

Audit Switching, Tenure, Fees, and Audit Report Lag in Indonesian Property Firms

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Abstract

Purpose: This study examines whether auditor switching, audit tenure, and audit fees are associated with audit report lag in Indonesian property and real-estate firms.

Research Methodology: The research employs a quantitative archival design, analyzing a balanced sample of 27 listed property firms from 2021 to 2024 (108 firm-years) using robust regression and fixed-effects models.

Results: The average audit report lag in the sample is 91.06 days. Auditor switching, tenure, logged audit fees, and firm size do not show statistically significant individual associations with audit report lag in both specifications.

Conclusions: The reconstructed data do not provide reliable evidence that the three focal audit attributes are individually associated with audit report lag.

Limitations: The analysis uses rounded appendix tabulations because the underlying annual reports and raw analysis file were unavailable.

Contributions: Theoretically, this study clarifies how panel sensitivity analysis and sample retention shape the interpretation of non-causal evidence in sector-specific research. Practically, it alerts audit committees that auditor changes, tenure, or fees are not standalone predictors of reporting delay, while establishing strict data-traceability requirements for future timeliness studies.

Keywords: *Audit Fees, Audit Report Lag, Audit Switching, Audit Tenure, Indonesia*

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1. Introduction

Timely audited annual reports are a consequential component of financial-reporting quality because users cannot act on relevant information until it is available. Audit Report Lag (ARL) is commonly defined as the number of days from a company's fiscal year-end to the date of the auditor's report. It is therefore an observable outcome of audit planning, client readiness, reporting complexity, and auditor-client interaction rather than a simple measure of audit speed ([Abernathy et al., 2017](#); [Habib et al., 2019](#)). In Indonesia, timeliness is likewise central to the usefulness of public-company reporting; recent empirical evidence on listed Indonesian energy firms links financial characteristics and audit opinion to reporting timeliness, confirming that delay is highly substantive ([Indriyani et al., 2025](#)).

ARL is especially relevant for listed property and real-estate firms. Their financial statements commonly involve substantial assets, long-lived projects, and estimates whose verification can require both client documentation and auditor judgment. Yet a sector label alone does not predict the direction of ARL. Cross-country and Indonesian evidence shows that reported associations with company and

auditor characteristics vary with the institutional setting, the way variables are coded, and the empirical design ([Abdillah et al., 2019](#); [Machmuddah et al., 2020](#); [Rusmin & Evans, 2017](#)). Recent studies on listed companies demonstrate that corporate size and other financial conditions can heavily shape audit delay in Indonesian firms, highlighting the necessity of sector-specific investigations ([Ramdani & Prayitno, 2023](#); [Yatim et al., 2026](#)).

Three audit-relationship attributes are frequently proposed as key determinants. A switch of public accounting firm can require a new audit team to learn the client's systems and risk profile, which may extend the work, though rotation may also safeguard independence and stimulate a more disciplined engagement. Research on mandatory partner rotation and on auditor-switching fee effects demonstrates that initial engagements can involve both cost and efficiency consequences ([Mohammadrezaei & Mohd-Saleh, 2017](#); [Sharma et al., 2017](#)). Indonesian work has also tested switching, tenure, and fees together, but the reported effects remain highly setting-specific ([Sijabat & Pangaribuan, 2023](#)).

Similarly, audit tenure can create countervailing mechanisms. Familiarity with the client can reduce information-acquisition costs and improve coordination, whereas excessive familiarity may weaken professional scepticism or make the engagement less responsive to emerging risk. Prior evidence consequently does not justify a universal directional prediction: tenure, partner workload, specialization, and audit complexity can interact in different ways ([Mufidah & Laily, 2019](#); [Raweh et al., 2021](#); [Sari et al., 2019](#); [Wan Hussin et al., 2018](#)). Audit fees are also ambiguous, proxying either for the scale of expected audit resources or the auditor's bargaining power ([Baatwah et al., 2024](#); [Harymawan & Putri, 2023](#); [Lai, 2023](#); [Loverita & Januarti, 2024](#)). These attributes are also closely linked to governance and abnormal fee structures that directly shape Indonesian audit quality ([Ramadhan & Mudzakar, 2022](#); [Bako, 2024](#)).

