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Audit Committee Characteristics, Board Size, and Audit Report Lag: The Role of Ownership Concentration

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ABSTRACT

Timely audited financial statements are essential for market discipline, yet Indonesian property and real-estate firms still show substantial variation in audit completion time. Using ownership concentration as a moderator variable, this study investigates at how audit report lag is affected by the frequency of audit committee meetings, audit committee expertise, and board size. Property and real estate firms listed between 2020 and 2024 on the Indonesia Stock Exchange (IDX) are the subject of the study. Secondary data was gathered from audited annual financial statements and annual reports using a quantitative method. 305 observations from 61 businesses chosen by purposive sampling. Panel data regression and Moderated Regression Analysis (MRA) using EViews 12 were used to analyze the data. The results show that while audit committee expertise and board size have a significant positive impact on audit report lag, the number of audit committee meetings has a negative but insignificant effect. Additionally, the association between audit committee expertise and audit report lag, as well as the frequency of audit committee meetings, is strengthened by ownership concentration. On the other hand, the association between the size of the board size and audit report lag is weakened by ownership concentration. These results emphasize how crucial ownership concentration is in determining how well corporate governance systems work to increase audit timeliness.

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INTRODUCTION

Audited financial statements retain decision usefulness only when they reach investors, creditors, regulators, and other stakeholders while the information remains relevant. A long audit report lag increases uncertainty, weakens the ability of users to evaluate current conditions, and may signal deficiencies in internal reporting readiness or coordination with the external auditor (Hendi and Sitorus 2023; Irmalis et al. 2021). Timeliness is therefore not merely an administrative deadline. It is part of financial reporting quality and a visible expression of accountability, transparency, and managerial credibility (Oh and Jeon 2022; Safitri et al. 2023).

The issue is especially important in Indonesia because Financial Services Authority Regulation No. 14/POJK.04/2022 requires listed entities to submit audited annual financial statements no later than three months after the end of the financial year. Compliance has improved among property and real estate issuers: the number of firms reporting on time increased from 52 of 78 issuers in 2020 to 79 of 93 issuers in 2024. Nevertheless, the present sample records an average audit report lag of 100.45 days, a minimum of 41 days, and a maximum of 388 days. Thus, aggregate improvement coexists with economically meaningful firm level dispersion and a sample mean above the 90-day benchmark. This apparent contradiction creates a practical need to understand why some firms complete audits efficiently while others require substantially more time.

Property and real estate companies provide a demanding setting for this question. Their financial statements commonly involve long term projects, progress based revenue recognition, large land and building balances, investment property valuation, cost capitalization, impairment judgments, and material accounting estimates. These features increase the volume of evidence and professional judgment required before the auditor can sign the report. During 2020-2024, the sector also moved from pandemic related disruption into economic recovery, requiring firms and auditors to adapt governance, reporting, and verification processes under changing operating conditions. Audit timeliness in this setting is therefore likely to depend not only on auditor characteristics but also on whether internal governance mechanisms are able to resolve complex reporting issues promptly.

The audit committee and board of commissioners are central to that internal governance process. Frequent audit committee meetings can facilitate early identification of reporting problems, timely discussion of audit findings, and coordination among management, internal audit, and the external auditor. Financial or accounting expertise may improve the committee's ability to understand technical issues and challenge management. A larger board may supply broader knowledge and monitoring capacity. However, stronger governance can also increase review depth, require additional evidence, and create coordination costs. Empirical studies accordingly report negative, positive, and insignificant relationships between these mechanisms and audit report lag (Alhawamdeh et al. 2024; Jesni and Yopie 2023; Merter and Özer 2024; Raweh et al. 2019; Waris and Haji Din 2023).

Ownership concentration may explain part of this inconsistency. A dominant shareholder has both the incentive and the ability to monitor management, demand timely resolution of audit issues, and press governance bodies to act on their recommendations. Concentrated ownership can therefore convert formal governance attributes into substantive oversight. At the same time, controlling shareholders may demand more intensive verification to protect a large economic stake, which can lengthen the review of judgment-intensive transactions. Prior moderation evidence is still limited and context dependent. Ishaka et al. (2023) examined audit committee characteristics and ownership concentration in Nigerian consumer-goods firms, while (Sulimany, 2024) focused on institutional ownership in Saudi Arabia. These findings cannot be assumed to transfer directly to Indonesia's two-tier board system and to an asset-intensive property sector.

