

Audit Tenure, Specialization, and Timeliness in the Property Sector

Auditor Specialization
and Operational
Complexity

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ABSTRACT

This study aims to test the effect of operational complexity on audit report lag with auditor specialization as a moderating variable. High operational complexity is believed to extend audit completion time due to the increasing volume and complexity of information. Conversely, auditors with industry-specific expertise are expected to accelerate the audit process through a deeper understanding of the audited entity. This study uses a quantitative approach with multiple regression analysis and secondary data from company annual reports. Data is processed using SPSS, including classical assumption tests, t-tests, f-tests, and moderation interaction analysis. The results show that Audit Tenure does not significantly affect Audit Report Lag (significance = 0.992), nor does its interaction with Auditor Specialization show a significant moderating effect. However, the F-test shows that the overall regression model, including Audit Tenure, Auditor Specialization, and control variables, significantly affects Audit Report Lag (significance = 0.021). These findings suggest that although direct and moderating effects are not significant, the variables collectively contribute to explaining delays in audit reporting.

Keywords: Audit Delay, Audit Report Lag, Audit Tenure, Financial Reporting, Operational Complexity.

ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh kompleksitas operasional terhadap audit report lag dengan spesialisasi auditor sebagai variabel moderasi. Kompleksitas operasional yang tinggi diyakini dapat memperpanjang waktu penyelesaian audit karena meningkatnya volume dan kompleksitas informasi. Sebaliknya, auditor dengan keahlian khusus industri diharapkan dapat mempercepat proses audit melalui pemahaman yang lebih mendalam tentang entitas yang diaudit. Penelitian ini menggunakan pendekatan kuantitatif dengan analisis regresi berganda dan data sekunder dari laporan tahunan perusahaan. Data diolah menggunakan SPSS, meliputi uji asumsi klasik, uji-t, uji-f, dan analisis interaksi moderasi. Hasil penelitian menunjukkan bahwa Audit Tenure tidak berpengaruh signifikan terhadap Audit Report Lag (signifikansi = 0,992), demikian pula interaksinya dengan Spesialisasi Auditor tidak menunjukkan pengaruh moderasi yang signifikan. Namun, uji-F menunjukkan bahwa keseluruhan model regresi, meliputi Audit Tenure, Spesialisasi Auditor, dan variabel kontrol, berpengaruh signifikan terhadap Audit Report Lag (signifikansi = 0,021). Temuan ini menunjukkan bahwa meskipun pengaruh langsung dan moderasi tidak signifikan, variabel-variabel tersebut secara kolektif berkontribusi dalam menjelaskan keterlambatan pelaporan audit.

Kata kunci: Keterlambatan Audit, Keterlambatan Laporan Audit, Masa Audit, Pelaporan Keuangan, Kompleksitas Operasional.

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INTRODUCTION

Audit Report Lag (ARL), defined as the duration in days from the end of the financial year to the issuance of the auditor's report, is a critical measure of financial reporting timeliness (Yahya, 2021). Timely financial reporting enhances the reliability and relevance of accounting information, which is essential for stakeholders such as investors, regulators, and management in making informed decisions (Blankley et al., 2012; Abernathy et al., 2017; Azar et al., 2019; van Helden & Reichard, 2019; Ashraf et al., 2020). The significance of ARL stems from its direct influence on the efficiency of capital markets and operational decision-making, as delays in financial reporting can reduce the usefulness of the information provided (Owusu-Ansah, 2000; Leventis et al., 2005; Albu et al., 2020; Khader & Shanak, 2023). In Indonesia, regulatory frameworks, such as OJK Regulation Number 29/POJK.04/2016, mandate that issuers and public companies submit annual reports to the Financial Services Authority (*Otoritas Jasa Keuangan/OJK*) no later than four months after the financial year-end. Despite these regulations and the imposition of sanctions, many companies fail to comply, resulting in persistent delays in financial reporting (Sutrisno, 2020; Widodo & Setiawan, 2022; Roup, 2025).

