



RESEARCH ARTICLE

The Effect of Audit Fee, Audit Firm Reputation, and Financial Distress on Audit Delay in the Consumer Cyclical Sector Listed on the Indonesia Stock Exchange (IDX), 2020–2024

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Abstract

This study examines the effects of audit fee, audit firm reputation, and financial distress on audit delay in consumer cyclical companies listed on the Indonesia Stock Exchange (IDX) during 2020–2024. The consumer cyclical sector was selected due to its sensitivity to macroeconomic fluctuations and changing consumer demand, particularly during the post-pandemic recovery period. Using a quantitative approach and purposive sampling, this study analyzes 17 companies, resulting in 85 observations. Panel data regression was conducted using the Common Effect Model (CEM) with EViews 13. The results show that audit fee has no significant effect on audit delay, while audit firm reputation and financial distress have significant negative effects. Simultaneously, audit fee, audit firm reputation, and financial distress significantly affect audit delay, with an Adjusted R-squared of 24.46%.

Keywords

Audit Fee; Audit Firm Reputation; Financial Distress; Audit Delay.

1 | INTRODUCTION

Financial statements are an important source of information for evaluating corporate performance, financial condition, and business sustainability. The usefulness of financial information depends not only on its reliability but also on its timeliness. Delayed financial reporting may reduce the relevance of information available to investors and other stakeholders. Audit delay refers to the period between the fiscal year-end and the date on which the independent auditor issues the audit report (Givoly & Palmon, 1982). In Indonesia, listed companies are required to submit periodic financial reports within the regulatory reporting timeframe established by the Financial Services Authority (Otoritas Jasa Keuangan/OJK). Timely audited financial reporting is therefore important for maintaining transparency and supporting market participants in making economic decisions. Nevertheless, delays in financial reporting continue to occur among companies listed on the Indonesia Stock Exchange (IDX). The consumer cyclicals sector is particularly relevant as a research setting because companies in this sector are relatively sensitive to changes in consumer purchasing power and macroeconomic conditions. During the 2020–2024 period, the sector experienced the effects of the COVID-19 pandemic, economic recovery, and changes in consumer behavior. These conditions created operational and financial challenges that could affect the preparation and auditing of financial statements. The occurrence of reporting delays in the consumer cyclicals sector provides an empirical basis for examining audit delay. During 2020–2024, several companies in this sector experienced reporting delays, with the highest number occurring in 2022, when seven companies, namely BUVA, DUCK, HOME, HOTL, MABA, NUSA, and UNIT, experienced delays. Several companies, including HOME, MABA, NUSA, and UNIT, also experienced recurring delays during the observation period. This phenomenon indicates that timely audit completion remains an important issue in the sector. Several factors may influence audit delay, including audit fee, audit firm reputation, and financial distress. Audit fee represents the compensation paid to auditors for professional audit services. A higher audit fee may provide audit firms with greater resources and experienced personnel, potentially supporting more efficient audit completion. However, empirical findings concerning the relationship between audit fee and audit delay remain inconsistent. International evidence also demonstrates that audit fees and audit report lag may be related to audit engagement characteristics.

