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JOURNAL RESEARCH OF SOCIAL SCIENCE,
ECONOMICS, AND MANAGEMENT

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

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Abstract

This study investigates the influence of auditor characteristics on audit report lag in Indonesia's infrastructure sector, focusing on financial reporting timeliness, which impacts market transparency and stakeholder confidence. The problem arises from delays in audit report submissions, with 51% of companies in 2021 exceeding the 90-day regulatory deadline, revealing systemic audit inefficiencies. The research aims to analyze the effects of audit tenure, Public Accounting Firm (PAF) size, and auditor industry specialization on audit report lag, while testing the moderating role of audit committee effectiveness. Using a quantitative approach and secondary data, moderated regression analysis was conducted on 69 infrastructure sector companies listed on the Indonesia Stock Exchange from 2021 to 2024, yielding 172 observations after purposive sampling. Audit report lag measures the timeliness of audit completion and reflects transparency in financial reporting. Results indicate that audit tenure and PAF size do not significantly affect audit report lag, whereas auditor industry specialization has a significant negative effect. Additionally, audit committee effectiveness does not moderate the relationship between audit tenure or PAF size and audit report lag but significantly strengthens the effect of auditor industry specialization. This study contributes to decision-making in auditor appointments and internal oversight to improve financial reporting timeliness. Future research should expand across sectors and consider variables like audit complexity and internal audit quality for a more comprehensive understanding.

Keywords: Audit Tenure; Public Accounting Firm Size; Auditor Industry Specialization; Audit Committee Effectiveness; Audit Report Lag.

INTRODUCTION

In the era of information disclosure and increasing corporate accountability *go public*, the timeliness of audit reporting is an important component in maintaining the credibility of financial statements (Nugraheni *et al.*, 2025). The infrastructure sector is known as one of the most vulnerable sectors *audit report lag* Because it has the characteristics of long-term projects and complex financing, which complicates the audit process especially in terms of assessing the fairness of projects and recognition of revenues (Fadhila & Surjandari, 2023). OJK Regulation Number: 14/POJK.04/2022 has required companies whose shares are publicly traded to present officially audited annual periodic financial statements within a maximum period of three months or 90 days after the end of the fiscal period (Wandari *et al.*, 2025). Based on data that has been processed by the author in 2021, it was recorded that 51% or 35 of 69 infrastructure sector companies experienced a time gap of more than 90 days, which shows that the majority of companies did not submit audit reports according to the predetermined limits. Although improvement trends are starting to be seen in 2022, 2023 and 2024, there are still a number of companies that experience audit time lags of more than 90 days, which reflects that audit efficiency issues have not been fully resolved.

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

The urgency of this research is driven by the significant impact of audit report delays on market efficiency, investor confidence, and regulatory compliance in Indonesia's rapidly developing infrastructure sector. Late audit reports can lead to information asymmetry, delayed investment decisions, and potential regulatory sanctions, making it crucial to identify factors that can improve audit reporting timeliness.

Audit report lag reflects the length of time between the close of the fiscal year and the issuance of the report by an independent auditor. This is a crucial indicator to assess the timeliness of the publication of audit results reports and the efficiency of financial reporting. Timeliness plays an important role in shaping market perception, influencing investment decisions and supporting corporate policy-making (Sisdiana & Hariani, 2025). Instead *audit report lag* that prolongs the audit inefficiency and has the potential to undermine stakeholder confidence in the validity of the company's financial information (Hendi & Sitorus, 2023).

Audit tenure which reflects the period of the auditor's assignment in a company, is believed to affect the independence and objectivity of the auditor (Palupi & Karmudiandri, 2021). *Audit tenure* With a longer duration, it allows auditors to have a deep level of knowledge of the client, potentially speeding up the audit process (Onatuyeh *et al.*, 2024). Instead *audit tenure* Short ones can experience longer audit time lags because auditors will need more duration to understand their client's business procedures (Diana & Hidayat, 2022). Thus, *audit tenure* that are optimal able to contribute to reducing *audit report lag* while maintaining the quality of financial statements.

Furthermore, the size of the Public Accounting Firm (KAP) also affects the duration of audit completion, where the large KAP indicates excellence in terms of resources and experience that is quite competent in completing the audit efficiently (Palupi & Karmudiandri, 2021). This capacity contributes to a shorter audit completion process that is able to reduce the likelihood of audit report delays (Wandari *et al.*, 2025). Therefore, the size of the KAP is an important aspect that has an impact on the length of audit completion and helps to minimize *audit report lag*.

