



## Identifying the Strategies and Consequences of Reducing Audit Report Lag by Presenting an Appropriate Model

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### ABSTRACT

The timeliness of information is very important to stakeholders, but recent changes in the regulatory environment have increased the difficulty of timely presentation of audited financial information. The purpose of this study is to provide an appropriate model for identifying the strategies and consequences of reducing the lag of audit reports.

The present study is the qualitative research and it is applied in terms of purpose and descriptive survey in terms of the nature of the implementation, and the information has been collected by library and field methods. The statistical population in the interview section was experts and professors who specialized in the field of auditing, and 20 people were selected as the sample by snowball method and after conducting semi-structured interviews with theme analysis, an appropriate model was drawn. For the acceptability of the presented model, a questionnaire with 12 questions with a 5-point Likert scale was developed and the statistical population to complete the questionnaire includes accounting and auditing specialists in 2024, which was selected as a sample of 250 people by random and Cochran method and finally, the presented model was approved.

The obtained results indicate that according to the factors of the lag in the audit report that are related to the company, the environment and the audit institute, according to the opinion of the experts, their proposed solutions for the lag in the auditor's report were presented. Also, the consequences of reducing the lag of the auditor's report were revealed to the stakeholders.

Having a suitable model for identifying strategies to reduce the lag in issuing audit reports can provide the basis for its control and prevention so that its positive consequences are useful for investors, managers and other stakeholders.

**Keywords:** Theme Analysis, Audit Report Lag, Usefulness Financial Reports, Information Asymmetry, Representation Conflict.

## 1. Introduction

Accounting failures in the past have cast doubt on the ability of accounting to serve the public interest, which has led to an increased demand for more information from auditors. The acceptance of the new auditing standard obliges auditors to disclose significant audit problems in the independent auditor's report and extend their obligations beyond the financial statements. This increased reporting requirement and the burden of evaluating additional information may lead to long audit reporting lags for companies. In addition, timeliness is crucial for the quality of financial reporting because it ensures the importance of financial statements and supports informed decision-making by information users (Abdillah, Mardijuwono and Habiburrochman, 2019). The publication of financial statements without an independent auditor's report is considered inadequate for users and emphasizes the importance of including an auditor's report (Rahaman and Chand, 2021). Authorities also emphasize the importance of timely financial reporting and at the same time issuing the required independent audit report (Abernathy, Stefaniak and Weisbarth, 2017).

The speed of financial reporting is affected by the timeliness of the audit process (Leventis, Weetman, and Caramanis, 2005). Timely financial reporting by companies is essential for a well-functioning stock market and meeting the informational needs of investors (Afify, 2009). Lags in providing financial information compromise the quality of the data (Sultana, Singh, and Van der Zahn, 2015). Given the importance of timely reporting of information to stakeholders, including regulators, managers, auditors, investors, academics, and other stakeholders, it is crucial to understand the factors that affect timeliness and reduce lags, especially in the context of fundamental reforms (Abernathy, Stefaniak and Weisbarth, 2017); Because the consequences of reducing the lag of the auditor's report on the decision making of stakeholders are important.

Effective strategies in reducing the lag of the audit report may affect the audit report in different ways. Controlling and checking the internal factors of the company and the audit firm in issuing the auditor's report can lead to reducing the lag in the audit report. Also, through the provision of additional information and explanations on important issues, effective communication between auditors, management, and

audit committees is promoted and this improved communication enhance efficiency and facilitate faster completion of the audit report, resulting in shorter audit report lags (Bédard, Gonthier-Besacier, and Schatt, 2019). Therefore, with this, less time and effort are required to issue an audit report. In addition, given that audit mitigation strategies are typically identified before the audit report date, auditors may perform most additional audit work in advance to issue a timely report (Knechel and Payne, 2001). This proactive approach can potentially reduce audit lags.

The lag in audit reporting significantly overshadows the quality of earnings, it increases information asymmetry and it affects the severity of the possibility of investors being deceived and it allows "informed" investors to use more confidential information than "uninformed" investors and increases the uncertainty of investment evaluations and expected returns. The lag in the auditor's report indicates the asymmetry of the company's information between internal customers and external investors and it means that the longer the lag in the audit report, the more likely it is that the audit report cannot disclose the financial conditions correctly (Mohammad Rezaei and Saleh, 2016).

