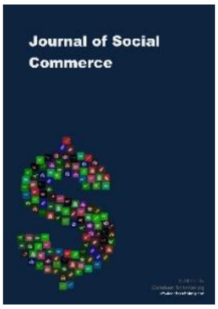

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The Moderating Role of Company Size in the Relationship Between Audit Factors and Audit Report Lag

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Abstract

This research looks into the links between audit opinion, audit tenure, audit committee, and audit report lag, with firm size tested as a moderating factor among Property and Real Estate companies list on the IDX between 2019 and 2024. The research population consisted of 93 firms, from which 52 companies were selected using purposive sampling, producing 312 firm-year observations. The data were examined using MRA through EViews 12. The findings reveal that audit opinion and audit tenure are negatively associated with audit report lag, whereas the audit committee can be linked to reports taking a bit longer to land. Firm size also weakens the influence of audit opinion and audit tenure on audit report lag, whilst strengthening the relationship between audit committee and audit report lag. These finding suggest that larger firms are better placed to keep financial reporting delays to a minimum.

Introduction

The existence of audit reports plays a crucial role, especially for company list on the capital market and for relevant parties, such as investors. As a result, company list on the IDX must file and make their financial reports publicly available to the FSA. Financial statements presented to the public must comply with applicable Financial Accounting Standards (Winarti et al., 2023; Megeid, 2024; Breijer & Orij, 2022). To ensure this compliance, financial statements need to be audited by an independent auditor or registered public accountant. Audited accounts signed off by a public accountant are typically seen as more credible than financial statements without an audit (Nurwidayanti & Bawono, 2024; Everard & St. Pierre, 2024).

According to OJK Regulation No. 29/POJK.04/2016, Article 7 concerning the Annual Report of Issuers or Public Companies, states that every issuer must submit audited financial statements within 4 months, with the filing required by the end of the fourth month at the latest.

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This regulation was later updated with the issuance of OJK rules concerning the required deadline for filing audited annual company account in Regulation No. 14/POJK.04/2022. Under this rule, companies must submit their lodge independently examined finance statements within a 120-day period, with the disclosure due by the close of month four at the latest. Prompt finance reporting matters greatly, but delays remain an ongoing issue, as many companies continue to release their audited reports after the anticipated date.

Audit report lag refers to the period separating the dates of approval of the independent auditor's report and the company's finance closing date (Atmafidea & Syarief, 2022; Wati, 2023; Nuristya & Ratmono, 2022; Mutia & Soewarno, 2026). A longer delay will delay the disclosure of finance statement. Conversely, timely publication of audited finance statement helps list companies avoid sanctions. Delays in publishing finance statements can elicit a negative response from investors. This occurs because audited finance statements contain company performance data. This data is used by investors to estimate the company's future prospects. Audit reports assist investors in making investment decisions, but if investors choose not to invest because the audit report is not yet available, this can be detrimental to the company.

Several factors can influence audit report lag, including audit opinion, audit tenure, and the audit committee. Audit opinions are issued by auditors after several audit stages, enabling them to convey conclusions regarding the required opinion on the audited finance statements (Indriani & Wahyono, 2021; Bepari et., 2024; Abouelela et al., 2025). Audit completion times may vary, for example, between companies receiving an unqualified opinion and those receiving opinions other than unqualified (qualified, adverse, or disclaimer). Research by Priscilia & Putri (2025) indicates that audit opinions have a positive effect on audit report lag, but study by Hasanah & Aprilia (2023) indicates negative effect on audit report lag. Meanwhile, research by Pratiwi & Suwarno (2024) indicates that audit opinions have no effect on audit report lag.

