AUDIT COMMITTEE TRAITS IMPACT ON AUDIT REPORT LAG: EVIDENCE FROM NON-FINANCIAL LISTED ENTITIES

Mohammed Khalaf Alshammari *

* Accounting Department, College of Administration and Economics, University of Umm Al Qura, Mecca, Saudi Arabia
Contact details: Accounting Department, College of Administration and Economics, University of Umm Al Qura, 24382 Mecca, Saudi Arabia

OPEN ACCESS

How to cite this paper: Alshammari, M. K. (2024). Audit committee traits impact on audit report lag: Evidence from non-financial listed entities. *Risk Governance and Control: Financial Markets & Institutions, 14*(3), 134–144. https://doi.org/10.22495/rgcv14i3p13

ISSN Online: 2077-4303
ISSN Print: 2077-429X

Received: 26.03.2024
Accepted: 20.09.2024

JEL Classification: M0, M40, M41, M42, M48, M49
DOI: 10.22495/rgcv14i3p13

Abstract

This study examines the influence of audit committee traits on the timeliness of financial reporting by Saudi non-financially listed entities. So, the study analyzes 300 observations spanning three years from 2020 to 2022 for 100 non-financial entities. This study adopts different statistical models, such as ordinary least squares (OLS) regression, along with the fixed development model and random effects model, to promote the underlying regression results. Agency and resource dependency theories were employed as theoretical frameworks to gain insight into the research results and hypotheses. This study shows that audit committee financial expertise (ACFE), prior experience (ACPE), and independence (ACIND) strongly affect the audit report lag (ARL). The findings provide insights for regulatory authorities, current and potential investors, and moneylenders regarding the determinants of the timeliness of audit reports. It suggests that the current audit committee regulations, especially those with financial expertise, ACPE, and ACIND, are effective in enhancing the timeliness of financial reporting. Moreover, it provides timely empirical evidence for the existing literature related to the presence of a relationship between specific traits of the audit committee and financial reporting timeliness (Abernathy et al., 2017; Sultana et al., 2015).

Keywords: Timeliness, Audit Committee, Audit Committee Traits, Audit Report Lag, Non-financial Entities

Authors' individual contribution: The Author is responsible for all the contributions to the paper according to CRediT (Contributor Roles Taxonomy) standards.

Declaration of conflicting interests: The Author declares that there is no conflict of interest.

1. INTRODUCTION

Recent global financial scandals have severely affected the corporate financial environment (Bushman & Smith, 2001). Accounting entities are under pressure to provide timely and certified accounting reports to mediate agency costs and information asymmetry (Abernathy et al., 2018). For instance, major corporate collapses, often stemming from ineffective internal monitoring systems, have raised concerns among regulators and investors about the qualitative aspects of financial reporting (Sultana et al., 2015). Previous research highlights the adverse effects faced by entities when the publication of audited financial statements is delayed (Abernathy et al., 2017; Bronson et al., 2011; Krishnan & Yang, 2009).

To mitigate the risks associated with such delays, particularly concerning investment and lending decisions affected by uncertainty about future cash flows, there is a growing demand for timely accounting information validated by reliable professional bodies (Singh et al., 2022). Ashton et al. (1987) pointed out that the time taken to issue audit reports, known as audit report lag (ARL), is a central factor for researchers. ARL is widely recognized as the primary determinant of financial reporting timeliness (Abbott et al., 2012). Therefore, gaining

insights into the factors influencing ARL can benefit regulators, investors, creditors, and other stakeholders by fostering a more conducive environment for financial reporting (Abernathy et al., 2017).

Previous studies have identified specific detrimental factors affecting ARL such as company size (Al-Ajmi, 2008; Ashton et al., 1987; Bonsón-Ponte et al., 2008), internal financial reporting control, governance structures (Afify, 2009; Hassan, 2016), and the attributes of auditing entities (Lee et al., 2008; Tanyi et al., 2010). Simultaneously, a notable shift is noticed in the examination of corporate governance mechanisms. This shift is perceived as a pivotal determinant of financial reporting, particularly in the presence of audit committees (Bédard & Gendron, 2010; Farber, 2005; Kaabi, 2023; Shbeilat, 2023; Ulfah et al., 2022). Additionally, advocates for reform, such as the Blue-Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, and the Securities and Exchange Commission (SEC), highlight the crucial supervisory role of audit committees (Beasley & Salterio, 2001).

Moreover, understanding the factors influencing the provision of certified and timely financial reports is more crucial in less developed economies than in developed ones where media platforms and financial intermediaries are less developed (Abernathy et al., 2017; Reichelt & Wang, 2010). Consequently, accounting research has increasingly focused on the impact of audit committees on ARL (Agyei-Mensah, 2019; Aldoseri et al., 2021; Alkebsee et al., 2022).

There have been a few notable studies in Saudi to reveal a robust association between the specific traits of audit committees and ARL (Aldoseri et al., 2021). Although this manuscript does not claim new discoveries in this emergent field, its findings offer a fresh perspective on the ongoing debate. What is more, Sultana et al. (2015), Zahra and Pearce (1989), and Dalton et al. (1999) suggest that the impact of a corporate governance mechanism or characteristic is not directly observed, rather than that it affects future financial events, transactions, and reports. Thus, this study examines its influence over time. Furthermore, we employ a sophisticated panel data tool to enhance the credibility of the underlying subject matter and to enrich intellectual dialogue.

The primary objective of this study is to investigate the relationship between audit committee traits, which serve as robust proxies for the efficacy of the audit committee (DeZoort et al., 2002), and ARL. Specifically, these traits encompass audit committee financial expertise (ACFE), audit committee independence (ACIND), audit committee meetings (ACMT), audit committee prior experience (ACPE), and audit committee size (ACSZ). The insights garnered from this study hold promise for regulatory agencies seeking to refine and fortify the oversight of audit committees, enhancing their regulatory frameworks. Notably, the research outcomes reveal important conclusions. In line with this expectation, the extension of the time scope is a significant factor in determining the effect of specific audit characteristics, as suggested by Dalton et al. (1999), Sultana et al. (2015), and Zahra and Pearce (1989). Say it in another way, it reveals a negative and statistically significant relationship between ACFE and ACIND and ACPE and the ARL. Consequently, the results recommend that bolstering financial expertise, prior experience, and the independence of audit committee members enhances the efficacy of the audit committee, resulting in the rapid issuance of audit reports. Moreover, the research findings indicate an insignificant association between ACSZ, ACMT, and ARL.

