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DETERMINANTS OF AUDIT REPORT LAG: EVIDENCE FROM INDONESIAN PROPERTY AND REAL ESTATE COMPANIES

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Abstract
This study examines the influence of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag in property and real estate companies listed on the Indonesia Stock Exchange during the 2023–2025 period. The study is motivated by the persistent delays in financial statement submissions, with the property and real estate sector consistently recording the highest number of late submissions over the past two years, despite regulatory mandates requiring audited financial statements to be published within 90 days. The sample consists of 201 firm-year observations obtained from 67 property and real estate companies selected using purposive sampling. Multiple linear regression analysis was employed to test the proposed hypotheses. The results indicate that audit opinion has a significant negative effect on audit report lag, suggesting that companies receiving unqualified opinions tend to have shorter audit completion times. Audit tenure also has a significant negative effect on audit report lag, indicating that longer auditor-client relationships facilitate more efficient audit execution through accumulated knowledge and familiarity. In contrast, audit committees and auditor industry specialization do not significantly influence audit report lag, implying that oversight roles focus on accuracy rather than speed, and that professional standards and company-specific complexity may outweigh the benefits of industry specialization. The model explains 17.1% of the variation in audit report lag. These findings suggest that maintaining high-quality financial reporting to obtain unqualified opinions and considering continuity with audit firms within regulatory limits are effective strategies for minimizing audit report lag in the property and real estate sector.

Keywords: Audit Report Lag, Audit Committee, Audit Opinion, Audit Tenure, Auditor Industry Specialization.

1. Introduction

Financial statements serve as the primary medium of communication between a company and its stakeholders. Therefore, timely publication is essential to ensure that the information remains relevant for economic decision-making (Purnawati, Anissa & Riyadi, 2025). The Indonesian Institute of Accountants (IAI, 2019) emphasizes that the usefulness of financial information increases when it meets supporting qualitative characteristics, one of which is timeliness. To ensure the reliability of such information, companies require the services of independent auditors; consequently, the duration mandated to finalize the audit sequence, known as audit report lag, has become a critical issue in financial reporting (Yulianingtias & Triyuwono, 2024). POJK No.14/POJK.04/2022 mandates publicly recorded entities to publish the financial statements they had audited within the three-month window following the reporting date,

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accompanied by administrative sanctions for non-compliance (Otoritas Jasa Keuangan, 2022).

Despite the tightening of regulations, delays continue to occur in practice and constitute a noteworthy phenomenon for further investigation. Based on Announcement No. Peng-SPT-00004/BEI.PLP/06-2025, as of June 2025, 68 companies neglected to file their audited financial statements pertaining to the 2024 period, with some companies subjected to trading suspension sanctions (Bursa Efek Indonesia, 2025). A similar phenomenon occurred in the prior period, with 129 entities late in submitting their audited statements for 2023 (Bursa Efek Indonesia, 2024). Notably, most of the companies experiencing delays over the past two years were dominated by the property and real estate sector (Azalia, 2022). Such delays are often interpreted as a negative signal by stakeholders, as they are perceived to indicate internal problems within the company (Venny & Arfianti, 2024). This persistent non-compliance despite regulatory mandates highlights the urgent need to identify the underlying determinants of audit report lag in the property and real estate sector.

The urgency of this research is driven by several critical factors. First, the property and real estate sector in Indonesia has consistently recorded the highest number of late financial statement submissions over the past two years, based on IDX data for 2023–2025, making it an ideal context for examining the determinants of audit report lag. Second, the inconsistency of previous research findings regarding the influence of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag indicates a research gap that needs to be addressed. Some studies demonstrate that these factors significantly influence audit report lag (Yulianingtias & Triyuwono, 2024; Ashar et al., 2025; Azahra & Zulaikha, 2023), while others reveal that they do not significantly affect audit report lag (Sihaloho & Asmara, 2024; Retno & Astuti, 2024). Third, the growing property demand in urban areas makes the sector an attractive investment option; consequently, timely financial information becomes a critical basis for investors (Suprijati et al., 2023). Fourth, the regulatory framework established by POJK No.14/POJK.04/2022 imposes administrative sanctions for non-compliance, yet delays persist, necessitating empirical investigation into the factors that contribute to timely audit completion. Fifth, the gap between theoretical predictions from agency theory, compliance theory, and signaling theory and empirical findings necessitates renewed investigation with more comprehensive research designs.

