

The Effect of Audit Tenure, Audit Rotation, and Audit Delay on Audit Quality with Audit Committee as a Moderating Variable

*Impact of Audit
Tenure, Rotation, and
Delay*

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ABSTRACT

In today's digital era, where information is rapidly accessible, ensuring precise and reliable financial reporting is vital for sustaining stakeholder trust. However, limited research has examined how auditor-related factors such as auditor tenure, auditor rotation, and audit delay interact with corporate governance mechanisms to influence financial reporting quality. This study investigates the effects of auditor tenure, auditor change, and audit completion time on audit quality, while assessing the moderating effect of the audit committee as a key element of corporate governance. Using secondary data from food and beverage companies listed on the Indonesia Stock Exchange (IDX) between 2021 and 2023, analyzed with moderated regression analysis (MRA), the findings reveal that auditor tenure does not significantly affect audit quality. In contrast, auditor rotation and audit delays have negative impacts. Moreover, the audit committee mitigates the adverse effect of prolonged auditor tenure but does not influence the negative consequences of auditor rotation or delay. This study contributes new empirical evidence from an emerging market context, emphasizing the critical role of audit committees in strengthening corporate governance and maintaining financial reporting quality. The findings provide important insights for corporate leaders and regulators in improving audit oversight.

Keywords: *Audit Delay, Audit Quality, Auditor Rotation, Auditor Tenure, Corporate Governance, Financial Reporting Quality, Moderating Effect.*

ABSTRAK

Di era digital saat ini, ketika informasi dapat diakses dengan cepat, penyajian laporan keuangan yang jelas dan andal menjadi hal penting untuk menjaga kepercayaan para pemangku kepentingan. Namun, penelitian yang membahas bagaimana faktor-faktor yang berkaitan dengan auditor, seperti masa jabatan auditor, rotasi auditor, dan keterlambatan audit yang berinteraksi dengan mekanisme tata kelola perusahaan (corporate governance) dalam memengaruhi kualitas pelaporan keuangan masih terbatas. Penelitian ini meneliti pengaruh masa jabatan auditor, pergantian auditor, dan waktu penyelesaian audit terhadap kualitas audit, serta menilai efek moderasi komite audit sebagai elemen utama tata kelola perusahaan. Menggunakan data sekunder dari perusahaan sektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2021–2023, dan dianalisis dengan Moderated Regression Analysis (MRA), hasil penelitian menunjukkan bahwa masa jabatan auditor tidak berpengaruh signifikan terhadap kualitas audit. Sebaliknya,

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rotasi auditor dan keterlambatan audit berdampak negatif terhadap kualitas audit. Selain itu, komite audit mampu mengurangi dampak negatif dari masa jabatan auditor yang panjang, tetapi tidak memengaruhi akibat buruk dari rotasi maupun keterlambatan audit. Penelitian ini memberikan bukti empiris baru dari konteks pasar berkembang, menekankan peran penting komite audit dalam memperkuat tata kelola perusahaan dan menjaga kualitas pelaporan keuangan.

Kata kunci: *Penundaan Audit, Kualitas Audit, Rotasi Auditor, Masa Jabatan Auditor, Tata Kelola Perusahaan, Kualitas Pelaporan Keuangan, Efek Moderasi.*

INTRODUCTION

In the digital age, information disclosure, accountability, and transparency in financial reporting have become fundamental requirements, particularly for publicly listed companies. Reliable financial statements are vital for stakeholders' decision-making and for maintaining public trust in the capital market. In Indonesia, where corporate scandals and financial misstatements occasionally undermine investor confidence, audit quality becomes a critical measure of financial reporting reliability. A high-quality audit not only ensures compliance with accounting standards but also strengthens market integrity and economic credibility. Therefore, understanding the determinants of audit quality remains an essential issue in both professional and academic discussions.

The time an auditor works with a client, called audit tenure, can influence the quality of the audit. If the relationship lasts too long, the auditor may become too familiar with the client, which can lower their independence and economic dependence, while a relationship that is too short can reduce the effectiveness of the audit because the auditor does not yet understand the client's characteristics in depth (Darmawan & Ardini, 2021; Hasanah & Nelvirita, 2024; Fauzi & Priono, 2024;). Audit rotation is also an important factor in maintaining independence. Based on POJK Number 13/PJOK/03/2017, auditors are prohibited from auditing the same client for more than three consecutive years. However, the effectiveness of audit rotation is still debated. Studies by Fakhirah et al. (2025) show that rotation does not continually improve audit quality because new auditors need time to adapt, while Istyowati and Ratmono (2023) show a positive impact on auditor independence.

