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The Effect of Audit Committee, Profitability, Company Size, and Leverage on Audit Report Lag

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Abstract
This study examines the factors influencing audit report lag in the transportation and logistics sector, addressing the persistent problem of delayed financial reporting that undermines market transparency and investor confidence. The research problem stems from the significant number of companies listed on the Indonesia Stock Exchange (IDX) that consistently exceed the 90-day regulatory deadline for submitting audited financial statements, with audit report delays potentially causing administrative fines, declining investor confidence, and capital market volatility. The objectives are to analyze the effects of audit committee characteristics, profitability, company size, and leverage on audit report lag in transportation and logistics companies. Using a quantitative approach with panel data regression based on the Fixed Effect Model (FEM), this study examines 24 companies listed on the IDX during 2022–2024, resulting in 72 observations through purposive sampling. The results of the study show that while larger businesses and more extensive audit committee structures speed up the audit process, audit report delay is negatively and significantly impacted by audit committee characteristics and firm size. Meanwhile, audit report delays have not been significantly impacted by profitability or debt. The results of the study have managerial implications for improving the performance of audit committees and making the best use of available resources to reduce audit report delays and improve the openness and dependability of financial data.
Keywords: audit report lag, audit committee, profitability, company size, and leverage.

INTRODUCTION

Offering a trustworthy and transparent view of the financial status and performance of the business, audit reports are essential in the financial reporting process (Read et al., 2024). As an instrument used to assess the extent to which a company has complied with applicable accounting and regulatory standards, audit reports greatly influence the decisions taken by various related parties, such as investors, creditors, regulators, and stakeholders (Rahman & AMP; Bhuiyan, 2024). Administrative fines, declining investor confidence, and capital market volatility can result from "audit report delays," or the interval between the end of the fiscal year and the independent auditor's report (Ariningtyastuti & Rohman, 2021; Fatahurrazak, 2024; Putra & Darsono, 2023).

The research problem emerges from the persistent issue of audit report delays among companies listed on the IDX, where, despite the OJK's establishment of a maximum 90-day deadline for submitting audited financial statements, numerous public companies continue to exceed these regulatory requirements. This audit report lag not only reflects internal company constraints or audit complexity but also sends negative signals to the market, creating systemic risks to market efficiency and stakeholder confidence. The urgency of this research is particularly pronounced in the transportation and logistics sector due to its vital role in the national economy and high dependence on investor confidence. These companies face unique challenges including high revenue volatility, complex infrastructure dependencies, and

stringent regulatory requirements that may significantly impact both the nature of financial reporting and the time required for audit completion.

It is quite concerning that companies listed on the IDX are often late in submitting their financial statements. Although the OJK has set a maximum deadline of 90 days for the submission of audited financial statements, the fact is that there are still public companies that exceed these provisions. This audit report lag not only reflects the company's internal constraints or audit complexity but also sends a negative signal to the market. This is an important phenomenon, especially in the transportation and logistics sector, because this sector has a vital role in the national economy and is highly dependent on investor confidence. Audit report lag (ARL) is still a challenge in maintaining credibility, transparency, and public trust in the company's financial statements. The company's reputation and market stability can decline significantly if the results of the audit are delayed (Ariningtyastuti & Rohman, 2021; Rahman & Bhuiyan, 2024; Tomasila & Pangaribuan, 2023).

Syahzuni & Wulandari (2024) state that the purpose, attendance, and composition of the audit committee all affect the audit time. Moreover, Aldoseri et al. (2021) underline that the audit committee can reduce risks of audit report lag. This is especially relevant for companies in the transportation and logistics sectors that are prone to reporting delays, so the quality of audit committees is key to improving the efficiency and timeliness of financial information.

A business's ability to generate revenue from its assets is measured by profitability (Damayanty et al., 2022; Düsseldorf et al., 2022; Shlash et al., 2024). Profitability refers to how well management uses resources to bear the risks that are likely to occur and achieve key objectives (Nurindrayani & Indrati, 2022). For highly affluent companies, auditors often conduct more thorough income audits, especially to ensure the fairness of the reported figures. This process can extend the duration of the audit (Febrianty & Raharja, 2024). Thus, the delay in audit reports has a negative impact on profitability (Siregar & Sujiman, 2021).

