THE EFFECT OF AUDIT OPINION AND AUDITOR REPUTATION ON AUDIT REPORT LAG IN THE BANKING INDUSTRY LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract: *This study aims to analyze the effect of audit opinion and auditor reputation on audit report lag, in banking industry listed on the Indonesia Stock Exchange for the period 2017–2024. This study was developed based on signaling theory, institutional theory, agency theory, and audit risk model to explain the direct relationships between the research variables. The research method used a quantitative approach with secondary data obtained from audited financial statements. The research sample consisted of 336 company-period observations. Data analysis was performed using the Python programming language to support data processing accuracy and efficiency. Hypothesis testing was conducted through multiple linear regression with the application of robust standard errors to overcome classical assumption violations. The results show that audit opinion has a positive and significant effect on audit report lag, meaning that companies receiving modified opinions tend to experience longer audit delays. Auditor reputation, proxied by Big Four affiliation, has a negative and significant effect on audit report lag, indicating that reputable auditors are able to complete audits more timely. This study provides theoretical and practical contributions to understanding the determinants of audit report lag in Indonesia.*

Keywords: *Audit Report Lag, Audit Opinion, Auditor Reputation*

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Introduction

Timely financial reporting is a fundamental aspect of maintaining corporate transparency and accountability, especially in the highly regulated and systemically risky banking industry. However, in Indonesia, the timeliness of bank financial reporting still faces serious challenges due to the length of the Audit Report Lag (ARL), which is the time difference between the closing date and the date of publication of the independent auditor's report. Although the OJK has set a deadline for the submission of bank annual reports (POJK 37 Tahun 2019, 2019).

Audit Report Lag (ARL) has a crucial impact on the banking industry because this sector operates with a high level of financial risk, so that late audits can create the perception of problems in bank performance and the quality of internal controls. In addition, banks are under strict supervision by financial authorities, so delays in audit reporting have the potential to result in sanctions, fines, and loss of public trust (POJK 37 Tahun 2019, 2019). In this context, audit opinions are very influential because modified opinions indicate risks that require more extensive audits, which prolong the ARL. On the other hand, auditor reputation is an important factor because banks prefer reputable auditors to ensure faster audit completion and maintain institutional credibility. Thus, in the banking industry, ARL is highly sensitive to audit quality, auditor opinion and auditor reputation as all these factors are directly related to financial stability, regulatory compliance, and public trust.

Descriptive evidence on compliance with the OJK reporting deadline shows that delayed publication of audited financial statements occurred throughout the study period. The highest frequency of delay was observed in 2020 (13 banks), coinciding with the COVID-19 disruption period, followed by a sharp decline in 2021 (3 banks) and consistently low levels in 2023 (2 banks) and 2024 (3 banks). Indicating that audit report lag increased during the pandemic and normalized afterward. This pattern suggests that pandemic-related audit disruption temporarily amplified reporting delays in Indonesian banks. This pattern suggests that regulatory enforcement and sanctions under OJK Regulation No. 37/POJK.03/2019 improved compliance after the crisis period but did not fully eliminate audit report lag. The persistence of delays despite regulatory pressure reinforces the importance of auditor capability and audit complexity in explaining reporting timeliness in the Indonesian banking sector.

To provide regional context, the mean audit report lag (ARL) observed in Indonesian banks is compared with ASEAN evidence. The average ARL in this study is approximately 92.83 days from fiscal year-end. Malaysian firms report average ARL around 95–96 days (Shamsuddin et al., 2019), while Singapore firms generally report within shorter windows in prior literature. This comparison suggests that although Indonesian banks are broadly comparable to regional peers in average reporting time, the presence of extreme delays indicates greater variability in audit timeliness within the Indonesian banking environment.

