



COMPANY AND AUDITOR CHARACTERISTICS AS DETERMINANTS OF AUDIT REPORT LAG: EVIDENCE FROM CONSUMER CYCLICALS COMPANIES ON THE INDONESIA STOCK EXCHANGE 2021-2024

Sarah Nafisa Wirgentia¹, Rika Henda Safitri², Hasni Yusrianti³
^{1,2,3} Universitas Sriwijaya, Sumatera Selatan, Indonesia

Corresponding author email: sarahnafisaa22@gmail.com

Info Article

Received: July 23th, 2026
Revised: August 15th, 2026
Accepted: August 18th, 2026
Online Version: August 18th, 2026

Jurnal Cakrawala Akuntansi (JCA) is licensed under a Creative Commons Attribution 4.0 International License



Abstract

Timely disclosure of audited financial statements is essential for investor confidence and market efficiency. However, delays in publishing audited financial statements remain prevalent, resulting in audit report lag. The consumer cyclicals sector recorded the highest number of companies experiencing such delays among sectors during 2021-2024. This study aims to examine the effect of company and auditor characteristics on audit report lag in consumer cyclicals companies listed on the Indonesia Stock Exchange during 2021-2024. This quantitative study uses secondary data obtained from annual reports and audited financial statements. The sample comprises 90 companies selected using purposive sampling, resulting in 360 observations. Data were analysed using panel data regression with EViews 12, with the Fixed Effect Model (FEM) identified as the most appropriate model. The results indicate that financial condition has a positive and significant effect on audit report lag, whereas audit tenure has a negative and significant effect. The other variables do not have significant effects on audit report lag. These findings contribute to the literature by highlighting financial condition and audit tenure as key determinants of audit report lag and provide practical implications for companies and auditors in improving audit completion timeliness.

Keywords: *Auditor Characteristics, Audit Report Lag, Company Characteristics*

INTRODUCTION

Timely financial reporting is a fundamental characteristic of high-quality financial information, as it enhances the relevance of financial statements for investors, creditors, and other stakeholders in making economic decisions (Azahra & Zulaikha, 2023). Financial statements that are published on time provide more relevant information for investors, creditors, and other stakeholders in making economic decisions. Conversely, delays in financial reporting reduce the value of the information because it may no longer accurately reflect the company's current financial condition. Before being disclosed to the public, the financial statements of publicly listed companies must be audited by independent auditors to provide reasonable assurance regarding the fairness of their presentation. The audit process requires time, creating a time interval between the company's fiscal year-end and the date of the independent auditor's report, commonly referred to as audit report lag (Chalu, 2021).

Audit report lag has attracted considerable attention because it reflects both the timeliness of audited financial reporting and the efficiency of the audit process. A longer audit report lag increases the likelihood that financial information will lose its relevance for users of financial statements (Fitriana & Bahri, 2022). Audit report lag is an important factor in capital markets, particularly in emerging economies, where audited financial statements in annual reports serve as a primary source of reliable information for investors (Endri et al., 2024). Therefore, the Indonesia Financial Services Authority (OJK) updated the regulations governing the submission of annual financial statements through POJK No. 14/POJK.04/2022, which requires audited annual financial statements to be submitted no later than the end of the third month following the date of the annual financial statements, thereby shortening the reporting deadline compared with the previous regulation and supporting greater transparency and accountability among publicly listed companies (Otoritas Jasa Keuangan Republik Indonesia, 2022). Auditors are expected to complete audited financial statements on time, as timeliness reflects the quality, reliability, and transparency of financial information (Lajmi & Yab, 2022). Nevertheless, some companies continue to submit their audited financial statements beyond the prescribed deadline, indicating that audit report lag remains a relevant issue for further investigation.

Previous studies have demonstrated that audit report lag is influenced by both company characteristics and auditor characteristics (Abdillah et al., 2019). The determinants of *audit report lag* can be classified into company characteristics, comprising audit committee effectiveness, financial condition, profitability, and audit complexity, and auditor characteristics, including auditor reputation, *audit tenure*, and auditor industry specialization (Abdillah et al., 2019). Nevertheless, empirical findings regarding these determinants remain inconclusive. Several studies have found that profitability shortens the audit process (Habib et al., 2019; Kosasih & Arfianti, 2020), whereas others have reported different or insignificant results (Adrea, 2022; Larisa & Salim, 2020). Similar inconsistencies have also been observed in the effects of audit committee effectiveness, financial condition, audit complexity, auditor reputation, audit tenure, and auditor industry specialization on audit report lag. These inconsistent findings suggest that further investigation is necessary to provide more comprehensive evidence regarding the factors affecting audit report lag.

In addition to these inconsistent findings, most previous studies on audit report lag have tended to focus exclusively on factors derived from company characteristics (Adam et al., 2022; Aifuwa et al., 2020; Chalu, 2021; Lajmi & Yab, 2022; Larisa & Salim, 2020; Serly, 2021; Silvia & Wardhani, 2021; Syofyan et al., 2021) or auditor characteristics (Abouelela et al., 2025; Azahra & Zulaikha, 2023; Daulay & Serly, 2020; Onatuyeh et al., 2024; Saputri et al., 2021). In fact, the audit completion process results from the interaction between a company's internal conditions as the audited entity and the auditor's capacity as an independent assurance provider. However, studies that integrate both groups of factors within a single empirical model remain relatively limited. Consequently, there is still a lack of comprehensive evidence regarding the determinants of audit report lag.

This study builds upon the research model developed by (Abdillah et al., 2019) by re-examining the effects of company characteristics and auditor characteristics on audit report lag. While the previous study focused on manufacturing companies during the 2014-2016 period, the present study investigates companies in the consumer cyclicals sector listed on the Indonesia Stock Exchange (IDX) over the 2021-2024 period. The main distinctions of this study lie in several aspects. First, this study focuses on consumer cyclicals companies listed on the Indonesia Stock Exchange (IDX), a sector that has received relatively limited attention in previous research. Second, this study employs the 2021-2024 observation period, which represents a more recent regulatory environment and economic dynamics. Third, unlike studies that examine company or auditor characteristics separately, this study integrates both groups of characteristics within a single empirical model. The selection of the consumer cyclicals sector is further supported by empirical evidence from the IDX, which shows that this sector consistently recorded the highest number of companies submitting

audited financial statements beyond the prescribed deadline, ranging from 18 to 26 companies annually during 2021-2024. Furthermore, the use of a more recent observation period is expected to provide updated empirical evidence regarding the determinants of audit report lag within Indonesia's current regulatory and business environment.