Baatwah *et al.* (2022) examined audit fees and audit report lag in an emerging-market setting and found that higher audit fees were associated with shorter audit report lag in the context of Key Audit Matters (KAM) implementation. In contrast, other studies have found that audit fees do not necessarily reduce audit report lag. These differences suggest that the relationship between audit fees and audit delay may depend on the characteristics of the audit engagement and institutional environment. Audit firm reputation is another important determinant of audit delay. Large audit firms, particularly Big Four firms, generally possess greater human resources, technological capabilities, standardized audit procedures, and industry expertise. These characteristics may enable auditors to complete audit procedures more efficiently. International research also indicates that auditor characteristics are relevant to audit report lag. Abdillah *et al.* (2019), for example, examined company and auditor characteristics in relation to audit report lag, while Astami *et al.* (2024) provided evidence from Indonesian listed firms that corporate governance and ownership characteristics are associated with audit report lag. Financial distress represents another potential determinant of audit delay. Financially distressed companies may present greater audit risks because auditors need to pay greater attention to solvency, debt obligations, going-concern considerations, and other financial risks. Consequently, financial distress may increase audit effort and extend the audit process. However, financially pressured companies may also have incentives to accelerate financial reporting in order to maintain stakeholder confidence and reduce uncertainty. International evidence demonstrates that the relationship between financial distress and audit report lag is not consistent across institutional settings. Choi and Park (2023), using 2,786 firm-year observations from Korean listed companies, found a significant positive association between financial distress and audit report lag. Their findings indicate that audit report lags increase as the likelihood of financial distress increases. This result contrasts with the negative relationship identified in the present study and provides an important basis for examining differences across countries, institutional environments, and managerial responses to financial pressure. Audit report lag may also have broader capital-market consequences. Kalelkar and Xu (2023) found that audit report lag was positively associated with the cost of equity and that investors perceived longer audit report lag as an indication of lower financial reporting credibility. This finding emphasizes the importance of understanding factors that influence audit delay because delays may extend beyond administrative reporting issues and affect stakeholders' perceptions of financial reporting quality. Recent international research further demonstrates that audit report lag is influenced by multiple audit and corporate characteristics. Abdullatif *et al.* (2023) found that audit report lag in Jordan was positively associated with audit fees, audit firm size, qualified audit opinions, and company leverage. Meanwhile, Baatwah *et al.* (2022) found that the relationship between audit fees and audit report lag may vary depending on the audit reporting environment. These findings demonstrate that determinants of audit delay may produce different results across institutional settings. The differences in previous findings indicate a research gap. Previous studies have produced inconsistent conclusions regarding the effects of audit fee, audit firm reputation, and financial distress on audit delay. In addition, relatively limited evidence specifically examines the consumer cyclicals sector in Indonesia during the 2020–2024 period, which covers the pandemic and post-pandemic economic recovery.

Therefore, this study examines the partial and simultaneous effects of audit fee, audit firm reputation, and financial distress on audit delay among consumer cyclicals companies listed on the IDX during 2020–2024. This study contributes to the literature in several ways. First, it focuses specifically on the consumer cyclicals sector, which is sensitive to economic fluctuations and changes in consumer purchasing power. Second, it incorporates recent international evidence into the discussion of audit delay in an emerging-market context. Third, the study provides empirical evidence concerning the relationship between financial distress and audit delay that differs from some international findings, thereby highlighting the importance of institutional and firm-level characteristics in explaining audit reporting timeliness. The objective of this study is to empirically examine the partial and simultaneous effects of audit fee, audit firm reputation, and financial distress on audit delay among consumer cyclicals companies listed on the IDX during 2020–2024.

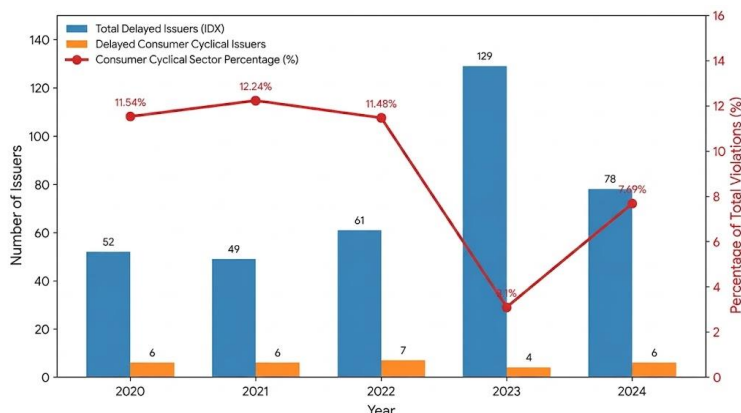


Figure 1. Number of Listed Companies Experiencing Financial Reporting Delays in the Consumer Cyclicals Sector on the IDX (2020–2024)

2 | BACKGROUND THEORY

2.1 Agency Theory

Agency Theory explains the contractual relationship between principals and agents, particularly between shareholders and company management. Jensen and Meckling (1976) explain that differences in interests and information asymmetry between principals and agents may create agency costs. External auditing functions as a monitoring mechanism that helps reduce information asymmetry and increases the reliability of financial information. In relation to audit fee, Agency Theory explains that audit services represent a monitoring mechanism that requires financial resources. Audit fees compensate auditors for professional services and the resources allocated to an audit engagement. Adequate audit resources may support the allocation of competent personnel and appropriate audit procedures. However, the amount of audit fee does not eliminate the auditor's obligation to comply with professional standards and maintain independence. Agency Theory is also relevant to audit firm reputation. Companies may appoint reputable audit firms to strengthen monitoring mechanisms and increase the credibility of financial information. Big Four audit firms generally possess larger human resources, standardized procedures, and broader technical capabilities, which may support more efficient audit execution.

