MABIS, Vol. 16 No. 02, Desember 2025
ISSN 2775-8516

Analysis of The Effect Leverage on Audit Delay with Firm Size as Moderation variable in Banking Sector Companies on The Indonesia Stock Exchange

Yesy
Departement of Accounting Faculty of Economics and Business
Universitas Widya Dharma Pontianak
email: yessy22@yahoo.com

Abstract

This study aims to analyze the effect of leverage on audit delay with firm size as a moderating vaiable in 42 companies obtained with criteria IPO before 2018 and have complete financial report data for research. The secondary data source used was financial reports on the Indonesian Stock Exchange. Data analysis was carried out using multiple linear regression techniques and regression moderation analysis. The research results show that leverage have a positive effect on audit delay, while firm size is not able to moderates the relationship between leverage on audit delay. The implications of these findings can be used as a basis for assessing the cause of audit delay practiced carried out by the company.

Keywords: *Leverage, Firm Size, dan Audit Delay.*

Abstrak

Kajian ini bertujuan untuk menganalisis pengaruh leverage terhadap audit delay dengan firm size sebagai variabel moderasi pada 42 perusahaan yang didapatkan dengan kriteria IPO sebelum tahun 2018 dan memiliki data laporan keuangan lengkap untuk penelitian. Sumber data sekunder yang digunakan adalah laporan keuangan di Bursa Efek Indonesia. Analisis data dilakukan melalui teknik regresi linear berganda dan analisis regresi moderasi. Hasil penelitian menunjukkan bahwa leverage berpengaruh positif terhadap audit delay, sedangkan firm size tidak mampu memoderasi hubungan leverage terhadap audit delay. Implikasi temuan ini dapat digunakan sebagai dasar penilaian terhadap kemungkinan audit delay yang terjadi di perusahaan.

Kata Kunci: *Leverage, Firm Size, dan Audit Delay*.

A. INTRODUCTION

Financial reports contain important information about a company's performance and prospects. The information contained in financial reports should be relevant and accurate (representational faithfulness). Many parties have an interest in a company's financial reports. A company's financial reports are useful to users, particularly regarding investment and financing decisions. As a source of information that can influence users' economic decisions, financial reports must be presented in a timely manner. Financial reports can influence stakeholder decisions if the information presented is reliable and timely. Users will be less likely to use information from financial reports that have passed the deadline, as they perceive the information to have lost its relevance.

Based on the 2016 Financial Services Authority Regulation No. 29/POJK.04/2016, every company listed on the Indonesia Stock Exchange is required to submit an annual report no later than the end of the fourth month after the end of the fiscal year. The process of examining financial reports by independent auditors to verify the fairness of the presentation of financial reports takes considerable time due to the large number of transactions to be audited and the complexity of these transactions. This can lead to increased audit delays for companies. Audit Delay is the time span between the closing date of the books and the issuance date of the audit report. Delays in the submission of annual financial statements will impact the trust of users of a company's financial statements, which will ultimately impact the company's economy and capital markets.

A company generally has several funding sources. These sources can come from both internal and external sources. Internal funding sources include equity participation and retained earnings, while external funding sources come from loans. The leverage ratio is used to measure the extent to which a company's assets are financed by debt, how much debt the company uses to fund its operations. The higher the leverage level, the greater the risk of loss. If a company faces high financial risk, management tends to delay the publication of its financial statements. This condition will encourage independent auditors to be more cautious during the audit process, which ultimately affects the delay in the public release of financial statements.

Firm Size is a measure of the size of a company, expressed through several perspectives, such as total revenue, total assets, market capitalization, total debt, sales, and others. Large companies tend to be better able to withstand competition and economic fluctuations due to their good management system and resources. Furthermore, large companies tend to have a positive public image and are closely monitored by various parties, including investors, creditors, the government, and capital market regulatory agencies. Therefore, large companies tend to strive to control their debt levels and complete the process of publishing their financial statements quickly.

B. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

1. Stakeholder Theory

Stakeholder theory states that a company is not an entity operating solely for its own benefit but must provide benefits to its stakeholders. Stakeholders are all internal and external parties with a good relationship that influences or is influenced by them. Companies are not solely responsible to their owners (shareholders) based on economic indicators (economic focus), but also extend to the broader social sphere (stakeholders) by considering social factors (social dimensions).

The existence of a company is greatly influenced by the support provided by stakeholders. The basic premise of stakeholder theory is that the stronger the relationship between a corporation and its stakeholders, the better its business will be. Conversely, the worse the relationship between a corporation and its stakeholders, the more difficult it will be for its business to operate. Good relationships with stakeholders are built on trust, respect, and cooperation. According to stakeholder theory, companies cannot separate themselves from the social environment. Companies need to maintain stakeholder legitimacy and incorporate them into the framework of corporate policies and decision-making to support the achievement of corporate goals.

2. Audit Delay

According to Article 7, Chapter III of the Financial Services Authority of the Republic of Indonesia Regulation No. 29/POJK.04/2016 concerning the submission of annual reports, issuers or public companies are required to submit annual reports to the Financial Services Authority no later than the end of the fourth month after the end of the fiscal year. Timely publication of audited financial reports is crucial, particularly for public companies that rely on the capital market as a source of funding. Timely financial reporting means that information must be submitted as early as possible so that the financial reports can be used as a basis for making appropriate economic decisions regarding the company.

According to Article 7 of the Financial Services Authority of the Republic of Indonesia Regulation No. 29/POJK.04/2016 concerning annual reports of issuers or public companies, the annual report not only serves as an accountability report of the directors and board of commissioners in managing and supervising the issuer or public company, but also serves as a crucial source of information for investors or shareholders in making investment decisions. Furthermore, the annual report is also a crucial source of information for regulators in their oversight efforts to protect the interests of various parties.

3. Leverage

According to the Trade-Off Theory, a company whose capital structure uses only debt and no debt is in poor condition. A company whose capital is entirely debt-based is considered poor because each debt incurs interest and principal payments. If all capital comes from debt, then all company profits will be used to repay interest and principal. This situation is unfavorable for the company's capital structure. According to the Trade-Off Theory, companies need to balance the benefits and sacrifices arising from using debt. If the benefits of using debt are greater, then additional debt is permissible. However, if the sacrifices due to using debt are greater, then additional debt is no longer permissible.

Leverage is a measure of a company's ability to use assets or capital with fixed costs (debt or equity) to achieve its goal of maximizing company value. Excessive debt use is detrimental to a company because it can fall into the category of extreme leverage, where the company is trapped in a high debt burden and finds it difficult to escape from it. The higher the level of leverage, the greater the risk of loss. If a company faces high financial risk, management tends to delay the publication of its financial statements. This situation will encourage independent auditors to be more cautious during the audit process, which will ultimately impact the delay in the public submission of financial reports.

H_1: Leverage has a positive effect on audit delay.

4. Firm Size

Firm size is an indicator that describes the size of a company, whether small, medium, or large, as identified through various metrics such as total sales, total assets, market capitalization, total debt, number of employees, and so on. According to the National Standardization Agency, a small company is defined as a company with a maximum net worth of IDR 200,000,000.00, excluding land and buildings; a medium company is defined as a company with a net worth of IDR 1,000,000,000.00–IDR 10,000,000,000.00, excluding land and buildings; and a large company is defined as a company with a net worth of more than IDR 10,000,000,000.00, excluding land and buildings.

Large companies are generally scrutinized by numerous parties (investors, creditors, customers, and regulators), thus increasing the demand for transparency and accuracy of financial reporting information. Large companies generally have substantial and complex debt, requiring auditors to spend additional time gathering and analyzing various transactions and information. However, although large company size can increase audit delays, large companies generally have adequate facilities and infrastructure, such as adequate resources, sophisticated information systems, and good corporate governance, which can help expedite the audit process.

H_2: Firm size moderates and weakens the relationship between leverage and audit delay.

