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THE EFFECT OF PPE, EBITDA, AND THE AUDIT COMMITTEE ON AUDIT DURATION IN THE 10 LARGEST BANKS IN INDONESIA

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ABSTRACT

This study examines the effect of Plant, Property, and Equipment (PPE), EBITDA, and the Audit Committee on audit duration in ten major banks in Indonesia during the 2022-2024 period using a quantitative approach. The study employs secondary data from audited annual financial statements and applies multiple linear regression analysis. The results show that PPE has a significant negative effect on audit duration, indicating that standardized and digitalized asset management in large banks improves audit efficiency. EBITDA does not have a significant effect on audit duration, while the Audit Committee has a positive and significant effect. Simultaneously, PPE, EBITDA, and the Audit Committee significantly influence audit duration, suggesting that asset characteristics and corporate governance mechanisms play an important role in determining audit completion time in large Indonesian banks.

INTRODUCTION

Audited financial statements serve as the primary medium of communication between an entity and external parties such as investors, creditors, and regulators. The timeliness of financial statement reporting is an essential element of information quality, as delays in reporting can reduce the relevance and reliability of accounting information (Bhuiyan, 2024). Audit duration reflects the time required by auditors to complete the audit process and issue an independent opinion on a company's financial statements. The banking sector in Indonesia is characterized by a high level of complexity. According to regulations issued by the Financial Services Authority (Otoritas Jasa Keuangan/OJK), banks are required to submit audited annual financial statements no later than three months after the end of the fiscal year. However, in practice, the length of the audit process may be influenced by various factors, including firm size, profitability, auditor reputation, and the characteristics of fixed assets (Anggraini, 2024).

The growth of banking assets in Indonesia in recent years has shown a positive trend, although at varying rates across banks. This condition reflects differences in asset structures and valuation policies applied by each bank. The larger and more complex the assets owned by a bank particularly in the form of fixed assets (Plant, Property, and Equipment/PPE) the greater the audit effort required to perform verification, revaluation, and impairment testing procedures.

The following table presents the total assets and growth rates of the ten largest banks in Indonesia for the period 2023-2024.

Table 1. 10 Indonesian Banks with the Largest Asset Values in 2023-2024

Company Name	2024 (IDR trillion)	2023 (IDR trillion)	Growth Rate
BRI	1.992	1.965	1,4%
Bank Mandiri	2.427	2.174	11,6%
BCA	1.449	1.408	2,9%
BNI	1.129	1.086	4,0%
BTN	469	438	7,1%
BRIS	408	353	15,6%
CIMB Niaga	360	334	7,8%
OCBC	281	249	12,9%
Bank Permata	259	257	0,8%
Danamon	242	221	9,5%

Source: https://www.cnbcindonesia.com

According to Abdillah, Mardijuwono, and Habiburrochman (2020), the length of the audit process conducted by auditors is influenced by the characteristics of the client company as well as the auditors themselves. Factors such as firm size, operational complexity, and asset structure have direct implications for auditors workload. The more complex the financial structure and assets owned by an entity, the greater the effort required by auditors to obtain sufficient and appropriate audit evidence, thereby extending the time needed to complete the audit. One component that contributes to such complexity is Plant, Property, and Equipment (PPE). Tangible fixed assets require a series of in depth audit procedures, including physical verification, revaluation, impairment testing, and the evaluation of management's estimates of useful lives and depreciation methods. These processes require auditors to perform detailed and cautious examinations to ensure that asset values are fairly presented in accordance with generally accepted accounting principles. Therefore, the greater the value or complexity

of PPE owned by a company, the longer the audit duration required to ensure the fairness of financial statement presentation.

In addition, PSAK 48 on Impairment of Assets requires entities to assess whether there are indications of asset impairment and, if so, to determine the recoverable amount. In the audit context, impairment testing requires auditors to perform additional procedures to evaluate future cash flow estimates and discount rates. Consequently, the greater or more complex the valuation of PPE, the more time auditors need to complete the examination of financial statements. Previous studies by Bhuiyan (2024) and Anggraini (2024) further support the argument that asset valuation factors and auditor reputation affect audit efficiency. However, research examining this relationship in the banking sector remains limited, where PPE, although not the primary asset, has a complex valuation structure due to periodic revaluations, property assets, and branch office infrastructure.