In addition to the profitability factor, audit report breaks are often calculated using the company's total wealth or assets, which take into account many factors, such as the size of the company (Febrianty & Raharja, 2024). The scale of the business grows directly proportional to its assets. Larger businesses may have more complicated reporting and operational requirements (Kalbuana et al., 2023). The operational complexity inherent in a large business scale can extend audit time and offset the superiority of those resources. In line with Ubwarin et al. (2021a), it all depends on the efficiency of the audit process, the readiness of documents, the quality of the reporting system, and the effectiveness of internal controls. The length and scope of an audit can be affected by its complexity.

The audit process is likely to be affected by leverage, which measures how much debt a company uses to fund operations and growth (Fauditti & Satria, 2020). The likelihood of an organization experiencing financial difficulties increases due to high levels of debt, which also makes audits more difficult and takes longer to prepare audit reports (Siregar & Sujiman, 2021).

According to Endri et al. (2024), the audit committee, audit opinion, business profitability, and size of the public accounting firm (KAP) all affect the latency of the audit report as submitted (Style et al., 2024). These factors play an important role in determining the efficiency and effectiveness of audited financial reporting. Audit procedures and reports are

delayed when underperforming companies do not provide financial statements that meet the audit criteria (Febrianty & Raharja, 2024; Düsseldorf et al., 2022). Similarly, larger company sizes with more complex transactions often take more time to audit, potentially slowing down the time of submission of audit reports (Scott et al., 2022; Octavia & Hernadianto, 2025; Swantoro, 2021). However, while previous research has provided insights into these factors, there is still room to deepen this analysis in a more specific context.

Research gaps exist in the limited focus on sector-specific analysis, particularly in the transportation and logistics industry, which has unique operational characteristics that may influence audit complexity. Additionally, there is inconsistency in previous research findings regarding the relationship between company characteristics and audit report lag, indicating the need for more sector-focused investigation. Most existing studies have not comprehensively examined the combined effects of audit committee characteristics, financial performance indicators, and company structural factors within a specific industry context.

The novelty of this research lies in its sector-specific focus on transportation and logistics companies, which face distinctive challenges including high revenue volatility, complex infrastructure dependencies, and stringent regulatory requirements. The study contributes by including leverage as an analytical component while examining its interaction with other factors in a comprehensive model. Additionally, this research employs the Fixed Effect Model approach to control for unobserved heterogeneity among companies, providing more robust analysis than previous studies.

Factors influencing the delay in audit reports in transportation businesses listed on the Indonesia Stock Exchange (IDX) between 2022 and 2024 are identified and examined in this study. The transportation industry was chosen because of its distinctive characteristics. High revenue volatility, reliance on complex infrastructure, and stringent regulations are some of the most common operational management issues in the transportation sector. Both the type of financial reporting and the time required to conduct an audit can be affected by these factors. The use of a company's leverage variable is another important difference from previous research. This study aims to improve our understanding of the factors driving audit report lag (ARL) in Indonesia by focusing on the transportation sector and including leverage as an analytical component. The compliance hypothesis, which emphasizes the importance of law and corporate *accountability* in enforcing fair financial reporting, is the foundation of this strategy.

The purpose of this study is to update many criteria (Style et al., 2023). In addition to offering solutions, this study also aims to raise awareness of the reasons for late audit reports in the transportation sector that are useful for companies and related parties to speed up the audit reporting process. The benefits of this research include providing practical insights for management in the transportation and logistics sector to optimize audit committee performance and resource utilization to reduce reporting delays, offering guidance for investors and creditors in evaluating companies based on factors that truly influence audit efficiency, contributing to regulatory bodies' understanding of sector-specific challenges in financial reporting timeliness, and advancing academic knowledge by providing empirical evidence from Indonesia's transportation and logistics sector. The implications extend to improving overall market efficiency through more timely financial reporting and enhanced stakeholder confidence in this critical economic sector.

RESEARCH METHOD

In order for the direction and focus of this research to be more clearly described to the reader, the research model has been compiled by the researcher as shown in the image above. The relationship *between* the independent variables, i.e., Audit Committee, Profitability, Company Size, and Leverage, and the dependent variable, namely Audit Report Lag (ARL), is illustrated by the model. Each arrow direction indicates a presumed relationship based on the hypothesis formulation described earlier.

