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The Effect of Auditor Switching and Financial Distress on Audit Report Lag in Non-Primary Consumer Goods Companies Listed on the Sharia Securities List (DES) in 2021-2024

Amalia Marliani[1], Dudang Gojali[2] , Gina Sakinah[3]

[1-3] Department of Sharia Accounting, Faculty of Islamic Economics and Business, Sunan Gunung Djati State Islamic University Bandung, Indonesia

[1]amaliamarliani234@gmail.com*, [2]dudang.gojali@uinsgd.ac.id, [3]ginasakinah1004@uinsgd.ac.id

Abstract

This research is motivated by the persistence of companies that submit audited financial reports late despite being regulated by the Financial Services Authority Regulation No. 14/POJK.04/2022 concerning the deadline for submitting financial reports. Companies in the Non-Primary Consumer Goods sector listed on the Sharia Securities List are among the sectors with the highest audit report lag rates in the 2021–2024 period. This study aims to analyze the effect of auditor switching on audit report lag, the effect of financial distress on audit report lag, and the simultaneous effect of auditor switching and financial distress on audit report lag. The research method used is quantitative with secondary data in the form of annual financial reports of companies in the Non-Primary Consumer Goods sector listed on the Sharia Securities List (DES) for the 2021–2024 period. The research sample consisted of 19 companies selected using a purposive sampling technique. The results show that (1) auditor switching has a significant positive effect on audit report lag, (2) financial distress does not have a partial significant effect on audit report lag, and (2) auditor switching and financial distress have a simultaneous significant effect on audit report lag.

Keywords *: auditor switching, financial distress, audit report lag*

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1. Introduction

In the current era of the global economy, the development of Islamic capital markets in society is very rapid (Fitrianingsih & Setiawan, 2023). Indonesia's Islamic capital markets play a significant role in driving equitable and sustainable economic growth.

Numerous benchmarks can be used to determine the performance of the Islamic capital market in Indonesia, including the financial statements of listed companies and the Islamic products offered on the market. Public entities listed on the Indonesia Stock Exchange are required to publish financial statements that meet the general terms and conditions of predetermined laws and to list their shares before trading on the capital market (Sakinah et al., 2024). One such requirement is the obligation to publish financial statements audited by an independent auditor. According to PSAK 401, the characteristics of good financial statements are relevance, reliability, accuracy, and timeliness. Timeliness is a crucial element in financial reporting, so ensuring financial statements are submitted on time is crucial.

Companies listed on the capital market (issuers) are required to issue financial reports that comply with accounting standards, enabling better analysis and understanding of the company's financial condition. This aims to clearly depict the company's financial position (Fia Alifiyanti, 2023). Better financial reporting practices in the private sector help improve company performance by facilitating early identification of financial issues and enabling prompt resolution (Gojali et al., 2024).

Financial reports prepared by companies listed on the stock market play a significant role in conveying transparent information regarding the company's performance and financial condition. These reports enable investors to monitor the company's progress and performance more comprehensively. Investors are supported by accurate and relevant information in financial reports to assess profit opportunities and potential losses, and make informed decisions regarding the use of funds (Adelia Fildzah Nadhilah, 2023).. For companies whose shares are traded on the stock market, the presentation of performance reports or financial statements must be timely (Rante & Simbolon, 2022).

Annual financial reports must be submitted to the Financial Services Authority (OJK) and published to the public no later than three months after the closing date. To avoid late penalties, audited financial reports must be submitted on time. Based on Article 25 paragraph 4, administrative sanctions include written warnings, fines of up to IDR 500 million, restrictions, freezing, revocation of business licenses, or temporary suspension of securities trading (OJK Regulation No. 14/POJK.04/2022 of 2022, n.d).