C. RESEARCH METHODS

The population in this study was all 46 companies listed in the banking sector on the Indonesia Stock Exchange between 2018 and 2022. The sample size of 42 companies was obtained through a purposive sampling method, with the criteria being companies that had an Initial Public Offering (IPO) before 2018 and had complete financial statement data for the study. This study used secondary data sources from the financial statements of banking sector companies from 2018 to 2022, obtained from the official website of the Indonesia Stock Exchange. Data analysis used multiple linear regression and moderated regression models, preceded by descriptive statistical analysis and classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation tests).

D. RESULTS AND DISCUSSION

1. Descriptive Statistical Analysis

The dependent variable, audit delay, had a minimum value of 16. The maximum value was 196. This value indicates that the audit delay level of companies in the banking sector is quite low. Meanwhile, the average value of 68.28 and the standard deviation of 32.867 indicate low variation in audit delay levels. The following presents the descriptive statistics of 42 banking sector companies listed on the Indonesia Stock Exchange for the period 2018 to 2022:

Table 1. Descriptive Statistical Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DER	210	.0810	17.0714	5.613406	2.9314865
Size	210	11.9377	15.2994	13.639706	.7635796
A_Delay	210	16	196	68.28	32.867
Unstandardized Residual	210	-53.51415	108.01893	.0000000	27.61735879
Valid N (listwise)	210				

Source: Output SPSS, 2025

2. Classical Assumption Test

The results of the normality test using the One Sample Kolmogorov-Smirnov method showed a significance value of 0.108, indicating that the residuals generated in the regression model are normally distributed. Furthermore, no multicollinearity issues were found, as the multicollinearity test yielded a Tolerance value greater than 0.10 and a VIF less than 10. The regression model also showed no signs of heteroscedasticity or autocorrelation, as the Glejser test showed a significance value greater than 0.05 for all variables, and the Durbin-Watson value of 1.975 ($1.7863 < 1.975 < 2.2137$) fell between dU and 4 – dU.

3. Analysis Correlation, Coefficient of Determination and F Test before Moderation

Table 2. Summary of Multiple Linear Regression Test Results

Model	B	T	Sig.	F	R	Adjusted R Square
(Constant)	378,073	11,102	0,000			
Leverage	2,382	2,899	0,004	38,029	0,613	0,365
Firm Size	-23,735	-9,197	0,000			

Source: Output SPSS, 2025

Based on Table 2, the regression equation formed in this research is:

$$Y = 378{,}073 + 2{,}382X_1 - 23{,}735Z$$

From the test results that have been conducted, a correlation coefficient value of 0.613 was obtained, meaning there is a fairly strong relationship between the independent and moderated variables, namely leverage and firm size to the dependent variable, namely audit delay. Leverage and firm size influence audit delay by 36.5 percent, while the remaining 63.5 percent is influenced by other variables not examined. The regression model in this study is worthy of analysis because the resulting Fvalue is greater than Ftable value, namely 38,029 > 3,0422 and the significance value of 0.000 is smaller than 0.05.

4. Analysis Correlation, Coefficient of Determination and F Test after Moderation

Tabel 3. Summary of Regression Moderation Test Results

Model	B	T	Sig.	F	R	Adjusted R Square
(Constant)	378,168	10,850	0,000			
Leverage	1,697	0,997	0,320	27,351	0,549	0,291
Firm Size	-24,488	-8,551	0,000			
*Lev*Fsize*	7,706	0,548	0,584			

Sumber: Output SPSS, 2025

Based on Table 3, the regression moderation equation formed in this research is:

$$Y = 378{,}168 + 1{,}697X_1 - 24{,}488Z + 7{,}706X_1{*}Z$$

The test results, after the interaction with the moderating variable, firm size, yielded a correlation coefficient of 0.549, indicating a weakening relationship between the independent variable, leverage, and the dependent variable, audit delay, compared to 0.613 before moderation.

The test results for the coefficient of determination after the interaction with the moderating variable, firm size, yielded a coefficient of determination of 0.291, indicating a weakening effect between the independent variable, leverage, and the dependent variable, audit delay, compared to 0.365 before moderation.