Based on the above discussion, this study aims to examine the effects of audit committee effectiveness, financial condition, profitability, accounting complexity, auditor reputation, audit tenure, and auditor industry specialization on audit report lag among consumer cyclical companies listed on the Indonesia Stock Exchange during the 2021-2024 period. This study makes three primary contributions to the literature. First, it integrates company and auditor characteristics within a single empirical model, thereby providing empirical evidence that considers both perspectives simultaneously. Second, it provides sector-specific and more recent empirical evidence on audit report lag among consumer cyclical companies listed on the Indonesia Stock Exchange during 2021-2024. Third, the findings provide practical implications for companies and auditors in identifying factors that may influence audit completion timeliness and improving the timeliness of audited financial reporting.

LITERATURE REVIEW

Agency Theory

Agency theory was first introduced by Jensen and Meckling (1976). According to (Ghina & Syafitri, 2024), agency theory describes the contractual relationship between two parties, namely the principal and the agent, in which the principal delegates authority and responsibility to the agent to perform specific tasks on the principal's behalf. However, this separation of roles may give rise to agency problems when the principal and the agent have different interests or objectives. Such conflicts occur because the principal cannot always ensure that the agent acts in the principal's best interests, particularly due to information asymmetry, where the agent has greater access to the company's internal information than the principal (Kaaroud et al., 2020).

The Effect of Audit Committee Effectiveness on Audit Report Lag

Based on agency theory, the audit committee serves as a monitoring mechanism to reduce conflicts of interest between management and shareholders. An audit committee with strong structure, independence, and expertise in accounting and finance is expected to enhance oversight, reduce the likelihood of financial statement manipulation, and facilitate the audit process, thereby shortening audit report lag (Faiz & Karmudiandri, 2023). Prior studies by (Abdillah et al., 2019; Faiz & Karmudiandri, 2023; Susanto & Utama, 2022) consistently found that more effective audit committees are associated with faster completion of independent audit reports and shorter audit report lag. Based on the foregoing discussion, the following hypothesis is proposed:

H1: Audit committee effectiveness has a negative effect on audit report lag.

The Effect of Financial Condition on Audit Report Lag

Based on agency theory, a deterioration in a company's financial condition may increase information asymmetry between management and shareholders, as management tends to limit the disclosure of unfavorable information (Pertiwi et al., 2022). Consequently, auditors are required to perform more extensive audit procedures, which may prolong the audit process. Based on (Abdillah et al., 2019), found that a company's financial condition has a positive effect on audit report lag, and this finding is supported by (Faiz & Karmudiandri, 2023), who concluded that poorer financial conditions are associated with longer audit report lag. Based on these arguments, the following hypothesis is proposed:

H2: A company's financial condition has a positive effect on audit report lag.

The Effect of Probability on Audit Report Lag

According to (Pertiwi et al., 2022), agency theory suggests that management, as the agent, is expected to manage the company in the best interests of shareholders. Good managerial performance is reflected in high profitability, which indicates the company's ability to generate earnings and encourages management to promptly disclose the audited financial statements. As a result, the audit process can be completed more quickly, leading to a shorter audit report lag. Based on (Durand, 2019), found that profitability has a significant negative effect on audit report lag, and this finding is supported by (Kosasih & Arfianti, 2020; Riri & Nurmawati, 2025), who concluded that higher profitability is associated with a shorter audit report lag. Based on the foregoing discussion, the following hypothesis is proposed:

H3: Financial statement profitability has a negative effect on audit report lag.

The Effect of Accounting Complexity on Audit Report Lag

According to (Arianti, 2021), agency theory suggests that greater accounting complexity increases the need for effective monitoring, as more complex business activities lead to higher information asymmetry between management and shareholders. Consequently, auditors are required to perform more extensive and comprehensive audit procedures, which may prolong the audit process and increase audit report lag. Based on (Ghina & Syafitri, 2024; Herawaty & Nugraha, 2023), found that accounting complexity has a positive effect on audit report lag. Based on the foregoing discussion, the following hypothesis is proposed:

H4: Accounting complexity has a positive effect on audit report lag.

The Effect of Auditor Reputation on Audit Report Lag

Based on agency theory, highly reputable auditors serve as an external monitoring mechanism that enhances the quality of oversight and reduces conflicts of interest between management and shareholders (Daulay & Serly, 2020). Effective monitoring reduces information asymmetry and encourages management to prepare accurate and timely financial statements, enabling the audit to be completed more efficiently. This argument is supported by (Susanto & Utama, 2022), who found that Big Four public accounting firms complete audit engagements more quickly due to their higher audit quality standards and greater experience. Based on the foregoing discussion, the following hypothesis is proposed:

H5: Auditor reputation has a negative effect on audit report lag.

The Effect of Audit Tenure on Audit Report Lag

Conducting an audit requires a thorough understanding of the client's business. Therefore, a longer audit tenure enables auditors to gain a better understanding of the company's characteristics and operations, allowing the audit to be performed more efficiently and completed in a timely manner (Herawaty & Nugraha, 2023). Empirical evidence from (Abouelela et al., 2025; Habib et al., 2019) indicates that audit tenure has a negative effect on audit report lag, suggesting that longer auditor–client relationships improve audit efficiency and shorten audit report lag. Based on the foregoing discussion, the following hypothesis is proposed:

H6: Audit tenure has a negative effect on audit report lag.

The Effect of Auditor Industry Specialization on Audit Report Lag

According to (Pertiwi et al., 2022), agency theory suggests that appointing an industry-specialist auditor serves as an effective monitoring mechanism to reduce information asymmetry between management and shareholders. Industry-specialist auditors possess greater expertise and experience within a particular industry, enabling them to conduct audits more efficiently and reduce audit delays. This argument is supported by (Azahra & Zulaikha, 2023), who found that auditor industry specialization has a negative effect on audit report lag. Based on the foregoing discussion, the following hypothesis is proposed:

H7: Auditor industry specialization has a negative effect on audit report lag.