Because prior research has mostly concentrated on the direct effects of governance mechanisms, there is still little empirical evidence regarding the moderating role of ownership concentration in the relationship between corporate governance mechanisms and audit report lag, particularly in Indonesian listed companies. This disparity suggests that, particularly in the property and real estate industry, which is known for its high audit complexity, more research is necessary to determine whether ownership concentration increases or decreases the impact of audit committee meeting frequency, audit committee financial expertise, and board size on audit report lag. Accordingly, this study integrates these corporate governance mechanisms with ownership concentration into a single research framework to provide a more comprehensive explanation of audit report lag. This study intends to investigate the direct effects of audit committee meeting frequency, audit committee financial expertise, and board size on audit report lag, as well as the moderating role of ownership concentration, on Indonesian property and real estate companies listed on the Indonesia Stock Exchange between 2020 and 2024. By offering empirical data from a developing market and practical advice for regulators, businesses, auditors, and investors to improve governance procedures and expedite audited financial reporting, the findings are anticipated to enhance the body of knowledge on corporate governance.

LITERATURE REVIEW

Signaling Theory

According to Spence's (1973) signaling theory, in order to lessen information asymmetry, management, as the party with more knowledge about the company's internal conditions, tries to convey reliable signals to external parties like creditors, investors, and regulators. When it comes to financial reporting, the timely submission of audited financial statements is a good indicator of the company's credibility, transparency, and governance. Delays in delivering audit reports can lead to unfavorable opinions about the company's financial situation and the efficacy of its internal controls, therefore audit report lag represents a company's capacity to deliver pertinent and trustworthy information (Lestari et al., 2024). On the other hand, timely publication of audit findings can boost investor trust by showcasing the organization's dedication to information accountability and openness. This is consistent with Wijayanto et al. (2023), who claim that timely reporting is essential to minimizing information asymmetry between management and stakeholders since accounting information can operate as a signal for the market in evaluating a company's actual condition and value.

Audit Committee Meeting and Audit Report Lag

One measure of how closely the audit committee monitors the financial reporting process and the audit's completion is the frequency of audit committee meetings. OJK Regulation No. 55/POJK.04/2015 states that the audit committee must convene on a regular basis to make sure that its oversight duty is carried out efficiently. According to signaling theory, a high meeting frequency shows the company's dedication to openness and good corporate governance since it allows the audit committee to keep an eye on the audit procedure, assess the auditors' conclusions, and quickly resolve any problems that might delay financial reporting.

According to several studies Aladwey and Elgharbawy, (2021); Lawal and Ayagi, (2025); Merter and Özer, (2024) more oversight activity may boost up coordination between the audit committee, management, and external auditors, which has a negative impact on audit report lag. According to some research, however, audit report lag is not significantly impacted by the frequency of audit committee meetings (Alhawamdeh et al. 2024; Almuzaiqer et al. (2018). Based on theoretical viewpoints and these contradictory empirical results, this study puts forth the hypothesis that the oversight function is more successful at speeding up the audit's completion when audit committee meetings occur more frequently, which has a detrimental impact on audit report lag.

H1: Audit Committee Meeting has a negative and significant effect on Audit Report Lag

Audit Committee Expertise and Audit Report Lag

The effectiveness of control over the financial reporting process is supported by the audit committee's expertise, which reflects the members' proficiency in accounting, finance, and auditing. According to OJK Regulation No. 55/POJK.04/2015, at least one member of the audit committee must have experience in finance or accounting. According to signaling theory, having capable audit committee members is an indication of good corporate governance and transparency. The audit committee can better coordinate with external auditors, comprehend audit difficulties, and complete the audit process more quickly because to this competency.