Several factors contribute to ARL, with audit tenure and operational complexity being prominent determinants. Audit tenure, defined as the duration of the engagement between a company and a Public Accounting Firm (*Kantor Akuntan Publik/KAP*), influences audit efficiency through the auditor's accumulated knowledge of the client's operations, business risks, and accounting systems (Payne & Jensen, 2002; Lee et al., 2009; Durand, 2019; Habib et al., 2019; Chalu, 2021). A longer audit tenure is often associated with improved audit efficiency due to enhanced familiarity with the client, leading to a more streamlined audit process (Lim & Tan, 2010; Knechel & Sharma, 2012; Garcia-Blandon et al., 2020; Liu & Xu, 2021). However, prolonged engagements may compromise auditor independence, potentially extending ARL due to increased scrutiny or personal relationships with clients (Carey & Simnett, 2006; Tepalagul & Lin, 2015; Khan et al., 2024). Operational complexity, characterized by the intricacy and volume of a company's transactions, further complicates the audit process, often prolonging ARL as auditors navigate diverse and voluminous data (Krishnan & Yang, 2009; Chan et al., 2016; Baatwah et al., 2019; Mathuva et al., 2019).

Auditor specialization, defined as in-depth expertise in specific industries, is believed to moderate the relationship between audit tenure and Audit Report Lag (ARL). Specialized auditors are expected to enhance audit efficiency by leveraging industry knowledge, potentially reducing delays caused by operational complexity or long tenures (Lowensohn et al., 2007; Minutti-Meza, 2013; Singh et al., 2022; Meidina & Tartilla, 2022). However, findings remain mixed. Indreswari and Erinos (2023) argue that specialization shortens ARL by improving understanding of client-specific risks and processes, while Yastari and Nelvirita (2023) find it may prolong ARL due to increased scrutiny in complex industries (Carcello & Li, 2013; Rusmin & Evans, 2017). These contradictions reveal a research gap regarding the interaction between audit tenure and specialization, particularly in sectors like real estate and construction in Indonesia (Astuti & Sari, 2021; Santoso & Cahyono, 2022; Prabowo & Santoso, 2023).

The research gap is further underscored by the limited exploration of industry-specific factors in the Indonesian context. According to Kholik and Kuntadi (2024), while auditor specialization improves audit quality, its moderating role on audit tenure and ARL remains underexplored, especially in sectors with high operational complexity like property and real estate. Additionally, prior studies often overlook the combined effect of audit tenure and auditor specialization under regulatory constraints such as those imposed by OJK, which may uniquely influence ARL in Indonesia (Albu et al., 2020; Noviar & Teg, 2022; Gallemore, 2023). This study aims to address this gap by examining the effect of audit tenure on ARL, with auditor specialization as a moderating variable, in property, real estate, and building construction companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023. By focusing on this sector, the study seeks to provide

insights into how industry-specific expertise and audit tenure interact to influence the timeliness of financial reporting in a highly regulated and complex market.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Audit Tenure on Audit Report Lag

Jensen and Meckling (1976) introduced agency theory, asserting that the separation of ownership and control creates conflicts of interest, necessitating audits to ensure reliable financial reporting and reduce information asymmetry. In Indonesia's property sector characterized by complex transactions such as project financing and land acquisition these conflicts are more pronounced, making efficient and timely audits essential. Audit tenure, defined as the duration of engagement between a company and a Public Accounting Firm (KAP), is a key determinant of Audit Report Lag (ARL), or the number of days between the financial year-end and audit report issuance (Habib et al., 2019; Yahya, 2021). Longer tenure enables auditors to gain deep client-specific knowledge, enhancing audit efficiency and reducing ARL (Garcia-Blandon et al., 2020; Dao et al., 2021). This supports agency theory's view that familiarity improves reporting timeliness. However, extended engagements may compromise auditor independence, increasing ARL due to heightened scrutiny or personal ties (Khan et al., 2024). To address this, Indonesian regulations (PP No. 20 of 2015) limit individual auditor tenure to five years while permitting longer KAP engagements to balance efficiency and independence. Compliance theory (Mathuva et al., 2019; Rapley et al. 2021) also underpins this study, emphasizing that regulatory frameworks, such as OJK Regulation No. 29/POJK.04/2016, drive organizational behavior by mandating timely reporting. In sectors with high operational complexity, auditors with industry expertise may improve compliance and timeliness (Baatwah et al., 2019). Despite evidence supporting tenure's benefits, some studies (Yastari & Nelvirita, 2023) found no significant impact, suggesting contextual variation. This study integrates agency and compliance theories to examine audit tenure's effect on ARL and the moderating role of auditor specialization in Indonesia's regulated, complex property sector.