RESEARCH METHODS

Object of Research, Data Types, and Data Sources

The present study relies on secondary data obtained from consumer cyclical companies listed on the Indonesia Stock Exchange (IDX) over the 2021-2024 period. The primary data sources include the companies' financial statements and annual reports, which were collected from the official website of the Indonesia Stock Exchange (IDX) as well as the official websites of the respective companies.

Operational Definition and Sample Measurement

Audit report lag (Y) is the dependent variable in this study, whereas audit committee effectiveness (X1), financial condition (X2), profitability (X3), accounting complexity (X4), auditor reputation (X5), audit tenure (X6), and auditor industry specialization (X7).

Audit Report Lag

Audit report lag refers to the time required by the auditor to complete the audit and issue the audit report. It is measured as the number of days between the end of the fiscal year and the date the auditor's report is signed (Abouelela et al., 2025). Based on (Lisdara et al., 2019), the formula used to measure audit report lag is as follows:

Audit Report Lag (ARL) = Date the auditor's report is signed - Fiscal year-end date.

Audit Committee Effectiveness

According audit committee effectiveness reflects the extent to which the audit committee consists of qualified members with adequate authority and resources to ensure reliable financial reporting, effective internal controls, and sound risk management. The audit committee effectiveness index comprises four main dimensions: composition, resources, authority, and perseverance. The measurement indicators are presented in Table 1.

Table 1. Indicators of Audit Committee Effectiveness

Dimensions	Proxy	Score
Composition	- Independence: All audit committee members are independent external parties.	1: if it meets the requirements
	- Expertise: At least one audit committee member possesses educational qualifications and expertise in accounting or finance	0: does not meet the requirements
Resources	- Audit Committee Size: The audit committee consists of at least three members.	1: if it meets the requirements 0: does not meet the requirements
Authority	- Audit Committee Charter: Disclosure regarding the audit committee charter.	2: if explaining in detail
	- Roles and Responsibilities	1: a brief statement
	a. Overseeing the company's financial reporting.	0: do not reveal at all
	b. Overseeing the activities of the external auditor.	
	c. Monitoring the effectiveness of the company's internal control system.	
Perseverance	d. Monitoring the company's compliance with applicable laws and regulations.	
	- Meetings: The audit committee meets at least four times annually.	1: if it meets the requirements
	- Activities: The audit committee discloses its activities in the annual report.	0: does not meet the requirements

Source: (Abdillah et al., 2019)

Financial Condition

A company's financial condition reflects its performance during a particular period and serves as an important indicator of its financial health (Ghina & Syafitri, 2024). According to (Abdillah et al., 2019), a company's financial condition is measured using the Zmijewski Model to predict the probability of financial distress. The formula of the Zmijewski Model is presented as follows:

$$ZFC = -4.336 - 4.513(ROA) + 5.679(FINL) + 0.004(LiQ)$$

Profitability

Profitability reflects a company's ability to generate earnings from its available resources and is measured using the Return on Assets (ROA) ratio (Susanto et al., 2024). This ratio is used to assess the effectiveness of a company in utilizing its total assets to generate profits. Based on (Susanto et al., 2024), Return on Assets (ROA) is measured using the following formula:

$$ROA = \frac{Laba Bersih}{Total Aset}$$

Accounting Complexity

Companies with multiple subsidiaries tend to face greater accounting complexity. This condition increases the scope of the auditor's work, as each subsidiary has different characteristics, transactions, and potential risks (Balqis & NR, 2023). Following (Abdillah et al., 2019), accounting complexity is measured using the following criteria:

- 1 = Companies with more than one primary business segment.
- 0 = Companies with only one primary business segment.

Auditor Reputation

Auditor reputation is generally classified into two main categories: Big Four and Non-Big Four public accounting firms. Big Four firms are recognized as large accounting firms with abundant resources, extensive global networks, and high professional standards (Adrea, 2022). Based on (Susanto et al., 2024), auditor reputation is measured using a dummy variable, where:

- 1 = Big Four auditor.
- 0 = Non-Big Four auditor.

Audit Tenure

Audit tenure refers to the length of the engagement between a company and its auditor or public accounting firm in providing financial statement audit services (Saputri et al., 2021). According to the measurement developed by (Faiz & Karmudiandri, 2023), audit tenure is calculated based on the duration of the engagement between the public accounting firm and its client. A score of 1 is assigned in the first year of the engagement and is increased by one for each subsequent year as long as the engagement continues. If the company changes its public accounting firm, the audit tenure is reset to 1 for the new engagement period.

Auditor Industry Specialization

According to (Farumi et al., 2023), auditor industry specialization is determined by comparing the number of companies within the same industry audited by a particular public accounting firm with the total number of companies in that industry, based on the industry classification issued by the Indonesia Stock Exchange (IDX). Following (Farumi et al., 2023), this variable is measured using a dummy variable, where auditors with a market share of more than 30% are assigned a value of 1 (industry specialists), while auditors with a market share of less than 30% are assigned a value of 0 (non-industry specialists). The market share is calculated using the following formula:

$$\frac{\text{Number of companies audited by the same public accounting firm within an industry}}{\text{Total number of Companies within the same industry}} \times 100\%$$

Data Analysis Methods

This study employs a quantitative research approach. According to Sugiyono (2023), quantitative research is based on the philosophy of positivism and is used to examine a particular population or sample. Data are collected using the documentation method, which involves collecting, recording, and reviewing various documents and archives related to the research object. The collected data are then analyzed statistically to test the proposed hypotheses using panel data regression analysis with EViews 12. This method is appropriate because the data consist of observations from multiple companies over the 2021-2024 period, incorporating both cross-sectional (across companies) and time-series (across periods) dimensions. The panel data regression model used in this study can be expressed as follows:

$$ARL = \alpha + \beta_1 EKA + \beta_2 KKP + \beta_3 PLK + \beta_4 KA + \beta_5 RAU + \beta_6 AUT + \beta_7 SIA + \varepsilon$$

ARL : *Audit Report Lag*

α : Konstanta

$\beta_1 - \beta_7$: Koefisien Regresi

EKA : Efektivitas Komite Audit

PLK : Profitabilitas Laporan Keuangan

KA : Kompleksitas Akuntansi

RAU : Reputasi Audit

AUT : *Audit Tenure*

SIA : Spesialisasi Industri Auditor

ε : *error term*

RESULTS AND DISCUSSION

Descriptive Statistics

This analysis includes the calculation of the mean, median, maximum, minimum, and standard deviation. The results of the descriptive statistics are presented in the following table 2.

