

ANALYSIS OF SOLVABILITY, LIQUIDITY, AND COMPANY SIZE ON AUDIT DELAY WITH AUDIT QUALITY AS MODERATION



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Abstract

Delays in submitting financial reports are caused by the length of audit delay, of which there are various internal and external factors that affect audit delay. This study aimed to examine the direct and indirect effects of internal and external factor on audit delay use a moderating variable. The SEM-PLS technique was used to analyze data from 105 financial statements of 105 mining companies listed on the IDX from 2017-2021 based on purposive sampling with various criteria. The result showed that liquidity, solvency, company size, and audit quality significantly affect audit delays. Other result, audit quality can moderate the impact of solvency and firm size on audit delay but cannot moderate liquidity. The implications of this research for mining companies are to focus on financial performance because it can affect the length of audit delay, which will determine the good and bad assessment of a company.

INTRODUCTION

Companies listed on the Indonesia Stock Exchange must file necessary paperwork regarding financial reporting. Listed companies must submit audited annual accounts with independent auditors within four months of the end of the fiscal year, as per Financial Services Authority Regulation No.29/POJK.04/2016. Even though this regulation only makes some companies submit following the timeline. Indonesia Stock Exchange in 2019 released that 63 companies were late reporting financial statements. In 2020, 88 companies still needed to deliver audited financial statements, and then in 2021 found 63 companies with the same case. At least 16 issuers get punishment to pay 50 million rupiahs (IDX Channel.com, 2021).

Mining companies are one of the main economic sectors driving the Indonesia Composite Stock Price Index (IHSG), attracting capital market players' attention. But mining companies almost every year have some businesses that wait to submit their yearly financial accounts on time (Roswyda et al., 2019). The Indonesia Stock Exchange released that 5 companies in 2017 and 2018 were late in reporting financial reports, then increased to 6 companies in 2019, 7 companies in 2020, and decreased to 11 companies in 2021 with cases of not submitting audited financial reports.

Delay in the company's financial statements being filed because of an audit. The time needed to audit the financial statements, measured from the end of the fiscal year to the date specified in the audit report, is known as the audit delay (Almeida, 2017; Lai et al., 2020). Financial report publication will be postponed unless the review takes longer than the law permits. The audit process takes longer since delays in financial report publication may indicate problems with financial reports (Aksoy et al., 2021; Paananen et al., 2021). Since the basis for deciding whether to buy or sell a company's stock is the financial statements' profit data, this might cause participants in the capital market to react negatively (Adiputra & Hermawan, 2020).

The time it takes the auditors to complete their audit process is the cause of the delay in the company's financial reporting. The duration of audit activities can vary depending on internal or external factors. Such internal factors include the scale of the company, its financial stability, solvency, and income. At the same time, external factors are influenced by auditor opinion, audit quality, and industry type (Clarisa & Pangerapan, 2019). The research analyzes how financial performance, including solvency, company size, and liquidity, determines the length of audit delay. This is because investors often use financial ratio analysis to evaluate the financial performance of mining companies. Analyzing the liquidity, solvency, and profitability ratios derived from the company's financial statements is part of this process (Yuyanti & Mulya, 2020).

One internal factor influencing proof latency is solvability. The ability of a business to determine its current liability ratio is related to its solvency. Financial risks are high for businesses with a high solvency margin ratio. This implies the company will probably not pay off debt (Saputra & Fadjaranie, 2022). The high solvency of the company also had a negative effect in that it caused a delay in the publication of financial reports (Ubwarin et al., 2021). The relationship between solvability and audit delay is explained by Marbun et al (2019); Rahardi et al (2021), that solvability positively affects audit delay. Other studies from Nugroho et al (2021) found solvability has a detrimental impact on audit delay. Contrarily, audit delay is unaffected by solvability (Clarisa & Pangerapan, 2019).

Investors evaluate a company's ability to repay its short-term debt with existing assets using a variety of financial performance indicators, including liquidity and solvability (Indrastuti, 2022). Companies with high liquidity are considered positive news since they can liquidate assets to pay off maturing debts (Himawan, 2020). Sulistiani et al. (2022) explain the influence of liquidity on audit delay by finding that liquidity positively affects audit delay. It is caused by the complexity of current assets, which frequently encounter transaction changes; the company's high liquidity will lengthen the audit process. These findings go against earlier research by Himawan (2020), who insisted that audit delay was unaffected by liquidity. In other words, the length of the audit is unaffected by the size of the company's liquidity.