Saudi presents a dynamic site for exploring the significant factors affecting ARL. In accordance with Corporate Law, the Capital Market Authority (CMA) mandates a typical timeframe of 90 days after year-end for financial report publication (Lerner et al., 2017). This is because timely financial report availability is regarded as a significant indicator of their usefulness in decision-making (Abernathy et al., 2017; Al-Ajmi, 2008). Moreover, Saudi is considered an important emergent market; hence, it may offer useful perceptions into the influential determinants of ARL. The insights gleaned from this study may assist us in understanding the interplay between specific audit traits and ARL, particularly in the context of an emerging economy (Tanyi et al., 2010). Furthermore, the results offer valuable implications for regulatory agencies seeking to reinforce their regulatory frameworks and bolster transparency in financial markets.

The structure of this paper is as follows. Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used to conduct empirical research on the relationship between the audit committee traits and ARL. Sections 4 and 5 present research results and discussion. Section 6 explains the conclusion.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Theoretical framework

The accounting literature uses agency theory and resource dependency theory to study the effects of audit committees on ARL (Collier & Gregory, 1996). Despite the differences, both conceptual theories necessitate the composition of corporate governance mechanisms to influence agents' conduct (Afify, 2009; Sultana et al., 2015). Agency theory assumes that all contract-related parties are "utility maximizers" (Jensen & Meckling, 1976). This suggests that corporate management and executives are more likely to prioritize individual interests at the expense of others, including mainly capital providers, due to the access that they have as insiders (Harris & Bromiley, 2007). This implication is catastrophic, especially for shareholders. Consequently, an audit committee should be designed with clear duties and responsibilities to strengthen the financial reporting system (Marshall & Weetman, 2002) and retain group cohesion. Furthermore, it has been argued that the composition of audit committees is more likely to mitigate information asymmetry and reduce agency costs (Wiseman et al., 2012). Based on this conceptual framework, an audit committee must be established and formulated to mediate the interests of corporate executives with those of shareholders and act in the best interests of the corporation (Farber, 2005; Cohen et al., 2007). Accordingly, this study adopts agency theory to explain the role of audit committees in mitigating clashes between senior management and shareholders.

Resource dependency theory is widely adopted by accounting researchers to view the effect of audit committees on the environment of financial reporting. Resource dependency theory proposes that firms strive to maintain autonomy by seeking valuable external resources, avoiding undue influence from both internal and external parties, like corporate executives and external auditors, and they must enhance their autonomy by appointing available external valuable resources (Hillman & Dalziel, 2003). Consequently, the inclusion of powerful external resources in the audit committee should enhance the financial reporting environment. This theory has also been used to justify increasing the ACSZ to equip them with diverse and valuable resources. Research indicates an improvement in financial performance and quality with larger ACSZs (Chaudhry et al., 2020; Rifai & Siregar, 2021). Hence, this study considers the audit committee traits to be crucial properties for acquiring timely audit reports.

2.2. Empirical literature

2.2.1. Audit committee financial expertise

At the outset, the presence of audit committee members, who are well equipped with theoretical and practical knowledge and expertise, is more likely to contribute to promoting a good financial reporting environment. Accounting research has found that knowledgeable and expert members are strongly connected with mitigating information asymmetry along with agency costs (Bédard et al., 2004). Saudi entities are required to appoint no less than one member with financial expertise to the audit committee. In agency and resource dependency theories, the inclusion of audit committees' financial experts is essential to carry out duties and responsibilities professionally (DeZoort, 1998; DeZoort et al., 2002; Cohen et al., 2007). The auditing committee has a fundamental role which is to oversee the underlying reporting procedure and observe accounting and related financial matters (Bédard & Gendron, 2010; Farber, 2005). An audit committee which lacks financial expertise has been empirically associated with ineffective internal monitoring of financial reporting procedures (Krishnan, 2005). Empirical evidence demonstrates the perceived significance of this trait and its negative influence on ARL (Agyei-Mensah, 2022; Aldoseri et al., 2021; Greco, 2011; Sultana et al., 2015). Thus, the following hypothesis will be tested:

H1: There is a negative and significant relationship between audit committee financial expertise and audit report lag.

2.2.2. Audit committee independence

Independent members have been shown to potentially impact the effectiveness of an audit committee (Abbott et al., 2000). Sultana et al. (2015) indicate that agency theory shares a similar view to the resource dependency theory on the presence of independent members who are free from undue influence as an objective for monitoring both boards of directors in addition to senior management. It is assumed that independent members prevent potential self-interested behavior that might harm corporate interests (Fama & Jensen, 1983). This advocates that the ACIND augments objectivity when negotiating financial and auditing matters among corporate management and external auditors without compromising the underlying procedure of financial reporting (Abbott et al., 2000). Moreover, independent directors can act as safeguards to confirm the presence of timely and reliable financial information, maintain transparency, and enhance corporate performance (Kaabi, 2023; Shbeilat, 2023; Ulfah et al., 2022). However, diverse results have been obtained. For example, on the one hand, Aldoseri et al. (2021) study the effect of independence on ARL and found no significant relationship in Saudi non-financial listed companies. Nevertheless, some research studies have strongly demonstrated a negative relationship between ACIND and the timeliness of audit reports (Agyei-Mensah, 2022; Greco, 2011; Sultana et al., 2015). Therefore, this study tests the following hypothesis:

H2: There is a negative and significant relationship between audit committee independence and audit report lag.

2.2.3. Audit committee meeting

Regular meetings are regarded as good corporate governance practices, ideally occurring at least three to four times (Collier & Gregory, 1996). Active ACMT reflects dynamic engagement and involvement in corporate matters, especially financial matters (Collier & Gregory, 1996). Furthermore, it has been claimed that frequent ACMT may mitigate complex business transactions and an uncertain financial context (Bédard et al., 2004). Moreover, meeting regularity has been strongly linked to growth and profitability as significant indicators of financial performance. Consequently, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 1987 called for consistent and regular meetings to facilitate communication among internal auditors, external auditors, along audit committees (Beasley et al., 1999). Nonetheless, considering the subject matter of this manuscript, certain empirical evidence that considers the association between ACMT and ARL have found a statistically insignificant relationship (Agyei-Mensah, 2022; Aldoseri et al., 2021; Sultana et al., 2015). This finding proposes that frequent meetings are not essential for mitigating ARL. Consequently, this study tests the following hypotheses:

H3: There is a negative and significant relationship between audit committee meetings and audit report lag.

