



Proceeding – ICOBIS

INTERNATIONAL CONFERENCE ON GLOBAL INNOVATION AND TRENDS IN ECONOMICS
(ICOBIS)

The Effect Of The Independence Of The Board Of Directors, Audit Committee, And Audit Quality On The Timeliness Of Financial Reporting With Audit Opinion As A Moderating Variable

(Empirical Study of Property and Real Estate Companies Listed on the Indonesia Stock Exchange for the 2021–2025 Period)

1st Jasmine Ansya Ramadhani

*Accounting Study Program, Faculty of Economics and Business
Pancasakti University Tegal*
[jamineansya574@gmail.com](mailto:jasmineansya574@gmail.com)

2nd Dewi Indriasih

*Accounting Study Program, Faculty of Economics and Business
Pancasakti University Tegal*
dewiindriasih@upstegal.ac.id

3rd Aminul Fajri

*Accounting Study Program, Faculty of Economics and Business
Pancasakti University Tegal*
aminulfajri@upstegal.ac.id

Abstract –

This study analyzes the influence of board of directors, audit committee, and audit quality independence on the timeliness of financial reporting, with audit opinion as a moderating variable in property and real estate companies listed on the Indonesia Stock Exchange during 2021–2025. The study uses a quantitative approach and secondary data sourced from annual reports and company financial statements. The sample was selected using purposive sampling. The research data were analyzed using descriptive statistics, classical assumption tests, multiple linear regression, and Moderated Regression Analysis (MRA). The test results indicate that board of directors and audit committee independence have no significant effect on the timeliness of financial reporting. Audit quality has a negative and significant effect. Audit opinion does not moderate the relationship between board of directors independence and timeliness of reporting, but it does moderate the relationship between the audit committee and audit quality and timeliness of financial reporting.

Keywords – *independence of the board of directors, audit committee, audit quality, audit opinion, timeliness of financial reporting.*

I. INTRODUCTION

Timely delivery of financial reports is a crucial component of corporate transparency, as late information delivery can reduce its usefulness to investors and stakeholders. Timely financial reports provide users with relevant information to assess the company's condition and performance. Conversely, delays can increase information asymmetry and create uncertainty in decision-making [1].

Publicly listed companies in Indonesia are required to submit financial reports in accordance with capital market regulations. However, reporting delays are still found, including in the property and real estate sector. This sector is

relatively complex due to its long-term projects, revenue recognition, funding requirements, and changing economic conditions. This complexity can impact the audit process and the timing of financial report publication.

From an agency theory perspective, governance mechanisms are needed to mitigate conflicts of interest between management and owners. Board independence is expected to enhance oversight objectivity, while audit committees help oversee reporting and internal control processes. Audit quality also plays a role in enhancing the reliability of reports, although more in-depth audits can require more time.

Signaling Theory explains that information provided by a company can serve as a signal to the market. Timely reporting can be perceived as a positive signal regarding compliance and governance quality, while delays can create the opposite perception [2]. In this context, audit opinion is considered a variable that can alter the strength of the relationship between governance mechanisms and audit quality and reporting timeliness.

Previous research has not produced consistent findings regarding the influence of board of director independence, audit committee independence, and audit quality on reporting timeliness. These discrepancies in results represent a significant research gap, particularly in the property and real estate sector and the post-pandemic period. Therefore, this study examines these three variables simultaneously and includes audit opinion as a moderating variable.

2.1 Agency Theory

Agency theory views corporate relationships as a contract between a principal and an agent. Differences in interests and information between the two parties can give rise to agency conflicts. Independent oversight mechanisms are expected to limit opportunistic management behavior and encourage information transparency. In this study, the independence of the board of directors and audit committee is seen as an oversight mechanism that can support timely reporting.

2.2 Signaling Theory

Signaling Theory explains that companies convey certain information as a signal to external parties. Timely publication of financial reports can demonstrate compliance, transparency, and good governance. Audit opinions can also provide information regarding the fairness of reports and audit conditions, which theoretically can influence the relationship between governance and audit variables and timeliness [2].

2.3 Hypothesis Development

H1. The independence of the board of directors has a positive effect on the timeliness of financial reporting.

H2. The audit committee has a positive influence on the timeliness of financial reporting.