Based on the previous discussion, audit duration is an important indicator that reflects the efficiency and complexity of the financial statement audit process. The length of time required by auditors to complete an audit is influenced not only by internal company factors such as firm size, profitability, and internal control systems, but also by the characteristics of the assets owned by the entity. One asset component that often requires special attention during the audit process is Plant, Property, and Equipment (PPE). These tangible fixed assets are considered complex because they require additional audit procedures, including physical verification, revaluation, impairment testing, and the review of management's estimates of useful lives and depreciation methods. Such complexity has the potential to increase auditors' workload and extend the time needed to obtain sufficient and appropriate audit evidence.

In the context of the Indonesian banking sector, this issue becomes increasingly relevant because banks have diverse asset structures that are dispersed across numerous operational branches. Although the proportion of PPE in total banking assets is not as large as in the manufacturing sector, the complexity of valuing fixed assets such as branch office buildings, information technology equipment, and physical infrastructure still requires substantial audit attention. Therefore, this study seeks to further examine whether Plant, Property, and Equipment (PPE) affect audit duration and to what extent PPE influences the length of time required to complete the audit conducted by independent auditors. By understanding this relationship, this study is expected to provide empirical contributions to the auditing literature in Indonesia, particularly in identifying factors that influence audit time efficiency in the banking sector.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Literature Review

Banking

According to Law Number 10 of 1998 concerning Banking, banking refers to all matters related to banks, including institutional aspects, business activities, as well as the methods and processes involved in conducting banking operations. A bank is defined as a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and/or other financial services with the aim of improving the standard of living of the broader community.

Signal Theory

According to Elvienne R. & Apriwenni P. (2019), signaling theory emphasizes the importance of information disclosed by companies in influencing investment decisions made by external parties. Information is a crucial element for investors and business practitioners, as it essentially provides explanations, records, or representations of past conditions, current performance, and future prospects that are relevant to the sustainability of a company.

Agency Theory

According to Hendrastuti R. and Harahap R. F. (2023), agency theory focuses on the design of contracts aimed at addressing agency problems and agency costs arising from agency relationships, particularly those related to the delegation of decision-making authority to agents. In such relationships, differences in interests and information asymmetry between principals and agents necessitate the implementation of effective monitoring mechanisms. Therefore, external auditors play a crucial role in mitigating agency problems by providing independent oversight.

Property, plant, and equipment

Aluya S. and John E. J. (2024) explain that Property, Plant, and Equipment (PPE) are tangible assets used in the production of goods or services, held for rental purposes, or utilized for administrative activities, and are expected to be used for more than one accounting period. This definition summarizes three key characteristics of PPE. First, PPE are tangible in nature, which distinguishes them from intangible assets such as trademarks or patents. Second, these assets are intended to support the company's core operations, either by facilitating the production of goods and services or by generating income through leasing activities. The third and most essential characteristic is their economic useful life, which is expected to extend beyond a single accounting period. This criterion forms the basis for capitalizing the acquisition costs of PPE and subsequently allocating those costs systematically through depreciation over their useful lives, rather than recognizing them entirely as expenses in the period of purchase. A comprehensive understanding of this definition is important, as it serves as the foundation for the application of further accounting policies, including measurement, depreciation, and impairment testing.

EBITDA

Vivianita A., Nafasati F., and Indudewi D. (2020) state that EBITDA is a measure of earnings quality and represents one of the important indicators for assessing a company's going concern. This statement emphasizes that EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is not only viewed as an indicator of operational profitability but also as a reflection of the quality of earnings generated by the company. The concept of going concern, or business continuity, is a fundamental objective of an entity, and EBITDA is considered one of the key metrics that can signal a firm's ability to sustain its operations in the long term. By excluding non-cash expenses such as depreciation and amortization, as well as financing and tax-related costs, EBITDA is regarded as providing a clearer picture of the potential cash flows generated from the company's core operating activities. Therefore, in financial and accounting literature, the analysis of EBITDA is often an important step in evaluating the financial health and long-term sustainability of a business entity.