The term company size refers to an organization's size as determined by its total assets, total sales, and total profit, which impacts its social performance and results in achieving its corporate objectives (Giannarakis et al., 2022; Ramadani & Ratmono, 2023). Investors analyze company size before making investment decisions which is the more assets a corporation owns, the larger that company (Block et al., 2019; Nurwulan & Maulida, 2023). Company size affects audit delay because large companies are assumed to have good internal controls, so misstatements in financial reports are low, and audit delays are shorter (Lennox & Wu, 2022). In addition, Lai et al (2020) contend that as a company grows, the process of creating financial statements accelerates due to effective internal controls that lessen errors in creating financial reports. The auditor can finish the audit task more quickly as a result. Fortunately, there is still debate regarding how firm size affects audit delay. Outcome studies of Lai et al (2020); Yuliusman et al (2020) supported that Firm size has a detrimental effect on audit delay. However, study of Clarisa & Pangerapan (2019); Umam & Herliansyah (2023) shows a positive impact, this means the audit delay was longer the larger the company. On the other result, Oktrivina & Azizah, (2022); Putri & Setiawan (2021); Rahardi et al. (2021) explained company size has not affected audit delay.

Besides internal factors, audit quality as an external factor is believed to influence audit delay. Audit quality is defined as a description of the auditor's audit results based on auditing standards and quality control (Nguyen & Kend, 2021). Several studies, such as Priantoko & Herawaty (2019); Wadhi & Kurniawan (2022), categorize accounting firms into "Big Four" and "Non-Big Four" accounting firms to determine proxy audit quality. High audit quality indicates that financial reports are fraud-free because they follow legal standards (Suciana & Setiawan, 2018). Audit quality has a negative impact on audit delays (Sunarsih et al., 2021). In other words, the audit delay will be shorter the higher the audit quality. In several previous studies, audit quality was tested as a moderating variable believed to have an indirect effect. Using audit quality as a moderator variable, Yuyanti & Mulya (2020) provide specific evidence about the effects of profitability, solvency, and audit opinions on the timeliness of financial reporting. As a result, audit quality can lessen how much audit opinions affect audit delays. Wadhi & Kurniawan (2022) used audit quality as a moderator variable and demonstrated how audit delay is influenced by profitability, mobility, and audit opinion. Therefore, the liquidity effect on audit delays cannot be offset by audit quality. Using audit quality as a moderator variable, Priantoko & Herawaty (2019)

investigate the effects of profitability, liquidity, resolvability, and audit opinion on audit reporting delays. Audit quality and liquidity have a strong negative impact on auditor report latency, although solvency has no effect. Furthermore, audit quality cannot modify the auditor's report factors of liquidity, solvency, profitability, and audit opinion.

Based on the information provided, there is a research gap concerning internal and external factors influencing audit delay. Using audit quality as a moderating factor, this study examines the direct and indirect effects of solvability, liquidity, and firm size on audit delay. This study uniquely used several proxies to use quality audit as the moderating factor. Previous research used a dummy variable for the size of a public accounting firm. Still, the Earning Surprise Benchmark technique was applied in this study because the independent variable is financial performance. The concept of this research is explained in Figure 1.