Table 2. Descriptive Statistics

Sample: 2021 2024								
	ARL	EKA	KKP	PLK	KA	RAU	AUT	SIA
Mean	92.79167	7.472222	4187.178	-0.012174	0.813889	0.183333	2.088889	0.061111
Median	87.00000	8.000000	-1425.500	0.013236	1.000000	0.000000	2.000000	0.000000
Maximum	330.0000	9.000000	278061.0	4.693277	1.000000	1.000000	4.000000	1.000000
Minimum	28.00000	4.000000	-4489.000	-2.450834	0.000000	0.000000	1.000000	0.000000
Std. Dev.	33.65329	1.210127	33914.47	0.349180	0.389738	0.387478	1.072777	0.239867
Observations	360	360	360	360	360	360	360	360

Source: EViews 12 Output, processed by the author, 2026.

According to Table 1, the analysis of 360 observations indicates that the audit report lag (ARL) variable has a mean of 92.79167, a standard deviation of 33.65329, a minimum value of 28.00000, and a maximum value of 330.0000. The audit committee effectiveness (EKA) variable has a (Napitulu et al., 2021) mean of 7.472222, a standard deviation of 1.210127, with values ranging from 4.000000 to 9.000000. The company's financial condition (KKP) variable ranges from -4,489.000 to 278,061.0, with a mean of 4,187.178 and a standard deviation of 33914.47. The financial statement profitability (PLK) variable has a mean of -0.012174, a standard deviation of

0.349180, a minimum value of -2.450834, and a maximum value of 4.693277. The accounting complexity (KA) variable has a mean of 0.813889, a standard deviation of 0.389738, and ranges from 0.000000 to 1.000000. Meanwhile, the auditor reputation (RAU) variable has a mean of 0.183333, a standard deviation of 0.387478, with values ranging from 0.000000 to 1.000000. The audit tenure (AUT) variable has a mean of 2.088889, a standard deviation of 1.072777, a minimum value of 1.000000, and a maximum value of 4.000000. Finally, the auditor industry specialization (SIA) variable ranges from 0.000000 to 1.000000, with a mean of 0.061111 and a standard deviation of 0.239867.

Model Estimation

Chow Test

The Chow test is performed to determine the most appropriate panel data regression model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). The test evaluates whether individual effects across cross-sectional units are statistically significant. If the Chow test result is significant, the Fixed Effect Model is preferred; otherwise, the Common Effect Model is considered more appropriate. A significant Chow test result suggests that these individual differences should be taken into account, making the Fixed Effect Model (FEM) the more appropriate model for estimation. Conversely, if the Chow test result is not statistically significant, it indicates that the individual effects are not substantial, and the Common Effect Model (CEM) is considered more suitable for analyzing the panel data.

Table 3. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	6.488367	(89,263)	0.0000
Cross-section Chi-square	418.248319	89	0.0000
	9		

Source: EViews 12 Output, processed by the author, 2026.

Based on the results of the Chow test presented in Table 4.2, the probability value of the Cross-section F statistic is $0.0000 < 0.05$, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted. Therefore, the Fixed Effect Model (FEM) is considered more appropriate than the Common Effect Model (CEM) for estimating the panel data regression model.

Hausman Test

The Hausman test is a statistical test used to determine the most appropriate panel data regression model between the Random Effect Model (REM) and the Fixed Effect Model (FEM).

Table 4. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	17.980227	7	0.0121

Source: EViews 12 Output, processed by the author, 2026.

Based on the results of the Hausman test (FEM vs. REM) presented in Table 4.3, the probability value of the Cross-section Random statistic is $0.0121 < 0.05$. Therefore, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted. Accordingly, the Fixed Effect Model (FEM) is considered more appropriate than the Random Effect Model (REM) for estimating the panel data regression model.

Lagrange Multiplier Test

The Lagrange Multiplier (LM) test is conducted to determine whether the Random Effect Model (REM) is more appropriate than the Common Effect Model (CEM). This test is based on the probability value of the Breusch–Pagan (BP) statistic.

Table 5. Lagrange Multiplier Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	166.7110 (0.0000)	0.600301 (0.4385)	167.3113 (0.0000)

Source: EViews 12 Output, processed by the author, 2026.

Based on the results of the Lagrange Multiplier (LM) test presented in Table 4.4, the probability value of the Breusch–Pagan statistic under the *Both* section is 0.0000, which is lower than the 5% significance level (0.05). Therefore, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted. Accordingly, the Random Effect Model (REM) is considered more appropriate than the Common Effect Model (CEM) for estimating the panel data regression model.

Table 6. Panel Data Regression Model Selection

	Model Terpilih
Uji Chow	FEM
Uji Hausman	FEM
Uji Lagrange Multiplier	REM
Model Regresi Penelitian	FEM

Source: EViews 12 Output, processed by the author, 2026.

Based on the panel data model selection results presented in Table 4.5, the Chow and Hausman tests indicate that the Fixed Effect Model (FEM) is the most appropriate model, while the Lagrange Multiplier (LM) test favors the Random Effect Model (REM) over the Common Effect Model (CEM). As both the Chow and Hausman tests consistently support the FEM, this study adopts the Fixed Effect Model as the final panel data regression model.

Classical Assumption Test

Multicollinearity Test

Based on the results of the multicollinearity test using the correlation matrix, all correlation coefficients among the independent variables are below the threshold of 0.85. According to the criterion proposed by (Basuki, 2021), a regression model is considered free from multicollinearity if the correlation coefficient between independent variables is less than 0.85.