Previous research has yielded mixed results regarding the impact of audit committee expertise on audit report lag. Afenya et al. (2022); Alshammari (2024); Maranjory and Kouchaki (2022); Ovbiebo (2021); Sobhan et al. (2025) found that audit committee expertise has a negative effect on audit report lag, whereas Almuzaiqer et al. (2018); Putri and Setiany (2023); Raweh et al. (2021) reported non-significant results. Based on the theoretical framework and the inconsistent results, this study puts forth the hypothesis that audit report lag is negatively impacted by audit committee expertise, yet an increase in audit committee competence can expedite the audit's completion.

H2: Audit Committee Expertise has a negative and significant effect on Audit Report Lag

Boar Size and Audit Report Lag

The size of the board of commissioners is one of the corporate governance mechanisms that plays a role in overseeing management and ensuring the quality of financial reporting. A board with a larger number of members has stronger oversight capacity through the diversity of expertise and perspectives, thereby enhancing coordination with external auditors and expediting the completion of audits. However, a board that is too large also has the potential to create coordination barriers and slow down decision-making. From a signaling theory perspective, an appropriate board size reflects the company’s commitment to effective corporate governance and transparency in financial reporting.

Previous research has yielded inconsistent results. Abdulkarim et al. (2023); Alhadadi (2024); Almutawa and Suwaidan (2022); Lawal and Tahir (2024); Oluwatoyin et al. (2025) discovered that audit report lag is negatively impacted by board size since more effective oversight can increase audit process efficiency. Conversely, Rahmansyah et al. (2021); Rizki et al. (2020); Waris and Haji Din (2023) emonstrated that board size has no impact on audit report latency. This study puts forth the hypothesis that the size of the board of commissioners has a negative impact on audit report lag based on the theory and the inconsistent findings. This is because an increase in the board's oversight capacity could speed up the audit's completion and improve the timeliness of financial.

H3: Board Size has a negative and significant effect on Audit Report Lag

The Moderating Role of Ownership Concentration

Ownership concentration acts as a moderating variable because the ownership structure determines the strength of shareholder monitoring over the effectiveness of corporate governance mechanisms. Since information delays can affect their reputation and the value of their investments, majority shareholders are more motivated to guarantee the quality of financial reporting and minimize audit report lag. Thus, ownership concentration can strengthen the role of governance mechanisms like audit committees and boards size in enhancing the effectiveness of the audit process.

Regarding the relationship between meeting frequency and the audit committee’s expertise on audit report lag, the presence of a controlling shareholder can enhance oversight effectiveness by encouraging more intensive and higher-quality audit committee activities. Regular audit committee meetings and adequate member competence are more likely to result in effective oversight when supported by strong monitoring from the majority shareholder. In line with the signaling theory perspective, the combination of ownership concentration and audit committee effectiveness sends a positive signal regarding the commitment of the company to transparency and the credibility of its financial statements. Ishaka et al. (2023) show that ownership concentration strengthens The link between audit committee procedures and audit report lag, while Sulimany, (2024) finds that a strong ownership structure enhances corporate oversight effectiveness.

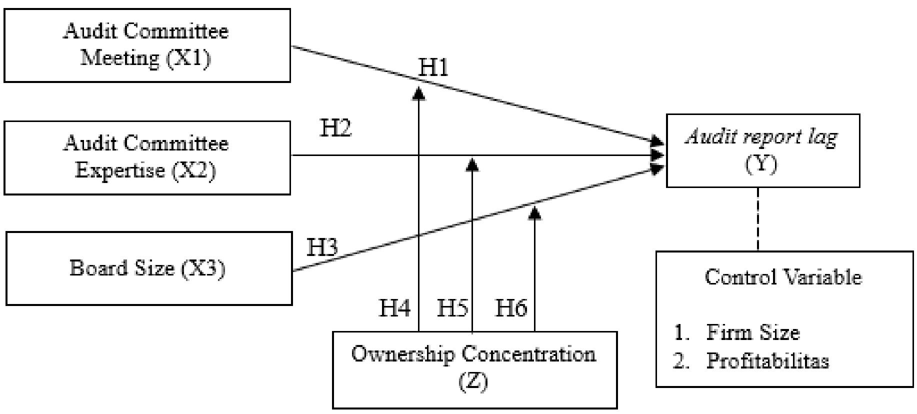
In addition, ownership concentration also has the potential to strengthen board size's impact on audit report lag. Majority shareholders can encourage the board of commissioners to perform its oversight function more effectively, so that a board of adequate size can improve coordination, accelerate decision-making, and support more efficient audit completion. However, the effectiveness of this moderating effect depends on the dominant shareholder's ability to perform monitoring functions without compromising corporate governance independence. Therefore, ownership concentration is used as a moderating variable to explain how the strength of shareholder oversight can reinforce or alter the influence of corporate governance mechanisms on audit report lag.

