



Do Audit Fee, Audit Opinion, and Auditor Switching Matter? Evidence on Audit Reporting Lag in Indonesian Manufacturing Firms

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ABSTRACT

This study examines the determinants of audit reporting lag (ARL) in manufacturing companies listed on the Indonesia Stock Exchange, focusing on audit fee, audit opinion, and audit switching. Using a quantitative approach with panel data regression based on firm-year observations over the 2020–2023 period, the study analyzes secondary data derived from audited financial statements and annual reports. The findings reveal that audit fee does not have a significant effect on ARL, indicating that higher audit costs do not necessarily accelerate the audit completion process. Similarly, audit switching is found to have no significant influence on ARL, suggesting that changes in auditors do not inherently disrupt audit efficiency or delay reporting due to standardized audit procedures and effective transition mechanisms. In contrast, audit opinion demonstrates a significant effect on ARL, where firms receiving unqualified opinions tend to report more timely compared to those receiving other types of opinions, reflecting the additional audit procedures and deeper evaluations required for non-standard opinions. These results highlight that ARL is more strongly influenced by audit complexity, regulatory pressure, and audit process dynamics rather than structural factors such as audit fee and auditor rotation. The study contributes to the literature by providing empirical evidence from the Indonesian manufacturing context and offers practical implications for regulators, auditors, and firms in improving the timeliness and quality of financial reporting.

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1. INTRODUCTION

Audit reporting lag (ARL) is a critical issue in the accounting and auditing literature as it is directly associated with the timeliness, relevance, and quality of financial information delivered to stakeholders. The timeliness of audit reports is essential for enhancing investor confidence, strengthening the credibility of financial statements, and improving decision-making efficiency in capital markets. Conversely, delays in audit reporting may reduce the relevance of financial information and increase information asymmetry (Akiri & Jeroh, 2022; Bawono et al., 2023; Zahn, 2022). Prior studies further suggest that ARL not only reflects the efficiency of the audit process but also serves as an indicator of firm risk, including the potential for fraud and the quality of corporate governance (Azghandi et al., 2023; Nuristya & Ratmono, 2022). Therefore, examining ARL is essential to strengthen empirical understanding of the factors influencing the timeliness of financial reporting and its implications for corporate transparency and accountability (Putra et al., 2023; Widharma & Susilowati, 2020).

The importance of investigating ARL becomes more pronounced in the context of manufacturing firms, which are characterized by high operational complexity, large transaction volumes, and diverse asset structures. Such complexity may prolong the audit process and increase the likelihood of reporting delays (Sunersa et al., 2022). In manufacturing firms, ARL not only reflects audit efficiency but also indicates the effectiveness of internal control systems and the readiness of firms in preparing financial statements (Ozer et

al., 2023; Tanulia & Osesoga, 2022). Empirical evidence from Indonesia shows that ARL remains a recurring issue, as reflected in the Indonesia Stock Exchange sanction announcement No. Peng-S-00014/BEI.PLP-05-2024, where several listed companies, including those in the manufacturing sector, were subject to administrative sanctions due to delays in submitting audited financial statements. This condition highlights a gap between regulatory requirements and actual practice, thereby necessitating further investigation to identify the determinants of ARL, particularly within the manufacturing sector.

Furthermore, the selection of audit fee, audit opinion, and audit switching as determinants of ARL is motivated by inconsistent findings in prior studies. Some studies report that audit fee significantly affects ARL (Saleh & Ragab, 2023; Teng & Jin, 2022), while others find no significant relationship (Ayoola et al., 2022; Ning et al., 2025). Similarly, audit opinion has been found to significantly influence ARL in some studies (Widjaja & Feliana, 2022), whereas other research reports insignificant results. Inconsistencies are also evident in the relationship between audit switching and ARL, with certain studies identifying a significant effect (Antony et al., 2026), while others do not (Sijabat & Pangaribuan, 2023; Sunersa et al., 2022). These mixed findings indicate that the relationship between these variables and ARL remains inconclusive and warrants further empirical examination, particularly in the context of manufacturing firms in Indonesia.

