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Research Article

Financial Distress, Liquidity, and Reporting Delay: The Moderating Role of Audit Quality

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Abstract
This study investigates the effects of financial distress and liquidity on reporting delay, with audit quality as a moderating variable, among property and real estate companies listed on the Indonesia Stock Exchange from 2020–2024. The study addresses persistent delays in financial reporting despite regulations requiring the timely submission of audited financial statements. Such delays can diminish the relevance and usefulness of financial information for investors and other stakeholders. Using a quantitative approach, the research relies on secondary data from audited annual reports and financial statements. A purposive sampling method produced 295 firm-year observations. The data were analyzed using logistic and moderated logistic regression in IBM SPSS Statistics 26. Results show that financial distress has a significant negative effect on reporting delay, indicating that distressed firms tend to report more promptly under stronger stakeholder pressure and monitoring. Liquidity has no significant effect on reporting delay. Audit quality also does not moderate the relationship between financial distress and reporting delay or between liquidity and reporting delay. The findings suggest that reporting timeliness is primarily shaped by compliance pressures rather than liquidity conditions or audit quality. Companies should strengthen reporting controls and monitoring systems.

Keywords: Financial Distress, Liquidity, Audit Delay, Audit Quality.

JEL Classification: M41, M42, G34.

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1. Introduction

Financial statements provide important information on a company's financial position, performance, and changes in financial position for economic decision-making. Their usefulness depends on accurate and timely reporting, as delays can reduce the relevance and value of information. Therefore, public companies listed on the Indonesia Stock Exchange (IDX) are required to submit audited financial statements in accordance with applicable regulations. Under Law No. 8 of 1995 concerning the Capital Market and POJK No. 29/POJK.04/2016, companies must submit annual financial statements no later than the end of the fourth month after the financial year-end, emphasizing timely reporting to maintain information quality, relevance, and credibility.

Although regulators have set deadlines for submitting annual financial statements, in practice there are still companies that are late in fulfilling these obligations. Delays in submitting audited financial statements can reduce the relevance of the information investors and other stakeholders receive, potentially affecting economic decision-making. This phenomenon still occurs in companies listed on the Indonesia Stock Exchange (IDX). Based on IDX data for 2020–2024, the number of companies experiencing financial reporting delays fluctuates from year to year. The Property and Real Estate sectors also contributed to the phenomenon, with a relatively consistent number of companies experiencing delays during the observation period. This shows that audit delay remains an issue that needs attention, especially in the Property and Real Estate sectors, which have complex operational and transaction characteristics.

Table 1. Go Public Companies That Are Experiencing Delays in Financial Reporting Year 2020–2024

Year	Number of IDX Companies That Are Late	Property & Real Estate Companies	Percentage
2020	88	19	22%
2021	91	15	13%
2022	148	12	23%
2023	129	21	17%
2024	128	18	16%

Source: Indonesia Stock Exchange (2020–2024), processed data (2026).

Based on Table 1, the number of companies that experienced financial reporting delays during the 2020 to 2024 period remains relatively high. Among these companies, the Property and Real Estate sector consistently contributes to financial reporting delays. The findings show that audit delays are still a relevant problem to be researched in the Property and Real Estate sector, especially because the timeliness of financial reporting is one of the important aspects in maintaining the quality of financial information for investors and other stakeholders.

Based on the Indonesia Stock Exchange's sector classification, there are 12 listed industrial sectors. Among these sectors, the Property and Real Estate sector are one of the sectors that consistently contributes to the delay in the submission of financial statements during the observation period. This shows that audit delays in the Property and Real Estate sector remain a relevant research topic. In addition, the average audit delay in this sector during 2020–2024 remains relatively long, although it tends to decrease year to year. This indicates that completing audits in the Property and Real Estate sector still takes a long time and may affect the timeliness of financial report submission. Therefore, the Property and Real Estate sector was chosen as the object of research because it is considered to have a significant audit delay phenomenon that warrants further study.

Table 2. Average Audit Delay of Property and Real Estate Companies, Period 2020–2024

Year	Number of Days
2020	139
2021	119
2022	102
2023	98
2024	96

Source: Indonesia Stock Exchange (2020–2024), processed data (2026).

