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Navigating Delays: Exploring Factors Influencing Audit Timeliness

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Abstract

This research explores factors influencing audit timeliness in the food and beverage manufacturing companies listed on the IDX from 2019 to 2023. The study population comprises 26 companies with complete and continuous financial reports during the research period. The analysis employs multiple linear regression to examine the impact of company size, profitability, solvency, and Public Accountant Reputationon audit report lag. Results reveal that company size does not significantly affect audit report lag, challenging previous studies. Profitability also shows no significant influence on audit timeliness, contradicting some research findings. In contrast, solvency has a positive and significant impact on audit report lag, indicating longer delays with higher debt-to-total-asset ratios. Moreover, a PAR positive reputation correlates with shorter audit report lag. Understanding these factors can help practitioners, auditors, and regulatory bodies comprehend the dynamics of audit timeliness in the food and beverage industry, facilitating more effective monitoring and decision-making. This research contributes to the literature by providing insights into the nuanced relationships between company characteristics and audit timeliness in a specific industry, offering a valuable perspective for academics and practitioners in auditing and financial management.

Keywords: *Audit Timeliness; Food and Beverage Industry; Company Size; Profitability; Solvency; Public Accountant Reputation*

Introduction

Providing information to assist external users in making decisions is one of the main objectives of corporate reporting (Jasim & Al-Ajmi, 2008). Nevertheless, this knowledge must be accessible immediately after the specified period ends; otherwise, it will decline in commercial value (Freeman, 2015; Xu et al., 2021). As a result, users of accounting information, regulatory bodies, and professional associations all recognize that report accuracy is an important aspect of financial accountants' data. The importance of appropriate timing in investor decision making has been considered in several studies, such as Anne (1984), Ball et al. (2000), Jongseon Choe (1998), Luk, (2000), Mohammed (2004), Shayesteh et al. (2021), suggest that time accuracy is a viable metric for assessing audit quality. In addition, prompt reporting is an important tool to reduce insider trading as well as leaks and rumors in emerging capital markets (Brandt, 2023; Owusu, 2000). Timely accuracy can also

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be seen as a means to reduce information asymmetry and minimize the potential for spreading rumors about a company's financial well-being and performance. Companies in Indonesia are obliged to routinely file financial reports, which are also regulated by Capital Market and Financial Institutions Supervisory Agency (CMFISA), as stated in the Financial Services Authority Regulation No. 29/POJK.04/2016 on annual reports of public companies just like other countries in regulation for the sake of mutual interest (Ika & Mohd Ghazali, 2012; Madawaki & Amran, 2013).

Audit Report Lag (ARL), which refers to the time delay in submitting audit reports, is a significant issue for corporations (Lajmi & Yab, 2022; Madawaki & Amran, 2013; Nelson & Shukeri, 2011). The interval between the completion of book close and the submission of a report by independent auditors, known as ARL, has a substantial influence on investor trust and market stability (Chalu, 2021; Durand, 2019; Nelson & Shukeri, 2011). Although Big Data is acknowledged to have a part in auditing (Alles & Gray, 2016), its implementation remains ambiguous. Studies indicate that a higher level of audit activity and association with the Big 4 accounting firms might lead to a decrease in delays in audit report issuance (Habib et al., 2019; Rahman & Saima, 2018; Saeed Rabea Baatwah, Zalailah Salleh, 2015). Despite the presence of legislation, companies encounter Anti-Retaliation Laws (ARL), necessitating a thorough comprehension of the factors that impact it.