Heteroscedasticity Test

This study employs the residual graph method to detect heteroskedasticity. The residuals are randomly scattered around the zero line without forming a discernible pattern, and their variance remains relatively constant throughout the observation period. The highest and lowest residual values also remain within the range of 500 and -500. According to (Napitulu et al., 2021), if the residual graph remains within these limits and shows no specific pattern, the regression model can be considered free from heteroskedasticity.

Panel Data Regression Analysis

Panel data regression analysis was conducted to examine the effect of the independent variables on audit report lag (ARL). This study employs the Fixed Effect Model (FEM), which controls for unobserved firm-specific characteristics across companies. By accounting for these individual

effects, the FEM provides more reliable estimates of the relationships between the independent variables and audit report lag.

Table 7. Panel Data Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	116.2342	24.41577	4.760619	0.0000
EKA	-0.898828	2.618657	-0.343240	0.7317
KKP	0.000558	0.000168	3.320649	0.0010
PLK	2.056160	3.602472	0.570764	0.5686
KA	-12.59763	16.40407	-0.767958	0.4432
RAU	9.843191	17.55116	0.560829	0.5754
AUT	-4.729373	1.299861	-3.638368	0.0003
SIA	-11.58815	6.394876	-1.812099	0.0711
Effects Specification				
Cross-section fixed (dummy variables)				

Source: EViews 12 Output, processed by the author, 2026.

$$ARL = 116.234 - 0.8988EKA + 0.005KKP + 2.0561PLK - 12.5976KA + 9.8431RAU - 4.7293AUT - 11.5881SIA + \varepsilon$$

Based on the regression estimation results, the constant value of 116.234 indicates that the audit report lag (ARL) is estimated to be 116 days when all independent variables are assumed to be zero. The coefficients of EKA (-0.899), KA (-12.598), AUT (-4.729), and SIA (-11.588) indicate negative relationships with audit report lag, suggesting that increases in these variables tend to shorten the audit completion time. In contrast, the coefficients of KKP (0.001), PLK (2.056), and RAU (9.843) indicate positive relationships, implying that increases in these variables tend to prolong the audit completion time. The magnitude of each coefficient represents the expected change in audit report lag resulting from a one-unit increase in the respective independent variable, assuming all other variables remain constant.

Hipotesist Test

F-Test for Company Characteristics

Table 8. F-Test for Company Characteristics

F-statistic	6.268802
Prob(F-statistic)	0.000000

Source: EViews 12 Output, processed by the author, 2026.

Based on the regression results presented in Table 4.12, the F-statistic is 6.268802 with a Prob. (F-statistic) value of 0.000000, which is lower than the 5% significance level (0.05). These results indicate that the regression model is statistically significant, implying that the independent variables included in the model jointly have explanatory power for the dependent variable. Therefore, the model is considered appropriate for explaining variations in audit report lag and for testing the proposed research hypotheses.

F-Test for Auditor Characteristics

Table 9. F-Test for Auditor Characteristics

F-statistic	6.446105
Prob(F-statistic)	0.000000

Source: EViews 12 Output, processed by the author, 2026.

Based on the regression results presented in Table 4.13, the F-statistic is 6.446105 with a Prob. (F-statistic) value of 0.000000. Since the probability value is lower than the 5% significance level (0.05), it can be concluded that the regression model is statistically significant as a whole. This finding indicates that the independent variables jointly have a significant effect on the dependent variable and that the model is suitable for explaining the variation in audit report lag as well as testing the proposed hypotheses.

t-Test

The t-test is used to examine the partial effect of each independent variable on the dependent variable in the regression model. This test is conducted to determine the extent to which each independent variable individually explains the variation in the dependent variable in this study. The significance of each variable is evaluated by comparing its probability (p-value) with the predetermined significance level, allowing the study to identify which independent variables have a statistically significant effect on the dependent variable.

Table 10. t-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	116.2342	24.41577	4.760619	0.0000
EKA	-0.898828	2.618657	-0.343240	0.7317
KKP	0.000558	0.000168	3.320649	0.0010
PLK	2.056160	3.602472	0.570764	0.5686
KA	-12.59763	16.40407	-0.767958	0.4432
RAU	9.843191	17.55116	0.560829	0.5754
AUT	-4.729373	1.299861	-3.638368	0.0003
SIA	-11.58815	6.394876	-1.812099	0.0711

Effects Specification

Cross-section fixed (dummy variables)

Source: EViews 12 Output, processed by the author, 2026.

According to the results presented in Table 4.14, the audit committee effectiveness (EKA) variable has a p-value of 0.7317, indicating that it does not have a significant effect on audit report lag. Therefore, H1 is rejected. The company's financial condition (KKP) variable has a positive coefficient of 0.000558 and a p-value of 0.0010, which is lower than 0.05, indicating a positive and significant effect on audit report lag. Therefore, H2 is accepted. The financial statement profitability (PLK) variable has a p-value of 0.5686, indicating no significant effect on audit report lag. Thus, H3 is rejected. Likewise, accounting complexity (KA), auditor reputation (RAU), and auditor industry specialization (SIA) have p-values of 0.4432, 0.5754, and 0.0711, respectively, all of which are greater than 0.05. These results indicate that the three variables do not significantly affect audit report lag. Therefore, H4, H5, and H7 are rejected. In contrast, audit tenure (AUT) has a negative coefficient of -4.729373 and a p-value of 0.0003, which is lower than 0.05, indicating a significant negative effect on audit report lag. Therefore, H6 is accepted.

Coefficient Determination

The coefficient of determination (R^2) is a measure used to assess the extent to which the independent variables explain the variation in the dependent variable in the regression model.

Table 11. Coefficient Determination

R-squared	0.702764
Adjusted R-squared	0.594268
S.E. of regression	21.43618
Sum squared resid	120851.1
Log likelihood	-1557.736
F-statistic	6.477291
Prob(F-statistic)	0.000000

Source: EViews 12 Output, processed by the author, 2026.

Based on the coefficient of determination results presented in Table 4.14, the R-squared value of 0.702764 indicates that 70.28% of the variation in audit report lag is explained by the independent variables, namely EKA, KKP, PLK, KA, RAU, AUT, and SIA, while the remaining 29.72% is explained by other factors outside the model. Meanwhile, the Adjusted R-squared value of 0.594268 indicates that, after adjusting for the number of independent variables and the sample size, the model explains 59.43% of the variation in audit report lag, with the remaining 40.57% attributable to other variables not included in the model.

