THE DETERMINANT OF AUDIT DELAY

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Abstract

This study sought to ascertain and evaluate the impact of proximity to one another, audit committee financial expertise, CEO duality, and the nature of firm activities on the audit delay of state-owned corporations listed on the Indonesia Stock Exchange. In this study, a sample of state-owned businesses was chosen through the use of multiple regression as an analytical technique in conjunction with purposive sampling. The findings revealed that while audit committee expertise had no significant impact on audit delay and that CEO duality had a substantial positive impact, geographic proximity and the nature of the company's activity variables had a significant negative impact on audit time.

Keywords: *geographic proximity, audit committee financial expertise, CEO duality and the nature of company activities, audit delay*

1. INTRODUCTION

The growth of the Indonesian capital market has increased demand for financial transparency for all companies that go public. Financial statements are one of the data points that a capital market investment organization must have. Financial statements have an important role to measure and assess company performance and are useful in the decision-making process. Many parties such as management, investors, government, creditors, and others have an interest in financial statements. One of the key conditions for financial statements to be able to achieve their goals is the timeliness of the presentation of the financial statements.

Bapepam, which oversees Indonesia's financial institutions and capital markets, published Regulation Number X.K.2 in conjunction with the Chairman of Bapepam's Decision and LK Number: Kep346/BL/2011 about the Submission of Periodic Financial Reports of Issuers or Public Companies. Every publicly traded firm listed on the Indonesia Stock Exchange is required by rule to file an annual financial report that includes an accountant's evaluation.

Financial reports submitted to interested parties are financial statements that have gone through an audit process. The goal of the audit process is to give interested parties the reassurance that the financial statements have been prepared in compliance with standards and are free of material misstatement. According to PSAK (2014), An audit is a methodical procedure that tries to gather and assess the data on claims made regarding economic activities or events, determine the degree to which these claims correspond to reality, and share the findings with relevant parties. Sarwoko, Agoes et al. (2014), argues that an independent party conducts an audit, which is a review of the management-prepared financial statements, accounting records, and supporting documentation, critically and methodically. The objective

is to be in a position to make a determination regarding the fairness of the financial statements. Auditors have different durations of time in completing their audit work.

Numerous elements, including those that are internal and external to the organization, have an impact on it. The Professional Standards of Public Accountants state that (SPAP), the auditor must plan the activities to be carried out, have a sufficient understanding of the internal control structure, and gather competent evidence through inspection, observation, submission of inquiries, and confirmation as the basis for expressing an opinion on the financial situation. Regulators and policy makers have expressed concerns about how crucial timeliness is in the public presentation of financial results. Financial Services Authority Regulation Number 29/Pojk.04/2016, which is related to the submission and issuance of periodic financial reports by issuers or publicly traded companies, was released by OJK.

According to this rule, businesses must submit financial statements that compare the current period to the same period the prior year. The annual financial report must also contain a report from an independent accountant for the purpose of auditing the financial accounts. The annual financial report must be filed to the Financial Services Authority and made publicly available no later than the end of the fourth month (120 days) following the report's release date.

However, not a few companies that announce audited financial statements exceed a predetermined limit, which is often referred to as audit delay. The period between the conclusion of the fiscal year and the date on which the independent auditors' fieldwork is completed is what Kartika (2014) refers to as the audit delay. Auditors who complete the audit in a long period of time, the longer the audit delay. Puspitasari and Erma (2016) statement, a long audit delay indicates the possibility of a delay in submitting financial statements is also getting bigger. This has an impact on the emergence of negative market reactions that can harm the company and stakeholders, where the financial statements should be used for decision making as soon as possible. According to an addition by Sari and Supadmi (2014), the longer the audit wait, the worse it will be since the benefits of the information in the financial statements will diminish and it will be irrelevant for investors, who in this case are the users of financial information.