Furthermore, the timeliness and relevancy of financial statement information can be diminished by audit delay, which is the delay in issuing audit reports following the fiscal year-end. Such delays may result from audit complexity, limited auditor resources, or resistance from management during the audit process, ultimately undermining investor confidence (Pamungkas et al., 2022). As part of good corporate governance, the audit committee plays an important role in making sure that financial reports and auditing processes are done properly and without bias. Previous research has shown that audit committees can serve as a moderating factor in the relationship between independent variables and audit quality (Apriani & Megawati, 2019; Istyowati & Ratmono, 2023)

The audit committee, as part of corporate governance, is strategically important in this context. It serves as a bridge between management and external auditors, ensuring that audits are performed objectively and that financial statements reflect actual conditions. A strong audit committee can enhance communication, enforce accountability, and mitigate risks of auditor over-familiarity or delays. Previous research suggests that the audit committee may moderate the relationship between auditor characteristics and audit quality (Apriani & Megawati, 2019; Istyowati & Ratmono, 2023), yet its effectiveness may vary across industries.

However, empirical evidence regarding how auditor tenure, rotation, and audit delay collectively influence audit quality, while considering the audit committee's moderating role, remains limited and inconclusive, especially in Indonesia's food and beverage industry, which faces strict regulations and high public scrutiny. Accordingly, this study aims to analyze the effects of auditor tenure, auditor rotation, and audit delay on audit quality; examine the moderating effect of the audit committee in these relationships; and

provide insights into how corporate governance mechanisms can strengthen audit oversight in Indonesia. The findings are expected to contribute to improving regulatory frameworks, enhancing auditors' professional practices, and supporting investors' trust in financial reporting within emerging markets.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Theoretical Foundation of Agency Theory

Agency theory, introduced by Jensen and Meckling, explains the contractual relationship between company owners (principals) and managers or authorized agents responsible for operations (Hendrastuti & Harahap, 2023; Galingging, 2024). This separation of ownership and management can create conflicts of interest, known as agency conflicts, due to differing objectives and information asymmetry. While shareholders aim to maximize company value, managers may pursue personal gains such as bonuses or privileges, leading to agency costs borne by the company (Putri & Witono, 2025). To mitigate such conflicts and ensure fair financial reporting, companies implement governance mechanisms, including external auditing. Independent auditors assess financial statements and provide assurance that management reports are free from material misstatements (Mohsin & Abdulkareem, 2022). This external monitoring reduces information asymmetry and curbs opportunistic behavior by managers.

According to agency theory, external auditors serve as independent monitors that align management's actions with shareholders' interests by ensuring transparency and accountability (Rajgopal et al., 2021; Francis, 2024). In addition, audit quality theory explains that a high-quality audit, characterized by auditor competence, independence, and compliance with auditing standards, enhances the credibility of financial reporting and mitigates agency problems (Fathi et al., 2024; Kinasih et al., 2024).

Competent, independent, and professional auditors are more likely to produce reliable audits, enhancing shareholder confidence (Francis, 2024; Kinasih et al., 2024). Factors influencing audit quality include audit tenure, audit rotation, and audit delay. An extended audit tenure may improve auditors' understanding of the client, but it can also compromise independence. Audit rotation helps maintain independence yet may temporarily reduce familiarity with the client, while audit delays diminish the relevance of financial statements, affecting perceived audit quality.

The audit committee further supports governance by overseeing financial reporting, maintaining auditor independence, and evaluating internal controls (Abraham et al., 2024; Fathi et al., 2024). Audit committees help external auditors do their job better by reducing conflicts and improving the quality of audits, as explained by agency theory. This supports the study's idea that how long an auditor works, when they change, and any delays all influence the quality of an audit. Audit committees can either make these effects better or less severe. In this sense, the audit committee acts as an internal control mechanism under agency theory, reinforcing auditor independence, promoting effective monitoring, and improving overall audit quality (Normasyhuri et al., 2022; Alhaq & Muslim, 2024).