DISCUSSION

The Influence Audit Committee Effectiveness on Audit Report Lag

The audit committee effectiveness variable does not have a significant effect on audit report lag. Therefore, H1, which proposes a negative effect of audit committee effectiveness on audit report lag, is rejected. This finding is consistent with (Abdillah et al., 2019; Amartavia & Effendi, 2022), who also found that audit committee effectiveness has no significant effect on audit report lag. From the perspective of agency theory, although the audit committee serves as a monitoring mechanism to reduce conflicts of interest between management and shareholders, its role is not always performed effectively and may function merely as a regulatory formality. Moreover, auditors are still required to perform all audit procedures in accordance with applicable auditing standards, meaning that audit committee effectiveness does not directly influence the length of audit report lag (Silalahi & Malau, 2020).

The Influence Financial Condition on Audit Report Lag

The company's financial condition has a positive and significant effect on audit report lag. Therefore, H2 is accepted. This finding is consistent with (Abdillah et al., 2019; Faiz & Karmudiandri, 2023), who found that weaker financial conditions are associated with longer audit report lags. Poor financial conditions increase audit risk, requiring auditors to perform more extensive audit procedures to evaluate the fairness of the financial statements and assess the company's going concern status (Abdillah et al., 2019; Ghina & Syafitri, 2024). From the perspective of agency theory, weak financial conditions also increase information asymmetry between management and shareholders, making the audit process more complex and resulting in a longer audit report lag.

The Influence Profitability on Audit Report Lag

The profitability variable does not have a significant effect on audit report lag. Therefore, H3, which proposes a negative effect of financial statement profitability on audit report lag, is rejected. This finding is consistent with (Adrea, 2022; Larisa & Salim, 2020), who also found that

profitability has no significant effect on audit report lag. Based on agency theory, although companies with higher profitability have greater incentives to promptly disclose their audited financial statements as a form of accountability to shareholders, all companies are required to submit their audited financial statements on time in accordance with POJK No. 14/POJK.04/2022 (Adrea, 2022). Moreover, auditors perform audit procedures in accordance with professional auditing standards regardless of the company's level of profitability. Therefore, profitability is not a primary factor determining the length of audit report lag.

The Influence Accounting Complexity on Audit Report Lag

The accounting complexity variable does not have a significant effect on audit report lag. Therefore, H4, which proposes a positive effect of accounting complexity on audit report lag, is rejected. This finding is consistent with (Faiz & Karmudiandri, 2023; Jannah et al., 2024; Susanto & Utama, 2022), who also found that accounting complexity has no significant effect on audit report lag. From the perspective of agency theory, although greater accounting complexity may require more extensive monitoring and audit procedures, auditors generally have adequate audit planning, while companies facilitate the audit process by improving their financial reporting systems and providing the information required by auditors more effectively (Jannah et al., 2024). Therefore, accounting complexity is not a primary factor determining the length of audit report lag.

The Influence Auditor Reputation on Audit Report Lag

The auditor reputation variable does not have a significant effect on audit report lag. Therefore, H5, which proposes a negative effect of auditor reputation on audit report lag, is rejected. This finding is consistent with (Abdillah et al., 2019; Daulay & Serly, 2020; Faiz & Karmudiandri, 2023), who also found that auditor reputation has no significant effect on audit report lag. From the perspective of agency theory, although highly reputable auditors are expected to improve audit efficiency, both Big Four and non-Big Four public accounting firms perform audits in accordance with professional auditing standards and maintain consistent audit quality. Therefore, auditor reputation is not a primary factor determining the length of audit report lag (Daulay & Serly, 2020).

The Influence Audit Tenure on Audit Report Lag

The audit tenure variable has a significant negative effect on audit report lag. Therefore, H6, which proposes a negative effect of audit tenure on audit report lag, is accepted. This finding is consistent with (Abouelesa et al., 2025), who also found a negative relationship between audit tenure and audit report lag. The longer the engagement between the auditor and the company, the better the auditor's understanding of the company's characteristics, systems, and business operations, resulting in a more efficient audit process and faster collection and evaluation of audit evidence (Amartavia & Effendi, 2022).

The Influence Specialization Industry Auditor on Audit Report Lag

The auditor industry specialization variable does not have a significant effect on audit report lag. Therefore, H7, which proposes a negative effect of auditor industry specialization on audit report lag, is rejected. This finding is consistent with (Abdillah et al., 2019; Daulay & Serly, 2020), who also found that auditor industry specialization has no significant effect on audit report lag. From the perspective of agency theory, although industry specialist auditors are expected to have a better understanding of their clients' business characteristics, both specialist and non-specialist auditors are required to perform audit procedures in accordance with applicable auditing standards. Therefore, auditor industry specialization is not a primary factor determining the length of audit report lag (Daulay & Serly, 2020).

CONCLUSION

The findings of this study indicate that financial condition and audit tenure are important factors associated with audit report lag among consumer cyclical companies. Financial condition and audit tenure have significant effects on audit report lag. In contrast, audit committee effectiveness, profitability, accounting complexity, auditor reputation, and auditor industry specialization do not exhibit significant effects. These findings contribute to the literature by integrating company and auditor characteristics within a single empirical model and providing recent sector-specific evidence on the determinants of audit report lag. From a practical perspective, the findings highlight the importance for companies to maintain sound financial conditions and ensure the timely availability of audit-related information, while encouraging auditors to improve audit planning and execution efficiency to support the timely completion of audit engagements.

Despite these contributions, this study has several limitations. The analysis is limited to consumer cyclical companies listed on the Indonesia Stock Exchange during 2021-2024, which may restrict the generalizability of the findings to other sectors with different operational characteristics and levels of audit complexity. In addition, the study examines only seven independent variables, while other factors, such as firm size, leverage, liquidity, audit opinion, auditor switching, public accounting firm size, and the quality of internal control, may also influence audit report lag. Future research is therefore encouraged to extend the sample across different sectors and longer observation periods and to incorporate additional determinants to provide a more comprehensive understanding of the factors influencing audit report lag.

