



THE EFFECT OF OPERATIONAL COMPLEXITY, BUSINESS RISK, AND AUDIT COMMITTEE ON AUDIT QUALITY WITH AUDIT DELAY AS MODERATION

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Abstract

This study aims to examine the effect of operational complexity, business risk (leverage) and audit committee on audit quality with audit delay as a moderating variable. The research method uses a quantitative method with the object of research being banking companies for the period 2019-2023. Data sources from the Indonesian Stock Exchange. The results of the study concluded that (a) Operational complexity has a positive effect on audit quality (b) Business risk (Leverage) has an effect on audit quality (c) The audit committee has a positive effect on audit quality (d) Audit delay cannot moderate the effect of operational complexity on audit quality (e) Audit delay cannot moderate the effect of company risk on audit quality and (f) Audit delay can moderate the effect of the audit committee on audit quality, meaning that audit delay weakens the positive effect of the audit committee on audit quality. The results of this study have positive implications for regulators, investors, the government and prospective investors as well as public accounting firms. Public trust in the implementation of transactions on the Stock Exchange is an important indicator to encourage national economic growth, therefore audit quality is the key to maintaining trust in companies that present financial reports, investors and prospective investors in making investment decisions, public accounting firms as audit implementers.

Keywords: *Operational Complexity, Business Risk, Audit Committee, Audit Delay and Audit Quality.*

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INTRODUCTION

Audit quality refers to how well an audit is conducted in accordance with applicable professional standards and legal requirements, and the extent to which it provides reasonable assurance to users of the financial statements. Audit quality involves the auditor's detection and reporting of errors or irregularities in financial reporting, taking into account compliance with applicable auditing standards and the code of ethics for accountants. Auditing relate to the results of audit implementation based on professional standards, a strong quality management system, and applicable legal provisions, reflecting the auditor's ability to find and report material deviations or misstatements or deviations in the client's accounting system, by providing adequate assurance to users of financial statements that the financial statements have been presented fairly in accordance with applicable accounting standards.

Factors that influence audit quality related to the standards of competence (expertise) and the auditor's independence attitude, generally accepted auditing standards, such as those issued by the Indonesian Institute of Accountants, are indicators of quality, audit quality control procedures to ensure consistency in meeting standards, independent attitudes, both in terms of independence in attitude and appearance, are very important to maintain audit quality, auditor professionalism, which includes ethics, competence, and dedication, also contributes to audit quality. The quality indicators of financial report audits relate to the level of compliance to follow auditing standards, including general standards, fieldwork standards, and reporting standards, a good understanding of the client's accounting system, thorough audit planning helps ensure that the audit is conducted effectively and efficiently, The audit evidence gathered must be sufficient and competent to support the audit findings, The audit report must be clear, concise, and easily understood by users of the report. The importance of audit quality protects auditors from legal liability, increases user confidence in financial reports and the auditing profession, and provides more reliable information for economic decision making.

Operational complexity refers to the degree of complexity of a system or process, especially in an organizational or business context. This can be seen from the number of units involved, the number of relationships between units, and the

number of variations in the process being performed. Operational complexity can also mean the number of stages or steps involved in a process, as well as the number of factors that need to be considered. Operational complexity relates to how an organization is divided into departments, how work is distributed among those departments, and how the departments interact. The more departments, the more different types of work, and the more complex the interactions between departments, the higher the operational complexity.

The development of the company encourages awareness to improve audit quality. Audit quality is the auditor's ability to find and reveal errors or irregularities in financial statements.(Siregar & Machdar, 2024). Audit quality must be supported by auditors who have good competence and qualifications.(Mubaroq et al., 2024). In producing high audit quality, auditors must comply with International Standards on Auditing (ISA) in carrying out their audit duties. Auditors are also required to comply with the code of professional ethics, which regulates the behavior of auditors in their practice both with fellow members and with the general public.(Cahyani et al., 2022).

Audit quality is very important for stakeholders, to protect the interests of shareholders and creditors in decision making. Auditors are responsible for ensuring the company's financial performance information is open and transparent so as to avoid misleading decision making.Kustyadi et al., (2023). The audit results determine the perception of the financial statements, and companies need to use third parties who have a high level of independence and competence to examine the financial statements.

The phenomenon related to low audit quality in 2018 was the practice of systematic credit card data manipulation at PT Bank Bukopin Tbk. This practice occurred for several years and had a significant impact on the quality of the company's financial statements. Credit card data, such as accounts receivable and transaction balances, were deliberately changed or modified so that they looked better than they actually were. The number of credit cards modified was more than 100,000 credit cards. The negative impact was that the profit report was higher than the actual condition. In addition, the credit risk faced by the bank was greater than that revealed. In this case, the auditor failed to detect the data

manipulation contained in Bank Bukopin's financial statements. This caused the information used by investors to make decisions, as well as other related parties, to lose its credibility.(Banjarnahor, 2018). Based on the above phenomenon, audit quality needs to be improved to maintain public trust. Although there is a code of ethics for auditor behavior, the fact is that auditor commitment and compliance still deviate in their audit practices.