The phenomenon of repeated reporting delays indicates a deeper structural problem in the banking industry audit process, not just a procedural issue. Examples of these structural problems include a shortage of qualified auditors (Handoyo & Putri, 2022), the complexity of Islamic banking contracts (Filianti et al., 2025), the tendency for companies to switch auditors in order to obtain the desired opinion (Wati, 2020), weak law enforcement, and concerns about auditor independence (Irmawan et al., 2013).

Prior studies have examined various determinants of Audit Report Lag (ARL) in Indonesia, including firm characteristics, governance, and auditor attributes (Dwitrayani et al., 2025; Handoyo & Putri, 2022). However, these studies predominantly employ broad multi-variable models and treat audit-related factors as operational determinants, without explicitly theorizing how audit opinion and auditor reputation jointly influence reporting timeliness within a unified theoretical perspective. Consequently, the role of auditors as both quality signalers (signaling theory) and regulatory compliance agents (institutional theory) in shaping ARL in the banking sector remains insufficiently articulated.

Furthermore, global evidence synthesized by Habib et al. (Habib et al., 2019) confirms audit opinion and auditor size as significant determinants of ARL across countries, yet also documents substantial heterogeneity arising from regulatory regimes and industry risk. Empirical evidence from emerging banking sectors particularly Indonesia's highly supervised banking industry remains limited in that literature. It therefore remains unclear whether the established global relationships between audit opinion, auditor reputation, and ARL operate similarly or exhibit different magnitudes under Indonesia's strict supervisory and sanction-based regulatory environment.

While Habib et al. (Habib et al., 2019) provide comprehensive meta-analytic evidence that audit opinion and auditor size are significant global determinants of audit report lag (ARL), their analysis also highlights substantial cross-country and industry heterogeneity in effect magnitudes. In particular, evidence from emerging banking sectors under strict financial supervision is limited in the meta-analysis sample. Consequently, it remains unclear whether auditor-related determinants of ARL identified in global literature operate similarly, more strongly, or more weakly within highly regulated banking environments such as Indonesia.
This study extends Habib et al. (Habib et al., 2019) in three important ways. First, it provides industry-specific evidence from the Indonesian banking sector, a regulated emerging-market context largely under-represented in prior ARL synthesis studies. Second, it examines auditor-related determinants (audit opinion and auditor reputation) within an integrated signaling–institutional–audit risk framework, thereby offering a theoretically structured test of relationships previously documented mainly in empirical aggregation. Third, by focusing on a strictly supervised financial industry, this study evaluates whether regulatory pressure and systemic risk conditions amplify the influence of audit opinion and auditor reputation on ARL. These contributions clarify the contextual boundary conditions of global ARL determinants identified by Habib et al. (Habib et al., 2019).

Accordingly, the specific research gap addressed in this study is the lack of industry-specific and theoretically integrated evidence on how audit opinion and auditor reputation affect ARL within a highly regulated emerging-market banking context. By focusing on Indonesian listed banks and embedding auditor-related variables within signaling theory, institutional theory, and the audit risk model, this study examines whether auditor-related determinants of ARL identified in global literature remain valid under strong regulatory pressure and systemic financial risk.

Literature Review

Audit Report Lag and Integrated Theoretical Perspective

Audit report lag (ARL) reflects the timeliness of audit completion and the efficiency of financial reporting processes. In regulated industries such as banking, ARL cannot be explained by a single theoretical lens because audit completion time is influenced simultaneously by audit risk conditions, information signaling requirements, and institutional regulatory pressure. Therefore, this study adopts an integrated theoretical perspective combining audit risk theory, signaling theory, and institutional theory to explain ARL.

From the audit risk perspective, ARL increases when inherent risk and control risk are high, as auditors must perform additional procedures, expand testing, and increase verification effort (Arens, 2017). Banks operate with complex financial instruments, regulatory capital requirements, and high supervisory scrutiny, which structurally elevate audit risk and potentially prolong audit completion time.