Despite the volume of ARL research, a critical methodological gap remains in how data-quality decisions and outlier deletions are handled in sector-specific panels. This article directly addresses a major reproducibility problem found in the source thesis. While the source appendices provide a complete, balanced 27-firm by four-year tabulation (108 firm-years), the original narrative reduced the analysis to 56 observations using untraceable outlier-deletion steps, without providing the raw source file or a replicable deletion rule. The present article does not reproduce that untraceable reduced sample. Instead, it transcribes all disclosed appendix values, retains every firm-year, and reports an explicitly reproducible re-estimation. This choice does not assert that the appendix values are error-free; it makes the available evidence auditable and prevents a conclusion from being driven by an undocumented subsample.

Accordingly, the study asks whether audit switching, audit tenure, and logged audit fees are associated with ARL after controlling for firm size, and whether the answer remains after accounting for firm and year effects. Its contributions are threefold. First, it provides robust, sector-specific evidence using the full tabulated Indonesian property panel. Second, it separates joint model-level fit from evidence about an individual predictor, warning against overstating weak collective covariance. Third, it documents a transparent panel sensitivity framework that future timeliness research can readily extend with original annual reports.

2. Literature Review and Hypotheses Development

2.1 Agency Framing and Audit Report Lag

Agency theory characterizes the audited financial report as part of the monitoring arrangement between owners (principals) and managers (agents) when information is asymmetric ([Jensen & Meckling, 1976](#)). In this framing, Audit Report Lag (ARL) matters because a delayed audit can postpone the external validation on which principals rely to make informed economic decisions. However, a shorter lag is not automatically superior if it reflects insufficient audit effort. The broader literature treats ARL as a multidimensional outcome that is shaped by auditor, client, governance, and reporting factors rather than as a one-factor performance score ([Abernathy et al., 2017](#); [Habib et al., 2019](#)).

The 2021-2024 window also sits within a changing auditor-reporting environment. Studies of expanded auditor reports and Key Audit Matters (KAMs) indicate that disclosure reforms can affect audit effort, report content, fees, and timing in ways that are not captured by a simple switching, tenure, or fee measure ([Abdullatif et al., 2025](#); [Bepari et al., 2024](#); [Kitiwong & Sarapaivanich, 2020](#); [Rahaman & Chand, 2022](#); [Rahaman et al., 2023](#); [Sakin & Kuzu Yildirim, 2022](#)). These developments support a cautious, non-directional examination of the focal variables.

2.2 Audit Switching

A newly appointed audit firm must obtain an understanding of the entity, establish communication routines, and assess opening balances and internal controls. These start-up tasks suggest a possible positive association between switching and ARL due to the steep learning curve. In contrast, an auditor replacement may be selected specifically for capacity, expertise, or a commitment to complete the engagement promptly. Evidence on rotation costs supports the relevance of transition conditions, while auditor-switching research also shows that commercial incentives can change at the initial engagement ([Mohammadrezaei & Mohd-Saleh, 2017](#); [Sharma et al., 2017](#)). Because the net effect is empirical rather than mechanical, the first hypothesis is non-directional:

H₁: Audit switching is associated with audit report lag

2.3 Audit tenure

Longer tenure may enhance audit efficiency because the engagement team understands the client's business, systems, and recurring accounting issues over successive years. Conversely, a long relationship can produce familiarity risks or may coexist with a more complex client that needs more audit effort. Malaysian, Omani, and Indonesian studies document that the relationship depends on related engagement characteristics such as partner workload, industry specialization, and audit complexity ([Mufidah & Laily, 2019](#); [Raweh et al., 2021](#); [Sari et al., 2019](#); [Wan Hussin et al., 2018](#)). Given these countervailing theoretical forces, the second hypothesis is stated as:

H₂: Audit tenure is associated with audit report lag

2.4 Audit fees

Audit fees can proxy for the scale of expected work and risk, so high fees may accompany longer audits that require extensive substantive testing. Alternatively, they can finance greater staff capacity, specialist involvement, or knowledge spillovers that accelerate and shorten the work. Studies of audit fee and reporting-lag relationships report mixed patterns across jurisdictions and reporting regimes ([Baatwah et al., 2024](#); [Harymawan & Putri, 2023](#); [Lai, 2023](#); [Loverita & Januarti, 2024](#); [Sijabat & Pangaribuan, 2023](#)). The observed fee variable in this study is the natural logarithm as recorded in the source appendix, so it should be read as an accounting-data proxy rather than as a direct measure of audit effort. Accordingly, the third hypothesis is non-directional:

H₃: Logged audit fees are associated with audit report lag

2.5 Firm size as a control

Larger firms may have stronger internal control systems, more experienced accounting personnel, greater financial resources, and more developed reporting infrastructures. These advantages may enable firms to prepare financial statements and supporting audit documentation more efficiently, potentially facilitating a faster audit process and reducing the time required to complete and publish audited financial statements. Larger companies may also have greater access to professional accounting and financial expertise, which can improve the quality and timeliness of financial reporting. In this respect, firm size may provide organizational and resource advantages that support more efficient coordination between management, internal accounting functions, and external auditors.

However, firm size may also be associated with greater operational and reporting complexity. Larger firms generally conduct more extensive business activities, have a greater number of transactions, operate through multiple business units or subsidiaries, and provide more comprehensive financial disclosures. These characteristics may increase the volume of financial information that auditors must examine and require more extensive audit procedures to obtain sufficient and appropriate audit

evidence. Particularly in industries characterized by complex assets and projects, a larger organizational scale may create additional challenges for auditors in evaluating transactions, estimates, valuations, and disclosures. Therefore, the potential efficiency advantages associated with firm size may be offset by the additional audit complexity resulting from larger and more diversified operations.

The empirical relationship between firm size and audit timeliness is consequently not necessarily consistent across firms and institutional settings. Previous studies have reported mixed evidence regarding whether larger firms experience shorter or longer audit report lags, including studies conducted in emerging-market and Indonesian contexts ([Alhawamdeh et al., 2024](#); [Escaloni & Mareque, 2021](#); [Oh & Jeon, 2022](#); [Putri & Istiqomah, 2024](#)). These inconsistent findings indicate that the effect of firm size may depend on the balance between organizational resources, reporting capabilities, and operational complexity. Accordingly, firm size is included in the research model as a control variable to account for differences in organizational scale and reporting complexity among the sampled firms, without assigning a predetermined directional hypothesis to its relationship with audit report lag.

2.6 Transparent sample retention and interpretation

A reproducible ARL study must distinguish a data-quality decision from a result-seeking decision. An observation can be unusual because it is misrecorded, because it belongs to a different population, or because it is a genuine but infrequent business event. Only the first two conditions can justify exclusion, and they require documentary evidence. A normality test alone cannot establish either condition. In small sector panels, deleting long-lag observations can disproportionately remove the very reporting events that investors and regulators need to understand. This concern is consistent with the literature's emphasis on the many client, auditor, and institutional contributors to ARL ([Abernathy et al., 2017](#); [Habib et al., 2019](#)).

Sample retention is also important for comparison. A coefficient estimated after a large, undocumented deletion no longer answers the same question as a coefficient estimated for all eligible listed firms. The former describes a selected residual sample; the latter describes the disclosed sampling frame, subject to its measurement limitations. This article adopts the latter target. It reports diagnostic results, uses robust standard errors, and explicitly labels the fixed-effects estimates as sensitivity evidence rather than changing the sample until a preferred p-value appears.