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Based on empirical data from the Indonesia Stock Exchange (IDX), as of December 31, 2021, 91 issuers experienced delays in submitting audited financial reports; as of December 31, 2022, 61 issuers experienced delays in submitting audited financial reports; as of December 31, 2023, 129 issuers experienced delays in submitting audited financial reports; and as of December 31, 2024, 128 issuers experienced delays in submitting audited financial reports. Based on this data, it can be seen that many companies still frequently face difficulties in submitting their financial reports correctly, indicating that the implementation of OJK regulations is not yet optimal in ensuring companies comply with deadlines.

In practice, audit report lag can occur in various industrial sectors. However, this study specifically selected companies operating in the non-primary consumer goods sector listed on the Sharia Securities List (DES) from 2021 to 2024. Empirically, companies in this sector are one of the main causes of audit report lag in the Sharia capital market, with the highest average value of 8.25 during the 2021-2024 period.

Audit report lag is a crucial factor to consider to help companies avoid sanctions, maintain their performance, and maintain a positive reputation among investors and the general public. Many factors influence delays in audit report submission (Yogiputra & Syafruddin, 2021).

This study examines two important factors considered to influence audit report lag: auditor switching and financial distress. It also uses agency theory and signaling theory as a conceptual foundation to examine how auditor switching and financial distress influence audit report lag.

According to Safriliana & Muawanah (2019), auditor switching occurs when a company changes auditors or Public Accounting Firms (KAP), either at its own discretion or due to government regulations. Auditors who have worked for a company for a long time typically have a better understanding of the company's business than new auditors. These auditors can develop better audit plans, resulting in high-quality financial reports that are delivered on time.

Financial distress is a situation in which a company is unable to pay its debts (obligations) or is unable to meet its financial obligations, which can lead to bankruptcy (Muaqilah et al., 2021). When a company experiences financial distress, it often attempts to present its financial statements in a more positive light to reduce negative responses from investors (Mardjono & Astutie, 2022). In such situations, the financial statement audit process can also be time-consuming (Karina & Julianto, 2022).

According to Jensen & Meckling (1976), as quoted by Liesdi et al., (2023), Agency theory is a relationship between two parties: the principal and the agent. The use of agency theory in this study is important because audit report lag is a parameter for assessing the performance and effectiveness of auditor supervision in addressing information asymmetry between the agent and the principal.

Signaling theory is a method used by company management to inform capital owners about how management views business opportunities (Bergh et al., 2014) in (Sari & Fauzan, 2024). This study uses signaling theory to understand how companies send signals to the market and stakeholders through their actions and the information they convey (Spence, 1973) in (Sanubari & Wibowo, 2021).

This research gap arises from inconsistencies in previous research findings regarding factors influencing audit report lag, particularly auditor switching and financial distress. Some studies indicate that these two variables influence audit completion time, while others find the effect to be insignificant. Furthermore, research on the effect of auditor switching and financial distress on audit report lag in Islamic companies, particularly in the non-primary consumer goods sector, is relatively limited. Furthermore, research covering the 2021–2024 period has been limited, necessitating more up-to-date research to provide more up-to-date empirical evidence.

Therefore, based on the phenomena and problems explained previously, as well as the discrepancies in previous research results, the researcher chose the title "The Effect of Auditor Switching and Financial Distress on Audit Report Lag in Non-Primary Consumer Goods Companies Listed on the Sharia Securities List (DES) in 2021-2024."

Referring to the description of the research background, the formulation of the research problem is: (1) How does auditor switching affect auditor report lag in non-primary consumer goods sector companies listed on the Sharia Securities List (DES) in 2021-2024?, (2) How does financial distress affect auditor report lag in non-primary consumer goods sector companies listed on the Sharia Securities List (DES) in 2021-2024, (3) How do auditor switching and financial distress affect auditor report lag in non-primary consumer goods sector companies listed on the Sharia Securities List (DES) in 2021-2024?

Based on the formulation of the problem, the objectives of this study are to: (1) Determine and analyze the effect of auditor switching on auditor report lag in non-primary consumer goods sector companies listed on the Sharia Securities List (DES) in 2021-2024, (2) Determine and analyze the effect of financial distress on auditor report lag in non-primary consumer goods sector companies listed on the Sharia Securities List (DES) in 2021-2024. (3) Determine and analyze the effect of auditor switching and financial distress on auditor report lag in non-primary consumer goods sector companies listed on the Sharia Securities List (DES) in 2021-2024.