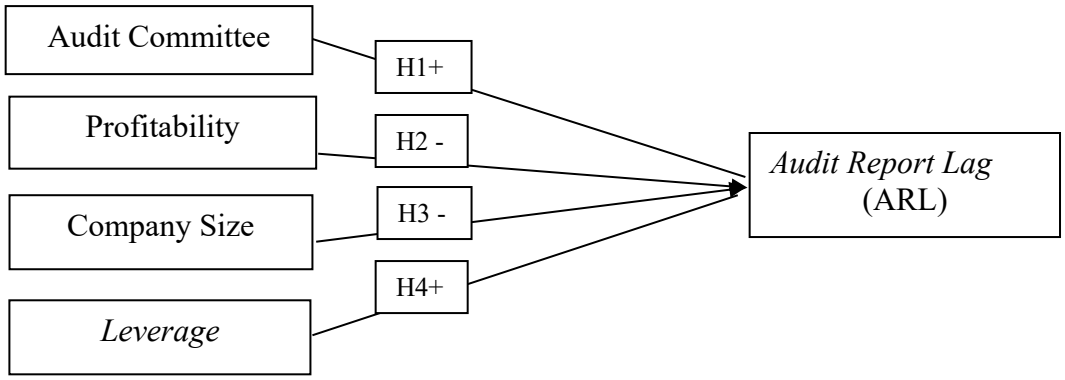

Figure 1. Research Model

The operational definition from the previous study was used as the basis for measuring each variable in this study (Image et al., 2024). The difference between the date of the audit report and the end date of the financial year is used to measure the dependent variable of the research, namely audit report lag (ARL) (Rahman & AMP; Bhuiyan, 2024). Independent variables are made up of several elements that can affect ARL. The audit committee is measured nominally based on the total number of ACMs that occur throughout the year (Alhawamdeh et al., 2024). Return on assets (ROA) is used to measure profitability by calculating net profit after tax divided by total assets (Huyen, 2024). The size of the company is calculated based on total assets as an indicator of the scale of the company's operations (Ismail, Mohd-Saleh, & Yakob, 2022). Finally, by comparing total debt and total equity, the debt-to-equity ratio (DER) determines leverage and measures how much the company relies on outside investment (Meiryani et al., 2022).

This study uses the annual financial statements of logistics and transportation companies listed on the Indonesia Stock Exchange (IDX) between 2022 and 2024 as a secondary data source. The Indonesia Stock Exchange allows transportation companies to list their shares that consistently publish complete audit reporting for 2022 to 2024 and companies that have consistently made a profit for 3 years. A sample of 24 businesses was selected based on these criteria, resulting in 72 observations of research data.

The relationship between a number of independent characteristics, such as audit committee, profitability, business size, leverage, and audit report lag (ARL), is studied in this research using panel data regression analysis. This study uses a multivariate linear regression model with a Fixed Effect Model (FEM) approach. FEM is the most effective method for identifying variation in fixed features between businesses, according to Chow and Hausman's

study. Before hypothesis testing, the data are tested through tests of basic assumptions such as multicollinearity and heteroscedasticity to guarantee the validity of the regression model. The hypothesis about partial effects is assessed using the t-test, and the determination coefficient (adjusted R^2) assesses the extent to which independent variables can contribute to differences in audit report delay, while the F-test tests the simultaneous influence of all independent factors on audit report delay. According to Ajija's research, the normality test needs to be carried out if the number of observations is less than 30. However, if the number of observations is more than 30, the normality test is not necessary because the sampling distribution error is close to normal (Eunuch et al., 2021). The regression model equations used in this study are as follows:

$$ARL = \alpha + \beta AC_{it} - \beta KE_{it} - \beta SIZE_{it} + \beta DER_{it} + e$$

ARL : *Audit report lag*
A : Constanta
B : Regression Coefficient
AC : Audit Committee measured by ratio
LENGTH : Profitability measured by ROA
SIZE : Company size measured by logarithm of total assets
THE : *Leverage* measured by Debt/Total Assets Ratio
and : Error
i : Company i
t : Year t

RESULTS AND DISCUSSION

Descriptive Statistical Test

The average, maximum, and minimum values of each variable were determined in this study using descriptive statistical analysis. Although audit report delays were dependent variables in this study, audit committees, profitability, business size, and debt were independent factors. This study examines 24 logistics and transportation companies listed on the Indonesia Stock Exchange (IDX) between 2022 and 2024.