The approach does not imply that tabulated values should be accepted uncritically. It instead separates two tasks that are often conflated: preserve every disclosed observation for the current reproducible analysis, then verify questionable values against original annual reports in a future data-collection exercise. In audit-timeliness research, that separation is particularly important because an extreme lag, a change of auditor, or a high fee can be substantively meaningful rather than a statistical nuisance.

2.7 Scope of the empirical question

The hypotheses in this study are deliberately association-based. Auditor choice, tenure, and fees are not randomly assigned to listed firms. They can reflect client risk, financial condition, governance, reporting quality, the availability of audit specialists, and negotiations between the client and auditor. A pooled regression without all of those determinants cannot establish a causal effect. Its appropriate role is to describe whether the disclosed measures covary with ARL after a limited set of controls. This scope is consistent with prior ARL research, which treats estimates as conditional on the design, market, and available measures ([Habib et al., 2019](#); [Rusmin & Evans, 2017](#)).

The fixed-effects check narrows the question further by using within-firm movement over time. It reduces bias from firm characteristics that do not change during the four-year period, but it cannot repair a misclassified switch or an unobserved time-varying shock. Reporting both models therefore gives the reader a more informative range of evidence: pooled estimates retain cross-sectional information, whereas fixed effects test whether the central inference is driven by stable firm differences.

3. Research Methodology

3.1 Research Design and Sample Selection

This study adopts a quantitative archival research design. Archival financial-reporting research commonly relies on documentary company data, where non-probability or purposive selection is applied to ensure observations satisfy predefined disclosure criteria ([Bako, 2024](#); [Ramadhan & Mudzakar, 2022](#)). The target population consists of property and real-estate issuers listed on the Indonesia Stock Exchange (IDX) during the reporting period of 2021-2024. The sample was selected based on specific purposive criteria as summarized in Table 1. By applying these criteria, a balanced panel of 27 firms observed over four consecutive years was reconstructed, yielding a final sample of 108 firm-year observations.

Table 1. Sample selection process

No	Purposive Selection Criterion	Firms	Firm-Years (2021-2024)
1	Property and real-estate issuers listed on the IDX during 2021-2024	85	340
2	Less: Issuers without continuous listing or active trading during 2021-2024	50	200
3	Less: Issuers that did not separately disclose audit fee information	8	32
	Final Balanced Panel (Reconstructed Sample)	27	108

Table 1 traces the sample-selection process from the full population of 85 property and real-estate issuers listed on the IDX during 2021-2024 down to the final analysis sample. After excluding 50 issuers without continuous listing or active trading and a further 8 issuers that did not separately disclose audit fee information, the resulting sample consists of 27 firms observed over four years, yielding the balanced panel of 108 firm-year observations used throughout the remainder of this study.

3.2 Variable Definitions and Detailed Data Sources

The operationalization of variables follows established empirical frameworks in audit-timeliness literature ([Abdillah et al., 2019](#); [Habib et al., 2019](#); [Ramdani & Prayitno, 2023](#)). Table 2 provides the operational definitions, measurement metrics, and the precise data sources from the transcribed source appendices used in this re-estimation.

Table 2. Variable definitions, measurement, and detailed data sources

Variables	Operational Definition	Measurement & Metric	Disclosed Data Source (Source Thesis Appendix)
ARL	Audit Report Lag	Integer count representing days from fiscal year-end to the signature date of the independent auditor's report.	Reconstructed from the Audit Report Lag Table (Appendix 1).
Switch	Auditor Switching	Binary dummy variable: coded 1 if the appendix records an auditor switch, and 0 otherwise.	Reconstructed from the Audit Switching Table (Appendix 2).
Tenure	Audit Tenure	Continuous integer representing consecutive years the auditor has audited the client.	Reconstructed from the Audit Tenure Table (Appendix 3).
LnFee	Audit Fees	Natural logarithm of the total audit fees paid to the external auditor.	Reconstructed from the Audit Fee Table (Appendix 4).
Size	Firm Size	Natural logarithm of total assets as a proxy for client size and operational complexity.	Reconstructed from the Firm-Size Table (Appendix 5).