H1: Audit Tenure has a positive and significant effect on Audit Report Lag.

Auditor Specialization as a Moderator of Audit Tenure on Audit Report Lag

Singh et al. (2022) define auditor specialization as industry-specific expertise, enabling auditors to conduct efficient, high-quality audits. In the property sector, specialized auditors understand unique risks (e.g., project financing, regulatory compliance), potentially reducing ARL (Kholik & Kuntadi, 2024). Specialization enhances audit efficiency by leveraging knowledge of sector-specific accounting practices, particularly under Indonesia's OJK regulations, which mandate timely reporting (Mathuva et al., 2019). Indreswari and Erinos (2023) found that specialized auditors reduce ARL in long-term engagements by streamlining processes, supporting compliance theory's emphasis on regulatory adherence.

However, Yastari and Nelvirita (2023) caution that specialization may increase scrutiny in complex industries, extending ARL. Sultana et al. (2020) suggest that specialized auditors mitigate delays by addressing operational complexity, but this effect varies by client characteristics. In Indonesia's property sector, where diverse transactions amplify audit challenges, specialization may strengthen the negative tenure-ARL relationship by enhancing efficiency (Ton, 2023). This moderation effect is critical, as global studies show mixed results, and Indonesia's regulatory context remains underexplored.

This study posits that auditor specialization moderates the tenure-ARL relationship, amplifying efficiency gains from longer tenure. The moderated regression model tests this interaction, measuring specialization as a binary indicator (specialized vs. non-specialized auditors) and controlling for solvency, audit committee, and KAP size (Baatwah et al., 2019). By integrating agency and compliance theories, this study argues that specialized

auditors align audits with regulatory and stakeholder expectations, reducing ARL in Indonesia's complex property sector. This addresses a research gap by examining specialization's moderating role in a highly regulated, operationally intricate context.

H2: Auditor Specialization moderates the effect of Audit Tenure on Audit Report Lag.

The research framework, depicted in Figure 1, illustrates the hypothesized relationships. Audit Tenure is expected to negatively affect ARL (H1), as longer engagements enhance audit efficiency. Auditor Specialization moderates this relationship (H2) by leveraging industry expertise to further reduce ARL, particularly in complex sectors like property and real estate. Control variables, including Solvency, Audit Committee, and KAP Size, are included to account for external influences on ARL, as they may affect the financial reporting process (Baatwah et al., 2019; Durand, 2019). This framework integrates theoretical and empirical insights to examine how audit tenure and auditor specialization interact to influence ARL, providing a comprehensive model for understanding audit efficiency in the Indonesian context.