Audit Committee

According to Muslih M. and Maghfiroh O. I. (2023), the audit committee is a committee unit that operates independently and competently and is directly appointed by the board of commissioners to perform a supervisory role over risk management, financial reporting, corporate governance practices, and audit activities. This definition highlights several key characteristics of the audit committee. First, the audit committee is required to function independently and with sufficient competence, meaning that its members must possess adequate expertise and remain free from management influence in order to carry out their oversight responsibilities objectively. Second, its direct appointment by the board of commissioners indicates that the audit committee is accountable to the board and serves as an extension of the board in exercising its monitoring function. The broad scope of its duties, which includes oversight of risk management, the quality of financial statements, the effectiveness of corporate governance implementation, and the audit process, underscores the strategic role of the audit committee in ensuring accountability and transparency for issuers or public companies. Consequently, the audit committee serves as an important pillar in building investor confidence and maintaining the trust of other stakeholders.

Audit Duration

Audit duration is defined as the period required to complete a comprehensive and effective audit of a client's organization (Hal-hal yang perlu diketahui tentang audit, 2025). In this study, audit duration is measured as the number of days between the fiscal year-end and the date of the independent auditor's report.

The Effect of Total Assets on Audit Duration

Asset activity is an indicator that describes how effectively a company utilizes and manages its assets to support its operations and achieve economic benefits. This variable is measured using the Total Asset Turnover (TATO) ratio. Companies that demonstrate good asset activity performance are indicated to have strong internal controls, which can narrow the scope of the audit and reduce the examination duration. Previous research (Endiana & Apriada, 2020) found that asset activity has a negative influence on audit delay.

The Effect of the Audit Committee on Audit Duration

Although some studies (such as Rania Rochmah et al., 2022) found that the Audit Committee has a significant positive influence on Audit Delay, there are contradictory findings where the Audit Committee does not significantly and positively affect the audit duration. Findings from Kholik, M. F. R. R., & Kuntadi, C. (2024) argue that the Audit Committee's primary focus is on enhancing Audit Quality and report integrity, rather than on the efficiency of audit completion time (Audit Delay). Consequently, its role does not directly impact the speed at which the reports are finalized.

The Effect of Profitability on Audit Duration

A review of Michella Arvilia's research (2023) indicates that the Profitability variable, measured by Return On Assets (ROA), does not have a significant influence on Audit Delay. This finding suggests that high corporate earnings performance (such as ROA, or even profit measured by other metrics like EBITDA) does not automatically guarantee efficiency in the management or audit process. Consequently, it does not significantly accelerate or decelerate the audit duration.

Hypothesis Development

1. Plant, Property, and Equipment (PPE) does not have a significant effect on audit duration in the ten largest banking companies in Indonesia.
2. EBITDA does not have a significant effect on audit duration in the ten largest banking companies in Indonesia.

The Audit Committee has a significant effect on audit duration in the ten largest banking companies in Indonesia.

METHODS

This study employs a quantitative research method. The quantitative approach is used to empirically examine the effect of Plant, Property, and Equipment (PPE), EBITDA, and the Audit Committee on audit duration in ten banking companies in Indonesia. This approach is chosen because it provides objective results through the analysis of numerical data using statistical methods.

Table 2. Definition Model

Variable	Definition
Plant, Property, Equipment	Tangible fixed assets used in bank operations that provide benefits for more than one accounting period, such as office buildings, ATMs, servers, and operational infrastructure.
EBITDA	A measure of a company's operating performance derived from earnings before interest, taxes, depreciation, and amortization.
Audit Committee	A committee established by the board of commissioners that is responsible for overseeing the financial reporting process, audit activities, internal control, and corporate compliance

$$DA=\beta0+\beta1\cdot PPE+\beta2\cdot EBITDA+\beta3\cdot Audit\ Committee+\varepsilon$$

Dimana:

DA : Audit Duration

β1 : regression coefficient of the PPE variable

β2 : regression coefficient of the EBITDA variable

β3 : regression coefficient of the Audit Committee variable

The independent variable, Plant, Property, and Equipment (PPE) and EBITDA is measured by the total book value of fixed assets as reported in the statement of financial position. The audit committee is measured by the number of audit committee members as disclosed in the company's financial statements. The dependent variable, audit duration, is measured as the number of days between the financial statement date (December 31) and the date of the independent auditor's report stated in the annual financial statements. The data used in this study are secondary data obtained from the audited annual financial statements of banks for the year 2024, published by the Indonesia Stock Exchange (IDX) and the official websites of each bank. The collected data include the value of fixed assets and the independent auditor's report date.