Audit report lag refers to the time delay between the end of a company's financial reporting period and the issuance of the audit report by an independent auditor. The ARL serves as a crucial foundation for this study. Several variables are mentioned as having the potential to delay audit reports, including the size, revenue, solvency, & reputation of the business in the capital market (Nelson & Shukeri, 2011). Prior research has yielded varying findings, indicating that factors such as the size of a company, its profitability, or its solvency may influence the Average Collecting Period of Receipt ARL (Afify, 2009; Pasupati & Husain, 2022). Conversely, some have a contrasting perspective. No decrease in ARL was seen (Anne-Mie Reheul, 2013; Ezat, 2015; Kenneth, 1996; Stergios Leventis, 2005). Furthermore, the inconsistencies observed in the results of earlier studies call for more research and analysis of the aspects of public accountant reputation that are not publicly published (Habib et al., 2019; Ocak & Özden, 2018). has yielded conflicting findings about the influence of elements on ARL, including firm size, profitability, solvency, and PAR reputation (Bajary et al., 2023; Dhaifallah, 2016; Rahman & Saima, 2018)

These disparities promote additional investigation into the impact of these variables in food and beverages enterprises, to enhance comprehension of audit report dissemination. Public Accountants Credibility Nelson & Shukeri (2011) serves as the model for the theoretical structure of this study. The objective of the study is to examine the impact of Company Size, Profitability, Solvency, and PAR Reputation on Audit Report Lag. This research is anticipated to enhance the comprehension of reports from audits and foster additional knowledge advancement.

Literature Review and Hypotheses

Signaling Theory

In 1973, Spence presented the signaling hypothesis. This theory posits that a manager's behaviour serves as a guiding indicator for investors regarding the prospects of a company (Michael Spence, 1973). This signal can be characterized by the indication that the financial state of the company being portrayed is superior to that of other businesses (Baccelli et al., 2012; Brigham, E. F., & Joel, 2015). According to The males Suwardy et al. (2019:4), accountancy is a system that quantifies corporate actions, transforms data into financial reports, and conveys the outcomes to stakeholders (Craven & Marston, 2010). Regarding the COVID-19 pandemic, the data that became available in early March 2020 served as a cue for investors to carefully assess and make informed investment decisions to understand their portfolios. Teori sinyal menawarkan sebuah kerangka kerja untuk memahami bagaimana waktu dan ketepatan berperan dalam menyampaikan informasi kepada investor dalam setting audit report lag (Lajmi & Yab, 2022).

Agency Theory

According to Jensen (1976), agency theory describes the relationship that develops when decision-making authority is transferred between management (agent) and shareholders (principal). An information asymmetry that gives management the upper hand might lead to issues with agencies. Submitting financial reports promptly, as stated by Nolita Yeni Siregar (2019), can decrease information differences and enhance agent oversight. External auditors, hired by the main entity, have a significant impact on this matter by offering important feedback and affecting the content of the audit report's findings (Payne & Jensen, 2002). Managers need to understand the significance of the audit report's disclosure in anticipating financial distress situations (Nora, 2019).

Effect of Company Size on Audit Report Lag

The size of the company, as determined by its overall revenues and wealth, is a significant factor in audit report lag (Haziwan, 2009; Noel, 2000). Bigger organizations usually have a higher number of transactions, which can impact the complexity of audits and the time needed to complete them(Brant E. Christensen, 2018). Leaders of big companies are motivated to minimize the delay in audit reports since they are under scrutiny by investors and authorities. The findings Arifuddin et al. (2017), Pasupati & Husain (2022) indicate that the size of a corporation influences the delay in audit report submission.

H_1: Company size has a negative and significant effect on audit report lag.

Profitability Effect on Audit Report Lag

Audit report delayed is significantly impacted negatively by company profitability. Profitability, as indicated by Return on Assets (ROA), is an important element that affects audit delay (Pasupati & Husain, 2022). Businesses that are more profitable usually have quicker audit report delays, as profits data is seen as positive news that has to be shared promptly with the public. On the other hand, businesses with low profitability or facing losses could postpone releasing financial results to prevent unfavorable consequences. Company profitability level impacts the delay in audit report submission (Arifuddin et al., 2017).

H_2: Profitability has a negative and significant effect on audit report lag.