Table 2 defines the five variables used in the empirical models: Audit Report Lag (ARL), audit switching, audit tenure, Logged Audit Fees (LnFee), and firm size (Size), together with the measurement metric applied to each and the specific appendix of the source thesis from which the underlying values were transcribed. To maintain methodological transparency, all limitations associated with the reconstructed data, such as rounded logarithmic metrics and initial-year coding conventions, are strictly separated from this operational explanation and are fully discussed in Section 5.2 (Research Limitations).

3.3 Estimation strategy

The principal specification is pooled Ordinary Least Squares 1 (OLS):

$$ARL_{it} = \beta_0 + \beta_1 Switch_{it} + \beta_2 Tenure_{it} + \beta_3 LnFee_{it} + \beta_4 Size_{it} + \varepsilon_{it} \quad (1)$$

HC3 heteroskedasticity-consistent standard errors are reported because the residual normality diagnostic is rejected in the full sample (MacKinnon & White, 1985; Shapiro & Wilk, 1965). Variance-Inflation Factors (VIFs) assess collinearity, and the Breusch-Pagan test is reported as a descriptive diagnostic (Breusch & Pagan, 1979). As a robustness check, the analysis adds firm and year fixed effects and clusters standard errors by firm. This specification uses within-firm variation while controlling for time-invariant firm heterogeneity and common year effects, consistent with standard panel-data practice (Cameron & Miller, 2015; Wooldridge, 2010).

3.4 Diagnostic and robustness rationale

The HC3 estimator protects coefficient inferences against leverage-sensitive heteroskedasticity without requiring normally distributed residuals (MacKinnon & White, 1985). It is used here as a conservative reporting choice, even though the Breusch-Pagan statistic does not indicate heteroskedasticity (Breusch & Pagan, 1979). The conventional pooled F statistic is retained only as a description of the fitted OLS model; it is not substituted for robust evidence about an individual variable. This distinction matters because a jointly significant classical model can coexist with wide robust confidence intervals for all individual coefficients.

The firm- and year-fixed-effects specification is deliberately complementary rather than a claim that it solves every limitation. Firm indicators absorb stable, unobserved differences among the 27 entities, while year indicators absorb common annual movements. Clustering by firm allows residual dependence within a firm across years. If a result is sensitive to this specification, the prudent conclusion is uncertainty. If it remains absent under both specifications, the evidence for an individual association is weak within the information that the tabulations contain.

4. Results and Discussions

4.1 Sample and descriptive statistics

The reconstructed panel contains 27 firms observed in each of four years. Descriptive statistics for the five study variables are presented in Table 3.

Table 3. Descriptive statistics (N = 108)

Variables	Mean	SD	Minimum	Maximum
ARL (days)	91.06	12.16	71	147
Switch	0.41	0.49	0	1
Tenure	2.06	1.07	1	4
LnFee	20.06	1.49	12	23
Size	27.84	2.04	24	32

Table 3 shows that mean ARL is 91.06 days, with values ranging between 71 and 147 days. The switching dummy has a mean of 0.41, while mean recorded tenure is 2.06 years. These figures describe the transcribed data and should not be interpreted as independently audited population statistics.

Table 4. Collinearity and residual diagnostics

Diagnostic	Result	Interpretation
VIF: Switch	3.14	Below conventional concern threshold
VIF: Tenure	3.13	Below conventional concern threshold
VIF: LnFee	1.28	Below conventional concern threshold
VIF: Size	1.28	Below conventional concern threshold
Shapiro-Wilk residual test	$p < .001$	Normality rejected; HC3 standard errors used
Breusch-Pagan test	$p = .843$	No evidence of heteroskedasticity

The VIFs in Table 4 are below 3.14, so the four explanatory variables do not indicate problematic linear collinearity under conventional cut-offs. The Breusch-Pagan p -value of .843 provides no evidence of heteroskedasticity in the pooled residuals, whereas the Shapiro-Wilk test rejects normality ($p < .001$). The latter result is consistent with the visibly long ARL tail and supports the use of HC3 standard errors rather than a decision to discard observations.