Several researchers have attempted to determine the components of financial information that affect its timeliness, and they have come to the conclusion that issuing audit reports is a primary source that can help to lag the provision of this information (Sultana, Singh, and Van der Zahn, 2015). As a result, understanding the factors that affect audit reporting lag has been recognized as essential in the financial information quality literature. These factors are divided into three categories, which include specific characteristics of the company, characteristics of corporate governance, and characteristics of the auditor and audit commitment (Habib, Bhuiyan, Huang and Miah, 2019). Also, he observed the consequence of reducing the lag of the auditor's report in the ability to rely on financial statements. On the other hand, after determining the effective factors in the lag of the audit report, it is tried to follow the strategies to combat the delay in the audit report, and also if the lag of the audit report is reduced, the consequences of this issue are examined.

The information must be timely for relevance and appropriateness. That is, the information must be available before it loses its validity in order to

influence the decisions of company owners and investors. Because according to the studies conducted inside and outside the country, various solutions lead to lags in audit reports, yet, each of the studies conducted only from a specific aspect to reduce the lag in audit reporting, but the research that comprehensively studies the strategies and consequences of reducing the lag in audit reporting has not been conducted. In this regard, the internal and external researches were first examined and some lag factors in providing audit reporting and some solutions were identified. Therefore, this study tries to reduce the lag of the auditor's report by examining various strategies and emphasizes the timeliness of financial reporting in Iran, this fills the research gap and helps us better understand the dynamics between audit reporting lag strategies and the resulting implications for unique regulation.

Whenever there is an undue lag in providing information, the information may lose its relevance and timeliness, and this situation is unpleasant for both company owners and investors. Therefore, it is necessary to identify the determining factors and strategies to reduce audit reporting lags in companies in the capital market. Therefore, according to the review of the proposed solutions to reduce the lag of the auditor's report and provide a model that the companies in the stock market can benefit from, this research is novel and new compared to the researches carried out.

The longer the lag in annual reporting, the more likely it is that information will be provided to the benefit of one group of consumers and to the detriment of another. In addition, the usefulness of information from the consumers' point of view depends on the accuracy of the information and its timeliness. That is, if information is available to consumers with a lag, it will lose its economic value. So, the timeliness of financial reporting is one of the necessary factors for the internal and external consumers of the financial information of the companies. In this regard, it is necessary to identify appropriate strategies to reduce the lag in the audit report, because the timeliness of the audit report can provide positive consequences for investors, managers and other stakeholders. Therefore, in this research, we try to answer the following questions:

- 1) What are the proposed solutions to reduce the lag in audit reporting?

- 2) What are the consequences of reducing the lag in the audit report?
- 3) What is the appropriate model for analyzing the factors that determine the lag in providing audit reports?

## **2. Literature Review**

Recently, academic researchers have focused their attention on important audit issues as a determinant of audit report lag and have proposed solutions to reduce audit report lags (Abdullatif, Alzebdieh, and Ballour, 2023; Bédard, Gonthier-Besacrier, and Schatt, 2019; Baatwah, Almoataz, Omer, and Aljaaidi, 2022). Focusing on emerging economies, Baatwah et al. (Baatwah, Almoataz, Omer, and Aljaaidi, 2022) examined the Omani capital market and presented findings that indicated a reduction in audit report delay periods after the acceptance of key audit items. Moving into developed markets, several studies investigated whether continuous auditor reporting had an effect on audit lag (Bédard, Gonthier-Besacrier, and Schatt, 2019; Reid, Carcello, Li, and Neal, 2019). Larger companies benefit from better resources, stronger internal control mechanisms, and more efficient audit communication processes. These factors help to reduce the lag of the audit report. Larger companies typically have more financial and operational resources that allow them to invest in strong internal control systems. In addition, their larger scale and broader operations often require more structured and effective audit communication processes. As a result, these companies are better equipped to deal with the challenges of disclosing key audit issues, reducing audit report lags compared to smaller companies (Rahaman & Bhuiyan, 2024).