Effect of Solvency on Audit Report Lag

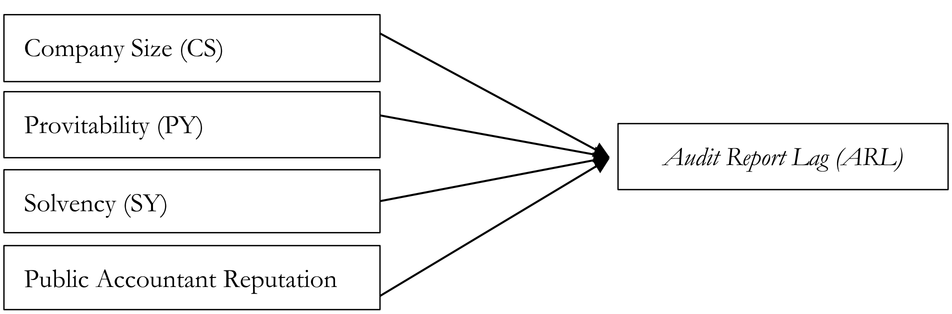
The degree of company solvency is a significant aspect that influences the duration of audit report delay. Strong solvency indicates elevated financial risk and financial challenges, which can lead to delays in preparing financial statements and auditing delays (Mark & Robert, 1995). The debt to total asset ratio is a measure of solvency that shows how much of a company's debt can be paid off using its assets (Langford, 1993; Liang et al., 2016; Taffler, 1983). Businesses with elevated ratios often encounter financial risks and challenges, which may lead them to postpone the release of financial reports (Arghyrou & Luintel, 2007; Prasetyo & Rohman, 2022). On the other hand, low ratios suggest a good financial condition, prompting corporations to release their financial results promptly. The study Zakaria et al. (2021), suggests that solvency affects the time it takes to provide an audit report.

H_3: Solvency has a positive and significant effect on Audit Report Lag

The Effect of Public Accounting Firm Size on Audit Report Lag

Public Accountant Reputation (PAR) is an accounting firm for the public that works in the field of public accounting and is authorized by law (Adewale, 2019; Muñoz et al., 2020). Well-known public accountants can focus on different services, and their involvement is crucial in enhancing the trustworthiness of financial statements (Bajary et al., 2023; Pasupati & Husain, 2022). The Big Four, which are the four main accounting firms, are widely recognized for managing most company audits. Businesses that utilize Public accounting professional Reputation (PAR) services from reputable firms typically have a reduced audit delay. Selecting Public Accountants (PAR) with a strong reputation might help reduce delays in financial statement presentation, as research findings Dhaifallah (2016) indicate that PAR reputation affects Audit Report Lag. The analysis's findings Arifuddin et al. (2017) Hassan (2016) indicate that the board of commissioners' size affects how long audit reports take to complete. H_4: Public Accounting Firm Reputation has a negative and significant effect on Audit Report Lag.

Figure 1. Framework of Thought



Research Method

Study Population and Sample

This study work seeks to examine the influence of Company Size, Profitability (PY), Solvency (SS), and Public Accountants Reputation (PAR) processes on ARL. In the subsequent part, a sample is presented, variables are defined, and the estimation approach is explained.

Sample Selection

The study's sample consisted of 26 manufacturing companies in the food & beverage industry that were listed on the IDX between 2019 and 2022. The sample is determined by taking into account the following criteria:

Table 1. Criteria for Sample Analysis

Criteria for Research Samples	Total amount
Food and Beverages companies on IDX, financial report 2019-2022, complete and continuous research.	26
Food and Beverages companies on IDX, audited financial and annual reports, research period, and in Rupiah.	26
Other factors required for this study are included in the report along with information and data that may be used in research.	26
The sample size of companies	26
Total Sample (26 x 4 years)	104

Source: Author's Information

Operational Definition of Variable

Report Lag on Audits (Y); The term "audit report lag" is used as a measure of the delay in the completion of an audit or the timeliness of the audit process (Ezat, 2015; Pasupati & Husain, 2022). Audit report lag, according to Robert & Ashton (1987), is determined by calculating the interval between the audit report date and the end of a company's fiscal year (Ocak & Ozden, 2018). The audit report lag, as defined Silalahi & Malau (2020), can be determined using the formula: Audit Report Lag = Audit Report Date - Financial Report Date (Elani et al., 2021).