The specialization of the auditor industry is also a variable that can determine *audit report lag.* Auditor competencies in related industries that accelerate understanding of clients' business processes (Kosasih *et al.*, 2023). This knowledge allows auditors to prepare audit steps on target, so that they are believed to be able to complete audits in a shorter time (Amen *et al.*, 2021). Thus, companies that utilize auditors who specialize in certain areas of the industry are believed to be more likely to shorten the audit time gap.

Audit committee as part of internal oversight. The effectiveness of the audit committee plays an important role in strictly directing external auditors to work according to professional standards (Ghina *et al.*, 2022). The high effectiveness of audit committee supervision allows for acceleration in detecting and resolving problems that arise during audits, so that the duration of audit completion can be completed shorter (Palupi & Karmudiandri, 2021). Therefore, the level of effectiveness of the audit committee has the potential to moderate independent variables which include *audit tenure*, the size of the KAP, and the industry specialization of the auditor to lower *audit report lag*.

These conflicting findings indicate significant research gaps in understanding the complex relationships between auditor characteristics and audit report lag. Most previous

studies have focused on individual factors without comprehensively examining the moderating role of audit committee effectiveness across different auditor characteristics. Additionally, limited research has specifically examined these relationships in the infrastructure sector, which has unique characteristics that may influence audit complexity and timing.

Research conducted Alhadadi (2024) Produce *audit tenure* negatively impacting *audit report lag*, while being tested positive by Gbadamosi & Alade (2024). Research Wandari *et al*. (2025) resulting in the KAP scale having a negative influence on *audit report lag*, while having a positive value in the journal Sunersa *et al*. (2022). Nugraheni *et al*. (2025) reveals that auditors with industry specialization tend to accelerate *audit report lag*, as opposed to the findings Amen *et al*. (2021) which actually shows a positive influence. Research Paradise *et al*. (2024) found that the effectiveness of the audit committee was able to strengthen the relationship between *audit tenure* with *audit report lag*While Sisdiana & Hariani (2025) and Afifah & Chariri (2023) found that these variables weakened the relationship between KAP size and auditor industry specialization with *audit report lag*.

Research Abouelela *et al*. (2024) Explain about *The Determinants Of The Relationship Between Auditor Tenure And Audit Report Lag: Evidence From An Emerging Market*. In the study, the presence of variables *audit tenure* that negatively affects the *audit report lag*. In addition, the auditor's specialization and the effectiveness of the audit committee were found to strengthen the relationship. This research has a difference from the previous study, namely by making the auditor's industry specialization variable an independent variable based on the auditor's in-depth understanding of the client industry can improve audit efficiency, regardless of the influence by the length of the auditor's assignment period. In addition, a Public Accounting Firm (KAP) size variable was also added that reflects the auditor's organizational ability, professional reputation, and work efficiency. As well as changing the object of research into a company in the infrastructure sector listed on the Indonesia Stock Exchange during the period 2021 – 2024.

The objectives of this research are: (1) to examine the influence of audit tenure on audit report lag, (2) to analyze the effect of Public Accounting Firm size on audit report lag, (3) to investigate the impact of auditor industry specialization on audit report lag, (4) to test the moderating role of audit committee effectiveness in the relationship between audit tenure and audit report lag, (5) to examine the moderating effect of audit committee effectiveness on the relationship between PAF size and audit report lag, and (6) to analyze the moderating role of audit committee effectiveness in the relationship between auditor industry specialization and audit report lag.

The benefits of this research include providing practical guidance for management in selecting appropriate auditors and strengthening audit committee functions to improve reporting timeliness, offering insights for auditors to enhance their service delivery and specialization strategies, contributing to regulatory bodies' understanding of factors affecting audit quality and timeliness, and advancing academic knowledge by providing empirical evidence from Indonesia's infrastructure sector. The implications extend to improving overall market efficiency through more timely financial reporting and enhanced investor confidence.