Literature Review

Audit tenure is the period of engagement to audit a company's published financial statement. Extended auditor tenure can build stronger familiarity with a firm's activities, risk profile, and accounting practices, making the audit process more efficient (Latiefah & Handayani, 2024). An audit for a new client is generally more time-consuming since the auditor must first understand the business, risks, and accounting processes involved. The duration of the auditor–client engagement is regulated in PP/20/205 in Article 11, which states that the Public The engagement of an accounting firm with a client may continue for no more than five consecutive finance periods. Research conducted by Azmi & Abbas (2024) indicated that extended auditor tenure is linked to longer audit report lag, while study by Aulia & Abbas (2024) revealed that audit report lag is negative associated with audit report lags. Meanwhile, research conducted by Sijabat & Pangaribuan (2023) show that the length of the auditor–client relationship has no sign impact on audit report lag.

Within corporate governance, the audit committee contributes to effective audit oversight and supports the reliability of finance report (Alhababsah, 2022; Imelda et al., 2025; Suluo et al., 2025). The no of members serving on the audit committees, the frequency of meetings, and the competence of its members can influence audit report lag. The audit committee, part of the board of commissioners, supports supervision of audit planning, execution, and evaluation of findings to assess the adequacy and efficiency of internal controls, along with the compilation of finance statements (Kurnia et al., 2024; Tumwebaze et al., 2022; Gaol et al., 2026). In this study, audit committee effectiveness is proxied by the proportion of committee members possessing an educational background or experience in accounting and finance. This indicator was selected based on the premise that accounting and financial competence is a key characteristic enabling the audit committee to effectively oversee financial reporting processes and external audits (Delfanty & Syamsuri, 2026; Jusoh et al., 2022; Krishnamoorthy et al., 2023).

Although regulations mandate that at least one audit committee member possess expertise in accounting or finance, the collective level of competence within the committee can vary across companies. Companies with a higher proportion of members possessing accounting and financial expertise are expected to have a greater capacity to understand financial reporting issues, evaluate auditor findings, identify potential risks of misstatement, and oversee the effectiveness of internal control systems. Consequently, the ratio of members with accounting and financial competence is considered a better measure of variations in the quality of human resources within the audit committee than a simple indicator of minimum regulatory compliance.

However, audit committee effectiveness is a multidimensional concept. Beyond member competence, effectiveness can also be influenced by independence, committee size, meeting frequency, member attendance rates, and the quality of communication with both internal and external auditors. Therefore, future research could consider incorporating additional indicators such as the frequency of audit committee meetings to obtain a more comprehensive measure of audit committee effectiveness. OJK stipulates requiring each firm to maintain no fewer than three individuals on its audit committee, with an independent commissioner serving as the chair and the remaining members having a background or experience in finance and accounting. The audit committee plays a crucial role in the company's finance viability, although delays can reduce the usefulness of finance reports. Research by Syahzuni & Wulandari (2024) founded that the audit committee has a positive effect on audit report lag, while research by Yolanda & Santoso (2024) found a negative effect on audit report lag. Meanwhile, study Utami et al. (2024) found that the audit committee had no effect on audit report lag.

Firm scale represents another determinant associated with audit report lag, as auditors generally need additional time to examine larger entities. Enterprises generating profits tend to record growth in their overall asset base, creating a broader volume of finance information that auditors must inspect before confirming the reliability and fairness of reported amounts (Andriyanto et al., 2024). Since investors, creditors, and other stakeholders depend on published finance information when making economic judgements, sizeable firms face greater pressure to finalise and release their finance reports promptly. Jensen & Meckling (1976) introduced agency theory to describe the agreement formed between business owners as principals and managers as agents, whereby ownership delegates authority to management to handle organisational affairs, undertake operational tasks, and make decisions on the owners' behalf. This means that the relationship between agent and principal, or between management and investors, is explained through the granting of authority from the principal to the agent to carry out company activities and make decisions related to the owner's interests.