2.2 Signalling Theory

Signalling Theory explains how companies communicate information to external stakeholders through observable corporate actions. Spence (1973) argues that signals can be used to reduce information asymmetry between parties with different levels of information. In the context of financial reporting, timely audited financial statements may serve as a positive signal concerning corporate transparency and reporting quality. Conversely, prolonged audit delay may increase uncertainty among investors and other stakeholders. Kalelkar and Xu (2023) provide empirical evidence that longer audit report lag is associated with higher cost of equity, suggesting that investors may interpret longer reporting delays as a signal of lower reporting credibility. Signalling Theory is also relevant to financially distressed companies. Firms experiencing financial pressure may have incentives to communicate financial information promptly to reduce uncertainty and maintain stakeholder confidence. Therefore, although financial distress may increase audit risk, managerial incentives to maintain timely reporting may potentially result in shorter audit delay.

2.3 Hypothesis Development

1) Effect of Audit Fee on Audit Delay

Audit fee is the compensation paid to an audit firm for professional audit services. A higher audit fee may allow an audit firm to allocate greater resources, experienced personnel, and appropriate technological support to the engagement. These resources may facilitate audit completion and reduce reporting delays. However, audit fee does not necessarily determine audit delay because auditors remain subject to professional standards regardless of the fee agreed upon with the client. Previous empirical evidence also shows mixed findings. Baatwah *et al.* (2022) found that audit fees were associated with shorter audit report lag in an emerging-market context, while other studies have reported insignificant relationships. Based on these arguments, the hypothesis is formulated as follows: H1: Audit fee affects audit delay among consumer cyclical companies listed on the IDX during 2020–2024.

2) Effect of Audit Firm Reputation on Audit Delay

Audit firm reputation reflects the perceived quality and capability of an audit firm. Big Four firms generally have greater access to human resources, standardized audit methodologies, technological infrastructure, and industry specialization. These characteristics may support more efficient audit execution. International evidence also indicates that auditor characteristics may influence audit report lag. Abdillah *et al.* (2019) examined auditor and company characteristics in relation to audit report lag, while Astami *et al.* (2024) demonstrated that audit report lag in Indonesian listed firms is influenced by corporate governance and ownership characteristics. Therefore, audit firm reputation is expected to be associated with audit delay. H2: Audit firm reputation affects audit delay among consumer cyclical companies listed on the IDX during 2020–2024.

3) Effect of Financial Distress on Audit Delay

Financial distress reflects financial pressure that may affect a firm's ability to meet its financial obligations. In this study, financial distress is proxied by the Debt-to-Asset Ratio (DAR), which reflects the proportion of company assets financed by liabilities. Financial distress may increase audit risk because auditors need to pay greater attention to financial obligations, solvency, and going-concern considerations. Choi and Park (2023) found that financial distress was positively associated with audit report lag in Korean listed companies, indicating that financially distressed firms may require greater audit effort. Nevertheless, financially pressured firms may also have incentives to accelerate financial reporting to maintain stakeholder confidence and reduce market uncertainty. The direction of the relationship may therefore differ across institutional environments. Accordingly, the hypothesis is formulated as follows: H3: Financial distress affects audit delay among consumer cyclical companies listed on the IDX during 2020–2024.

4) Simultaneous Effect of Audit Fee, Audit Firm Reputation, and Financial Distress on Audit Delay

Audit delay may be determined by a combination of audit engagement characteristics and company-specific financial conditions. Audit fee represents the resources allocated to the audit engagement, audit firm reputation represents auditor capability, and financial distress represents the client's financial risk. Therefore, the three variables may jointly influence the timeliness of audit report issuance. H4: Audit fee, audit firm reputation, and financial distress simultaneously affect audit delay among consumer cyclical companies listed on the IDX during 2020–2024.

