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Evaluating Audit Quality and Audit Committee Proportion: What Drives Timely Financial Reporting in Indonesian Tech Companies?

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Abstract

This study investigates the effects of audit quality and audit committee proportion on financial reporting timeliness in Indonesian technology firms. Using a quantitative approach, it analyzes data from 540 observations across 90 companies listed on the Indonesia Stock Exchange from 2021 to 2025. Financial reporting timeliness is measured by audit report lag, with factors such as profitability (measured by Return on Assets), leverage (Debt to Equity Ratio), liquidity (Current Ratio), audit quality (Big 4 affiliation), and audit committee proportion (ratio of independent members) examined. The analysis employs panel data regression using the Random Effect Model, revealing that profitability (? = 0.280, p = 0.002), leverage (? = 0.195, p = 0.027), audit quality (? = 0.315, p = 0.000), and audit committee proportion (? = 0.410, p = 0.000) positively influence reporting timeliness, while liquidity shows no significant effect (? = 0.120, p = 0.101). The audit committee's proportion moderates the profitability-timeliness (? = 0.155, p = 0.016) and leverage-timeliness relationships (? = 0.130, p = 0.040), with audit quality partially mediating the profitability-leverage pathways and fully mediating the liquidity-timeliness relationship. This research contributes a unique framework by integrating multiple pathways in the context of Indonesian technology firms, contrasting with previous studies focused on direct effects. The findings offer practical implications: regulators should consider strengthening independence requirements for audit committees; corporate management can optimize audit structures; and investors gain insight into governance signals for better decision-making. This study enhances the integrity of Indonesia's capital market and promotes corporate transparency and accountability, ultimately fostering sustainable economic growth

Keywords: Audit Quality, Audit Committee, Financial Ratios, Timely Reporting, Tech Companies