Based on this background, this study aims to examine the effect of audit fee, audit opinion, and audit switching on audit reporting lag among manufacturing companies listed on the Indonesia Stock Exchange. This study is expected to provide empirical contributions in explaining the determinants of audit reporting delays and to serve as a reference for regulators, auditors, and corporate management in improving the timeliness and quality of financial reporting.

II. METHOD

Research Design

This study adopts a quantitative research design using a panel data regression approach to examine the determinants of audit reporting lag (ARL). The quantitative approach is appropriate as it enables the testing of causal relationships among variables through numerical data and statistical inference. The unit of analysis consists of firm-year observations of manufacturing companies over a four-year period. The study relies on secondary data obtained from audited financial statements and annual reports published by the sample firms, which are systematically collected and compiled into a structured panel dataset for analysis.

Population and Sample

The population of this study consists of all manufacturing companies listed on the Bursa Efek Indonesia during the 2020–2023 period. The manufacturing sector is selected due to its relatively homogeneous operational characteristics and consistent financial reporting requirements, making it suitable for examining audit reporting lag across firms. The sample is determined using a purposive sampling technique based on several criteria, including firms that are consistently listed during the observation period, do not experience delisting or relisting, provide complete audited financial statements and annual reports, and present their financial statements in Indonesian Rupiah. From a total of 131 listed manufacturing firms, 52 firms meet these criteria. With four years of observation, the final dataset consists of 212 firm-year observations.

Variable Measurement

The dependent variable in this study is Audit Reporting Lag (ARL), which is measured as the number of days between the fiscal year-end and the date of the auditor's report. The independent variables consist of Audit Fee (AF), measured as the total audit fee and transformed using the natural logarithm to reduce skewness; Audit Opinion (AO), a dummy variable coded 1 for firms receiving an unqualified opinion and 0 otherwise; and Auditor Switching (AS), a dummy variable coded 1 if there is a change in auditor and 0 otherwise. In addition, this study incorporates several control variables commonly used in audit research, including Financial Distress (FD), Firm Size (Fsize) proxied by the natural logarithm of total assets, and Audit Firm Size (AUSize).

Data Transformation and Model Specification

To improve statistical robustness, several preprocessing steps are applied. First, logarithmic transformation is conducted on ARL and Audit Fee to address skewed distributions. Second, winsorization at the 1% level is applied to mitigate the influence of extreme values. These procedures are commonly adopted in audit research to stabilize variance and improve model estimation. The main regression model is specified as follows:

$$\ln_ARL_{it} = \beta_0 + \beta_1 \ln_AF_{it} + \beta_2 AO_{it} + \beta_3 AS_{it} + \beta_4 FD_{it} + \beta_5 Fsize_{it} + \beta_6 AUSize_{it} + \gamma_t + \epsilon_{it}$$

where γ_t represents year fixed effects.

Classical Assumption Tests

Prior to hypothesis testing, several diagnostic tests are conducted. Normality of residuals is assessed using the Shapiro–Wilk and Kolmogorov–Smirnov tests. Multicollinearity is evaluated using Variance Inflation Factor (VIF). Heteroskedasticity is tested using the Breusch–Pagan test, and autocorrelation is assessed using the Durbin–Watson statistic. Given the panel structure and potential violations of classical assumptions, the study employs clustered standard errors at the firm level, which provide more reliable inference in the presence of heteroskedasticity and intra-firm correlation.

Hypothesis Testing

Hypothesis testing is conducted using multiple regression analysis. The significance of individual variables is evaluated using the t-test, while the overall model significance is assessed using the F-test. The explanatory power of the model is measured using the coefficient of determination (R^2).

III. RESULTS

Descriptive Statistics

Descriptive statistics are employed as a preliminary step to assess the distributional properties of the variables and to identify potential data issues such as outliers or skewness. This stage is essential to ensure the adequacy of the data prior to regression analysis, where Audit Reporting Lag (ARL) is treated as the dependent variable, and Audit Fee, Audit Opinion, and Audit Switching serve as the main independent variables. The summary statistics for all variables are presented in Table 1.