2.2.4. Audit committee prior experience

The presence of members with prior experience might contribute to the effectiveness of the audit committee in conducting interrelated duties and responsibilities. Sultana et al. (2015) indicate that agency theory perceives members with prior experience as having the competence to perform the function of oversight effectively, especially with corporate executives and external auditors, which, in turn, promotes financial reporting practices. The resource dependency theory puts a special emphasis on members with prior experience as valuable resources who might contribute to independence from corporate executives and

external auditors by understanding all underlying procedures related to the accounting and auditing process (DeZoort et al., 2002). The literature demonstrates the perceived significance of ACPE in mitigating the impact of financial restatements, earnings management, and earning quality (Beasley et al., 1999). Regarding the subject matter of this manuscript, there are different research outcomes. For example, Agyei-Mensah (2022) finds an insignificant link between an ACPE and the ARL. Conversely, Sultana et al. (2015) deliver empirical evidence showing the presence of a strongly negative relationship between audit members with prior experience and ARL. Consequently, this study tests the following hypothesis:

H4: There is a negative and significant relationship between prior audit committee experience and audit report lag.

2.2.5. Audit committee size

The CMA requires the corporation to appoint no less than three and no more than five members to the audit committee, considering it as the best corporate governance practice (Lerner et al., 2017). This underscores the significance of ACSZ in its effectiveness (DeZoort et al., 2002). This effectiveness, however, can be explained conceptually from two different mainstream perspectives. First, agency theory promoters argue that increasing the ACSZ subverts group cohesion. Considering this, control and monitoring functions might be undermined, and conflicts are raised among groups (Fama & Jensen, 1983). For example, conflicts and clashes among audit committee members are highly associated with the large ACSZ, which, in turn, increases the likelihood of operating costs and the spread of responsibility (DeZoort et al., 2002). Second, supporters of resource dependency suggest that increasing the likelihood of audit committee effectiveness is gained only when the ACSZ increases (DeZoort et al., 2002). This literature suggests that large ACSZ results in better corporate disclosure reduced ARL, and effective monitoring systems (Rifai & Siregar, 2021). Nonetheless, the results of investigating the effect of ACSZ on ARL show insignificant associations (Agyei-Mensah, 2022; Aldoseri et al., 2021). Consequently, the following hypothesis is tested:

H5: There is a negative and significant relationship between audit committee size and audit report lag.

3. RESEARCH METHODOLOGY

This section contains a description of alternative qualitative methodology such as field research that would be suitable for conducting the research even though it has been avoided. Field research entails researchers engaging with social entities in a natural setting using particular methods such as interviews or ethnographic techniques (Neuman, 2014). It emphasizes a specific focus on social context and condition to gain a specific understanding of how a particular social setting affects the subject matter. Despite the fact that it provides an in-depth description of the influence of social context on the subject matter, the research results would be highly biased as they are extremely influenced by the researcher's opinion and interpretation along with social and cultural norms and values (Neuman, 2014). Thus, the researcher adopts a positive social methodology using the ordinary least squares (OLS) regression that goes beyond descriptive to numerical data by examining the relationship among variables with particular reference to statistical significance (Neuman, 2014). It allows for establishing all conditions of causality, e.g., temporal order, association and the exclusion of the probable alternatives and it accordingly enhances the objectivity of the research results along with the ability to make generalizations based on empirical data (Neuman, 2014).

3.1. Research sample

The research sample consists of listed entities on the Saudi Exchange (Tadawul), for three years, from January 1, 2020, to December 31, 2022. The primary consideration for selecting these periods is to extend the scope of time associated with a previous related study (Aldoseri et al., 2021) to examine whether it has an impact, as argued by Dalton et al. (1999), Zahra and Pearce (1989), and Sultana et al. (2015). The constructive standards for selecting the samples are:

- the entity should be listed and have published at least two annual reports on Tadawul;
- availability of the data and information;
- the financial year should end on December 31;
- the outlier data has been removed to attain statistical power (Neuman, 2014).

Moreover, financially listed entities such as banks and insurance companies are eliminated because of their unique reporting systems and legislation (Sebrina & Taqwa, 2019). After considering the above criteria and standards, the final data consists of a sample size of 100 Saudi non-financial entities for 300 observations.

3.2. Research variables and measurements

This study investigates the connection between ARL and the traits of the audit committee. Initially, we test the relationship between *ARL* and the traits of the audit committee using OLS regression. At the outset, we use OLS regression to test the linearity specified in the research model stated in the following equation:

$$ARL_{it} = \beta_0 + \beta_1 * ACFE + \beta_2 * ACIND + \beta_3 * ACMT + \beta_4 * ACPE + \beta_5 * ACSZ + \beta_6 * FS + \beta_7 * BS + \beta_8 * BI + \varepsilon \quad (1)$$

where, ARL_{it} is the duration, in days, from the end of the entity's fiscal year until the day the external auditor signs the audit report, *FS* is the firm size, *BS* is the board size, and *BI* is the board independence. Prior research measures the *ARL* as the difference in days between the date of the auditor report and the end of the financial year (Ashton et al., 1987; Sultana et al., 2015). This can be formulated using the following equation:

$$ARL_{it} = DAR_{it} - EFY_{it} \quad (2)$$

where,

- ARL_{it} — number of days starting from the end of the financial year for entity i in period t ending when the external auditor signs the audit report;

• DAR_{it} — date of auditor's report for entity i in period t;

• EFY_{it} — end of the financial year for entity i in period t, which is the last day of each sample year.

Additionally, OLS regression is supplemented by relevant inferential statistical methods, such as the fixed effect model (FEM) and the random effect model (REM), to select the most appropriate technique that yields reliable and valid statistical results.

FEM

$$y_{it} = \alpha_0 + \beta x_{it} + \mu_i + \varepsilon_{it} \quad (3)$$

REM

$$y_{it} = \alpha_0 + \beta x_{it} + \omega_{it} \quad (4)$$

where,

• y_{it} — audit report lag;

• α_0 — the constant term in the regression equation;

• x_{it} — set of predictor variables in the model;

• μ_i — the fixed effect specific to the entity;

• ω_{it} — the composite residual term encompasses both cross-sectional and time-series components μ_i as well as individual-specific error ε_{it};

• ε_{it} — the residual term in regression models, relevant to both pooled OLS and fixed effects

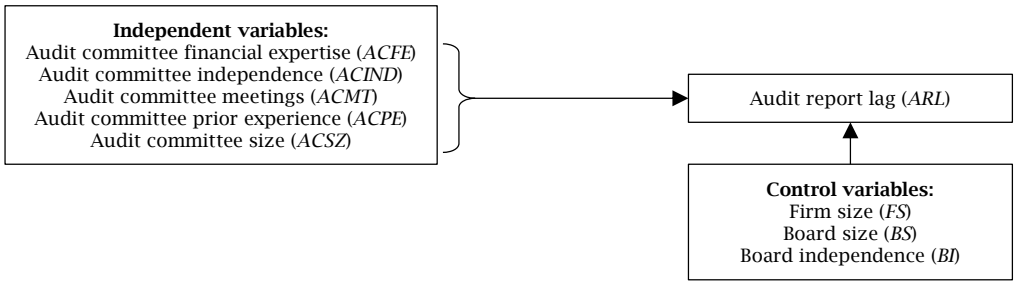
3.3. Methods

The Breusch-Pagan-Lagrange, Hausman, and Wald techniques are properly performed. This serves as a valuable framework for better understanding the fundamental association between varying levels of *ARL* and audit committee traits. This also ensures that the potential result of the OLS regression model is not established due to chance factors but rather validity and reliability. Furthermore, these statistical tests are more likely to account for individual heterogeneity, address endogeneity, test causal relationships, reduce measurement errors, and increase statistical power (Arellano & Honoré, 2001).