RESEARCH METHOD

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

The research method used is causality with a quantitative approach based on secondary data that is processed to identify the influence between variables in the research. In this analysis, audit report lag is defined as a dependent variable, with audit tenure, the size of the KAP, as well as the specialization of the auditor's industry as independent variables, and the effectiveness of the audit committee function as the moderation variable. Audit report lag measured by the number of days between the end of the fiscal period and the date the audit report was signed (Gbadamosi & Alade, 2024). Audit tenure proxied with dummy 1 if the auditor has served for the same or more than three years, and 0 if not (Abouelela et al., 2024). The size of the KAP is measured through a score of 1 on companies that use the services Big Four, while others are given 0 (Endri et al., 2024). Auditor industry specialization is proxied with a dummy of 1 if the number of clients associated with auditors in one industry divided by the total number of clients in that industry is the highest in that industry, and 0 if not (Hung et al., 2024). The effectiveness of the audit committee is measured from a total score of 0-4 based on the four dimensions developed DeZoort et al. (2002) namely independence, number of members, frequency of meetings, and financial expertise, each dimension of which is scored 1 if the number is above the sample median, and 0 if not (Abouelela et al., 2024).

This study was applied to companies from the infrastructure sector that were verified on the Indonesia Stock Exchange (IDX) from 2021 to 2024 with a population of 69 companies. The selection of this sample was carried out through purposive sampling, guided by the criteria (i) Infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) in 2021 - 2024 (ii) Companies that consistently publish annual reports with the fiscal period ending December 31 in the period 2021 – 2024 (iii) Companies that display complete data and information on the annual report related to the research variables. Based on these criteria, the sample consisted of 43 infrastructure companies, with 4 years of observation so that the total data observed was 172.

Before hypothesis testing was carried out, the research data were analyzed based on classical assumptions such as normality, multicollinearity, heteroscedasticity, and autocorrelation to ensure the feasibility of the regression model. The hypothesis test included a t-test to assess the partial effect of variables and an F test to evaluate the effect of the moderation regression model on ARL, as well as the Adjusted R^2 to assess the ability of the moderation model to explain variations in audit report lag. The multiple linear regression equation model with the moderation effect is formulated as:

$$ARL = \alpha - \beta^1 AT - \beta^2 PAF - \beta^3 SPEC + \beta^4 AT * ACE - \beta^5 PAF * AC + \beta_6 SPEC * ACE + \varepsilon$$

Information:

ARL	= *Audit Report Lag*
A	= Constanta
β_1 β_2 β_3 β_4 β_5 β_6 β_7	= Regression Coefficient
AT	= *Audit Tenure*
PAF	= Size of Public Accounting Firm
SPEC	= Auditor Industry Specialization
ACE	= Effectiveness of the Audit Committee
E	= *Error*

RESEARCH RESULTS
Descriptive Statistical Test

Table 1 Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Std. Deviation
AT	172	0	1	.29	.455
PAF	172	0	1	.33	.472
SPEC	172	0	1	.43	.497
ACE	172	1	4	3.24	.762
ARL	172	37	200	84.91	24.032
Valid N (listwise)	172				

Source : Output data processed by the author, 2025

The results of the descriptive statistical test that have been described in table 1 show a number of analysis results on verified infrastructure sector companies on the IDX with a total of 172 sample data. The results of the statistical test above show that the *audit report lag* (ARL) variable has the lowest value recorded for 37 days which occurred in PT Indosat Tbk in 2023 and PT Link Net Tbk in 2024, as well as a maximum value of 200 days recorded in PT Garuda Maintenance Facility Aero Asia Tbk in 2021. The *mean* value of 84.91 days shows that in general it takes companies about 85 days to publish audit reports since the end of the fiscal year. The standard deviation of 24.032 indicates that there is a considerable variation in the duration of completion of audit reports between companies. The wide range of values from 37 to 200 days indicates a significant difference in the efficiency of the audit process among the sample companies. With an average of 84.91 days, in the study the majority of companies have met the ninety day requirement, although there are still some companies that exceed the limit of this requirement.

The mean on the dummy variable represents the proportions of category 1 because mathematically the value of 0 does not contribute to the calculation of the mean (Gujarati & Porter, 2009). Variabel *audit tenure* (AT) is encoded as a dummy variable with the smallest values of 0 and the largest of 1. *Audit tenure* more than equal to 3 years as many as 50 companies or 29.1%, while companies that *audit tenure* in less than 3 years there are 122 companies with a percentage of 70.9%. The standard deviation value of 0.455 is consistent with the nature of binary variables and indicates reasonable data variation. The descriptive results of the AT variable show that the majority of auditor engagement periods in the sample tend to be short, so the role of the AT has not been able to provide optimal support for the acceleration of ARL.