The duration of the audit, or audit delay, is the period of time between the date the books close until the date the audit report is released. The date specified in the financial statements was utilized to determine when they were published. Basically, financial reports are submitted to the authorities and will then be published on the official website, namely idx.co.id. The upload date of the financial statements is usually different from the date stated in the financial statements since it takes time to upload or publish audited financial statements. The delay in concluding the audit, also known as audit delay, is one of the reasons that can slow down businesses in releasing financial reports to the public. As a result, the financial statements' publishing will take longer the longer the audit report takes to issue. However the information in this study about audit delays still uses that definition. The percentage of businesses who release their financial reports late is depicted in the graph below. The number of businesses who have been tardy in filing audited financial statements during the past 10 years is represented graphically in the following:

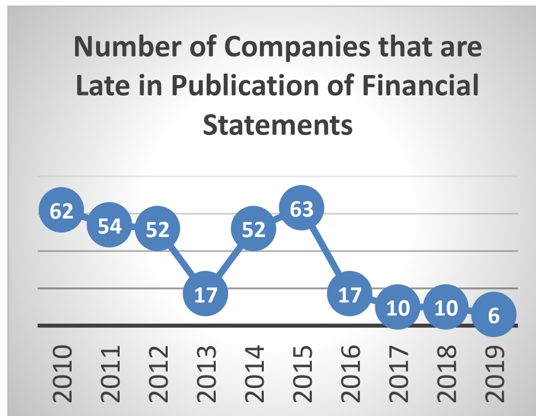

Figure 1. Number of businesses who publish financial statements late
Source : www.idx.co.id

The phenomenon of audit delay has attracted the attention of accounting researchers and seeks to find out the determinants of audit delay. From various empirical studies that have been conducted so far, researchers have identified several factors that affect audit delay. However, in this study the authors will use the determinants of audit delay that are still rarely used such as geographic proximity Dong and Robinson (2018), audit committee expertise (Tang and Elvi 2021), CEO duality (Kawshalya and Srinath 2019) and the nature of the company's activities (Sumajow, Kalangi et al. 2022).

Geographic proximity is the distance between the audit office and the client company in terms of location. Geographic proximity can enhance the auditor's ability to monitor and gather soft information thereby enabling the auditor to acquire client-specific knowledge. For example, a working understanding of the client's motivations, potential, and opportunities for opportunistic reporting. In addition, proximity can also reduce information asymmetry and increase the effectiveness of monitoring so as to reduce audit delay. This is consistent with findings from a study carried out by Dong and Robinson (2018), which demonstrates that geographical proximity effects audit delay. However, Bazrafshan and Dehghani Madise (2022) revealed that auditor locality has no significant effect on the accuracy of financial statements. Add by ZAKIYYATUNNISA (2019) stated that geographical proximity has no effects on audit delay.

The formation of an audit committee is crucial for the preparation of the company's financial statements. According to Sari and Supadmi (2014) the length of the audit will be increased if there are issues with the management's preparation of the financial statements. Investors may suffer from delays in the release of audited financial accounts since they raise the likelihood of information asymmetry. The Government took the initiative to establish an audit committee in 2000 with the release of Decree of the Board of Directors of the Jakarta Stock Exchange (JSX) No. Kep-315/BEJ/06/2000. This addressed the issue by enacting solid corporate governance. Audit committee formation with expertise and experience in understanding and carrying out tasks tends to be easier to recognize errors, easy to discuss with external auditors, and reduce financial report delays (Apadore, Noor et al. 2013). Audit committee expertise is able to deal with external auditors effectively because they often act as mediators between management and auditors. This may make it simpler for auditors to finish their work more quickly, which will hasten the completion of the report. In line with the research of Bazrafshan and Dehghani Madise (2022), Oussii, Boulila Taktak et al. (2018), Tang and Elvi (2021), research demonstrates that the audit committee's expertise has a substantial impact on the audit delay.