Population and Sample

The population of this study consists of all banking companies listed on the Indonesia Stock Exchange (IDX). The research sample was selected using a purposive sampling method, namely the selection of samples based on specific criteria, including:

1. Banks that are consistently listed on the IDX.
2. Banks that publish annual financial statements audited by independent auditors.
3. Banks that provide complete information regarding the value of fixed assets and the audit report issuance date.
4. The ten largest banking companies in Indonesia based on valuation.

Based on these criteria, ten banking companies were selected as the research sample, namely PT Bank Rakyat Indonesia (Persero) Tbk (BRI), PT Bank Mandiri (Persero) Tbk (Mandiri), PT Bank Central Asia Tbk (BCA), PT Bank Negara Indonesia (Persero) Tbk (BNI), PT Bank Tabungan Negara (Persero) Tbk (BTN), PT Bank Syariah Indonesia Tbk (BRIS), PT Bank CIMB Niaga Tbk (CIMB Niaga), PT Bank OCBC NISP Tbk (OCBC), PT Bank Permata Tbk (Permata), and PT Bank Danamon Indonesia Tbk (Danamon).

Data Collection and Analysis Techniques

The data were collected using a documentation method by downloading annual financial statements from the official website of the Indonesia Stock Exchange (IDX) and the respective websites of the banking companies. After the data were collected, the analysis was conducted using multiple linear regression to examine the extent to which fixed assets influence the audit duration. Classical assumption tests, including normality, heteroskedasticity, and autocorrelation tests, were also performed to ensure that the regression model met the required validity criteria. Data processing was carried out using SPSS version 27.

RESULT AND DISCUSSION

Results

Data Used

Table 3. Data Used

Bank	Year	X1	X2	X3	Y
BRI	2022	25	26	7	37
BRI	2023	24	19	7	31
BRI	2024	24	19	9	43
Mandiri	2022	25	25	7	31
Mandiri	2023	25	19	7	31
Mandiri	2024	25	19	7	36
BCA	2022	24	25	3	25
BCA	2023	24	25	3	24
BCA	2024	24	18	3	22
BNI	2022	24	24	5	20
BNI	2023	24	25	5	25
BNI	2024	24	18	5	22
BTN	2022	23	17	6	48
BTN	2023	23	17	6	43
BTN	2024	23	17	5	43
BRIS	2022	23	16	6	30
BRIS	2023	23	16	7	30
BRIS	2024	23	16	7	35
CIMB NIAGA	2022	23	17	5	48
CIMB NIAGA	2023	23	17	6	50
CIMB NIAGA	2024	23	17	4	45
OCBC	2022	22	16	3	27
OCBC	2023	22	16	4	26

OCBC	2024	22	17	4	28
Permata	2022	22	16	4	53
Permata	2023	22	16	4	44
Permata	2024	22	17	4	45
Danamon	2022	21	16	5	45
Danamon	2023	21	16	4	47
Danamon	2024	22	16	4	49

Multiple Linear Regression Analysis

To analyze the relationship between the dependent variable and multiple independent variables, multiple linear regression analysis was employed. Prior to further analysis, it is essential to ensure that the data meet the required regression assumptions, including normality, heteroskedasticity, multicollinearity, and residual autocorrelation. This multiple linear regression analysis aims to determine the extent to which the independent variables influence the dependent variable and to ensure that the model is valid and does not violate the underlying regression assumptions.

Table 4. Multiple Linear Regression Analysis Test Results

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.608a	0.369	0.297	8.451	1.418

a Predictors: (Constant), x3, x2, x1

b Dependent Variable: y

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1087.938	3	362.646	5.078	.007b
	Residual	1856.762	26	71.414		
	Total	2944.7	29			

a Dependent Variable: y

b Predictors: (Constant), x3, x2, x1

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficies	t	Sig.	95,0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	147.707	42.964		3.438	0.002	59.393	236.021		
	x1	-5.181	2.413	-0.59	-2.148	0.041	-10.14	-0.222	0.321	3.111
	x2	-0.292	0.714	-0.099	-0.408	0.686	-1.759	1.176	0.416	2.407
	x3	2.663	1.26	0.413	2.114	0.044	0.073	5.253	0.635	1.574

