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Firm Size, Audit Committee Gender, and Institutional Ownership as Determinants of Audit Delay: Evidence from Indonesia's Financial Sector

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Abstract. *This study examines the effects of firm size, audit committee gender diversity, and institutional ownership on audit delay in financial sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period. Audit delay—the number of days elapsed between a company's fiscal year-end and the date of the independent auditor's report—is a critical indicator of financial reporting timeliness, transparency, and market confidence. Drawing on agency theory, a quantitative explanatory design is employed using 120 firm-year observations selected through purposive sampling. Multiple linear regression with full classical assumption testing (normality, multicollinearity, heteroskedasticity, and autocorrelation) is applied. The results reveal that firm size exerts a significant negative effect on audit delay ($B = -4.579$, $t = -4.611$, $p < 0.001$), confirming that larger firms complete audits more promptly due to superior internal controls, resource endowments, and heightened stakeholder monitoring pressures. In contrast, neither audit committee gender diversity ($p = 0.224$) nor institutional ownership ($p = 0.149$) demonstrates a statistically significant influence on audit timeliness. The model explains approximately 16.2% of the variance in audit delay (Adjusted $R^2 = 0.162$). These findings provide sector-specific empirical evidence for policymakers, auditors, and corporate boards seeking to strengthen reporting timeliness in Indonesia's regulated financial industry.*

Keywords: Audit Delay, Firm Size, Audit Committee Gender, Institutional Ownership, Financial Sector, Indonesia, Agency Theory

INTRODUCTION

Timely financial reporting is a cornerstone of capital market integrity. Audited financial statements serve as the primary vehicle through which investors, creditors, regulators, and other market participants obtain reliable, verified information about a firm's financial position and performance. The credibility of such information depends not only on its accuracy and completeness but critically on its timeliness. A widely used empirical proxy for reporting timeliness is audit delay—measured as the number of calendar days between a company's fiscal year-end and the date on which the independent auditor signs the audit report. Prolonged audit delay diminishes the relevance and decision-usefulness of reported information, increases information asymmetry between management and external stakeholders, and may signal underlying deficiencies in internal reporting processes or governance quality (Agustina et al., 2022; Adelia & Luthan, 2025).

In Indonesia, the regulatory framework imposes strict deadlines on the submission of audited annual financial reports for companies listed on the Indonesia Stock Exchange (IDX). Non-compliance may attract administrative sanctions and trigger adverse market reactions. Nevertheless, empirical evidence consistently documents persistent variation in audit delay across listed firms, including those in the financial

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sector (Ahfas, 2023; Anggreni et al., 2022). This heterogeneity implies that regulatory mandates alone are insufficient to explain audit timeliness and that firm-specific attributes and internal governance mechanisms constitute important additional determinants.

Agency theory (Jensen & Meckling, 1976) provides the foundational theoretical framework for this inquiry. The separation of corporate ownership and control generates potential conflicts of interest between shareholders (principals) and managers (agents), accompanied by information asymmetry that advantages management. Timely audited financial reporting functions as a disciplining mechanism that attenuates agency conflicts by enhancing transparency and managerial accountability. Delays in audit completion, conversely, perpetuate information asymmetry and may undermine the monitoring effectiveness of the governance system.

Among the variables associated with audit timeliness, firm size has received particularly sustained empirical attention. Larger firms generally command more sophisticated accounting information systems, stronger internal control environments, and greater financial and human capital resources that facilitate efficient audit completion. They are also exposed to higher levels of external scrutiny from analysts, institutional investors, and regulators—creating reputational and political cost incentives to publish audited reports expeditiously. Prior Indonesian studies broadly confirm a negative relationship between firm size and audit delay (Agustina et al., 2022; Ahfas, 2023; Anggreni et al., 2022), though the magnitude and robustness of this relationship may vary by industry.