From signaling theory (Spence, 1973), audit outcomes convey information about financial reporting quality to stakeholders. Audit opinions serve as signals regarding reliability and financial condition. Modified opinions indicate reporting uncertainty or elevated financial risk, which triggers greater audit scrutiny, expanded documentation, and intensified auditor–client negotiation. These signaling requirements increase audit effort and may extend ARL.

From institutional theory (Dimaggio & Powell, 2021), organizations operate under coercive regulatory pressure and legitimacy expectations. In the banking sector, strict supervisory deadlines and sanctions imposed by financial authorities create institutional pressure for timely reporting. However, institutional constraints such as auditor capacity, expertise, and workload influence the ability of auditors to comply with these deadlines. Thus, reporting timeliness reflects both regulatory pressure and auditor capability.

Integrating these perspectives, ARL in banking is conceptualized as the outcome of interactions among audit risk, signaling requirements embedded in audit opinion, and institutional pressure affecting auditor behavior. Audit opinion increases ARL through risk-based audit effort and signaling scrutiny, whereas auditor reputation reduces ARL through superior capability and stronger institutional compliance incentives. This integrated framework provides a more comprehensive explanation of ARL in regulated banking environments compared with prior studies that examine determinants in isolation.

Audit Report Lag encompasses the temporal dimension of audit service delivery, reflecting both audit efficiency and financial reporting timeliness. Knechel and Payne (Knechel & Payne, 2001). A decompose ARL into three distinct periods: (1) scheduling lag (time before audit work commences), (2) fieldwork lag (duration of audit execution), and (3) reporting lag (gap between audit completion and report signature). This disaggregation reveals that ARL is influenced not only by technical audit procedures but also by logistical coordination, client cooperation, and auditor-client communication patterns.

From a market perspective, ARL carries significant implications for information usefulness. Widiastuti (Widiastuti et al., n.d.) established that longer audit delays are negatively associated with investors' perceptions of disclosure quality and corporate governance effectiveness. In banking industry, where regulatory compliance deadlines are stringent and market sensitivity

to financial information is acute, extended ARL may trigger adverse market reactions, regulatory scrutiny, and reputational consequences (Dwitrayani et al., 2025).

Audit Opinion and Audit Report Lag

Audit opinion represents the auditor's evaluation of financial statement reliability and risk. Modified opinions indicate higher audit risk and reporting uncertainty, requiring additional procedures, extended testing, and intensified auditor client communication (Carslaw & Kaplan, 1991; Schwartz & Soo, 1996). Within the integrated framework, audit opinion influences ARL through both audit risk mechanisms (increased audit effort) and signaling mechanisms (heightened scrutiny and documentation). Therefore, companies receiving modified audit opinions are expected to experience longer audit report lag.

Auditor Reputation and Audit Report Lag

Auditor reputation reflects audit quality, expertise, and resource capacity (DeAngelo, 1981). Reputable auditors, particularly Big Four firms, possess standardized methodologies, specialized industry knowledge, and greater technological and human resources, enabling more efficient audit execution. Institutional theory also suggests that reputable auditors face stronger legitimacy pressure to meet regulatory deadlines and maintain professional credibility. Within the integrated framework, auditor reputation reduces ARL through both capability mechanisms (greater efficiency) and institutional compliance incentives. Thus, firms audited by reputable auditors are expected to experience shorter audit report lag.

Hypotheses Formulation

The Effect of Audit Opinion on Audit Report Lag

The audit opinion reflects the level of risk and complexity faced by auditors in the process of examining financial statements. Modified opinions (qualified, adverse, or going concern) indicate uncertainty or reporting issues that require additional audit procedures and more intensive discussions with management. Based on signaling theory, audit opinions serve as signals regarding the quality of a company's financial statements (Spence, 1973), while the audit risk model explains that an increase in inherent risk and control risk will prolong the audit time (Alvin A. Arens, Randal J. Elder, 2015). Empirically, modified audit opinions are often associated with longer audit report lags (Carslaw & Kaplan, 1991; Schwartz & Soo, 1996).