This investigation focuses on the financial knowledge of the audit committee. Oussii, Boulila Taktak et al. (2018), and Sultana, Singh et al. (2015) support the hypothesis that there is a

strong inverse relationship between audit report lag and the audit committee's financial expertise. Furthermore, Sultana, Singh et al. (2015) said financially savvy audit committee members reduce risk management processes and audit report lag times.. Basuony, Mohamed et al. (2016) also added that reduced audit report lag due to financial audit committee expertise, which means it has a negative effect on audit report lag or audit delay. However, different results were found by the research of Apadore, Noor et al. (2013), Susilahwati and Triyanto (and Hassani and Mohammadi (2021).

It needs to be clarified that audit delay and audit report lag have the same meaning. The audit report lag (ARL), which is the interval between the fiscal year end and the audit report date, is typically considered to have the biggest influence on timely financial reporting. According to Abernathy, Barnes et al. (2017). As for the phrase "audit delay," Sumajow, Kalangi et al. (2022) stated that it refers to the period of time between the annual report's closure date and the date of the audit report. The two definitions convey the same meaning.

When the CEO simultaneously serves as the board chairman, executive officer, or chairman of the commission, this is known as CEO duality (Muttakin, Khan et al. 2015). Conditions like this will logically affect decision making. If he acts as a commissioner in charge of supervising, it becomes less effective because he supervises the board of directors, including himself, so that it creates a conflict of interest and is not independent. As expressed by Putri and Deviesa (2017) that if someone is also on the board of directors, it cannot be separated from the element of conflict of interest that affects decision making for personal interests. Delays in submitting audited financial statements is one effect that the dual role of the CEO may have. Revealed by Bhuiyan, D'Costa et al. (2020) which states that CEO duality has a significant influence on audit delay. It is also added that auditors can experience higher audit failures, because there is more room to hide relevant misstatements of facts, which can even lead to fraud. This is in line with Sulastri, Meiliana et al. (2017) research which proves that CEO duality has a positive and significant effect on audit delay. However, it produced the opposite outcome in the study conducted by bin Kusin and bin Kadri (2020).

The nature of the company's activities or the type of industry can be said to be the field or activity that the company runs. The two categories of industries include financial and non-financial industrial enterprises, according to Primantara and Rasmini (2015). Financial industry companies include banks, financial institutions, securities/securities and insurance companies, while non-financial industrial companies include manufacturing companies. Compared to non-financial organizations, which have physical assets that are challenging to evaluate, financial companies have assets that are simple to quantify, according to Hakim and Sagiyanti (2018). Logically, non-financial companies have physical assets that require a long and complex time to perform assessments such as physical checks. This affects the protracted audit process and ultimately delays the audit. Apriayanti and Santosa (2014) research indicates that industry classification has a positive effect on audit delay, but Ebrati, Jabbarzadeh Kangarloui et al. (2022) and Primantara and Rasmini (2015) research states the opposite.

This study seeks to reveal an occurrence between geographic proximity and audit delay variables and this study was inspired by the research of Brooks and Yu (2013). Their research gives the result that some firms are willing to go the extra mile and hire a remote auditor. It is also

explained that companies that hire a remote auditors tend to report small positive earnings, financial restatements, and report higher expected discretionary accruals. Thus, it can be concluded that the farther the audit distance (remote audit) is, the more discretionary accruals occur and the higher the geographic proximity in the sense that the closer the distance between the client company and the auditor, the lower the audit delay.

The goal of this research is to determine how geographic proximity variables, audit committee-expertise, CEO duality and the nature of company activities to the audit quality of state-owned companies (SOEs) listed on the IDX. The selection of state-owned companies as research samples was because in the last period there were state-owned companies (SOEs) that had problems in fraudulent financial reporting. This can give an indication that there is also a delay in the submission of financial statements. The issue of audit delay that causes delays in the presentation of audit reports continues to grow and there are many factors that still need to be investigated. To our knowledge, this is the first study to provide direct evidence of auditor-client geographical proximity to a state-owned public company.