In an agency relationship, a party called the principal employs and grants decision-making authority to another party call the agent to performs certain services. The relationship between owner and management is an example of the application in theory, where management (agent) has a moral responsibility to maximize profits for the owner (principal). In return, management will receive compensation agreed upon in accordance with the terms of the contract. Agency theory explains the contractual relationship between the principal namely, shareholders and the agent, specifically corporate management. The separation of ownership and management creates the potential for conflicting interests and information asymmetry. Management possesses broader access to information regarding the company's actual condition compared to shareholders and external parties. This situation creates opportunities for management to determine what information is disclosed, when it is disclosed, and how the company's status is communicated to stakeholders.

This potential for agency conflict is particularly relevant in the property and real estate sector. Companies in this sector typically undertake projects with relatively long development cycles and require substantial investment and funding. Furthermore, they engage in transactions such as revenue recognition, property inventory, investment property, asset valuation estimates, and contractual obligations that may vary in complexity from one company to another. These characteristics heighten the need for oversight regarding management decisions and the quality of information presented in financial statements. From an agency perspective, external auditors serve as an oversight mechanism that helps mitigate information asymmetry between management and shareholders. However, this oversight process is time-consuming, particularly when auditors must obtain sufficient evidence for complex transactions or accounts requiring judgment and estimation. Consequently, audit report lag can reflect the complexity of the audit completion process and the oversight dynamics between the company and the auditor. These characteristics also provide a theoretical basis for examining the roles of audit opinion, auditor tenure, the audit committee, and company size in explaining audit report lag. Variations in company characteristics can lead to differences in information risk, audit complexity, and oversight requirements, thereby potentially influencing the time required to complete the audit process.

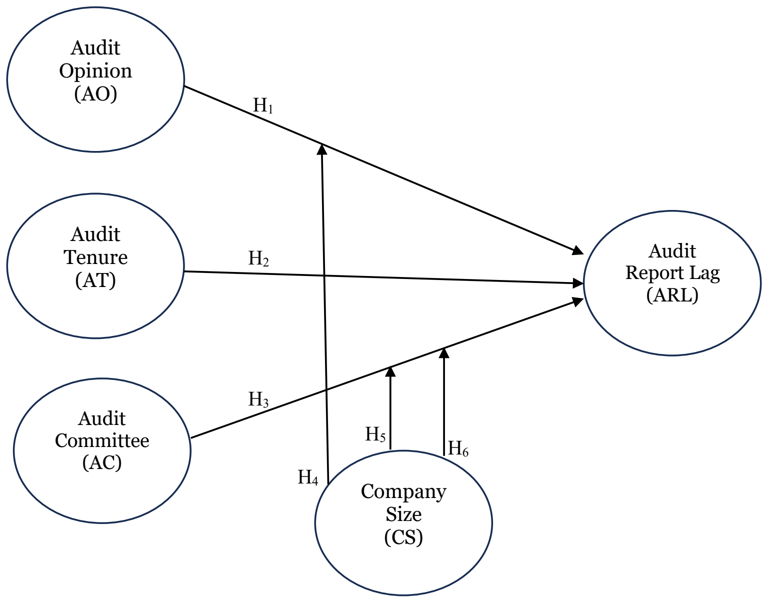

Figure 1. Research Framework

Signalling theory is a systematic approach to guiding investors and managers regarding a company's outlook on its future prospects. These signals can be information gathered by management to assist owners in achieving their goals. There is a direct relationship between the availability of information and this signalling theory. In fundamental company analysis, finance statements are a crucial element that can be utilized for investment decision-making. This type of analysis is conducted to facilitate the interpretation of finance statements presented by the Board of Directors (Pratiwi et al., 2022). Signalling theory proposes that a signal or signal is provided by the sender (the information owner) as data conveying circumstances that are meaningful and beneficial to those receiving the information. According to Uly & Julianto (2022), finance reporting can convey two distinct forms of signalling, namely favourable indications and unfavourable indications, while corporate managers possess greater insight into the firm's current circumstances and prospective outlook than external parties.