The Determinants of Audit Quality

Audit quality reflects auditors' ability to independently detect and report material misstatements in compliance with professional and ethical standards (Abraham et al., 2024; Francis, 2024; Kinasih et al., 2024). It embodies independence, technical competence, and regulatory compliance (Fadila et al., 2023). From an agency theory perspective, audit quality mitigates conflicts of interest between shareholders and management, enhancing trust in financial reports (Aobdia, 2019; Rajgopal et al., 2021; Fadila et al., 2023). Studies measure it using proxies such as Big Four affiliation, audit tenure, delay, and rotation (Sari & Rahmi, 2021; Mayangsari & Sazangka, 2023; Azmi & Trisnawati, 2024). Big Four auditors generally offer higher credibility and expertise, reducing information asymmetry (Xiao et al., 2020; Putri & Pohan, 2022). Audit quality theory further emphasizes that external audit effectiveness depends not only on auditor

behavior but also on institutional structures such as governance, regulation, and firm complexity (Ghozali & Yuliana, 2023; Fathi et al., 2024). In this regard, audit quality becomes both a product and a signal of robust corporate governance practices.

Audit tenure, or the length of time an auditor works with a client, can yield both benefits and drawbacks. Extended tenure may improve audit effectiveness by deepening auditors' understanding of a client's operations, but excessive familiarity or dependence can threaten independence. Istyowati and Ratmono (2023), and Nurgina and Nuralina (2024) present mixed evidence, with some finding positive impacts, while others note risks to objectivity (Rafdi & Gruben, 2021; Pasali & Arief, 2023; Erliana et al., 2025). To safeguard independence, audit rotation limits prolonged engagements and enhances impartiality (Rafdi & Gruben, 2021; Lin & Yen, 2022), though it may temporarily reduce efficiency (Sari & Rahmi, 2021). Meanwhile, audit delays the time between fiscal year-end and report release, affecting financial information timeliness and stakeholder confidence. Evidence remains inconsistent: some report negative links with audit quality (Husain et al., 2020; Junior & Setyorini, 2025), while others find no significant relationship (Nurgina & Nuralina, 2024; Susilawati & Triyanto, 2023; Suryawandari & Afnan, 2025). Such inconsistencies suggest that contextual factors, including firm size, industry regulation, and governance strength, may influence how these determinants affect audit quality (Fathi et al., 2024).

H1: Audit tenure has a significant effect on audit quality.

H2: Audit rotation has a significant effect on audit quality.

H3: Audit delay has a significant effect on audit quality.

Audit Committee as Moderating Variable

The audit committee, formed by the board of commissioners, serves as an essential component in supporting the board's oversight responsibilities and strengthening corporate governance practices (Damayanti, 2022; Abraham et al., 2024; Azmi & Trisnawati, 2024). Its establishment aims to ensure the transparency, accountability, and integrity of financial reporting within the organization. Within the framework of agency theory, the audit committee acts as a monitoring mechanism that mitigates agency conflicts between management (agents) and shareholders (principals). It achieves this by maintaining auditor independence, overseeing the financial reporting process, and evaluating the external auditor's performance to ensure adherence to professional and ethical standards.

A well-structured and independent audit committee is also responsible for reviewing audit findings, ensuring that management takes appropriate corrective actions, and safeguarding stakeholders' interests. This oversight function not only enhances audit quality but also strengthens investor confidence in the company's governance framework. Empirical studies have shown that an effective audit committee plays a moderating role in the relationship between several independent variables, such as audit tenure, auditor rotation, and audit delay, and audit quality (Werdaningrum & Laksito, 2021; Normasyhuri et al., 2022; Alhaq & Muslim, 2024; Azmi & Trisnawati, 2024). The presence of a competent and independent audit committee ensures that potential risks to auditor objectivity and reporting integrity are minimized. Theoretically, this moderating role reflects how governance structures internalize agency theory's monitoring principles, including balancing auditor independence, continuity, and reporting timeliness (Francis, 2024; Kinasih et al., 2024). Consequently, the audit committee is not only a governance structure but also a critical safeguard that enhances transparency and accountability in corporate financial oversight.

H4: Audit committees moderate the relationship between audit tenure and audit quality.

H5: Audit committee moderates the relationship between audit rotation and audit quality.