Various internal and external factors may prolong the process of completing the audit (Farumi et al., 2023). From an internal standpoint, the company's audit committee holds a substantial position in supervising the preparation and reporting of financial statements (Lilianti et al., 2024). Drawing on compliance theory (Tyler, 1990), an adequate number of audit committee members is expected to enable more impactful and well-organized oversight, thereby accelerating audit completion (Sanjiwi & Nazir, 2023). Drawing on this line of reasoning, the first hypothesis is formulated, positing that audit committees exert an influence on audit report lag. From the external perspective, the audit opinion also influences the duration of report completion. Through the viewpoint of agency theory (Jensen & Meckling, 1976), the audit opinion functions to mitigate data asymmetry among shareholders, who act as principals, and management (agents) (Ananta et al., 2024). An opinion other than unqualified generally requires additional audit procedures and more in-depth discussions between the auditor and management, thereby potentially extending audit report lag (Hutahuruk, 2023). Accordingly, the second hypothesis is formulated, positing that audit opinion exerts an adverse bearing on audit report lag.

The audit tenure factor is also relevant, given that the 2023 POJK limits the engagement of the same audit firm for the same financial data to a maximum of seven consecutive years (Otoritas Jasa Keuangan, 2023). A more extended engagement between the audit firm and its client allows auditors to develop a richer knowledge of the characteristics of the company, thereby enabling faster audit execution (Ashar et al., 2025). The third hypothesis is formulated that audit tenure adversely influences audit report lag. Furthermore, auditor industry specialization is deemed capable of accelerating the audit procedure since specialist auditors possess a more comprehensive grasp of client characteristics and risk (Azahra & Zulaikha, 2023). In addition, auditor industry specialization is considered capable of performing the oversight function more effectively, as such auditors possess greater capability in identifying agency conflicts and detecting irregularities in financial reporting (Wulandari & Barokah, 2022). Therefore, the fourth hypothesis is developed, positing that auditor industry specialization exerts a negative effect on audit report lag.

The research gap in this study lies in the limited understanding of how audit committees, audit opinion, audit tenure, and auditor industry specialization simultaneously influence audit report lag in the Indonesian property and real estate sector. While individual studies have examined the direct effects of some of these factors on audit report lag, the comprehensive model integrating all four determinants remains underexplored. Additionally, most previous studies have relied on single proxies for each determinant or focused on different industry contexts, leaving a significant gap in knowledge regarding the dynamics of audit report lag in the property and real estate sector, which has consistently recorded the highest reporting delays. Furthermore, empirical evidence on the simultaneous effects of these four determinants remains limited, particularly in the Indonesian context where regulatory changes have been implemented to address audit completion timelines.

The novelty of this research lies in several aspects. First, this study focuses on the property and real estate sector in Indonesia during the 2023–2025 period, which represents a unique context characterized by the highest reporting delays and growing investment attractiveness, making it an ideal setting for examining the determinants of audit report lag. Second, this study develops an integrative model that simultaneously examines the influence of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag, providing a more comprehensive understanding of the determinants of timely audit completion. Third, this study integrates the research frameworks of Farumi et al. (2023) and Yulianingtias & Triyuwono (2024) to simultaneously examine the four variables, addressing the gaps in previous research that investigated these variables separately. Fourth, this study contributes to the limited empirical evidence on audit report lag determinants in the Indonesian property and real estate sector, providing insights into how internal governance mechanisms and external audit characteristics influence the timeliness of financial reporting. Fifth, this study extends the application of agency theory, compliance theory, and signaling theory to the context of audit report lag in the property and real estate sector.

The purpose of this study is to examine the influence of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag in property and real estate companies listed on the Indonesia Stock Exchange during the 2023–2025 period. Specifically, this research aims to: (1) analyze the effect of audit committees on audit report lag; (2) analyze the effect of audit opinion on audit report lag; (3) analyze the effect of audit tenure on audit report lag; and (4) analyze the effect of auditor industry specialization on audit report lag.

The contribution of this research is multifaceted. From a theoretical perspective, this research contributes to the enrichment of literature on audit report lag determinants by proposing and testing an integrative model that links internal governance mechanisms (audit committees) and external audit characteristics (audit opinion, audit tenure, and auditor industry specialization) with audit report lag, extending the application of agency theory, compliance theory, and signaling theory to the context of audit completion timeliness in the property and real estate sector. The findings contribute to the understanding of how specific factors influence audit report lag, providing a more nuanced theoretical framework for analyzing determinants of timely financial reporting. From a practical perspective, this study provides actionable insights for regulators, company management, auditors, and investors in assessing and managing audit report lag. For regulators, particularly the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX), the findings provide empirical evidence to support the development of more effective regulations and monitoring mechanisms to ensure timely financial reporting. For company management, the findings provide guidance on which factors most significantly influence audit report lag and how to optimize internal governance mechanisms to accelerate audit completion. For auditors, the results offer insights into how audit characteristics influence the duration of audit completion. For investors, the findings offer insights into how to evaluate potential delays in financial reporting when making investment decisions in the property and real estate sector.