Potential measures for proxying audit committee effectiveness are adopted: *ACFE, ACIND, ACMT, ACPE*, and *ACSZ* (DeZoort et al., 2002; Sultana et al., 2015). These are the key independent variables utilized in the OLS regression to project the probability of an effect on *ARL*. They are determined by assessing the number of committee members possessing expertise/qualifications in accounting and finance, the presence of independent members, the regularity of committee meetings, and the collective prior experience of its members.

The perceived importance of dynamic traits related to entities and governance, such as *FS*, *BS*, and *BI*, are incorporated as control variables to address alternative interpretations. Specifically, *FS* is the natural logarithm of the book value of total assets (Sultana et al., 2015). Evidence from empirical studies indicates a robust correlation between *FS* and *ARL* (Al-Ajmi, 2008; Ashton et al., 1987; Bonsón-Ponte et al., 2008). This is because larger companies possess greater resources and implement more effective internal control systems, reducing *ARL* (Abernathy et al., 2018). Consequently, this study forecasts a negative relationship between *FS* and *ARL*. Board size (*BS*) is defined as the total number of members on a board of directors (Mori & Towo, 2017). Empirical studies have demonstrated the effect of *BS* on reducing *ARL* (Afify, 2009; Hassan, 2016). Consequently, companies with many board members are projected to experience a reduction in *ARL*. Hence, we propose a negative link between *BS* and *ARL*. Board independence (*BI*) is characterized as the ratio of independent executives on a board (Jaggi et al., 2009). Relevant literature has empirically demonstrated a more general impact on financial performance. Fama and Jensen (1983) underline the significance of *BI* in facilitating the efficient monitoring of managerial activities and initiatives. Considering external directors' expertise and network influence, it anticipates a negative association between *BI* and *ARL*. Accordingly, a research framework is developed to examine the influence of all relevant variables on *ARL*.

Figure 1. Key research variables



4. RESEARCH RESULTS

This section presents the findings of the study. The demonstration is structured into a descriptive analysis, and then a correlation matrix that displays the relationships among the study variables is conducted. Next, the regression outcomes utilize OLS regression along with inferential statistics such as FEM and REM procedures. Prior to conducting the regression analysis, several diagnostic tests were conducted to confirm the specification and absence of subjective outcomes associated with the formal research model.

4.1. Descriptive statistics

Table 1 shows the descriptive statistics for all research samples for 300 observations. The *ARL* had a mean value of 78.63 days, which is moderately greater than that reported in the literature for Saudi

non-financially listed entities (Aldoseri et al., 2021). However, this is comparable to relevant international literature (Agyei-Mensah, 2022; Sultana et al., 2015). Consequently, the research sample suggests that the timeliness of financial reports is within an acceptable threshold.

Most of the listed entities were able to submit the audit financial statements at the required time. This suggests that they comply with the legislation if the mean value is demonstrated to be no more than 90 days after the end of the financial year. Furthermore, entities demonstrate better compliance with the law is higher than that documented in the relevant literature (Agyei-Mensah, 2022). Nevertheless, there exists a similarity to the findings of the relevant literature on Australian listed entities, where the mean is reported as 80 (Sultana et al., 2015). A descriptive analysis of the independent variables shows that almost all audit committees within the sampled entities have at least one financial expert, constituting almost 33.3% of the *ACSZ*. Furthermore, the maximum number of financial experts for each audit committee was three members, constituting almost 50% of the composition of the *ACSZ*, which is consistent with the literature (Sultana et al., 2015). Nevertheless, this value is higher than that reported by (Agyei-Mensah, 2022).

Table 1. Descriptive statistics

Variables	*N*	*Min.*	*Max.*	*Mean*	*Std. dev.*
ARL	300	19.00	199.00	78.63	21.41
ACFE	300	1.00	3.00	1.45	0.53
ACIND	300	1.00	3.00	1.34	0.53
ACMT	300	2.00	13.00	5.83	1.92
ACPE	300	0.00	1.00	0.57	0.50
ACSZ	300	3.00	6.00	3.47	0.71
FS	300	18.03	28.54	21.72	1.64
BS	300	4.00	14.00	8.14	1.65
BI / BS	300	0.25	1.00	0.46	0.14
Valid N (listwise)	300				

Regarding *ACIND*, the mean indicates that approximately 39% of the audit committees are independent, with a reported value of 1.34. Moreover, the sampled entities demonstrate the presence of a minimum of one independent member and a maximum of three independent members on the audit, which is consistent with Sultana et al. (2015) but higher than the results of Agyei-Mensah (2022). Regarding the *ACMT*, the mean of sampled entities indicates that there are on average more than five *ACMT*s throughout the year, despite the option of holding as few as two. This is consistent with the existing literature (Aldoseri et al., 2021; Sultana et al., 2015). However, this value is higher than that reported by Agyei-Mensah (2022). Regarding *ACPE*, the sampled entities showed that at least 1.45 members of the audit committee had served with and had previous experience with different Saudi entities. This is consistent with studies by Agyei-Mensah (2022), Greco (2011), and Sultana et al. (2015) but diverges from the findings of Aldoseri et al. (2021). Regarding the *ACSZ*, the sampled entities illustrate that the average number of committee members is three, with maximum and minimum sizes ranging from three to eight. Overall, the average *ACSZ* is consistent with previous international studies (Agyei-Mensah, 2022; Sultana et al., 2015), but is considerably smaller than that reported by Aldoseri et al. (2021).