Audit report lag is defined as the time interval (measured in terms of calendar days) between the end of the company's financial year and the date of signing the auditor's report (Ashton, John, and Robert, 1987). On the other hand, timely disclosure of accounting information reduces information asymmetry (Lee, Mande, and Son, 2009) and affects the value of the company (Blankley, Hurtt, and MacGregor, 2014). Auditor-certified financial statements and accompanying annual reports are the only available and reliable sources of accounting information for potential investors (Leventis, Weetman, and Caramanis, 2005). Therefore, timely publication of

audited financial statements is very important for all capital market participants.

Providing financial information to shareholders and investors is one of the main tasks that the management of any company must perform effectively (Al-Ajmi, 2008). This information is vital for shareholders and investors to evaluate the company's performance and make decisions accordingly (Abdillah, Mardijuwono and Habiburrochman, 2019). However, in order to effectively provide this information, management must provide high-quality information, both quantitatively and qualitatively, and one of the most important qualitative aspects of any company's financial information is its timeliness (Carslaw and Kaplan, 1991; Ahmed, 2003; Ahmad and Kamarudin, 2003; Dong, Robinson, and Xu, 2018). According to the Financial Accounting Standards Board (FASB), the timeliness of financial information is defined as "[making] information available to decision makers before it loses its capacity to influence decisions" (Abernathy, Stefaniak and Weisbarth, 2017: 285); hence, it is necessary to provide financial information on time to maintain its relevance and usefulness in order to reduce the lag of the audit report (Ng and Tai, 1994; Apadore and Noor, 2013; Puasa, Salleh, and Azlina, 2014; Chan, Hung, Luo, and Phyllis, 2016; Dong, Robinson, and Xu, 2018; Abdillah, Mardijuwono and Habiburrochman, 2019) and it has become one of the priorities of investors and policy makers (Schmidt and Wilkins, 2013; Aldoseri, Hassan, and Melegy, 2021). Consequently, several studies in the literature have highlighted the importance of timely delivery of financial information from the perspective of various stakeholders. For investors, timely financial information helps reduce any uncertainty about a company's performance. In addition, timeliness of financial information is crucial in reducing information asymmetry, because valuable and quality information will be available to all investors from the most reliable source, companies that publish timely and accurate information have less information asymmetry (Shiri, Salehi, and Radbon, 2016). This, in turn, reduces the likelihood of rumors and allows for a more efficient allocation of resources (Ahmed, 2003).

Kheirolah and Abdi (2023) found that audit report lags have an inverse effect on the sustainability of operating cash flows and the sustainability of return on capital. Elsewhere, Heidary Sureshjani and Joudaki

Chegeni (2022) showed that there is no significant relationship between trusted audit institutions and the lag in issuing the audit report. In addition, the busybodyness of the audit institutions has led to an increase in the lag in the auditor's report, and finally, the busybodyness has an effect on the relationship between the first-ranked audit institutions and the lag in the audit reports.

Zare Bahnamiri and Hasankhani (2021) found that there is no significant relationship between the size of the audit firm and the tenure of the auditor with the lag of the audit report; however, there is a positive relationship between the change of auditor, the type of auditor's comment and the busy season with the lag of the audit report. Another finding is that the negative relationship between the auditor's expertise and the lag of the audit report was also confirmed. As a result, the activity of expert auditors can accelerate the audit process and make financial reports available to consumers with less lag. Also, in order to reduce the delay in submitting reports, it is necessary to reduce the change of auditors and the problem of the first audit and provide the necessary infrastructure to reduce important distortions in the financial reports of companies and the presentation of unacceptable reports by auditors so that timely presentation of financial reports will enrich the content of the information.

Shafati, Aminian, and Pakdaman (2020) showed that audit market concentration has a negative and significant effect on audit report lag and auditor tenure. In the same year, Mehrani and Mehrani, Nazari, and Ghasemifard (2020) found that capable managers have a passive effect on the lag in profit announcement and audit reporting, resulting in more timely disclosure of financial information. In general, increasing the ability of managers has a positive effect on the timeliness of financial reporting, and by publishing financial information news in a timely manner, it leads to a reduction in information asymmetry between the company and investors (Mehrani et al., 2019).