The following is a hypothesis formulation based on the problem formulation:

H1: Auditor Switching has a partial, significant, and positive effect on Audit Report Lag in Non-Primary Consumer Goods Sector Companies listed

on the Sharia Securities List (DES) for the 2021-2024 period.

H2: Financial Distress has a partial, significant and positive effect on Audit Report Lag in Non-Primary Consumer Goods Sector Companies listed on the Sharia Securities List (DES) for the 2021-2024 period.

H3: Auditor Switching and Financial Distress simultaneously have a significant effect on Audit Report Lag in Non-Primary Consumer Goods Sector Companies listed on the Sharia Securities List (DES) for the 2021-2024 period.

2. Research Methodology

The research method used to analyze the sample in this study is descriptive with a quantitative approach. The type of data utilized is quantitative data obtained from secondary data referring to the audited annual financial reports of non-primary consumer goods companies listed on the Sharia Securities List (DES) for 2021-2024 and published through the official platform of the Indonesia Stock Exchange (IDX) at https://www.idx.co.id/id or through the platforms of each company.

This study used a purposive sampling method, a technique involving a relevant population selected based on certain characteristics (Margono, 2004) as cited in (Suriani et al., 2023). The sample criteria for this study were:

Table 1. Sample Selection Criteria

No	Criteria	Amount
1	Non-primary consumer goods sector companies listed on the DES during the 2021–2024 period.	130
2	Non-primary consumer goods sector companies that did not publish complete and audited annual financial reports during the 2021–2024 period.	(40)
3	Non-primary consumer goods sector companies that were inconsistently listed on the DES during the 2021-2024 period.	(57)
4	Companies in the non-primary consumer goods sector that do not apply the rupiah currency value in their financial reports during the 2021-2024 period.	(1)
5	Companies in the non-primary consumer goods sector that do not have complete data and do not meet research requirements during the 2021-2024 period.	(13)
Initial Sample Total		19
Year of Observation		4
Total data samples during the study (19 × 4)		**76**

19 companies met the sample selection criteria, and the study was conducted over four periods, from 2021 to 2024. This resulted in 76 data points used in the financial reports of the non-primary consumer goods sector. The sample for this study is as follows:

Table 2. Research Sample Results

No	Code	Information
1.	BAYU	PT. Bayu Buana Tbk.
2.	BLTZ	PT. Graha Layar Prima Tbk.
3.	BOLT	PT. Garuda Metalindo Tbk.
4.	CINT	PT. Chitose Internasional Tbk.
5.	ERAA	PT. Erajaya Swasembada Tbk.
6.	FAST	PT. Fast Food Indonesia Tbk.
7.	GEMA	PT. Gema Grahasarana Tbk.
8.	HRME	PT. Menteng Heritage Realty Tbk.
9.	IDEA	PT. Idea Indonesia Akademi Tbk.
10.	KPIG	PT. MNC Land Tbk.
11.	LMPI	PT. Langgeng Makmur Industri Tbk.
12.	MGLV	PT. Panca Anugrah Wisesa Tbk.
13.	MPMX	PT. Mitra Pinasthika Mustika Tbk.
14.	POLU	PT. Golden Flower Tbk.
15.	SOTS	PT. Satria Mega Kencana Tbk.
16.	SSTM	PT. Sunson Textile Manufacturer Tbk.
17.	TMPO	PT. Tempo Intimedia Tbk.
18.	WOOD	PT. Integra Indocabinet Tbk.
19.	ZONE	PT. Mega Perintis Tbk.