Company Size (X1); The indicators used to determine employer tenure, as outlined Elani et al. (2021) Rejeki & Apriyanti (2021), include company size, which is calculated as the natural logarithm of the total asset value.

Profitability (X2;) Profitability is a proxy used to measure the effectiveness of general management operations in generating profits with the availability of company assets (Brigham & Joel, 2015).

Solvency (X3); The Debt to Asset Ratio (DAR) is a metric used to assess the extent to which a company's assets are financed by debt, or how the company's debt affects its ability to manage its assets (Elani et al., 2021).

Public Accountant Reputation (X4); The size of an accounting firm that is publicly traded, also known as KAP (kantor akuntan publik), is utilized as a proxy in determining the criteria for different types of audits in the Big Four, as stated by (Ezat, 2015). The proxy is determined by assessing the PAF category of the Big Four, and assigning a value of "0" if it does not belong to the Big Four (DeAngelo, 1981; Ezat, 2015; Ocak & Özden, 2018).

Table 1. Variable Measurement Basis

Variables	Reference Source	Measurement
Audit Report Lag (ARL)	(Ezat, 2015; Pasupati & Husain, 2022; J. J. W. Robert H. Ashton, 1987)	audit duration or timeliness
Company Size (CS)	(Freeman, 2015; Nguyen et al., 2022)	$\text{C Size} = Ln\ (Total\ Asset)$
Provitability (PY)	(Brigham, E. F., & Joel, 2015; Nguyen et al., 2022; Pasupati & Husain, 2022)	$ROA \frac{Net\ Income}{Total\ Asets} x100\%$
Solvency (SY)	(Elani et al., 2021)	$DAR = \frac{Total\ Debt}{Total\ Debt}$
Public Accountant Reputation (PAR)	(DeAngelo, 1981; Ezat, 2015; Ocak & Özden, 2018)	BIG 4, Dummy 1/0

Source: Author's Information

Data Analysis Method

Data analysis in this study was conducted using SPSS version 26. Descriptive statistical analysis is employed to present a comprehensive summary of the data, encompassing measures such as mean, variance, maximum, lowest, total, average, range, kurtosis, & skewness. To make sure that the collected data were true to the population, traditional assumption tests were carried out. The link between the dependent variable (audit report lag) and the independent variables (business size, profitability, solvency, & PAR) is examined using multiple linear regression analysis. The F statistical test is employed to evaluate the collective significance of all of the independent variables, whereas the value of the coefficient of prediction is utilized to quantify the model's capacity to elucidate changes in the dependent variable. To determine the significance of each independent variable's impact on the dependent variable, the t-test is used. The determination of decision-making criteria is based on the value of significance.

The research multiple linear regression model is formulated with the following equation:

$$Y = \alpha + \beta 1\ SIZE + \beta 2\ PROF + \beta 3\ SOLV + \beta 4\ RPUBLIC\ ACCOUNTANT\ REPUTATION + € \quad (1)$$

Keterangan:

Y = iAudit Report Lag
α = iKonstanta
β i = iCoefficient of regression i
SIZE = Company Size
PROF = iProfitability
SOLV = iSolvabilitas
PAR = Public Accountant's Reputation
€ = iError

Result and Discussion

Descriptive Analysis

Least, highest, mean, & standard deviations are among the variables that are included in descriptive testing: company size, revenue, solvency, PAR size, & audit report lag. The findings are recorded in the form of a table.