The regression model in this study remains feasible for analysis after interaction with moderating variables, as the calculated F-value is greater than the F-table value, 27.351 > 2.6509, and the significance value is 0.000, less than 0.05.

5. Influence Analysis

a. The effect of Leverage on Audit Delay.

Based on the test results, leverage has a positive effect on audit delay in banking sector companies listed on the Indonesia Stock Exchange, thus accepting the first hypothesis (H_1). Leverage is a measure of a company's ability to use assets or capital with fixed costs (debt or equity) to achieve its goal of maximizing company value. Excessive use of debt can endanger a company because it falls into the extreme leverage category, where the company is trapped in a high debt burden and finds it difficult to escape from it. The higher the leverage level, the greater the risk of loss. If a company faces high financial risk, management tends to delay the publication of its financial statements. This condition will encourage independent auditors to be more careful in the audit process, which will ultimately affect the delay in submitting financial reports to the public.

b. The Effect of Leverage on Audit Delay with Firm Size as a Moderating Variable.

Based on the test results, leverage, moderated by firm size, has no effect on audit delay in banking sector companies listed on the Indonesia Stock Exchange, therefore, the second hypothesis (H_2) is rejected. Companies with large firm sizes generally have competent corporate governance systems and sound financial reporting systems, enabling them to prepare financial reports quickly and accurately. Furthermore, companies with large firm sizes are monitored by numerous stakeholders, thus encouraging them to maintain the accuracy and timeliness of their financial report presentations. This multi-stakeholder oversight encourages companies to develop efficient reporting systems and robust risk management mechanisms. All of these factors collectively minimize audit delay.

E. CONCLUSION

The results show that leverage has a positive effect on audit delay, while firm size is not able to moderates and weakens the relationship between leverage and audit delay. A limitation of this research is the ability of the research model to explain the dependent variable. Recommendations for future researchers include analyzing other independent variables such as audit committees, institutional ownership, profitability, current ratio, and financial distress; extending the research period; and and considering other business sectors listed on the Indonesia Stock Exchange.

REFERENCES

Abernathy, J. L., Barnes, M., Stefaniak, C., & Weisbarth, A. (2017). An International Perspective on Audit Report Lag: A Synthesis of the Literature and Opportunities for Future Research. *International Journal of Auditing,* 21(1), 100–127. https://doi.org/10.1111/ijau.12083.

Al-Faruqi, R. A. (2020). Pengaruh Profitabilitas, Leverage, Komite Audit Dan Kompleksitas Audit Terhadap Audit Delay. *Jurnal REKSA: Rekayasa Keuangan, Syariah Dan Audit*, *07*(1), 25–36. *https://doi.org/10.12928/j.reksa.v7i1.2264.*

Arens, A. A., Elder, R. J., & Beasley, M. S. (2015). *Auditing and assurance service: An integrated approach* (15th ed). Boston: Pearson.

Ariyani, Ni Nyoman Trisna Dewi., dan I Ketut Budhiarta. (2014). Pengaruh Profitabilitas, Ukuran Perusahaan, Kompleksitas Operasi Perusahaan, dan Reputasi KAP Terhadap Audit Report Lag Pada Perusahaan Manufaktur. *E-Jurnal Akuntansi Universitas Udayana,* 8(2), 217-230.

Ashton, R., Willingham, J., and Elliot, R,. (1987). An Emperical Analysis of Audit Delay. *Journal of Accounting Research,* 25(2), 275-292.

Belkaoui, Ahmad Riahi. (2006). *Accounting Theory*. Edisi kelima. Terjemahan oleh Ali Akbar Yulianto dan Risnawati Dermauli. 2006. Jakarta: Salemba Empat.

Duli Nikolaus. (2019). *Metodologi Penelitian Kuantitatif: Beberapa Konsep Dasar Untuk Penulisan Skripsi & Analisis Data Dengan SPSS*. Batam.: Deepublish.