H6: Audit committees moderate the relationship between audit delay and audit quality.

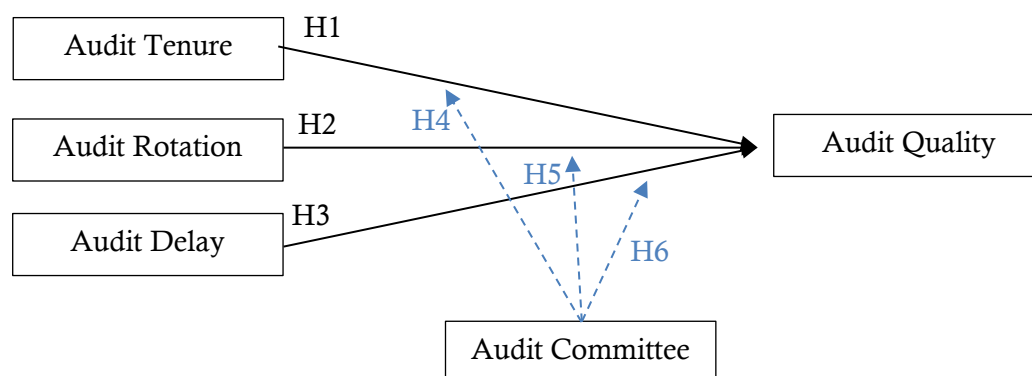


Figure 1. Research Framework

This study's research framework looks at how different audit factors affect audit quality and how the audit committee might influence these effects, as shown in Figure 1. It suggests that things like how long an auditor has been working on a company (H1), changing auditors regularly (H2), and delays in the audit process (H3) all have a big impact on audit quality. These factors show how the auditor's experience, independence, and how quickly they work can affect the accuracy of financial reports. Also, the framework says that the audit committee might change or make these effects stronger. The hypotheses H4, H5, and H6 suggest that the audit committee can influence how audit tenure, audit rotation, and audit delay affect audit quality.

RESEARCH METHODS

Quantitative methods are employed in this study. The research relies on secondary data collected from the audited financial statements and annual reports of food and beverage manufacturing businesses traded on the IDX from 2021 to 2023. Of the 173 companies listed on the IDX during that time period, 26 belonged to the food and beverage sector. Using a purposive choosing technique, we chose our sample of firms based on three factors: first, their continuous listing on the IDX from 2021 to 2023; second, their provision of consolidated annual reports; and third, the presence of independent auditor reports throughout the study period. Nineteen businesses met these standards, for a total of fifty-seven observations (or nineteen businesses times three years). This sample size is considered adequate to represent the population and allows for cross-sectional and temporal variation in the observed variables.

In this study, variable measurements focus on capturing audit quality and related governance mechanisms. Audit quality (Y) is measured as a dummy variable, coded one if a Big Four KAP audits the company and 0 for a Non-Big Four KAP, reflecting auditor reputation and resources (Mohsin & Abdulkareem, 2022). Audit tenure (X1) is measured by the number of consecutive years an auditor has served the same client, starting at 1 for the first year and increasing by one each subsequent year to capture accumulated understanding. Audit rotation (X2) is a dummy variable indicating whether rotation occurred (1) or not (0), representing efforts to maintain independence. Audit delay (X3) is the time between the end of the fiscal year and when the audit report is finished, showing how quickly and relevant the financial reporting is. The audit committee (Z) is calculated by dividing the number of audit committee members by the number of independent commissioners and then multiplying by 100%, which shows how strong the governance oversight is. All variables were cross-checked with IDX and company disclosures to ensure data validity and consistency.

Utilizing SPSS version 25 software, the analytical technique of moderated regression analysis (MRA) was implemented in the present investigation. We used this analytical methodology to look at how independent variables affected audit quality and how the

audit committee acted as a moderator. The analytical process encompassed several systematic stages, including descriptive analysis, conventional assumption testing, and hypothesis testing utilizing the coefficient of determination. The research adopted a significance threshold of 5% ($\alpha = 0.05$). Specifically, normality, multicollinearity, heteroscedasticity, and autocorrelation tests were conducted to validate regression assumptions. To ensure robustness, additional checks were performed using alternative variable specifications and residual diagnostics to confirm model stability. Descriptive statistics and correlation matrices were also analyzed to verify data distribution and potential inter-variable relationships.