This study uses audit committee experience, CEO duality and the nature of company activities to determine the effect on audit delay. Based on the background, the research question posed in this study is whether geographic proximity, audit committee-expertise, CEO duality, and the nature of company activities affect individual audit delays. The study's aim was to identify and evaluate the effect of geographic proximity, audit committee-expertise, CEO duality and the nature of company activities on audit delay.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Geographic Proximity and Audit Delay

Audit is a series of processes carried out by the auditor in examining the accounting records of an entity with the aim of evaluating the condition of the company. The process includes audit assignments, planning, field work, reporting and corrective actions. There are stages where the auditor needs time to go directly to the field to cross-check between the information obtained and the data in the field, as well as interviews with related parties. The point highlighted is that an auditor needs to review audit procedures and processes directly in the field to obtain a finding. However, the geographical location between the client and the auditor can be an obstacle because the time needed to get to the client becomes quite long if the two are far apart. This distance is often referred to as geographic proximity.

Geographic proximity is the distance in miles or kilometers between the audit office and the client business. Several statements were expressed by previous researchers, as revealed by Choi, Kim et al. (2012) that auditors can easily interact directly with clients, making it easy to get information. In addition, the possibility of information asymmetry is reduced. Supported by statements (e.g.,Coval and Moskowitz 2001, Kang and Kim 2008) in Timmermans (2013) which says that auditors can visit clients as often as possible to obtain information from suppliers, customers, employees and assess market conditions in which the company operates.

Proximity between the client and the auditor is still an option even though there is already technology that supports audit work. Agustin (2021) revealed that evaluation of sighting assets and stock taking is still needed after there are no restrictions on official travel and social

distancing. It was also explained that remote audits have limitations on visibility which allows fraud to occur, on the other hand the existing economic pressures as one of the causes of fraud accompanied by supervision which is limited to visibility provide opportunities for perpetrators to carry out their actions. Garven and Scarlata (2020) findings indicate that internal audit functions are not completely embracing the use of information technology (IT) tools and practices. Dong and Robinson (2018) added that with the availability of technology, the usage of standardized audit programs, and the usual practice of information exchange within audit firms, the geographic closeness of the auditor and the customer may not boost audit efficiency. Additionally, although local auditors raise the quality of their clients' earnings, it is unclear whether this would also apply to the timeliness of audit reports given that the available evidence implies a trade-off between timeliness and reporting quality.

Remote audit has several weaknesses that must be watched out for, namely risks and opportunities from the communication and information technology used and considering the validity and objectivity of the data collected, besides that the auditor must also have the competence and ability to use this technology (Litzenberg & Ramirez, 2020) dalam Agustin (2021). Thus, direct audits are still important to do. Since information can be obtained more quickly and easily the closer the auditor is to the customer, less audit delays are likely and duties can be done more rapidly. The findings of Dong and Robinson (2018) investigation proves that geographical proximity affects audit delay. The following hypotheses are put forth in this study in light of this formulation:

H_1: Geographic Proximity has a negative and significant effect on audit delay

Audit Committee Financial Expertise and Audit Delay

The board of commissioners establishes the audit committee, which is frequently referred to as a continuation of the board of commissioners. One of the audit committee's duties is to support the board of commissioners in its oversight of the financial reporting procedure. According to Otoritas Jasa Keuangan (2015), an audit committee for a corporation must have at least one member with financial experience because they are expected to understand financial statements quickly, which will speed up the audit process. In addition, audit committees with financial knowledge typically do well. The execution of internal audit report recommendations is most likely to be positively correlated with audit committee financial accounting expertise, according to Oussii, Boulila et al. (2021). According to agency theory, the committee's ability to perform its oversight responsibilities can be improved by the participation of knowledgeable and financially savvy members (Oussii, Boulila Taktak et al. 2018). The formation of an audit committee with expertise and experience in understanding and carrying out tasks tends to be easier to recognize errors, easy to discuss with external auditors, and reduce financial report delays (Apadore, Noor et al. 2013).