Source: Indonesia Stock Exchange (Data processed by researchers, 2025)

Operationalizing variables is the process of defining and measuring abstract concepts in a way that allows them to be observed or measured (Iba & Wardhana, 2024). The following are the operational variables in this study:

Table 3. Operational Variables

Variable	Definition	Indicator	Scale
Auditor Switching (X_1)	Auditor switching occurs when a company changes auditors or Public Accounting Firms (KAP), either at its own discretion or due to government regulations. (Safriliana & Muawanah, 2019)	Auditor Switching Occurs = 1 Auditor Switching Does Not Occur = 0	Nominal

Financial Distress (X_2)	Financial distress is a condition where a company's finances deteriorate, starting from the inability to pay off liabilities that have matured until the company finally goes bankrupt. (Karina & Julianto, 2022)	$Z= 1,2X_1 + 1,4X_2 + 3,3X_3 + 0,6X_4 + 1X_5$	Ratio
Audit Report Lag (Y)	Audit Report Lag is the duration of time spent to complete the audit of financial reports, measured from the closing date of the company's annual books on December 31 to the date the auditor signs the audit report. (Napisah & Soeparyono, 2024).	Audit Report Lag= Audit Report Date– Book Closing Date	Ratio

Source: *Google Scholar* (Data processed by researchers, 2025)

The data collection of this research applies documentation techniques, and data analysis is carried out using several techniques, including: descriptive statistics, classical assumption tests (normality tests, multicollinearity tests, heteroscedasticity tests and autocorrelation tests), multiple linear regression analysis, R^2 determinant coefficient tests, and hypothesis tests (partial and simultaneous tests).

3. Results and Discussion

3.1 Results

3.1.1 Descriptive Statistical Analysis

Descriptive statistics is a branch of statistics that discusses collecting, presenting, and determining statistical values in a way that is easier to understand and read. It uses various methods, such as calculating the mean, median, and mode to indicate the center of the data. Furthermore, it uses data distribution methods such as standard deviation, range, and quartiles to explain data variation (Nasution, 2017). Descriptive statistical analysis is generated from two independent variables (X), namely auditor switching and financial distress, and one dependent variable (Y), namely audit report lag, as explained in the following table:

Table 4. Results of Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Auditor Switching	76	0	1	.29	.457
Financial Distress	76	-1.09	5.83	1.9922	1.32288
Audit Report Lag	76	56	174	98.01	23.336
Valid N (listwise)	76				

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

Referring to the results of the descriptive statistical analysis presented in Table 4, 76 data sets were obtained. These data were derived from the financial reports of companies in the Non-Primary Consumer Goods sector listed on the Sharia Securities List (DES) for the years 2021 to 2024.

The auditor switching variable has a minimum value of 0 and a maximum of 1, indicating that it is a dummy variable. A value of 0 indicates no auditor switching, while a value of 1 indicates the presence of auditor switching. Furthermore, this variable has a mean value of 0.29 and a standard deviation of 0.457.

The financial distress variable has a minimum value of -1.09 for BLTZ and a maximum value of 5.83 for ERAA. Furthermore, this variable has a mean value of 1.9922 and a standard deviation of 1.32288.

The audit report lag variable has a minimum value of 56 days for BOLT and a maximum of 174 days for POLU, with an average value of 98.01 days. This shows that the company audit process takes an average of 98 days, with a standard deviation of 23.336 days.

3.1.2 Classical Assumption Test Results

Normality Test Results

As quoted from Sugiyono (2017), the normality test is applied to assess whether the data distribution of the variables studied is normally distributed. To determine this, this study used several methods, including histogram plots, probability plots, and the Kolmogorov-Smirnov statistical test. The normality test results obtained using these methods are:

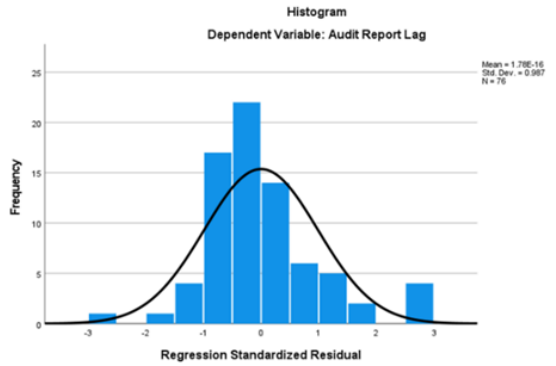

Figure 1. Results of the Normality Test of the Histogram Plot
Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