Table 1. Descriptive Statistical Test Results

	ARL	AC	LENGTH	SIZE	THE
Mean	82.80556	1.445814	0.015559	27.10904	1.701032
Median	86.00000	1.386294	0.001273	27.07881	0.574244
Maximum	146.0000	2.484907	0.283504	31.01238	41.64761
Minimum	36.00000	0.000000	2.56E-05	22.12659	0.024070
Std. Dev.	13.48618	0.640437	0.041855	1.934384	4.989258
Skewness	-0.086105	-0.789079	4.486116	-0.102139	7.310692
Kurtosis	11.41718	3.800185	26.12273	3.440412	58.74283
Jarque-Bera	212.6359	9.392630	1845.485	0.707075	9963.143
Probability	0.000000	0.009129	0.000000	0.702200	0.000000
Sum	5962.000	104.0986	1.120257	1951.851	122.4743

Sum Sq. Dev.	12913.28	29.12133	0.124382	265.6708	1767.381
Observations	72	72	72	72	72

In **Table 1,** it is shown that audit report lag (ARL) has a minimum value of 36 days and a maximum value of 146 days. These findings show that the longest delay in submitting financial statements is 146 days. Meanwhile, the average ARL value of 82.81 days indicates that overall, the companies in the sample completed the preparation of their financial statements in less than three months.

The minimum value of the audit committee variable is 0, which is found in a number of companies such as WEHA, GTRA, LAJU, MPXL, PURA, and TNCA in 2022. One of the factors that affected this condition was the absence of internal audit committee meetings in these companies during the year. The maximum value of this variable was recorded at 2.48490, with an average of 1.445814.

By 2024, the profitability variable will have a minimum value of 0.005%, according to TMAS's business, which indicates the company's ability to generate low profits. In contrast, a maximum value of 28.3% was found in 2022 in SMDR companies, where the company earned large profits. Meanwhile, an average profitability of 1.5% indicates that most companies have a fairly low level of profit margin.

In 2023, the company size variable for the TMAS business should be at least 22.12659. This value indicates that TMAS's total assets are smaller than those of other companies in the study sample. In contrast, a maximum value of 31.01238 was found in the IMJS company, which reflects that IMJS is a large-scale company with a very high total assets. The average value of the company size is 27.10904, which means that in general the company in this study has total assets with this value or equivalent to IDR 540.8 billion.

The *leverage* variable shows a minimum value of 0.024070 in HATM companies in 2022, which indicates that almost all of the company's financing comes from its own capital, or in other words, its debt usage is very low. In contrast, a maximum value of 41.64761 was found in SDMU companies in the same year, reflecting that SDMU has a very high level of debt compared to its equity. Meanwhile, the average *leverage value* is 1.701032, which indicates that in general the debt-to-equity ratio of the capital structure of the logistics and transportation companies that are the subject of this investigation is positive.

Panel Data Regression Selection

Three frequently used approaches to panel data regression: Random Model Effect (REM), Fixed Model Effect (FEM), and Common Model Effect (CEM). The Chow test, which distinguishes CEM from FEM, is one of several tests used to select the most suitable model.

Chow Test

The Chow Auditor Test compares the Fixed Effect Model (FEM) with the General Effects Model (CEM) to identify a better estimation model. This test was performed using the Chi-Square statistical approach, and the following hypothesis statement was applied: H1 states that the Fixed Effects Model is more appropriate, but H0 states that the model follows the General Effects Model. The probability value (p-value) of the Chi-Square Cross-section is used as a decision-making criterion. If the result is below the 5% significance level ($\alpha = 0.05$), H0 is excluded. Based on the results of the auditor listed in **Appendix 5**, the probability is less than 0.05, which is 0.0000. As a result, H1 is accepted but H0 is rejected. The Fixed Effects

Model is considered to represent the unique properties of each object more accurately than the General Effects Model, so it may be a better choice for this study.