Audit committees who have expertise are able to deal with external auditors effectively because they often act as mediators between management and auditors. This may make it simpler for auditors to finish their work more quickly, which will hasten the completion of the report stage. According to Abernathy, Barnes et al. (2017), public accountants' expertise and experience lead to more timely financial reporting. Similar to this,

Sultana, Singh et al. (2015) found that audit committee members' past experience on audit committees, financial expertise, and independent demeanor were all related to shorter audit delays. Oussii, Boulila Taktak et al. (2018), Kaaroud, Mohd Ariffin et al. (2020) and Basuony, Mohamed et al. (2016) gave the same result. The findings demonstrate that audit committee members with financial knowledge can expedite the audit process, resulting in a reduced audit delay. This formulation serves as the foundation for the following hypotheses that are put forth in this study:

H_2: Audit committee financial expertise has a negative and significant effect on audit delay

CEO Duality on Audit Delay

Based on KNKG (2006), the main director's (CEO) task is as primus interpares, specifically to coordinate the directors' efforts. The main director and the board of directors must adhere to several principles, one of which is making effective decisions and being responsible for managing the company in order to gain profits and realize a sustainable business. So, the position of CEO has duties and responsibilities in managing the company and as the highest decision maker in the company. However, sometimes the CEO does not only hold positions in one company, but also in other companies. This condition is called CEO duality. However, this performance can be disrupted if there is CEO duality where the CEO acts as chairman of the board of directors and board of commissioners in the same year. If someone is in 2 positions at once, it will affect his performance.

CEO duality has difficulties in terms of performing the supervisory duty and maintaining financial stability, according to Uyar, Wasiuzzaman et al. (2022). The supervisory function of a commissioner becomes less effective because he supervises the board of directors, including himself, causing a conflict of interest and is not independent (Putri and Deviesa 2017). This has an impact on a longer audit completion timeframe, delays in audit reports, and can even experience audit failure (Bhuiyan, D’Costa et al. 2020) also state that there is more room to hide the misstatement of relevant facts, which can even lead to fraud. Supported by research by Sulastri, Meiliana et al. (2017), which proves that CEO duality has a positive significant effect on audit delay. This study hypothesizes that if a company has a dual CEO, the longer the audit's completion time will result in audit delay. Following this formulation, the following hypotheses are put forth in this study:

H_3: CEO duality has a positive and significant effect on audit delay

Nature of Company Activities on Audit Delay

The nature of the company's activities is often associated with how the company carries out its operational activities. Several studies have used different terms for the nature of a firm's activities, such as industry type. Eghlaiow, Wickremasinghe et al. (2012), in his research divides the nature of company activities into two, namely companies engaged in financial services (financial) and non-financial (non-financial). Companies that offer financial services include banks, consumer finance companies, venture capital firms, investment firms, insurance companies, and holding corporations. Non-financial companies can include pharmaceutical, automotive, consumer goods companies, etc.

In addition, Eghlaiow, Wickremasinghe et al. (2012), argues that financial service companies are considered to have little or no inventory compared to non-financial companies that have more inventory. Companies with large amounts of inventory take longer in

the calculation process and of course the audit process also takes longer. However, financial companies have more monetary accounts which have the advantage of speeding up audit delay. Thus, the more monetary accounts the company has, the lower the audit delay will be. Apriayanti and Santosa (2014)research states that industry classification has an effect on audit delay. The following hypotheses are put forth in this study based on this formulation:

H_4: The nature of financial company activities has a negative effect on audit delay

3. RESEARCH METHODS

Research Variables and Operational Definitions of Variables

Audit delay is the dependent variable in this analysis. According to Kartika (2014), the length of time it takes to perform an audit, measured from the end of the fiscal year till the day independent auditors' fieldwork is finished, is referred to as the audit's delay. Therefore, in this study, the number of days between the end of the company's fiscal year and the day the audit report is made public and signed by the auditor is used to measure the audit delay. The financial statements of the company's fiscal year end on December 31 and go through the date the audit report is released. From December 31 through the date specified in the audit report, we count the days.