The KAP size variable (PAF) which is also coded in dummy form (0 = Non-Big Four; 1 = Big Four) has a lower bound value of 0 and an upper bound value of 1. A total of 33.1% with a total of 57 infrastructure companies were audited by the Big Four KAP, while 66.9% with a total of 115 companies were audited by non-Big Four public accounting firms (KAP). The standard deviation of 0.472 shows a relatively balanced proportion difference, although the number of non-Big Four audited companies is still larger. With a larger distribution in the

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

Non-Big Four KAP, the PAF variables in this study do not fully reflect the optimal audit services in supporting the acceleration of ARL.

The auditor's industry specialization variable (SPEC) is coded as a dummy with a low value of 0 and a high value of 1. Companies that use the services of auditors with certain industry specializations are 74 companies with a percentage of 43.0%, while a total of 98 companies or 57.0% are recorded to use the services of non-specialist auditors. The standard deviation of 0.497 shows a relatively even distribution between companies that use specialist auditors and those that do not. The distribution of SPEC dominated by non-specialist auditors indicates that this variable does not fully reflect the optimal audit service of the ARL.

The audit committee effectiveness variable (ACE) is measured by an ordinal scale of 1 to 4 where the lowest score is 1 and the highest is 4. An average score of 3.24 indicates that the majority of companies feature audit committees with an effectiveness close to the maximum value. Of the total 172 company sample data, only 3 companies or 1.7% are classified as category 1 (less effective), followed by 25 companies that are in category 2 (moderately effective) with a percentage of 14.5%, while 72 companies or 41.9% are in category 3 (effective), and as many as 72 companies or 41.9% are included in category 4 (very effective). A standard deviation of 0.762 indicates moderate variation between companies, which means that the audit committee's effectiveness rate is not entirely uniform. The descriptive results show that ACE reflects the high effectiveness of the audit committee, so it has the potential to carry out a more optimal moderation role for ARL.

Classic Assumption Test

The Kolmogorov-Smirnov (K-S) test is applied to evaluate normally distributed residual data. Based on the criterion that the data is declared normal if Asymp.Sig > 0.05, the initial results show an Asymp.Sig <0.001, which indicates data abnormality. Then further processing was carried out by removing 72 samples, so that the number of samples was reduced from 172 to 100 samples. After the removal of the outlier, the value of Asymp.Sig reaches 0.186 (> 0.05). This result indicates the fulfillment of the assumption of normality of post-outlier residual data, so that statistically the data of this study is normal.

To identify the relationship between independent variables in the regression, a multicollinearity analysis was performed using a tolerance limit of > 0.1 and VIF < 10. If all variables meet the criteria, then the model is considered free of multicollinearity symptoms. From the results of the analysis, it was obtained that the *tenure audit variable* had a VIF of 1.095 < 10 with a tolerance of 0.913 > 0.1. Furthermore, the size variable of public accounting firms showed a VIF value of 1.113 < 10 and a tolerance of 0.898 > 0.1. The auditor's industry specialization variable has a VIF of 1.066 < 10 and also a tolerance of 0.938 > 0.1. Meanwhile, the audit committee's effectiveness variable recorded a VIF of 2.840 < 10 with a tolerance of 0.352 > 0.1. For the variables of tenure *audit interaction* with audit committee effectiveness, a score of 1.506 < 10 and a tolerance of 0.664 > 0.1, the interaction between the size of the KAP and the effectiveness of the audit committee obtained a VIF of 1.976 < 10 and a tolerance of 0.506 > 0.1, and the interaction between the auditor's industry specialization and the effectiveness of the audit committee obtained a VIF of 1.938 < 10 with a tolerance of 0.516 > 0.10. All of these values meet the criteria, so the regression model is considered to have no multicollinearity problem.

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

The White test is used to identify potential symptoms of heteroscedasticity. The provision that the model is considered free of such problems if the statistical value of the Chi-square test is lower than the Chi-square table. The results of data processing from R square multiplied by the number of samples, showed a statistical value of Chi-square of 6.9, and a Chi-square table of 7.815 (6.9 < 7.815). Therefore, the regression model is stated to have no heteroscedasticity problem.

Autocorrelation is tested through Durbin-Watson (DW), where it is stated that there is no autocorrelation if the value of DW is between DU and 4 - DU. The findings of the calculation show a DW of 1.852, which is found in the range of 1.73643 to 2.26357 (1.73643<1.852<2.26357). With these results, it confirms that the regression model does not indicate autocorrelation.