Sarmi and Azimi Yancheshmeh (2019) found that the political relations of companies do not increase the lag in the auditor's report. Also, Lari Dashtbayaz, Ghannad and Fakour (2018) concluded that the size and history of audit committee formation and the presence of members with financial expertise in audit committees are associated with reducing the lag in submitting audit reports. But the independence of the

audit committee and the experience of the members of the audit committee increase the lag in submitting the audit report.

Oh and Jeon (2022) showed that the level of profitability did not have a statistically significant impact on the duration of the audit report. The magnitude of the company's earnings does not dictate the extent of the financial reporting period. This is because organizations that generate substantial or modest profits seek to expedite the audit process. Various stakeholders require companies to submit audited financial reports in a timely manner. Companies that are highly or poorly profitable are required to promptly release their financial reports. Big Four auditors typically take a more cautious approach when auditing businesses that could file for bankruptcy in order to control the comparatively high risk for litigation and reduce losses from harm to their reputation. Hence, it is foreseeable that Big Four audits will exhibit greater efficacy in curbing earnings manipulation before bankruptcy compared to non-Big 4 auditors. Ervina and Salim (2021) stated that profitability and company size have a significant negative effect on audit report lag. At the same time, the liquidity and size of the auditing firm have no significant effect on the audit reporting lag.

Bryan and Mason (2020) investigated the delay in submitting the audit report is a reasonable measure for the auditors' efforts to deal with them, and if the auditors understand profit fluctuations as a measure of risk, they will try to respond appropriately to the risk caused by profit fluctuations with more investigations.

Durand (2019) found that the determinants of audit report lag with a meta-analysis were investigated and finds that a number of variables relating to client profitability and financial condition, client complexity and audit opinion modifications increase audit report lag. In addition, audit report lag decreases with client size, when clients have positive earnings news to report and when the auditor has long tenure and provides non-audit services. Several variables, such as those relating to corporate governance and various auditor characteristics, have been little explored and would benefit from future research.

Abernathy, Stefaniak and Weisbarth (2017) found that most companies publish earnings before completing the audit process, because the lag in announcing earnings to a certain extent destroys management's confidence in their internal reporting

system. The lag of the audit report is often considered as a criterion for measuring the efficiency of the audit, and therefore it considers the management's ability to facilitate the audit process and negotiate with the auditor.

MohammadRezaei and Saleh (2016) showed that the delay of the audit report by private sector auditors is less than the audit organization, and the increase in competition in the audit market is associated with a decrease in the lag of the audit report.

### **3. Methodology**

This research is applied in terms of purpose and descriptive survey in terms of the nature of implementation. The current research is in the qualitative group and the data collection method is library (document mining and note-taking) and field (semi-structured interview tools and questionnaires) are considered.

The statistical population for the interview section is auditing experts (accountants who are members of the Certified Public Accountants Society of Iran) and prominent professors who were consulted in 2023. The experts include accountants who are members of the Society of Certified Public Accountants who have long experience in this field and the number of its members is 1856.

Sampling will be done to collect semi-structured non-random interview materials and the sample will be available and expert (accountant). The stages of sampling in the interview, first, a number of experts were selected (prior knowledge of their expertise in the field of auditing). Then, the selection of the interviewees by the snowball method is introduced by the interviewees and they are interviewed (That is, the person with whom the interview is conducted can introduce the next person if they know each other; in this method, the interviewees are selected in such a way that they are in contact with each other). Also, we repeat this procedure until the required sample is saturated. In this research, theoretical saturation was done by interviewing 20 experts.

The steps of conducting the interview are as follows: In the first step, based on the researcher's knowledge of the experts (statistical sample), two people were selected randomly or by judgment to conduct an exploratory interview. In the second step with the exploratory interview, the desired questions were first designed and then the main interviews

started. In the third step, changes were made in the interpretation and compilation of questions, the number and type of questions. The number of interviews continued until the researcher was saturated with the required information and there was nothing else to say. Finally, the texts were completed and the coding was implemented. In the final step, after implementation and coding, a model was presented as a qualitative product of the research process by analyzing the theme.