Although the average audit delay in the Property and Real Estate sector shows a downward trend, there are still companies that experience significant delays in the submission of audited financial statements. This is evident in PT Binakarya Jaya Abadi Tbk (BIKA) and PT Pollux Properties Indonesia Tbk (POLL). BIKA experienced a suspension of stock trading due to delays in submitting audited financial statements and failing to pay fines. At the same time, POLL faced audit obstacles that delayed the submission of financial statements for several periods. This condition shows that audit delays not only affect the timeliness of financial information delivery, but also lead to sanctions from regulators and reduced investor confidence in the company. Thus, audit delays in the Property and Real Estate sector remain an important issue to study further because they can affect the quality of information stakeholders receive.

In addition to the high incidence of reporting delays, the Property and Real Estate sector possesses unique operational characteristics that may affect reporting timeliness. Companies in this sector typically manage long-term projects, complex revenue recognition processes, substantial asset valuations, and extensive financing arrangements. These characteristics increase audit complexity and may require additional verification procedures, thereby creating challenges in meeting regulatory reporting deadlines.

Financial distress may increase audit delay because financially troubled companies tend to require more time to prepare financial statements. However, previous studies have shown inconsistent results, reporting positive, negative, or no significant effects (Karina & Julianto, 2022). Similarly, liquidity, which reflects a company's ability to meet short-term obligations, may affect audit delay by influencing the company's financial condition and audit process. Previous studies have also found mixed results, with liquidity reported to have either negative or positive effects on audit delay (Sulistiani et al., 2022).

Although previous studies have examined the direct effects of financial distress and liquidity on reporting delay, they have paid limited attention to the underlying mechanism that may explain these relationships. From an Agency Theory perspective, information asymmetry between managers and stakeholders may increase when firms experience financial difficulties or liquidity problems. In such circumstances, audit quality may serve as an effective monitoring mechanism that strengthens reporting discipline and reduces opportunistic behavior. However, empirical evidence regarding the moderating role of audit quality remains limited and inconclusive, creating an important theoretical gap that warrants further investigation.

The post-pandemic business environment has intensified stakeholder demands for transparent and timely financial reporting. Investors, creditors, regulators, and capital market participants increasingly rely on timely financial information to assess corporate resilience and performance. Consequently, companies face greater pressure to submit audited financial statements within the regulatory deadline while maintaining reporting quality.

In addition to the company's internal factors, audit delays can also be affected by audit quality. Audit quality is the auditor's ability to find and disclose errors in financial statements. In this study, audit quality is used as a moderating variable that is expected to strengthen or weaken the influence of Financial Distress and Liquidity on audit delay. Sulistiani et al. (2022) found that audit quality was able to moderate the relationship, while Karina and Kusumawardhani (2023) obtained different results. In addition, research on the role of audit quality in moderating the relationship between Financial Distress and Audit delay remains relatively limited and needs further study.

Previous studies generally define audit delay as the period between fiscal year-end and the auditor’s report date. However, this study focuses on reporting delay, which refers to the timeliness of submitting audited financial statements to the Indonesia Stock Exchange relative to the regulatory deadline. This distinction is important because reporting delay may reflect not only audit completion time but also managerial readiness and regulatory compliance considerations.

This study’s novelty lies in examining Audit Quality as a moderator of the relationship between Financial Distress, Liquidity, and Audit Delay, focusing on Property and Real Estate companies listed on the Indonesia Stock Exchange during 2020–2024. The study measures Audit Delay based on delays in financial statement submission beyond the regulatory deadline and provides empirical evidence on the moderating role of Audit Quality.

2. Literature Review and Hypothesis

Literature Review

Agency Theory

Agency Theory describes the contractual relationship between a principal and an agent, where management, as an agent, is authorized to manage the company on behalf of the principal. This relationship can create a conflict of interest because of information asymmetry, a condition in which management has more information than the company owner (Albart et al. 2020; Utomo, 2020). To reduce such information asymmetry, companies need to submit transparent and timely financial statements. In this study, Audit delay refers to the time it takes to complete audits, which can affect the timeliness of financial report submission and increase information asymmetry when delays occur (Fachriyah, 2024). In addition, the Company's Financial distress and liquidity conditions can affect the transparency of financial information. At the same time, Audit Quality serves as a supervisory mechanism that increases the credibility of financial statements and reduces agency conflicts (Rahma & Cahyonowati, 2025). Therefore, agency theory serves as the foundation for explaining the relationship between Financial Distress, Liquidity, Audit Quality, and Audit Delay.