Figure 1 displays a graph of the data resulting from the normality test using a histogram plot in the form of a curved line that resembles an inverted bell shape, which shows that the residual data is normally distributed. In addition to the histogram plot, to ensure data normality more comprehensively, a One-Sample Kolmogorov-Smirnov statistical test was also carried out as follows:

Table 5. Results of the Kolmogorov-Smirnov Test for Normality

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		76
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	21.88513063
Most Extreme Differences	Absolute	.122
	Positive	.122
	Negative	-.085
Test Statistic		1.061
Asymp. Sig. (2-tailed)[c]		.200[d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

Referring to the results of table 4.5 in this study, the Asymp. Sig value was obtained > 0.05. Thus, the research data is concluded to be normally distributed.

Multicollinearity Test Results

Multicollinearity testing is conducted to identify relationships between independent variables in a regression model (Ghozali, 2016). This test uses the variability inflation factor (VIF) and tolerance values. If the VIF is less than 10 and the tolerance value is greater than 0.10, the regression model is considered free of multicollinearity. The results of the multicollinearity test are presented below:

Table 6. Multicollinearity Test Results

Coefficients[a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Auditor Switching	.982	1.018
	Financial Distress	.982	1.018
a. Dependent Variable: Audit Report Lag			

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

Referring to the test results in Table 4.6, all research variables recorded a VIF value of 1.018, which is below 10, and a tolerance value of 0.982, which exceeds the 0.10 limit. Thus, it is known that the regression model is free from multicollinearity problems in this study.

Heteroscedasticity Test Results

Heteroscedasticity testing is applied to identify non-uniformity in residual variance between observations in a regression model (Ghozali, 2016).. This test is conducted using a scatterplot showing the relationship between predicted values (ZPRED) and residuals (SRESID). If the points on the graph are randomly distributed without forming a specific pattern, it indicates that the homoscedasticity assumption is met. The following are the results of the heteroscedasticity test:

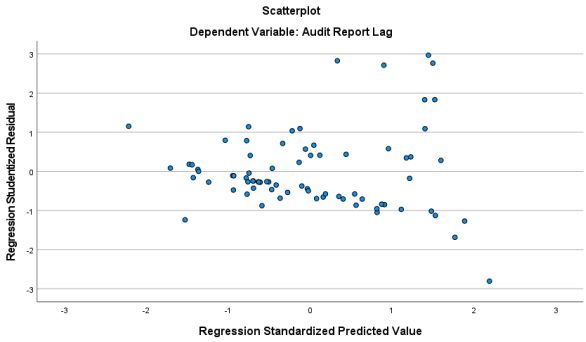

Figure 2. Results of the Heteroscedasticity Test Scatterplot Graph
Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

Based on Figure 2, it can be seen that the points on the scatterplot graph are randomly distributed without any particular pattern on the Y-axis, both below and above zero. Thus, this study is free from heteroscedasticity issues.

Autocorrelation Test Results

Autocorrelation testing is conducted to assess the relationship between the current residuals and the previous residuals. If a correlation is found, an autocorrelation problem is identified (Ghozali, 2021).

The Durbin–Watson test method was applied in this study to conduct this test.