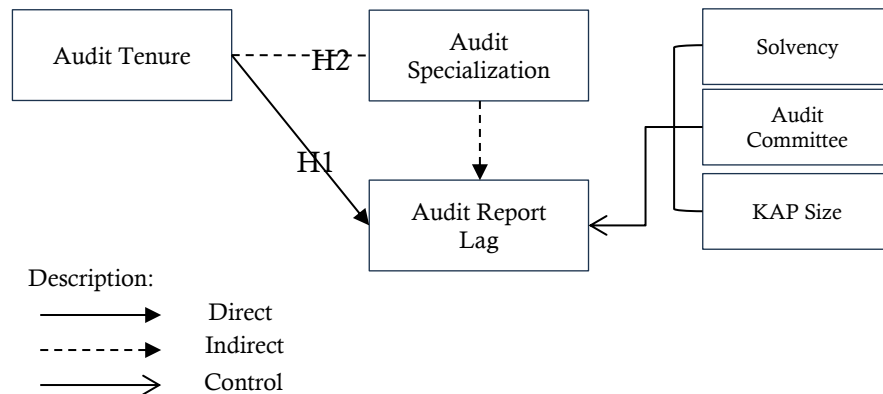


Figure 1. Research Framework

RESEARCH METHOD

This study uses a quantitative descriptive approach that aims to explain empirical phenomena and test the relationship and causality between predetermined variables. The main focus of this study is to analyze the effect of audit tenure on audit report lag (ARL) with auditor specialization as a moderating variable, in the context of property, real estate, and building construction companies listed on the Indonesia Stock Exchange (IDX) during the period 2021–2023. The type of data used is secondary data, obtained from the company's annual report which is publicly available through the official IDX website, namely www.idx.co.id. Data collection was carried out for six months, calculated from June to December 2024. The data analysis technique was carried out using the latest version of the Statistical Package for the Social Sciences (SPSS) software, which supports statistical procedures for testing assumptions and estimating regression models. Before conducting the regression analysis, a series of classical assumption tests were carried out to ensure the validity of the model.

The residual normality test was carried out using the Kolmogorov-Smirnov method, histogram, and P-P plot, which showed that the residual data was normally distributed if the significance value was greater than 0.05. Furthermore, the multicollinearity test is carried out by observing the Tolerance and Variance Inflation Factor (VIF) values, where good results indicate a tolerance value > 0.10 and VIF < 10. The heteroscedasticity test uses the Glejser method to ensure constant residual variance, while the autocorrelation test uses the Durbin-Watson statistic to detect residual correlation between times. After all assumptions are met, multiple linear regression analysis is carried out to test the partial

and simultaneous effects between variables. The t-test is used to assess the significant effect of each independent variable partially on ARL, while the F-test is used to assess the significance of the model as a whole. The variables used in the model include audit tenure and auditor specialization as the main variables, as well as solvency, audit committee effectiveness, and KAP size as control variables. The results of this test are expected to provide an in-depth understanding of the dynamics of audit report lag in the complex and tightly regulated property industry in Indonesia. This research contributes to the literature by examining the direct effect of audit tenure on audit report lag (ARL) and the moderating role of auditor specialization, addressing prior inconsistencies. Using secondary data from IDX-listed companies and multiple regression analysis, it provides empirical evidence with practical implications for improving audit efficiency and regulatory compliance in Indonesia.

RESULTS

The study examined data from 99 observations of property, real estate, and building construction companies listed on the IDX over the 2021–2023 period, utilizing descriptive statistics and multiple regression analysis to investigate the influence of Audit Tenure, Auditor Specialization, and control variables on Audit Report Lag (ARL).

Table 1. Descriptive Statistics Summary

Variable	Range	Minimum	Maximum	Sum	Mean	Std. Deviation
Audit Tenure	6	1	7	315	3.18	1.981
Solvency	1070324. 874	-4.863	1070320.0 11	2854866.61 3	28837.03 6	164685.46 4
Audit Committee	1.13	0.38	1.50	100.33	1.0237	0.378
KAP Size	1	0	1	30	0.30	0.462
Auditor Specialization	1	0	1	40	.40	0.493
Audit Report Lag	115	51	166	9151	92.43	20.277
Unstandardized Residual	111	-43.555	67.445	0.000	0.000	18.948
Valid N (listwise)						

Table 1 shows a summary of data from several research variables with the number of observations generally amounting to 99, except for the Audit Committee and Unstandardized Residual variables which have 98 valid data. The Audit Tenure variable shows the average length of the auditor's relationship with the client is 3.18 years with a standard deviation of 1.981. The Solvency variable has an average value of 28,837.036 with a very high spread (standard deviation of 164,685.464. This shows that the data distribution is very striking to the right and has extreme outliers (leptokurtic). Meanwhile, the Audit Committee has an average value of 1.0237 with a low standard deviation of 0.378. The KAP Size and Auditor Specialization variables, both of which are binary data (0 and 1), have an average of 0.30 and 0.40, respectively, while Auditor Specialization shows a skewness of 0.397 and a kurtosis of -1.881, which means that both variables tend to be asymmetrical and the data is more spread out from the normal distribution. Audit Report Lag or delay in audit reports has an average of 92.43 days with a standard deviation of 20.277. In general, most variables show deviations from the normal distribution, which need to be taken into account in further statistical testing.