Table 1. Descriptive Statistics

Variable	N	Mean	Std. Dev	Min	Median	Max
ARL (days)	212	156.849	40.695	49	159	355
ln(ARL)	212	5.021	0.269	3.892	5.069	5.872
Audit Fee	212	2.65E+09	4.57E+09	65,000,000	835,000,000	3.59E+10
ln(Audit Fee)	212	20.758	1.366	17.990	20.542	24.303
FD	212	3.610	1.826	0.796	2.904	8.759
Firm Size	212	15.561	3.103	8.280	15.420	27.308

The descriptive results indicate that the average Audit Reporting Lag (ARL), as the dependent variable, is approximately 156.85 days, suggesting that firms require around five months to complete the audit process. The relatively high standard deviation and the wide range between minimum and maximum values reflect substantial variability in audit completion time across firms. This variability is important, as it provides sufficient dispersion for examining the influence of the independent variables on ARL. The log-transformed ARL exhibits a lower standard deviation, indicating that the transformation effectively reduces variability and improves the distributional properties of the dependent variable. This supports its use in regression analysis to obtain more reliable parameter estimates.

With respect to the independent variables, Audit Fee shows a highly skewed distribution, as indicated by the large gap between minimum and maximum values. This reflects heterogeneity in audit engagement complexity across firms. The logarithmic transformation significantly reduces this skewness, making the variable more suitable for regression analysis. The control variables, Financial Distress and Firm Size, also exhibit considerable variation, indicating differences in firm conditions and scale. These variations are relevant, as they may influence audit effort and, consequently, the length of audit reporting lag. The distribution of dummy independent variables is presented as follows:

Table 2. Descriptive Statistics of Dummy Variables

Variable	N	Mean	Count (1)	Count (0)	% (1)
Audit Opinion	212	0.9906	210	2	99.06
Audit Switching	212	0.3349	71	141	33.49
Audit Firm Size	212	0.6038	128	84	60.38

The distribution of the Audit Opinion variable indicates that nearly all firms receive an unqualified opinion, reflecting very limited variation within the sample. While this variable remains theoretically relevant, its explanatory power may be somewhat constrained due to the highly imbalanced distribution. In contrast, Audit Switching exhibits a moderate level of variation, with approximately one-third of the observations experiencing changes in auditors. This level of dispersion suggests that the variable is sufficiently informative for examining its potential effect on audit reporting lag (ARL).

Furthermore, the Audit Firm Size variable shows that the majority of firms are audited by larger audit firms, which is consistent with the general structure of the audit market. This dominance may carry implications for audit efficiency and the timeliness of financial reporting, as larger audit firms are often associated with greater resources and standardized audit processes.

Overall, the descriptive analysis confirms that both the dependent variable (ARL) and the independent variables demonstrate adequate variation to support empirical testing. Nevertheless, the presence of skewness and potential outliers—particularly in ARL and Audit Fee—necessitates the application of logarithmic transformation and winsorization procedures to enhance the robustness and reliability of the regression estimates.

Classical Assumption Test Results

The results of the normality tests indicate that the residuals are not normally distributed, as evidenced by the Shapiro–Wilk p-value of 0.000023 and the Kolmogorov–Smirnov p-value of 0.014, both of which are below the conventional significance threshold of 5%. This finding suggests a deviation from the classical normality assumption in the regression model. Nevertheless, in the context of panel data and a relatively large sample size, strict normality is not a critical requirement for obtaining unbiased coefficient estimates. To address this issue and ensure the validity of statistical inference, the analysis employs robust estimation techniques, specifically clustered standard errors at the firm level, which are more reliable in the presence of non-normal residuals and distributional irregularities.