4.2. Univariate analysis

A multicollinearity test is conducted to meet the fundamental assumptions of the regression model and analysis (Neuman, 2014), as outlined in Table 2. Specifically, a correlation analysis utilising Pearson's correlations was performed to highlight any noteworthy correlations among the independent variables, examining their pairwise univariate associations. This process helps identify potential multicollinearity issues that affect the mean of the dependent variable. Table 2 shows the significant negative relationship between *ARL* and *ACFE, ACIND, ACPE*, and *ACSZ*. Consequently, these findings align with the predictions of *H1, H2, H3,* and *H5*. However, this contradicts the expectation linked to *H3*, as *ACMT* is not significantly associated with *ARL*. Regarding the independent variable of audit committee traits, Table 2 reveals that *ACIND* exhibited a significant relationship with *ACFE* at the 5% level. Moreover, *ACPE* shares a significant relationship with *ACFE* and *ACIND* and has a negative and significant link with *ACMT* at the 5% level. Additionally, this indicates that *ACSZ* has a significant relationship with *ACFE* and *ACIND* at 5% and 1%, respectively, along with a negative and strong association with *ACMT* at 1%. Accordingly, these results prompt careful consideration of the potential multicollinearity issues in the regression model. Nonetheless, the pairwise correlation values for the identified variables remained within an acceptable threshold of below 0.80, mitigating concerns about multicollinearity.

Table 2. Pearson correlation analysis

Variables	*ARL*	*ACFE*	*ACIND*	*ACMT*	*ACPE*	*ACSZ*	*LnFS*	*BS*	*BI / BS*
ARL	1.00	-0.65**	-0.56**	0.03	-0.39**	-0.16**	-0.29**	-0.16**	0.10
ACFE		1.00	0.48**	-0.07	0.25**	0.26**	0.27**	0.24**	-0.14*
ACIND			1.00	0.05	0.27**	0.13*	0.29**	0.29**	-0.03
ACMT				1.00	-0.17**	-0.15*	-0.12*	0.08	0.09
ACPE					1.00	0.01	0.15**	0.07	-0.04
ACSZ						1.00	0.49**	0.25**	-0.19**
LnFS							1.00	0.53**	-0.22**
BS								1.00	-0.24**
BI / BS									1.00

*Note: ** and * are significant at the 0.01 and 0.05 levels (2-tailed), respectively.*

4.3. Multicollinearity tests

The regression model and analysis are conducted on both the dependent and independent variables to assess the validity of the *ARL* and determine whether there are any issues related to multicollinearity or serial autocorrelation. This evaluation is accomplished using tolerance and variance inflation factor (VIF) tests. The results indicate that there is no detrimental correlation because all values are below 10 and require no special attention (Li, 2018). Additionally, the highest VIF value is 1.797, the tolerance value for the disturbed variables is above 0.20, and the lowest tolerance value is 0.556. This suggests that the findings do not present any collinearity issues, indicating that the predictor variables do not have adverse effects on the regression model.

Table 3. Collinearity statistics

Variables	*Tolerance*	*VIF*
ACFE	0.703	1.423
ACIND	0.691	1.447
ACMT	0.904	1.106
ACPE	0.863	1.159
ACSZ	0.719	1.392
FS	0.556	1.797
BS	0.664	1.506
BI	0.903	1.107

This study employs a random effects OLS regression analysis (Neuman, 2014) to investigate the association between *ARL* and audit committee traits. The outcomes of these models are presented in the following Tables 4 and 5.

Table 4. The outcomes of OLS regression analysis: FEM

Variables	*Coefficient*	*Std. error*	*t-statistic*	*Prob.*
ACFE	-12.61723	2.674727	-4.717201	0.0000
ACIND	-10.21619	3.148396	-3.244887	0.0014
ACMT	-0.147231	0.979120	-0.150371	0.8806
ACPE	-4.682337	3.055685	-1.532336	0.1271
ACSZ	-3.802696	3.966184	-0.958780	0.3389
FS	-12.72225	2.323113	-5.476383	0.0000
BS	0.589479	1.030526	0.572018	0.5680
BI	16.50243	11.04036	1.494737	0.1366
C	391.2674	52.64998	7.431482	0.0000
R-squared	0.781456	Mean dependent var.	78.62667	
Adjusted R-squared	0.659664	Std. dependent var.	21.40939	
Std. error of regression	12.48989	Akaike info criterion	8.161428	
Sum squared resid	29951.47	Schwarz criterion	9.494790	
Log-likelihood	-1116.214	Hannan-Quinn criterion	8.695042	
F-statistic	6.416283	Durbin-Watson stat.	2.907164	
Prob. (F-statistic)	0.000000			

Table 5. The outcomes of OLS regression analysis: REM

Variables	*Coefficient*	*Std. error*	*t-statistic*	*Prob.*
ACFE	-17.05679	1.922986	-8.869950	0.0000
ACIND	-11.56810	1.985498	-5.826297	0.0000
ACMT	-0.410920	0.504957	-0.813771	0.4164
ACPE	-7.967347	1.923881	-4.141289	0.0000
ACSZ	0.968726	1.564353	0.619250	0.5362
FS	-2.022315	0.758556	-2.666007	0.0081
BS	1.321716	0.660291	2.001717	0.0462
BI	5.166405	6.742252	0.766273	0.4441
C	153.1984	14.65529	10.45345	0.0000
R-squared	0.471157	Mean dependent var.	57.20445	
Adjusted R-squared	0.456618	Std. dependent var.	17.60985	
Std. error of regression	12.98100	Sum squared resid	49035.36	
F-statistic	32.40723	Durbin-Watson stat.	2.009328	
Prob. (F-statistic)	0.000000			

Subsequently, the Breusch-Pagan-Lagrange test is conducted to ascertain the presence of random effects, employing the following assumptions:

Assumption 1_0: The data are homoscedastic.

Assumption 1: The data are heteroscedastic.

The Breusch-Pagan-Lagrange test is used to assess the results of the random-effects regression model. With a Chi-square value of 12.12 and a p-value of 0.1459, which exceeds the significance level of 0.05, we fail to reject the null *Assumption 1_0*. Consequently, we accept homoscedasticity in the data and reject the alternative *Assumption 1*. This indicates that the OLS model is more appropriate than the REM.

The Wald test is also employed to scrutinize the existence of heteroscedasticity by assessing the following assumptions:

Assumption 2_0: Data are homoscedastic.

Assumption 2: The data are heteroscedastic.

With a Chi-square value of 51.39342 and a p-value of 0.0000. These are less than the significance level of 0.05; therefore, we reject the null *Assumption 2_0* and accept the alternative *Assumption 2_0*. This indicates that FEM is a more appropriate model than the OLS model. Following this, we conducted a Hausman test to ascertain the preferable model selection between the FEM and REM. The Hausman test posits the following assumptions:

Assumption 3_0: The disparity in the regression coefficients is not systematic.

Assumption 3: The disparity in the regression coefficients is systematic.

Consequently, it has been established that the FEM is the most suitable model to employ.

5. DISCUSSION OF THE RESULTS

Table 6 displays various relationships and associations among the relevant variables. Based on the R-squared value, the findings indicate that 54.6% of the variations in the level of *ARL* could potentially be attributed to variations in the independent variables. The model's reliability is further supported by the significant F-value of 43.879 (p-value = 0.000000).