Table 3. Descriptive Statistical Analysis Test Results

Var	N	Minimum	Maximum	Mean	Std. Deviation
SIZE	104	22.64	32.83	28.4211	1.78142
ROA	104	-1.37	8.30	.1351	.82767
DTA	104	.07	8.21	.5334	.81814
PAR	104	.00	1.00	.2692	.44561
LAG	104	55.00	178.00	97.6154	26.10300
Valid N (listwise)	104				

Source: Author's Information

Analysis of Multiple Linear Regression

When it is believed that multiple independent variables will have an impact on a single dependent variable, regression analysis is the analytical method utilized. The outcomes of the multiple linear regression study can be located in the following manner:

Table 4. Multiple Linear Regression Analysis Results

Model	B	Std. Error	Beta	t	Sig.
(Constant)	5.022	.419		11.982	.000
SIZE	-.017	.015	-.115	-1.140	.257
ROA	-.100	.055	-.320	-1.837	.069
DTA	.142	.056	.446	2.518	.013
PAR	-.221	.056	-.378	-3.928	.000

Source: Author's Information

$$ROA = 5{,}022 - 0{,}017_{SIZE} - 0{,}100_{ROA} + 0{,}142_{DTA} - 0{,}221_{REPUTASI} + €$$

Interpretation of Research Results

Effect of Company Size (CZ) on Audit Report Lag (ARL)

The hypothesis test findings show that the size of the coefficient is 0.017, pointing in the opposite direction, and has a significance level of 0.257, meaning it is higher than 0.05. Based on the data from the food and beverage manufacturing businesses listed on the IDX between 2019 and 2022, it can be concluded that the hypothesis suggesting a negative and significant impact of company size on audit report latency is not supported. Therefore, hypothesis 1 is **rejected**.

The findings of this study suggest that the size of a corporation does not have a shown impact on the delay in issuing audit reports. Consequently, the reporting period range is not contingent upon the size of the organization. Public companies are subject to oversight from regulators, shareholders, and other interested parties. As a result, these companies are obligated to undergo a financial statement audit and submit their financial reports promptly. This requirement applies to companies of all sizes. The degree of audit time precision is inversely related to the overall size of the company (Alkhatib & Marji, 2012).

According to signalling theory, a signal is an action made by the management of the company, who are better informed than investors about the internal and external prospects of the business. Signalling theory refers to the strategic actions undertaken by company management to convey valuable information to investors regarding their assessment of the firm's prospects. Hence, it is the responsibility of a manager to communicate the state of the organization to stakeholders. These findings align with research that combine deterministic and voluntaristic viewpoints to analyze the causes of organizational failure. Audit reports highlight both external and internal elements, which help evaluate failure (Nora, 2019). Based on the previously given assumptions regarding the positive correlation between firm performance and the probability of having a clean report, it may be inferred that companies with higher worldwide utility are more likely to obtain a clean audit report (Spathis et al., 2003). An analysis of the features of individual firms demonstrates that as the complexity of a firm increases, the time it takes to issue an audit report also increases. Conversely, higher levels of profitability lead to a reduction in audit report lag (Habib et al., 2019).

Studies indicate that organizations with a significant number of subsidiaries and companies that have lower financial performance tend to have lengthier reporting delays (Mohamed A.K. Basuony, 2016; Rusmin, 2017). Empirical evidence suggests that there is a positive correlation between the size of an organization and the probability of receiving an amended audit report (Mikko Paananen, 2016; Pasupati & Husain, 2022; Rahmatika, 2021). Nguyen et al. (2022) found that firm size positively influences the time of annual report disclosure, despite differing opinions. According to a study conducted by Na & Hipertensiva, (2003), various factors such as the organization's size, structure, and maturity, as well as the perceived requirement for international accounting software features, were taken into consideration.