The Breusch–Pagan test produces a p-value of approximately 0.060, indicating a marginal presence of heteroskedasticity, particularly at a slightly relaxed significance level. This suggests that the variance of the residuals may not be entirely constant across observations. In addition, the Durbin–Watson statistic of 1.313 points to a potential issue of positive autocorrelation, implying that residuals may be correlated over time within firms. However, both heteroskedasticity and autocorrelation concerns are mitigated through the use of clustered standard errors, which are robust to such violations in panel data settings. Meanwhile, multicollinearity does not appear to be problematic, as all Variance Inflation Factor (VIF) values are close to 1, indicating that the independent variables are not highly correlated with one another and that the estimated coefficients are stable and reliable.

Regression Results

The main regression results using clustered standard errors are presented in Table 3. The use of clustered standard errors at the firm level is intended to produce more reliable statistical inference by accounting for potential heteroskedasticity and intra-firm correlation over time. Overall, the estimated coefficients suggest heterogeneous effects of the independent variables on audit reporting lag (ARL), with only one variable demonstrating statistical significance at conventional levels.

Table 3. Regression Results (Clustered Standard Errors)

Variable	Coefficient	Std. Error	t-stat	p-value
ln(Audit Fee)	0.0083	0.0175	0.472	0.6368
Audit Opinion	-0.2254	0.0814	-2.769	0.0056
Auditor Switching	-0.0012	0.0290	-0.042	0.9661

Specifically, Audit Opinion (AO) exhibits a negative and statistically significant coefficient ($\beta = -0.2254$; p-value = 0.0056), indicating that firms receiving an unqualified opinion tend to have a shorter audit reporting lag compared to those receiving other types of opinions, holding other variables constant. The magnitude of the coefficient suggests that the presence of an unqualified opinion is associated with a reduction in the log of ARL, implying a relatively faster audit completion process. This result is statistically robust at the 5% significance level and highlights the importance of audit opinion as a determinant of reporting timeliness.

In contrast, Audit Fee (ln) shows a positive but statistically insignificant coefficient ($\beta = 0.0083$; p-value = 0.6368). Although the positive sign may indicate that higher audit fees are associated with longer audit completion time—possibly reflecting greater audit complexity or scope—the lack of statistical significance suggests that such an effect is not strong enough to be generalized within the sample. The relatively small coefficient and low t-statistic further reinforce the weak explanatory power of this variable in influencing ARL.

Similarly, Auditor Switching (AS) demonstrates an almost negligible coefficient ($\beta = -0.0012$) with a very high p-value (0.9661), indicating no statistically significant relationship with ARL. This finding implies that changes in auditors do not systematically affect the timeliness of audit reporting in the observed sample. The near-zero coefficient suggests that any potential effect of auditor switching is minimal and may be offset by other factors, such as standardized audit procedures or effective transition mechanisms between audit firms. Taken together, these results suggest that among the examined variables, only audit opinion plays a meaningful role in explaining variations in audit reporting lag, while audit fee and auditor switching do not exhibit significant explanatory power within the specified model.

Model Fit and Overall Significance

The explanatory power of the model is relatively modest, particularly in the baseline specifications. This is reflected in the very low coefficient of determination (R^2) values observed in the simpler models, where Model 1 (M1) yields an R^2 of approximately 0.0056 and Model 2 (M2) an R^2 of approximately 0.0046. These figures indicate that less than 1% of the variation in audit reporting lag (ARL) is explained by the independent variables in the basic model specifications. Such low explanatory power suggests that ARL is influenced by a wide range of factors beyond the primary variables included in these initial models. However, when additional control variables (such as financial distress, firm size, and audit firm size) and year fixed effects are incorporated—as in Models 3 and 4—the model specification becomes more comprehensive and theoretically grounded. Although the R^2 values are not explicitly reported for these extended models, their inclusion enhances the robustness and reliability of the estimation by better capturing

unobserved heterogeneity and time-specific effects. In empirical audit research, particularly with firm-level panel data, relatively low R^2 values are not uncommon, as reporting lag is often affected by complex and unobservable organizational and audit-specific factors.