Moderate Regression Test

The model of equations between variables from the results of the moderation regression analysis test can be stated as follows:

$$ARL = 3.442\alpha - 0.056AT - 0.121PAF - 0.195SPEC - 0.352ACE + 0.158AT*ACE - 0.149PAF*ACE + 0.568SPEC*ACE + 0.073\varepsilon$$

The constant of 3.442 shows that if all independent and moderation variables are 0, then *the audit report lag* is predicted to be 3.442. The *audit tenure* (AT) variable has a coefficient of -0.056, which indicates that each addition of *the audit tenure* unit can reduce *the audit report lag* by 0.056, with the other variable being constant. The variable size of public accounting firms (PAF) shows a negative coefficient of -0.121, indicating that an increase of one unit in the size of the KAP tends to reduce *audit report lag* by 0.121. Meanwhile, the auditor's industry specialization variable (SPEC) has a negative coefficient of -0.195, indicating that auditors who have industry specialization are able to reduce *audit report lag* by 0.195 units, if the remaining variables do not change. Furthermore, the audit committee effectiveness variable (ACE) produced a coefficient of -0.352, indicating that an increase in audit committee effectiveness would reduce *audit report lag* by 0.352 units. Then the variable of the interaction *of audit tenure* with the effectiveness of the audit committee (AT*ACE) showed a positive coefficient value of 0.158, meaning that an increase of one unit in this interaction would cause an increase *in audit report lag* of 0.158, with the note that other variables remained constant. Furthermore, the interaction variable between the size of the public accounting firm and the effectiveness of the audit committee (PAF*ACE) resulted in a coefficient value of -0.149, indicating that every increase of one unit in the interaction had the impact of reducing *the audit report lag* of 0.149, assuming the other variables were constant. Meanwhile, the interaction between the auditor's industry specialization and the audit committee's effectiveness (SPEC*ACE) with a positive coefficient value of 0.568, indicates that each additional unit in the interaction has an impact on increasing *audit report lag* by 0.568, assuming the other variables are constant.

Hypothesis Test

Based on the analysis, the calculated F-value was recorded at 3.957 and the significance level was 0.001 (below 0.05). Thus, it indicates that the regression model applied in this study is declared valid and can be used for further testing.

Table 2 Hypothesis Test Research Model

Hypothesis	Statement	Result	Results
H1	*Audit Tenure* has a negative effect on *Audit Report Lag*	T Calculate > T Table **-0.556 < 1.662** Sig. Value < 0.05 **0.580 > 0.05**	**Hypothesis Rejected** Ket: *Tenure Audit* has no effect on *Audit Report Lag*
H2	The Size of Public Accounting Firms (KAP) Negatively Affects *Audit Report Lag*	T Calculate > T Table **-1,265 < 1,662** Sig. Value < 0.05 **0.209 > 0.05**	**Hypothesis Rejected** Ket: The Size of Public Accounting Firms (KAP) has no effect on *Audit Report Lag*
H3	Auditor Industry Specialization Negatively Affects *Audit Report Lag*	T Calculate > T Table **-2,130 > 1,662** Sig. Value < 0.05 **0.036 < 0.05**	**Hypothesis Accepted** Ket: Auditor Industry Specialization Negatively Affects *Audit Report Lag*
H4	The effectiveness of the Audit Committee strengthens the relationship between *Audit Tenure* and *Audit Report Lag*	T Calculate > T Table **1,088 < 1,662** Sig. Value < 0.05 **0.280 > 0.05**	**Hypothesis Rejected** Ket: The effectiveness of the Audit Committee does not moderate the relationship between *Audit Tenure* and *Audit Report Lag*
H5	The effectiveness of the Audit Committee weakens the relationship between the Size of the Public Accounting Firm (KAP) and *the Audit Report Lag*	T Calculate > T Table **-1,104 < 1,662** Sig. Value < 0.05 **0.272 > 0.05**	**Hypothesis Rejected** Ket: The effectiveness of the Audit Committee does not moderate the relationship between the Size of the Public Accounting Firm (KAP) and *the Audit Report Lag*
H6	The effectiveness of the Audit Committee weakens the relationship between the Auditor's Industry Specialization and *the Audit Report Lag*	T Calculate > T Table **4,322 > 1,662** Sig. Value < 0.05 **0.000 < 0.05**	**Hypothesis Rejected** Ket: The effectiveness of the Audit Committee strengthens the relationship between the Auditor Industry Specialization and *the Audit Report Lag*