Table 6. Multiple regression results

Variables	*Coefficient*	*Std. error*	*t-statistic*	*Prob.*
ACFE	-18.45276	1.898884	-9.717691	0.0000
ACIND	-11.55689	1.906547	-6.061687	0.0000
ACMT	-0.422360	0.462326	-0.913554	0.3617
ACPE	-8.204581	1.833933	-4.473762	0.0000
ACSZ	0.841352	1.403665	0.599397	0.5494
FS	-1.566922	0.688887	-2.274570	0.0237
BS	1.389628	0.630257	2.204860	0.0282
BI	5.275187	6.377434	0.827164	0.4088
C	145.3601	13.11802	11.08095	0.0000
R-squared	0.546752	Durbin-Watson stat.	1.612983	
Adjusted R-squared	0.534292	F-statistic	43.87913	
Std. error of regression	14.61037	Prob. (F-statistic)	0.000000	
Sum squared resid	62117.68			

The OLS regression results reveal a notable inverse relationship between *ACFE* and *ARL* at a significance level of 0.05 (p-value = 0.0000). Interpreting this outcome, the coefficient associated with *ACFE* indicates that each member of the audit committee possessing financial expertise contributes to reducing *ARL* by approximately 18.45 days. In other words, the presence of a financially knowledgeable member in a corporation leads to a potential reduction in the timeliness of audit reports by approximately 19 days. Consequently, hypothesis *H1* is affirmed and accepted. Furthermore, these results are consistent with those reported by (Agyei-Mensah, 2022; Aldoseri et al., 2021; Sultana et al., 2015). Notably, *ACFE* exhibits negative and significant associations across the OLS regression, FEM, and REM. This empirical result underscores the conceptual view implied in agency and resource dependency theories that promote the presence of financial expertise to reduce agency costs and information asymmetry.

In terms of *ACIND*, the analysis uncovers a significant and negative association with *ARL* at a significance level of 0.05 (p-value = 0.0000). Interpreting this finding, the coefficient linked to *ACIND* suggests that each independent member of the audit committee contributes to a reduction in the timeliness of audit reports by approximately 11.55 days. Consequently, hypothesis *H2* is confirmed and accepted. This empirical finding contrasts with the conclusion drawn by Aldoseri et al. (2021). Furthermore, these results are consistent with those reported by (Agyei-Mensah, 2022; Sultana et al., 2015). The significant point here is that *ACIND* showed negative and significant associations with the OLS regression, FEM, and REM. This discovery substantiates the cohesive and analogue conceptual perspectives of agency and resource dependency theories, suggesting that independent members are inclined to improve the promptness of audit reports by avoiding conflict with their roles and responsibilities (Abbott et al., 2000).

The results showed a negative but statistically insignificant relationship between *ACMT* and *ARL*. This is consistent with the previous literature (Agyei-Mensah, 2022). Consequently, *H3* was not supported. To a small extent, this may suggest that Saudi non-financial listed companies with a greater number of *ACMT* may experience a decrease in *ARL* speed. However, hypothesis *H4* shows a strong negative relationship between *ACPE* and *ARL* at the 0.05 level (p-value = 0.0000). Hence, the research results support hypothesis *H3*. This suggests that the presence of a committee member with prior experience enhances the speed of audit reporting by almost eight days. These results are consistent with those reported by Sultana et al. (2015). The key point here is that *ACIND* showed negative and significant associations with the OLS regression, FEM, and REM. Additionally, this aligns with the conceptual framework embraced in this study, suggesting that members with prior experience can significantly improve the internal control system objectively from an agency perspective and that in resource dependency theory, members with prior experience are valuable in guiding committee members with their roles and duties (Sultana et al., 2015). Regarding the *ACSZ*, the findings suggested a weak positive correlation with *ARL*, although this was not statistically significant. Based on the p-value, *H5* is rejected. This partially reinforces the agency theory, suggesting that a higher number of audit members might compromise group cohesion. This could impede the effectiveness of internal control systems, leading to delays in the publication of audit reports. These findings are consistent with those of Agyei-Mensah (2022), Aldoseri et al. (2021), and Sultana et al. (2015).

Regarding other control variables, *FS* shows a notably negative correlation with *ARL* at a significance level of 0.05 (p-value = 0.0237). This notable association indicates that firm size plays a pivotal role in improving the promptness of audit report issuance given that larger firms possess adequate resources to establish effective internal control systems (Abernathy et al., 2018; Al-Ajmi, 2008; Bonsón-Ponte et al., 2008). This, in turn, leads to a reduction in the *ARL*. Additionally, *BS* demonstrates a positive correlation with *ARL* at a significance level of 0.05 (p-value = 0.0282). This correlation indicates that an increase in the number of *BS* results in a longer duration of audit report issuance. Contrary to previous studies (Afify, 2009; Hassan, 2016), this finding supports agency theory, suggesting that there is a compromise in the internal control system when the number of *BS* increases.

In other words, when the number of board members increases, cohesion is undermined, as Sultana et al. (2015) indicate. Consequently, Saudi firms experience longer *ARL*.

Agency theory assumes the presence of audit committee members with financial expertise, prior experience, and independence to ensure the effective monitoring of corporate and external auditors, which, in turn, enhances the likelihood of reducing *ARL*. In terms of the resource dependency theory, having members with prior experience is more likely to empower the audit committee by understanding all related financial and auditing matters effectively. This demonstrates the provision of timely financial information and reduces *ARL*. Consequently, the research results can be discussed in accordance with agency theory, which highlights the perceived significance of establishing an effective audit committee to control ill-informed conduct among corporate management and the board of directors, possibly reducing the *ARL*. Thus, an audit committee effectively enables corporate management to act in the best interests of shareholders. This study has also gained insights from the resource dependency theory, especially in relation to the presence of audit committee members with prior knowledge and experience. It assumes that possessing members creates valuable resources for the committee, eventually leading to lowering *ARL*.

6. CONCLUSION

This study examined the influence of audit committee characteristics on ARL. We investigated and analyzed 100 listed firms from non-financial sectors in Saudi, constituting approximately 300 observations over three years from 2020 to 2022. The analysis was carried out using diverse statistical models, such as OLS regression, along with the FEM and REM, to promote the underlying regression results. Examining audit committee characteristics is important for understanding what determines the timeliness of audit reports. Specifically, we focused on the most significant committee traits, such as ACFE, ACIND, ACMT, ACPE, and ACSZ. Moreover, this research adopts conceptual views, such as agency theory and resource dependency theory, in the process of assumption development. The regression results, along with relevant statistical techniques, show that ACFE, ACIND, and ACPE have negative and strong associations with ARL. This negative and significant effect indicates the perceived significance of these traits in enhancing ARL. The research findings suggest that ACFE, ACIND, and ACPE are important attributes for enhancing ARL timeliness among non-financial firms in the Saudi context. Furthermore, this demonstrates that the influence of a particular corporate mechanism or trait goes beyond the current time to future periods, as Dalton et al. (1999) and Sultana et al. (2015) suggest.