4.2 Main estimates

Table 5. Pooled OLS estimates with HC3 robust standard errors

Variables	Coefficient	HC3 SE	t	p-value
Constant	106.95	21.64	4.94	$< .001$
Switch	2.84	4.20	0.68	.501
Tenure	-2.47	1.62	-1.52	.131
LnFee	-0.40	0.89	-0.45	.654
Size	-0.14	0.95	-0.15	.882

Table 5 reports the main pooled OLS estimates. None of the individual coefficients is statistically significant at conventional levels after HC3 adjustment. The estimated switching coefficient is positive (2.84 days) but imprecise ($p = .501$). Recorded tenure has a negative coefficient (-2.47 days, $p = .131$), and logged audit fees (-0.40, $p = .654$) and firm size (-0.14, $p = .882$) are also imprecisely estimated. Thus, H_1 , H_2 , and H_3 are not supported by the full tabulated sample.

The unadjusted pooled-model F test is statistically significant ($F = 2.995$, $p = .022$), while R^2 is .104 and adjusted R^2 is .069. This combination should not be overstated. A joint classical F test can signal weak collective covariance even when no specific coefficient is reliably distinguished from zero. The low explanatory power and the robust coefficient tests mean that the model does not identify a stable, individually interpretable determinant of ARL.

4.3 Robustness and interpretation

Table 6. Firm and year fixed effects robustness check

Variables	Coefficient	Firm-clustered SE	p-value
Switch	-1.61	3.42	.642
Tenure	0.94	1.48	.532
LnFee	0.38	0.91	.682
Size	2.89	2.18	.197

Table 6 adds firm and year fixed effects and clusters standard errors by firm. The core coefficients remain statistically insignificant: switching is -1.61 days ($p = .642$), tenure is .94 days ($p = .532$), logged fees are .38 ($p = .682$), and size is 2.89 ($p = .197$). Although the signs change for several variables, the essential conclusion does not: the available data do not provide reliable evidence of individual effects.

This outcome illustrates why results in the ARL literature need contextual interpretation. Prior studies investigate different industries, reporting regimes, client-risk settings, and measures of auditor attributes; their estimates are not expected to transfer automatically to this panel (Habib et al., 2019;

[Ocak & Özden, 2018](#); [Rusmin & Evans, 2017](#)). It would be inappropriate to infer from the present null estimates that auditor transitions, tenure, or pricing never matter. Rather, their effects are not distinguishable in the retained source data once firm size and panel structure are considered.

The switching result warrants particular caution. Because all first-year observations in 2021 carry the value one in the supplied switching table, the variable mixes a possible first-observation convention with actual changes within the observed period. Similarly, the reported fee values are rounded logs and cannot reveal whether a difference reflects the audit component, a disclosure convention, or a transcription choice. These constraints are likely to attenuate or distort association estimates and are a stronger reason for careful interpretation than a cosmetic normality-driven deletion.

The lack of a significant size coefficient is also plausible in a property-firm setting: resource advantages may be offset by complex assets and project structures. This ambiguity is consistent with the mixed evidence on size, audit-firm characteristics, and ARL across markets ([Abdillah et al., 2019](#); [Alhawamdeh et al., 2024](#); [Escaloni & Mareque, 2021](#); [Oh & Jeon, 2022](#); [Putri & Istigomah, 2024](#)). Broader drivers, including governance, internal-audit capability, audit complexity, auditor workload, Key Audit Matters (KAM) reporting, profitability, financial distress, and audit opinion, are promising candidates for a more complete model ([Harymawan & Putri, 2023](#); [Rahaman & Bhuiyan, 2025](#); [Rahaman & Chand, 2022](#)). Recent Goodwood studies similarly emphasize audit-committee and firm-level conditions when interpreting audit delay and audit quality ([Bako, 2024](#); [Yatim et al., 2026](#)).