Effect of Proftability (PY) on Audit Report Lag (ARL)

The hypothesis test findings show that the profitability coefficient is 0.100 in the opposite direction and has a significant value of 0.069 which is higher than 0.05. This indicates that, in food and beverage industry manufacturing companies listed on the IDX in 2019-2022, profitability has a considerable negative effect on audit report latency. As a result, hypothesis 2 is ***rejected***.

The findings indicated that the level of profitability did not have a statistically significant impact on the duration of the audit report. The magnitude of the company's earnings does not dictate the extent of the financial reporting period. This is because organizations that generate substantial or modest profits seek to expedite the audit process. Various stakeholders require companies to submit audited financial reports in a timely manner. Companies that are highly or poorly profitable are required to promptly release their financial reports. Big Four auditors typically take a more cautious approach when auditing businesses that could file for bankruptcy in order to control the comparatively high risk for litigation and reduce losses from harm to their reputation. Hence, it is foreseeable that Big Four audits will exhibit greater efficacy in curbing earnings manipulation before bankruptcy compared to non-Big 4 auditors (Oh & Jeon, 2022). The extent of profit manipulation varies according to whether the auditor's firm is from one of the four largest auditing firms, known as the Big Four. Consequently, the association between sustainability oversight and the delay in issuing audit reports may exhibit dissimilar patterns.

According to signaling theory, a signal refers to an action done by firm management who possess more comprehensive and precise information about the company's internal operations and future prospects compared to investors. Signaling theory refers to the strategic actions undertaken by company management to convey valuable information to investors regarding their assessment of the firm's future prospects. Hence, it is the responsibility of a manager to communicate the state of the organization to stakeholders (Habib et al., 2019).

The presence of significant earnings smoothing amplifies the effect of low profits volatility on the lengthening of audit report latency, as stated by (David B. Bryan, 2020). On the other hand, research findings Baldacchino (2016) support the notion that ARL is shorter in large firms, in financial services organizations, when profit margins are favorable, and in sizable public accounting firms (Nguyen et al., 2022). found a negative correlation between the type of audit company and earnings after interest and taxes. Certain disparities may be irreconcilable and could originate from variations in selection standards or systemic dissimilarities (Durand, 2019). Various perspectives have indicated that the elements influencing the promptness of annual reporting include the size of the organization, its revenue, and external pressures (Jasim Al-Ajmi, 2008).

Effect of Solvency (SY) on Audit Report Lag (ARL)

The hypothesis testing findings show that the solvency coefficient is 0.142, indicating a positive direction. The significance value is 0.013, smaller than the 0.05 threshold. These findings indicate that the financial stability of food and beverage industry manufacturing companies listed on the IDX during the 2019-2022 period has a ***significant*** and positive influence on the delay in issuing audit reports.

The findings demonstrated that solvency had a significant impact on the delay in issuing audit reports. Consequently, an increase in the company's debt will result in a corresponding increase in the duration of the audit report lag. Put simply, a higher level of solvency leads to a wider variety of audit delays. The reason for this is that the company's financial issues are indicated by the high level of solvency, which implies significant financial risk. This, in turn, causes a protracted delay in the audit and slows down the publication of financial statements. Companies with precarious financial conditions often engage in mismanagement and fraudulent activities. A high debt-to-total-asset ratio figure suggests that the company bears a significant level of risk, and because businesses typically don't want to expose this to the public, this can cause an audit report to be delayed. On the other hand, a low ratio of debt to amount to asset value suggests that the business is doing well financially, and businesses typically wish to make this known to the public to minimize audit report latency (Na & Hipertensiva, 2003). Audit timeliness has been found to be adversely connected with the service sector profitability ratio, the type of audit firm, & the size of the organization (Alkhatib & Marji, 2012).