H4: Ownership concentration moderates the impact of audit committee meeting on audit report lag.

H5: Ownership concentration moderates the impact of audit committee expertise on audit report lag.

H6: Ownership concentration moderates the impact of board size on audit report lag.

Conceptual Framework



Picture 1. Conceptual Framework

METHODOLOGY

Using ownership concentration as a moderating variable, this study uses a quantitative technique to investigate the impact of audit committee characteristics and board size on audit report lag. Property and real estate businesses registered on the Indonesia Stock Exchange (IDX) between 2020 and 2024 make up the population. Purposive sampling was used to choose the sample based on pre-established criteria, yielding 61 organizations with 305 observations. This study makes use of secondary data from annual reports and audited financial statements that are posted on businesses' official websites and the IDX. Descriptive statistics, model selection tests (Chow, Hausman, and Lagrange Multiplier tests), classical assumption tests, hypothesis testing, and Moderated Regression Analysis (MRA) are all performed using the EViews 12 software.

The number of days between the fiscal year-end date and the audit report issue date serves as the study's dependent variable, or audit report lag (Endri et al., 2023). The frequency of audit committee meetings measured by the total number of meetings held over the course of a year (Lawal & Ayagi, 2025); audit committee expertise measured the proportion of audit committee members with accounting or financial backgrounds to the total number of audit committee members (Widjaja & Feliana, 2022); and board size, measured by the total number of board members (Widjaja & Feliana, 2022), are the independent variables. Ownership concentration is employed as the moderating variable and measured by the percentage of shares held by major shareholders (≥5%) (Irene & Tjahjono, 2024). Additionally, firm size and profitability are added as control variables to reduce the impact of outside variables that could affect audit report lag and to produce estimation findings that are more accurate. Firm Size measured by the natural logarithm of total assets (Lawal & Ayagi, 2025), and Profitability measured return on assets (ROA), calculated as net income after tax divided by total assets (Aifuwa et al., 2020). The regression model equation applied in this research is as follows:

Model 1: ARL = α + ß1ACM + ß2ACEXP + ß3BS+ ß4OWNCON + ß5FS + ß6PROF + e

Model 2: ARL = α + ß1ACM + ß2ACEXP + ß3BS + ß4OWNCON + ß5ACM*OWNCON + ß6ACEXP*OWNCON + ß7BS*OWNCON+ ß8FS + ß10PROF + e

Description:

α	: Constant
ß	: Regression Coefficient
e	: Error
ARL	: Audit Report Lag
ACM	: Audit Committee Meeting
ACEXP	: Audit Committee Expertise
BS	: Board Size
OWNCON	: Ownership Concentration
FS	: Firm Size
PROF	: Profitability

RESULT

Descriptive Statistics

The general features of the study data are described using descriptive statistical analysis. The minimum, maximum, mean, and standard deviation of each variable examined are given in this analysis. The following table displays the findings of the study's descriptive statistical analysis:

Table 1. Descriptive Statistics Result

	ARL	ACM	ACEXP	BS	OWNCON	FS	PROF
Mean	100.4525	4.950820	0.625956	3.616393	0.698222	28.59640	0.007558
Maximum	388.0000	17.00000	1.000000	16.00000	0.977500	31.96206	0.428333
Minimum	41.00000	0.000000	0.333333	2.000000	0.000000	24.62268	-0.422911
Std. Dev.	38.74102	2.158416	0.222860	2.110530	0.175130	1.700529	0.071486
Observations	305	305	305	305	305	305	305

Source: Researcher's computation via Eviews12 (2026)