2. Theoretical Background

2.1 Agency Theory

Agency Theory, introduced by Jensen and Meckling (1976), explains the contractual relationship between principals (shareholders) and agents (management), where the principal delegates authority to the agent to manage the company's operations. This relationship is susceptible to conflicts of interest due to information asymmetry, where management possesses more information about the company's condition than shareholders. In the context of audit report lag, agency theory suggests that management may have incentives to delay the completion of the audit process to conceal unfavorable information or to manage the timing of bad news disclosure. Such delays can increase information asymmetry between management and shareholders, as timely financial information is essential for reducing information gaps and enabling informed decision-making by stakeholders (Ananta et al., 2024). The audit opinion, which functions to mitigate data asymmetry between shareholders and management, requires additional audit procedures when opinions other than unqualified are issued, thereby potentially extending audit report lag (Hutahuruk, 2023).

2.2 Compliance Theory

Compliance Theory, as articulated by Tyler (1990), explains that individuals and organizations comply with regulations due to two primary perspectives: instrumental and normative. The instrumental perspective assumes that individuals are driven by self-interest and respond to changes related to behavior, while the normative perspective relates to what individuals consider moral and contrary to their personal interests. In the context of financial reporting, compliance theory provides a framework for understanding why companies comply with regulatory requirements for timely submission of audited financial statements. Based on the normative perspective, individuals tend to comply with laws due to normative commitment through morality, meaning they submit to rules because they consider the law as an obligation that must be fulfilled, and normative commitment through legitimacy, meaning they comply with regulations because the authorities that make the laws have the right to dictate behavior (Kurnia Ariani & Bawono, 2018). POJK No.14/POJK.04/2022 mandates publicly recorded entities to publish their audited financial statements within three months following the reporting date (Otoritas Jasa Keuangan, 2022). Compliance theory is used as a driver for public companies to submit their audited financial statements more timely, as delays in reporting will cause the information to lose its relevance and value.

2.3 Signaling Theory

Signaling Theory, developed by Spence (1973), explains that companies convey information to external parties through financial and non-financial disclosures to reduce information asymmetry between management and stakeholders. In the context of audit report lag, timely completion and publication of audited financial statements serve as a positive signal to the market that the company has good financial systems, transparent reporting practices, and effective internal controls (Elisabeth et al., 2026). Companies that complete their audits promptly signal to investors and creditors that they are well-managed and have nothing to hide, thereby enhancing stakeholder confidence and potentially improving access to capital markets (Venny & Arfianti, 2024). Conversely, delays in audit completion may be interpreted as a negative signal, perceived to indicate internal problems within the company, weak internal controls, or potential financial irregularities (Farumi et al., 2023). The signaling perspective is particularly relevant in the property and real estate sector, where growing property demand makes timely financial information a critical basis for investment decisions (Suprijati et al., 2023).

2.4 Audit Report Lag

Audit report lag refers to the time interval between the end of the company's fiscal year and the date of the auditor's report, measured as the number of days required to complete the audit process and issue the audited financial statements (Yulianingtias & Triyuwono, 2024). According to Dyer and McHugh (1975), audit report lag is the interval from the closing date of the financial statements to the date recorded as the signature of the opinion in the auditor's report. This lag is influenced by various internal and external factors, including the complexity of the audit, the efficiency of the audit process, and the cooperation between management and the auditor (Farumi et al., 2023). Timely completion of audits is essential because delays in financial reporting can reduce the usefulness of information for economic decision-making, lead to negative market reactions, and result in regulatory sanctions (IAI, 2019). In Indonesia, the Financial Services Authority (OJK) mandates that publicly listed companies submit their audited financial statements within 90 days (three months) after the fiscal year-end, as stipulated in POJK No.14/POJK.04/2022 (Otoritas Jasa Keuangan, 2022).

2.5 Audit Committee and Audit Report Lag

The audit committee holds a substantial position in supervising the preparation and reporting of financial statements within a company (Lilianti et al., 2024). Drawing on compliance theory, an adequate number of audit committee members is expected to enable more impactful and well-organized oversight, thereby accelerating audit

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completion (Sanjiwi & Nazir, 2023). The audit committee's role includes reviewing the audit process, ensuring the effectiveness of internal controls, and monitoring management's compliance with accounting standards and regulatory requirements. Studies have shown that effective audit committees, characterized by adequate size, independence, and financial expertise, can reduce audit report lag by facilitating smoother communication between management and auditors and by ensuring that financial reporting processes are well-prepared and timely (Yulianingtias & Triyuwono, 2024; Abbas & Bella, 2026). Based on these arguments, the following hypothesis is proposed:

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

2.6 Audit Opinion and Audit Report Lag

The audit opinion reflects the auditor's assessment of the fairness of the financial statements. Through the viewpoint of agency theory, the audit opinion functions to mitigate data asymmetry between shareholders, who act as principals, and management, who act as agents (Ananta et al., 2024). An opinion other than unqualified—such as qualified opinion, adverse opinion, or disclaimer of opinion—generally requires additional audit procedures, expanded testing, and more in-depth discussions between the auditor and management (Hutahuruk, 2023). These additional procedures naturally extend the time required to complete the audit, thereby increasing audit report lag. Conversely, an unqualified opinion indicates that the financial statements are fairly presented in all material respects, which typically allows for a more efficient audit process and shorter report lag (Januar et al., 2026). Therefore, companies receiving unqualified opinions are expected to have shorter audit report lags compared to those receiving other opinions. Based on these arguments, the following hypothesis is proposed:

H2: Audit opinion has a negative effect on audit report lag.