Consistent with the low explanatory power of the simpler models, the F-test results for overall model significance are also relatively weak. In Model 1, the F-statistic yields a p-value of approximately 0.2998, while Model 2 produces a p-value of around 0.1259, both of which exceed the conventional 5% significance level. These results indicate that, in the absence of additional controls and fixed effects, the independent variables do not jointly explain variations in ARL in a statistically significant manner. However, in the more advanced specification incorporating year fixed effects (Model 4), the interpretation of the F-test becomes less straightforward due to the inclusion of multiple time dummies, which absorb a portion of the variation and increase model complexity. As a result, the emphasis in such panel data models shifts from overall F-statistic significance to the robustness and statistical significance of individual coefficients, particularly when estimated using clustered standard errors. Therefore, the enhanced model specification (M3/M4) is considered more appropriate for inference, as it provides more reliable estimates by accounting for heteroskedasticity, intra-firm correlation, and time-specific effects, even if the overall goodness-of-fit remains relatively limited.

IV. DISCUSSION

Discussion on the Effect of Audit Fee on Audit Reporting Lag

The findings of this study indicate that audit fee does not have a significant effect on audit reporting lag (ARL), suggesting the need to reassess the assumption that higher audit fees automatically accelerate the audit reporting process. From the perspective of agency theory, audit fees are often viewed as a signal of higher audit quality; however, they do not necessarily guarantee greater efficiency in audit completion. This is because audit processes are generally governed by standardized procedures, meaning that variations in fees are not always accompanied by variations in audit duration (Dawas et al., 2025; Tomasila & Pangaribuan, 2023). Furthermore, within the audit effort framework, the magnitude of audit fees does not always reflect the level of effort or intensity exerted by auditors. Factors such as the competence of the audit team, internal quality control systems, and strict operational standards can maintain audit efficiency regardless of the fees paid (Bawono et al., 2023; Hsu & Khan, 2019; Putra et al., 2023). Therefore, the relationship between audit fee and ARL tends to be contextual and non-linear, particularly when corporate governance and audit efficiency play a more dominant role in determining reporting timeliness (Domogoun & Awinepoya, 2022; Soneye et al., 2019).

This finding is consistent with prior studies that also report no significant effect of audit fee on ARL, such as (Ayoola et al., 2022). These studies emphasize that variations in audit fees do not necessarily lead to substantial differences in the timeliness of audit reporting, especially in environments characterized by well-established auditing standards and regulatory frameworks (Adekanmi, 2022). The consistency of these results may be explained by the relatively homogeneous minimum quality standards in audit practices, whereby differences in fees are no longer a primary determinant of faster or slower audit completion. Additionally, the audit market structure, which is often dominated by large audit firms with comparable reputations and capabilities, contributes to reducing variations in ARL across firms (Agu & Ugwuoke, 2024). On the other hand, the operational complexity of manufacturing firms, such as inventory management and supply chain processes, may play a more substantial role in influencing audit duration than the level of audit fees (Armeliya & Rosharlianti, 2023; Tomasila & Pangaribuan, 2023).

In the Indonesian context, particularly among manufacturing firms, the insignificant effect of audit fee on ARL can be explained by several empirical conditions. First, auditors in Indonesia generally demonstrate a high level of efficiency in handling audits of manufacturing companies, meaning that audit duration is more influenced by the quality of audit planning and execution than by the magnitude of fees (Bawono et al., 2023; Hernugraheni et al., 2023). Second, regulatory pressure from the Financial Services Authority and the Indonesia Stock Exchange, which impose strict reporting deadlines, compels both firms and auditors to complete audits in a timely manner, thereby reducing the impact of fee variations on ARL (Rachman & Astri, 2023). Third, cost-efficiency pressures within the manufacturing sector encourage auditors to optimize resources without compromising audit quality, resulting in ARL being relatively insensitive to changes in audit fees (Azghandi et al., 2023; Hersan & Fettry, 2020; Tania et al., 2023). Overall, these findings suggest that audit efficiency, regulatory compliance, and firm-specific operational characteristics play a more critical role in determining ARL than the level of audit fees.