Table 7. Autocorrelation Test Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.347[a]	.120	.096	22.183	1.720
a. Predictors: (Constant), Financial Distress, Auditor Switching					
b. Dependent Variable: Audit Report Lag					

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

From Table 7, the Durbin-Watson value is 1.720. With two independent variables, a 5% significance level, and a sample size of 76 data, the DL value is 1.5740 and the DU value is 1.6819. Based on these test results, the following conclusions can be drawn:

DU < DW < (4-DU) = 1.6819 < 1.720 < 4-1.819
= 1.6819 < 1.720 < 2.3181
(no autocorrelation occurs)

3.1.3 Multiple Linear Regression Analysis Results

Multiple linear regression analysis was conducted to identify any patterns in the relationship between the dependent variables, namely auditor switching and financial distress, and the independent variable, audit report lag (Ghozali, 2018). The results of the multiple regression analysis are presented in the following table:

Table 8. Results of Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	101.713	5.100		19.944	.000
	Auditor Switching	12.751	5.661	.249	2.252	.027
	Financial Distress	-3.710	1.954	-.210	-1.899	.062
a. Dependent Variable: Audit Report Lag						

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

The regression equation used in this test is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2$$

***ARL* = Constant + AS Regression Coefficient + FD Regression Coefficient**

Y = 101.713 + 12.751 -3.710

The constant (α) value of 101.713 indicates that if the auditor switching and financial distress variables are both zero, the audit report lag duration is estimated to be approximately 101.713 days.

The auditor switching regression coefficient ($\beta_1 X_1$) of 12.751 has a positive sign. This means that every one-unit increase in the auditor switching variable (which indicates a company changing its auditor) tends to increase the audit report lag duration by 12.751 days, as long as other variables remain constant.

The financial distress regression coefficient ($\beta_2 X_2$) of -3.710 has a negative sign. This means that every one-unit increase in the financial distress Z-Score (which indicates a decrease in the level of financial distress) tends to be followed by a decrease in the audit report lag duration by 3.710 days, as long as other variables remain constant. However, the significance value of 0.062 > 0.05 indicates that financial distress does not have a statistically significant effect on audit report lag in this model.

3.1.4 Results of the Coefficient of Determination (R^2) Test

The coefficient of determination test was conducted to identify the extent to which the dependent variable explains variation in the independent variable. This test was conducted by referring to the R-squared (R^2) value presented in the Model Summary table of data processing results (Fauziah, 2023), as follows:

Table 9. Results of the Determination Coefficient (R^2)Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.347[a]	.120	.096	22.183	1.720
a. Predictors: (Constant), Financial Distress, Auditor Switching					
b. Dependent Variable: Audit Report Lag					

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

The results of the coefficient of determination (R^2) calculation according to Table 9 above are as follows:

KD = *R*2 × 100%
= 0.120 × 100% = 12%

Based on this table, the R-square value obtained is 0.120. This value indicates that the auditor switching and financial distress variables, together, can explain 12% of the variation in audit report lag. Meanwhile, 88% of the variation in audit report lag is explained by variables other than auditor switching and financial distress that were not tested in this research model.

3.1.5 Hypothesis Test Results
t-Test Results (Partial Test)

The t-test was conducted to analyze the partial effect of each dependent variable on the independent variable (Ghozali, 2016 by observing the calculated t-statistic and significance level in the coefficient table generated through data processing using SPSS. The calculated t-statistic is then compared with the t-table value obtained through calculations according to the provisions. If the calculated t-statistic is greater than the t-table value and the significance level is less than 0.05, then the research hypothesis conclusion is accepted. The results of this test are as follows:

Table 10. Results of the t-Test (Partial)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	101.713	5.100		19.944	.000
	Auditor Switching	12.751	5.661	.249	2.252	.027
	Financial Distress	-3.710	1.954	-.210	-1.899	.062
a. Dependent Variable: Audit Report Lag						

Source: IBM SPSS Statistics 27 output (Data processed by researchers, 2026)

The process for calculating the t-table value is as follows:
DF = N- K- 1
= 76- 2- 1 = 73 = 1.99300

Based on the t-test results on the auditor switching variable, the calculated t-statistic is 2.252 > t-table value of 1.993 with a significant value of 0.027 < 0.05. These results indicate that auditor switching has a significant effect on audit report lag in non-primary consumer goods companies listed on the DES during the 2021–2024 period, thus H1 is accepted.

Based on the t-test results for the financial distress variable, the calculated t-statistic was -1.899 < t-table value 1.993, with a significant value of 0.062 > 0.05. This indicates that financial distress does not significantly affect audit report lag in non-primary consumer goods companies listed on the DES during the 2021–2024 period, thus H2 is rejected.