Based on Table 3, this study consists of 305 observations. The audit report lag has an average value of 100.4525 days with a standard deviation of 38.7410, indicating that the sampled companies require approximately 100 days on average to complete the audit process. The audit committee meeting has an average value of 4.9508 meetings per year, indicating that audit committees generally conduct meetings in accordance with the minimum requirement of four meetings annually. The audit committee expertise has an average proportion of 0.6259, indicating that most audit committees have members with accounting or financial expertise. The board size has an average value of 3.6164 members, suggesting that the sampled companies generally have around three to four commissioners to perform monitoring and supervisory functions. Ownership concentration has an average value of 0.6982, indicating that the ownership structure of sampled companies tends to be relatively concentrated. Meanwhile, firm size (FS) has an average value of 28.5964 and profitability (PROF) has an average value of 0.0076, suggesting that the sampled companies have relatively large asset sizes but relatively low profitability during the observation period.

Model Selection

The Chow, Hausman, and Lagrange multiplier tests were used to choose the panel data regression model. The Common Effects Model (CEM) and the Fixed Effects Model (FEM) were selected using the Chow test, the Fixed Effects Model (FEM) and the Random Effects Model (REM) were selected using the Hausman test, and the Random Effects Model (REM) and the Common Effects Model (CEM) were selected using the Lagrange Multiplier test.

Table 2. Model Selection Result

Model Selection Test	Cross Section	Results
Chow Test	Prob. 0,0000 < 0,05	FEM
Hausman Test	Prob. 0,0024 < 0,05	FEM
Lagrange Multiplier Test	It was not performed because the Hausman test yielded results consistent with a fixed-effects model.	

Source: Researcher's computation via Eviews12 (2026)

Based on the table above, the Fixed Effects Model (FEM) is the best model to employ in this investigation.

Classical Assumption

The testing of classical assumptions in this study focused on tests for multicollinearity and heteroscedasticity.

Multicolinearity Test

A multicollinearity test is utilized in a regression model to assess the degree of correlation between the independent variables.

Table 3. Multicolinearity Test Result

	ACM	**ACEXP**	**BS**	**OWNCON**	**FS**	**PROF**
ACM	1.000000	0.134303	0.177239	-0.175184	0.415748	0.045210
ACEXP	0.134303	1.000000	0.114260	-0.054036	-0.049330	-0.060391
BS	0.177239	0.114260	1.000000	-0.082606	0.537144	0.190366
OWNCON	-0.175184	-0.054036	-0.082606	1.000000	-0.101271	0.051118
FS	0.415748	-0.049330	0.537144	-0.101271	1.000000	0.207975
PROF	0.045210	-0.060391	0.190366	0.051118	0.207975	1.000000

Source: Researcher's computation via Eviews12 (2026)

The results of the multicollinearity test table demonstrate that each independent variable has correlation matrix values < 0.90. Thus, there is no multicollinearity in the independent variable data used in this investigation.

Heteroscedastisity Test

To find out if the residual variance in the regression model varied between observations, a heteroscedasticity test was performed.

Table 4. Heteroscedastisity Test Result

Dependent Variable: ABS(RESID)				
Method: Panel Least Squares				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.295005	1.390167	1.650884	0.1001
ACM	-0.003502	0.005551	-0.630792	0.5288
ACEXP	-0.004436	0.079159	-0.056036	0.9554
BS	0.003823	0.045616	0.083814	0.9333
OWNCON	0.064719	0.162878	0.397347	0.6915
FS	-0.075913	0.048425	-1.567642	0.1183
PROF	-0.044797	0.131409	-0.340897	0.7335

Source: Researcher's computation via Eviews12 (2026)

Based on Table 4.8, all t-statistic probability values are above 0.05; this means, the regression model is found to be free of heteroscedasticity.