Auditing

Auditing is a systematic process of obtaining and objectively evaluating evidence to provide an opinion on the fairness of financial statements (Budiantoro et al. 2022)). According to IAPI (2025), the purpose of an audit is to increase financial statement users' confidence through the auditor's opinion on whether the financial statements conform to applicable standards. Thus, audits help increase the credibility of financial statements and stakeholders' trust.

Audit Delay

Audit delay is the time span from the closing date of the company's financial year to the date the independent auditor issues the report. According to Agatha and Selfiyan (2022), audit delays reflect the length of the audit process that auditors must complete before financial statements are published. Delays in submitting financial statements can reduce the timeliness and relevance of information for financial statement users (Kusuma et al., 2022). Therefore, the Financial Services Authority, through POJK Number 14/POJK.04/2022, requires issuers and public companies to submit financial statements according to the set deadline, so that audit delays are one of the important indicators in assessing the timeliness of corporate financial reporting (Pakpahan et al., 2023)

Financial Distress

According to Ardiyanti et al. (2021), Financial distress is a condition when the company's operating profit results are no longer sufficient to pay off its obligations. Explained that companies that struggle to meet their obligations may suffer losses and face bankruptcy if the issue is not addressed immediately. This condition can affect financial reporting because companies under financial pressure tend to be more careful in submitting financial statements.

Liquidity

Liquidity is a company's ability to meet short-term financial obligations that are due soon (Tumanggor, 2022). Explains that liquidity reflects a company's capacity to pay its debts and short-term liabilities using its current assets. States that the liquidity ratio assesses a company's ability to meet short-term obligations due immediately.

Audit Quality

Audit quality combines the audit process and the quality of the audit. Meanwhile, Budiantoro et al. (2022) state that audit quality reflects the auditor's ability to find and report material violations or misrepresentations in the financial statements. In this study, audit quality was proxied using the affiliation of Public Accounting Firms (KAP) with international accounting networks, namely KAP Big Ten (code 1) and non-Big Ten (code 0).

Hypothesis Development

The Effect of Financial Distress on Audit Delays

Financial distress refers to a condition in which a company experiences financial difficulties or an unhealthy financial condition before bankruptcy. These conditions may increase audit risk and require auditors to perform more extensive examinations, thereby extending audit completion time. Found a positive effect of financial distress on audit delay. Reported a negative effect, the greater audit effort required for financially distressed companies provides a stronger basis for expecting longer audit completion. Therefore, this study proposes that financial distress positively affects audit delay.

H1: Financial Distress Affects Audit Delays.

The Effect of Liquidity on Audit Delays

Liquidity reflects a company's ability to meet its short-term obligations using current assets. Higher liquidity generally indicates better financial health and lower financial risk, which can facilitate the audit process and reduce the time required to complete the audit. Found that liquidity negatively affects audit delay. In contrast, Rikki and Tumanggor (2022), found a positive effect. Despite these inconsistent findings, sound liquidity is expected to reduce financial risk and facilitate audit procedures. Therefore, this study proposes that liquidity negatively affects audit delay.

H2: Liquidity affects audit delays.

The Effect of Financial Distress on Audit Delay Moderated by Audit Quality

Financial distress can increase audit risk and require more extensive audit procedures, potentially resulting in longer audit delay. However, high audit quality, supported by greater auditor competence, experience, and resources, can improve the efficiency of audit procedures and enable auditors to respond more effectively to complex and risky clients. Thus, although financial distress may initially prolong the audit process, high-quality auditors are expected to manage the additional audit risk more efficiently and reduce the extent to which financial distress increases audit delay. Since previous research has not specifically examined audit quality as a moderator in this relationship, this study proposes that audit quality weakens the positive effect of financial distress on audit delay.