Operational complexity has a significant impact on audit quality considering the many operational activities that occur between the parent company and its subsidiaries. This has an impact on the quality of control and business decision-making and also affects the company's financial reporting. The larger the company, the greater the company's operational costs, which has an impact on the efficiency and effectiveness of the company's financial management, which has an impact on the quality of financial reporting.

The following factor that affects audit quality is the company's business risk, namely the level of external funding in the form of debt or loans. If the company is not careful in placing or managing loan funds, it will impact the company's performance, thereby disrupting the company's going concern. Business risk when associated with external funding is the comparison between the company's assets and debts. This ratio indicates the risk of the company's level of dependence on external funding sources. Business risk is usually determined based on various aspects, such as total assets, average assets, stock market value, total revenue/sales, average sales, total profit, number of employees, and others.(Arista et al., 2023). The greater the debt of a company, the higher the business risk.

Audit delay is the time required for the auditor to complete the audit, which begins at the end of the fiscal year and ends when the audit report is issued. If the audit process is delayed due to time-consuming financial statement updates, the auditor may be considered incompetent and inexperienced in handling issues that arise during the audit.(Nurgina & Nurmawati, 2024). When the audit is not completed on time, it will have a negative impact on the perception and image of the company by stakeholders, especially investors, thus delaying decision making. Delays in financial reporting can reduce the quality of the audit for stakeholders.(Nursyamsiyah et al., 2024).

Business Risk According to Brigham and Houston (2001), business risk is the uncertainty

regarding the estimated return on capital in the future, where the decision can be considered in the present. The risk assessment of a company by potential investors should detect what factors affect the company. Business risk can be measured by profitability and leverage. While leverage can be measured by total debt divided by total assets. Leverage shows how much the company is able to pay off all its obligations. The more assets owned, the greater the company's ability to meet its obligations

Problem Formulation

The formulation of the problem is a question or statement that describes the main problem to be studied. Based on the explanation contained in the background, the formulation of the problem in this study is:

1. How does operational complexity affect audit quality?
2. How does operational complexity affect audit quality through the moderating variable audit delay?
3. How does Business Risk affect audit quality?
4. How does Business Risk affect audit quality through the moderating variable of audit delay?
5. How does the audit committee influence audit quality?
6. How does the audit committee influence audit quality through the moderating variable of audit delay?

Research purposes

The research objective is a statement that explains the desired results of the research process. The objectives of this research are as follows:

1. To determine the effect of operational complexity on audit quality?
2. To determine the effect of operational complexity on audit quality through the audit delay moderation variable?
3. To find out the influence of business risk on audit quality?
4. To determine the effect of business risk on audit quality through the audit delay moderation variable?
5. To determine the influence of the audit committee on audit quality?
6. To determine the influence of the audit committee on audit quality through the audit delay moderation variable?

LITERATURE REVIEW

Audit Quality

Auditing is a process that involves collecting and examining financial statement evidence related to the required data, then the results are reported to assess the level of conformity between the criteria and the collected data.(Kustyadi et al., 2023). According to DeAngelo(1981), Audit quality is the possibility that auditors detect and report material errors and violations in their clients' accounting systems. According to Handayani and Setiawan(2024), audit quality is the auditor's commitment to preventing accounting violations and misrepresentations of financial statements, and plays a role in maintaining public trust in the accuracy and reliability of audit results. So, it can be concluded that audit quality is the ability and commitment of the auditor to detect and report material errors or violations in the client's financial statements with high independence and accuracy. An audit can be considered quality if the results obtained are able to increase accountability and provide information that proves whether or not there are errors and deviations from applicable audit standards.(Handayani & Setiawan, 2024). A quality audit can only be achieved if the auditor who performs it is truly competent and independent. The auditor's competence affects his ability to find errors in the financial statements, which can be seen from expertise such as experience and specialization. Independence shows the auditor's ability to remain objective during the audit process and when providing an opinion.(Riyani et al., 2021).

Operation Complexity

According to Jannah et al.(2024), The operational complexity of the company is related to the units that work together and influence each other to achieve the company's vision. According to Napisah and Soeparyono(2024), the number of units and locations of company divisions, such as branches or subsidiaries, as well as the diversity of products and markets, affect the level of operational complexity of a company. According to Mayapa and Taqi(2024), if a company has many subsidiaries, the problem of transaction complexity becomes more complicated compared to companies that do not have subsidiaries. So it can be concluded that operational complexity is the level of difficulty in managing and coordinating various elements in an organization to achieve the company's vision. This includes

interactions between organizational units, such as subsidiaries, as well as diversity in products. This complexity can be measured by the number of subsidiaries under the parent company(Jannah et al., 2024). A company that has more than one subsidiary is considered to have the ability to maintain its business continuity, because the more subsidiaries it has, the more it is seen that the company is growing. Complexity is usually caused by complex interactions between units or subsidiaries, thus creating additional challenges related to information flow, reporting, and decision-making processes.(Sigolgi & Djamil, 2024).