H1: Audit opinions have a positive effect on audit report lag

The Effect of Audit Reputation on Audit Report Lag

The reputation of auditors reflects the quality of audits and the level of auditor independence. Highly reputable auditors, such as the Big Four, are associated with greater resources, structured audit methodologies, and extensive experience in handling complex clients (DeAngelo, 1981). Based on the audit risk model, auditors with better risk management systems are able to complete audits more efficiently (Arens, 2017). Previous studies have shown that reputable auditors tend to produce audit reports more quickly (Habib et al., 2019).

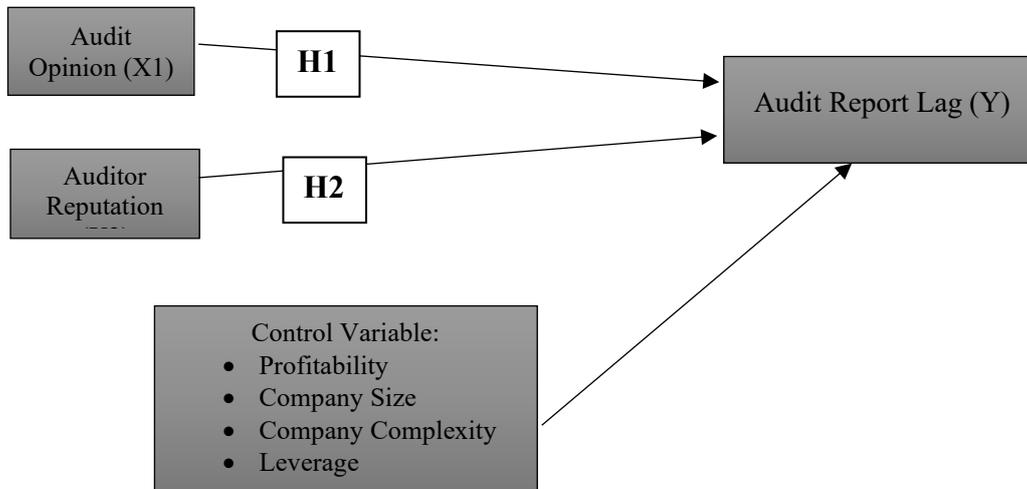H2: Auditor reputation has a negative effect on audit report lag.

Figure 1. Conceptual Framework of Research

Methodology

Research Design and Data

This study adopts a quantitative research design to examine the direct relationship between audit opinion, auditor reputation, and audit report delay (ARL). This study uses secondary data obtained from annual financial statements and annual reports of banking industry listed on the Indonesia Stock Exchange (IDX). A panel data approach is applied for the period 2017–2024 to increase the number of observations and improve the robustness of the empirical testing. The banking industry was selected due to its highly regulated environment and stringent financial reporting standards, which make it highly relevant for examining audit timeliness.

Population and Sample

The population consists of all banking industry listed on the IDX during the observation period. Out of 49 listed banks, purposive sampling is employed based on the following criteria: (1) companies continuously listed during 2017–2024, (2) availability of complete audited financial statements, (3) disclosure of audit opinion, audit report date, and auditor identity, and (4) no delisting or merger during the period. Based on these criteria, 42 banking firms are selected, resulting in 336 firm year observations (42 firms × 8 years).

Research Measurement

Research instruments are all forms of tools used by researchers to measure, record, and collect data in a systematic, valid, and reliable manner. These instruments are designed to ensure that each variable in the study can be measured objectively and accurately so that the results of the analysis are reliable and in line with the objectives of the study (Sugiyono, 2021). The following is the measurement table for the research instrument:

Table 1. Research Instrument

No	Variable	Variable Type	Indicators & measurements	Scale
1	Audit Opinion	Independent	o Unqualified Opinion = 1 o Qualified Opinion = 2	Nominal
2	Auditor Reputation	Independent	Auditor reputation is measured by the following dummy variables: o Non-Big Four = 0 o Big Four = 1	Nominal
3	Audit Report Lag	Dependent	Number of days between 90 days after the end of the fiscal year (December 31) and the date of the audit report	Ratio
4	Company Size	Control Variable	SIZE = Ln (Total Assets)	Ratio
5	Profitability	Control Variable	$ROA = \dfrac{Net\ Income}{Total\ Assets} x\ 100\%$	Ratio
6	Company Complexity	Control Variable	COMPLEXITY = Number of Subsidiaries	Nominal
7	Leverage	Control Variable	$DER = \dfrac{Total\ Debt}{Total\ Equity} x 100\%$	Ratio

Empirical Model and Data Analysis

Data analysis was performed using Python to ensure transparency, reproducibility, and computational accuracy. The analysis began with descriptive statistics to summarize data characteristics, followed by classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation.

Given the panel structure of the dataset (42 banks observed over the 2017–2024 period), this study employs pooled panel regression using Ordinary Least Squares (OLS) with robust standard errors. The pooled specification is appropriate because the research objective is to estimate the overall association between audit opinion, auditor reputation, and audit report lag across banks rather than to analyze unobserved bank-specific heterogeneity.

Robust standard errors are applied to address potential heteroscedasticity and serial correlation commonly present in panel data. This approach is widely used in audit report lag studies when the focus is on average cross-sectional relationships rather than firm-level fixed effects. The regression equations are specified as follows:

Model:
$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 C_1 + \beta_4 C_2 + \beta_5 C_3 + \beta_6 C_4 + \varepsilon$$

Where:
Y = Audit Report Lag
X_1 = Audit Opinion
X_2 = Auditor Reputation
C_1 = Company Size
C_2 = Profitability

C_3 = Company Complexity
C_4 = Leverage

To ensure robustness, additional robustness regression analysis is conducted to minimize potential bias caused by outliers and non-normal residual distribution

Finding and Discussions

Descriptive Statistics
Descriptive Statistics are shown in table 2:

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Opinion	336	1.00	2.00	1.0119	.10862
Auditor Reputation	336	.00	1.00	.5149	.50052
Audit Report Lag	336	.00	57.00	2.8304	9.33479
Company Size	336	9.49	21.61	16.6374	2.37937
Profitability	336	-15.89	69.04	1.0789	5.86981
Company Complexity	336	.00	10.00	1.5476	2.65152
Leverage	335	1.11	3679.49	535.4284	332.40066
Valid N (listwise)	335				

Source: data processing, Python 2026

Table 2 presents descriptive statistics of the study variables based on 336 firm-year observations. The mean Audit Opinion score is 1.0119, indicating that the majority of sampled banks received an unqualified audit opinion during the observation period. Auditor Reputation shows an average of 0.5149, indicating that approximately 51% of the observations were audited by Big Four firms. The mean Audit Report Delay (ARL) is 2.8304 days beyond the regulatory benchmark of 90 days, with a maximum delay of 57 days, indicating that although most banks comply with reporting deadlines, some experience significant delays. Regarding the control variables, the mean Company Size (logarithm of total assets) is 16.6374, reflecting variations in bank scale. Profitability shows substantial dispersion (mean = 1.0789; SD = 5.8698), indicating differences in financial performance across banks. Firm Complexity averages 1.5476, while Leverage shows considerable variability (mean = 535.4284; SD = 332.4007), indicating heterogeneity in capital structure among the sampled banks.

Classical Assumption Test
All classical assumption tests were performed using Python software as follows:

Normality Test

Table 3. Residual Normality Test

Method of Normality Test	Statistic	P-Value
Kolmogrov – Smirnov Test	0.326263	0.000
Shapiro – Wilk	0.529153	0.000
Jarque - Bera	3196.126898	0.000

Source: data processing, Python 2026

The residual normality tests indicate that the regression residuals are not normally distributed. The Kolmogorov–Smirnov, Shapiro–Wilk, and Jarque–Bera tests all yield p-values of 0.000 ($p < 0.05$). Although the residuals do not meet the normality assumption, this issue is mitigated by the relatively large sample size (n = 336), where the Central Limit Theorem supports the validity of statistical inference. Additionally, robust standard errors are applied to ensure reliable regression estimates despite deviations from normality.