The normality test aims to determine whether the residual data in a regression model is normally distributed, which is an important assumption in regression analysis. In this study, the normality test was conducted in three ways, namely histogram graph analysis, p-plot graph analysis, and Kolmogorov-Smirnov statistical analysis. Data is said to be normally distributed if the histogram is bell-shaped, the distribution of p-plot data is not too far from the diagonal line, and the significance value of the statistical test is more than 0.05.

Table 2. Normality Test

Parameterer	Unstandardized Residual	
N	98	
Normal Parameters ^{a,b}	Mean	0.000000
	Std. Deviation	18.94814847
Most Extreme Differences	Absolute	0.153
	Positive	0.153
	Negative	-0.124
Test Statistic	0.153	
Asymp. Sig. (2-tailed)	0.060 ^c	

Table 2 shows the results One-Sample Kolmogorov-Smirnov Test to unstandardized residuals with a sample size (N) of 98, the value obtained waste statistic of 0.153 and the significance value (Asymp. Sig. 2-tailed) of 0.060. This significance value is greater than the commonly used significance level, which is 0.05. Therefore, the decision taken is that the residual data is normally distributed.

Multicollinearity test is conducted to determine whether there is a high linear relationship between independent variables in the regression model, which can affect the accuracy of the regression coefficient estimate. One way to detect multicollinearity is to look at the value Tolerance and VIF. The heteroscedasticity test is conducted to determine whether the variance of the residual of a regression model is constant or not. If there is heteroscedasticity, then the classical assumptions of linear regression are not met, which can cause the estimation results to be inefficient. One common method used is to look at the significance value (Sig.) of the regression test against the absolute value of the residual, such as the test Glazes.

Table 3. Multicollinearity and Heteroscedasticity Test

Model	Collinearity Statistics. Tolerance	Collinearity Statistics. VIF	Sig.
Audit Tenture	0.436	2.293	0.188
Solvabilitas	0.871	1.148	0.092
Komite Audit	0.775	1.290	0.333
Ukuran KAP	0.368	2.716	0.127
Spesialisasi Auditor	0.377	2.656	0.199

Table 3 combined the multicollinearity and heteroscedasticity tests, providing a comprehensive diagnostic of the regression model's assumptions. Multicollinearity was assessed using Tolerance and VIF values, with all variables showing Tolerance above 0.100 and VIF below 10.000, indicating no high correlation between independent variables. Heteroscedasticity was evaluated through significance values from the Glejser test, all exceeding 0.050, suggesting constant residual variance and no heteroscedasticity. These results, consistent with Durand (2019), ensure that the regression coefficients are unbiased and efficient, a critical consideration given the diverse financial profiles of the sampled firms.

The Durbin-Watson autocorrelation test is used to detect the presence of correlation between the residuals of a regression model, especially in time series data. The Durbin-Watson (DW) statistical value ranges from 0 to 4, where values approaching 2 indicate no autocorrelation, values below 2 indicate positive autocorrelation, and values above 2 indicate negative autocorrelation.

Table 4. Durbin-Watson Autocorrelation Test

Model	Value
R	0.364
R Square	0.132
Adjusted R Square	0.085
Std. Error of the Estimate	19.456
Durbin-Watson	1.796

Table 4 shows the Durbin-Watson (DW) value of 1.796, with the number of independent variables (k) of 5 and the number of samples (n) of 98. Referring to the Durbin-Watson upper limit (du) value of 1.7795, then because $DW (1.796) > du (1.7795)$ and $< 4 - du (2.2205)$, it can be concluded that there is no autocorrelation in this regression model. Thus, the assumption of residual independence is met, and the model is suitable for further analysis.

