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7th SEMINAR INOVASI MANAJEMEN BISNIS DAN AKUNTANSI

THE EFFECT OF BOARD CHARACTERISTICS AND AUDITOR REPUTATION ON AUDIT REPORT LAG

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Abstrak

Penelitian ini menganalisis pengaruh *board size, board gender diversity,* dan *auditor reputation* terhadap *audit report lag* pada sektor *consumer non-cyclicals* di Indonesia tahun 2020-2024. Data diambil dari laporan tahunan 239 perusahaan dengan metode kuantitatif. Hasil menunjukkan bahwa *board size* dan *board gender diversity* berpengaruh negatif signifikan terhadap *audit report lag*, artinya semakin besar dan beragam dewan, semakin cepat pelaporan audit selesai. Sebaliknya, *auditor reputation* berpengaruh positif signifikan terhadap *audit report lag*, dimana auditor bereputasi tinggi cenderung membutuhkan waktu lebih lama agar hasil audit lebih berkualitas dan akurat. Temuan ini menegaskan pentingnya tata kelola perusahaan yang efektif untuk mempercepat pelaporan keuangan tanpa mengorbankan kualitas audit.

Kata Kunci: *Audit Report Lag, Board Size, Gender Diversity, Auditor Reputation*

Abstract

This study analyzes the effect of board size, board gender diversity, and auditor reputation on audit report lag in the consumer non-cyclicals sector in Indonesia from 2020 to 2024. Data was collected from the annual reports of 239 companies using quantitative methods. The results show that board size and board gender diversity have a significant negative effect on audit report lag, meaning that the larger and more diverse the board, the faster the audit report is completed. Conversely, auditor reputation has a significant positive effect on audit report la\ where reputable auditors tend to take longer to produce higher quality and more accurate audit results. These findings emphasize the importance of effective corporate governance in accelerating financial reporting without compromising audit quality.

Keywords*: Audit Report Lag, Board Size, Gender Diversity, Auditor Reputation.*

A. INTRODUCTION

Audit report lag is the time difference between the end of the financial reporting period and the date of publication of the audit report. Excessively long audit times can incur additional costs, reduce investor confidence, and increase the risk of irrelevant information (Kusumah et al., 2021). On the other hand, very short audit durations can negatively affect audit quality (Tomasila & Pangaribuan, 2023).

Factors that influence audit report lag have been extensively studied, including board characteristics such as board size and board gender diversity, as well as auditor reputation (Oh & Jeon, 2022). The size and composition of the board can affect the effectiveness of corporate oversight and decision-making, including coordination with auditors, which has implications for audit duration (Astami et al., 2024). Auditor reputation is also important because auditors with a high reputation tend to conduct audits more thoroughly and in a timely manner, while also increasing the credibility of audit reports (Ruwanti et al., 2023).

Various studies show varying results regarding the influence of board characteristics and auditor reputation on audit report lag. For example, Oh & Jeon (2022) found that board size significantly affects the relationship between managerial overconfidence and audit report lag, while board gender diversity has an inconsistent impact. In addition, auditor reputation has been shown to accelerate audit completion, but several other studies indicate that other factors such as company size and business complexity also play a role (Mary et al., 2023; Sunersa et al., 2022).

Based on the above background, this study aims to analyze the influence of board size, board gender diversity, and auditor reputation on audit report lag. This study is expected to provide a clearer picture of the factors of effective corporate governance in reducing audit report lag and improving financial reporting transparency.

THEORITICAL REVIEW AND HYPOTHESIS DEVELOPMENT

Agency Theory

This study is based on agency theory, which explains the conflict of interest between principals (shareholders) and agents (management). The board of commissioners and auditors act as oversight mechanisms to mitigate these risks and ensure transparency and accuracy in financial reporting (Jensen & Meckling, 1976).

Audit Report Lag

Audit report lag is measured as the time difference (in days) between the closing date of the financial statements and the completion date of the audit report. This variable describes the efficiency of the audit process and the quality of external supervision (Oh & Jeon, 2022; Monique & Harymawan, 2022).

Board Size

Board size, which includes the number of members in the board of commissioners and directors, helps speed up audits by improving oversight and control. A larger board offers more resources and expertise, reducing audit report lag (Almutawa & Suwaidan, 2022; Oh & Jeon, 2022). However, if too large, it can complicate coordination and delay decisions (Wisdom et al., 2022; C, 2021). So, H1 proposes that board size significantly affects audit report lag. Therefore, the first hypothesis is proposed as follows:

H1: Board size has a significant effect on audit report lag.