F-Test Results (Simultaneous Test)

The F-test was conducted to analyze the simultaneous influence of independent variables on the dependent variable (Ghozali, 2016), taking into account the calculated F-statistic and significance level presented in the test results table using SPSS. The calculated F-statistic was then compared with the F-table value obtained through calculations according to the provisions. If the calculated F-statistic > F-table value with a significance level <0.05, then the research hypothesis is accepted. The results of this test are as follows:

Table 11. F-Test Results (Simultaneous)

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4919.066	2	2459.533	4.998	.009[b]
	Residual	35921.921	73	492.081		
	Total	40840.987	75			
a. Dependent Variable: Audit Report Lag						
b. Predictors: (Constant), Financial Distress, Auditor Switching						

Source: IBM SPSS Statistics 27 output (Data processed by researcher, 2026)

The F-table value calculation process is as follows:
DF1 = K (sum x) = 2
DF2 = N-K-1 = 76-2-1 = 73 = 3.122

Based on the F-test results, the F-statistic was 4.998 > F-table value 3.122 with a significance value of 0.009 <0.05. This indicates that auditor switching and financial distress simultaneously significantly influence audit report lag in non-primary consumer goods companies listed on the DES during the 2021–2024 period. Therefore, H3 is accepted.

3.2 Discussion

3.2.1 Analysis of the Effect of Auditor Switching on Audit Report Lag in Non-Primary Consumer Goods Companies Listed on the Sharia Securities List (DES) in 2021-2024

Based on the results of multiple linear regression testing, the regression coefficient for auditor switching was 12.751. Based on partial hypothesis testing of the auditor switching variable, it can be stated that the t-statistic is greater than t-table value (2.252 > 1.993) with a significance level less than 0.05 (0.027 < 0.05). These test results indicate that H1 is accepted. It can be concluded that auditor switching has a partial positive and significant effect on audit report lag in non-primary consumer goods companies listed on the Sharia Securities List (DES) during the 2021-2024 period.

Referring to the agency theory perspective according to Jensen & Meckling (1976) in Liesdi et al.,(2023), auditor switching reflects the principal's efforts to improve the auditor's oversight function, thereby minimizing conflicts of interest and information connectivity. Meanwhile, based on the signaling theory perspective according to (Bergh et al., 2014) in (Sari & Fauzan, 2024), auditor switching can be considered a certain signal to external parties regarding the company's condition and policies, both as a sign of improved audit quality and a sign of problems within the company. This second theory helps explain why auditor switching can cause delays in audit reports in non-primary consumer goods companies listed on the Sharia Securities List (DES) during the 2021–2024 period.

The results of this study align with research conducted by Fata Arkan & Triyono (2024), Inday et al., (2025), Amanda & Tsania (2025), which revealed that auditor switching affects audit report lag. Therefore, it can be concluded that if a company experiences auditor switching, the new auditor needs time to analyze the client's business characteristics and the company's systems. The new auditor also needs to communicate with the previous auditor and management to obtain information related to the company's transactions. This condition causes the audit process to require a long duration, thus implying an increase in the audit completion time.

3.2.2 Analysis of the Effect of Financial Distress on Audit Report Lag in Non-Primary Consumer Goods Companies Listed on the Sharia Securities List (DES) in 2021-2024

Based on the results of multiple linear regression testing, the regression coefficient for financial distress was -3.710. However, based on partial hypothesis testing, the financial distress variable showed

That t-statistic was less than the t-table value (-1.899 < 1.993) with a significance value above the 0.05 threshold (0.062 > 0.05), indicating statistical insignificance. These test results indicate that H2 is rejected. It can be concluded that partial financial distress does not significantly affect audit report lag in non-primary consumer goods companies listed on the Sharia Securities List (DES) during the 2021-2024 period.