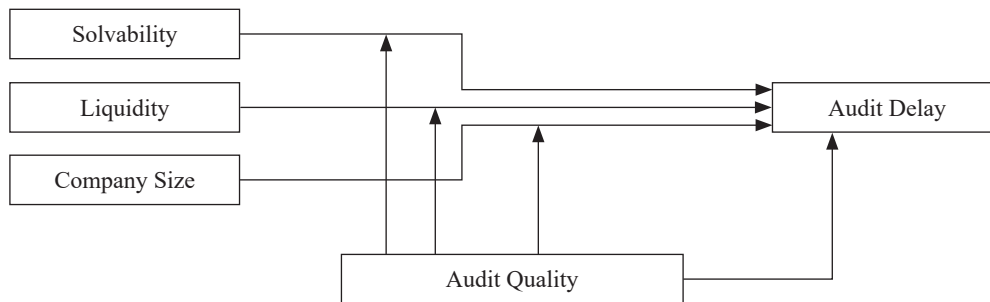


Figure 1. Conceptual Framework

METHODS

A descriptive quantitative method was used in this study. SEM PLS (Structural Equation Modeling-Partial Least Squares) and the software Smart-PLS 3 were used to analyze the data. The SEM method evolved from route analysis and multiple regression, both multivariate analysis methods (Haryono, 2014). This analysis examines variables that have a direct and indirect effect (Sugiyono & Susanto, 2015). Two subgroup stages comprise the analysis of SmartPLS: the analysis of the measurement model (outer model), which includes convergent validity, construct reliability and validity, and discriminant validity, followed by path coefficient-based hypothesis testing (Hair et al., 2017).

Methods for gathering data while using documentation techniques. The data used comes from the www.idx.co.id website and is taken from the financial reports of mining companies listed on the Indonesia Stock Exchange. The following standards in Table 1 were met by this study, which employed purposive sampling.

Table 1. Research Sample Criteria

No	Criteria	Amount
1	Mining firm established on the indonesia stock Exchange between 2017 and 2021	73
2	Mining Companies listed on the indonesia Stock Exchange that release their financial details frequently for 2017-2021	(20)
3	Mining companies did not experience any losses between 2017 and 2021.	(32)
	Companies sample research	21
	Total research data	105

Source: Processed Data (2023)

The number of days between the closing of the financial statements and the publication of the issuer's internal audit report is used to calculate the audit delay variable, which is considered to be endogenous. The debt-to-debt ratio (DAR), which measures firm solvency, represents an exogenous variable. However, liquidity is interpreted by the current ratio. Additionally, company size is considered, and its ratio of total assets is used as a measurement. In this study, audit quality is the mediating variable, and it is assessed through the ROA dummy earning benchmark variable, which is used as a reference point for audit quality. Table 1 describes the definitions and indicators of this research variable.

Table 2. Operational Variables

Variable	Variable Definition	Indicator	Scale
Solvability	The business's capacity to settle off liabilities with its assets	$DER = \frac{\text{Total Liabilities}}{\text{Total Assets}}$ (Clarissa & Pangerapan, 2019)	Ratio
Liquidity	The Company can pay off short-term debt on time	$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$ (Himawan, 2020)	Ratio
Company Size	The size of the corporate entity	Company size = Ln x Total Assets (Clarisa & Pangerapan 2019)	Ratio
Audit Delay	The duration required for concluding the financial statement audit, starting from the book closing date until the issuance of the audit report	Audit Report Date - Financial Statement Date (Putri & Setiawan, 2021)	Nominal
Audit Quality	The audited financial statement follow applicable accounting principles and are not materially missted	The dummy variable value is 1 if financial statement have ROA between $\mu - \sigma$ and $\mu + \sigma$ and value ROA below $\mu - \sigma$ and above $\mu + \sigma$ (Suciana & Setiawan, 2018)	Nominal

RESULTS

To summarize or describe data, descriptive statistics use minimum, maximum, mean, and standard deviation (Ghozali, 2018). A description of the distribution and behavior of sample data is intended by descriptive statistics. The descriptive analysis of the 105 data points used in this study yielded the findings in Table 2.

Table 3. Descriptive Statistic Result

	N	Minimum	Maximum	Mean	Std. Deviation
Solvability	105	0.010	0.710	0.416	0.157
Liquidity	105	0.140	10.070	2.002	1.584
Company Size	105	6.120	24.310	14.616	4.962
Audit Delay	105	45.000	202.000	82.343	26.149
Audit quality	105	0.000	1.000	0.324	0.468

Descriptive statistical tests from 105 data are presented in Table 3. The solvability data's mean is 0.416, which is higher than the 0.157 standard deviation and shows that the data is homogeneous. Similar to the liquidity variable, the company size variable, with a mean of 4.962, is less than 14.616; the audit delay variable, with a mean of 26.149, is less than 82.343, and the liquidity variable, with a mean of 1.584, is less than 2.002. Since there is no deviation from the norm, the data for these research variables are rated as good.