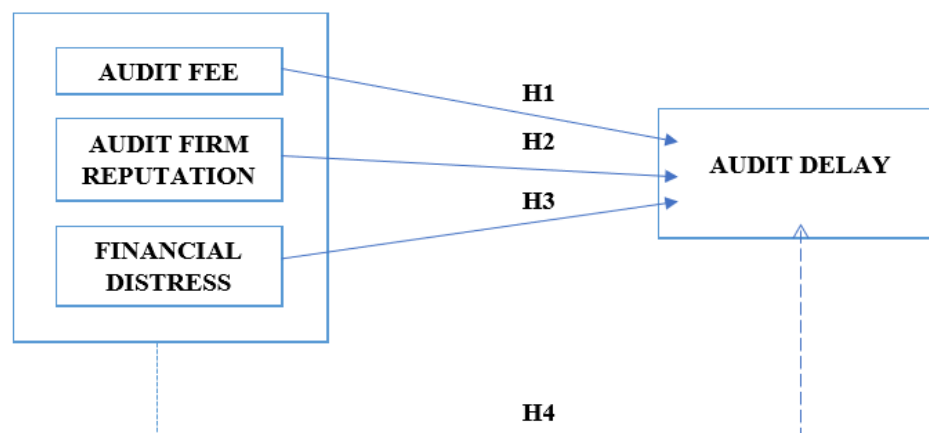


Figure 2. Conceptual Framework

3 | METHOD

3.1 Research Design and Data

This study employs a quantitative associative research design to examine the effects of audit fee, audit firm reputation, and financial distress on audit delay. The research object consists of consumer cyclical companies listed on the Indonesia Stock Exchange during 2020–2024. The consumer cyclical sector was selected because companies in this sector are sensitive to macroeconomic fluctuations and changes in consumer purchasing power. The 2020–2024 period also covers significant economic changes associated with the COVID-19 pandemic and subsequent recovery. The study uses secondary data obtained from audited annual reports of companies listed on the Indonesia Stock Exchange. Data were collected from publicly available company reports and IDX sources.

3.2 Sample Selection

The sample was selected using purposive sampling based on the following criteria:

- 1) Companies classified in the consumer cyclical sector and listed on the IDX during 2020–2024.
- 2) Companies that conducted an Initial Public Offering (IPO) no later than 2019.
- 3) Companies that presented their financial statements in Indonesian Rupiah (IDR).
- 4) Companies that provided complete information required for all research variables during 2020–2024.

From 163 consumer cyclical companies initially identified, 56 companies were excluded because they did not meet the IPO criterion, 10 companies were excluded because they did not present their financial statements in IDR, and 80 companies were excluded because of incomplete data. Consequently, 17 companies met all criteria, producing 85 firm-year observations.

Table 1. Sample Selection Criteria

No	Criteria	Excluded	Included
1	Companies belonging to the consumer cyclical sector and listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period.		163
2	Consumer cyclical companies that conducted an Initial Public Offering (IPO) no later than 2019.	(56)	107
3	Companies that present their financial statements in Indonesian Rupiah (IDR) to maintain data consistency.	(10)	97
4	Consumer cyclical companies that provide complete data information according to the variables required in the study during the 2020–2024 period.	(80)	17
Final Sample Companies			17
Observation Years			5 Years
Total Panel Observations			85

Source: Secondary data processed by the authors, 2026.

3.3 Variable Operationalization

In this study, the variables are carefully defined and measured to ensure clarity and consistency in analysis. The dependent variable, Audit Delay (AD), is operationalized as the number of days between the fiscal year-end and the date when the external auditor issues the audit report. This is transformed into its natural logarithm (LN_AD) to normalize the data. The independent variables include Audit Fee (AF), which is measured as the logarithm of the disclosed audit fee paid by the client to the auditor, reflecting the resources allocated for the audit process. Audit Firm Reputation (RKAP) is a categorical variable indicating whether the audit firm is part of the Big Four (coded as 1) or not (coded as 0), representing the perceived quality and capability of the auditor. The third independent variable, Financial Distress (FD), is proxied by the Debt-to-Asset Ratio (DAR), calculated as total liabilities divided by total assets. This ratio indicates the level of financial pressure and leverage, which may influence the audit process. These operational definitions allow for precise measurement and facilitate statistical analysis to examine the relationships between these variables and audit delay.