Test-*t* conducted to test the significance of the influence of each independent variable on the dependent variable partially in the regression model. In this context, the dependent variable is Audit Report Lag, and the independent variables include Audit Tenure, Solvency, Audit Committee, KAP Size, and Auditor Specialization.

Table 5. T-test

Model	Unst. Coef. B	Unst. Coef. Std. Error	Std. Coef. Beta	t	Sig.
(Constant)	96.696	8.326		11.614	0
Audit Tenure	-0.016	1.505	-0.002	-0.011	0.992
Solvabilitas	4.74E-06	0	0.039	0.37	0.712
Komite Audit	1.25	5.944	0.023	0.21	0.834
Ukuran KAP	-11.923	7.028	-0.272	-1.697	0.093
Spesialisasi Auditor	-4.535	6.516	-0.11	-0.696	0.488

The primary regression analysis, conducted using moderated regression, tested the effects of Audit Tenure and Auditor Specialization on ARL, with results detailed in Tables 5 and 6. Table 5, presenting the partial regression coefficients, showed that Audit Tenure had a coefficient of -0.016 with a significance value of 0.992, indicating no significant effect on ARL at the 0.050 level. This finding contradicts H1, which posited a negative effect, and may reflect the mitigating influence of Indonesia's regulatory oversight or internal controls, as suggested by Yastari and Nelvirita (2023). Auditor Specialization, with a coefficient of -4.535 and a significance value of 0.488, also failed to show a significant moderating effect, rejecting H2, possibly due to limited variation in specialization levels within the sample. The control variables Solvency (coefficient 0.000, Sig. 0.712), Audit Committee (coefficient 1.250, Sig. 0.834), and KAP Size (coefficient -11.923, Sig. 0.093)—likewise lacked individual significance, though KAP Size approached significance at the 0.100 level, hinting at a potential influence of firm size on audit efficiency.

The F test is used to test the significance of the regression model simultaneously, namely whether the independent variables together have a significant effect on the dependent variable.

Table 6. F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5311.997	5	1062.399	2.807	0.021b
Residual	34826.136	92	378.545		
Total	40138.133	97			

The overall model's performance was assessed through the F-test, as shown in Table 6, which reported an F-value of 2.807 with a significance value of 0.021, indicating that the model as a whole significantly explained ARL variability. This result, with an R-square of 0.132, suggests that approximately 13.200% of the variance in ARL is accounted for by the combined effects of Audit Tenure, Auditor Specialization, and the control variables. The significant F-test aligns with Baatwah et al. (2019), who found that industry-specific factors, such as operational complexity, contribute to ARL even when individual effects are not significant. This collective impact is particularly relevant in the Indonesian property sector, where regulatory pressures and diverse transactions shape audit timelines.

The implications of these results extend to the property sector's unique challenges, where high transaction volumes and regulatory deadlines under OJK rules complicate

audit processes. The lack of significant tenure effects may indicate that auditors adapt to client complexity over time, but this adaptation does not translate into measurable time savings, possibly due to increased scrutiny to maintain independence. Similarly, the non-significant moderation by Auditor Specialization could reflect a saturation of expertise within the sample, where even non-specialized auditors possess sufficient industry knowledge. The regression analysis provided mixed support for the hypotheses, with the model's simultaneous significance offering a broader perspective on ARL determinants. The descriptive statistics and diagnostic tests reinforced the data's reliability, while the regression outcomes highlighted the complex interplay of factors in the property sector.

DISCUSSION

The findings of this study, which investigated the impact of Audit Tenure and Auditor Specialization on ARL in Indonesia's property, real estate, and building construction sector, revealed no significant individual or moderating effects, challenging the initial hypotheses derived from agency and compliance theories. Audit Tenure, hypothesized to negatively affect ARL due to enhanced auditor familiarity (Habib et al., 2019), showed a significance value of 0.992, indicating no substantial influence, a result that contrasts with Garcia-Blandon et al. (2020), who found efficiency gains from longer tenure. This insignificance may stem from Indonesia's regulatory framework, particularly OJK Regulation No. 29/POJK.04/2016, which imposes strict oversight and rotation policies, potentially mitigating the benefits of prolonged engagements by ensuring auditor independence, as cautioned by Khan et al. (2024). The property sector's operational complexity, characterized by diverse transactions, might also demand consistent scrutiny regardless of tenure, overshadowing any efficiency gains.