2.7 Audit Tenure and Audit Report Lag

Audit tenure refers to the duration of the engagement between the audit firm and its client. In Indonesia, POJK No. 13/POJK.03/2023 limits the engagement of the same audit firm for the same financial data to a maximum of seven consecutive years (Otoritas Jasa Keuangan, 2023). A more extended engagement between the audit firm and its client allows auditors to develop richer knowledge of the company's business characteristics, internal control systems, and associated risks, thereby enabling faster audit execution (Ashar et al., 2025; Insani, 2025). Studies have demonstrated that audit tenure negatively affects audit report lag, as auditors with longer tenure have greater familiarity with the client's operations, which facilitates more efficient audit processes and reduces completion time (Farumi et al., 2023; Nurfauziah, 2026). However, excessively long tenure may also raise concerns about auditor independence, as familiarity with the client may compromise objectivity and professional skepticism (Hayes et al., 2021). Based on these arguments, the following hypothesis is proposed:

H3: Audit tenure has a negative effect on audit report lag.

2.8 Auditor Industry Specialization and Audit Report Lag

Auditor industry specialization refers to the auditor's expertise and experience in a particular industry sector. Specialist auditors possess a more comprehensive grasp of client characteristics, industry-specific risks, and applicable accounting standards, which enables them to perform audits more efficiently and effectively (Azahra & Zulaikha, 2023). Auditors with industry specialization are considered capable of performing the

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oversight function more effectively, as they possess greater capability in identifying agency conflicts and detecting irregularities in financial reporting (Wulandari & Barokah, 2022). The knowledge and expertise gained through industry specialization allow auditors to identify material misstatements more quickly, reduce the extent of substantive testing, and streamline the audit process, thereby reducing audit report lag (Farumi et al., 2023; Nurfauziah, 2026). Furthermore, industry-specialist auditors can provide more efficient audit services while maintaining high quality, benefiting both the client and the auditing firm. Based on these arguments, the following hypothesis is proposed:

H4: Auditor industry specialization has a negative effect on audit report lag.

3. Methods

3.1 Research Design

This study employs a quantitative approach using descriptive and verificative methods to examine the effect of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag in property and real estate companies listed on the Indonesia Stock Exchange. The verificative method is used to analyze the causal relationship between internal governance mechanisms, external audit characteristics, and the timeliness of audit completion through multiple linear regression analysis. The quantitative approach is considered appropriate because the study aims to empirically test the proposed hypotheses using statistical analysis of numerical data derived from audited financial reports. The explanatory research design enables the examination of causal relationships between independent variables (Audit Committee, Audit Opinion, Audit Tenure, and Auditor Industry Specialization) and the dependent variable (Audit Report Lag).

3.2 Population and Sample

The research population encompasses all IDX-listed property and real estate companies throughout the 2023–2025 period. The property and real estate sector was selected due to its consistently highest number of late financial statement submissions over the past two years based on IDX data, making it an ideal context for examining the determinants of audit report lag. The selection of the sample was executed through a non-probability sampling technique, specifically the purposive sampling method, guided by the following criteria: (1) IDX-listed property and real estate companies during 2023–2025; and (2) Companies that published audited financial statements over the same period. From 95 listed companies, 28 were eliminated for not publishing audited financial statements, which resulted in 67 companies, yielding a total of 201 observations (67 companies × 3 years).

3.3 Data Collection Techniques

This research adopts a utilization approach, drawing on previously published sources consisting of audited financial reports retrieved from the official IDX website (www.idx.co.id) and company websites. Data were collected through documentation techniques, involving the systematic collection of secondary data from annual reports and audited financial statements of property and real estate companies listed on the Indonesia Stock Exchange during 2023–2025. The data collection procedure involved several sequential steps: (1) identification of property and real estate companies listed on the IDX during the 2023–2025 period; (2) selection of companies meeting the predetermined purposive sampling criteria; (3) extraction of data related to audit report lag, audit

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committee size, audit opinion, audit tenure, and auditor industry specialization from audited annual financial statements; and (4) documentation of all extracted data systematically organized into a panel dataset suitable for statistical analysis using IBM SPSS 29. The secondary data sources employed in this research are considered reliable as they represent official publications from the Indonesia Stock Exchange and audited financial reports.

