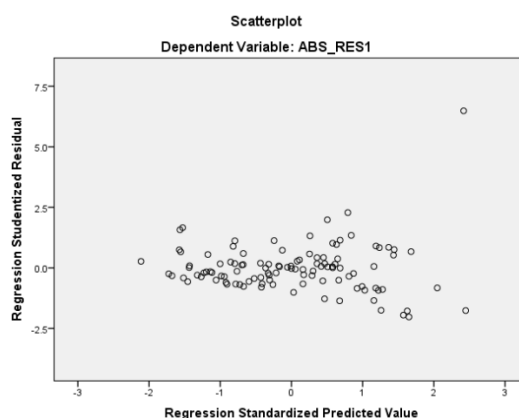


Figure 1. Scatterplot

In Figure 1, it can be seen that the calculation results show that there is no heteroscedasticity interference, where in the scatter plot method image above, a pattern of dots that are irregular or randomly distributed is obtained. So, it can be concluded that there is no heteroscedasticity problem.

Table 5. Runs test

Unstandardized Residual	
Test Value ^a	-1.07358
Cases < Test Value	55
Cases $\geq$ Test Value	55
Total Cases	110
Number of Runs	48
Z	-1.533
Asymp. Sig. (2-tailed)	.125

The SPSS output results with Run Test show the Asymp value. Sig. (2-tailed) of 0.125 is more than the probability value > 0.05 , which means that the regression model is free from autocorrelation problems.

Table 6. Coefficients dependent variable: Audit delay

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1	(Constant)	-36.698	71.927	-.510	.611
	CR	-.945	1.672	-.049	.573
	SIZE*	5.683	2.527	.195	.027

DAR*	39.725	17.689	.219	2.246	.027
OA*	-22.673	7.164	-.279	-3.165	.002
CROA	65.271	43.087	.143	1.515	.133
KU*	-37.721	7.372	-.458	-5.117	.000
SPEC	70.346	70.040	.087	1.004	.318

Based on the data processing results seen in table in the Unstandardized Coefficients column section B, the first regression equation model is obtained as follows:

$$Y = a - 0,945.X_1 + 5,683.X_2 + 39,725.X_3 - 22,673.X_4 + e \quad (3)$$

Table 7. Coefficients dependent variable: Audit delay

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	84.897	19.763		4.296	.000
	CR	.079	.952	.004	.083	.934
	SIZE	-1.054	.730	-.036	-1.445	.152
	DAR	37.892	8.538	.209	4.438	.000
	OA	-20.127	3.350	-.248	-6.009	.000
	CROA	6.819	11.794	.015	.578	.564
	KU	-1.047	2.242	-.013	-.467	.642
	SPEC	5.235	18.983	.006	.276	.783
	CR.x.SPEC	6.252E-5	.000	.033	.467	.641
	SIZE.x.SPEC*	.000	.000	1.415	13.669	.000
	DAR.x.SPEC*	-.007	.001	-.598	-5.062	.000
	OA.x.SPEC*	.003	.001	.224	5.612	.000

Based on the data processing results seen in table in the Unstandardized Coefficients column section B, the second model of the MRA regression equation is obtained as follows:

$$Y = a + 0,000.(X1*Z) + 0,000.(X2*Z) - 0,007.(X3*Z) + 0,003.(X4*Z) + e \quad (4)$$

This test is used to determine the analysis of the influence of Auditee Factors, and Auditor Factors influence Audit Delay with Auditor Reputation as a moderating variable. which can be seen from the magnitude of the t-count against the t-table with a 2-sided test. The results of the t-significance test of the first equation model in this study can be seen in Table 8.

Table 8. Coefficients dependent variable: Audit delay

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-36.698	71.927		-.510	.611
	CR	-.945	1.672	-.049	-.565	.573
	SIZE*	5.683	2.527	.195	2.249	.027
	DAR*	39.725	17.689	.219	2.246	.027
	OA*	-22.673	7.164	-.279	-3.165	.002
	CROA	65.271	43.087	.143	1.515	.133
	KU*	-37.721	7.372	-.458	-5.117	.000

Model	Unstandardized Coefficients		Beta	Standardized Coefficients	t	Sig.
	B	Std. Error				
SPEC		70.346	70.040	.087	1.004	.318