RESULTS

The preliminary analysis was executed through the evaluation of the descriptive statistics pertaining to all research variables. A comprehensive summary of the findings is delineated in Table 1, which illustrates an average audit tenure of 1.82 years, an audit rotation of 0.80, an average audit delay of 94 days, audit quality with a mean value of 0.36, and audit committees consisting of an average of 6.12 members. The minimum and maximum values for each variable reflect the degree of data variation among the sampled companies. This variation indicates sufficient heterogeneity to conduct regression analysis and detect meaningful relationships between variables.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Tenure Audit	57	1.00	3.00	1.8246	0.80451
Audit Rotation	57	-0.29	1.22	0.8070	0.44537
Audit Delay	57	58.00	166.00	94.3684	19.46024
Audit Quality	57	-0.17	0.92	0.3684	0.31563
Audit Committee	57	1.00	75.00	6.1228	10.57468
X1Z	57	1.00	225.00	12.4035	30.40903
X2Z	57	-3.66	68.69	5.1754	10.07265
X3Z	57	59.00	6600.00	548.0702	926.70767

In Table 1, there are descriptive statistics for the research variables. From 2021 to 2023, there were 57 observations from food and beverage manufacturing companies listed on the Indonesia Stock Exchange. The audit committee variable showed a lot of variation, with values ranging from 1 to 75. The average audit tenure was 1.82, the average audit rotation was 0.81, and the average audit quality was 0.37. These results suggest that the dataset adequately captures the firm-level diversity needed to test the research hypotheses.

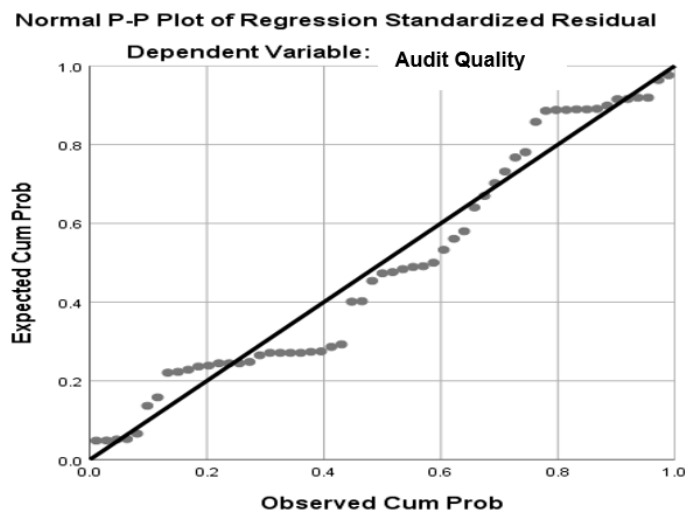


Figure 2. Normal P-P Plot of Regression Standardized Residual

Figure 2, which is a P-P plot, shows that the residual points are spread out around the diagonal line, meaning the assumption of normality is met. This is also confirmed by the Kolmogorov-Smirnov test results, which have a Monte Carlo significance value of 0.127, which is higher than 0.05. The test results are listed in Table 2.

Table 2. Kolmogorov-Smirnov Normality Test Results

Test Statistics	Value
N	57
Mean	0.000
Std. Deviation	0.232
Test Statistic (K-S)	0.153
Monte Carlo Sig. (2-tailed)	0.127
Remarks	Data are normally distributed.

Table 3 presents diagnostic tests to ensure the regression model’s validity. All variables have Tolerance > 0.10 and VIF < 10, indicating no multicollinearity. The heteroscedasticity test yielded Sig. > 0.05 for all variables, showing homoscedastic residuals. The Durbin–Watson statistic of 2.585 falls within the acceptable range (1.7253 < DW < 2.2747), suggesting no autocorrelation.

Table 3. Multicollinearity Test Results

Variable	Multicollinearity Test		Heteroscedasticity Test	Autocorrelation Test
	Tolerance	VIF	Sig.	Durbin-Watson
Audit Tenure	0.924	1.082	0.511	2.585
Audit Rotation	0.993	1.007	0.932	
Audit Delay	0.920	1.086	0.294	
Audit Committee	0.964	1.038	0.124	

The R² results in Table 4 indicate that all variables have Tolerance values above 0.10 and VIF values below 10, showing no multicollinearity and suitability for the regression model. Additionally, all independent and moderating variables have significance values above 0.05, indicating no heteroscedasticity and that residual variance is homogeneous across observations. To ascertain whether the residuals in the regression model are correlated, the autocorrelation test employs the Durbin-Watson (DW) statistic. The Durbin-Watson value of 2.585 falls between 4–dU (2.2747) and the top limit (dU = 1.7253). Therefore, it may be said that autocorrelation is not present in the regression model.