3.4 Operational Definition of Variables

The operational definitions of the variables examined in this study are presented in Table 1.

Table 1. Operationalization of Research Variables

Variable	Definition	Measurement	Scale	References
Audit Report Lag (Y)	The count of daily intervals elapsing separating the financial statement closing date and the date on which the audit report is issued	Number of days from fiscal year-end to audit report date	Ratio	Yulianingtias & Triyuwono (2024); Dyer & McHugh (1975)
Audit Committee (X_1)	The supervisory body responsible for overseeing financial reporting and audit processes within the company	The total quantity of audit committee personnel within the company	Ratio	Farumi et al. (2023); Lilianti et al. (2024)
Audit Opinion (X_2)	The auditor's assessment of the fairness of the financial statements	Dummy variable: 1 = unqualified opinion; 0 = opinion aside from unqualified	Nominal	Hasanah & Aprilia (2022); Hutahuruk (2023)
Audit Tenure (X_3)	The duration of the engagement between the audit firm and its client	The count of annual terms of engagement separating the audit firm and the client	Interval	Hasanah & Aprilia (2022); Ashar et al. (2025)
Auditor Industry Specialization (X_4)	The auditor's expertise and experience in a particular industry sector	Dummy variable: 1 = audited by an industry-specialist audit firm; 0 = otherwise	Nominal	Farumi et al. (2023); Azahra & Zulaikha (2023)

Source: Developed for this research (2026)

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3.5 Data Analysis Techniques

Data were analyzed using IBM SPSS 29 with the multivariate linear regression technique. The analysis specification is specified as shown below:

$$ARL = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

ARL = Audit Report Lag
α = Constant
β_1–β_4 = Regression coefficients
X_1 = Audit Committee
X_2 = Audit Opinion
X_3 = Audit Tenure
X_4 = Auditor Industry Specialization
ε = Error component

The analysis stages include:

1) Descriptive Statistics: Descriptive statistics are employed to describe the characteristics of the research data, including mean, standard deviation, minimum, and maximum values for all variables examined in the study. This analysis provides an overview of the distribution and tendencies of the data before conducting further statistical testing.
2) Classical Assumption Tests: Prior to hypothesis testing, classical assumption tests are conducted to ensure that the regression model satisfies the required assumptions so that the estimation results are more reliable. The tests include:
   a. Normality Test: Used to determine whether the residual data are normally distributed, assessed through the One-Sample Kolmogorov-Smirnov test with a significance level of 5% ($p > 0.05$ indicates normal distribution).
   b. Multicollinearity Test: Used to detect whether there is high correlation among independent variables, assessed through Tolerance and Variance Inflation Factor (VIF), where Tolerance ≥ 0.10 and VIF ≤ 10 indicate no multicollinearity.
   c. Heteroscedasticity Test: Used to determine whether the variance of residuals is constant across observations, assessed through the Glejser test, where $p > 0.05$ indicates no heteroscedasticity.
   d. Autocorrelation Test: Used to detect whether there is correlation between residuals in different observations, assessed through the Durbin-Watson (DW) test, where the criterion $DU < DW < 4–DU$ indicates no autocorrelation (Ghozali, 2021).
3) Hypothesis Testing: Hypothesis testing is conducted using:
   a. t-test: Used to determine the partial effect of each independent variable on the dependent variable. The hypothesis is accepted if the significance value is less than 0.05 ($p < 0.05$) or the t-statistic exceeds the t-table value.
   b. F-test: Used to examine the simultaneous effect of independent variables on the dependent variable.
   c. Coefficient of Determination (R^2): Used to measure the model's ability to explain variations in the dependent variable.

   All hypothesis tests are conducted at a significance level of 5% ($p < 0.05$).

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4. Results and Discussion

4.1 Results

Table 2. Descriptive Statistics Results

Statistics	N	Minimum	Maximum	Mean	Std. Deviation
AC (X_1)	201	2	4	3.02	0.244
AO (X_2)	201	0	1	0.92	0.279
AT (X_3)	201	1	9	4.39	2.482
AS (X_4)	201	0	1	0.22	0.415
ARL (Y)	201	77	98	86.12	3.393

Source: SPSS 29 data processing (2026)

Table 2 presents the outcomes of the summary statistics analysis of 201 observations. The audit committee variable (AC) records a lowest value of 2 along with a highest value of 4, showing a mean of 3.02, revealing that property and real estate companies generally have three audit committee members, consistent with POJK No. 55/POJK.04/2015. The indicator of audit opinion (AO) has a mean of 0.92, meaning 91.5% of companies received an unqualified opinion and 8.5% received an opinion other than unqualified. The audit tenure variable (AT) shows the contractual relationship duration separating the audit firm along with the auditee varies from 1 to 9 years, with a mean of 4.39 years. Concurrently, the auditor industry specialization variable (AS) has a mean of 0.22, revealing that only 21.9% of companies were audited by industry-specialist audit firms. The audit report lag variable (ARL) has a lowest value of 77 days and a highest value of 98 days with a mean of 86.12 days, indicating that all sampled companies completed their audits within the 90-day limit set by POJK No. 14/POJK.04/2022, although some companies approached the deadline.