Business Risks

Business risk (leverage) is the potential for greater losses experienced by a company or investor when using debt (leverage) to finance its operations or investments. The higher the level of leverage, the greater the potential for losses if market conditions are unfavorable. Leverage is the use of borrowed funds (debt) to increase the potential return on investment. In a business context, this means using debt to finance a company's assets or operations. Leverage risk is related to increasing losses, if the investment or business funded by debt does not perform as expected, the company or investor can suffer greater losses than if they only used their own capital, covering interest expenses or even causing losses. facing forced liquidation of their assets, putting pressure on the company's cash flow because they have to pay regular debt installments and interest. the value of assets secured by debt falls below a set limit forcing investors to raise capital or sell assets to cover losses.

For example, an investor uses leverage to buy stocks. If the stock price rises, the investor will gain a greater return on the invested capital. However, if the stock price falls, the investor will experience a greater loss. If the stock price falls sharply enough, the investor may experience a margin call and be forced to sell the stock at a loss. Because of that pIt is important to mitigate risk because leverage can increase the risk of company losses or investors mitigate risk to reduce leverage risk. So companies need to prepare a clear investment plan, including goals, strategies, and backup plans, understand their own risk profile and loss tolerance limits, diversify investments or funding sources, apply the principle of prudence in using debt and only use

debt for investments that have clear profit potential.

Audit Committee

According to Indriyani and Hasanah(2024), the audit committee is a group of individuals who are independent and not tied to interests with management, which are formed specifically and have expertise in the field of accounting or auditing and other aspects related to the company's internal control system. According to Kholik and Kuntadi(2024), the audit committee is an institution formed by the board of commissioners to support the implementation of its functions and duties. So, it can be concluded that the audit committee is an independent group formed by the board of commissioners to support the implementation of its functions and duties, consisting of individuals with expertise in accounting or auditing.

The audit committee plays an important role in maintaining and improving audit quality. They supervise the financial reporting process, ensure auditor independence, and monitor the company's compliance with accounting standards and regulations. With this role, the audit committee contributes to improving corporate governance and the reliability of financial reporting. The role of the audit committee in relation to audit quality:

1. Supervision of the Financial Reporting Process:

The audit committee ensures that the company's financial reporting process is in accordance with applicable standards and is transparent. They supervise the preparation of financial statements, ensure the adequacy of internal controls, and review the appropriateness of the application of accounting principles.

2. Ensuring Auditor Independence:

The audit committee plays a role in maintaining the independence of external auditors. They ensure that auditors do not have relationships that could affect their objectivity and independence in conducting the audit. This is important to maintain the credibility of the audit results.

3. Monitoring Compliance with Regulations:

The audit committee ensures that the company complies with all applicable regulations and accounting standards. They monitor the implementation of GCG (Good Corporate Governance) principles and ensure the company's compliance with applicable regulations, including capital market regulations.

4. Improving the Quality of Internal Supervision:

The existence of an effective audit committee can improve the overall quality of a company's internal oversight. They help ensure that the company's internal controls are effective and adequate to detect and prevent errors or fraud in financial reporting.

5. Interacting with Auditors:

The audit committee is responsible for communicating effectively with the external auditor. They ask about the audit methodology, the resources used, and who is responsible for audit quality.

6. Increasing Stakeholder Trust:

By ensuring high audit quality, the audit committee contributes to increasing stakeholder confidence, such as investors, creditors, and regulators, in the company's financial statements.

contribute to improving audit quality, which will ultimately support good corporate governance and increase public confidence in the capital market.

Audit Delay

According to Nurgina and Nuralina(2024), audit delay is the time span required by the auditor to complete the audit, calculated from the closing date of the fiscal year to the date the audited financial report is issued. According to Nope and Sudarmadi(2024), audit delay is a delay in completing an audit. According to Yasodhara and Anggraeni(2024), audit delay is a process where financial statements must go through an audit stage by a competent and independent auditor before being submitted to the principal. So it can be concluded that audit delay is the time span required to complete the audit, calculated from the end of the fiscal year until the audited financial statements are issued, where the financial statements must be audited by a competent and independent auditor. Delays in presenting audit reports can hinder management decision-making and reduce the value of information conveyed to shareholders. The length of time spent by the auditor causes the completion of the audit to be delayed, so that the audit delay is getting longer. The sooner the report is published, the greater the benefits obtained by the report users. However, if there is a delay in making the report, it can cause uncertainty in decision-making(Nope & Sudarmadi, 2024).