a Dependent Variable: y

The first step is to conduct a residual normality test to ensure that the residuals or measurement errors are normally distributed. This is important because non-normally distributed residuals may affect the validity of the t-test and F-test. Next, a heteroskedasticity test is performed to ensure that the residual variance remains constant across the range of predicted values. The presence of heteroskedasticity may lead to biased coefficient estimates and reduce the accuracy of the regression results. Subsequently, a multicollinearity test is used to detect high correlations among independent variables. High multicollinearity can make it difficult to identify the

individual contribution of each independent variable to the dependent variable. This test is conducted by examining the Variance Inflation Factor (VIF) and tolerance values, which indicate the presence of strong linear relationships among the independent variables. Finally, an autocorrelation test is carried out to detect serial correlation in the residuals, which commonly occurs in time-series data, using the Durbin–Watson test.

After confirming that all classical assumptions of multiple linear regression are satisfied, the analysis proceeds to test the significance of the regression model using the F-test and t-test. The F-test is used to examine whether the independent variables jointly have a significant effect on the dependent variable. If the significance value of the F-test is less than 0.05, the regression model is considered statistically significant. The t-test is then used to assess the significance of each independent variable individually, indicating whether each regression coefficient differs significantly from zero.

In addition, the coefficient of determination (R^2) is calculated to evaluate how well the regression model explains the variation in the data. A higher R^2 value indicates that the independent variables explain a greater proportion of the variation in the dependent variable. Thus, after ensuring that the regression assumptions are met and the model has been tested using the F-test, t-test, and the coefficient of determination, the resulting regression model can be used for further analysis with confidence that the results are valid and reliable.

Classical Assumption Tests

Normality

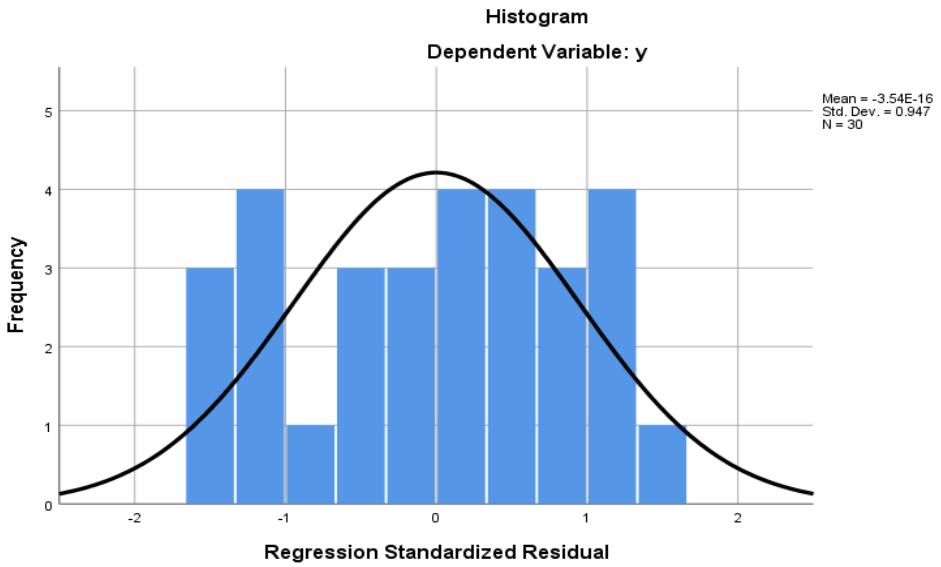

Figure 1. Results of the Histogram Normality Test

In the standardized residual histogram, the residual distribution exhibits a shape that closely approximates a normal curve. Based on the graph, the residuals have a mean close to zero (mean = -3.54E-16) with a standard deviation of 0.947. The residuals are symmetrically distributed around the mean, and the bell-shaped pattern indicates that the residuals are normally distributed. The highest frequency occurs around residual values near zero, suggesting that most residuals are concentrated around the mean.