Source : Output data processed by the author, 2025

The regression model proves that the results obtained by the R-square determination coefficient have been calculated as 0.233, which means that 23.3% of the variation in *audit report lag* can be described through independent variables in the model, namely *audit tenure* (X1), size of public accounting firm (X2), industry specialization of auditors (X3), and moderation variables of audit committee effectiveness (M). Adjusted R^2 calculated as 0.174 corrects R^2 for the number of predictor variables in the model, indicating that after adjusting for 17.4% of the variation in *the audit report lag* is parsed through this model.

Discussion

The Effect of Tenure Audit on Audit Report Lag (ARL)

Based on the findings obtained, *the tenure audit* did not significantly affect *the audit report lag*, so H1 was declared unacceptable. This is supported by data showing that in companies with *long-tenure audits* (category 1), there are those that complete audits in less than 90 days, for example MORA 2023 (74 days) and POWR 2024 (52 days), but there are also those that exceed the 90-day limit, such as KARW 2021 (109 days), TLKM 2024 (107 days), and TOWR 2021 (108 days). The same thing was also found in the *short tenure audit* (category 0), where the 2022 MORA recorded an ARL of 60 days, but the 2021 TLKM actually required 108 days. Thus, both long auditors and short auditors produce ARLs on time or past deadlines.

This condition indicates that the length of the auditor's tenure in a company does not directly contribute to determining the speed of completion of the audit report (Uly & Julianto, 2022). Although the auditor's long assignment period can improve understanding of the characteristics and risks of the company, the auditor is still obliged to carry out all audit procedures comprehensively each audit period in accordance with applicable professional standards (Paradise) *et al.*, 2024). This condition confirms that the duration of the *audit tenure* is not a major factor in accelerating audit reporting because the principles of audit quality and independence must be maintained consistently in each audit cycle (Kalbuana *et al.*, 2025).

In agency theory, auditors act as an external means of oversight to suppress agency disputes and minimize information gaps between agents and owners. However, the effectiveness of auditor supervision is not only determined by the length of the assignment period, but rather depends on the consistency and quality of the implementation of audit procedures that ensure independence and objectivity (Razaq & Rosadi, 2024). Thus, even if the auditor has worked with the client for a long time, the duration does not determine the speed of audit completion so it does not have an impact on the renewal or shortening *audit report lag*.

The statement is supported by the findings of previous studies by Farumi *et al.* (2023) and (Sunersa et al., 2022) which reveals *audit tenure* has no influence on *audit report lag*.

The Effect of Public Accounting Firm (KAP) Size on *Audit Report Lag* (ARL)

Based on the test data, it is known that the size of the KAP does not have a significant effect on *the audit report lag*, so H2 is rejected. Observations of the data show that some companies audited by the Big Four (category 1) are able to complete audits in less than 90 days, such as ACST 2021 (49 days) and LINK 2023 (40 days), but there are also those that exceed 90 days, for example GMFI 2021 (200 days) and META 2022 (94 days). Similar conditions were also found in non-Big Four audited companies (category 0), where ISAT 2024 (39 days) and JKON 2023 (57 days) were able to complete audits faster, but HADE 2021 (112 days) and OASA 2023 (148 days) exceeded the timeliness limit. Thus, both the Big Four and non-Big Four have proven to be inconsistent in influencing the acceleration of ARL time.

This indicates that the size of the public accounting firm does not play a real role in accelerating or slowing down the completion of audit reports (Diana & Hidayat, 2022). Although large KAP is generally associated with higher resources and reputation, in fact these factors do not necessarily have a direct impact on audit time efficiency or shortening *audit report lag* (Amen *et al.*, 2021). In contrast, small or non-Big Four KAPs can also demonstrate equivalent work efficiency if they have competent auditors and systematic and effective audit procedures (Sunersa *et al.*, 2022).

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

In agency theory, the existence of external auditors should serve to reduce information imbalances and ensure the quality of financial reporting. However, the results confirm that the effectiveness of the auditor's supervisory function is not solely determined by the size of the institution, but rather by the auditor's professional abilities and in-depth understanding of the client's characteristics (Diana & Hidayat, 2022). Therefore, the size of a public accounting firm does not automatically reflect a significant difference in the speed of audit reporting, so it does not determine the length or brevity *audit report lag*. The statement, according to the findings of the Diana & Hidayat (2022) and Palupi & Karmudiandri (2021) which revealed that the size of the KAP did not show an effect on *audit report lag*.