The lack of a significant moderating effect from Auditor Specialization (Sig. = 0.488) further complicates the narrative, as it was expected to enhance the tenure-ARL relationship through industry-specific expertise (Singh et al., 2022). This finding diverges from Indreswari and Erinos (2023), who reported that specialized auditors reduce ARL by streamlining processes in long-term engagements, suggesting that in the Indonesian context, specialization may not always translate into time savings. One plausible explanation is the limited variation in specialization within the sample, where even non-specialized auditors possess adequate industry knowledge due to the sector's prominence, a point echoed by Kholik and Kuntadi (2024). Additionally, heightened scrutiny in complex industries, as noted by Yastari and Nelvirita (2023), could extend audit duration, aligning with compliance theory's emphasis on regulatory adherence, which may prioritize quality over speed under OJK's mandates.

The control variables (Solvency, Audit Committee, and KAP Size) also failed to exhibit significant individual effects, with KAP Size nearing significance at 0.093, hinting at a potential role of firm resources in audit efficiency. This aligns with Baatwah et al. (2019), who suggested that larger KAPs might allocate more resources, yet the lack of significance could reflect the sample's homogeneity in firm size or the overriding influence of regulatory constraints. The significant F-test (Sig. = 0.021), however, indicates that the model collectively explains ARL variability, supporting Mathuva et al. (2019) assertion that multiple factors, including operational complexity, jointly impact reporting timeliness. This collective effect underscores the interplay of agency and compliance theories, where audits serve to resolve information asymmetry while adhering to regulatory deadlines, particularly in a sector with intricate financial structures.

These findings suggest that in Indonesia's property sector, audit tenure and auditor specialization do not significantly impact ARL. This aligns with Khan et al. (2024), who highlight how rotation and controls can reduce independence risks, and Ton (2023), who notes standardization may offset specialization benefits. Firms and regulators should instead focus on improving audit committees and reporting efficiency.

Comparatively, the study's outcomes differ from global trends where tenure and specialization often reduce ARL (Habib et al., 2019; Singh et al., 2022), highlighting the unique regulatory and industry context of Indonesia. The significant model fit despite

individual insignificance suggests that unmodeled factors, such as financial statement complexity, might play a role, a gap identified by Rapley et al. (2021) in their analysis of audit timeliness. Future research should explore these variables using larger samples or advanced techniques like structural equation modeling, as recommended by Durand (2019), to refine our understanding of ARL determinants in this sector. This study enriches the literature by revealing the nuanced effects of audit characteristics in a regulated, complex market, offering valuable insights for policy and practice.

CONCLUSION

Audit Tenure and Auditor Specialization do not have a significant effect individually or as a moderation on Audit Report Lag (ARL) in property, real estate, and building construction sector companies in Indonesia during the period 2021–2023. This result contradicts the initial hypothesis based on agency and compliance theory, and differs from several international study findings that show audit efficiency increases with the length of the auditor-client relationship. The absence of a significant effect may be due to strict regulatory factors in Indonesia, especially the provisions on auditor rotation in OJK Regulation No. 29/POJK.04/2016, as well as the high operational complexity of the property sector. In addition, the failure of auditor specialization moderation is likely influenced by the homogeneity of auditor expertise levels in this industry. Control variables such as solvency, audit committee, and KAP size also do not show a significant effect partially, although KAP size approaches the significance level. However, the F-test results show that the overall model is significant, reflecting the simultaneous influence of all variables on ARL. This finding is important to look at the factors that determine audit reporting lag collectively. Therefore, companies and regulators are advised to pay more attention to the effectiveness of audit committees and the efficiency of financial reporting processes. Future research should expand the sample, include additional determinants, and use advanced methods such as structural equation modeling, to deepen the understanding of ARL in emerging markets. These directions promise to improve the theoretical framework and practical applications, to meet the needs of the dynamic Indonesian property sector in the years to come.

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