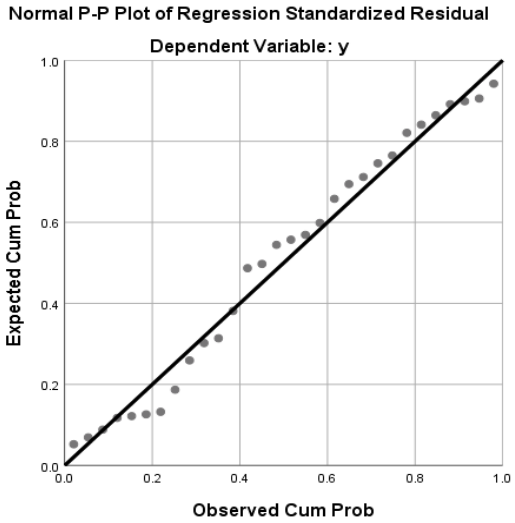

Figure 2. Results of the P-plot Normality Test

In the Normal P-P Plot, the standardized residuals consistently follow the diagonal line. Residual points located close to the diagonal indicate that the cumulative distribution of the residuals closely approximates the theoretical normal distribution. No systematic deviations or significant outliers are observed, suggesting that the residuals are approximately normally distributed.

Autocorrelation

Table 5. Autocorrelation test results

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.608a	0.369	0.297	8.451	1.418

a Predictors: (Constant), x3, x2, x1

b Dependent Variable: y

Based on the autocorrelation test using the Durbin-Watson statistic, a value of 1.418 was obtained, which falls within the range of 1.0-1.5 and indicates the presence of weak positive autocorrelation in the regression model residuals. This value is below the neutral benchmark of 2.0, suggesting that the residuals tend to be positively correlated, although the intensity is relatively low and still within an acceptable range for a sample size of n = 30. Therefore, the results should be interpreted with caution due to the relatively small sample size. Quantitatively, the Durbin–Watson value does not reach the critical threshold indicating strong autocorrelation, leading to the conclusion that the regression model remains analytically valid and that the detected autocorrelation does not significantly affect the validity of the estimated regression coefficients.

Multikolinieritas

Table 6. Multicollinearity test results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficier	t	Sig.	95,0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	147.707	42.964		3.438	0.002	59.393	236.021		
	x1	-5.181	2.413	-0.59	-2.148	0.041	-10.14	-0.222	0.321	3.111
	x2	-0.292	0.714	-0.099	-0.408	0.686	-1.759	1.176	0.416	2.407
	x3	2.663	1.26	0.413	2.114	0.044	0.073	5.253	0.635	1.574

a Dependent Variable: y

Based on the multicollinearity test results, all independent variables in the model exhibit Tolerance values above the minimum threshold of 0.10, namely 0.321 for X1, 0.416 for X2, and 0.635 for X3. In addition, the Variance Inflation Factor (VIF) values for all three variables are well below the critical value of 10, amounting to 3.111 for X1, 2.407 for X2, and 1.574 for X3. Quantitatively, the combination of Tolerance values exceeding 0.10 and VIF values below 10 indicates the absence of high correlation among the independent variables in the model. Therefore, it can be concluded that the regression model is free from multicollinearity, allowing each independent variable to be interpreted individually without the risk of distortion due to linear relationships among the predictors.