Discussion on the Effect of Audit Opinion on Audit Reporting Lag

The findings of this study indicate that audit opinion has a significant effect on audit reporting lag (ARL), reinforcing the theoretical argument that audit opinion serves as an important signal of the quality and risk of financial statements. From the perspective of signaling theory, audit opinions—particularly those other than unqualified opinions—convey information regarding uncertainty and potential risks that must be carefully communicated to stakeholders (Widjaja & Feliana, 2022). Consequently, auditors are required to perform additional procedures, conduct more in-depth evaluations, and engage in intensive discussions with management before issuing the final opinion, which ultimately prolongs ARL. Furthermore, agency theory suggests that conflicts of interest between management and shareholders may lead to renegotiation of audit findings, clarification of audit evidence, and adjustments to

financial statements, especially when the opinion issued is not unqualified (Kosasih et al., 2023; Rusmin & Evans, 2017). Therefore, the greater the complexity and sensitivity of the audit opinion, the longer the time required to complete the audit process.

This finding is consistent with prior studies that document a significant relationship between audit opinion and ARL, such as (Widjaja & Feliana, 2022), who show that non-unqualified opinions are associated with longer reporting delays due to the need for additional verification and negotiation with management. Other studies also support the view that opinions such as going concern or modified opinions increase audit complexity and extend ARL (Novita et al., 2022). However, some studies report different results by finding no significant relationship between audit opinion and ARL. These discrepancies may be attributed to variations in sample characteristics, including differences in industry sectors, firm size, observation periods, and the quality and reputation of audit firms (Kurnia, 2023; Rachman & Astri, 2023; Ulfida et al., 2021). Thus, although audit opinion is theoretically linked to ARL, the strength of this relationship may vary depending on the empirical context of each study.

In the context of manufacturing firms in Indonesia, the significant effect of audit opinion on ARL can be explained by high operational complexity and strict regulatory pressures. Manufacturing companies typically engage in complex transactions, such as inventory management, asset valuation, and the recognition of provisions, which require greater scrutiny during the audit process, particularly when auditors consider issuing opinions other than unqualified. In addition, regulations imposed by the Financial Services Authority and the Indonesia Stock Exchange encourage auditors to exercise greater caution in issuing audit opinions, given their implications for investor perception and corporate reputation. As a result, auditors tend to perform more comprehensive and rigorous audit procedures before finalizing their opinion, thereby extending ARL (Anizar & Nurhayati, 2024; Widjaja & Feliana, 2022). Therefore, audit opinion not only represents the outcome of the audit process but also serves as a key determinant influencing the dynamics and duration of audit completion within the Indonesian capital market context.

Discussion on the Effect of Audit Switching on Audit Reporting Lag

The findings of this study indicate that audit switching does not have a significant effect on audit reporting lag (ARL), suggesting that a change in auditors does not automatically prolong the audit completion period. Conceptually, although newly appointed auditors must adapt to the client's characteristics, structured auditing standards and well-documented audit procedures enable the audit process to proceed efficiently. From an agency theory perspective, potential information asymmetry arising from auditor changes can be mitigated through knowledge transfer mechanisms, audit documentation, and coordination between the predecessor and successor auditors, thereby preventing significant delays (Kurnia, 2023; Rachman & Astri, 2023). In addition, the audit efficiency framework emphasizes that audit timeliness is largely determined by the competence of the audit team, audit methodology, and standardized procedures. As a result, auditor switching does not necessarily extend ARL if the incoming auditor is able to maintain a workflow consistent with prior practices (Kosasih et al., 2023; Wulandari & Apriada, 2022). Thus, the effect of audit switching on ARL appears to depend on the effectiveness of adaptation and integration processes, which in many cases are not sufficiently strong to produce a significant impact.