Independent variables were geographic proximity, audit committee financial expertise, CEO duality and nature of company activities

a. Geographic Proximity
   Geographical proximity is a matter of distance, according to Gallaud, Torre et al. (2004) in Sarkar (2016). In the simplest sense, it refers to the distance in meters or kilometers between two entities (people, groups, places, etc.). Geographical proximity in this research related to proximity between auditor and client. Thus, this research defined geographic proximity as the geographical proximity between the audit office and the client company. The measurement is used to determine how far away the audit office is from the client business. The proximity is measured by calculating the distance from auditor to client head office based on google map. Then, we use a dummy variable, which is 1 for the geographic proximity less than 100 km, it is 2.
b. Audit Committee Financial Expertise
   Irom, Okpanachi et al. (2023) assert that the number of financial and accounting specialists on the audit committee is a good indicator of the committee's financial expertise. In this study, the audit committee financial was determined by dividing the percentage of audit committee members with finance and accounting experience by the total number of audit committees.
c. CEO duality
   In the science of corporate governance, the dual role of the CEO is often referred to as CEO duality, which means that one person has two portions in the company, namely as an executive officer and as a board of directors. The way to measure CEO duality is to use a dummy variable, which is 1 for the CEO who also serves as chairman, and if not, it is 0.
d. Nature of Company Activities
   The nature of the company's activities in this study is divided into two types, namely the company's activities that are financial and non-financial. The value of the company's physical inventory serves as an indicator of the two types of business activity in connection to audit delay. Use a dummy variable with a value of 1 for financial companies and 0 for non-financial companies to gauge the

variable nature of the company's activities.

Population, Number of Samples and Sampling Techniques

State-owned businesses registered on the Indonesia Stock Exchange between 2016 and 2020 make up the population of this study. Purposive sampling, or deliberate sampling with predetermined criteria and desirable traits, was used to carry out the research sampling technique. The following are the criteria used in this study:

1. State-Owned Businesses that List on the Indonesia Stock Exchange from 2016 to 2020.
2. State-owned businesses that throughout the research period posted annual financial reports on their websites or the websites of the Indonesian stock exchange
3. Businesses that have thorough research data.

Based on the predetermined characteristics, there are 100 companies that are used as research samples

Collecting Data Method

This study's data collection strategy involves gathering the sample companies' annual financial statements, then recording and analyzing data. Assessing and reviewing the annual report's variable data using content analysis techniques.

Data Analysis Method

Descriptive statistics, multiple regression assumption test, the t test, the F test, and coefficient of determination are utilized to analyze the data used in this study.

4. RESULTS

Table 1. Sumary of Classical **Assumption Test**

Classical Assumptions	p-value	Conclusion
Normality, Using Kolmogorov Smirnov Test	0,200	Normal data after going through data transformation using ln. The use of ln is done after looking at the histogram of the variables
Autokorrelation, Using Run Test	0,266	p-value > 0,005. Free of autocorrelation
Heteroskedastisity, Using Glejser Test		
AC financial expertise	0,592	p-value > 0,005. Free of heteroscedasticity
CEO duality	0,113	
Nature of company activities	0,281	
Geographic proximity	0,138	
Multicolinierity, using VIF and Tolerance indicator		
AC financial expertise	VIF = 0,979 Tol =1,021	VIF < 10, Tolerance > 0,1 Free of multicolinierity
CEO duality	VIF = 0,931 Tol =1,075	
Nature of company activities	VIF = 0,893 Tol =1,020	
Geographic proximity	VIF = 0,914 Tol =1,094	