Heteroskedasticity

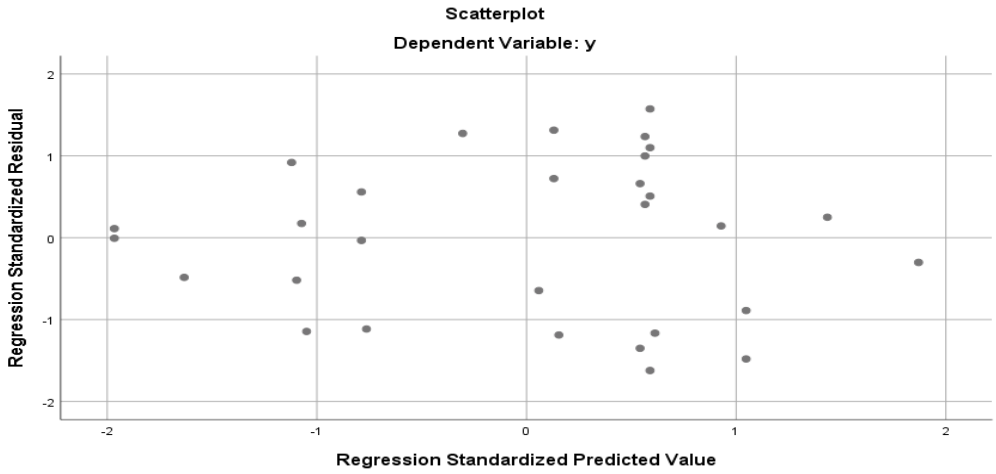

Figure 3. Heteroscedasticity Test Results

Based on the heteroskedasticity test using scatterplot analysis between the Regression Standardized Residuals and the Regression Standardized Predicted Values, the residual points are randomly dispersed within the predicted value range of -2 to +2 and the residual range of -2 to +2, without forming any specific pattern such as funnel-shaped, widening, or wave-like patterns. The random distribution of points above and below the zero line indicates that the residual variance is constant (homoskedastic) across all levels of predicted values. Quantitatively, no concentration of residuals is observed in particular areas that would suggest changes in variance. Therefore, the regression model is considered free from heteroskedasticity, indicating that the homoskedasticity assumption is satisfied and the model is suitable for further interpretation.

Simultaneous F-test

Table 7. F-test results

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1087.938	3	362.646	5.078	.007b
	Residual	1856.762	26	71.414		
	Total	2944.7	29			

a Dependent Variable: y

b Predictors: (Constant), x3, x2, x1

Based on the results of the F-test in the ANOVA table, the calculated F-value is 5.078 with a significance level (Sig. = 0.007), which is below the 0.05 significance threshold. This indicates that the regression model is statistically significant simultaneously, meaning that the independent variables X1, X2, and X3 jointly have a significant effect on the dependent variable Y. The Mean Square Regression value of 362.646 compared to the Mean Square Residual value of 71.414 indicates that the variation explained by the model is greater than the unexplained variation. With the F-value exceeding the critical F-value for degrees of freedom (3, 26), it can be concluded that the regression model is statistically significant and that all predictor variables collectively explain the variation in Y.

T-test (Partial)

Table 8. T-test results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficien	t	Sig.	95,0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	147.707	42.964		3.438	0.002	59.393	236.021		
	x1	-5.181	2.413	-0.59	-2.148	0.041	-10.14	-0.222	0.321	3.111
	x2	-0.292	0.714	-0.099	-0.408	0.686	-1.759	1.176	0.416	2.407
	x3	2.663	1.26	0.413	2.114	0.044	0.073	5.253	0.635	1.574

a Dependent Variable: y

Based on the partial *t*-test results, the effect of each independent variable on the dependent variable can be identified. For variable X1, the *t*-value is -2.148 with a significance level of 0.041, which is less than 0.05, indicating that X1 has a significant individual effect on Y. In contrast, variable X2 has a *t*-value of -0.408 with a significance level of 0.686, which is greater than 0.05, indicating that X2 does not have a significant effect on Y. Meanwhile, variable X3 shows a *t*-value of 2.114 with a significance level of 0.044, which is also below 0.05, indicating that X3 has a significant effect on Y. Overall, variables X1 and X3 significantly influence Y, while X2 does not contribute significantly to the model.

Coefficient of Determination (R^2)

Table 9. Coefficient of Determination (R^2) Result

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.608a	0.369	0.297	8.451	1.418

a Predictors: (Constant), x3, x2, x1

b Dependent Variable: y

Based on the Coefficient of Determination (R^2), the R^2 value of 0.369 indicates that 36.9% of the variation in the dependent variable (Y) can be explained by the regression model consisting of the independent variables X1, X2, and X3. The Adjusted R^2 value of 0.297 suggests that, after accounting for the number of variables included in the model, approximately 29.7% of the variation in Y can still be explained by the model. Although the R^2 value is not relatively high, it nevertheless indicates that the model has moderate explanatory power in explaining data variability. The standard error value of 8.451 reflects the level of error in the model's predictions and can be used to evaluate the accuracy of the regression model.

Discussion

PPE and Audit Duration

The statistical test results indicate that the PPE variable (X1) has a t-value of -2.148 with a significance level of 0.041. The negative regression coefficient suggests that the greater the proportion of PPE owned by a bank, the shorter the audit duration required. This result is consistent with the findings of Endiana and Apriada (2020), who reported that asset activity has a negative influence on audit delay. This consistency indicates that higher asset activity or greater asset ownership may reflect more structured asset management practices, which in turn facilitate a more efficient audit process.