Empirical Review

There are several studies that have been conducted to gain a better understanding of

operational complexity, business risk, audit committees, audit quality, and audit delay. Previous studies have similarities and differences in this study. The similarities are in the independent variables and dependent variables. The independent variables are operational complexity, company size, and audit committee, while the dependent variable is audit quality. While the difference is that in this study there is

audit delay as a moderating variable, and the object of research that distinguishes it in this study is the banking financial institutions listed on the IDX for the period 2019-2023.

2.7 Conceptual Framework

The conceptual research framework functions to describe the relationship between research variables, as follows:

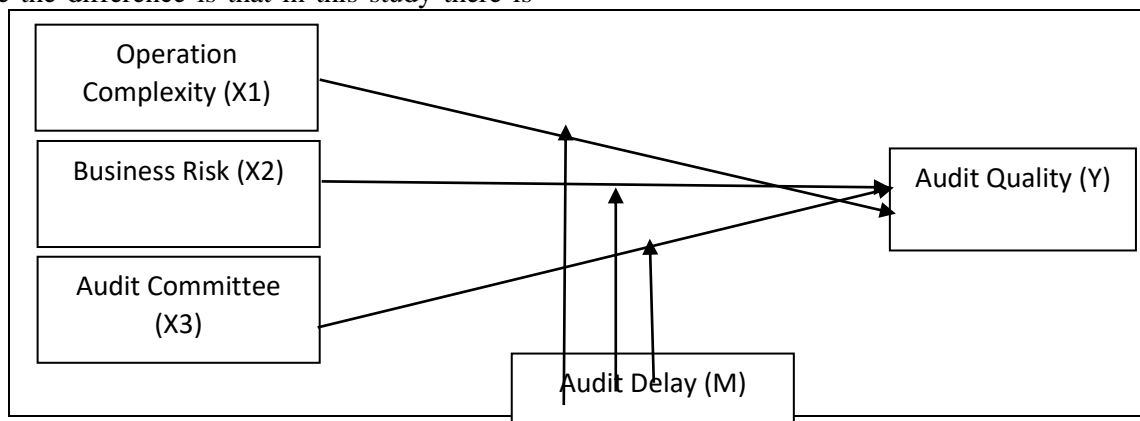


Figure 2.1 Conceptual Framework

Hypothesis Development

The Effect of Operational Complexity on Audit Quality

When a company has subsidiaries, the problem of transaction complexity becomes more complicated. The more complex a company's operations are, the more transactions and data the auditor must examine. Therefore, auditors need greater resources, both in terms of manpower and technology.(Mayapa & Taqi, 2024). As the complexity of operations increases, auditors face greater challenges in understanding the company's business structure, financial transactions, and associated risks. This encourages auditors to conduct more in-depth audit processes, utilize more sophisticated technology, and involve more experienced teams. Therefore, audit quality tends to increase as auditors strive to provide more accurate and reliable opinions in dealing with this level of complexity.(Qintharah, 2020).

Research conducted by Qintharah(2020), that the complexity of the company has a positive effect on audit quality. Meanwhile, research conducted by Mayapa and Taqi(2024), that the complexity of operations does not affect audit quality. If the company's operations are more complex, the greater the attention and resources allocated by the auditor, so that it can improve the quality of the audit produced. Therefore, it can be a reference in this study to provide a hypothesis that the complexity of operations has a positive effect on audit quality.

H1: Operational complexity affects audit quality

The Influence of Business Risk Size on Audit Quality

A company's business risk refers to the various measures of assets and liabilities a company has. A company's business risk can be determined through its total sales, total assets, and average sales level.(Pangaribuan et al., 2023). Large companies use the services of more experienced and qualified external auditors to ensure that audits are carried out carefully. Large companies also have more structured and efficient internal control systems, making it easier for auditors to evaluate risks and perform audit procedures more effectively. Meanwhile, small companies tend to have less strong or poorly structured internal control systems, so auditors perform more manual audit procedures to ensure the reliability of financial statements.(Winda & Hadiwibowo, 2023).

The results of research conducted by Syah and Mayangsari(2024) that the company's business risk has a positive effect on Audit Quality. However, it is different from Susanti and Annisa's research(2023) that the Company's business risk does not affect Audit Quality. If the company has high debt, it will encourage the auditor to carry out the audit more carefully so that better audit quality is obtained. Therefore, the research

hypothesis is that the company's business risk has a positive effect on audit quality.

H2: Business risk has a negative effect on audit quality.

The Influence of the Audit Committee on Audit Quality

The audit committee is responsible for controlling and supervising management performance, as well as ensuring that financial data and information are valid and accurate, while providing financial report analysis to the board of commissioners. The audit committee is also responsible for assessing the performance of external and internal auditors, and ensuring that auditors carry out their duties independently and professionally.(Mubaroq et al., 2024). The audit committee can play a role in improving audit quality, by re-examining the client's annual financial statements and also evaluating the audit opinion that has been submitted by the external auditor.(Handayani & Setiawan, 2024). Research conducted by Kholik and Kuntadi(2024)that the Audit Committee has a positive effect on Audit Quality. Meanwhile, research conducted by Riswandi et al(2024)that the Audit Committee has a negative effect on Audit Quality. However, this is different from the research of Mubaroq et al.(2024) that the Audit Committee has no effect on Audit Quality. With the existence of an audit committee, the process of preparing financial statements can run smoothly and auditors can more easily obtain the information needed. Thus, this can improve audit quality. Therefore, it can be a reference in this study to provide a hypothesis that the audit committee has a positive effect on audit quality.