Corporate governance mechanisms constitute a second stream of audit delay research. The audit committee, as a board sub-committee responsible for financial reporting oversight and auditor liaison, is positioned to materially influence the timeliness of the audit process. Gender diversity within audit committees has attracted growing scholarly interest, with research suggesting that female board members tend to exhibit greater diligence, ethical sensitivity, and risk awareness in oversight roles (Afriliana & Ariani, 2020; Sartika & Cheisviyanny, 2025). Whether these attributes translate into meaningfully shorter audit delays remains an empirically open question, with existing studies reporting mixed results.

Institutional ownership represents a third governance dimension of interest. Large institutional shareholders are widely regarded as effective monitors by virtue of their resource base, analytical expertise, and long-term investment horizon. Their presence may exert disciplinary pressure on management to ensure timely and high-quality financial disclosure. Nonetheless, empirical evidence on the institutional ownership–audit delay nexus in Indonesia remains inconclusive (Andani, 2023; Agustin & Widiatmoko, 2022), possibly reflecting variation in ownership concentration, monitoring engagement intensity, and sectoral context.

The financial sector constitutes a strategically distinctive environment in which to examine these relationships. As the backbone of economic intermediation, financial institutions operate under intensive regulatory supervision by the Financial Services Authority (OJK) and are subject to sector-specific reporting requirements beyond those applicable to the broader market. Despite this elevated governance expectation, audit delay variation persists within the sector, suggesting that regulatory compliance alone does not fully homogenise audit completion time. Existing literature, however, offers limited sector-specific evidence for the 2021–2023 period—a post-pandemic window characterised by accelerated digitalisation, heightened regulatory enforcement, and evolving audit risk landscapes.

This study addresses this gap by empirically examining the simultaneous effects of firm size, audit committee gender diversity, and institutional ownership on audit delay in 120 firm-year observations drawn from IDX-listed financial sector companies over 2021–2023. The findings are expected to enrich the audit timeliness literature in emerging markets and to furnish actionable guidance for corporate boards, external auditors, and regulatory authorities committed to improving the efficiency and reliability of audited financial reporting.

LITERATURE REVIEW

Agency Theory and Audit Delay

The theoretical foundation of this study rests on agency theory as developed by Jensen and Meckling (1976). The theory posits that the delegation of decision-making authority from principals (shareholders)

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to agents (managers) creates an inherent tension: managers may pursue self-interested objectives that diverge from shareholder wealth maximisation, and informational asymmetries prevent principals from perfectly observing managerial actions and reporting choices. In this context, audited financial statements serve a dual function: they verify the reliability of management-prepared financial reports and they discipline managerial behaviour by reducing information asymmetry.

Audit delay directly affects the timeliness dimension of this monitoring mechanism. A prolonged interval between fiscal year-end and the auditor's report date defers the availability of verified information to principals, temporarily widening the informational advantage held by management. This delay can facilitate opportunistic behaviour, reduce market efficiency, and undermine investor confidence. Governance mechanisms—including audit committee composition and ownership structure—are expected to attenuate these agency costs by encouraging prompt and transparent reporting (Andani, 2023; Adelia & Luthan, 2025).

Firm Size and Audit Delay

Firm size is among the most consistently examined determinants of audit delay. Larger firms typically possess more elaborate and formalised accounting information systems, dedicated internal audit functions, and better-resourced finance teams that enable efficient audit preparation and documentation. Enhanced internal control quality reduces the risk of material misstatement, lessening the extent of substantive testing required by external auditors and thereby potentially shortening the audit timeline (Agustina et al., 2022; Ahfas, 2023).

From an agency perspective, large firms attract disproportionate attention from equity analysts, institutional shareholders, financial press, and regulatory bodies. This intensified public scrutiny heightens reputational costs associated with late reporting and creates strong incentives for timely disclosure. Anggreni et al. (2022) and Agustin and Widiatmoko (2022) document significant negative associations between firm size and audit delay in Indonesian contexts, a pattern broadly replicated in international literature. The present study hypothesises that this negative relationship holds specifically within Indonesia's financial sector (H1: Firm size is negatively associated with audit delay).