Table 9. Coefficients dependent variable: Audit delay

Model	Unstandardized Coefficients		Beta	Standardized Coefficients	t	Sig.
	B	Std. Error				
1	(Constant)	84.897	19.763		4.296	.000
	CR	.079	.952	.004	.083	.934
	SIZE	-1.054	.730	-.036	-1.445	.152
	DAR	37.892	8.538	.209	4.438	.000
	OA	-20.127	3.350	-.248	-6.009	.000
	CROA	6.819	11.794	.015	.578	.564
	KU	-1.047	2.242	-.013	-.467	.642
	SPEC	5.235	18.983	.006	.276	.783
	CR.x.SPEC	6.252E-5	.000	.033	.467	.641
	SIZE.x.SPEC*	.000	.000	1.415	13.669	.000
	DAR.x.SPEC*	-.007	.001	-.598	-5.062	.000
	OA.x.SPEC*	.003	.001	.224	5.612	.000

In this research, the equation model is known to be at a significant level of 5% or 0.05. Based on Table, the equation model above shows the results:

1. From the statistical test results for the Liquidity variable, it can be observed that the t value is 0.565 with a significance value of $0.573 > 0.05$, so it can be proven that H1 is rejected. This means that the Liquidity variable statistically has no effect on the Audit Delay variable.
2. From the statistical test results for the Firm Size variable, it can be observed that the t value is 2.249 with a significance value of $0.027 < 0.05$, so it can be proven that H2 is accepted. This means that the Firm Size variable statistically influences the Audit Delay variable.
3. From the statistical test results for the Financial Distress variable, it can be observed that the t value is 2.246 with a significance value of $0.027 < 0.05$, so it can be proven that H3 is accepted. This means that the Financial Distress variable statistically influences the Audit Delay variable.
4. The statistical test results for the Audit Opinion variable can be observed with a t value of 3.164 with a significance value of $0.002 < 0.05$, so it can be proven that H4 is accepted. This means that the Audit Opinion variable statistically influences the Audit Delay variable.
5. The variables X1 (Liquidity) and moderated Z (Audit Firm Reputation) show a significant value of $0.641 > 0.05$, so it can be proven that H5 is rejected. This means that the Liquidity variable cannot be moderated by Audit Firm reputation for audit delays.
6. The variable X2 (Firm Size) and moderated Z (Audit Firm Reputation) shows a significant value of $0.000 < 0.05$, so it can be proven that H6 is accepted. This means that the Company Size variable can be moderated by Audit Firm Reputation on Audit Delay.
7. The variables X3 (Financial Distress) and moderated Z (Audit Firm Reputation) show a significant value of $0.000 < 0.05$, so it can be proven that H7 is accepted. This means

that the Financial Distress variable can be moderated by Audit Firm reputation for audit delays.

8. Variables X4 (Audit Opinion) and moderated Z (Audit Firm Reputation) show a significant value of $0.000 < 0.05$, so it can be proven that H8 is accepted. This means that the Liquidity variable can be moderated by Audit Firm reputation for audit delays.

Discussion

The insignificant effect of liquidity indicates that short-term solvency alone does not determine the duration of audit completion. A high current ratio may improve a firm's capacity to settle current obligations, but it does not necessarily reduce transaction complexity, documentation deficiencies, or the scope of substantive audit procedures (Julia, 2020). By contrast, the positive effect of firm size suggests that larger tourism, restaurant, and hotel companies may require broader audit procedures because they possess more assets, business units, contracts, and operational transactions (Merk, 2013). Abdillah et al. (2019) similarly demonstrate that company-specific conditions are important in explaining audit report lag, although the significance of individual characteristics varies across samples. This finding implies that large firms should not rely solely on their resource advantages; they must establish integrated year-end closing systems and stronger audit readiness. Such practices support SDG 16 by improving the reliability, accessibility, and timeliness of corporate information required for accountable market institutions (Burton et al., 2021).

The positive relationship between financial distress and audit delay is consistent with the argument that auditors devote more time to clients presenting heightened going-concern, valuation, impairment, and material-misstatement risks (Khamisah, Listya, & Sap..., 2021). Abdillah et al. (2019) found that weaker financial conditions lengthen audit report lag, indicating that financial risk increases the amount of evidence and professional judgment required before an opinion can be issued. Conversely, the negative coefficient for audit opinion indicates that firms receiving unqualified opinions complete the audit process more quickly, presumably because fewer material disputes or qualification-related procedures remain unresolved (Habib, 2013). Hapsari et al. (2016) also report that auditor opinion significantly affects audit report lag. In relation to SDG 16, these results highlight the importance of early distress detection, transparent communication with auditors, and timely resolution of accounting issues, since delayed assurance can weaken stakeholder access to credible information and reduce confidence in corporate accountability (Rahaman & Bhuiyan, 2024).