H3: The audit committee has a positive effect on audit quality.

The Effect of Operational Complexity on Audit Quality with Audit Delay as a Moderation

Companies with complex operations often face difficulties in managing and reporting financial information, which may require auditors to understand the entire transaction in the internal control system, and conduct more in-depth audits, thus requiring auditors to continuously strive to provide more accurate and reliable results.(Qintharah, 2020).

On the other hand, with the existence of audit delay or delay in the implementation of the audit, it can add problems. When the audit is delayed, it can indicate potential problems in internal control or the quality of the information

provided. In this situation, the auditor must be more careful and thorough, and have a deep understanding of the complex operating structure to ensure that the audit is carried out properly.(Nursyamsiyah et al., 2024). Therefore, the high level of operational complexity can encourage auditors to improve audit quality and the presence of audit delay will have a negative impact that makes the audit process less than optimal. Based on the description, the 4th hypothesis is proposed:

H4: Audit delay weakens the effect of operational complexity on audit quality.

The Influence of Business Risk on Audit Quality with Audit Delay as Moderation

The company's business risk shows the comparison of total debt with the company's assets, which shows that the greater the debt, the higher the company's business risk. If a company has a larger total asset, then the larger it is compared to the total debt, the lower the company's business risk. (Diana et al., 2024). Audit delay indicates the challenges that auditors may experience in completing the audit on time. In large companies, high operational complexity often slows down the audit process, resulting in longer audit delays. In this case, audit delay can affect the perception of audit quality, because the information delivered may be considered less timely, even though the auditor who does it is of high quality.(Suneth & Hermi, 2024).

Audit delay can be a signal of difficulties in the audit process of large companies. Although large companies generally choose high-quality auditors, the length of time it takes to complete an audit can affect perceptions of the reliability and timeliness of the information presented.(Nope & Sudarmadi, 2024). Therefore, business risk has a positive effect on audit quality, but audit delay can weaken this effect by creating the perception that the audit report is less timely. Therefore, the 5th hypothesis is proposed:

H5: Audit delay weakens the influence of Business Risk on audit quality.

The Influence of the Audit Committee on Audit Quality with Audit Delay as a Moderation

The audit committee is one of the main components in corporate governance that plays an important role in financial reporting. The audit committee is tasked with overseeing independent auditors and assisting the board of directors in carrying out its responsibilities.(A. Ibrahim &

Adli, 2024). The audit committee is expected to improve audit quality through effective supervision of the audit process and auditor performance. Having an independent and active audit committee can provide encouragement to auditors to produce high-quality audit reports.(Mubaroq et al., 2024).

Audit delay can hinder the effectiveness of the audit committee. If the audit delay lasts too long, the audit committee may have difficulty in carrying out effective supervision, which can have an impact on audit quality. In situations of prolonged audit delay, auditors may feel pressured to complete work quickly, which can compromise the quality of work and auditor independence.(Nurgina & Nurmalina, 2024). Therefore, audit delay can weaken the positive relationship between audit committee and audit quality. Therefore, the 6th hypothesis is proposed:
H6: Audit delay weakens the influence of the audit committee on audit quality.

TYPES OF RESEARCH

This study uses a quantitative method with a comparative causal research design. According to Pasali and Arief(2023), quantitative research is an approach that focuses on collecting data that can be measured, analyzed statistically, and interpreted numerically, with the aim of understanding phenomena and testing hypotheses.

Table 3.1 Determining the Number of Samples

Information	Amount
Banking companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023	47
Research Period	5 years
Final Sample Size	235

Source: Data Processed by Author, 2024
After going through the sample collection process, 47 banking companies were obtained that met the requirements for 5 periods, namely the 2019-2023 period. Thus, the total number of final samples used in this study was 235.

According to Effendi and Ulhaq(2021), comparative causal research is research that explains different concepts, variables, or management strategies. The purpose of comparative causal research is to identify the cause-and-effect relationship between two or more variables.

Population and Sample

According to Winda and Hadiwibowo(2023), population is a collection of objects or subjects that have certain qualities and characteristics that have been determined to be studied, so that conclusions can be drawn. The population used in this study is all Banking Financial Institution companies listed on the Indonesia Stock Exchange (BEI) in 2019-2023. The number of Banking companies listed on the Indonesia Stock Exchange from 2019-2023 is 47 companies. According to Vanessa and Aprilia(2024), the sample is a number of objects selected based on predetermined criteria. In this study the sampling method used is purposive sampling. According to Nursyamsiyah et al.(2024), Purposive sampling is a sample selection technique that is carried out by considering certain criteria specifically. There are sample criteria used in this study, namely, banking companies listed on the Indonesia Stock Exchange (IDX) in 2019 - 2023.