H3. Audit quality has a positive effect on the timeliness of financial reporting.

H4. Audit opinion strengthens the relationship between board of directors independence and timeliness of financial reporting.

H5. Audit opinion strengthens the relationship between the audit committee and the timeliness of financial reporting.

H6. Audit opinion strengthens the relationship between audit quality and the timeliness of financial reporting.

II. METHOD

This study employed a quantitative approach with a causal associative design. The subjects were property and real estate companies listed on the Indonesia Stock Exchange during the 2021–2025 period. The study population consisted of 92 companies. Based on purposive sampling criteria and data availability, 54 companies were selected as samples, with 270 observations over five years.

The data used are secondary data in the form of annual reports, financial statements, and independent auditor reports. The independent variables consist of board of directors independence (IDD), audit committee independence (KA), and audit quality (KUA). Timeliness of financial reporting (KWP) is the dependent variable, while audit opinion (OA) is used as a moderating variable.

The analysis was conducted using descriptive statistics, normality tests, multicollinearity, heteroscedasticity, autocorrelation, multiple linear regression, model feasibility tests, partial tests, coefficient of determination, and Moderated Regression Analysis (MRA).

3.1 Operationalization of Variables

Variables	Measurement	Scale
IDD	Proportion of independent board members	Ratio
THE	Number of audit committee members	Number of members
DONE	Auditor/KAP quality according to research coding	Dummy 0-1
O.A.	Audit opinion according to research coding	Dummy 0-1
Provincial Police Headquarters	Number of days between the end of the reporting period and the submission date	Day

III. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

A descriptive analysis was conducted on 270 observations of companies in the property and real estate sector. A summary of the variable characteristics is presented in the following table.

Variables	Min	Max	Mean	Std. Dev.
IDD	0,13	0,40	0,2143	0,05691
THE	3,00	4,00	3,0296	0,16988
DONE	0,00	1,00	0,2852	0,45234
O.A.	0,00	1,00	0,7889	0,40885
Provincial Police Headquarters	41,00	390,00	99,5222	39,54741

Source: SPSS 26 output, data processed by researchers (2026).

The average IDD value of 0.2143 indicates that the proportion of board independence in the sample is approximately 21.43%. The average number of audit committee members is 3.0296. Audit quality has an average value of 0.2852, while audit opinion is 0.7889 based on research coding. Reporting timeliness has an average of 99.5222 days, with a range of 41 to 390 days.

4.2 Classical Assumption Test

The test results showed that the initial data did not meet the assumption of normality, so outliers were handled. After this process, the significance value was 0.058, greater than 0.05, so the residuals were declared normally distributed. Multicollinearity testing showed no interfering correlation issues between the independent variables. The Glejser test also showed that the model did not experience problematic heteroscedasticity. The Durbin-Watson value of 1.904 was used in the autocorrelation test and indicated that the model could be used for further analysis.

4.3 Multiple Linear Regression

The regression equation obtained is:

$$KWP = 76,575 - 10,833 \text{ IDD} + 7,437 \text{ KA} - 7,365 \text{ KUA} + e$$

The IDD coefficient of -10.833 with a significance level of 0.502 indicates that board independence has no significant effect on KWP. The KA coefficient of 7.437 with a significance level of 0.126 also indicates no significant effect. Meanwhile, KUA has a coefficient of -7.365 with a significance level of 0.000, indicating that audit quality has a negative and significant effect on KWP.

4.4 Moderated Regression Analysis

The moderation model obtained in the study is:

$$KWP = 13.084 - 33.420\text{IDD} + 18.158\text{KA} + 7.046\text{KUA} + 3.916\text{IDD} \times \text{OA} - 9.030\text{KA} \times \text{OA} - 7.392\text{KUA} \times \text{OA} + e$$

Interaction	Coefficient	Say.	Conclusion
IDD × OA	3,916	0,072	Not moderating
IN × OUT	-9,030	0,000	Moderating
GONE × OA	7,392	0,000	Moderating

Source: SPSS 26 output, data processed by researchers (2026).