This research examines how audit opinion, auditor tenure, and audit committee characteristics relate to audit report lag, with firm size introduced as a moderating factor. Six hypotheses are formulated to test these relationships, namely the effect of audit opinion on audit report lag (H1), the effect of audit tenure on audit report lag (H2), the effect of the audit committee on audit report lag (H3), the moderating role of firm size in the audit opinion–audit report lag relationship (H4), its moderating role in the association between audit tenure and audit report lag (H5), and its moderating role in the link between audit committee and audit report lag (H6). Based on these theoretical and empirical foundations, this study presents a conceptual framework to guide the research in Figure 1.

Methods

This study covers firms operating in the Property and Real Estate sector and traded on the IDX throughout 2019–2024. Applying a purposive selection approach, 52 firms were retained from the original pool of 93 entities after meeting all predetermined requirements, with the screening conditions set out in Table 1. For analytical purposes, the constructs are arranged into three categories: the outcome construct is audit report lag, the explanatory constructs comprise audit opinion, audit tenure, and audit committee, whilst firm size is positioned as the moderating construct. Table 2 sets out the definitions, indicators, and assessment procedures adopted for the variables examined in this research.

Data Collection Techniques

Table 1. Sampling Criteria

No	Criteria	Total
1.	The property and real estate sector list on the IDX during the 2019-2024 period	93
2.	Fully audited financial statements were not consistently disclosed by Property and Real Estate companies between 2019 and 2024	(15)
3.	The property and real estate sector does not consistently list during the 2019-2024 period	(26)
	Number of Company Samples	52
	Observation Period	6
	Number of Observations	312

The dataset comprises independently audited financial statements and yearly corporate reports sourced from the IDX web. Data collection methods include journals, blogs, articles, information searches, and other sources. The researcher draws upon secondary sources, chiefly corporate yearly disclosures issued by Property and Real Estate firms between 2019-2024 and retrieved from the IDX official online portal. (http://www.idx.co.id), http://www.sahamok.com, and the firm's verified web.

Table 2. Variable Operationalization

Variable	Variable Concept	Indicator	Scale
Dependent Variable: Audit Report Lag	The elapsed period from the close of a company's financial year to the date when the auditor issues the	Audit Report Lag = Audit Report Date – Financial Statement Book Closing Date	Nominal

	audit opinion on its financial statements (Pratiwi & Suwarno, 2024)		
Independent Variable: Audit Opinion	Is the final result of a general examination of finance statements, referring to the auditor's view regard the fairness and accuracy of the company's finance reporting (Ani et al., 2020)	If the opinion is fair without exception, it is given a scores of 1, and 0 if it is not a fair opinion without exception.	Nominal
Independent Variable: Audit Tenure	Is the length of the engagement period between the accounting firm and its client in providing audit services in a row which is measure base on the agreed number of years (Uly & Julianto, 2022)	Number of years of engagement between the sample company and the auditor	Nominal
Independent Variable: Audit Committee	The audit committee is a part or apparatus of the board of directors that is responsible for the company's financial reporting (Yolanda & Santoso, 2024)	The audit committee is measured by comparing the number of audit committee members with an accounting and finance background calculated against the overall headcount of audit committee members.	Ratio
Moderating Variable: Company Size	Is a scale that describes the size of a company (Febisianigrum & Meidiyustiani, 2020)	Company size is measured based on the natural logarith of the total asset owned by the company	Nominal

Data Analysis Techniques

The dataset is first examined using descriptive statistics to capture the average, lowest, highest, and dispersion values for every construct under investigation. Regression modelling is then employed to explore how the outcome variable responds to changes in the explanatory variables. Individual hypotheses are assessed through the t-statistic to establish whether each predictor has a meaningful relationship with the outcome. The model's explanatory strength is gauged through the R^2, which reflects how well the regression equation accounts for variation in the outcome. Given that several predictors are included, the adjusted R^2 is adopted to provide a more suitable estimate of the model's goodness of fit.