3.3 Data Types and Sources

This study uses secondary data from annual financial reports available on the Indonesia Stock Exchange and can be accessed via the website. www.idx.co.id. Researchers obtain the data needed for this research through relevant sources, such as journals or published articles.

Table 3.2 Operational Variables

No	Variables	Size	Scale
1.	Audit quality (Pangaribuan et al., 2022)	Dummy variable, if the company is audited by a Big Four accounting firm, it is given a value of 1. Conversely, if the company is audited by an accounting firm that is not part of the Big Four, it is given a value of 0.	Nominal

2.	Complexity of Operations (Nurianti et al., 2024)	Dummy variable, if the company has a subsidiary then it is given a value of 1. Conversely, if the company does not have a subsidiary, then it is given a value of 0.	Nominal
3.	Business Risk (Yulianti et al., 2024)	Total Debt : Total Assets	Ratio
4.	Audit Committee (Nurianti et al., 2024)	Number of Audit Committee Members	Nominal
5.	Audit Delay (Yasodhara & Anggraeni, 2024)	tanggal lap audit – tanggal lap keu	Ratio

DATA ANALYSIS RESULTS

The results of data analysis are the results of a series of data processing and testing processes carried out to answer the formulation of the research problem. The data analysis process is

carried out through several stages, namely descriptive analysis, logistic regression analysis, hypothesis testing, and moderated regression analysis.

Table 4.1 *Logistic Regression Analysis Test*

Variables in the Equation							
		B	SE	Wald	df	Sig.	Exp(B)
Step 1a	KPO	2,758	1,406	3,850	1	.050	15,771
	RB	.709	.381	3,461	1	.063	2.033
	KMA	1,565	.654	5,727	1	.017	4,784
	AUD	.446	.153	8,469	1	.004	1,562
	Constant	-27,280	11,483	5,643	1	.018	.000

a. Variable(s) entered on step 1: KPO, RB, KMA, AUD

Source: SPSS V25 Output, 2025

So, the logistic regression model is as follows:

$$Y = -27.280 + 2.758KpO + 0.709RB + 1.565Kma - 0.446AuD + \varepsilon$$

Based on the results of the logistic regression analysis test, the explanation is as follows:

1. The constant value (α) in the logistic regression model is -27.280, meaning that if the KPO, RB, KMA, and AUD values are 0, then the dependent variable, namely KLA, has a value of -27.280.
2. The operational complexity variable has a positive regression coefficient value of 2.758, meaning that if operational complexity increases, audit quality increases by 2.758.

3. The business risk variable has a positive regression coefficient value of 0.709, meaning that the greater the business risk, the greater the opportunity of 0.709 to improve audit quality.

4. The audit committee variable has a positive regression coefficient value of 1.565, meaning that if the audit committee increases, the audit quality increases by 1.565.

5. The audit delay variable has a negative regression coefficient value of -0.446, meaning that if the audit delay increases, the audit quality will decrease by -0.446.

Table 4.2 *Moderation Regression Analysis Test*

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.976	1.825		-1.083	.280
	KPO	.326	.188	.303	1.733	.085
	RB	.069	.061	.242	1.137	.257
	KMA	.111	.058	.263	1.908	.058
	AUD	.042	.026	.2448	1.636	.103
	KPO*AUD	.002	.003	.095	.604	.547
	RB*AUD	-.001	.001	-2.114	-1.444	.150
	KMA*AUD	-.002	.001	-.478	-2.316	.021

a. Dependent Variable: KLA

Source: SPSS V25 Output, 2025

Based on the table above, the moderated regression model is as follows:

$$Y = -1.976 + 0.326KPO + 0.069RB + 0.111KMA + 0.042AUD + 0.002KPO \cdot AUD - 0.001RB \cdot AUD - 0.002KMA \cdot AUD + \varepsilon$$

The conclusions that can be drawn from the table above are:

1. The constant value (α) in the results of the Regression Analysis Model is -1.976, meaning that if the value of the independent variables, namely operational complexity (KPO), business risk (RB), and audit committee (KMA), the moderating variable, namely audit delay (AUD), and the interaction variables KPO with AUD, RB with AUD, KMA with AUD, have a value of 0 (zero), then the dependent variable KLA has a value of -1.976.
2. The audit delay moderation variable has a positive regression coefficient value (+) of 0.042, meaning that if the audit delay increases, the audit quality increases by 0.042.