REFERENCES

- Abdillah, M. R., Mardijuwono, A. W., & Habiburrochman, H. (2019). The effect of company characteristics and auditor characteristics to audit report lag. *Asian Journal of Accounting Research*, 4(1), 129–144. <https://doi.org/10.1108/AJAR-05-2019-0042>
- Abouelela, O., Diab, A., & Saleh, S. (2025). The Determinants of The Relationship between Auditor Tenure and Audit Report Lag: Evidence from an Emerging Market. *Cogent Business and Management*, 12(1). <https://doi.org/10.1080/23311975.2024.2444553>
- Adam, W. B., Purnamasari, P., & Hartanto, R. (2022). Pengaruh Kondisi Keuangan, Kompleksitas Operasi dan Umur Perusahaan terhadap Audit Report Lag. *Jurnal Riset Akuntansi (JRA)*, 2, 043–152. <https://doi.org/10.69714/vvw1wp19>
- Adrea, S. N. (2022). Faktor-Faktor Yang Mempengaruhi Audit Report Lag Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2018-2020. *Jurnal Riset Akuntansi Dan Auditing*, 9(2), 14–30. <https://doi.org/10.55963/jraa.v9i2.463>
- Aifuwa, H. O., Musa, S., & Gold, N. O. (2020). Audit Committee Attributes and Timeliness of Corporate Financial Reporting in Nigeria. 37(88), 114–124. 10.33146/2307-9878-2020-2(88)-114-124.
- Amartavia, R., & Effendi, M. A. (2022). Pengaruh Rasio Keuangan, Tata Kelola Perusahaan, Karakteristik Auditor Terhadap Audit Report Lag. *E-Jurnal Akuntansi TSM*, 2(3), 393–406. <https://doi.org/10.34208/ejatsm.v2i3.1716>
- Arianti, B. F. (2021). Company Size, Financial Distress and Audit Complexity Against Audit Report Lag. *Accounting Journal*, 4(1), 2614–2066. <https://doi.org/doi.org/10.32662/gaj.v4i1.1253>
- Azahra, S. A., & Zulaikha. (2023). Pengaruh Spesialisasi Industri Auditor dan Audit Tenure terhadap Audit Report Lag. *DIPONEGORO JOURNAL OF ACCOUNTING*, 12(4), 1–10. <http://ejournal-s1.undip.ac.id/index.php/accounting>
- Balqis, A. S., & NR, E. (2023). Pengaruh Reputasi Auditor, Investment Opportunities Set dan Kompleksitas Operasi Perusahaan terhadap Audit Report Lag. *JEA Jurnal Eksplorasi Akuntansi (JEA)*, 5(2), 553–565. <https://doi.org/doi.org/10.24036/jea.v5i2.688>
- Basuki, A. T. (2021). *Analisi Data Panel dalam Penelitian Ekonomi dan Bisnis* (Edisi Pert).
- Chalu, H. (2021). Board Characteristics, Auditing Characteristics and Audit Report Lag in African

- Central Banks. *Journal of Accounting in Emerging Economies*, 11(4), 578–609. <https://doi.org/10.1108/JAEE-09-2019-0173>
- Daulay, A. S., & Serly, V. (2020). Pengaruh Karakteristik Auditor terhadap Audit Report Lag (Studi Empiris pada Perusahaan Sektor Keuangan yang Terdaftar di Bursa Efek Indonesia Tahun 2014-2018). *Jurnal Eksplorasi Akuntansi*, 2(3), 3372–3388. <https://doi.org/doi.org/10.24036/jea.v2i3.289>
- Durand, G. (2019). The determinants of audit report lag: a meta-analysis. *Managerial Auditing Journal*, 34(1), 44–75. <https://doi.org/10.1108/MAJ-06-2017-1572>
- Endri, E., Dewi, S. S., & Pramono, S. E. (2024). The Determinants of Audit Report Lag: Evidence from Indonesia. *Investment Management and Financial Innovations*, 21(1), 0–12. [https://doi.org/10.21511/imfi.21\(1\).2024.01](https://doi.org/10.21511/imfi.21(1).2024.01)
- Faiz, D. M., & Karmudiandri, A. (2023). Faktor-Faktor Yang Memengaruhi Terjadinya Audit Report Lag. *E-Jurnal Akuntansi TSM*, 3(4), 303–314. <https://doi.org/doi.org/10.34208/ejatsm.v3i4.2305>
- Farumi, L., Wahyudi, T., & Khamisah, N. (2023). Influence of Audit Committee, Auditor Industry Specialization, and Audit Tenure on Audit Report Lag. *Business Management Analysis Journal (BMAJ)*, 6(1), 58–77. <https://doi.org/10.24176/bmaj.v6i1.8687>
- Fitriana, D. E., & Bahri, S. (2022). Pengaruh Rasio Keuangan, Ukuran Entitas, dan Ukuran KAP terhadap Audit Report Lag. *Owner: Riset & Jurnal Akuntansi*, 6, 964–976. <https://doi.org/doi.org/10.33395/owner.v6i1.704>
- Ghina, A., & Syafitri, L. (2024). Pengaruh Auditor Switching, Financial Condition, dan Audit Complexity terhadap Audit Report Lag pada Perusahaan Sektor Manufaktur yang Terdaftar di BEI Periode 2020 s.d 2023. *COSTING: Journal of Economic, Business and Accounting, Volume 7 N*. <https://doi.org/10.31539/costing.v7i6.13322>
- Habib, A., Bhuiyan, M. B. U., Huang, H. J., & Miah, M. S. (2019). Determinants of audit report lag: A meta-analysis. *International Journal of Auditing*, 23(1), 20–44. <https://doi.org/10.1111/ijau.12136>
- Herawaty, V., & Nugraha, M. A. (2023). Antecedents of Audit Report Lag with Audit Quality as a Moderator. *Journal of Accounting and Strategic Finance*, 6(2), 320–342. <https://doi.org/10.33005/jasf.v6i2.477>
- Jannah, S. R., Z, M. R. H., Hilmi, M. F., & Situmeang, J. P. (2024). Pengaruh Kompleksitas Operasi, Solvabilitas dan Profitabilitas Terhadap Audit Report Lag Pada Perusahaan Manufaktur Yang Terdaftar di Bursa Efek Indonesia Tahun 2019-2020. *Owner*, 8(1), 803–812. <https://doi.org/10.33395/owner.v8i1.1742>
- Kaaroud, M. A., Mohd Ariffin, N., & Ahmad, M. (2020). The Extent of Audit Report Lag and Governance Gechanisms: Evidence from Islamic Banking Institutions in Malaysia. *Journal of Islamic Accounting and Business Research*, 11(1), 70–89. <https://doi.org/10.1108/JIABR-05-2017-0069>
- Kosasih, M., & Arfianti, R. I. (2020). Kemampuan Spesialisasi Industri Auditor Memoderasi Pengaruh Audit Tenure dan Kualitas Audit Report Lag. *Jurnal Akuntansi*, 9(1), 86–106. <https://doi.org/doi.org/10.46806/ja.v9i1.660>
- Lajmi, A., & Yab, M. (2022). The Impact of Internal Corporate Governance Mechanisms on Audit Report Lag: Evidence from Tunisian Listed Companies. *EuroMed Journal of Business*, 17(4), 619–633. <https://doi.org/10.1108/EMJB-05-2021-0070>
- Larisa, E., & Salim, S. (2020). Analisis Pengaruh Karakteristik Perusahaan Terhadap Audit Report Lag Tahun 2019-2020. *Jurnal Ekonomi, SPESIAL ISSUE, November 2021*, 83–102. <https://doi.org/doi.org/10.24912/je.v26i11.768>
- Lisdara, N., Budianto, R., & Mulyadi, R. (2019). Pengaruh Ukuran Perusahaan, Laba Perusahaan, Solvabilitas, dan Ukuran Kantor Akuntan Publik terhadap Audit Report Lag (Studi Empiris pada Perusahaan Manufaktur Sub Sektor Makanan dan Minuman yang Terdaftar di BEI Tahun 2015-2017. *Jurnal Riset Akuntansi Terpadu*, 12(2).