Hypothesis Testing

Table 5. Hypothesis Testing Result

Model	Variables	Coefficient	Std. Error	t-Statistic	Prob.	Results
1	Constant	8.196927	2.027074	4.043724	0.0001	
	ACM	-0.009463	0.006560	-1.442605	0.1504	Rejected
	ACEXP	0.299191	0.091168	3.281761	0.0012	Rejected
	BS	0.234912	0.063976	3.671878	0.0003	Rejected
	OWNCON	0.230508	0.212578	1.084350	0.2793	
	FS	-0.147348	0.070469	-2.090974	0.0376	
	PROF	-0.321114	0.150676	-2.131151	0.0341	
	R-squared	0.562412	F-statistic	4.634702		
	Adjusted R-squared	0.441064	Prob. (F-statistic)	0.000000		
2	ACM_OWNCON	-0.149701	0.059194	-2.528993	0.0121	Accepted
	ACEXP_OWNCON	1.391324	0.477364	2.914599	0.0039	Accepted
	BS_OWNCON	-0.170163	0.059913	-2.840164	0.0049	Accepted
	R-Squared	0.596335	F-statistic	5.031394		
	Adjusted R-squared	0.477812	Prob. (F-statistic)	0.000000		

Source: Researcher's computation via Eviews12 (2026)

Regression analysis in Model 1 examines the effects of audit committee meeting frequency (ACM), audit committee expertise (ACE), board size (BS), ownership concentration (OC), firm size (FS), and profitability (PROF) on audit report lag (ARL). The findings show that the frequency of audit committee meetings has a negative but negligible impact on audit report lag (t = -1.442605, p = 0.1504). In contrast, audit committee expertise (t = 3.281761, p = 0.0012) and board size (t = 3.671878, p = 0.0003) have significant positive effects on audit report lag, while ownership concentration shows no significant effect (t = 1.084350, p = 0.2793). As control variables, firm size (t = -2.090974, p = 0.0376) and profitability (t = -2.131151, p = 0.0341) have a major detrimental impact on the lag of audit reports.

Model 2 presents the Moderated Regression Analysis (MRA), showing that ownership concentration significantly moderates the association between the frequency of audit committee meetings (t = -2.528993, p = 0.0121), audit committee expertise (t = 2.914599, p = 0.0039), and board size (t = −-2.840164, p = 0.0049) with audit report lag. These findings indicate that ownership concentration significantly alters the impact of audit report lag on the three corporate governance instruments.

Model 1 explains 44.11% of the variation in audit report lag, as indicated by the Adjusted R-squared value of 0.4411, while the remaining 55.89% is explained by other factors outside the model. After introducing the interaction terms in Model 2, the explanatory power increases to 47.78%, of the variation in audit report lag, with the remaining 52.22% attributable to other factors outside the model. Furthermore, both models are statistically significant, as indicated by the F-statistic probability of 0.0000.

DISCUSSION

Audit Committee Meeting and Audit Report Lag

Regression analysis reveals that audit report lag is not significantly impacted by the frequency of audit committee meetings (t = −1.442605; p = 0.1504), leading to the rejection of H1. Although the coefficient indicates a negative relationship, the frequency of audit committee meetings alone is insufficient to accelerate audit completion. This finding suggests that meeting frequency reflects the intensity of governance activities rather than the effectiveness of oversight. In the property and real estate sector, the complexity of long-term projects, revenue recognition, asset valuation, and other material transactions requires more extensive audit procedures, making audit completion dependent not only on the number of meetings but also on how well the audit committee, management, and external auditors coordinate.

From the perspective of signaling theory, frequent audit committee meetings may signal a commitment to good corporate governance; however, such signals are ineffective without substantive monitoring and effective follow-up. This finding is consistent with Aifuwa et al. (2020; Alhawamdeh et al. (2024); Raweh et al. (2019), who found no connection between audit report lag and the frequency of audit committee meetings. However, it contradicts Arifin et al. (2020), which found a significant negative effect. These differences are likely attributable to variations in industry characteristics, research periods, and operational environments, indicating that meeting frequency alone is insufficient to decrease the lag of audit reports in real estate and property firms.

Audit Committee Expertise and Audit Report Lag

Based on the test results, the audit committee's expertise significantly and positively affects the audit report lag. (t = 3.281761; p = 0.0012). These results lead to the rejection of the second hypothesis. These findings indicate that higher audit committee expertise does not necessarily accelerate the completion of the audit. Members of the audit committee with experience in accounting and finance typically carry out more thorough analyses of complicated transactions, such as revenue recognition based on project progress, asset valuation, and accounting estimates, in businesses in the property and real estate sector. This prolongs the coordination process with external auditors.