Hausman Test

For the panel data, the Hausman Test compared the Random Effects Model (REM) with the Fixed Effects Model (FEM). This test evaluates the following assumptions: H1 argues that the Fixed Effects Model is more appropriate, but H0 argues that the Random Effects Model is acceptable. Selection is based on the probability value (p-value) of a random piece. If the probability value is less than the significance level of 5% ($\alpha = 0.05$), H0 is rejected. Based on the auditor's results listed in **Appendix 5**, it is known that the probability value is greater than 0.05 at 0.0026. The Fixed Effect Model (FEM) is implemented after the rejection of H0 and the approval of H1.

Panel Data Regression Estimation Model Selection

The results of the regression model analysis using the panel data are as follows:

Table 2. Model Test Results

Type	Test	Curiosity	Result
Model 1	Chow Test	CEM vs FEM	*Fixed Effect Model*
Model 2	Hausman Test	FEM vs REM	*Fixed Effect Model*

From the results in the table, it can be concluded that the most appropriate approach for panel data regression analysis in this study is to use *Fixed Effect Model*.

Classic Assumption Test

Multicollinearity Test

The model does not show multicollinearity if the correlation coefficient between independent variables is less than 0.80. Based on the results of the study, the correlation coefficient of each independent variable was less than 0.80. Thus, there is no multicollinearity in the relationships between variables in the model.

Heteroscedasity Test

The model is not heteroscedastic if the value of the significance of the residual test for the independent variable is greater than 0.05. The data in this study were not heteroscedastic, as indicated by a probability value greater than 0.05.

Autocorrelation Test

The regression model is considered autocorrelation free if the Durbin-Watson value is between the upper limit (DU) and (4-DU). Based on the study's Durbin-Watson score of 2.67, the model appears to be auto-free.

Panel Data Regression Analysis

The model of linear regression equations is as follows:

$$ARL = 473.0883 - 4.495810AC – 57.39045ROA – 14.12647SIZE + 0.038401LEX\ e$$

The constant value is 473.0883, which indicates that all independent variables, namely the audit report is 473.0883 days late because the Audit Committee, Profitability, Company Size, and *Leverage* all have zero values.

Based on the auditor's findings, the audit committee variable has a coefficient value of -4.495810 which means that the audit report lag is reduced by 4.495810 for every increase of one unit in the audit committee. The audit report delay was reduced by 57.39045 for every increase of one unit of profitability, based on the value of the regression coefficient of the profitability variable of -57.39045. The regression coefficient of the company size variable is -14.12647, In other words, if the company size increases by 1 unit, it will cause a decrease in *audit report lag* of 14.12647. Also, the regression coefficient for the leverage variable is -0.038401, which means that every 1 unit increase in leverage will cause a decrease in *audit report lag* of 0.038401

Data Panel Hypothesis Test

Test F

With a significance threshold of 0.000000, the regression model used in this study produced a statistical F-value of 5.5293325. As a result, the dependent variables studied in this study, namely the delay in audit reports, were significantly influenced by four independent factors (audit committee, profitability, company size, and *leverage*).

T test (Partial)

The fixed effect model was determined as the most appropriate model to test the hypothesis in the panel data regression model selection test. The following are the results of the regression test used in this study:

Table 3. Hypothesis Test Results

Hypothesis		Result	Conclusion
H1	Audit committees have a negative influence on *audit report lag*	T Calculate > T Table -2.159585 > 1.994 Prob value < 0.05 0.0363 < 0.05	Accepted
H2	Profitability has a negative effect on *audit report lag*	T Calculate < T Table -1.393574 < 1.994 Prob value > 0.05 0.1704 > 0.05	Rejected
H3	Company size has a negative influence on *audit report lag*	T Calculate > T Table -3.778344 < 1.994 Prob value < 0.05 0.0005 < 0.05	Accepted
H4	*Leverage* has a positive effect on *audit report lag*	T Calculate < T Table 0,148502 Prob value > 0.05 0.8826 > 0.05	Rejected

