ABSTRACT

This research was conducted with the aim of examining the effect of ESG Disclosure, Financial Distress, and Audit Complexity on Audit Report Lag. The variables used in this study are ESG Disclosure, Financial Distress, and Audit Complexity as independent variables, while the dependent variable used is Audit Report Lag. ESG Disclosure is measured using the Bloomberg ESG Disclosure Score, Financial Distress is proxied by the Altman Z-Score, and Audit Complexity is proxied by the number of subsidiaries.

The sample selected in this study consists of energy and basic materials companies listed on the Indonesia Stock Exchange during the 2021–2024 period, with a total sample of 39 companies and 156 observations. The sample was selected using a purposive sampling approach based on criteria determined by the researcher. This study also uses firm size, Big Four audit firm reputation, leverage, and profitability as control variables. The hypothesis testing method used in this research is multiple linear regression analysis with SPSS 25.

The results of the study show that ESG Disclosure has a negative and significant effect on Audit Report Lag. Financial Distress has a positive and significant effect on Audit Report Lag, which indicates that companies with a higher indication of financial distress tend to have a longer audit completion period. Furthermore, Audit Complexity has a positive and significant effect on Audit Report Lag, indicating that companies with more subsidiaries tend to require a longer audit completion period. These findings suggest that Audit Report Lag is influenced by non-financial information transparency, financial condition, and corporate structural complexity.

Keywords: ESG Disclosure, Financial Distress, Audit Complexity, Audit Report Lag, Altman Z-Score, Bloomberg ESG Disclosure Score.