- <https://doi.org/doi.org/10.35448/jrat.v12i2.5423>
- Napitulu, R. B., Simanjuntak, T. P., Hutabarat, L., Damanik, H., Hariannja, H., Mulia, S. R. T., & Tobing, C. E. R. L. (2021). *Penelitian Bisnis Teknik dan Analisis Data dengan SPSS - STATA - EVIEWS* (Edisi 1).
- Onatuyeh, E., Aniefor, S., Orife, C., Ogbolu, L., & Osevwe-Okoroyibo, E. (2024). The Impact of Auditor Attributes and Firm Size on Financial Reporting Timeliness of Listed Firms. *Investment Management and Financial Innovations*, 21(4), 116–127. [https://doi.org/10.21511/imfi.21\(4\).2024.10](https://doi.org/10.21511/imfi.21(4).2024.10)
- Otoritas Jasa Keuangan Republik Indonesia. (2022). *Penyampaian Laporan Keuangan Berkala Emiten atau Perusahaan Publik*.
- Pertiwi, T. P., Th, P., & Hadiprajitno, B. (2022). Pengaruh Karakteristik Perusahaan dan Karakteristik Auditor terhadap Audit Report Lag Studi Empiris pada Perusahaan Non Keuangan yang Terdaftar di Bursa Efek Indonesia pada periode Sebelum Pandemi (2017-2018) dan periode Saat Pandemi (2019-2020). *Diponegoro Journal of Accounting*, 11, 1–15. <https://ejournal3.undip.ac.id/index.php/accounting/article/view/36351>
- Riri, A., & Nurmalina, R. (2025). Pengaruh Kondisi Keuangan, Profitabilitas, dan Struktur Modal terhadap Audit Report Lag pada Perusahaan Properti & Real Estat Yang Terdaftar Di BEI Tahun 2019-2023. *Indonesian Accounting Literacy Journal*, 5(3), 289–301. <https://doi.org/10.35313/ialj.v5i3.6540>
- Saputri, E. R., Setyadi, E. J., Hariyanto, E., & Inayati, N. I. (2021). Pengaruh Audit Tenure, Auditor Switching, Reputasi Auditor, Dan Financial Distress Terhadap Audit Report Lag (Studi Pada Perusahaan Pertambanganyang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2019). *Ratio : Reviu Akuntansi Kontemporer Indonesia*, 2(2), 73–81. <https://doi.org/10.30595/ratio.v2i2.10374>
- Serly. (2021). Tata Kelola Perusahaan dan Audit Report Lag pada Perusahaan Financial yang Terdaftar di BEI. *Owner: Riset & Jurnal Akuntansi*, 5, 631–643. <https://doi.org/doi.org/10.33395/owner.v5i2.498>
- Silalahi, S. P., & Malau, H. (2020). Pengaruh Profitabilitas dan Komite Audit terhadap Audit Report Lag pada Perusahaan Sub Sektor Property dan Real Estate (2017-2018). *Jurnal Ilmiah Universitas Batanghari Jambu*, 20(2), 388–394. <https://doi.org/10.33087/jiubj.v20i2.918>
- Silvia, & Wardhani, N. (2021). Pengaruh Karakteristik Perusahaan terhadap Audit Report Lag di Indonesia. *Jurnal Akuntansi Dan Auditing*, 18(2), 199–210. <https://doi.org/doi.org/10.14710/jaa.18.2.199-210>
- Susanto, A., Tang, S., & Haryanti, R. (2024). Pengaruh Karakteristik Perusahaan Dan Karakteristik Auditor Terhadap Audit Report Lag. *JAKA (Jurnal Akuntansi, Keuangan, Dan Auditing)*, 5(1), 150–157. <https://doi.org/10.56696/jaka.v5i1.10744>
- Susanto, A., & Utama, A. F. (2022). Pengaruh Karakteristik Auditor Dan Karakteristik Perusahaan Terhadap Audit Report Lag. *Gorontalo Accounting Journal*, 5(2), 186. <https://doi.org/10.32662/gaj.v5i2.2439>
- Syofyan, E., Septiari, D., Dwita, S., & Rahmi, M. (2021). The Characteristics of The Audit Committee Affecting Timeliness of The Audit Report in Indonesia. *Cogent Business and Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1935183>