H3: Audit quality moderates the effect of Financial Distress on Audit Delay

The Effect of Liquidity on Audit Delay Moderated by Audit Quality

Liquidity affects audit risk because companies with stronger liquidity generally face lower financial pressure and may require less extensive audit attention. High audit quality can further improve audit efficiency through greater auditor competence, experience, and resources, allowing auditors to complete procedures more effectively and on time. Therefore, high-quality auditors are expected to strengthen the ability of good liquidity conditions to reduce audit delay. Found that audit quality did not moderate the effect of liquidity on audit delay, whereas Sulistiani and Priyono (2022) found a moderating effect. These inconsistent findings support further testing. Accordingly, this study proposes that audit quality strengthens liquidity's negative effect on audit delay.

H4: Audit quality moderates the effect of Liquidity on Audit Delay

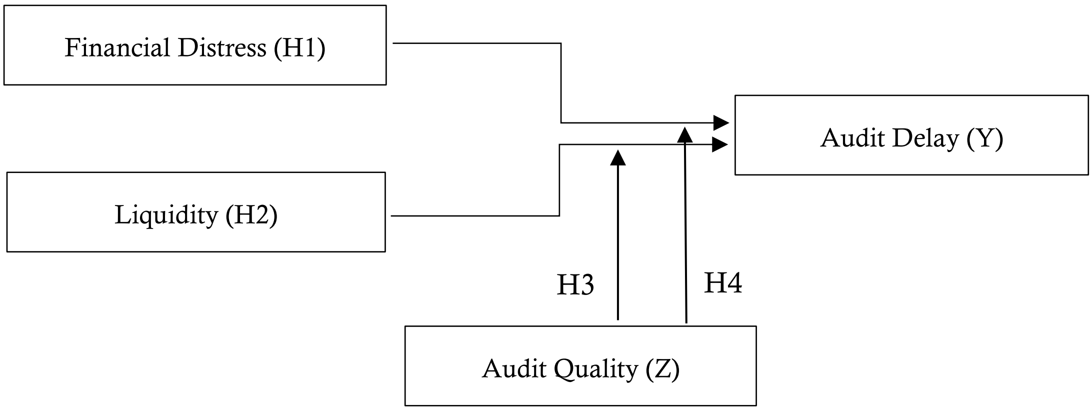

Figure 1. Research Model

3. Data and Method

This study uses a quantitative, causal research approach to examine the effect of Financial Distress and Liquidity on Audit Delay, with Audit Quality as a moderating variable. Quantitative research tests hypotheses based on numerical data, while causal research examines causal relationships between variables. The data used in this study are secondary data obtained through documentation of audited financial statements, annual reports, and independent auditor reports of Property and Real Estate sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period. The research population consisted of 93 Property and Real Estate companies. The sample was selected using purposive sampling based on predetermined criteria, resulting in 59 companies and 295 firm-year observations.

Table 3. Sample Selection Results

No.	Description	Quantity
1	IDX Property & Real Estate Companies for the 2020–2024 period	93
2	Not issuing complete audited financial statements for the 2020–2024 period	(29)
3	Incomplete data on research variables	(5)
4	Not using rupiah currency	(0)
	Number of Company Samples	59
	Research Period (2020–2024)	5 (Years)
	Number of Observations	295

Audit Delay was measured using a binary dummy variable based on the timeliness of financial statement submission to the Indonesia Stock Exchange. The variable was coded as 0 = late and 1 = on time. Therefore, the logistic regression model estimates the probability that a company submits its financial statements on time. Accordingly, the regression coefficients are interpreted in terms of the probability of being on time rather than the probability of experiencing a delay. A positive coefficient indicates an increase in the log-odds of timely submission. In contrast, a negative coefficient indicates a decrease in the log-odds of timely submission, implying a greater likelihood of late submission, ceteris paribus.

Logistic regression was employed because the dependent variable, Audit Delay, is binary. The logistic regression model is expressed as follows:

Model 1:

$$\textbf{Audit Delay} = \alpha + \beta_1(\text{FDS}) + \beta_2(\text{LK}) + \varepsilon \tag{1}$$

where Audit Delay represents the probability of timely financial statement submission (0 = late; 1 = on time), α represents the constant, β represents the regression coefficient, FDS represents

Financial Distress, LK represents liquidity, and ε represents the error term.