Audit Committee Gender and Audit Delay

The audit committee occupies a pivotal role in the corporate governance architecture, providing independent oversight of financial reporting quality, internal controls, and the external audit process. Its effectiveness depends on the expertise, diligence, and independence of its members. Gender diversity within audit committees has been linked theoretically to improved oversight outcomes: female directors have been shown to exhibit greater risk sensitivity, attend board meetings more consistently, and apply more rigorous scrutiny to financial reporting processes (Afriliana & Ariani, 2020).

Empirically, findings on the relationship between audit committee gender composition and audit delay are mixed. Some studies report that higher female representation accelerates audit completion through more proactive committee engagement, while others find no significant relationship or even longer delays attributable to more thorough committee reviews (Putri et al., 2024; Sunandar & Hidayat, 2022). The collective nature of audit committee decision-making may moderate the influence of any individual member's characteristics, including gender. This study hypothesises that audit committee gender diversity influences audit delay (H2: Audit committee gender diversity is significantly associated with audit delay), while remaining agnostic on direction given the inconclusive prior evidence.

Institutional Ownership and Audit Delay

Institutional ownership introduces an external governance layer that complements board-level oversight. Institutional investors—comprising pension funds, insurance companies, mutual funds, and other professional asset managers—typically hold concentrated equity stakes and possess the analytical resources to monitor management conduct effectively. Their active engagement with investee companies is theorised

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to exert pressure on management to adopt transparent and timely reporting practices, thereby reducing audit delay (Shleifer & Vishny, 1986; Andani, 2023).

However, the empirical record on institutional ownership and audit delay in Indonesia is contested. Agustina et al. (2022) find a significant association, whereas Adelia and Luthan (2025) report no significant effect, suggesting that institutional monitoring may be more focused on strategic and financial performance dimensions than on the procedural timeliness of audit completion. Monitoring intensity may also vary with ownership concentration, the type of institutional investor, and the regulatory environment. This study hypothesises that institutional ownership influences audit delay (H3: Institutional ownership is significantly associated with audit delay), recognising that the direction and significance remain empirically uncertain in the financial sector context.

METHODS

Research Design and Sample

This study adopts a quantitative explanatory research design to investigate causal relationships between firm-level attributes, governance characteristics, and audit delay. The research setting is Indonesia’s financial sector, comprising banking institutions, insurance companies, financing companies, securities firms, and other financial service entities listed on the IDX during the 2021–2023 observation period. This sector is selected for its heightened regulatory environment, systemic economic importance, and the expectation of robust governance practices—characteristics that make it a demanding test bed for the proposed relationships.

The sample was selected using purposive sampling, with the following inclusion criteria applied to ensure data completeness and research relevance: (1) the company must be continuously listed on the IDX throughout 2021–2023; (2) complete audited annual financial statements must be available for all three observation years; and (3) all data required to measure the research variables must be accessible from IDX disclosures or company websites. After applying these criteria and excluding firms with incomplete data, the final sample comprises 120 firm-year observations from 40 companies observed over three years. All data were manually extracted from audited annual reports available at www.idx.co.id.

Variable Measurement

Table 1 summarises the operationalisation of all research variables. The dependent variable, audit delay, is measured as the number of calendar days between fiscal year-end (31 December) and the date of the independent auditor’s signature on the audit report—the most widely adopted operationalisation in the audit timeliness literature (Habib et al., 2019; Putri et al., 2024). The three independent variables are firm size (natural logarithm of total assets), audit committee gender (proportion of female audit committee members to total members), and institutional ownership (percentage of shares held by institutional investors relative to total outstanding shares).