Table 4. R Square Result

Model	R	R Square	Adjusted R Square
Basic	0.679	0.461	0.420
Moderation	0.342	0.117	0.067

Table 4 shows that in the basic model, the Adjusted R² value is 0.420, indicating that auditor tenure, auditor rotation, and audit delay account for 42 percent of the variation in audit quality, while the remaining 58 percent is due to factors outside the model. When the audit committee is added as a moderator variable, the Adjusted R² value drops dramatically to 0.067, indicating that the audit committee as a moderator is only responsible for 6.7% of the variation in quality. This reduction implies that the moderating effect of the audit committee is limited in scope.

Table 5. F Test Results

Model	F-Statistic	Sig.
Basic	11.118	0.000
Moderation	2.340	0.084

Based on Table 5, the basic model's F test shows an F value of 11.118 and a significance level of 0.000, which is less than 0.05. This means that audit tenure, audit rotation, and audit delay together have a significant impact on audit quality. However, the F test for the moderation model shows an F value of 2.340 and a significance level of 0.084, which is higher than 0.05. This suggests that adding an audit committee as a moderating variable does not make the independent variables have a stronger effect on audit quality.

Table 6. t-Test Results

Model	Variable	t	Sig.	Remark
Basic Model	Audit Tenure	0.871	0.388	Not Significant
	Audit Rotation	-2.558	0.013	Negative Significant
	Audit Delay	-5.319	0.000	Negative Significant
	Audit Committee	1.694	0.096	Not Significant
Interaction Model	X1Z (Tenure*Committee)	2.085	0.042	Significant
	X2Z (Rotation*Committee)	-0.349	0.728	Not Significant
	X3Z (Delay*Committee)	-1.075	0.287	Not Significant

The results in Table 6 show that the audit committee and how long auditors stay with a company do not really affect the quality of the audit. However, when auditors change or when there is a delay in the audit, these factors do have a strong negative effect on audit quality. The t-test results for the moderation model. Table 6 indicates that the audit committee can help improve the relationship between how long auditors stay and the quality of the audit, because the interaction variable X1Z is significant ($0.042 < 0.05$). On the other hand, the audit committee does not help reduce the negative effects of changing auditors or delays, as shown by the fact that the interaction variables X2Z and X3Z are not significant.

DISCUSSION

The study finds that audit tenure does not significantly influence audit quality among food and beverage companies listed on the Indonesia Stock Exchange from 2021 to 2023. This aligns with prior research in Indonesia by Irma et al. (2019) and Zaafricanie et al. (2024), which also reported no significant relationship between the length of auditor-client engagement and audit quality. Regulatory mechanisms in Indonesia, such as restrictions on auditor terms under Minister of Finance regulations and OJK rules on KAP and partner rotation, appear to mitigate the potential risks of reduced independence arising from long tenures. Conversely, some studies have found that extended audit tenure may negatively affect audit quality due to increased personal and economic closeness between auditors and clients (Junaidi et al., 2012). The mixed evidence suggests that the tenure audit quality relationship is context-dependent, influenced by governance frameworks, regulatory oversight, and whether tenure is measured at the partner or firm level (Jensen & Meckling, 1976; Pesudo & Nugroho, 2022; Florio, 2024). In Indonesia, improvements in regulatory enforcement, KAP quality control, and partner rotation policies have likely reduced tenure-related risks, rendering the effect of tenure statistically insignificant (Rafdi & Gruben, 2021; Alhazmi et al., 2024). Distinguishing between partner-level and firm-level tenure is also critical, as aggregate measures may mask heterogeneity and yield inconclusive results (Martani et al., 2021; Dekeyser et al., 2024; Zhou et al., 2024).