Source: Processed secondary data

Table 2. Descriptive Statistical Results

	N	Min	Max	Mean	Std. Deviation
Geographic Proximity	100	1	2	1,20	,402
Audit Committee Expertise	100	,25	1,00	,5019	,16658
CEO Duality	100	0	1	,23	,423
Nature of Company Activities	100	0	1	,20	,402
Audit Delay	100	15	196	63,46	32,103
Valid N (listwise)	100				

Source: The Processed Secondary Data (2021)

Multiple Regression Analysis

Tabel 3. Coefficient

	B	t	Sig
(Constant)	1,866	26,488	,000
Geographic Proximity	-,100	-2,471	,015
Committee Audit Expertise	,097	1,026	,308
CEO Duality	,133	3,466	,001
Nature of Company Activities	-,381	-9,265	,000

a. Dependent Variable: Audit Delay_LN
Source: The Processed Secondary Data (2021)

Hypothesis test

According to table 3 above, geographic closeness has a significant negative impact on audit delay. According to the results of the first test, geographic closeness has a significant value of 0.015, less than 0.05. Geographic proximity has a strong negative impact on audit delay, and the conclusion H5 is therefore rejected. Second, the audit committee's expertise has no bearing on the length of the audit. The audit committee's expertise has a significance value of 0.308, which is higher than 0.05. Therefore, H0 is approved in order to ensure that the audit delay is unaffected by the audit committee's expertise. Third, CEO duality significantly reduces audit latency. The test results show that CEO duality has a significant value of 0.001, less than 0.05. So it is stated that CEO duality has a significant positive effect on audit delay. Fourth, the nature of the company's activities has a significant negative effect on audit delay. The nature of the company's activities has a significant value of 0.000, less than 0.05. Thus, it is stated that the nature of the activity has a significant negative effect on audit delay.

Table 8. F Test

ANOVA[a]

Model		F	Sig.
1	Regression Residual Total	28,090	,000[b]

Source: The Processed Secondary Data (2021)

The table indicates a significant value of F of 0.000 or less than 0.05. It is possible to draw the conclusion that there is a simultaneous influence between the independent factors and the dependent variable since the model used in this study is fit or viable.

Table 9. Coefficient of Determination Test (R^2)

Adjusted R Square	Durbin-Watson
,523	1,223

Source: The Processed Secondary Data (2021)

At an adjusted R square value of 0.523, the coefficient of determination has a value of 0.52. This indicates that the four independent variables account for 52.3% of the variance in audit delay, with additional variables not included in the study accounting for the remaining 47.7%.

5. DISCUSSION

Geographic Proximity and Audit Delay

According to hypothesis 1, that geographic proximity variable has a significant negative effect on audit delay. Geographic closeness has a significant value of 0.015, which is less than 0.05 and points in a negative direction, according to the test results. This leads to the conclusion that geographic closeness has a considerable negative impact on audit delay since H0 is refused while Ha is approved.

The study's findings are consistent with research claims that claim that the audit office's proximity to its client company will make it easier for the auditor to watch activity, gather data, and learn about the client's business. This information comprises information about the client's motivations, potential, and opportunities for opportunistic reporting. The closeness of the distance can also lessen information asymmetry and improve monitoring efficiency, which will speed up audits.

The justification for these results is done by looking at the average value (mean), the average value of the geographic proximity variable is 1.2 and the average audit delay value is 63.46. On the geographic proximity variable, if the value of the research sample is below the average value, it is concluded that the research sample is getting closer to the auditor, if it is larger, it can be concluded otherwise. When the research sample's value for the audit delay variable is higher than the average value, it can be assumed that the research sample has a longer audit delay, and the vice versa. Based on the research data, it shows that from 100 research samples there are 80 or 80% research samples that give a negative direction. Therefore, it may be said that the research data actually backs up the research findings. The research done by (Dong and Robinson 2018) shows that geographic proximity impacts audit delay and the results of prior studies support the findings of this study.