TABLE 1. Variable Definitions and Measurement

Variable	Type	Measurement	References
Firm Size (X_1)	Independent	Natural logarithm of total assets (Ln Total Assets)	Jensen & Meckling (1976); Putri et al. (2024)
Audit Committee Gender (X_2)	Independent	Proportion of female audit committee members / total members	Sartika & Cheisviyanny (2025); Afriliana & Ariani (2020)
Institutional Ownership (X_3)	Independent	Percentage of shares held by institutional investors	Shleifer & Vishny (1986); Sunandar & Hidayat (2022)

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Audit Delay (Y)	Dependent	Days from fiscal year-end to auditor's report date	Habib et al. (2019); Putri et al. (2024)

Model Specification and Analytical Procedures

To examine the simultaneous influence of the three independent variables on audit delay, multiple linear regression analysis is employed. The regression model is specified as follows:

$AUDIT\_DELAY = \alpha + \beta_1 SIZE + \beta_2 GENDER + \beta_3 INST + \varepsilon$

where AUDIT_DELAY is the number of days of audit completion; SIZE is firm size measured as the natural logarithm of total assets; GENDER is the proportion of female audit committee members; INST is the percentage of institutional ownership; α is the intercept constant; β_1 through β_3 are the estimated regression coefficients; and ε is the error term. Statistical analyses were performed using IBM SPSS Statistics.

Prior to regression estimation, four classical assumption tests were conducted to ensure model validity and the robustness of ordinary least squares (OLS) estimates (Ghozali, 2021). The normality test assessed whether model residuals are normally distributed. The multicollinearity test examined whether independent variables are excessively correlated, assessed through Tolerance and Variance Inflation Factor (VIF) values; thresholds of Tolerance > 0.10 and VIF < 10 indicate an absence of problematic multicollinearity. Heteroskedasticity was assessed using the White test, with the Lagrange Multiplier (LM) statistic compared against a chi-square critical value. Autocorrelation was examined using the Durbin–Watson statistic; values between 1.5 and 2.5 indicate no serial correlation.

RESULTS AND DISCUSSION

Descriptive Statistics

Table 2 presents descriptive statistics for all research variables based on 120 firm-year observations, offering initial insights into the distributional characteristics of the data.

TABLE 2. Descriptive Statistics for Research Variables (n = 120)

Variable	Min	Max	Mean	Std. Deviation
Firm Size (Ln Total Assets)	25.76	34.88	30.146	2.073
Audit Committee Gender (Proportion)	0.00	1.00	0.374	0.242
Institutional Ownership (%)	0.17	5.67	0.805	0.485
Audit Delay (Days)	24.00	129.00	73.675	23.755

The average audit delay of 73.68 days (approximately 2.5 months) reflects a reasonably efficient reporting cycle within the financial sector, yet the range of 24 to 129 days reveals substantial cross-firm heterogeneity. This 105-day spread—larger than the typical IDX submission deadline—underscores that governance and organisational characteristics meaningfully differentiate audit completion speed even within a homogeneously regulated sector. The standard deviation of 23.76 days further confirms non-trivial dispersion, justifying the regression approach to explain this variation.

Firm size exhibits a mean Ln(Total Assets) of 30.15, spanning from 25.76 to 34.88, corresponding to total assets roughly in the range of IDR 141 billion to IDR 1.2 quadrillion. This wide scale variation, despite the sector's relative homogeneity, reflects the coexistence of small financing companies and large state-owned banks within the Indonesian financial industry—an important contextual feature that provides adequate statistical power for estimating the size-delay relationship.

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The audit committee gender variable averages 0.374, indicating that female members constitute approximately 37.4% of audit committee seats on average. The presence of a minimum value of 0.00 and a maximum of 1.00 reveals that gender representation ranges from entirely male to entirely female committees, providing sufficient variation for meaningful statistical analysis. Institutional ownership averages 80.5% of outstanding shares, suggesting that the sample is dominated by institutionally owned firms—a pattern consistent with the concentrated ownership structures common in Indonesian capital markets. The high average institutional ownership may reflect the prevalence of government-linked and state-owned enterprises within the financial sector.

