ABSTRACT

This study aims to analyze the effect of Environmental, Social, and Governance (ESG) performance on audit report lag, with auditor size as a moderating variable, in manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2024 period. Drawing on stakeholder theory and signaling theory, this study posits that ESG practices may reflect the quality of corporate governance and the effectiveness of internal control, thereby potentially influencing the timeliness of audit completion. This study employs a quantitative approach using purposive sampling, resulting in a sample of 67 companies and a total of 402 firm-year observations. The data are analyzed using panel data regression with the Random Effects Model (REM) and Moderated Regression Analysis (MRA). The results show that the environmental score and social score have no significant effect on audit report lag. In contrast, the governance score has a significant negative effect on audit report lag, indicating that better corporate governance contributes to more timely audit completion. The moderation analysis reveals that auditor size significantly moderates only the relationship between the social score and audit report lag, whereas no significant moderating effect of auditor size is found on the relationships between the environmental score and audit report lag or between the governance score and audit report lag. Overall, the findings indicate that governance is the most relevant ESG dimension in enhancing audit efficiency among manufacturing companies in Indonesia.

Keywords: *ESG, Audit Report Lag, Auditor Size, Corporate Governance*.