MRA is used to establish whether the moderator influences the association between the predictor and the outcome variable (Robbani et al., 2023). The model use in this study is as follow:

$$ARL = \alpha + \beta 1AO + \beta 2AT + \beta 3AC + \beta 4AO*CS + \beta 5AT*CS + \beta 6AC*CS + \varepsilon$$

Where:

ARL	: Audit Report Lag	AT	: Audit Tenure
α	: Constant	AC	: Audit Committee
βi	: Regression Coefficient	CS	: Company Size
AO	: Audit Opinion	ε	: Error

Results and Discussion

Descriptive Statistics

Is a method used to describe, summarize, and present data in an easily understood format. Its purpose is to provide a general overview of the basic characteristics of the data without making inferences or generalizations about the larger population. A summary of the descriptive statistical present in Table 3.

Table 3. Descriptive Statistics

	ARL	AO	AT	AC	CS
Mean	100.02240	0.964744	1.695513	0.656538	27.71673
Median	88.00000	1.000000	1.000000	0.670000	28.16500
Max	331.00000	1.000000	5.000000	1.000000	31.96000
Min	41.00000	0.000000	1.000000	0.330000	22.55000
Std. Dev	36.49899	0.184723	0.845023	0.229304	2.256779
Observations	312	312	312	312	312

The results in Table 3 show that the average audit report lag is 100.0224 days. Base on OJK Regulation No. 29/POJK.04/2016, audited annual financial statements are to be lodged with the OJK and made publicly available by the end of the fourth month following the relevant financial reporting date, or approximately 120 days. Thus, the average ARL of the sample companies of 100.0224 days still meets the time limit permitted by the OJK, so it can be concluded that in general the sample companies have fulfilled their audit reporting obligations in a timely manner. The maximum audit report lag score is 331 days, while the minimum score is 41 days. The SD score of 36.49899, which is smaller than the mean score, shows that the distribution of data in this study is even and there is no excessive difference between one data and another.

Based on descriptive statistics, the Audit Opinion variable has a mean value of 0.964744. This value indicates that the majority of observations in the study received an unqualified opinion. Consequently, the distribution of Audit Opinions within the research sample tends to be heavily concentrated in a single category, whereas observations with opinions other than unqualified represent only a small fraction of the total sample. This situation indicates that the variation in the Audit Opinion variable within the study is relatively limited. Consequently, the research findings regarding the impact of Audit Opinion on Audit Report Lag require cautious interpretation. The observed statistical significance should not be construed as robust evidence that all other types of audit opinions exert a similar influence on Audit Report Lag, given the relatively small number of observations in those categories. These findings are best understood as a relationship identified based on the distribution characteristics of audit opinions within the study sample.

The prevalence of "unqualified" opinions indicates that the companies in the research sample generally received audit opinions affirming the fair presentation of their financial statements. However, this lack of variation may limit the study's ability to adequately compare audit report lag between companies receiving unqualified opinions and those receiving other types of opinions. Therefore, future research could utilize a sample with a more diverse distribution of audit opinions or expand the time period and scope of companies to allow for a more representative analysis of differences in audit opinion characteristics. The maximum score is 1.00000 while the minimum score is 0.00000. The standard deviation score of 0.184723 is smaller than the mean score, indicating that the distribution of data in this study is even and there is no too high difference between one data and another.

Based on descriptive statistics, the auditor tenure variable has a mean value of 1.69 years and a median value of 1.00 years. These results indicate that the auditor engagement period within the research sample tends to be relatively short. Notably, the median value of just one year suggests that at least half of the observations involve an auditor engagement period of no more than one year. This characteristic is significant when interpreting the relationship between auditor tenure and audit report lag. Given the relatively short engagement period, auditors may lack a long-standing relationship with the client; consequently, their understanding of business characteristics, accounting systems, internal controls, and company-specific risks is likely still evolving. Theoretically, this situation can influence the efficiency of the audit process and the time required to complete the examination. Therefore, the results of this study do not directly indicate that long auditor tenure enhances the effectiveness of management oversight. Instead, the findings must be understood within the context of the study sample's characteristics, which reveal relatively short auditor-client relationships. Consequently, any interpretation regarding the benefits of long auditor tenure requires caution and should not be generalized beyond the characteristics of the study sample.