To examine the moderating role of Audit Quality, we subsequently employed Moderated Logistic Regression (MLR) by including interaction terms between Financial Distress and Audit Quality and between Liquidity and Audit Quality. The moderation model is specified as follows:

Model 2:

$$\textbf{Audit Delay} = \alpha + \beta_1(\mathrm{FDS}) + \beta_2(\mathrm{LK}) + \beta_3(\mathrm{FDS} \times \mathrm{KA}) + \beta_4(\mathrm{LK} \times \mathrm{KA}) + \varepsilon \qquad (2)$$

where KA represents Audit Quality; the interaction coefficients β_3 and β_4 are used to determine whether Audit Quality strengthens or weakens the relationship between the independent variables and the probability of timely financial statement submission.

All statistical analyses were performed using IBM SPSS Statistics version 26.

4. Results

The results are presented through frequency analysis, descriptive statistics, the Hosmer–Lemeshow goodness-of-fit test, likelihood ratio test, multicollinearity test, logistic regression analysis, and moderated logistic regression analysis. These analyses examined the effects of Financial Distress and Liquidity on Audit Delay and assessed whether Audit Quality moderates these relationships.

Table 4. Statistics Frequency

Financial Distress		
	Frequency	Percent
If the company is in the non-financial distress (safe zone) category	218	73,9
If the company is in the grey zone and financial distress category	77	26,1
Audit Delay		
If the company is late	174	59,0
If the company is on time	121	41,0
Audit Quality		
If the company does not use an internationally affiliated KAP	177	60,0
If the company uses an internationally affiliated KAP	118	40,0
Total	295	100,0

Source: Processed Data (2026)

Table 4 presents the frequency distribution of financial distress, audit delay, and audit quality based on 295 observations. The results show that 218 observations (73.9%) were classified as companies in the non-financial distress (safe zone) category. In comparison, 77 observations (26.1%) were classified as companies in the grey zone and financial distress categories. Regarding audit delay, 174 observations (59.0%) experienced audit delays, while 121 observations (41.0%) were on time. Meanwhile, for audit quality, 177 observations (60.0%) were audited by non-internationally affiliated public accounting firms (KAPs), while internationally affiliated KAPs audited 118 observations (40.0%). Overall, the results indicate that the sample was predominantly characterized by companies in the non-financial distress category, companies experiencing audit delays, and companies audited by non-internationally affiliated KAPs.

Table 5. Statistics Descriptive

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
Liquidity	295	0,03	23,66	3,1745	3,31967

Source: Processed Data (2026)

Based on the descriptive statistics, the liquidity variable has a minimum value of 0.03, a maximum value of 23.66, a mean value of 3.1745, and a standard deviation of 3.31967. These results show that companies' liquidity in the Property and Real Estate sector during 2020–2024 tends to vary.

Table 6. Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	8,342	8	,401

Source: Processed Data (2026)

Based on the Hosmer-Lemeshow test results, the significance value was 0.401, which is greater than 0.05. These results show that the logistic regression model has a good goodness of fit and is suitable for further analysis.

Table 7. Test -2 Likelihood Log

Model	Value -2 Log Likelihood
-2 Initial Log-Likelihood Value (Block 0)	399,384
-2 Final Log Likelihood (Block 1)	375,476
Decrease in -2 Log Likelihood	23,908

Source: Processed Data (2026)

Based on the results of the Overall Model Fit test, the value of -2 Log Likelihood decreased from 399.384 to 375.476 after independent variables were incorporated into the model. This decrease shows that the logistic regression model better explains the data, so the model is declared feasible for hypothesis testing.

Table 8. Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIP
1	Financial Distress	,869	1,151
	Liquidity	,869	1,151

Source: Processed Data (2026)

Based on the multicollinearity test results, Financial Distress and Liquidity each had a tolerance value of 0.869 and a VIF of 1.151. The values met the criteria of tolerance > 0.10 and VIF < 10, so it can be concluded that there are no symptoms of multicollinearity in the research

Table 9. Logistic Regression Analysis Test

		B	S.E.	Forest	df	Say.	Exp(B)
Step 1a	Financial Distress	-1,531	,336	20,803	1	,000	,216
	Liquidity	-,062	,040	2,357	1	,125	,940
	Constant	,183	,204	,804	1	,370	1,201

Source: Processed Data (2026)

Based on the logistic regression equation and the Wald test results, a constant value of 0.183 indicates the value of Audit Delay when all independent variables are held constant. Financial Distress has a coefficient of -1.531 with a significance value of 0.000 < 0.05, so H_{01} is rejected, and Ha_1 is accepted. These results show that Financial Distress has a negative effect on Audit Delay, where an increase in Financial Distress tends to reduce the probability of Audit Delay. Meanwhile, liquidity has a coefficient of -0.062 with a significance value of 0.125 > 0.05, so H_{02} is accepted, and Ha_2 is rejected. Thus, liquidity does not affect audit delay, so the negative coefficient cannot be interpreted statistically.