Based on the results of the regression test in Table 3, with a negative t-count of -2.159585 and a probability of 0.0363 (<0.05), the audit committee functions as a substitute for the delay in the audit report. There is a positive influence of the audit committee variables. There was no clear correlation between profitability and audit report delays, according to the auditor's findings, as the profitability variable had a probability value of 0.1704 (>0.05) and a

negative value of -1.393574. The delay in audit reports was significantly negatively affected by the company size variable (p-value = 0.0005, t-value = -3.778344). *Leverage* has no significant effect on the delay of audit reports, as evidenced by the t-calculated value of the *leverage* variable of 0.148502 and the significance level of 0.8826 (>0.05).

Coefficient of Determination Test (R2)

The most recent R-squared value of this regression model is 0.632680. According to statistics, about 63.27% of the difference in audit report delay can be explained by the audit committee, business size, profitability, and *leverage*. Other factors outside of this study affected the remaining 36.73%.

Discussion

The Influence of the Audit Committee on Audit Report Lag

Based on the results of this study, a t-statistical value of -2.159585 with a probability of 0.0363 (<0.05) is known to have been obtained. The findings show that audit report lag in companies in the transportation and logistics sector during the 2022–2024 period was influenced by the existence of an audit committee but negatively. So that **H1 accepted**. The better the characteristics of the audit committee, both in terms of the number of members, competencies, and the number of meetings, thus the relatively shorter time is required by the auditor in completing the audit process on the company's financial statements. In addition, the negative relationship indicates that the possibility of delays in the submission of audited financial statements can be reduced with an active and effective audit committee. An efficient audit committee can encourage management to provide accurate and timely information to auditors, and auditors can complete the audit process faster. In the context of the compliance theory developed by Tyler (1990), a strong audit committee demonstrates a company's commitment to complying with reporting standards and accelerating the audit process to avoid delays that could harm the company's reputation. Therefore, audit committees generally judge that the frequency of meetings reflects their level of prudence as well as readiness to take action *(Alhawamdeh et al*., 2024). In addition, other studies Alsheikh & Alsheikh (2023); Ismail, Mohd-Saleh, & Yakob (2022); Lailatul & Yanthi (2021); Satyawan & ahmmi (2020) Claiming delays in audit reports by audit committees indicating high frequency of meetings does not necessarily speed up the audit process. Because the high frequency of meetings can reflect the complexity of the problems found or more prudence in the review, which actually extends the time to complete the audit. This suggests that although the intensity of the meeting reflects the seriousness of the oversight, in this situation, the auditor may take longer to complete his or her work. Regular audit committee meetings can result in longer audit report completion times. In this scenario, the auditor may take longer to complete his or her task. As a result, the high frequency of audit committee meetings can actually cause audit reports to be delayed for longer

The Effect of Profitability on Audit Report Lag

Based on the results of the statistical test, it is known that the profitability variable shows a t-statistic value of -1.393574, with a probability value of 0.1704 (>0.05), which indicates that profitability does not have a significant influence on *audit report lag*. So, **H2 was rejected**. These findings refute the study's main hypothesis, which is that delays in audit reports will adversely affect profitability. The compliance theory states that additional incentives will be given to successful companies to comply with reporting regulations and maintain integrity

in financial reporting. This condition can be explained that even though the company has a high level of profitability, auditors must still follow the applicable audit procedures and standards according to the complexity of the financial statements. Because the high profits earned by the company are not necessarily an indicator that the financial statements have been prepared without material errors, so even so, auditors must work hard to ensure that all data in the financial statements have been carefully reviewed and in accordance with the audit requirements. Therefore, profitability cannot be held responsible for most audit report delays.

This research is in line with the results of research conducted by Karnawati & Kartika (2022); São Paulo *et al*. (2023); Okwuego & Ifeoma (2023); Puspaningsih & Fabillah (2024); Ramdani & Prayitno (2023) where it is stated that profitability does not have a significant effect on *audit report lag*. This is because auditors apply the same standard audit procedures to all clients, regardless of the company's performance.