3. The interaction variable between operational complexity (KPO) and audit delay (AUD) has a positive regression coefficient value (+) of 0.002, meaning that if the interaction variable between operational complexity and audit delay increases, the audit quality (KLA) will increase by 0.002.
4. The interaction variable between business risk (RB) and audit delay (AUD) has a negative regression coefficient (-) of -0.001, meaning that if the interaction variable between business risk and audit delay increases, the audit quality (KLA) will decrease by -0.001.
5. The interaction variable between the audit committee (KMA) and audit delay (AUD) has a negative regression coefficient (-) of 0.002, meaning that if the interaction variable between the audit committee and audit delay increases, the audit quality will decrease by -0.002.

4.1.2 Partial Test (T-Test)

Table 4.3 Partial Test

		Variables in the Equation					
		B	SE	Wald	df	Sig.	Exp(B)
Step 1a	KPO	2,758	1,406	3,850	1	.050	15,771
	RB	.709	.381	3,461	1	.013	2,033
	KMA	.565	.654	5,727	1	.017	4,784
	Constant	-27,280	11,483	5,643	1	.018	.000

a. Variable(s) entered on step 1: KPO, UKP, KMA

Source: SPSS V25 Output, 2025

In this study, the significance level used is 5% (0.05). If the significant value is less than or equal to 0.05, then the variable is considered to have an influence. Conversely, if the significant value is greater than 0.05 then the variable is considered to have no influence. Thus, the conclusions that can be drawn from the table above are:

1. Based on table 4.9, the operational complexity variable has a significant value of 0.050 with a positive regression coefficient value of 2.758, meaning that the significant value of operational complexity of 0.050 is the same as the constant value of 0.05, so hypothesis 1 is accepted, so it can be concluded that operational complexity has a positive effect on audit quality.
2. Based on table 4.9, the business risk variable has a significant value of 0.063 with a positive regression coefficient value of 0.709., meaning that the significant value of business risk 0.013 is greater (>) than the constant value of 0.05, so hypothesis 2 is accepted, so it can be concluded that business risk has an effect on audit quality.
3. Based on table 4.9, the audit committee variable has a significant value of 0.017 with

a positive regression coefficient value of 1.565, meaning that the audit committee's significant value of 0.017 is smaller (<) than the constant value of 0.05, so hypothesis 3 is accepted, so it can be concluded that the audit committee has a positive effect on audit quality.

4. Based on table 4.8 The significance value of KPO*AUD is 0.547, meaning that the significant value of KPO*AUD 0.547 is greater (>) than the significant value of 0.05. Therefore, operational complexity and audit delay do not affect audit quality. Therefore, it can be concluded that audit delay is not able to moderate operational complexity on audit quality, so hypothesis 4 is rejected.
5. Based on table 4.8 The significance value of UKP*AUD is 0.150, meaning that the significance value of UKP*AUD 0.150 is greater (>) than the significance value of 0.05. Therefore, business risk and audit delay do not affect audit quality. Therefore, it can be concluded that audit delay is unable to moderate business risk on audit quality, so hypothesis 5 is rejected.
6. Based on table 4.8 The significance value of KMA*AUD is 0.021, meaning that the

significant value of $KMA \cdot AUD$ 0.021 is smaller ($<$) than the significant value of 0.05. Therefore, the audit committee and audit delay have an effect on audit quality. Therefore, it can be concluded that audit delay is able to moderate business risk on audit quality, so that hypothesis 6 is accepted.

Research Results and Discussion

The Effect of Operational Complexity on Audit Quality

Based on table 4.9, the regression coefficient value is 2.758 with a significance value of 0.05 equal to 0.05, so that the statement H1 is accepted, which means that the complexity of operations has a positive effect on audit quality. The results of this study indicate that the more subsidiaries owned, the more complex the organizational structure and operational scope of a business entity, so that it can encourage increased professionalism and deepen the audit process.

The results of this study are in line with research conducted by Qintharah(2020) which concludes that operational complexity has a positive effect on audit quality, because each subsidiary has different operational risk characteristics and accounting complexity, thus requiring a more in-depth audit strategy. Auditors also need to understand various business models, recognize the operational characteristics of each entity, and hone analytical skills in order to adapt to various industry contexts. Therefore, systematically operational complexity can improve audit quality by tightening information validation, deepening audit procedures, and implementing a deeper professional skepticism attitude. The results of this study are also in line with attribution theory, because the complexity of a company's operations is a situational factor that can influence auditor behavior. Auditors understand that success in producing a quality audit is influenced by the relationship between auditor ability (internal factor) and the company's operational conditions (external factor). This shows that operational complexity is not only a challenge, but also a catalyst for developing professional capacity.

The Influence of Business Risk on Audit Quality

Based on table 4.9, the business risk regression coefficient value is 0.709 with a significance value of 0.013 which is greater than 0.05, so that the H2 statement is accepted, which

means that business risk has an effect on audit quality. The results of this study indicate that regardless of the size of a company's business risk, auditors still perform their audits well.