The Influence of Auditor Industry Specialization on Audit Report Lag (ARL)

The findings of the test show a significant negative influence of the auditor's industry specialization on *audit report lag*. From this statement, H3 was declared accepted. These results indicate that companies that use auditors with industry-specific specialists spend less time examining clients' financial reporting (Nugraheni *et al*., 2025). Industry specialization allows auditors to master business practices, inherent risks, as well as specific regulatory standards applicable in the client's industry, which are not fully mastered by non-specialist auditors. Mastery of the industry provides a competitive advantage for auditors in designing audit procedures efficiently and relevantly, so that audits can be carried out in a more structured manner and completed in a shorter time (Farumi *et al*., 2023).

In agency theory, auditors who specialize in the industry play a more effective role as an external oversight mechanism because they are able to identify potential agency conflicts and reporting irregularities more accurately. In-depth knowledge of industry dynamics strengthens the auditor's position in detecting manipulation or omission of information that can harm owners or investors (Febrianingrum *et al*., 2023). Therefore, the presence of specialist auditors can speed up the delivery of relevant financial information, thus significantly contributing to the suppression of *audit report lag*.

The statement is adjusted and supported by the findings of research that has been conducted by the Ghana *et al*. (2022) and Afifah & Chairiri (2023) which reveals that the auditor's industry specialization has a negative influence on *audit report lag*.

The Role of the Audit Committee's Effectiveness as a Moderator of the Influence of Audit Tenure on Audit Report Lag (ARL)

According to the analysis that has been carried out, the effectiveness of the audit committee does not show the ability to moderate the relationship between *audit tenure* and *audit report lag* which produces insignificant influence. From this statement, H4 was declared rejected. This can be seen from empirical data, for example, in GMFI 2021 with ACE (Audit Committee Effectiveness) categories 4 and 10 meetings, ARL was recorded for up to 200 days, while ISAT 2021 with ACE categories 4 and 9 meetings was completed on time in 47 days. Similarly, PTPP 2023 with ACE category 3, the number of meetings 24 times, and a high level of independence still passed the deadline with an ARL of 96 days, while WEGE 2024 with a lower ACE (category 2) and 32 meetings, despite the independence and relatively weak experience of members, was able to submit reports on time in 73 days. This shows that the high or low effectiveness of ACE does not have a consistent effect on the timeliness of financial reporting.

The Influence of Auditor Characteristics on Audit Report Lag: The Effectiveness of the Audit Committee as a Moderating Variable

The effectiveness of the audit committee in carrying out its supervisory function does not significantly strengthen or weaken the relationship between auditors and clients in accelerating audit completion. *Audit tenure* The auditor has mastered the client's systems, risks, and performance procedures that allow the execution of audits to be more efficient without requiring additional coordination from the audit committee (Valentina & Abbas, 2024).

Based on agency theory, the effectiveness of the audit committee is an internal control system that acts as a supervisor of managerial actions and financial reporting processes and helps reduce the information gap between management (agents) and shareholders (principals). When the relationship between auditor and client has been established for a long time, information exchange, coordination, and verification have been effective so that the role of the audit committee does not have an additional contribution to the timeliness of the submission of financial statements (Sunersa *et al.*, 2022). The effectiveness of the audit committee does not demonstrate the role of moderation because it does not interact significantly in influencing attachment *audit tenure* at *audit report lag*.

This statement, in harmony with the study Sunersa *et al.* (2022) Revealing the effectiveness of the audit committee is not capable of moderating the relationship *audit tenure* and *audit report lag*.

The Role of the Audit Committee's Effectiveness as a Moderator of the Influence of Public Accounting Firm (KAP) Size on Audit Report Lag (ARL)

The findings of the test indicate that the effectiveness of the audit committee was ineffective in moderating the correlation of KAP size and *audit report lag* and its effect was not significant. This result states that H5 is rejected. Empirical evidence shows that BTEL with ACE category 2 and 4 meetings still recorded an ARL of 176 days, while BALI 2024 with ACE category 2, the same number of meetings, and low independence were able to submit reports on time in 59 days. The same thing can also be seen in TBIG 2022 with ACE category 4 and 6 meetings which resulted in ARL of 90 days (tolerance limit), while IBST 2022 with ACE category 4 and 8 meetings actually exceeded the time limit with ARL of 116 days. This condition confirms that the high effectiveness of the audit committee, both in terms of the number of meetings, independence, and experience, does not provide a consistent pattern in moderation.