The interaction between IDD and audit opinion has a significance of 0.072, indicating that audit opinion is not proven to moderate the relationship between IDD and KWP. The interaction between KA and audit opinion is significant at 0.000, indicating a moderating effect. The interaction between KUA and audit opinion is also significant at 0.000, indicating that audit opinion is proven to moderate the relationship between audit quality and timeliness of reporting.

4.5 Model and Hypothesis Feasibility Test

The F-test yielded a calculated F-value of 6.647 with a significance level of 0.000 for the main model. For the moderated model, the calculated F-value was 10.990 with a significance level of 0.000. Thus, the simultaneous research model is suitable for explaining the relationship between the independent and dependent variables.

Hypothesis	Connection	Results	Results
H1	IDD → KWP	Not significant	Rejected
H2	KA → KWP	Not significant	Rejected
H3	BACK → KWP	Negative, significant	Accepted
H4	IDD × OA → KWP	Not significant	Rejected
H5	KA × OA → KWP	Significant	Accepted
H6	BACK × OA → KWP	Significant	Accepted

4.6 Discussion

The insignificance of board independence indicates that the level of independence in the sample companies does not directly determine the speed of financial report submission. The effectiveness of oversight is determined not only by composition but also by the activity and quality of the oversight function's implementation.

The audit committee also did not demonstrate a significant direct impact. The presence of an audit committee, in terms of quantity, does not automatically result in a faster reporting process, as its effectiveness can depend on its competence, meeting frequency, experience, and coordination with the auditor.

Audit quality had a negative and significant impact. This finding can be interpreted as meaning that audits with more rigorous and in-depth procedures can potentially take longer, thus increasing the time required for the report to be submitted. Thus, audit quality and speed of submission can face a trade-off under certain circumstances.

Audit opinion does not moderate the relationship between board independence and timeliness. Conversely, audit opinion moderates the relationship between audit committee and audit quality and timeliness of reporting. This means that the characteristics of the opinion obtained by a company can alter the relationship between these two mechanisms and the reporting process, while the effect of board independence does not change significantly when audit opinion is taken into account.

IV. CONCLUSIONS

The independence of the board of directors has not been proven to have a positive and significant effect on the timeliness of financial reporting.

The audit committee was not proven to have a positive and significant influence on the timeliness of financial reporting.

Audit quality has a negative and significant effect on the timeliness of financial reporting.

Audit opinion is not proven to moderate the relationship between board of directors independence and timeliness of financial reporting.

Audit opinion is shown to moderate the relationship between the audit committee and the timeliness of financial reporting.

Audit opinion is proven to moderate the relationship between audit quality and timeliness of financial reporting.

SUGGESTION

Future research could consider other variables such as profitability, leverage, company size, liquidity, financial distress, audit delay, audit tenure, institutional ownership, accounting firm size, internal control effectiveness, and the

implementation of good corporate governance. The research objectives could also be expanded to other sectors and the observation period could be extended. Furthermore, further research could use different moderating variables or alternative analytical methods to obtain broader explanations.

REFERENCES

- [1] Serly, 2021. Discussion on the timeliness of financial reporting and the relevance of information.
- [2] Spence, M. (1973). Job Market Signaling. *The Quarterly Journal of Economics*, 87(3), 355–374.
- [3] Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure.
- [4] Scott, W. R. (2015). *Financial Accounting Theory*.
- [5] Sugiyono. (2023). *Quantitative, Qualitative, and R&D Research Methods*.
- [6] Ghozali, I. (2020). *Multivariate Analysis Applications*.
- [7] Apadore, K., & Mohd Noor, M. (2020). Determinants of Audit Report Lag and Corporate Governance in Malaysia. *International Journal of Business and Management*, 8(15), 151–163.
- [8] Asriyatun, N., & Syarifudin, A. (2020). Analysis of Factors Influencing the Timeliness of Financial Reporting in Manufacturing Companies Listed on the Indonesia Stock Exchange. *JIMMBA*, 2(1).
- [9] Kurniasih, et al. (2022). Discussion on the relevance and timeliness of financial information.
- [10] Maharani, & Redjo. (2023). Discussion of board independence and timeliness of reporting.
- [11] Wulan, et al. (2024). Discussion of audit committees, audit quality, and timeliness of reporting.
- [12] Fatmawati, & Hariyono. (2025). Discussion of audit quality and financial reporting.