

The Effect of Company Characteristics and Auditor Characteristics to Audit Report Lag

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Abstract

The research aims to investigate the impact of company-specific attributes and auditor-specific features on audit report timeliness, filling a critical gap in the current academic literature. The study focuses on the relationship between company and auditor characteristics and the determinants of audit report lag. The research design includes a systematic framework for data collection and analysis, ensuring the required information is obtained to address the research questions. The thesis structure consists of five chapters, covering the literature review, research design, empirical models, methodology, and data analysis. The literature review explores the theoretical and empirical foundations of audit report lag, including Agency Theory, Compliance Theory, and Capital Structure Theory. The result shows that audit committee effectiveness and profitability had a significant negative impact on audit report lag. while accounting complexity had a significant positive impact on audit report lag. Meanwhile, financial condition, company size, audit fee, and auditor reputation did not show a significant influence on audit report lag.

Keywords: Audit Report Lag, Audit Committee Effectiveness, Accounting Complexity, Financial Condition, Auditor Reputation