When using SEM-PLS to analyze data, it is required to test the outside and inner models (Juliandi, 2018). The execution of the external model is based on analyses of concept validity, reliability testing, and discriminant validity. Tests called construct validity and reliability are used to gauge a construct's reliability. A Cronbach alpha score higher than 0.7 or a composite confidence score higher than 0.6 indicates good build criteria (Juliandi, 2018). According to the results of the concurrent validity test, the composite reliability of all variables is $1.0 > 0.6$, and Cronbach's alpha for all variables is $1.0 > 0.7$. As a result, the research's construct is sound. Table 4 summarizes the findings of construct validity and reliability tests.

Table 4. Reliability of "Composite and Cronbach's Alpha"

	"Cronbach's Alpha"	"rho_A"	"Composite Reliability"
Y	1,000	1,000	1,000
Z	1,000	1,000	1,000
Z*X2	1,000	1,000	1,000
Z*X1	1,000	1,000	1,000
Z*X3	1,000	1,000	1,000
X2	1,000	1,000	1,000
X1	1,000	1,000	1,000
X3	1,000	1,000	1,000

Juliandi (2018) states that discriminant validity measures how much a construct differs from other constructs (constructs are distinct from one another). The HTMT (Heretroit-Monotrait Ratio) value can be seen on the most recent measurement standard. The construct has good discriminant validity if the HTMT score is less than 0.90. Table 5's test results reveal that every discriminant validity score is less than 0.9, indicating that the study construct is distinct from all others (i.e., it is a unique construct).

Table 5. Discriminant Validity

	Y	Z	Z*X2	Z*X1	Z*X3	X2	X1	X3
Y								
Z	0,253							
Z*X2	0,146	0,070						
Z*X1	0,200	0,268	0,620					
Z*X3	0,142	0,100	0,049	0,132				
X2	0,086	0,080	0,406	0,227	0,036			
X1	0,313	0,323	0,241	0,106	0,036	0,662		
X3	0,175	0,132	0,042	0,039	0,009	0,079	0,135	

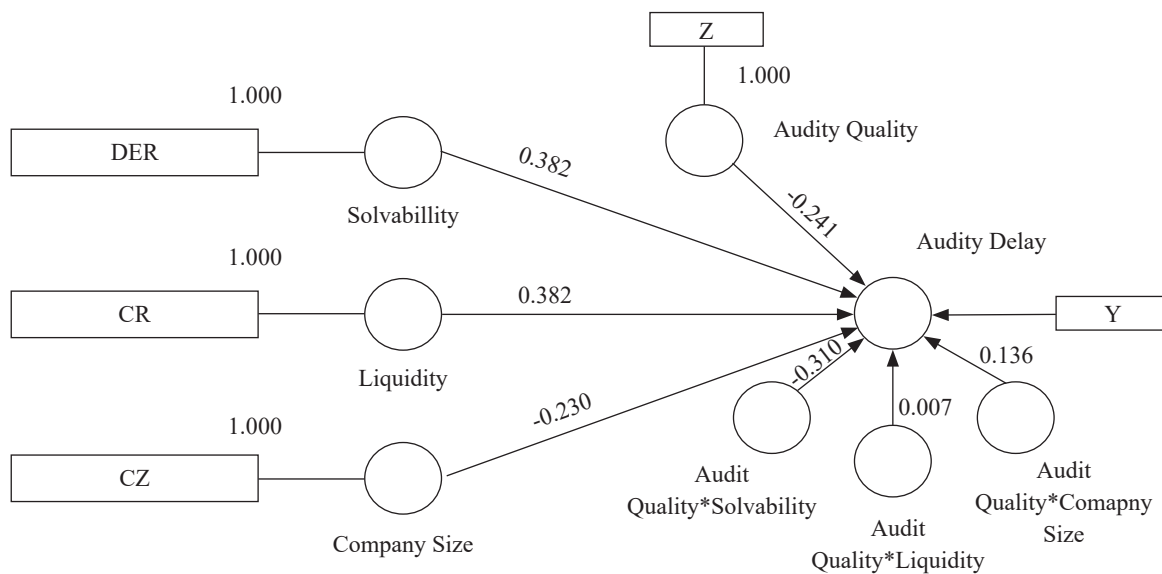


Figure 2. Path Analysis

The inner model test is completed by evaluating path analysis outcomes, which results in the conclusion of the hypothesis. Juliandi (2018) states that path analysis determines a variable's direct and indirect effects. Results with a p-value < 0.5 can be used to determine whether direct or indirect effects are present. The variables are affected in the same direction if the path coefficient is positive. If the coefficient value is negative, on the other hand, the variable will have the opposite effect. The Path Coefficient results can be seen in Table 6 below.