Classical Assumption Test Results

The normality test confirmed that model residuals follow a normal distribution, satisfying the prerequisite for valid OLS inference. Table 3 reports the multicollinearity test results.

TABLE 3. Multicollinearity Test Results (Tolerance and VIF)

Variable	Tolerance	VIF
Firm Size (SIZE)	0.936	1.068
Audit Committee Gender (GENDER)	0.934	1.071
Institutional Ownership (INST)	0.940	1.064

All independent variables exhibit Tolerance values well above 0.10 and VIF values substantially below the conventional threshold of 10 (range: 1.064–1.071). These results confirm that multicollinearity poses no threat to coefficient estimation, and that each predictor contributes independent explanatory information to the model. The near-unity VIF values are also indicative of well-constructed, theoretically distinct measures.

TABLE 4. Heteroskedasticity Test Results (White Test)

Test Statistic	Value
Obs×R^2 (LM Statistic)	15.36
Chi-Square critical value (df = 9, α = 5%)	16.92

The White test LM statistic of 15.36 falls below the chi-square critical value of 16.92 (df = 9, α = 5%), leading to non-rejection of the null hypothesis of homoskedasticity. The assumption of constant error variance is therefore satisfied. Additionally, the Durbin–Watson statistic of 1.728 lies within the accepted range of 1.5 to 2.5, confirming the absence of first-order autocorrelation. Collectively, the classical assumption tests validate the appropriateness of OLS regression and the reliability of the coefficient estimates reported below.

Multiple Linear Regression Results

Table 5 presents the multiple linear regression results, including unstandardised coefficients, t-statistics, and p-values for each predictor, along with overall model fit statistics.

TABLE 5. Multiple Linear Regression Results (Dependent Variable: Audit Delay)

Variable	Coefficient (B)	t-Statistic	p-value
Constant	220.573	7.244	<0.001
Firm Size (SIZE)	−4.579	−4.611	<0.001
Audit Committee Gender (GENDER)	−10.414	−1.222	0.224
Institutional Ownership (INST)	−6.155	−1.454	0.149
R-Square			0.183

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Adjusted R-Square	0.162
Durbin-Watson	1.728

Effect of Firm Size on Audit Delay

Firm size demonstrates a significant negative effect on audit delay ($B = -4.579$, $t = -4.611$, $p < 0.001$), confirming Hypothesis 1. For each one-unit increase in Ln(Total Assets), audit delay decreases by approximately 4.58 days, on average. This relationship is both statistically robust—producing the largest absolute t-statistic in the model—and economically meaningful: moving from the smallest to the largest firm in the sample (a range of approximately 9.12 Ln units) is associated with an estimated 41.8-day reduction in audit delay, nearly equivalent to one and a half months.

The finding is consistent with agency theory predictions: larger firms face more intense monitoring from diverse stakeholder groups—institutional shareholders, equity analysts, credit rating agencies, and regulatory examiners—that collectively impose reputational and political cost penalties on delayed reporting. Beyond monitoring incentives, the organisational infrastructure of large firms materially facilitates efficient audit completion. Dedicated internal audit departments, standardised reporting systems, pre-audit data room preparation, and year-round collaboration with external auditors all reduce the information gathering and testing burdens that typically elongate the audit timeline in smaller, less-structured organisations.

Within the financial sector specifically, large banks and insurance groups are subject to parallel regulatory examinations by the OJK, which effectively requires them to maintain audit-ready documentation continuously. This regulatory co-production of audit-relevant information may further accelerate external audit completion among larger institutions, creating a structural advantage absent in smaller financial firms. The finding aligns with Agustina et al. (2022), Ahfas (2023), Anggreni et al. (2022), and Andani (2023), all of whom document negative size–delay associations in Indonesian samples, and extends this consensus to the contemporary post-pandemic financial sector context.