Here is below the classical assumption tests that conducted in this study to ensure the regression model fulfils the basic statistical assumptions required to have unbiased and reliable estimation results.

Table 3. Summary of Classical Assumption Test Results

Test	Result	Criterion	Conclusion
Normality (Kolmogorov-Smirnov)	Asymp. Sig. = 0.200	Sig. > 0.05	Normally distributed
Multicollinearity	Tolerance: 0.976–0.991; VIF: 1.009–1.024	Tolerance ≥ 0.10; VIF ≤ 10	No multicollinearity
Heteroscedasticity (Glejser)	Sig. of all variables: 0.089 – 0.755	Sig. > 0.05	No heteroscedasticity
Autocorrelation (Durbin-Watson)	DW = 2.048	DU (1.8094) < DW < 4–DU (2.1906)	No autocorrelation

Source: SPSS 29 data processing (2026)

Table 3 shows the normality test using Kolmogorov-Smirnov with Asymp. Sig. of 0.200 > 0.05, indicating that the data is normally distributed. The multicollinearity test results show Tolerance values ranging from 0.976 to 0.991 and VIF values from 1.009 to 1.024, all within the acceptable thresholds (Tolerance ≥ 0.10; VIF ≤ 10), indicating no multicollinearity among the independent variables. The heteroscedasticity test using the Glejser method shows significance values for all variables ranging from 0.089 to 0.755, all exceeding 0.05, indicating no heteroscedasticity. The autocorrelation test using Durbin-Watson shows a DW value of 2.048, which falls within the range DU (1.8094) < DW < 4–DU (2.1906), indicating no autocorrelation.

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Based on the classical assumption test results, multiple linear regression analysis was subsequently conducted to examine the effect of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag. The regression results are presented in Table 4.

Table 4. Multiple Linear Regression and Hypothesis Test Results

Variable	B	Std. Error	Beta	t	Sig.	Result
(Constant)	74.495	2.462	-	30.255	<0.001	
AC (X_1)	1.515	0.883	0.111	1.717	0.088	H1 Rejected
AO (X_2)	-3.427	0.785	-0.286	-4.365	<0.001	H2 Accepted
AT (X_3)	-0.311	0.089	-0.228	-3.495	<0.001	H3 Accepted
AS (X_4)	-0.820	0.531	-0.101	-1.543	0.124	H4 Rejected
R-square				0.180		
Adjusted R-squared				0.171		
F-statistic				9.845		
Prob (F-statistic)				<0.001		

Source: SPSS 29 data processing (2026)

Based on the panel data regression results presented in Table 4, the regression equation of this study can be formulated as follows:

$$ARL = 74.495 + 1.515(AC) - 3.427(AO) - 0.311(AT) - 0.820(AS) + \varepsilon$$

Where:
ARL = Audit Report Lag
AC = Audit Committee
AO = Audit Opinion
AT = Audit Tenure
AS = Auditor Industry Specialization
ε = Error term

Based on the regression results presented in Table 4, this study examines the direct effect of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag in property and real estate companies listed on the Indonesia Stock Exchange. The regression analysis was conducted using multiple linear regression, which was selected as the appropriate estimation method.

The regression results indicate that audit opinion and audit tenure significantly influence audit report lag, while audit committees and auditor industry specialization do not show significant effects. The adjusted R-squared value of 0.171 indicates that the independent variables collectively explain 17.1% of the variation in audit report lag, while the remaining 82.9% is explained by other factors outside the research model, such as firm size, financial distress, and profitability. The probability value of the F-statistic is below 0.05, confirming that the regression model is statistically significant and appropriate for hypothesis testing. The t-test results reveal that audit committees (sig. 0.088 > 0.05) and auditor industry specialization (sig. 0.124 > 0.05) exert no influence on audit report lag, whereas audit opinion (sig. <0.001) together with audit tenure (sig. <0.001) have a significantly negative effect on audit report lag.

4.2 Discussion

4.2.1 Audit Committees Does Not Affect Audit Report Lag

The hypothesis testing results indicate that audit committees do not have a significant effect on audit report lag, with a coefficient value of 1.515 and a probability value of 0.088 (> 0.05), indicating that H1 is rejected. This finding suggests that the size of the

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audit committee does not significantly influence the speed of audit completion in property and real estate companies. This finding is consistent with Sihaloho and Asmara (2024) and Retno and Astuti (2024), who argue that the primary role of the audit committee is limited to oversight and does not involve direct participation in financial statement preparation. Audit committees tend to focus more on the quality of financial statements and compliance with accounting standards rather than on accelerating audit completion.