Table 6. Result Path Analysis

	Original Sample (O)	Sample Mean (M)	Std. Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Audit Quality → Audit Delay	-0,241	-0,237	0,069	3,469	0,001
Liquidity → Audit Delay	0,229	0,233	0,107	2,139	0,033
Solvability → Audit Delay	0,382	0,390	0,117	3,279	0,001
Company Size → Audit Delay	-0,230	-0,231	0,085	2,722	0,007
Liquidity → Audit Delay → Audit Quality	0,007	0,021	0,105	0,065	0,948
Solvability → Audit Delay → Audit Quality	-0,310	-0,303	0,105	2,947	0,003
Company Size → Audit delay → Audit Quality	0,136	0,143	0,069	1,962	0,044

The audit quality variable has a probability value of $0.001 < 0.05$ and a coefficient value of -0.241 , as shown by the direct effect analysis in Table 6, which shows that audit quality has a significant negative impact on audit delay. With a probability of $0.033 < 0.05$ and a coefficient of 0.229 , liquidity is strongly correlated with audit delay. There is a significant positive impact on audit delay, as indicated by the probability value for solvency of $0.001 < 0.05$ and the coefficient value of 0.382 . Firm size strongly correlates negatively with audit delay, with a probability of $0.007 < 0.05$ and a coefficient value of -0.230 .

The indirect influence analysis's findings are presented in Table 5, and the probability value of $0.948 > 0.05$ indicates that audit quality cannot mitigate the effect of liquidity on audit delay. Audit quality can moderate both variables because the probability value of the solvency variable for audit delay caused by audit quality is $0.003 < 0.05$. The audit quality can affect the company size variable's influence on audit delay, according to the probability value of $0.044 < 0.05$.

DISCUSSION

In this study's statistical tests, the path coefficient value for the effect of liquidity on audit delays in mining companies listed on the Indonesian stock exchange from 2017 to 2021 was 0.382 , and the probability value (p -value) was $0.001 < 0.05$. There is a significant positive correlation. The ratio increases as liquidity increases, and the time needed for verification delays increases, and vice versa. This finding aligns with some studies, including Koleangan et al (2022) who discovered that the liquidity ratio calculated using CR affects audit delay, as shown by a t -statistic of $2.604 > 1.96$ and a p -value of $0.009 < 0.05$. This could occur due to businesses being able to release their financial reports to the public more quickly when they have good liquidity. Additionally, Wadhi & Kurniawan (2022) found that liquidity has a significant impact on audit delay, supports it. A larger liquidity value can extend the audit delay. The auditor should have more time to identify serious errors and characteristics indicative of false financial reporting in current assets and liability accounts (Indrastuti, 2022). However, Chairani et al. (2019) conducted a study and found that liquidity has an insignificant impact on audit delay, which differs from the earlier statement.

High levels of liquidity can influence principals in making decisions; consequently, the audit will take longer because the company cannot publish financial reports (Wadhi & Kurniawan, 2022). Due to the complexity of current assets, which frequently change due to transactions, and the company's high liquidity, which suggests that it has sizable current assets, the audit process will take longer to complete (Sulistiani et al., 2022). In the present study, payment, tax, and interest debt dominated current liabilities in the mining businesses. The auditing process involves verifying the correctness of all ledger balances and transactions, confirming the existence of all rights and obligations, and collecting all outstanding business debts. According to signal theory, good news won't be held up because of concerns about a company's capacity to meet its financial obligations.