Audit Committee Expertise and Audit Delay

The second hypothesis contends that the audit committee expertise variable significantly reduces audit delay. On the other hand, the test findings show that the audit committee expertise has a significant value of 0.308, which is higher than 0.05. As a result, H0 is accepted and Ha is denied, leading to the conclusion that neither the audit committee's competence nor the company's level of audit committee expertise significantly affects audit delay. This can be because the creation of a competent audit committee is restricted to adhering to the relevant legislation.

It is proven through research data shown in descriptive statistics. The mean audit committee expertise is 0.5019 which means that if the company has a percentage of audit committee expertise above the mean, then it is said that the company has high audit committee expertise criteria, but if it is below the mean, it can be concluded otherwise. The average audit delay is 63.46 days, and it has been determined that if a company's audit delay is higher than the average, it is likely suffering a high audit delay; while, if it is lower than the average, it is likely experiencing a low audit delay.

According to research findings, 20 companies have low audit committee expertise and experience low audit delay, 33 companies have low audit committee expertise and high audit delay, and 18 companies have high audit committee expertise and high audit delay. On the other hand, 27 companies have high audit committee expertise and low audit delay. As a result, the research findings provide solid evidence for the study's findings. The outcomes of this investigation support

the findings of Apadore & Mohd Noor, (2013) and Hassani & Mohammadi, (2021).

CEO Duality and Audit Delay

The third hypothesis contends that the CEO duality feature significantly improves audit latency. The financial knowledge of the audit committee, however, has a significant value of 0.001, which is less than 0.05, according to the test findings. As a result, H0 is disregarded and Ha is accepted, leading to the conclusion that CEO duality significantly reduces audit delay.

The findings of this investigation support the claims made in the literature, that by carrying out the duality of the CEO, the supervisory function as a commissioner of the board of directors becomes limited, because he supervises himself or there is a conflict of interest. Putri, L. L., & Deviesa, D, 2017). In addition, it also has an impact on the lengthy audit completion process because there is more room to hide the misstatement of relevant facts, which can even lead to fraud (Bhuiyan & D'Costa, 2020). Supported by research data shown in descriptive statistics with a mean value of CEO duality of 0.23 and audit delay of 63.46. Based on the research data search, there are 61 or 61% of the 100 research samples that show a positive direction. As a result, the research findings provide solid evidence for the study's findings.

Nature of Company Activities and Audit Delay

The fourth hypothesis claims that the erratic character of the company's operations significantly worsens audit delay. According to the test findings, the nature of the company's operations has a significant value of 0.000, which is less than 0.05 and denotes a negative orientation. As a result, H0 is disregarded and Ha is accepted, leading to the conclusion that the audit delay is significantly impacted negatively by the nature of the company's activities, or that the audit delay is impacted positively by the nature of the company's activities (having a lot of financial assets).

The results of this study are consistent with those of Apriayanti and Sentosa's (2014), which discovered that the audit delay is influenced by the industry classification. By examining the average value (mean) of the type of activities, which is 0.2, and the audit delay, which is 63.46, the research's findings are justified.

Based on the search for research data that shows a negative direction is 64 or 64% of the 100 research samples. The research data search was carried out by sorting out companies with the nature of financial companies with a dummy value of 1 and an audit delay value below the average value (mean), as well as non-financial companies with a dummy value of 0 and an audit delay value above the average (mean). Thus, the research data have supported the results of the study.

6. CONCLUSIONS

Based on the research findings and the outcomes of the hypothesis testing, it can be deduced that the geographic proximity variable has a significant negative impact on audit delay, the audit committee's financial knowledge has no significant impact, the CEO duality has a significant positive impact, and the nature of the company's operations has a significant negative impact. Due to the study's limitations, namely the low value of the coefficient of determination (only 52.3%), proposals for next research should be able to include additional variables including corporate strategy and the caliber of financial reporting (Kim et al. (2022)). Kim et al. (2022) According to Kim et al. (2022), the business strategy of the firm

permits arguments between the auditor and the company, which may result in audit delays. Additionally, note that the inadequate quality of financial reports also tends to increase audit delays.

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