Table 2. Operationalization of Variables

Variable	Operational Definition	Indicator	Scale
Audit Delay (AD)	The period required to complete the external audit after the fiscal year-end.	Audit report date – fiscal year-end date; transformed into natural logarithm (LN_AD).	Ratio

Audit Fee (AF)	Professional compensation paid by the company to the external auditor.	Natural logarithm of disclosed audit fee (LN_AF).	Ratio
Audit Firm Reputation (RKAP)	Classification of the public accounting firm based on affiliation with Big Four firms.	Big Four = 1; Non-Big Four = 0.	Nominal
Financial Distress (FD)	Financial pressure associated with the proportion of liabilities to total assets.	(DAR) = Total Liabilities / Total Assets	Ratio

Financial distress in this study is operationalized using DAR as a proxy for debt-related financial pressure and leverage risk. The proxy should therefore be interpreted as a measure of financial pressure rather than as a comprehensive measure of all dimensions of financial distress.

3.4 Data Analysis Method

Panel data regression analysis was conducted using EViews 13. Model selection was performed through the Chow Test and Lagrange Multiplier (LM) Test to determine the appropriate panel estimation approach. The Chow Test compares the Common Effect Model (CEM) with the Fixed Effect Model (FEM), while the LM Test compares the CEM with the Random Effect Model (REM). Based on the cross-sectional results of the model selection tests, the CEM was used as the final estimation model. Diagnostic tests included the Jarque-Bera normality test, correlation analysis for multicollinearity, and the Glejser test for heteroscedasticity. The Durbin-Watson statistic was also reported as an indication of residual autocorrelation. White cross-section robust standard errors were used to obtain more robust statistical inference. The regression model is specified as follows:

$$LN_AD = \beta_0 + \beta_1 LN_AF + \beta_2 RKAP + \beta_3 FD + \varepsilon$$

Where:

LN_AD	= natural logarithm of audit delay
β_0	= constant
$\beta_1, \beta_2, \beta_3$	= regression coefficients
LN_AF	= natural logarithm of audit fee
RKAP	= audit firm reputation (1 = Big Four; 0 = Non-Big Four)
FD	= financial distress measured using DAR
ε	= error term

4 | RESULTS AND DISCUSSION

4.1 Results

4.1.1 Sample Selection Results

Based on the predetermined purposive sampling criteria, 17 companies were selected from 163 initial consumer cyclical companies. The final sample generated 85 firm-year observations during the 2020–2024 observation period.

4.1.2 Descriptive Statistics

The descriptive statistics provide an overview of the main characteristics of the variables used in this study. The average audit delay (AD) among the sampled companies is approximately 4.53 days, with a median of 4.48 days, indicating that most companies tend to have a relatively short delay in completing their audits. The maximum delay recorded is about 5.06 days, while the minimum is around 3.85 days. For the audit fee (AF), the average logarithmic value is approximately 19.81, reflecting the typical level of audit compensation paid by the companies. The distribution of audit firm reputation (RKAP) shows that about 16.47% of the observations are audited by Big Four firms, with the remaining majority audited by non-Big Four firms. Regarding financial distress (FD), the average ratio is approximately 0.37, suggesting that, on average, liabilities make up around 37% of total assets for the sampled companies. The standard deviations, skewness, and kurtosis values indicate the variability and distribution shape of each variable, providing insights into the data's characteristics before conducting further analysis.

Table 3. Descriptive Statistics

	AD	AF	RKAP	FD
Mean	4.527365	19.81159	0.164706	0.371750
Median	4.477337	19.43228	0.000000	0.380348
Maximum	5.056246	22.92488	1.000000	0.994773
Minimum	3.850148	18.24633	0.000000	0.038990
Std. Dev.	0.228940	1.057138	0.373116	0.232194
Skewness	-0.211218	1.144556	1.807930	0.485194
Kurtosis	4.585614	3.580682	4.268612	2.713063
Jarque-Bera	9.536371	19.75267	52.00520	3.626613
Probability	0.008496	0.000051	0.000000	0.163114
Sum	384.8260	1683.985	14.00000	31.59878
Sum Sq. Dev.	4.402743	93.87346	11.69412	4.528793
Observations	85	85	85	85

Source: EViews 13, processed by the authors, 2026.