Board Gender Diversity

Gender diversity on the board of directors is considered an important factor that can improve the quality of oversight and decision-making. The presence of female board members can bring different perspectives and increase reporting transparency due to women's tendency to be more thorough and careful in their oversight (Alkebsee et al., 2022; Alsheikh, 2024). Greater gender diversity on the board is also associated with a reduction in audit report lag through

improved governance effectiveness (Almutawa & Suwaidan, 2022). Based on this description, the second hypothesis is:

H2: Board gender diversity has a significant effect on audit report lag.

Auditor Reputation

The reputation of auditors is an important indicator of audit quality that can influence the timeliness of audit report issuance. Auditors with a good reputation, such as those affiliated with large firms (Big Four), usually have better resources and capabilities to conduct audits efficiently and effectively, thereby reducing audit report lag (Kurnia, 2023; Ruwanti et al., 2023). Highly reputable auditors are also seen as capable of increasing investor confidence in company financial reports (Sunersa et al., 2022; Tomasila & Pangaribuan, 2023). Therefore, the third hypothesis is proposed:

H3: Auditor reputation has a significant effect on audit report lag.

B. METHOD

The method used in this study is a quantitative method that analyzes numbers. The population in this study consists of all companies engaged in the non-cyclical consumer sector and listed on the Indonesia Stock Exchange (IDX) during the period from 2020 to 2024. The samples were obtained from annual reports and financial statements, totaling 645. The number of observations using purposive sampling over 5 years of observation yielded 514 sample data and 275 outlier data, resulting in a final data set of 239 data points.

Variable Measurement

Variable	Indicator	Reference
Board Size (BS)	Total number of members of the board of commissioners and board of directors	(Almutawa & Suwaidan, 2022)
Board Gender Diversity (BGD)	Number of female board members	(Alkebsee et al., 2022)
Auditor Reputation (AR)	1 = for Big Four accounting firms 0 = for non-Big Four accounting firms	(Kurnia, 2023)
Audit Report Lag (ARL)	Time difference (days) between the closing date of the financial statements and the completion date of the audit	(Almutawa & Suwaidan, 2022)

C. RESULTS AND DISCUSSIONS

Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Board Size	514	1.00	18.00	4.4105	2.25057
Board Gender Diversity	514	0.00	6.00	0.6693	0.94051
Auditor Reputation	514	0.00	1.00	0.3833	0.48666
Audit Report Lag	514	34.00	682.00	90.1634	36.11375
Valid N (listwise)	514				

Source: Data processed, 2025

Table 1.1 above shows that Board Size (X1) variable has a minimum value of 1.00 and a maximum value of 18.00 with an average of 4.4105 and a standard deviation of 2.25057. This show the

average Board Size is lower than its standard deviation, indicating that data varies widely among the companies sampled. For Board Gender Diversity (X2), values range from 0.00 to 6.00 with an average of 0.6693 and a standard deviation of 0.94051, showing considerable variation between companies. Auditor Reputation (X3) ranges from 0.00 to 1.00, averaging 0.3833 with a standard deviation of 0.48666, which also reflects a heterogeneous distribution. Meanwhile, Audit Report Lag (Y) has values between 34.00 and 682.00 with an average of 90.1634 and a standard deviation of 36.11375; since the average exceeds the standard deviation, its distribution tends to be more uniform despite some high outliers.

Classical Assumption Test

1. **Normality Test**

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		239
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	1.85925612
Most Extreme Differences	Absolute	0.025
	Positive	-0.022
	Negative	0.025
Test Statistic		0.200
Asymp. Sig. (2-tailed)		0.200[c]

Source: Data processed, 2025

From the table above, the Asymp. Sig. (2-tailed) value of 0.200 is greater than 0.05. This indicates that the residual data meets the assumption of normality. Thus, it can be concluded that the research data is normally distributed and is suitable for further analysis that requires the assumption of normality to be met.

2. **Multicollinearity Test**

Coefficients[a]

Model		Tolerance	VIF
1	(Constant)		
	Board Size	.886	1.129
	Board Gender Diversity	.971	1.030
	Auditor Reputation	.877	1.140

Source: Data processed, 2025

The tolerance values of all independent variables are greater than 0.10, while the VIF values are less than 10. Thus, it can be concluded that there is no multicollinearity problem between the independent variables in this model.

3. Heteroscedasticity Test

Coefficients[a]

Model		t	Sig.
1	(Constant)	45.287	.551
	Board Size	.950	.342
	Board Gender Diversity	.834	.405
	Auditor Reputation	.318	.924

Source: Data processed, 2025

Based on the results of the Glejser test in the table above, the Board Size variable has a significance value of 0.342 > 0.05 and Board Gender Diversity of 0.405 > 0.05, as well as Auditor Reputation of 0.924 > 0.05. This indicates that there is no heteroscedasticity in the research model because the significance values of all variables are greater than 0.05.