This discrepancy can be explained by the specific characteristics of the banking sector. Unlike manufacturing or mining industries that typically possess heterogeneous and technically complex fixed assets, PPE in the banking sector mainly consists of office buildings, automated teller machines (ATMs), information technology infrastructure, and other standardized operational equipment. These assets are generally subject to uniform accounting treatments and well-established internal controls. Moreover, the banks examined in this study are large-scale institutions with high asset valuations, supported by advanced technological infrastructure and integrated asset management systems. Such conditions allow auditors to conduct verification procedures and reconcile book values with physical assets more efficiently. Consequently, PPE does not represent a high-risk audit area in large banks and therefore does not prolong the audit process, but instead contributes to a shorter audit duration.

EBITDA and Audit Duration

Based on the partial t-test results (t = -0.408; Sig. = 0.686), EBITDA does not have a significant effect on audit duration. This indicates that the level of banks' operational profitability does not determine the length of the audit process conducted by independent auditors. This finding is consistent with Michella Arvilia (2023), who shows that profitability measured by Return on Assets (ROA) does not significantly affect audit delay. Therefore, profitability whether measured by ROA or EBITDA does not automatically reflect audit efficiency.

Conceptually, EBITDA represents a firm's core operating performance. However, in auditing practice, profitability is not the primary basis for determining audit duration. Audit processes are more strongly influenced by the risk of material misstatement, transaction complexity, asset structure, and the quality of internal control. In the highly regulated banking industry with relatively standardized reporting requirements, fluctuations in EBITDA do not increase the complexity of testing key accounts. Consequently, audit duration is more influenced by structural factors and inherent industry risk than by the level of operational profit generated by the entity.

Audit Committee and Audit Duration

The t-test results show that the Audit Committee variable has a calculated t-value of 2.114 and a significance level of 0.044, which is smaller than the significance level of 0.05. These results indicate that the Audit Committee has a significant influence on Audit Delay. Therefore, it can be concluded that the Audit Committee influences, both partially and overall, the time required to complete the audit of financial statements. The positive value of the Audit Committee Regression Coefficient indicates that the greater the role or characteristics of the Audit Committee, the higher the Audit Delay that will occur. This indicates that the more active and effective the Audit Committee is in carrying out its oversight function, the more it encourages the External Auditor to conduct a more extensive and thorough examination. This will likely increase the time required for the auditor to complete the Audit and issue the Independent Auditor's report. These findings can be explained by agency theory, which argues that corporate governance mechanisms, including the Audit Committee, are established to reduce information asymmetry and conflicts of interest between management and owners.

The results of this study are in line with the findings of Rania Rochmah et al. (2022), which state that the Audit Committee has a significant positive effect on audit delay. These findings indicate that the main focus of the Audit Committee is not on accelerating the audit completion time, but rather on improving the quality and reliability of financial statements. Thus, a longer audit duration can be viewed as a consequence of implementing better corporate governance practices. An Audit Committee that functions optimally will increase the demand for financial statement quality, compliance with financial reporting, and accounting standards as well. This condition causes auditors to increase audit procedures, substantive testing, and internal control evaluation, which results in increased audit duration. This is in line with the findings of this study.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of the study and the discussion conducted, the following conclusions are drawn:

1. PPE has a significant effect on audit duration, indicating that fixed assets are one of the factors that play a role in determining the length of the audit process.
2. EBITDA does not have a significant effect on audit duration, suggesting that operational performance measures are not a primary factor in determining audit completion time.
3. The Audit Committee has a positive and significant effect on audit duration, demonstrating that the role of the audit committee influences the length of the audit process.
4. Simultaneously, PPE, EBITDA, and the Audit Committee have a significant effect on audit duration, indicating that these three variables jointly explain the occurrence of audit duration in large banks in Indonesia.

Limitation

This study has several limitations that should be considered. First, the sample is limited to the ten largest banks in Indonesia; therefore, the findings may not be fully generalizable to the entire banking industry, which exhibits diverse asset characteristics

and governance structures. Second, the observation period is relatively short, covering the years 2022-2024, and thus may not fully capture long-term variations in audit duration. Third, this study includes only PPE, EBITDA, and the Audit Committee as independent variables, while other factors that may influence audit duration such as auditor reputation, audit tenure, operational complexity, and internal control quality are not incorporated into the research model.

Recommendation

Based on the study's limitations, future research is recommended to expand the sample coverage and extend the observation period to enhance the generalizability of the findings. The inclusion of other relevant variables, such as auditor characteristics, audit tenure, as well as risk and corporate governance indicators, is also suggested to improve the model's ability to explain audit duration.

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