Testing the effect of liquidity on audit delay yielded a path coefficient of 0.229 and a probability value (p -value) of $0.033 < 0.05$, indicating that, for mining companies listed on the Indonesia Stock Exchange, liquidity has a sizable positive impact on audit delay. Simply put, the higher the company's solvability, the longer the audit delay of mining companies listed on the Indonesia Stock Exchange. A higher debt-to-asset ratio (DAR) signifies a greater risk for a company as it indicates the usage of a larger debt to finance the purchase of company assets. It is generally considered favorable for a company to maintain a debt-to-asset ratio of 35% or lower (Kasmir, 2017). The study reveals that mining companies have an average solvency ratio of 41.6%, indicating effective asset management using available debt. High total debt can affect audit work speed, as auditors use available time to reduce the debt-to-equity ratio. Large debt may cause investors to reconsider investment, indicating financial constraints. High company risk implies financial constraints, affecting the corporate image. Auditors need more time to gather data to identify the company's financial condition. The findings of this study agree with Julia (2020) who showed that solvability impacts audit delay. In other words, audit delay is influenced by a company's ability to pay its debts and how solvent it is, as these factors are related to the company's future viability. Additionally, studies from Nahdiya et al., (2022); Siahaan (2022) support the hypothesis that solvability has a significant favorable impact on audit delay. However, Clarisa & Pangerapan (2019) research states that the level of a company's debt does not impact the occurrence of audit delay, which differs from other studies.

Auditing debts is strongly connected to a high solvability level; thus, audit accuracy is required, which takes longer (Siahaan, 2022). According to Oktrivina & Azizah (2022), a portion of a company's debt will impact the auditor's reporting process because the auditor must be more cautious during the audit process the higher the amount of debt that must be paid. Hence, the time needed tends to be longer. In this study, long-term debt to the mining industry was widely used for provision, demolition, rehabilitation, reclamation, and mine closure. The audit of long-term debt conducted by the auditor is carried out with procedures to ensure the existence,

assessment of allocations, presentation, disclosure, completeness, and presentation of balances. To conduct control test procedures, substantive tests of transactions and analytical methods are utilized in auditing mining companies, involving an extensive analysis of account nature and fluctuations that can be time-consuming.

With a p-value of $0.007 < 0.05$, the path coefficient for the company size variable on audit delay was -0.230 . This suggests that audit delay is significantly impacted negatively by firm size. Therefore, the audit delay within the organization will be shorter the larger the company. Large companies tend to have better internal controls. They are also frequently examined by investors, capital regulators, and governments to cut down on audit delays, which is consistent with signaling theory. Firm size and audit delays have a negative relationship, indicating that management in large firms is incentivized to reduce audit delays. Larger companies typically have better internal controls, qualified resources, and more advanced accounting information systems than smaller ones. Large companies get a lot of internal and external pressure in issuing financial reports, so audit delays tend to be faster (Ratmono & Septiana, 2015). The results support Ginting (2019), which state that company size significantly negatively affects audit delay. As a result, larger companies have shorter audit delays because they offer management incentives to prevent them. Large or publicly traded companies must have adequate internal control. Following the study, outcome research from Adela & Badera (2022) revealed that the firm's size significantly adversely impacted audit delay. However, Clarisa & Pangerapan (2019) have different results that indicate a positive correlation between company size and audit delay, indicating that larger companies typically experience longer audit delays.

With a path coefficient of -0.241 and a probability value (p-value) of 0.001 to 0.05 , testing the audit quality variable on audit delay indicates that, for mining companies listed on the Indonesia Stock Exchange, audit quality has a significant negative impact on audit delay. This quality is measured by the auditor's ability to spot and report instances of fraud in the client's accounting system. Audit quality pertains to detecting discrepancies and reporting significant errors in the financial records. The ability to detect such differences reflects the auditor's competence while reporting them indicates their ethics and independence. The signal theory suggests that a company with strong audit quality is favorable news, resulting in a shorter audit delay. The findings of this study are consistent with Sunarsih et al. (2021) that audit quality has a detrimental impact on audit delay. Better audit quality will impact the audit completion timeframe, reducing audit delays. In this study, the KAP used by companies was used to gauge audit quality. The time it takes to complete an audit will undoubtedly depend on the quality of a KAP. The KAP's reputation will be maintained if the KAP can provide the best quality of service accompanied by a fast audit completion time.

Testing whether the audit quality variable moderating liquidity on audit delay has a 0.007 path coefficient and a $0.948 > 0.05$ probability value. As a result, audit quality is not a mediating factor in the relationship between audit delays and the liquidity of mining companies listed on the Indonesian stock exchange. The study's findings are consistent with Priantoko & Herawaty (2019), who found that audit quality moderates the impact of solvency on audit delay. This suggests that businesses with higher levels of liquidity have a greater capacity for timely debt repayment. As a result, audit completion times are shortened, delays are minimized, and audit quality is vastly enhanced. Low liquidity in a company affects its financial reports, but auditors perform specific audit procedures to evaluate debts. These procedures identify business risks, establish acceptable misstatement levels, and assess inherent risks for trade payables. Control risks are also considered for acquisition and payment cycles. According to signal theory, low liquidity can be interpreted as a negative signal for a company and strengthen audit delays. This is because a company becomes less "liquid" when its level of liquidity declines, indicating an inability to meet short-term obligations.