The moderation results show that audit firm reputation does not alter the liquidity-audit delay relationship, but it significantly changes the effects of firm size, financial distress, and audit opinion (Global Financial Develo..., 2012). This pattern indicates that reputation is not a universal mechanism for shortening audits; rather, its value becomes more visible when engagements involve organizational complexity, elevated financial risk, or opinion-sensitive judgments (Liu & Lai, 2012). According to Baatwah et al. (2019), audit-related accounting expertise is associated with shorter reporting delays, while other engagement characteristics can strengthen or weaken this effect. Reputable audit firms may therefore contribute through specialized personnel, standardized methodologies, quality-control systems, and stronger engagement coordination, but these resources cannot compensate for liquidity measures that are only weakly connected to actual audit effort (Mali & Lim, 2020). From an SDG 16 perspective, the finding underscores that effective, accountable, and transparent institutions depend not only on

reputable assurance providers, but also on effective client governance and high-quality financial reporting processes (Ibor et al., 2024).

CONCLUSION

Fundamental Finding: This study demonstrates that audit delay among tourism, restaurant, and hotel companies is determined more strongly by organizational complexity, financial risk, and audit outcomes than by short-term liquidity. Liquidity has no significant effect on audit delay, whereas firm size and financial distress significantly increase the time required to complete the audit. An unqualified audit opinion significantly reduces audit delay. Audit firm reputation does not moderate the relationship between liquidity and audit delay, but it significantly moderates the effects of firm size, financial distress, and audit opinion. These findings confirm that the contribution of reputable audit firms is contingent upon the complexity and risk characteristics of their clients rather than being uniformly effective across all financial indicators. **Implication:** Companies should strengthen their year-end closing procedures, internal controls, financial-distress monitoring, and communication with external auditors to reduce reporting delays. Larger and financially distressed firms should provide audit evidence earlier and resolve significant accounting judgments before the financial year-end. Audit firms should allocate specialized and experienced personnel to high-risk engagements, while regulators should encourage stronger audit-readiness practices and timely disclosure. These measures can contribute to SDG 16, particularly its emphasis on transparent, accountable, and effective institutions. **Limitation:** This study is limited to 22 tourism, restaurant, and hotel companies listed on the Indonesia Stock Exchange, resulting in 110 firm-year observations during 2017–2021. Consequently, its findings may not be generalized to all industries or institutional environments. The use of binary measures for audit opinion and audit firm reputation may not fully capture differences in audit quality and engagement complexity. Furthermore, the study does not separately estimate the effects of the COVID-19 pandemic, regulatory changes, corporate governance quality, or digital audit practices. **Future Research:** Future studies should extend the observation period, include firms from multiple sectors, and apply panel-data or dynamic regression techniques to improve causal interpretation. Subsequent research may employ alternative measures of audit quality, such as audit fees, auditor industry specialization, partner experience, audit tenure, and key audit matters. Researchers should also examine corporate governance, audit committee effectiveness, digital reporting systems, and pandemic-related disruption as mediating or moderating variables. Cross-country studies could further determine whether the relationship between audit firm reputation and audit delay varies across regulatory and institutional settings.

AUTHOR CONTRIBUTIONS

Dedy Christiyanto: Conceptualization, Methodology, Investigation, Data Curation, Formal Analysis, and Writing – Original Draft. **Rahmawati Rahmawati:** Supervision, Methodology, Validation, and Writing – Review and Editing. **Evi Gantyowati:** Supervision, Validation, Resources, and Writing – Review and Editing. **Taufiq Arifin:** Supervision, Formal Analysis, Validation, and Writing – Review and Editing.

CONFLICT OF INTEREST STATEMENT

The authors declare that there is no conflict of interest regarding the publication of this research. The research was conducted independently, and there were no financial,

institutional, or personal relationships that could influence the findings and interpretation presented in this article.

ETHICAL COMPLIANCE STATEMENT

This research complied with ethical principles in qualitative research. The identities of participants and organizations were anonymized to maintain confidentiality. Data collection was conducted through voluntary participation, and participants provided informed consent before interviews and observations were conducted.

STATEMENT ON THE USE OF AI OR DIGITAL TOOLS IN WRITING

The authors declare that artificial intelligence (AI)-based tools were not used to generate research data, conduct analysis, or replace academic judgment in the research process. AI tools, if utilized, were only applied as supporting instruments for language improvement, proofreading, and enhancing manuscript readability. The authors remain fully responsible for the accuracy, originality, and integrity of the research content.

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