From the compliance theory perspective, audit committees ensure the company adheres to regulations and reporting standards, with their main focus on accuracy rather than speed of the audit process (Sudjono & Setiawan, 2024). The audit committee's oversight role, while important for ensuring financial reporting quality, does not directly translate into faster audit completion times. The non-significant effect may also be explained by the fact that audit committees in property and real estate companies are primarily focused on ensuring that financial statements are prepared in accordance with applicable accounting standards and regulatory requirements, rather than on expediting the audit process. This finding contradicts Yulianingtias and Triyuwono (2024), who reported that the number of audit committee members affects oversight effectiveness and minimizes audit delays.

4.2.2 Audit Opinion Affects Audit Report Lag

The hypothesis testing results indicate that audit opinion has a significant negative effect on audit report lag, with a coefficient value of -3.427 and a probability value of <0.001, indicating that H2 is accepted. This finding suggests that companies receiving unqualified opinions tend to have shorter audit report lags compared to those receiving opinions other than unqualified. This aligns with agency theory, where the audit opinion reduces information asymmetry between shareholders and management (Ananta et al., 2024). Conversely, an opinion other than unqualified requires the auditor to conduct more in-depth examination and further consultation, thereby extending the audit duration (Hutahuruk, 2023).

Based on signaling theory, an unqualified opinion serves as a positive signal to the market that the company's financial statements are fairly presented in all material respects, which typically allows for a more efficient audit process and shorter report lag (Januar et al., 2026). Companies receiving unqualified opinions are perceived as having better financial reporting quality and internal controls, which facilitates smoother audit completion. This finding is consistent with agency theory, which suggests that the audit opinion functions to mitigate data asymmetry between shareholders and management. An opinion other than unqualified generally requires additional audit procedures, expanded testing, and more in-depth discussions between the auditor and management, thereby potentially extending audit report lag. This finding differs from Zahirahm and Zumratul (2022), who reported that audit opinion does not affect audit report lag because auditors maintain the same level of procedural care regardless of the opinion issued.

4.2.3 Audit Tenure Affects Audit Report Lag

The hypothesis testing results indicate that audit tenure has a significant negative effect on audit report lag, with a coefficient value of -0.311 and a probability value of <0.001, indicating that H3 is accepted. This finding suggests that longer audit tenure is associated with shorter audit report lag. The longer the auditor works accompanied by an auditee, the more familiar the auditor becomes with the client's business activities and material

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accounts, enabling the audit plan to be executed more efficiently (Ashar et al., 2025; Insani, 2025).

Within agency theory, the external auditor serves as an impartial entity reducing information asymmetry among shareholders and management. A deeper understanding of client characteristics developed over time makes it easier to detect errors and reduces the need for additional examination (Farumi et al., 2023). This finding is consistent with Rozana and Winarningsih (2024) and Misnawati et al. (2024), who reported that audit tenure negatively affects audit report lag. Auditors with longer tenure have greater familiarity with the client's operations, which facilitates more efficient audit processes and reduces completion time. From the perspective of compliance theory, auditors with longer tenure are better equipped to ensure compliance with applicable regulations and accounting standards, as they have developed a comprehensive understanding of the client's business environment and reporting practices. This finding differs from Azahra and Zulaikha (2023), who argued that excessively long audit duration may compromise auditor independence and instead slow down the audit process.

4.2.4 Auditor Industry Specialization Does Not Affect Audit Report Lag

The hypothesis testing results indicate that auditor industry specialization does not have a significant effect on audit report lag, with a coefficient value of -0.820 and a probability value of 0.124 (> 0.05), indicating that H4 is rejected. This finding suggests that having an industry-specialist auditor does not significantly influence the speed of audit completion. This finding is consistent with Putri and Rohman (2022) and Maulana and Darmastuti (2023). Although industry specialization is expected to enhance audit efficiency through deeper understanding of client characteristics, in practice auditors must still perform all audit procedures in accordance with professional standards without reducing the prescribed examination steps.

This is consistent with compliance theory: the auditor's foremost objective is to conduct the audit in consistency with applicable regulations, not merely to expedite completion. Furthermore, each company has different levels of complexity and risk despite belonging to the same industry. The non-significant effect of auditor industry specialization on audit report lag may also be explained by the fact that in the property and real estate sector, the unique characteristics of each company, such as portfolio composition, project complexity, and geographical spread, may require tailored audit approaches even within the same industry. This finding differs from Azahra and Zulaikha (2023), who reported that industry-specialist auditors possess deeper knowledge that can shorten audit completion times. The divergence in findings may be attributed to differences in the regulatory environment, audit firm capabilities, and the specific characteristics of the property and real estate sector compared to other industries.