The discrepancy between the mean value of 1.69 years and the median of 1.00 year also indicates variation in tenure across observations, suggesting the presence of some companies with longer tenures that raised the mean value. Thus, the median provides important additional information for describing the typical state of auditor tenure within the study sample. According to PP No 20 of 2015 Article 11 Paragraphs (1) and (4) concerning Public Accountant Practices, entity may receive historical finance information audit services from the same Public Accountant for up to 5 consecutive finance years, therefore the auditor's working period is still far below the max limit permitted by regulation. The maximum score is 5,00000 while the max score is 1,00000. The SD score of 0.184723 is smaller than the mean score indicating that the data distribution in this study is even and there is no excessive difference between one data and another. The mean score of the audit committee of 0.656538 indicates that approximately 65% of the audit committee members in the selected companies have a background related to accounting and finance disciplines. This is important to analyse in the context of OJK Regulation No 55/POJK.04/2015 with regard to the establishment and guidelines governing the Audit Committee’s activities, requiring at least one member of the audit committee to have relevant knowledge of accounting and finances. The max score is 1.00000 while the min score is 0.33000. The SD score of 0.845023 is smaller than the mean score, indicating that the distribution of data in this study is even and there is no too high difference between one data and another.

The mean score of company size is 27.71 or the average total assets of sample companies is Rp. 2,087,989,715,497. The maximum score is 31.96000 or Rp. 76,023,348,869,846, while the minimum score is 22.55000 or Rp. 6,208,681,516. The standard deviation score of 2.256779 is smaller than the mean score, indicating that the distribution of data in this study is even and there is no too high difference between one data and another.

Test the Coefficient of Determination

The R^2 test is a measure that reflects how much variation in the dependent variable can be accounted for by the model. Table 4 shows that R^2 score is 0.064923. Audit opinion, audit tenure, and audit committee are able to explain 6.49% of the variation observed in audit report lag. While the remaining 93.51 percent is influenced by other variables not examined.

These findings indicate that, although some variables in the study have a statistically significant influence on Audit Report Lag, the model's overall ability to explain the variation in Audit Report Lag remains relatively low. A low Adjusted R-squared value does not necessarily imply that the hypothesis test results lack significance. The statistical significance of individual variables still indicates the presence of relationships identified within the study sample. However, the results must be interpreted with caution, as audit report lag is a phenomenon influenced by various factors stemming from both company characteristics and the audit process itself. Other factors potentially explaining the variation in audit report lag include the complexity of company operations, profitability, solvency, financial condition, the size and reputation of the public accounting firm, auditor changes, audit fees, auditor specialization, internal control quality, and the complexity of transactions and accounting estimates encountered by the auditor.

Thus, the results of this study are more appropriately interpreted as evidence that the variables tested are associated with Audit Report Lag within the context of the study's sample and period, rather than as factors that predominantly determine the duration of Audit Report Lag. Future research could consider incorporating additional variables that theoretically and empirically have the potential to explain Audit Report Lag, thereby enhancing the model's predictive capability and explanatory power.

Table 4. Hypothesis Testing

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Probability**	**Result**
C	131.9365	15.23317	8.661135	0.0000	Accepted
AO	-38.88692	11.91929	-3.262521	0.0012	Accepted
AT	-5.483183	2.126016	-2.579089	0.0104	Accepted
AC	22.69268	10.76902	2.107218	0.0359	Accepted
AO*CS	-1.199785	0.405571	-2.958257	0.0033	Accepted
AT*CS	-0.192389	0.075945	-2.533262	0.0118	Accepted
AC*CS	0.914856	0.396839	2.305357	0.0218	Accepted
		R-squared			0.073943
		Adjusted R-squared			0.064923
		S.E. of Regression			29.69394
		F-statistic			8.197633
		Prob(F-statistic)			0.000029