Table 10. Nagelkerke R Square

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	375,476	,078	,105

Source: Processed Data (2026)

Based on the Nagelkerke R Square test, the model obtained a value of 0.105. The results showed that the Financial Distress and Liquidity variables explained 10.5% of the variation in Audit Delay, while the remaining 89.5% was explained by factors outside the research model.

Table 11. Moderated Regression Analysis Test

		B	S.E.	Forest	df	Say.	Exp(B)
Step 1a	Financial Distress	-1,278	,406	9,899	1	,002	,279
	Liquidity	-,046	,050	,843	1	,359	,955
	Audit Quality	,190	,417	,209	1	,648	1,210
	FDS_KA	-,846	,781	1,176	1	,278	,429
	LK_KA	-,043	,089	,234	1	,628	,958
	Constant	,100	,279	,129	1	,719	1,105

Source: Processed Data (2026)

Based on the results of the Moderated Logistic Regression, the interaction between Financial Distress and Audit Quality (FDS_KA) yielded a coefficient of -0.846 with a significance value of 0.278 > 0.05; therefore, H_{03} is accepted, and Ha_3 is rejected. Thus, Audit Quality does not strengthen or weaken the effect of Financial Distress on Audit Delay. Meanwhile, the interaction between Liquidity and Audit Quality (LK_KA) yielded a coefficient of -0.043 with a significance value of 0.628 > 0.05; therefore, H_{04} is accepted, and Ha_4 is rejected. These results indicate that Audit Quality does not amplify or weaken the effect of Liquidity on Audit Delay for property and real estate companies listed on the Indonesia Stock Exchange during 2020–2024.

5. Discussion

The Effect of Financial Distress on Audit Delays

The results show that Financial Distress has a negative effect on Audit Delay. Because Audit Delay is coded as 0 = on time and 1 = late, the negative direction indicates that financial distress decreases the likelihood of timely financial statement submission, meaning financially distressed companies are more likely to experience reporting delays. This condition may occur because financial distress increases audit risk and requires auditors to conduct more extensive examination of the company's financial condition, including going-concern issues, asset valuations, liabilities, and the reliability of financial information. From an Agency Theory perspective, financial difficulties may also increase information asymmetry and stakeholder monitoring, requiring greater verification before financial statements are submitted. Who found that financial distress is associated with audit delay. Which reported a negative relationship between financial distress and audit delay. These differences may stem from differences in industry characteristics, observation periods, measures of financial distress, and how audit delay is operationalized. In particular, the present study measures Audit Delay based on compliance with the reporting deadline rather than the number of days between fiscal year-end and the auditor's report date, interpreting the relationship as dependent on the probability of timely reporting.

The Effect of Liquidity on Audit Delays

The results indicate that liquidity does not affect Audit Delay, suggesting that the company's ability to meet short-term obligations is not a determining factor in whether audited financial statements are submitted on time or late. This may be because reporting timeliness is influenced more strongly by other factors, such as audit complexity, internal control effectiveness, availability of supporting documents, transaction complexity, and coordination between management and auditors. This condition is particularly relevant to property and real estate companies, which generally have substantial assets, long-term development projects, financing arrangements, and complex revenue recognition processes. The finding is consistent with Rikki and Tumanggor (2022), who found that liquidity does not significantly affect audit delay. Who found a negative effect, and who reported a positive effect of liquidity on audit delay. These differences suggest that the relationship between liquidity and reporting timeliness may vary by industry characteristics, research period, sample characteristics, and how audit delay is measured. Therefore, liquidity alone is insufficient to explain reporting timeliness among property and real estate companies.