The results of this study are in line with research by Pasali and Arief(2023), Ramadya et al(2023), Effendi and Ulhaq(2021) conclude that business risk affects audit quality, because large debts have a negative impact in the form of high interest costs, especially if debts are not managed properly, companies with debts that can be managed properly provide the main attention of auditors so that they can produce high-quality audits. In addition, in accordance with applicable audit standards, such as the Public Accountant Professional Standards (SPAP) or International Standards on Auditing (ISA) which strictly regulate audit procedures, auditors will maintain the good name of their profession by conducting quality audits. Auditors must follow the same audit procedures, such as substantive testing, risk analysis, and internal control evaluation, so that business risk does not directly determine audit quality. The results of this study are in line with attribution theory which assumes that business risk is the main factor that can encourage auditors to develop internal attributions in the form of audit competencies and strategies.

The Influence of the Audit Committee on Audit Quality

Based on table 4.9, the audit committee regression coefficient value is 1.565 with a significance value of 0.017 which is smaller than 0.05, so that the H3 statement is accepted, which means that the audit committee has a positive effect on audit quality. The results of the study indicate that the existence of an effective audit committee can help auditors to conduct quality audits. The results of this study are in line with the research conducted by Kholik and Kuntadi(2024), Pasali and Arief(2023), which concludes that the audit committee has a positive effect on audit quality, because the audit committee has an important role in ensuring good audit quality by overseeing the financial reporting process, increasing transparency, maintaining auditor independence, and helping to ensure that audit procedures are carried out to high standards. The existence of an effective audit committee can increase trust in auditors to conduct reliable audits.

***Audit Delay* Moderating the Effect of Operational Complexity on Audit Quality**

Based on table 4.8, the regression coefficient value is 0.002 with a significance value of 0.547 which is greater than 0.05, so that the H4 statement is rejected, which means that audit delay cannot moderate the effect of operational complexity on audit quality. The results of this study indicate that even though the company has complex operational activities, the length of the audit delay does not directly affect how good the audit results are. A longer audit delay does not always indicate better audit quality, because what determines audit quality is the effective process and the auditor's ability to understand the complexity of the company, not just the additional time obtained. Too long a time without efficiency can cause external parties to have a negative view of the quality and reliability of financial statements. Thus, audit delay is not the main factor influencing the relationship between operational complexity and audit quality, because audit quality is more determined by the professionalism of the auditor.

***Audit Delay* Moderating the Effect of Business Risk on Audit Quality**

Based on table 4.8, the regression coefficient value is -0.001 with a significance value of 0.15 greater than 0.05, so that the statement H5 is rejected, which means that audit delay cannot moderate the influence of business risk on audit quality. This shows that the length of time to complete the audit does not strengthen or weaken the relationship between business risk and audit quality. Large companies usually have larger debts that can affect the audit process, so that the resulting audit quality will be more complicated than small companies. On the other hand, small companies audited by independent auditors with a high level of professionalism can still produce quality audits (Ramadya et al., 2023). Audit delay is the duration of time required from the end of the fiscal year to the issuance of the audit report. A long audit delay does not necessarily indicate poor audit quality, but the audit process requires additional time to complete the various procedures required and better reflects the technical challenges faced in the audit process.

***Audit Delay* Moderates the Influence of the Audit Committee on Audit Quality**

Based on table 4.8, the regression coefficient value is -0.002 with a significance value of

0.021 smaller than 0.05, so that the statement H6 is accepted, which means that audit delay weakens the positive influence of the audit committee on audit quality. This shows that, although the audit committee has an important role in improving audit quality, delays in the audit process can reduce the effectiveness of supervision and transparency expected from an audited financial report. Delays in the audit process can reflect obstacles in supervision and communication between auditors and management. The audit committee has an important role in ensuring the effectiveness of the audit process through independent supervision, coordination with external auditors, and the implementation of good corporate governance. However, if an audit delay occurs, the effectiveness of the audit committee's function in maintaining audit quality can be reduced because the audited financial information becomes less relevant due to delays in presenting the report. (Jans & Utomo, 2024). In addition, audit delays may indicate obstacles in the delivery of transparent information from management to auditors, which may ultimately hamper the role of the audit committee in ensuring that the audit process runs smoothly and in accordance with professional standards.

CONCLUSION

Based on the test results and discussion, it can be concluded that:

1. Operational complexity has a positive effect on audit quality, meaning that the more subsidiaries owned, the more complex the operations, which encourages increased auditor professionalism.
2. Business risk does not affect audit quality, meaning that regardless of the size of the business risk, the auditor will still perform the audit well.
3. The audit committee has a positive influence on audit quality, meaning that the existence of an effective audit committee can help auditors to conduct quality audits.
4. *Audit delay* cannot moderate the effect of operational complexity on audit quality, meaning that audit delay cannot strengthen or weaken the effect of operational complexity on audit quality.
5. *Audit delay* cannot moderate the influence of business risk on audit quality, meaning that audit delay cannot strengthen the influence of business risk on audit quality.

6. The audit delay variable can moderate the influence of the audit committee on audit quality, meaning that audit delay weakens the positive influence of the audit committee on audit quality.

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