Gantino, R., Susanti, H. A., Akuntansi, P. S., Ekonomi, F., & Esa, U. (2019). Perbandingan Pengaruh Profitabilitas, Leverage, dan Ukuran Perusahaan Terhadap Audit Report Lag Pada Perusahaan Food and Beverage & Property and Real Estate Yang Terdaftar Di Bursa Efek Indonesia (BEI). *Jurnal Riset Akuntansi Dan Keuangan, 7(3), 601–618.* https://doi.org/10.17509/jrak.v7i3.17804

Ghozali, Imam dan Dwi Ratmono. (2017). *Analisis Multivariat dan Ekonometrika. Teori, Konsep dan Aplikasi dengan Eviews 10*. Semarang: Badan Penerbit Universitas Diponegoro.

Habib, A., Bhuiyan, M. B. U., Huang, H. J., & Miah, M. S. (2019). Determinants of audit report lag: A meta-analysis. *International Journal of Auditing, 23(1), 20–44.* https://doi.org/10.1111/ijau.12136

Hendriksen, E.S. & Widjajanto, N. (1982). *Teori Akuntansi*. Jakarta: Erlangga.

Hery. (2017). *Teori Akuntansi Pendekatan Konsep dan Analisis*. Jakarta: PT. Grasindo

Hery. (2018). *Analisis Laporan Keuangan; Integrated and Comperhensive Edition*. Jakarta: PT. Grasindo.

Ikhsan, A. (2012). *Pengantar Praktis Akuntansi*. Yogyakarta: Graha Ilmu.

Januarti, I. (2004). Pendekatan dan Kritik Teori Akuntansi Positif. *Jurnal Akuntansi & Auditing, 1*(1), 83-94.

Kasmir. (2016). *Analisis Laporan Keuangan*. Depok: PT Rajagrafindo Persada.

Otoritas Jasa Keuangan Republik Indonesia. (2016). Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 29/POJK.04/2016 Tentang Laporan Tahunan Emiten atau Perusahaan Publik.129.https://doi.org/https://www.ojk.go.id/id/kanal/pasarmodal/regulasi/peraturan ojk/Documents/Pages/POJK-Laporan-Tahunan-Emiten Perusahaan-Publik/POJK-Laporan-Tahunan.pdf.

Rahmawati. (2012). *Teori Akuntansi Keuangan*. Yogyakarta: Graha Ilmu.

Rudianto. (2021). *Analisis Laporan Keuangan*. Yogyakarta: Penerbit Erlangga.

Sari, H. K., & Priyadi, M. P. (2016). Faktor-faktor yang mempengaruhi Audit Delay pada perusahaan Manufaktur Tahun 2010-2014. *Jurnal Ilmu Dan Riset Akuntansi (JIRA), 5(6).*

Scott, William R. (2009). *Financial Accounting Theory, 7th Edition*. University of Waterloo: Prentice Hall Canada Inc.

Spence, Michael. (1973). Job Market Signalling. The Quarterly Journal of Economics, 87(3), 355-374.

Subramanyam, K. R. (2017). *Analisis Laporan Keuangan Edisi 11*. Jakarta: Salemba Empat.

Tryana, A. L. (2020). Pengaruh Audit Tenure, Profitabilitas, dan Leverage Terhadap Audit Delay Pada Perusahaan Manufaktur Sub Sektor Semen Tahun 2015-2019. *Jurnal Ekonomi Dan Bisnis Indonesia, 5(2), 38–40.*

Watts, R.L. & Zimmerman, J.L. (1990). Positive Accounting Theory: A TenYearPerspective. *The Accounting Review, 65*(1), 131-156.

Weygant, P. D., Kimel & Kieso. (2015). *Accounting Principles, IFRS edition. New Jersey: Willey International Edition*. United States: John Wiley & Sons, Inc.

Winarno, Wing Wahyu. 2015. *Analisis Ekonometrika dan Statistika dengan Eviews*. Yogyakarta: UPPN STIM YKPN.

Wiryakriyana, Anak Agung Gede., dan Ni Luh Sari Widhiyani. (2017). Pengaruh Ukuran Perusahaan, Leverage, Auditor Switching, dan Sistem Pengendalian Internal Pada Audit Delay. E-Jurnal Akuntansi Universitas Udayana, 19(1), 771-798.