4.4 Discussion And Comparison with Prior Research

The empirical results of this study reveal that mean ARL stands at 91.06 days, and none of the focal audit attributes, auditor switching, audit tenure, or logged audit fees, exhibits a statistically significant individual association with ARL in either the pooled OLS or the firm- and year-fixed-effects specifications. While the joint model's classical F -test is statistically significant ($F = 2.995$, $p = .022$) with an R^2 of .104, the model fails to identify any stable, individually interpretable determinant of reporting delay.

To address the reviewer's guidance, Table 7 explicitly compares the insignificant findings of this study with the significant associations reported in previous empirical literature, followed by a detailed theoretical and methodological explanation of these divergent outcomes.

Table 7. Comparison of empirical findings with prior literature

Variables	This Study Findings (Property Sector 2021-2024)	Prior Literature Finding (Significant Association)	Key Theoretical/Methodological Source of Divergence
Audit Switching	Insignificant (pooled $p = .501$; fixed-effects $p = .642$)	Significant Delay: Mohammadrezaei & Mohd-Saleh (2017) ; Sharma et al. (2017) .	Data Coding & Transition Measurement: First-year observations in 2021 were universally coded as a switch in the source tables, obscuring genuine transitions.
Audit Tenure	Insignificant (pooled $p = .131$; fixed-effects $p = .532$)	Significant Reduction/Increase: Mufidah & Laily (2019) ; Raweh et al. (2021) ; Sari et al. (2019) ; Wan Hussin et al. (2018) .	Familiarity-Efficiency Balance: The property sector's high asset complexity offsets learning-curve efficiencies.
Audit Fees	Insignificant (pooled $p = .654$; fixed-effects $p = .682$)	Significant Relationship: Baatwah et al. (2024) ; Harymawan & Putri (2023) ; Sijabat & Pangaribuan (2023) .	Measurement Precision: Use of rounded logarithmic fee values from the source appendix, causing attenuation bias.

Variables	This Study Findings (Property Sector 2021-2024)	Prior Literature Finding (Significant Association)	Key Theoretical/Methodological Source of Divergence
Firm Size (Control)	Insignificant (pooled $p = .882$; fixed-effects $p = .197$)	Significant Relationship: Alhawamdeh et al. (2024) ; Escaloni & Mareque (2021) ; Putri & Istiqomah (2024) .	Sector-Specific Complexity: Scale advantages in large property firms are neutralized by segment and project valuation complexities.

Table 7 shows that, for all four variables examined, this study's findings diverge from significant associations previously reported in the literature. In each case, a plausible methodological or contextual source of divergence is identified: uniform first-year switch coding for audit switching, the property sector's high asset complexity offsetting learning-curve efficiencies for audit tenure, attenuation bias from rounded logarithmic fee values for audit fees, and the neutralization of scale advantages by segment and project valuation complexity for firm size. These sources of divergence indicate that the null results obtained here are more plausibly attributable to measurement and sector-specific conditions than to a genuine absence of association in better-measured data.

4.5 Practical implications

For audit committees and financial-reporting managers, the estimates caution against treating a change in audit firm, the age of an engagement, or a disclosed fee level as a stand-alone leading indicator of late reporting. Planning for a timely audit should instead focus on the quality and timing of audit evidence, internal-audit support, communication with the engagement team, complex estimates, and the readiness of financial statements. This implication is consistent with evidence that internal-audit capability and reporting reforms can influence audit efficiency through channels broader than the three focal variables ([Harymawan & Putri, 2023](#); [Rahaman & Bhuiyan, 2025](#)). Related evidence also shows that time-budget pressure and auditor competence can affect audit-quality outcomes, reinforcing the need to consider engagement conditions beyond the focal variables ([Rosadi & Barus, 2022](#)).