The mean value of Audit Delay is 4.527365, while the mean of Audit Fee is 19.81159 after logarithmic transformation. The mean value of RKAP is 0.164706, indicating that approximately 16.47% of the observations were audited by Big Four firms. The mean value of FD is 0.371750, indicating that liabilities represented approximately 37.18% of total assets on average.

4.1.3 Panel Data Model Selection

The Chow Test and Lagrange Multiplier (LM) Test were conducted to assess the presence of cross-sectional effects. The Chow Test resulted in a cross-section F probability of 0.0522, while the LM Test resulted in a cross-section probability of 0.2145. These results indicate that cross-sectional effects were not statistically significant at 0.05. Therefore, the Common Effect Model (CEM) was selected as the final estimation model.

Table 4. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.788416	(16,65)	0.0522
Cross-section Chi-square	31.007972	16	0.0134

Table 5. Lagrange Multiplier Test

	Cross-section	Time	Both
Breusch-Pagan	1.541118 (0.2145)	50.42926 (0.0000)	51.97038 (0.0000)

4.1.4 Classical Assumption Tests and Regression Results

The diagnostic results indicate that the model does not exhibit problematic multicollinearity or heteroscedasticity based on the applied diagnostic procedures. The Durbin-Watson statistic is 1.062195. White cross-section robust standard errors were applied to improve the robustness of statistical inference.

Table 6. Common Effect Model Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.745286	0.493718	9.611337	0.0007
AF	-0.002705	0.023116	-0.117004	0.9125
RKAP	-0.139752	0.026957	-5.184351	0.0066
FD	-0.380146	0.095243	-3.991322	0.0162
R-squared	0.271604	Mean dependent var		4.527365
Adjusted R-squared	0.244626	S.D. dependent var		0.228940
S.E. of regression	0.198977	Akaike info criterion		-0.345339
Sum squared resid	3.206941	Schwarz criterion		-0.230391
Log likelihood	18.67691	Hannan-Quinn criter.		-0.299104
F-statistic	10.06774	Durbin-Watson stat		1.062195
Prob(F-statistic)	0.000010			

Source: EViews 13, processed by the authors, 2026.

The regression equation is:

$$LN_AD = 4.745286 - 0.002705LN_AF - 0.139752RKAP - 0.380146FD + \varepsilon$$

4.1.5 Coefficient of Determination

The Adjusted R-squared value is 0.244626, indicating that audit fee, audit firm reputation, and financial distress jointly explain approximately 24.46% of the variation in audit delay. The remaining 75.54% is associated with other factors outside the model.

4.1.6 Simultaneous Test

The F-statistic is 10.06774 with a probability value of 0.000010, which is below the 0.05 significance level. Therefore, audit fee, audit firm reputation, and financial distress simultaneously affect audit delay.

4.1.7 Partial Hypothesis Testing

The partial hypothesis testing examines the individual effect of each independent variable on audit delay. The results show that audit fee does not have a significant impact on audit delay, with a p-value of 0.9125, indicating that variations in audit fees do not statistically influence the length of the audit process. Therefore, the hypothesis that audit fee affects audit delay is not supported.

Table 7. Hypothesis Testing Summary

Hypothesis	Coefficient	t-Statistic	p-Value	Decision
H1: Audit Fee → Audit Delay	-0.002705	-0.117004	0.9125	Not Supported
H2: Audit Firm Reputation → Audit Delay	-0.139752	-5.184351	0.0066	Supported
H3: Financial Distress → Audit Delay	-0.380146	-3.991322	0.0162	Supported

4.2 Discussion

The regression results indicate that audit fee has no significant effect on audit delay, with a coefficient of -0.002705 and a p-value of 0.9125, leading to the rejection of H1. This suggests that variations in audit fees among the sampled consumer cyclical companies do not statistically determine the length of the audit process. One possible explanation is that auditors are required to perform procedures in accordance with professional standards regardless of the fee agreed upon, making factors such as client readiness, transaction complexity, supporting documents, and communication effectiveness more influential in determining audit duration. This finding contrasts with Baatwah *et al.* (2022), who found that higher audit fees were associated with shorter audit report lag in an emerging-market setting under the KAM reporting environment. The difference may stem from variations in institutional environments, reporting requirements, sample characteristics, and measurement methods. Hence, higher audit fees do not automatically lead to shorter audit delays in this sector. Regarding audit firm reputation, the analysis shows a significant negative effect on audit delay, with a coefficient of -0.139752 and a p-value of 0.0066, supporting H2. This indicates that companies audited by Big Four firms tend to experience shorter delays compared to those audited by non-Big Four firms, holding other variables constant. This can be attributed to the greater organizational resources, standardized methodologies, technological capabilities, and specialized personnel typical of large international audit firms.