Multicollinearity Test

Table 4. Multicollinearity Test Result

Variable	VIF	Tolerance
X1	1.076244	0.930292
X2	1.227787	0.815272
C1	1.310080	0.763830
C2	1.030666	0.971501
C3	1.343980	0.745079
C4	1.173598	0.852041

Source: data processing, Python 2026

Based on Table 4, the Tolerance values of all variables are above 0.10 and the Variance Inflation Factor (VIF) values are below 10. Thus, it can be concluded that there is no multicollinearity problem in the regression model, so that the regression coefficient estimates can be interpreted reliably.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Result

Method of Heterocedasticity Test	Lagrange Multiplier	P-Value	T-Statistic	P-Value (F)
Breusch-Pagan Test	17.807951	0.006730	3.068805	0.006172
White Test	32.938637	0.082142	1.474354	0.076677

Source: data processing, Python 2026

Based on the results of the heteroscedasticity test in the table 5 above, the Breusch–Pagan and White Test results are not entirely consistent. The Breusch–Pagan test produced a p-value of $0.006172 < 0.05$, indicating heteroscedasticity, while the White test produced a p-value of $0.076677 > 0.05$, indicating no heteroscedasticity in the model. This difference indicates that the potential for heteroscedasticity is weak and unsystematic.

Autocorrelation Test

Table 6. Autocorrelation Test Result

Autocorrelation Test	Statistic
Durbin Watson	1.448281

Source: data processing, Python 2026

Based on the autocorrelation test results conducted using the Durbin–Watson test, the statistical value is 1.448281. This value is below the ideal value of approximately 2, indicating a tendency for positive autocorrelation in the regression model residuals. Thus, based on the Durbin–Watson test, it can be concluded that the model residuals are not completely independent.

The existence of autocorrelation can cause the standard error to become biased, so that the significance test of the regression parameters is no longer efficient. Therefore, to maintain the validity of statistical inference, this study anticipates the problem of autocorrelation by applying an estimation method that is robust to autocorrelation, so that the results of the hypothesis testing remain reliable.

Hypothesis Testing

Based on the results of classical assumption testing, the regression model in this study shows that the data is not normally distributed, there is heteroscedasticity, and positive autocorrelation occurs. These conditions can theoretically affect the efficiency of regression parameter estimation, particularly in the calculation of standard errors, thus potentially producing biased statistical conclusions if not handled properly.

However, this study uses a large sample size of 336 observations, so that violations of the normality assumption are not a critical problem. This is in line with the Central Limit Theorem, which states that in large samples, the sampling distribution of the estimator will approach a normal distribution even if the original data is not normally distributed (Applied Multivariate Statistical Analysis).

Furthermore, the presence of heteroscedasticity and autocorrelation does not cause the regression coefficient estimates to be biased, but rather causes the standard error to be inefficient, so that the parameter significance test has the potential to be invalid. Therefore, this problem can be overcome by using the Robust Standard Errors approach, which is designed to produce consistent standard errors even when there are violations of the assumptions of homoscedasticity and residual independence (Gujarati & Porter, 2009).