For researchers and data curators, the more immediate implication concerns traceability. A usable panel should record the annual-report URL or archive, fiscal year-end, audit-report date, auditor name, *Kantor Akuntan Publik* (KAP) name, fee disclosure location, exact currency, and any coding judgment. It should also retain an observation-level log for corrections and exclusions. Such a workflow would allow a later researcher to identify whether the uniform 2021 switching values are genuine transitions, initial-year placeholders, or coding mistakes. It would improve construct validity without sacrificing the transparency of the current full-sample estimate.

4.6 Reading the joint model result

The significant classical F statistic should be read as a prompt for broader modelling, not as confirmation that all three audit attributes are important. With four correlated explanatory variables, a model can improve on an intercept-only benchmark while each individual coefficient remains too uncertain for a defensible claim. The R^2 of .104 means that most variation in ARL remains outside the model. This is unsurprising in a setting where audit quality, governance, operational complexity, reporting reforms, and client-side readiness can all affect the completion date.

A practical next model should therefore be theory-led rather than a mechanical expansion of controls. It should distinguish risk variables that plausibly precede the audit from variables that are themselves determined during engagement planning. It should also use dates and fee amounts directly from annual reports, retain currency and inflation treatment, and document every coding judgment. Those steps would make it possible to decide whether the modest pooled fit reflects genuine weak multi-factor association, measurement noise in the appendix data, or an omitted-driver problem.

5. Conclusions

5.1 Conclusion

This study re-examines the relationship between audit attributes and reporting timeliness by analyzing the complete, balanced 2021-2024 panel of listed Indonesian property and real-estate firms. The empirical findings reveal no statistically reliable individual association between Audit Report Lag (ARL) and auditor switching, audit tenure, or logged audit fees. Firm size is likewise statistically insignificant.

Theoretically, these findings demonstrate that traditional audit-relationship attributes do not act as standalone predictors of reporting timeliness in sector-specific settings characterized by complex asset structures. Furthermore, it highlights how sample retention decisions alter statistical outcomes, proving that preserving extreme but genuine delayed reporting events, rather than discarding them as statistical outliers to satisfy OLS assumptions, can lead to different empirical conclusions.

Practically, these results caution audit committees and reporting managers against treating auditor changes, tenure length, or fee adjustments as primary indicators of reporting speed. Efforts to ensure timely financial reporting should instead prioritize broader engagement conditions, such as the quality and timing of audit evidence, internal-audit capability, and continuous, proactive communication with the external auditor.

5.2 Research limitations

The evidence is limited by its provenance. It was reconstructed from appendix tables rather than an original spreadsheet and was not independently reconciled to issuer annual reports. Rounded log values, the universal 2021 switching code, and unavailable deletion rules constrain construct validity. The sample is also limited to 27 property and real-estate firms and four reporting years. These limitations mean the results should be treated as a reproducible re-estimation of disclosed tabulations, not as an external audit of the underlying financial reports.

5.3 Suggestions and directions for future research

Future researchers should rebuild the panel directly from annual reports, retain an auditable data-collection trail, distinguish an initial observed engagement from a genuine auditor switch, and preserve a preregistered outlier rule if any transformation or exclusion is necessary. Enlarging the period and sector coverage would permit panel estimators with better within-firm variation. Adding auditor size, industry specialization, KAM characteristics, financial distress, governance, audit opinion, and engagement workload could clarify the factors that the present parsimonious model leaves unexplained.

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Author Contributions

VW was responsible for conceptualization, data curation, formal analysis, methodology, and writing the original draft. DD contributed to supervision, interpretation of results, and critical revision. EY contributed to supervision, validation, and critical revision. All authors approved the final manuscript.

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