The Effect of Company Size on Audit Report Lag

Based on the results of the statistical test, the company size variable has a t-statistic of -3.778344 and a probability value of 0.0005 (<0.05). These results show that company size has a negative impact on audit report lag in logistics and transportation companies listed on the Indonesia Stock Exchange (IDX) between 2022 and 2024. So that **H3 accepted.** As a result, auditors may be able to audit the financial statements of large companies more quickly. These studies support the fundamental theory that audit report delays are negatively affected by the size of the company. This statement is in line with compliance theory, which explains that entities with high levels of public exposure, such as large companies, tend to be more compliant with reporting regulations. This is due to the push to maintain reputation and supervision from various parties, such as regulators and investors. Larger companies are likely to have the capacity and drive to complete audit reports on time. As the business grows, the possibility of delays in audit results decreases due to pressure from external parties and more optimal internal readiness to complete the audit process efficiently. So that companies that have been listed on the Indonesia Stock Exchange face greater pressure from investors, regulators, and the public to present financial statements in a timely and accurate manner. Therefore, the large operational scale and adequate audit capacity are supporting factors in accelerating the process of auditing financial statements (Almarzouq *et al*., 2025).

This research is in line with the results of research conducted by (Alverina & Hadiprajitno, 2022; Stuart & Scott, 2024; Onatuyeh *et al*., 2024; Satyawan & Ahmmi, 2020) which suggests that the size of the company has a negative influence on *audit report lag* companies in Indonesia. On the other hand, I disagree with Düsseldorf *et al*. (2022); Srbinoska & Srbinoski (2021); Syahzuni & Wulandari (2024)

The Effect of Leverage on Audit Report Lag

Based on the results of the statistical test that has been carried out, the t-statistical value is 0.148502 and the significance value is 0.8826 (>0.05) obtained by *the leverage* variable. These findings indicate that *leverage* does not have a significant influence on audit report lag in transportation and logistics sector companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. Thus, **H4 was rejected**. The results obtained from this study do not support the initial hypothesis that leverage has an effect on the length of *audit report lag*. In theory, *high-leverage* companies tend to have greater financial risk, which should require more attention from auditors and could extend the audit time. However, these results indicate

that auditors can still complete audits efficiently, regardless of the company's debt levels. Another possibility is that high-leverage companies may already have a good reporting system in place to meet creditors' demands, so they don't add significantly to the audit burden. In addition, other factors such as the size of the company, the effectiveness of the audit committee, and the quality of internal controls are more likely to play a major role in influencing ARL than *the leverage* itself.

The results of this study are strengthened by the results of the research Agnes Ivanka *et al*. (2025); Chrystalia *et al*. (2024); Gantino & Susanti (2019); Düsseldorf *et al.*, (2022) which concludes that *leverage* does not have a significant influence on *audit report lag*. The study also said that although *leverage* High indicates financial complexity, the company is still able to develop a good reporting system and meet its creditors' obligations without slowing down the audit process. Thus, it can be concluded that the company studied, *leverage* is not an influencing factor *audit report lag*. This may be due to the auditor's efficiency in handling the risks posed by the company's capital structure, or the existence of adequate internal controls even though *leverage* tall.

CONCLUSION

Based on the findings of this study, it can be concluded that the characteristics of the audit committee and company size have a significant negative influence on audit report lag (ARL) in transportation and logistics companies listed on the Indonesia Stock Exchange (IDX) from 2022 to 2024. This indicates that a more active and effective audit committee, along with larger company size, contributes to a faster audit process and timelier submission of financial reports. In contrast, the variables of profitability and leverage were found to have no statistically significant effect on ARL, suggesting that a company's profit levels and debt structure are not primary determinants of audit delay in this specific sector. The regression model explains approximately 63.27% of the variance in ARL, indicating that while these factors are important, other unexamined variables also play a substantial role.

For future research, it is recommended to expand the scope of the study by including companies from other industrial sectors to enhance the generalizability of the findings. Furthermore, incorporating additional variables such as audit opinion type, the size and reputation of the public accounting firm (*KAP*), auditor quality, and specific regulatory factors could provide a more comprehensive understanding of the determinants of audit report lag. Employing a mixed-methods approach that combines quantitative analysis with qualitative insights from interviews with auditors and corporate management may also yield deeper explanations for the causes of audit delays and potential strategies for mitigation.

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