Based on agency theory, as cited by Jensen & Meckling (1976) in Liesdi et al. (2023), financial distress can theoretically exacerbate conflicts of interest and information gaps between management (agents) and owners (principals), thus slowing the audit process. However, test results found that financial distress did not significantly impact audit report lag, indicating that auditors continued to perform their work professionally according to applicable standards without directly impacting the company's financial condition.

Meanwhile, according to signaling theory (Bergh et al., 2014) in Sari & Fauzan (2024), difficult financial conditions should be a negative signal to external parties, encouraging auditors to conduct more detailed audits. However, the absence of a significant effect of financial distress indicates that these signals do not always respond to increased audit time, as auditors prioritize reporting time and compliance with audit standards. Furthermore, investor oversight encourages companies to submit financial reports on time, resulting in adverse financial conditions not significantly impacting the length of the financial statement audit process.

These findings align with research conducted by Syfa Fauziah (2023), Imanuel et al., (2024), and Mutiara (2024), which revealed that financial distress had no effect on audit report lag. Based on these results, it can be concluded that there is no relationship between financial distress and audit report lag. This is because auditors prioritize the accuracy of financial reports over the company's financial condition. Professional auditors will adhere to the previously agreed-upon audit completion timeline, thus minimizing audit risks that could potentially cause audit report lag. Furthermore, if financial data is submitted in a timely manner, the audit process can still be completed on schedule even if the company is experiencing financial difficulties. In general, companies also strive to promptly publish financial reports so that the market can understand their financial condition and take appropriate action if a negative response arises.

3.2.3 Analysis of the Effect of Auditor Switching and Financial Distress on Audit Report Lag in Non-Primary Consumer Goods Companies Listed on the Sharia Securities List (DES) in 2021-2024

Based on the results of simultaneous hypothesis testing, the F-statistic for auditor switching and financial distress is greater than F-table value (4.998 > 3.122) with a significance level less than 0.05 (0.009 < 0.05), thus H3 is accepted. Therefore, it is concluded that auditor switching and financial distress simultaneously have a significant effect on audit report lag in non-primary consumer goods companies listed on the Sharia Securities List (DES) during the 2021-2024 period.

Furthermore, referring to the results of the coefficient of determination (R^2) test, with an R-square value of 0.120, it indicates that auditor switching and financial distress simultaneously explain 12% of the variation in audit report lag. The remaining 88% is influenced by other factors outside the scope of this study.

Based on agency theory, as cited by Jensen & Meckling (1976) in Liesdi et al. (2023), the simultaneous occurrence of auditor switching and financial distress reflects an increased potential for conflicts of interest and information asymmetry between management (agents) and owners (principals). Therefore, auditors need to monitor closely to ensure the reliability of financial reports, which can impact audit report lag. In line with Signaling Theory (Bergh et al., 2014) in Sari & Fauzan (2024), the simultaneous occurrence of auditor switching and financial distress signals to external parties regarding the company's credibility and financial condition, encouraging auditors to exercise increased caution in the audit process.

Although financial distress does not significantly influence audit report lag, when combined with auditor switching in simultaneous testing, the effect becomes significant. This occurs because auditor switching can increase perceived risk and information uncertainty, requiring a higher level of caution from auditors. The simultaneous test results, which show a significant influence of auditor switching and financial distress on audit report lag, confirm that the combination of these two factors can delay audit completion time.

4. Conclusion

The results of the auditor switching study (X1) concluded that H1 was accepted, with auditor switching partially proving a significant positive effect on audit report lag in non-primary consumer goods companies on the Sharia Securities List (DES) for the 2021-2024 period.

The results of the financial distress study (X2) concluded that H2 was rejected, with financial distress partially proving no significant effect on audit report lag in non-primary consumer goods companies on the Sharia Securities List (DES) for the 2021-2024 period.

The results of the auditor switching study (X1) and financial distress (X2) concluded that H3 was accepted, with auditor switching and financial distress simultaneously having a significant effect on audit report lag in non-primary consumer goods companies on the Sharia Securities List (DES) for the 2021-2024 period.

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