This study makes sound contributions to existing literature. Regulatory agencies, investors, and moneylenders may find it useful to examine these timely findings regarding the factors affecting the timeliness of audit reports within the Saudi market. Additionally, future research endeavors may further enhance research outcomes regarding the determinants of ARL using different methods, such as content analyses to deepen our understanding of the audit committee's traits. While this research paper provides some valuable insights it is important to acknowledge the limitation of focusing only on three-year periods, future research may expand the time period to validate the research findings. Furthermore, future research may enhance and expand the discussion on the potential generalizability of these findings to different country contexts, especially within emergent economies.

REFERENCES

Abbott, L. J., Park, Y., & Parker, S. (2000). The effects of audit committee activity and independence on corporate fraud. *Managerial Finance*, *26*(11), 55–68. https://doi.org/10.1108/03074350010766990

Abbott, L. J., Parker, S., & Peters, G. F. (2012). Internal audit assistance and external audit timeliness. *AUDITING: A Journal of Practice & Theory*, *31*(4), 3–20. https://doi.org/10.2308/ajpt-10296

Abernathy, J. L., Barnes, M., Stefaniak, C., & Weisbarth, A. (2017). An international perspective on audit report lag: A synthesis of the literature and opportunities for future research. *International Journal of Auditing*, *21*(1), 100–127. https://doi.org/10.1111/ijau.12083

Abernathy, J. L., Kubick, T. R., & Masli, A. (2018). Evidence on the relation between managerial ability and financial reporting timeliness. *International Journal of Auditing*, *22*(2), 185–196. https://doi.org/10.1111/ijau.12112

Afify, H. A. E. (2009). Determinants of audit report lag: Does implementing corporate governance have any impact? Empirical evidence from Egypt. *Journal of Applied Accounting Research*, *10*(1), 56–86. https://doi.org/10.1108/09675420910963397

Agyei-Mensah, B. K. (2019). The effect of audit committee effectiveness and audit quality on corporate voluntary disclosure quality. *African Journal of Economic and Management Studies*, *10*(1), 17–31. https://doi.org/10.1108/AJEMS-04-2018-0102

Agyei-Mensah, B. K. (2022). Impact of audit committee attributes on financial reporting quality and timeliness: An empirical study. *Afro-Asian Journal of Finance and Accounting*, *12*(1), 82–104. https://doi.org/10.1504/AAJFA.2022.121754

Al-Ajmi, J. (2008). Audit and reporting delays: Evidence from an emerging market. *Advances in Accounting*, *24*(2), 217–226. https://doi.org/10.1016/j.adiac.2008.08.002

Aldoseri, M. M., Hassan, N. T., & Melegy, M. M. A. E. H. (2021). Audit committee quality and audit report lag: The role of mandatory adoption of IFRS in Saudi companies. *Accounting*, *7*, 167–178. https://doi.org/10.5267/j.ac.2020.9.019

Alkebsee, R. H., Habib, A., Huang, H. J., & Tian, G. (2022). The gender-diverse audit committee and audit report lag: Evidence from China. *International Journal of Auditing*, *26*(2), 314–337. https://doi.org/10.1111/ijau.12278

Arellano, M., & Honoré, B. (2001). Panel data models: Some recent developments. In J. J. Heckman & E. Leamer (Eds.), *Handbook of econometrics* (Vol. 5, pp. 3229–3296). Elsevier. https://doi.org/10.1016/S1573-4412(01)05006-1

Ashton, R. H., Willingham, J. J., & Elliott, R. K. (1987). An empirical analysis of audit delay. *Journal of Accounting Research*, *25*(2), 275–292. https://doi.org/10.2307/2491018

Beasley, M. S., & Salterio, S. E. (2001). The relationship between board characteristics and voluntary improvements in audit committee composition and experience. *Contemporary Accounting Research*, *18*(4), 539–570. https://doi.org/10.1506/RM1J-A0YM-3VMV-TAMV

Beasley, M. S., Carcello, J. V., & Hermanson, D. R. (1999). *Fraudulent financial reporting: 1987–1997: An analysis of U. S. public companies*. Committee of Sponsoring Organizations of the Treadway Commission (COSO). https://egrove.olemiss.edu/aicpa_assoc/249

Bédard, J., & Gendron, Y. (2010). Strengthening the financial reporting system: Can audit committees deliver? *International Journal of Auditing*, *14*(2), 174–210. https://doi.org/10.1111/j.1099-1123.2009.00413.x

Bédard, J., Chtourou, S. M., & Courteau, L. (2004). The effect of audit committee expertise, independence, and activity on aggressive earnings management. *AUDITING: A Journal of Practice & Theory*, *23*(2), 13–35. https://doi.org/10.2308/aud.2004.23.2.13

Bonsón-Ponte, E., Escobar-Rodríguez, T., & Borrero-Domínguez, C. (2008). Empirical analysis of delays in the signing of audit reports in Spain. *International Journal of Auditing*, *12*(2), 129–140. https://doi.org/10.1111/j.1099-1123.2008.00375.x

Bronson, S. N., Hogan, C. E., Johnson, M. F., & Ramesh, K. (2011). The unintended consequences of PCAOB auditing Standard Nos. 2 and 3 on the reliability of preliminary earnings releases. *Journal of Accounting and Economics*, *51*(1–2), 95–114. https://doi.org/10.1016/j.jacceco.2010.06.002

Bushman, R. M., & Smith, A. J. (2001). Financial accounting information and corporate governance. *Journal of Accounting and Economics*, *32*(1–3), 237–333. https://doi.org/10.1016/S0165-4101(01)00027-1

Chaudhry, N. I., Roomi, M. A., & Aftab, I. (2020). Impact of expertise of audit committee chair and nomination committee chair on financial performance of firm. *Corporate Governance*, *20*(4), 621–638. https://doi.org/10.1108/CG-01-2020-0017

Cohen, J., Gaynor, L. M., Krishnamoorthy, G., & Wright, A. M. (2007). Auditor communications with the audit committee and the board of directors: Policy recommendations and opportunities for future research. *Accounting Horizons*, *21*(2), 165–187. https://doi.org/10.2308/acch.2007.21.2.165