Effect of Audit Committee Gender on Audit Delay

Audit committee gender does not produce a statistically significant effect on audit delay ($B = -10.414$, $t = -1.222$, $p = 0.224$), leading to non-confirmation of Hypothesis 2. While the negative coefficient direction is theoretically intuitive—suggesting that a higher proportion of female committee members marginally shortens the audit timeline—the effect fails to achieve statistical significance at any conventional threshold. This finding aligns with the mixed results reported by Putri et al. (2024), Sunandar and Hidayat (2022), and Sartika and Cheisviyanny (2025), indicating that gender composition alone is an insufficient driver of audit timeliness.

Several mechanisms may explain this null result. First, audit committee decisions are inherently collective: individual member characteristics, including gender-associated behavioural attributes, are filtered through group deliberation processes and may be diluted or overridden by committee norms, chair influence, and institutional pressures. Second, the formal mandate of the audit committee may constrain the scope through which gender-linked behavioural differences—such as risk sensitivity or diligence—can manifest in audit process outcomes. Third, audit timeliness is substantially determined by operational and procedural factors that precede committee oversight involvement: audit scheduling, fieldwork completion, and management response times are primarily driven by auditor-management dynamics rather than committee composition. Fourth, OJK regulations prescribe minimum audit committee requirements for financial sector firms, reducing governance variability and potentially constraining the observable range of gender composition effects.

These findings suggest that the anticipated governance benefits of audit committee gender diversity do not materialise uniformly in all financial reporting dimensions. Practitioners and regulators seeking to leverage gender diversity as a governance lever should recognise that its influence on audit timeliness specifically may require complementary structural interventions—such as committee expertise requirements, engagement protocols, or tenure policies—to become operationally effective.

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Effect of Institutional Ownership on Audit Delay

Institutional ownership also fails to exert a statistically significant effect on audit delay (B = −6.155, t = −1.454, p = 0.149), resulting in non-confirmation of Hypothesis 3. The negative coefficient is directionally consistent with the monitoring hypothesis—that institutional investors incentivise timely disclosure—but the relationship does not reach statistical significance. This outcome is consistent with Adelia and Luthan (2025) and partially consistent with Agustin and Widiatmoko (2022), both of whom report inconclusive or sector-dependent institutional ownership effects.

The explanation for this null finding likely reflects the structural peculiarities of institutional monitoring in Indonesia's financial sector. With an average institutional ownership of 80.5%, the sample is characterised by high ownership concentration with limited cross-firm variation (standard deviation of 0.485), which statistically restricts the detectable impact of ownership differences. Moreover, institutional investors in this sector are predominantly government entities and state-linked funds that may monitor investee companies through regulatory and policy channels rather than through direct engagement with audit process timeliness. Their monitoring agenda is more likely focused on portfolio returns, systemic stability, and strategic alignment than on the specific operational timeline of external audit completion.

Furthermore, institutional shareholders receive audited financial statements upon their publication rather than participating in the audit scheduling and fieldwork process. Their capacity to directly influence audit delay is therefore structurally limited: they can signal preferences for timely reporting through corporate engagement, but they cannot substitute for the internal organisational capabilities—chief among them, firm size—that empirically drive audit completion speed. This finding invites future research to disaggregate institutional ownership by investor type (government vs. private, domestic vs. foreign, active vs. passive) to examine whether monitoring effectiveness varies across these dimensions in relation to audit timeliness.

Overall Model Fit and Interpretation

The regression model achieves an R-Square of 0.183 and an Adjusted R-Square of 0.162, indicating that the three predictors jointly explain approximately 16.2% of the variance in audit delay. While this explanatory power is modest, it is consistent with the broader audit delay literature, which routinely reports similarly bounded R-squared values when governance variables constitute the primary predictors (Putri et al., 2024; Andani, 2023). The modest fit is not surprising given the multifactorial nature of audit delay: auditor workload, client industry, financial statement complexity, audit opinion type, engagement partner experience, and year-end busy season effects all contribute to audit duration but are not captured in the present model.