The study shows that when auditors or partners are replaced, audit quality goes down because they lose familiarity with the client's specific situation. New auditors take time to understand the client's business, the risks involved, and how their financial systems operate. On the other hand, according to Audit Quality Theory, DeAngelo (1981), prolonged familiarity may weaken auditor independence and professional skepticism, thereby reducing audit quality. While they are learning, the audit work might not be as accurate or thorough. International evidence supports this finding: in India, mandatory auditor rotation temporarily reduced audit quality due to transition costs, while in

Bahrain, partner tenure without structured rotation strategies also posed risks to audit quality (Khasharmeh & Said, 2021). In Indonesia, Martani et al. (2021) found that firm rotation improved audit quality for non-Big Four firms, but partner rotation had negligible effects, particularly for Big Four firms. Similarly, Andini et al. (2023) reported that rotation alone was insufficient to influence audit quality compared to variables like fees and specialization. The adverse effects of rotation are exacerbated by inadequate knowledge transfer, a lack of documentation, and limited industry-specific experience, especially in smaller KAPs (Fathi & Rashed, 2021). Larger firms with mature controls and resources can better mitigate rotation impacts. Regulatory frameworks also shape outcomes: rotation without structured transition or quality monitoring can disrupt audits (Dayanandan & Kuntluru, 2023).

Audit delay is found to reduce audit quality significantly. Delays diminish the relevance of financial statements and signal weaknesses in auditor or management performance. Indonesian studies in banking, property, and real estate sectors confirm that audit timeliness is influenced by audit committees, company size, leverage, and audit opinion, affecting stakeholders' perception of quality (Edtiyarsih, 2023; Girsang et al., 2024). Internationally, delays reflect audit complexity, weak internal controls, or financial distress, and repeated delays undermine investor confidence (Durand, 2018; Baloğlu & Çakalı, 2022). In Indonesia, recurring delays suggest coordination issues, resource constraints, or management resistance, highlighting the need for improved planning, communication, and audit committee oversight (Ariani et al., 2024).

Audit committees partially moderate audit quality: they strengthen the effect of audit tenure but do not significantly influence the relationships between audit rotation or delays and audit quality. This indicates that committees are more effective in long-term governance matters, like auditor-client relationships, than in short-term operational issues (Yayangida et al., 2023; Natalelawati & Syaipudin, 2023; Ngawing et al., 2025). Factors limiting their moderating role include suboptimal independence, limited financial expertise, infrequent meetings, and insufficient oversight resources. Short-term operational dynamics, such as rotation or delays, often require immediate intervention beyond governance oversight. Strengthening audit committee characteristics, such as independence, expertise, attendance, and documentation, can enhance their effectiveness in improving audit quality. Auditors should implement structured knowledge transfer to mitigate rotation impacts. Boards should enhance audit committee independence and expertise, and regulators should consider balancing mandatory rotation with continuity to preserve audit quality.

CONCLUSION

This study examined how auditor tenure, auditor rotation, and audit delay influence audit quality, as well as how audit committees moderate these relationships in food and beverage companies listed on the IDX. The results show that auditor tenure does not significantly affect audit quality, while both auditor rotation and audit delay are associated with lower audit quality. Moreover, the audit committee strengthens the positive relationship between auditor tenure and audit quality, underscoring its vital role in maintaining auditor independence and effective oversight.

Theoretically, these findings extend agency theory by demonstrating that governance mechanisms, particularly audit committees, can mitigate potential independence threats arising from long auditor-client relationships. They also show that audit quality outcomes are context-dependent, shaped by institutional regulations and firm-level governance structures. Practically, the results offer actionable insights for companies, auditors, and regulators. Companies should ensure that audit committees are independent, financially literate, and actively engaged in the audit process. Auditors should improve planning and coordination to minimize delays and ensure smoother rotations. Regulators, meanwhile, should balance rotation policies with mechanisms that preserve audit knowledge continuity and strengthen timeliness standards.

Despite these contributions, the study is limited by its focus on a single sector and a relatively short observation period (2021–2023). Future research could broaden the analysis to other industries or extend the time frame to capture long-term trends. Incorporating qualitative data, such as interviews with auditors and audit committees, may also provide deeper insights into the behavioral and organizational factors that influence audit quality. Overall, this research reinforces that audit quality is not driven by tenure or rotation alone but by the dynamic interaction among auditor characteristics, governance mechanisms, and regulatory enforcement.

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