Collier, P., & Gregory, A. (1996). Audit committee effectiveness and the audit fee. *European Accounting Review*, *5*(2), 177–198. https://doi.org/10.1080/09638189600000012

Dalton, D. R., Daily, C. M., Johnson, J. L., & Ellstrand, A. E. (1999). Number of directors and financial performance: A meta-analysis. *Academy of Management Journal*, *42*(6), 674–686. https://www.jstor.org/stable/256988

DeZoort, F. T. (1998). An analysis of experience effects on audit committee members' oversight judgments. *Accounting, Organizations and Society*, *23*(1), 1–21. https://doi.org/10.1016/S0361-3682(97)00029-9

DeZoort, F. T., Hermanson, D. R., Archambeault, D. S., & Reed, S. A. (2002). Audit committee effectiveness: A synthesis of the empirical audit committee literature. *Journal of Accounting Literature*, *21*, 38–75. https://ecommons.udayton.edu/acc_fac_pub/64

Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, *26*(2). https://doi.org/10.1086/467037

Farber, D. B. (2005). Restoring trust after fraud: Does corporate governance matter? *Accounting Review*, *80*(2), 539–561. https://doi.org/10.2308/accr.2005.80.2.539

Greco, G. (2011). Determinants of board and audit committee meeting frequency: Evidence from Italian companies. *Managerial Auditing Journal*, *26*(3), 208–229. https://doi.org/10.1108/02686901111113172

Harris, J., & Bromiley, P. (2007). Incentives to cheat: The influence of executive compensation and firm performance on financial misrepresentation. *Organization Science*, *18*(3). https://doi.org/10.1287/orsc.1060.0241

Hassan, Y. M. (2016). Determinants of audit report lag: Evidence from Palestine. *Journal of Accounting in Emerging Economies*, *6*(1), 13–32. https://doi.org/10.1108/JAEE-05-2013-0024

Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, *28*(3). https://doi.org/10.5465/amr.2003.10196729

Jaggi, B., Leung, S., & Gul, F. (2009). Family control, board independence and earnings management: Evidence based on Hong Kong firms. *Journal of Accounting and Public Policy*, *28*(4), 281–300. https://doi.org/10.1016/j.jaccpubpol.2009.06.002

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kaabi, I. (2023). The effect of board diligence on the audit committee effectiveness during the COVID-19 crisis: Empirical evidence from French companies. *Corporate Board: Role, Duties and Composition, 19*(3), 8–14. https://doi.org/10.22495/cbv19i3art1

Krishnan, J. (2005). Audit committee quality and internal control: An empirical analysis. *Accounting Review*, *80*(2), 649–675. https://doi.org/10.2308/accr.2005.80.2.649

Krishnan, J., & Yang, J. S. (2009). Recent trends in audit report and earnings announcement lags. *Accounting Horizons*, *23*(3), 265–288. https://doi.org/10.2308/acch.2009.23.3.265

Lee, H.-Y., Mande, V., & Son, M. (2008). A comparison of reporting lags of multinational and domestic firms. *Journal of International Financial Management and Accounting*, *19*(1), 28–56. https://doi.org/10.1111/j.1467-646X.2008.01015.x

Lerner, J., Leamon, A., & Dew, S. (2017). *The CMA and the Saudi stock market crash of 2006*. Saudi Capital Market Authority (CMA). https://cma.org.sa/en/Market/Documents/CMA_Crash2006_en.pdf

Li, Q. (2018). Regression diagnostics and sensitivity analysis. In *Using R for data analysis in social sciences: A research project-oriented approach* (pp. 206–262). Oxford University Press. https://doi.org/10.1093/oso/9780190656218.003.0006

Marshall, A. P., & Weetman, P. (2002). Information asymmetry in disclosure of foreign exchange risk management: Can regulation be effective? *Journal of Economics and Business*, *54*(1), 31–53. https://doi.org/10.1016/S0148-6195(01)00058-3

Mori, N., & Towo, G. (2017). Effects of boards on performance of local and foreign-owned banks in Tanzania. *African Journal of Economic and Management Studies*, *8*(2), 160–171. https://doi.org/10.1108/AJEMS-06-2016-0090

Neuman, W. L. (2014). *Social research methods: Qualitative and quantitative approaches* (7th ed.). Pearson.
Reichelt, K. J., & Wang, D. (2010). National and office-specific measures of auditor industry expertise and effects on audit quality. *Journal of Accounting Research*, *48*(3), 647–686. https://doi.org/10.1111/j.1475-679X .2009.00363.x
Rifai, M., & Siregar, S. V. (2021). The effect of audit committee characteristics on forward-looking disclosure. *Journal of Financial Reporting and Accounting*, *19*(5), 689–706. https://doi.org/10.1108/JFRA-05-2019-0063
Sebrina, N., & Taqwa, S. (2019). Analysis of accounting conservatism on accounting policy post-implementation of international financial reporting standard. In *Proceedings of the Third Padang International Conference on Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA 2019)* (pp. 809–821). Atlantis Press. https://doi.org/10.2991/piceeba-19.2019.3
Shbeilat, M. K. (2023). Contributors to audit committee effectiveness: An experimental study of external auditors' perception [Special issue]. *Corporate Governance and Organizational Behavior Review, 7*(3), 291–306. https://doi.org/10.22495/cgobrv7i3sip6
Singh, H., Sultana, N., Islam, A., & Singh, A. (2022). Busy auditors, financial reporting timeliness and quality. *The British Accounting Review*, *54*(3), Article 101080. https://doi.org/10.1016/j.bar.2022.101080
Sultana, N., Singh, H., & Van der Zahn, J.-L. W. M. (2015). Audit committee characteristics and audit report lag. *International Journal of Auditing*, *19*(2), 72–87. https://doi.org/10.1111/ijau.12033
Tanyi, P., Raghunandan, K., & Barua, A. (2010). Audit report lags after voluntary and involuntary auditor changes. *Accounting Horizons*, *24*(4), 671–688. https://doi.org/10.2308/acch.2010.24.4.671
Ulfah, Y., Ambarita, N. P., Hidayani, Yudaruddin, R., & Lesmana, D. (2022). Board structure and earning management: A comparative study between the pre-pandemic and during the COVID-19 pandemic periods. *Corporate & Business Strategy Review, 3*(2), 177–187. https://doi.org/10.22495/cbsrv3i2art16
Wiseman, R. M., Cuevas-Rodríguez, G., & Gomez-Mejia, L. R. (2012). Towards a social theory of agency. *Journal of Management Studies*, *49*(1), 202–222. https://doi.org/10.1111/j.1467-6486.2011.01016.x
Zahra, S. A., & Pearce, J. A. (1989). Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management*, *15*(2), 291–334. https://doi.org/10.1177/014920638901500208