The indirect effect test demonstrated, with a path coefficient value of -0.310 and a probability value (p-value) of 0.003 to 0.05 , that audit quality can moderate the effect of solvability on audit delay. This finding suggests that audit quality in mining companies listed on the Indonesian stock exchange can moderate audit delays and solvability. This shows that companies with better audit quality can mitigate the impact of solvency, which might cause delays in the audit process. A comprehensive audit conducted by a high-quality auditor can help overcome the problem of delays that can arise from low solvency. Following the signal theory, companies with low levels of liability and good quality will promptly send a signal by issuing audited financial reports. In line with this result, Priantoko & Herawaty (2019) found that for businesses outside the primary consumer sector, the effect of solvency on audit delays will be amplified by audit quality. In other words, solvable entities speed up the audit process for auditors because they don't have to spend as much time examining liabilities. Audit quality can offset the effect of solvability on audit delay. This makes audit quality good and will weaken audit delay. The results of this study are inconsistent with those of Sulistiani et al., (2022), which state that audit quality will strengthen the effect of solvency on audit delay in companies in the non-primary consumer sector. The proxy of the audit quality variable used can cause this difference in results. The audit quality proxy used by Sulistiani et al., (2022) uses a dummy size of "Big Four" and "Non-Big Four" public accounting firms, while in this study, the representative used refers to research by Suciana & Setiawan (Suciana & Setiawan, 2018).

Testing the variable audit quality moderates firm size on audit delay with a path coefficient of 0.136. Given that the probability value (p-value) for this effect is $0.044 < 0.05$, audit quality impacts the firm's size and the audit length for mining companies listed on the Indonesian stock exchange. Larger businesses have more assets, so auditors need more time to complete the audit to reduce financial statement errors. This affects the process of submitting financial reports. Following the signal theory, that bad news will strengthen audit delay. Audit delays can be seen as a sign that the audit was carried out thoroughly and carefully to avoid presenting false or misleading information. Large companies must realize that a comprehensive audit process and high audit quality require more time. Therefore, management must plan time wisely to avoid delays in submitting financial reports. The study's findings are consistent with the research of Buchori & Budiantoro (2019) that audit quality could mitigate the impact of firm size on audit delay. Larger companies have superior internal control systems to smaller ones because of their size. This proves that good internal control will improve audit quality and ease the auditor to obtain the information he needs. Vice versa, with weak internal controls, audit quality will decrease because the auditor has to work harder, strengthening audit delay.

CONCLUSIONS

This study aims to analyse the internal and external factors that affect audit delay in 105 financial reports of mining companies publicly traded on the Indonesia Stock Exchange from 2017 to 2021 were analysed. The research test results show that the liquidity and solvency of mining companies significantly and positively affect audit delay. On the other hand, for mining companies listed on the Indonesia Stock Exchange during the previously mentioned period, firm size and audit quality have a significant negative influence on audit delay. The indirect effect test findings that include audit quality as a moderating variable indicate that audit quality can reduce the impact of firm size and solvency on audit delay. This indicates that the effect of these factors on audit delay can be strengthened by audit quality. On the other hand, the effect of liquidity on audit delay cannot be moderated by audit quality, which indicates that its impact is neither strengthened nor weakened by audit quality.

The implications of these findings become an essential consideration for mining companies to focus more on financial performance, especially in terms of liquidity, solvency, and the number of assets owned, as it can affect the length of time a company audit is delayed, which will ultimately be critical to a company good or bad evaluation. This study has several limitations, which is only an analysis of mining companies in Indonesia. It can be adjusted to further research and expand the industrial sector for the research sample. Future research can use other variables affecting audit delay, such as auditor industry specialization, audit tenure, audit opinion, and other elements that can be used to assess audit delay, which are expected to be able to be added or employed. Increase the quantity of samples and the area of the investigation.

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