Partial Test Results (t)

Table 7. Robust Standard Errors X1, X2 on Y

Variable	Coefficient	Standard Error	P-Value
X1	15.0892	3.247	0.000
X2	-3.5797	1.050	0.001
C1	-0.2136	0.254	0.401
C2	-0.1168	0.066	0.075
C3	-0.1501	0.113	0.185
C4	-8.642e-06	0.001	0.993

Source: data processing, Python 2026

Based on the table 7 above, it can be explained that:
1. The test results show that variable X1 (Audit Opinion) has a regression coefficient of 15.0892 with a p-value of 0.000 (< 0.05). This indicates that X1 (Audit Opinion) has a positive and significant effect on variable Y (Audit Report Lag), after controlling for control variables C1, C2, C3, and C4 (company size, profitability, company complexity, and leverage). Thus, it can be concluded that the effect of X1 on Y is strong and consistent, and is not influenced by the control variables included in the model. Therefore, Hypothesis 1 is accepted.
2. The auditor reputation variable has a regression coefficient of −3.597 with a p-value of 0.001 (< 0.05). This result indicates that X2 (auditor reputation) has a negative and significant effect on variable Y (audit report lag), with the effect remaining significant

even after the control variables C1–C4 (company size, profitability, company complexity, and leverage) have been included in the model. This indicates that X2 has an independent contribution in explaining the variation in Y. Therefore, <u>Hypothesis 2 is accepted</u>.

Determination Coefficient Test (R Square)

Table 8. R Square Test Result

	Value
R Squared	0.103

Source: data processing, Python 2026

Based on Table 8 above, the coefficient of determination (R-squared) value obtained is 0.103. An R-squared value of 0.103 indicates that 10.3 percent of the variation in the audit report lag can be explained by the independent variables included in the research model, namely audit opinion, auditor reputation, auditor switching, and the control variables used. Thus, the contribution of the variables in the model to changes in audit report lag is still relatively limited.

Statistically, an R-squared value of 0.103 is classified as very weak, because the proportion of variation that can be explained by the model is less than 25 percent. This indicates that audit report lag is a phenomenon that is influenced by various factors outside the research model. In other words, 89.7 percent of the variation in audit report lag is explained by other variables not included in this analysis.

Discussion

The Effect of Audit Opinion on Audit Report Lag

The results of the study indicate that audit opinions have a positive and significant effect on audit report lag (ARL). Companies that receive modified opinions tend to experience longer audit delays. This finding is consistent with the audit risk model, which states that an increase in audit risk expands the examination procedures (Arens, 2017), as well as signaling theory, which explains that audit opinions are signals of financial statement quality (Spence, 1973). These results are also in line with the empirical findings of Carslaw and Kaplan (Carslaw & Kaplan, 1991), which show that modified opinions correlate with longer audit delays.

The Effect of Audit Reputation on Audit Report Lag

Auditor reputation has a negative and significant effect on ARL. Banks audited by Big Four auditors complete audits faster than non-Big Four auditors. This finding supports the audit quality theory (DeAngelo, 1981) and audit risk model (Arens, 2017), which state that reputable auditors have better quality control systems and resources. This result is also consistent with Habib and Bhuiyan (Habib et al., 2019), who found that large auditors increase audit efficiency.

Conclusion, Limitations, and Future Research

This study investigates the determinants of audit report delay (ARL) in listed banks in Indonesia by examining the direct effects of audit opinion and auditor reputation over the period 2017–2024. The findings indicate that audit opinion has a positive effect on ARL, suggesting that a modified opinion increases audit duration due to increased audit risk and additional verification procedures. Auditor reputation, as proxied by Big Four affiliation, has a negative effect on ARL, confirming that reputable auditors improve audit efficiency.

Several limitations should be acknowledged. First, this study focuses exclusively on the banking industry, which may limit generalizability to non-financial industries. Second, auditor reputation is measured using Big Four affiliation, which may not fully capture variations in audit quality across firms. Third, potential endogeneity issues related to auditor choice and firm characteristics are not explicitly addressed.

Future research could expand this study by including a broader sample of industries, alternative measures of audit quality (e.g., audit fees, industry specialization, or partner-level characteristics), and sophisticated econometric techniques to control for endogeneity. Further investigation into the role of regulatory intensity and corporate governance mechanisms in shaping audit timeliness would also provide deeper insights into the dynamics of audit efficiency in emerging markets.

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