Considering Signaling Theory, audit committee expertise remains a positive signal of corporate governance quality; however, this signal is more reflected in improved quality and credibility of financial statements than in accelerated audit completion. These findings are consistent with those of Nehme et al. (2015); Ogoun et al. (2020), who found a positive effect of audit committee expertise on audit report lag, but this differs from the findings of Wulandari and

Barokah (2022), who reported a negative effect. This discrepancy is likely influenced by the characteristics of the sectors under study, where the complexity of transactions in the property and real estate sectors requires a more comprehensive review process, thereby extending the time required to complete the audit.

Board Size and Audit Report lag

Based on the test results, the size of the board of commissioners has a significant positive effect on audit report lag (t = 3.671878; p = 0.0003); therefore, the third hypothesis is rejected because the direction of the effect is opposite to that proposed in the hypothesis. This finding indicates that a larger board of commissioners does not necessarily increase the efficiency of audit completion. In the property and real estate sectors, the complexity of transactions, asset valuation, and the use of accounting estimates mean that larger boards require more coordination and longer decision-making processes, leading to delays in audit completion.

From a Signaling Theory perspective, a larger board of commissioners reflects the company's commitment to good corporate governance; however, this signal indicates an improvement in the quality of oversight rather than the timeliness of reporting. These findings align with those of (Anwar et al. (2022); Oluwatoyin et al. (2025), who found a positive effect on audit report lag, but differ differ from the findings reported by Pratama et al. (2026) who reported a negative effect. These differences indicate that the effectiveness of the board of commissioners is strongly influenced by firm characteristics; specifically, the operational complexity in the property and real estate sectors means that increasing the number of board members is more likely to prolong the audit process rather than expedite it.

Ownership Concentration Moderates the Effect of Audit Committee Meeting on Audit Report Lag

The results of the Moderated Regression Analysis (MRA) indicate that the interaction between the frequency of audit committee meetings and ownership concentration has a major detrimental impact on the lag of audit reports (t = -2.528993; p = 0.0121), thus supporting the fourth hypothesis. Although the frequency of audit committee meetings does not have a significant direct effect, ownership concentration was found to enhance its effectiveness in accelerating the completion of audits. In companies with concentrated ownership, majority shareholders have a greater incentive to increase oversight of management, making audit committee meetings more substantive and effective, particularly in the property and real estate sectors, which involve complex transactions.

In relation to Signaling Theory, ownership concentration strengthens the governance signals generated by audit committee activities through more active oversight by majority shareholders. The combination of these two mechanisms enhances monitoring effectiveness, thereby supporting timelier audit completion. This result is in line with Ishaka et al. (2023), who demonstrated that ownership concentration strengthens the impact of audit committee meetings on reducing audit report lag, underscoring the importance of ownership structure in enhancing the effectiveness of corporate governance mechanisms.

Ownership Concentration Moderates the Effect of Audit Committee Expertise on Audit Report Lag

The results of the Moderated Regression Analysis (MRA) indicate that the interaction between audit committee expertise and ownership concentration has a significant positive effect on audit report lag (t = 2.914599; p = 0.0039), thus supporting the fifth hypothesis. This finding suggests that ownership concentration amplifies the impact of audit report lag on audit committee expertise. In companies with concentrated ownership, majority shareholders push for more intensive oversight, leading competent audit committees to conduct a more in-depth review of financial statements. In the property and real estate sector, the complexity of transactions and the high use of accounting estimates cause this evaluation process to extend the audit completion time.

In the context of Signaling Theory, the combination of audit committee expertise and ownership concentration sends a stronger governance signal because it is supported by the competence of supervisors and active monitoring by majority shareholders. However, this enhanced oversight is more reflected in improved quality and credibility of financial reporting than in accelerated audit completion. This finding is consistent with (Ishaka et al., 2023), who showed that ownership concentration strengthens the effectiveness of governance mechanisms against audit report lags, making ownership structure a critical factor in determining the effectiveness of a company's oversight functions.