4. Autocorrelation Test

Model Summary[b]

Model	Durbin-Watson
1	1.875

Source: Data processed, 2025

Based on the results of the Glejser test in the table above, the Board Size variable has a significance value of 0.342 > 0.05 and Board Gender Diversity of 0.405 > 0.05, as well as Auditor Reputation of 0.924 > 0.05. This indicates that there is no heteroscedasticity in the research model because the significance values of all variables are greater than 0.05.

5. Multiple Linear Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	87.233	0.306	
	Board Size	-0.019	0.076	0.169
	Board Gender Diversity	-0.503	0.207	0.158
	Auditor Reputation	0.171	0.292	0.140

Source: Data processed, 2025

The constant in the regression equation is 87.233, meaning that if the Board Size, Board Gender Diversity, and Auditor Reputation variables are 0, then the dependent value is 87.233. The Board Size variable has a coefficient of -0.019, meaning that for every 1 unit increase in Board Size, the dependent value will decrease by 0.019, with other variables remaining constant. The Board Gender Diversity variable has a coefficient of -0.503, meaning that for every 1-unit increase in this variable, the dependent variable will decrease by 0.503, with other variables held constant. The Auditor Reputation variable has a value of 0.171, meaning that for every 1-unit increase in Auditor Reputation, the dependent variable will increase by 0.171, with other variables held constant.

Hypothesis Test

F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.274	3	7.091	2.026	0.011[b]
	Residual	822.726	235	3.501		
	Total	844.000	238			

Source: Data processed, 2025

Based on the table above, the F-test value is 2.026 with a significance of 0.011 < 0.05. This indicates that all independent variables simultaneously have a significant effect on the dependent variable.

R2 Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.159[a]	0.152	0.128	1.87109

Source: Data processed, 2025

Based on the test results in the table above, the Adjusted R Square coefficient value is 0.128. This means that the simultaneous effect of the variables on the dependent variable is 12.8%, while the remaining 87.2% is influenced by other variables not examined in this study.

Partial Test (t)

Coefficients[a]

Model		t	Sig.
1	(Constant)	285.210	.000
	Board Size	-0.248	.005
	Board Gender Diversity	-2.424	.016
	Auditor Reputation	0.586	.038

Based on the table above, the following hypothesis effects can be observed:

The Board Size variable shows a t-value of -0.248 with a significance value of 0.005 < 0.05, indicating a significant negative effect on the dependent variable. This means that the larger the board size, the lower the dependent value tends to be. The larger the board size, the shorter the audit report tends to be due to more intensive supervision and faster decisions (Eissa et al., 2025; Mary et al., 2023). A study by Lajmi & Yab (2022) also shows that larger boards increase the effectiveness of audit supervision.

The Board Gender Diversity variable has a t-value of -2.424 with a significance level of 0.016 < 0.05, which indicates a significant negative effect. This means that gender diversity on the board also contributes to a decrease in the dependent variable, which means that boards with greater gender diversity are able to accelerate audit reporting. This is in line with the findings of Alkebsee

et al. (2022) and Alsheikh (2024), which state that gender diversity strengthens decision-making and oversight in the audit process.

The Auditor Reputation variable shows a t-value of 0.586 and a significance value of 0.038 < 0.05, meaning it has a significant positive effect on the dependent variable. This means that auditors with good reputations can improve the quality of reports but may need more time to ensure accuracy, resulting in longer reports (Monique & Harymawan, 2022; Wati et al., 2024). Auditor reputation is also often associated with high standards that can prolong the audit process for the sake of accuracy (Kurnia, 2023).

D. CONCLUSIONS

Research findings on the impact of Board Size, Gender Diversity on the Board, and Auditor Reputation on Audit Report Lag in the consumer non-cyclicals sector from 2020 to 2024 indicate that: the larger the board size, the faster the audit process due to more effective oversight; gender diversity on the board also accelerates audit reporting through improved decision-making effectiveness; while auditor reputation actually prolongs the audit time because renowned auditors tend to be more meticulous in maintaining the quality and accuracy of audit reports.

SUGGESTIONS

This study suggests that companies pay attention to the size of the board so that audit supervision runs effectively without complicating coordination. In addition, gender diversity on the board needs to be increased because it can accelerate audit reporting. Selecting auditors with a good reputation is also important to maintain quality, but care must be taken so as not to prolong the reporting process. For future research, it is recommended to add variables such as company complexity or audit technology so that the results are more complete.

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