5. Conclusion

This study examines the influence of audit committees, audit opinion, audit tenure, and auditor industry specialization on audit report lag in property and real estate companies listed on the Indonesia Stock Exchange during the 2023–2025 period. Using multiple linear regression analysis on 201 observations from 67 companies, the results show that audit opinion has a significant negative effect on audit report lag, indicating that companies receiving unqualified opinions tend to have shorter audit completion times, as an opinion other than unqualified requires additional audit procedures and in-depth discussions that extend the audit duration. Audit tenure has a significant negative effect on audit report lag, suggesting that longer auditor-client relationships enable auditors to develop deeper knowledge of the client's business characteristics and material accounts, facilitating more efficient audit execution. In contrast, audit committees do not significantly influence audit report lag, implying that the oversight role of audit committees focuses more on ensuring the quality of financial statements and compliance with accounting standards rather than accelerating audit completion. Auditor industry specialization does not significantly influence audit report lag, indicating that despite deeper industry knowledge, auditors must still perform all audit procedures in accordance with professional standards, and each company within the same industry has different levels of complexity and risk. The coefficient of determination (Adjusted R^2) value of 0.171 indicates that all independent variables collectively explain 17.1% of the variation in audit report lag, while the remaining 82.9% is influenced by other factors outside the research model, such as firm size, financial distress, and profitability.

The theoretical implications extend Agency Theory, Compliance Theory, and Signaling Theory to the context of audit report lag in the Indonesian property and real estate sector. The significant negative effect of audit opinion supports Agency Theory by confirming that the audit opinion functions to mitigate information asymmetry between shareholders and management, with unqualified opinions signaling reliable financial reporting and facilitating timely audit completion. The significant negative effect of audit tenure supports Agency Theory by demonstrating that longer auditor-client relationships enhance audit efficiency through accumulated knowledge and understanding of client characteristics, thereby reducing information asymmetry and enabling faster audit execution. The non-significant effect of audit committees challenges the assumption that oversight mechanisms necessarily translate into faster audit completion, suggesting that audit committees prioritize accuracy and compliance over speed. The non-significant effect of auditor industry specialization suggests that professional standards and procedural requirements may outweigh the benefits of industry-specific knowledge in determining audit completion time, limiting the signaling value of specialization.

From a practical perspective, companies in the property and real estate sector should maintain the standard of financial reporting to obtain unqualified opinions, as this significantly reduces audit report lag and signals reliability to stakeholders. Companies should consider continuity of engagement with audit firms within regulatory limits (maximum seven consecutive years) to benefit from auditor familiarity and efficiency gains, which can minimize audit report lag. Management should recognize that while audit committees play a crucial oversight role, their primary function is ensuring accuracy and compliance rather than accelerating audit completion. Companies should not assume that engaging industry-specialist auditors will necessarily reduce audit report lag, as procedural requirements and company-specific complexity remain significant factors. Auditors should implement effective audit strategies that balance efficiency with professional standards to ensure timely audit completion while maintaining audit quality. Regulators, particularly the Financial Services Authority (OJK), should evaluate the effectiveness of POJK No. 14/POJK.04/2022 and related policies, considering that despite the regulatory mandate, audit report lag varies significantly across companies and is influenced by both internal governance and external audit characteristics.

This study has several limitations. First, several property and real estate firms had not published audited financial statements for the 2025 period at the time of data collection, reducing the sample size and potentially affecting the representativeness of the findings. Second, the relatively low Adjusted R^2 value (17.1%) indicates that many additional

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determinants of audit report lag were not included within the framework, limiting the model's explanatory power. Third, the analysis is limited to the property and real estate sector, restricting generalizability to other sectors with different characteristics and regulatory environments. Fourth, the study focuses on four independent variables, excluding other potential determinants such as firm size, financial distress, profitability, audit fees, and auditor switching. Fifth, the three-year observation period (2023–2025) may not capture longer-term trends and patterns in audit report lag behavior.

Future research should broaden the scope to include multiple sectors or conduct comparative studies across sectors to examine the generalizability of findings and identify sector-specific determinants. Future studies should integrate additional variables such as firm size, financial distress, profitability, audit fees, auditor switching, and audit firm size to develop a more comprehensive model of audit report lag determinants. Researchers should employ longer observation periods to capture longer-term trends and patterns in audit completion behavior. Future research should consider using more recent data and expanding the sample size to enhance the robustness of findings. Researchers should examine the moderating effects of regulatory changes, economic conditions, and industry characteristics on the relationships between audit characteristics and audit report lag. Finally, future research could employ qualitative approaches such as interviews with auditors and management to provide richer insights into the mechanisms through which audit opinion and audit tenure influence audit completion time in the property and real estate sector.

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