Ownership Concentration Moderates the Effect of Board Size on Audit Report Lag

The negative board size interaction shows that ownership concentration attenuates the positive relationship between larger boards and audit lag. Dominant owners may reduce coordination costs by clarifying priorities, enforcing deadlines, and ensuring that management acts on recommendations. The interaction does not fully reverse the positive board size association within the feasible ownership range, but it meaningfully weakens it. In companies with concentrated ownership, majority shareholders promote more effective oversight, making coordination and follow up on the board of commissioners' recommendations more efficient. This condition is particularly important in the property and real estate sectors, which involve complex transactions and accounting estimates, thereby minimizing potential delays caused by large board size.

In the context of Signaling Theory, board size serves as a signal of good corporate governance, while ownership concentration reinforces this signal through more active monitoring by controlling shareholders. The combination of these two factors enhances the effectiveness of oversight and reduces the negative impact of board coordination complexity on audit completion. These findings are consistent with those of Astami et al. (2024); Oluwatoyin et al. (2025), who demonstrated that ownership concentration enhances the effectiveness of corporate oversight mechanisms, thereby helping to ensure the timely submission of financial reports.

Integrated Interpretation and Contribution

The results indicate that corporate governance mechanisms do not consistently accelerate audit completion in property and real estate companies. Audit committee meeting frequency has a negative but insignificant effect on audit report lag, whereas audit committee expertise and board size have significant positive effects. These findings suggest that more intensive oversight and broader review processes enhance reporting quality but require longer audit completion due to transaction complexity and greater coordination among governance bodies.

Furthermore, ownership concentration significantly moderates these relationships by strengthening the effects of audit committee meeting frequency and audit committee expertise while weakening the positive effect of board size on audit report lag. This indicates that concentrated ownership enhances monitoring effectiveness through greater involvement of controlling shareholders in overseeing financial reporting and the audit process.

This study contributes to the corporate governance literature by demonstrating that ownership concentration is an important contextual factor influencing the effectiveness of governance mechanisms on audit report lag in the Indonesian property and real estate sector. The findings also provide practical implications for companies, regulators, and investors in balancing governance quality with timely financial reporting.

CONCLUSION AND RECOMMENDATION

This study finds that while audit committee expertise and board size considerably reduce audit report latency, audit committee meeting frequency has no discernible impact. Furthermore, the connections between audit report latency, board size, audit committee expertise, and the frequency of audit committee meetings are all considerably moderated by ownership concentration. These results show that governance mechanisms affect the thoroughness and efficacy of oversight in addition to the promptness of audited financial statements, especially in businesses engaged in complex industries like real estate and property.

These results indicate that businesses should concentrate not just on increasing the frequency of audit committee meetings or expanding board size but also on improving the effectiveness of coordination among governance bodies and external auditors. Majority shareholders should exercise their monitoring role in a manner that strengthens governance without creating excessive review processes that delay audit completion. It is advised that other factors influencing audit report lag be included in future studies, such as audit quality, internal control effectiveness, auditor specialization, or operational complexity, and to examine different industrial sectors or longer observation periods to improve the generalizability of the findings.

FURTHER STUDY

There are a number of limitations to this study that open up possibilities for further investigation. First, the findings indicate that the direct effects of audit committee meeting frequency, audit committee expertise, and board size on audit report lag were not consistent with the proposed hypotheses, suggesting that audit report lag is influenced by additional factors beyond the corporate governance mechanisms examined in this study. Thus, it is recommended that future studies include additional possible variables, such as audit quality, auditor characteristics, internal control effectiveness, operational complexity, or other corporate governance attributes, to provide a more comprehensive explanation of audit report lag.

Second, the sample was restricted to businesses who have audited financial statements and comprehensive annual reports for the years 2020–2024, resulting in the exclusion of several firms and a relatively smaller number of observations. In addition, the model's explanatory power indicates that a considerable proportion of the variation in audit report lag remains unexplained by the variables included in this study. In order to increase the findings' generalizability and explanatory power, it is advised that future study extend the observation time, incorporate a wider range of industry sectors, and create more thorough research models.

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