Partial Hypothesis Testing

The regression findings presented in Table 4 reveal a coefficient of -38.88692 for audit opinion, with a probability score of 0.0012, falling below the 0.05 decision thresholds at the 5% level, meaning H1 is supported and audit opinion has a statistically significant impact on audit report lag at a 95% confidence level. Audit tenure records a coefficient of -5.483183, while its probability score stands at 0.0104, again below 0.05, indicating that H2 is supported and audit tenure has a statistically a material influence on audit report lag. Thus, it can be concluded that statistically at a 95% confidence level, the auditor–client relationship influences audit report lag. The audit committee coefficient is 22.69268, furthermore the test results show that the probability score is 0.0359 < 0.05 (alpha 5%), so H3 is accepted. Thus, it can be concluded that statistically at a 95% confidence level, the audit committee has an effect on audit report lag.

The MRA findings point to a significant moderating role for firm size across all three proposed relationships. For H4, the interaction term carries a coefficient of -1.99785 and a probability of 0.0033, which sits below the 0.05 threshold, so the hypothesis gets the nod and indicates that, at a 95% confidence level, greater firm size dampens the association between audit opinion and audit report lag. H5 is likewise backed by a coefficient of -0.192389 and a probability of 0.0118 < 0.05, suggesting that firm size also tones down the link between audit tenure and audit report lag. For H6, the coefficient reaches 0.914856 with a probability of 0.0218 < 0.05, meaning the hypothesis is supported and company scale alters the association between the audit committee and audit report lag relationship at the 95% confidence level.

A F-test examines whether the independent variables jointly contribute to changes in the dependent variable. Table 4 shows that the acquisition of the F-statistic score is 8.197633, and the Prob (F-statistic) score is 0.000029 less than 0.05 (alpha 5 percent). This indicates that audit opinion, audit tenure and audit committee have an impact on audit report lag.

The Effect of Audit Opinion on Audit Report Lag

An auditor's opinion has an inverse link with audit report lag, meaning a non-unqualified opinion can be followed by a quicker report release, whereas qualified or adverse findings may stretch the reporting timeline. These results can be explained by the characteristics of the property and real estate industry, which is the focus of this study. This industry generally has large fixed assets, long-term projects, and complex finance structures, which cause companies in this sector to have relatively high audit risk.

If the auditor identifies material issues early in the audit process, they tend to be quicker to issue a negative audit opinion, such as a qualified opinion or even a disclaimer. This is because the auditor already understands the company's risks based on previous experience, thus minimizing the need for a lengthy audit to reach a conclusion. Furthermore, property and real estate companies accustomed to receiving non-unqualified audit opinions are also less likely to delay the audit process and are more likely to promptly approve the audit, even if the results are negative (Syaenda et al., 2024).

The Effect of Audit Tenure on Audit Report Lag

Audit tenure negatively impacts audit report lag. The longer the auditor remains engaged with a firm, the less time is generally needed to finalise and release the audit report. This can be attributed to auditors with extensive client experience generally having a solid grasp of the firm's operations, internal procedures, accounting practices, and potential risk areas its finance and operational conditions and the various risks that frequently arise, allowing for a more efficient audit process (Priscilia & Putri, 2025). In property and real estate companies, which have substantial assets such as land and buildings, as well as long-term projects, auditor experience is crucial. Auditors with experience with the company are typically quicker and more efficient in developing audit programs because they understand the company's characteristics and transaction patterns. This allows for a faster audit completion.