In this research sample, the effectiveness of the audit committee was not strong enough to strengthen or weaken the effect of large KAP efficiency on the duration of audit completion. The insignificance of these results can be caused by the characteristics of large public accounting firms, such as the Big Four, which usually have an efficient work system, adequate resources, and stable and consistent audit standards, so that the audit execution remains efficient without depending on the effectiveness of the audit committee in conducting supervision and maintaining its independent professional reputation (Sisdiana & Hariani, 2025).

In agency theory, the audit committee serves as an internal governance mechanism to oversee management and reduce information asymmetry. However, in large KAP that already has a quality control system and a strong reputation for independence, interventions from internal oversight such as audit committees, do not show a significant influence on the acceleration of audits (Alhadadi, 2024). The effectiveness of the audit committee does not show

substantial moderation function because it does not have a significant interaction in influencing the relationship between the size of the KAP and the *audit report lag.*

The above statement is aligned based on the results of the study Sunersa *et al*. (2022) reveals the effectiveness of the audit committee cannot moderate the relationship between the size of the KAP and *audit report lag*.

The Role of the Audit Committee's Effectiveness as a Moderator of the Influence of Auditor Industry Specialization on Audit Report Lag (ARL)

From the findings of the analysis, it was found that the effectiveness of the audit committee plays a significant role as a moderation variable in the relationship between the auditor's industry specialization and *audit report lag*. However, because the direction of the influence is different from the prediction, H6 is rejected. Empirical evidence shows that the 2021-2024 MORA with ACE category 4, the number of meetings 3-11 times, and using specialist auditors successfully completed the audit in 54-83 days, all below the 90-day limit. Similarly, NRCA 2021-2024 with ACE category 4, 6 meetings, and using specialist auditors recorded ARL of 83-89 days consistently. This data indicates that an optimal ACE can strengthen the influence of SPEC in accelerating audit completion.

The existence of an effective audit committee can strengthen the impact of specialist auditors on *audit report lag.* Auditors who have industry expertise are able to carry out more efficient and targeted stages of the audit process, making the audit process carried out quickly (Hung *et al*., 2024). However, auditors' abilities do not always have maximum impact without adequate internal supervision. An effective audit committee can provide direction, monitoring, and coordination, so that the potential of specialist auditors in improving audit efficiency can be maximized, resulting in *audit report lag* shorter ones.

Based on agency theory, the effectiveness of an audit committee acts as a control mechanism to reduce the information gap between agents and owners. An effective audit committee not only ensures auditors adhere to professional standards, but also provides strategic direction, monitors the implementation of procedures, and evaluates the resources available for audits. With the right oversight support, the potential of specialist auditors to improve audit efficiency can be maximized (Maranjory & Tajani, 2022). Because of this, the effectiveness of the audit committee plays a role in strengthening the relationship between the auditor industry specialization and the *audit report lag.*

This statement is consistent with the findings Ghina *et al*. (2022) where the effectiveness of the audit committee strengthens the relationship of the auditor's industry specialization to *audit report lag*.

CONCLUSION

Based on a study of 69 infrastructure sector companies listed on the Indonesia Stock Exchange from 2021 to 2024 with 172 data points, the author concluded that audit tenure and public accounting firm (PAF) size do not affect audit report lag, while auditor industry specialization has a significant negative effect. The effectiveness of the audit committee does not moderate the relationship between audit tenure or PAF size and audit report lag but significantly strengthens the relationship between auditor specialization and audit report lag. The study faced limitations, including the removal of 72 samples to fulfill normality

assumptions, which may have biased results, and a low explanatory power with an R Square of 23.3%, indicating other factors influence audit report lag. Future research should include other sectors to provide broader data and consider additional variables such as internal audit quality, audit complexity, or operational complexity to better explain audit report lag. This research informs management about optimizing financial reporting schedules by strategically appointing auditors based on tenure, firm size, specialization, and strengthening audit committee functions to enhance audit efficiency and quality, thereby improving corporate governance, transparency, and stakeholder trust.

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