Based on the idea of signalling, a signal is defined as an action made by the management of the company, who are better informed than investors about the internal and external prospects of the corporation. Signalling theory refers to the strategic actions undertaken by company management to convey valuable information to investors regarding their assessment of the firm's prospects. Hence, it is the responsibility of a manager to communicate the state of the organization to stakeholders (Rahmatika, 2021). According to the researcher, potential solvency difficulties suggest the presence of unfavorable news, such as customer litigation, that contradicts current research and developments (Spathis et al., 2003).

According to research, there is a negative correlation between audit report lag and earnings volatility (David B. Bryan, 2020). The ARL was shown to be dependent on users' subjective evaluations of the pertinence and utility of financial statements. This study not only verifies the connection between ARL and the primary elements indicated, but it also emphasizes the necessity of collaboration between public accounting companies and client corporations to decrease ARL (Peter J. Baldacchino, 2016). The variables mentioned in the study conducted by Na & Hipertensiva, (2003) have a limited explanatory power in accounting for the variability in audit delay.

Contrary to previous research findings Elani et al. (2021), the size of an organization's obligations does not determine the time it takes to complete the examination of budget summaries. Even if an organization has a significant commitment to a bank, it does not necessarily mean that organizations with larger obligations are obligated to complete the budget report review quickly (Dhaifallah, 2016).

The Effect of Public Accountant Reputation on Audit Report Lag

The results of hypothesis testing revealed that the coefficient of Public Accountant Reputation (PAR) eputation is -0.221, indicating a negative direction. The significance value of 0.000, which is less than 0.05, suggests that Public Accountant Reputation (PAR) has a significant and negative impact on audit report lag in the food and beverage manufacturing companies listed on the IDX from 2019 to 2022. Therefore, hypothesis 4 is **accepted**.

The findings demonstrated that the reputation of PAR had a discernible impact on the delay in issuing audit reports. Consequently, a positive reputation of the PAR collaborating with the company leads to a reduced audit report lag, resulting in timely submission. A Public Accounting Firm is a type of accounting company that is licensed to provide expert assistance in public accounting practice, in compliance with relevant rules and regulations. A sufficiently sized public accounting company can be categorized based on the services it offers. In order to enhance the reliability of the financial statement presentation, the company engages the services of a renowned public accounting firm, sometimes referred to as the "big four." These four prominent accounting firms are responsible for conducting the majority of audits for various corporations. A credit rating agency with a strong reputation is likely to see a reduced delay in the issuance of audit reports (Rahmatika, 2021).

According to signaling theory, a signal refers to an activity carried out by corporate management who possess more comprehensive and accurate data about the company's internal operations and future potential than investors. Signaling theory refers to the strategic actions undertaken by company management to convey valuable information to investors regarding their assessment of the firm's future prospects. Hence, it is the responsibility of a manager to communicate the state of the organization to stakeholders (Habib et al., 2019).

According to research results (Mai Dao, 2014), companies can reduce these adverse consequences by hiring auditors who specialize in the industry. In addition, the timeliness of audit reports was found to be faster for companies in the low-profile industry sector and owned by family members (Dhaifallah, 2016; Mohamed, 2016; Rusmin, 2017). However, it is not in line with the results (Habib et al., 2019), found that audit committee ownership increases audit report lag. According to the results of (Anne Mie Reheul, 2013), the study did not see a decrease in ARL in the two years following the introduction of new legal obligations.

Conclusion

The study's findings support the notion that the size of the business has little bearing on how long audit reports take to complete. In a similar vein, the company's profitability and solvency have no bearing on how long the audit report takes to complete. On the other hand, the audit report delay is significantly and adversely affected by the Public Accounting Firm's (PAF) reputation. This finding indicates that having a respected PAF involved can decrease the time taken for audit reports and promote the prompt submission of reports. This information offers useful perspectives for professionals and authorities in improving the audit process's effectiveness. Moreover, signalling theory is significant in comprehending how firm management behaves in providing essential information to investors on the company's future outlook. Thus, firm leadership must communicate well with stakeholders to maintain openness and confidence in the market.

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