The Effect of Audit Committee on Audit Report Lag

The findings suggest that stronger audit committee involvement is associated with a longer audit completion period. In other words, firms with a larger committee or more intensive committee oversight may require additional time before the auditor's report is finalised and released (Syahzuni & Wulandari, 2024). This result may seem inconsistent with initial expectations, as the audit committee's role is typically expected to help expedite the audit process. However, in this study, companies operating in the property and real estate sectors were involved; this result can be explained by examining the conditions and characteristics of the sector. Companies in this industry generally have large projects that require long periods of time to complete, significant fixed assets, and complex finance reports. Therefore, audit committees in property companies tend to be more careful and thorough in evaluating finance reports and audit results from external auditors.

The Moderating Effect of Company Size on Relation Between Audit Opinion and Audit Report Lag

Firm size can moderate the association between audit opinion and audit report lag, with larger companies generally experiencing a less pronounced effect of audit opinion on reporting delay (Asmedi & Kurniat, 2022). This can be explained because large companies, particularly in the property and real estate sector, typically have more comprehensive resources, such as professional finance and accounting teams, as well as better reporting and internal control systems. Under these conditions, even if the auditor issues a less favourable audit opinion, such as a qualified opinion, large companies can still complete the audit process on time because they already have adequate systems and experience.

The Moderating Effect of Company Size on Relation Between Audit Tenure and Audit Report Lag

Company size weakens the relationship between audit tenure and audit report lag. This means that even if an auditor has been with a company for a long time (high audit tenure), a large company does not necessarily guarantee a faster audit completion (Kumala et al., 2022). This research focuse on property & real estate firm, where this is a common occurrence. Large companies in this sector typically manage multiple projects simultaneously, have complex business structures, and complex finance systems. These factors can impact the audit process, include the timeframe required for audit report completion. The larger the company, the more data and information must be audited. Therefore, even if the auditor is experienced with the company, high complexity can still slow down the audit report preparation process.

The Moderating Effect of Company Size on Relation Between Audit Committee and Audit Report Lag

As company size grows, the influence of the audit committee on audit report lag becomes more substantial, suggesting that firm scale reinforces this relationship (Indrastuti, 2022). This is because this study focuses on large property companies, which typically have numerous projects, significant asset values, and more complex transactions. This can lead to a prolonged audit completion period because auditors must review more documents and ensure all financial information is accurate. On the other hand, audit committees in large companies are generally more active and stringent in their oversight. They often request additional clarification, supporting documents, or revisions to auditor findings to ensure financial reports are truly accurate and meet standards.

Conclusion

Based on agency theory, a favourable audit opinion reflects that a company's management has prepared its financial statements honestly and transparently. This makes it easier and faster for auditors to complete the audit process because there are fewer issues to examine, thus shortening the audit report submission time. From a signalling theory perspective, an audit opinion also sends a signal or message to external parties, such as investors and creditors. A favourable audit opinion is a positive signal that the company's financial condition is healthy and well-managed. Conversely, a negative audit opinion can be a negative signal and require more time for auditors to examine the financial statements. Therefore, a favourable audit opinion can help expedite the audit process and demonstrate that the company is well-managed.

Long auditor tenure can increase the effectiveness of management oversight, in line with agency theory. A long-standing working relationship allows auditors to better understand the company's systems and risks, enabling them to more quickly detect potential irregularities and help encourage management to prepare corporate reports on schedule. From a signalling theory perspective, long audit tenure also reflects trust between the auditor and the firm, which can streamline the audit process and expedite the delivery of financial reports to external parties. This way, the company can send a positive signal to investors and stakeholders that its finance condition is healthy and managed transparently.

Under agency theory, the audit committee operates as a monitoring body between company management and its owners. An active audit committee will be more thorough in reviewing finance statements and the audit process, which can lead to a longer audit report lag. This may happen because the audit committee reviews whether the finance statements have been prepared accurately and in line with applicable standart. Meanwhile, in line with signalling theory, an effective audit committee can signal to investors that the company has established robust oversight mechanisms. Although audit completion times are longer, this indicates that the company is serious about maintaining the quality and trustworthiness of finance data. Therefore, a longer audit report lag can be a sign of a strict and transparent oversight process.

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