Audit Quality in Moderating the Effect of Financial Distress on Audit Delay
Audit Quality does not moderate the effect of Financial Distress on Audit Delay. This finding indicates that a public accounting firm's affiliation with an international accounting network does not significantly strengthen or weaken the relationship between financial distress and reporting timeliness. Although internationally affiliated auditors may possess greater resources, experience, and standardized audit procedures, financially distressed companies may still require additional audit attention because of higher financial reporting risk and uncertainty. Moreover, Audit Delay in this study is based on compliance with the reporting deadline, meaning that reporting timeliness is also influenced by management readiness, the preparation of financial information, and the company's compliance with regulatory requirements. This finding is consistent with Karina and Kusumawardhani (2023), who found that audit quality did not significantly moderate the relationship between company characteristics and audit delay. The result suggests that auditor affiliation alone may not be sufficient to overcome client-specific conditions associated with financial distress. Therefore, timely reporting requires not only an appropriately qualified auditor but also adequate internal reporting systems, management preparedness, and effective coordination between the company and its auditor.

Audit Quality in Moderating the Effect of Liquidity on Audit Delay
Audit Quality does not moderate the effect of Liquidity on Audit Delay. This finding suggests that using an internationally affiliated or non-internationally affiliated Public Accounting Firm does not significantly alter the relationship between liquidity and reporting timeliness. Liquidity primarily reflects a company's ability to meet short-term obligations and does not directly determine the complexity or duration of audit procedures. Consequently, even companies with relatively strong liquidity may experience reporting delays when other factors, such as transaction complexity, internal controls, audit documentation, or management readiness, create obstacles to timely reporting. Who found that audit quality did not moderate the relationship involving liquidity. However, it differs from Sulistiani et al. (2022), who found a moderating role of audit quality. This difference may reflect variations in research objects, audit quality proxies, and the measurement of the dependent variable. In the present study, reporting timeliness is measured based on compliance with the regulatory submission deadline, so audit quality alone may not be sufficient to change the effect of liquidity on reporting timeliness.

6. Conclusion
Based on the findings, Financial Distress has a negative effect on the probability of timely financial reporting, indicating that financially distressed companies are less likely to submit audited financial statements on time and therefore are more likely to experience reporting delays. Liquidity does not significantly affect reporting timeliness, suggesting that the ability to meet short-term obligations is not a primary determinant of whether financial statements are submitted within the required deadline. Furthermore, Audit Quality does not moderate the relationship between Financial Distress and reporting timeliness or between Liquidity and reporting timeliness. These findings indicate that reporting timeliness is more closely associated with the company's financial condition and reporting preparedness than with liquidity or the affiliation status of the Public Accounting Firm. The conclusion should therefore be understood in terms of the probability of timely reporting rather than a direct reduction or increase in audit-delay days.

From a managerial perspective, issuers experiencing financial distress should strengthen year-end closing procedures, prepare audit documentation earlier, maintain adequate going-concern documentation, and improve coordination between management, internal audit functions, and external auditors. Boards of directors and audit committees should provide closer oversight of financial reporting processes, particularly when the company faces financial difficulties, to identify potential reporting obstacles before the regulatory deadline. Auditors should strengthen audit-readiness assessments and communicate significant financial and going-concern issues early. Meanwhile, OJK and IDX should strengthen monitoring of companies with repeated late submissions, conduct more intensive follow-up on recurring reporting delays, and encourage issuers to establish corrective measures for persistent non-compliance. These actions can improve reporting discipline and reduce the risk of delayed financial information reaching investors and other stakeholders.

Recommendation

Companies should implement monthly financial closing checklists with clear deadlines and responsible personnel to identify reporting bottlenecks early. Management should establish an audit-readiness dashboard covering document completeness, unresolved audit issues, and going-concern evidence before year-end. Companies should also track the number of days from fiscal year-end to the auditor's report date as a regular timeliness indicator. Future evaluations should compare audit timing between Big Four and non-Big Four auditors to identify differences in audit efficiency. OJK and IDX should monitor repeat late filers and evaluate whether sanctions reduce recurring reporting delays by comparing late-filing rates before and after enforcement.

Limitations and avenues for future research

This study is limited by its focus on property and real estate companies and its binary measure of reporting timeliness. Future research should distinguish audit report lag from IDX submission delay, use continuous audit-delay days alongside logistic models, and apply alternative audit-quality proxies. Further studies should incorporate governance variables and compare property and real estate companies with other high-complexity sectors to assess whether the findings remain consistent across industries.

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