The result aligns with broader international literature emphasizing the importance of auditor characteristics in audit report lag, such as Abdillah *et al.* (2019) and Astami *et al.* (2024). From a signaling perspective, appointing a reputable audit firm may also serve as a signal of the company's commitment to credible financial reporting, further supporting timely reporting to stakeholders. The analysis also reveals that financial distress has a significant negative effect on audit delay, with a coefficient of -0.380146 and a p-value of 0.0162, thus supporting H3. This indicates that higher debt-related financial pressure, proxied by the Debt-to-Asset Ratio (DAR), is associated with shorter audit delays within the sample. This finding contrasts with the conventional expectation that financial distress would increase audit effort and extend the audit process, as suggested by Choi and Park (2023), who found a positive relationship between financial distress and audit report lag among Korean firms. Several factors may explain this discrepancy: differences in institutional environments, managerial incentives to accelerate reporting under financial pressure to reduce uncertainty, and the specific economic context of Indonesian consumer cyclical companies during periods of significant change. Therefore, the result should not be generalized universally but understood within the specific context, supporting the signaling theory that timely reporting helps reduce uncertainty among creditors and investors. Finally, the simultaneous test confirms that audit fee, audit firm reputation, and financial distress collectively significantly influence audit delay, with an F-statistic of 10.06774 and a p-value of 0.000010. This indicates that audit delay is a multidimensional phenomenon, influenced by resource allocation, auditor capability, and the client's financial condition, aligning with international findings such as Abdullatif *et al.* (2023), who identified multiple factors affecting audit report lag in Jordan. Overall, these results

underscore that understanding audit delay requires considering multiple interrelated audit and firm characteristics rather than relying on a single factor.

5 | CONCLUSIONS AND FUTURE WORK

Based on the empirical analysis of consumer cyclical companies listed on the Indonesia Stock Exchange during 2020–2024, the study concludes that audit fee does not have a significant partial effect on audit delay. However, audit firm reputation has a significant negative effect, indicating that companies audited by Big Four firms tend to experience shorter audit delays. Additionally, financial distress, proxied by the Debt-to-Asset Ratio, also significantly reduces audit delay in the sample. Moreover, the combined effects of audit fee, audit firm reputation, and financial distress significantly influence audit delay, highlighting that this phenomenon is multidimensional and affected by multiple interrelated factors. The findings regarding financial distress differ from some international evidence, such as Choi and Park (2023), who found that financial distress was associated with longer audit report lag in Korea. This discrepancy suggests that the relationship between financial distress and audit delay may depend on institutional conditions, managerial responses, and firm characteristics. The study has several limitations, including an R-squared of 24.46%, which indicates that a substantial portion of variation in audit delay is explained by factors outside the model. Its focus on the consumer cyclical sector and the limited observation period of 2020–2024 also restricts the generalizability of the results. Furthermore, using DAR as a measure of financial distress captures leverage and debt-related pressures but does not encompass all dimensions of financial distress, so future studies could explore alternative proxies or multiple measures. The practical implications of this research emphasize the importance for audit firms to focus on effective engagement planning, staffing, and technological support to ensure timely audits. For companies, maintaining robust internal financial reporting and transparent communication with stakeholders is crucial, especially under financial pressure. Regulators are encouraged to monitor companies with recurring reporting delays and high financial stress to improve capital-market reporting compliance. Future research could expand by including additional determinants such as audit committee effectiveness, auditor switching, audit tenure, company size, corporate governance, operational complexity, and ownership structure. Comparing different sectors and countries could also provide deeper insights into why the relationship between financial distress and audit delay varies across institutional environments.

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