This finding is consistent with prior studies that report no significant relationship between audit switching and ARL, such as (Sijabat & Pangaribuan, 2023; Sunersa et al., 2022). These studies suggest that mitigation mechanisms in auditing practices, including standardized procedures and regulatory compliance, help maintain reporting timeliness despite auditor changes (Handoyo & Putri, 2022; Wulandari & Apriada, 2022). However, other studies, such as Antony et al. (2026), find a significant effect, which may be explained by differences in sample characteristics, firm complexity, and variations in the experience and quality of audit firms. These mixed findings indicate that the relationship between audit switching and ARL is context-dependent and influenced by factors such as financial reporting complexity, audit quality, and the dynamics of interaction between auditors and management (Kosasih et al., 2023; Kurnia, 2023; Widjaja & Feliana, 2022). Furthermore, methodological differences and variations in the operational definition of ARL across studies may also contribute to inconsistencies in empirical results (Ramdani & Prayitno, 2023; Sariningsih et al., 2021).

In the Indonesian context, particularly among manufacturing firms, the insignificant effect of audit switching on ARL can be attributed to strong regulatory pressure and auditor professionalism. Regulations imposed by the Financial Services Authority and the Indonesia Stock Exchange establish strict reporting deadlines, requiring auditors to complete audit engagements in a timely manner even when auditor changes occur (Arumningtyas & Ramadhan, 2019; Marina et al., 2021; Tania et al., 2023). Moreover, auditors in Indonesia generally operate under well-established standard operating procedures and possess experience in handling clients with similar characteristics, allowing for relatively smooth transitions through effective knowledge transfer and comprehensive audit documentation. In manufacturing firms, which typically involve complex transactions such as inventory management and fixed asset valuation, standardized audit procedures and effective coordination among relevant parties help maintain ARL stability despite auditor changes (Kosasih et al., 2023; Widjaja & Feliana, 2022; Wulandari & Apriada, 2022). Therefore, audit switching is not a primary determinant of audit delay in this context; rather, ARL is more strongly influenced by audit efficiency and compliance with regulatory requirements.

V. CONCLUSION

This study provides empirical evidence on the determinants of audit reporting lag (ARL) in manufacturing companies listed on the Indonesia Stock Exchange by examining the roles of audit fee, audit opinion, and audit switching. The findings reveal that audit fee does not have a significant effect on ARL, indicating that higher audit costs do not necessarily translate into faster audit completion. This suggests that audit timeliness is more strongly influenced by factors such as audit efficiency, standardized procedures, and regulatory compliance rather than the magnitude of fees paid. In contrast, audit opinion is found to have a significant effect on ARL, highlighting that the nature of the audit opinion—particularly non-unqualified opinions—requires more extensive audit procedures, deeper evaluation, and more intensive auditor–management interactions, which ultimately extend the reporting timeline.

Furthermore, the study finds that audit switching does not significantly affect ARL, suggesting that changes in auditors do not inherently disrupt the audit process or delay reporting. This can be attributed to the structured audit methodologies, professional standards, and effective knowledge transfer mechanisms that enable incoming auditors to adapt efficiently. These findings collectively emphasize that ARL is a multifaceted phenomenon, where operational complexity, audit quality, and regulatory pressures play a more decisive role than structural variables such as audit fee and auditor rotation. The results also reinforce the contextual nature of ARL, particularly within the manufacturing sector, where transaction complexity and reporting requirements demand a more nuanced understanding of audit processes.

The implications of this study are relevant for regulators, auditors, and corporate management. For regulators, the findings underscore the importance of maintaining strict reporting deadlines and enhancing oversight mechanisms to ensure timely financial reporting. For auditors, the results highlight the need to continuously improve audit efficiency and maintain high-quality standards, especially when dealing with complex audit opinions. For companies, particularly in the manufacturing sector, strengthening internal controls and improving financial reporting readiness can help reduce potential delays. Future research is encouraged to incorporate additional variables, such as audit complexity, internal control quality, and auditor specialization, as well as to explore different industry contexts to further enrich the understanding of factors influencing audit reporting lag.

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