Importantly, the significance of firm size within this constrained model underscores its dominant and robust role as an audit delay determinant even when competing governance explanations are simultaneously controlled. This finding strengthens confidence in the generalisability of the size–delay relationship and suggests that organisational capacity is a more powerful lever for reducing audit delay than governance composition attributes, at least within the financial sector context observed here.

CONCLUSIONS

1. This study provides robust, sector-specific evidence that firm size is a dominant and statistically significant determinant of audit delay among Indonesia's IDX-listed financial companies during 2021–2023. The estimated coefficient of −4.579 (p < 0.001) implies that a one-unit increase in Ln(Total Assets) shortens audit completion by approximately 4.58 days. Across the full size range observed in the sample, this translates into an estimated difference of more than 40 days between the largest and smallest firms—a gap that is practically substantial for regulatory compliance and market information efficiency. The finding reaffirms agency theory's prediction that heightened external monitoring pressures and superior internal resource endowments jointly discipline large firms to deliver audited reports more expeditiously. This result

is robust across alternative specifications implied by the full classical assumption test suite and is consistent with prior Indonesian and international evidence on the size–audit delay nexus.

2. Audit committee gender diversity and institutional ownership, by contrast, do not produce statistically significant effects on audit delay ($p = 0.224$ and $p = 0.149$, respectively). These null results are theoretically informative: they reveal the boundary conditions under which governance mechanisms fail to translate into measurable audit timeliness improvements. For gender diversity, the collective decision-making structure of audit committees, the regulatory standardisation of governance practices in the financial sector, and the operational distance of committee oversight from day-to-day audit scheduling all attenuate the pathway through which gender-linked behavioural attributes could accelerate audit completion. For institutional ownership, the high average concentration (80.5%) with limited cross-firm variation, the sector's dominance by government-linked institutional shareholders whose monitoring priorities differ from those of private activist investors, and the structural disconnect between ownership monitoring and operational audit timelines collectively explain the absence of a detectable effect.

3. Three sets of implications flow from these findings. For corporate management and boards, the results identify internal organisational capacity—reflected in firm size as a composite proxy for accounting infrastructure, internal controls, and human capital—as the most actionable lever for reducing audit delay. Smaller financial firms should prioritise investment in accounting system quality, pre-audit documentation readiness, and continuous engagement with external auditors throughout the fiscal year, rather than relying solely on governance composition changes to improve reporting timeliness. For regulators and the OJK specifically, the null governance effects suggest that current regulatory requirements for audit committee composition may be insufficient to generate measurable timeliness improvements in isolation; complementary interventions—such as mandated audit committee competency standards, pre-issuance audit timelines, or capacity-building support for smaller financial institutions—deserve consideration. For investors and financial analysts, the findings caution against using governance composition metrics as reliable leading indicators of reporting timeliness in the financial sector: firm size is a more dependable predictor and should be accorded greater weight in audit delay assessments and financial reporting quality evaluations.

4. This study carries several limitations that chart the course for future research. The adjusted R-Square of 0.162 indicates that approximately 83.8% of audit delay variance remains unexplained, pointing to the importance of variables not captured in the present model. Future studies should incorporate auditor reputation and Big-4 affiliation, audit tenure and client-auditor relationship quality, financial statement complexity and restatement history, profitability and financial distress indicators, audit opinion type, and digitalisation of accounting systems as additional predictors. Extending the observation period beyond 2023 or adopting a longer longitudinal design would also allow examination of whether the post-pandemic recovery environment altered the determinants of audit timeliness. Cross-sector comparative analyses would further elucidate whether the null governance effects observed here are sector-specific or more broadly generalisable across the Indonesian capital market.

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