The first step in analyzing the theme is getting to know the data through oral, audio and telephone interviews. Then, in the second step, primary codes and coding are done with Atlas software version 8. In the second stage, coding was performed with the help of English letters (exploratory interviews with the symbol EI and the main interviews with the symbol MI) and numbers (sequential numbering from 01); In the third step, the themes were searched and recognized, and in the fourth step, the themes were reviewed or the network of themes was drawn, and the fifth step was devoted to naming and defining themes. Finally, the sixth step, analysis and compilation of the final report, took place. After the completion of the interview work, we should design a questionnaire to

confirm or accept the presented model in order to prove the final result according to the obtained themes and the final model and the obtained answers.

The statistical population in the questionnaire section was selected from accounting and auditing experts in 2024. Sampling in the questionnaire method is random and the sample size required for the research was determined from Cochran's sampling formula with a limited population of 96 people. In order to select the desired sample in the questionnaire, 300 questionnaires were distributed among the experts through an electronic questionnaire and among these questionnaires, 250 questionnaires were completed and received. Also, the questionnaire was analyzed using SPSS 20 software.

#### 4. Results

The main data in this research were qualitative data obtained from interviews with semi-structured questions; the data obtained from the interview were analyzed using the thematic analysis method as follows. The analysis of the theme along with the relevant codes in the interview can be seen in Table 1.

**Table 1: The theme analysis table with codes related to each theme**

COD	Sub-Themes	Main Themes
EI02, MI01, MI02, MI04, MI06, MI07, MI08, MI11, MI12, MI13, MI14, MI15, MI16, MI17, MI18	Continuous education and training of auditors specializing in the industry	Strategies to reduce the lag in the auditor's report
EI01, EI02, MI01, MI02, MI03, MI04, MI06, MI07, MI08, MI09, MI10, MI11, MI13, MI14, MI15, MI16, MI18	Mechanizing audit work or using new technologies such as audit software	
EI01, EI02, MI01, MI02, MI03, MI04, MI07, MI08, MI09, MI11	Enhancing mindfulness and targeted focus	
EI01, EI02, MI01, MI02, MI04, MI09, MI10, MI11, MI12, MI17	Continuous audit system	
MI01, MI02, MI05, MI06, MI09, MI11, MI12, MI15, MI16, MI18	Strengthening appropriate accounting information systems	
EI01, EI02, MI02, MI04, MI02, MI07, MI02, MI08, MI09, MI11, MI12, MI13, MI14, MI15, MI16, MI17, MI18	Work rotation between auditors and reducing auditor tenure (auditor change)	
MI03, MI04, MI06, MI07, MI08, MI09, MI11, MI14, MI15, MI17	Strengthening efficient and effective internal control system	
EI01, MI01, MI03, MI04, MI05, MI06, MI07, MI09, MI10, MI11, MI12, MI13, MI14, MI15, MI17	Increasing the technical ability of auditors	
EI01, EI02, MI01, MI02, MI03, MI04, MI08, MI10, MI11, MI12, MI13, MI15, MI16, MI18	Reducing auditor work traffic and improving job security	
EI01, EI02, MI01, MI02, MI03, MI04, MI05, MI06, MI07, MI08, MI10, MI12, MI15, MI16, MI17	Approval and timely implementation of IFRS standards in companies	
MI01, MI02, MI03, MI08, MI09, MI10, MI11, MI12, MI14, MI15, MI18	Development of auditor's professional qualifications	
EI02, MI01, MI02, MI03, MI04, MI06, MI09, MI10, MI11, MI14, MI15, MI18	Applying an effective system for hiring and promoting professional auditors	
EI01, EI02, MI01, MI02, MI03, MI04, MI05, MI06, MI07, MI08, MI09, MI10, MI11, MI12, MI13, MI14, MI15, MI16,	Reducing the income dependence of auditors on specific employers	

COD	Sub-Themes	Main Themes
MI17, MI18		Consequences of reducing audit report lag
MI01, MI02, MI04, MI05, MI07, MI09, MI10, MI11, MI12, MI14, MI17	Establishment of effective quality control system in institutions	
MI01,MI03,MI04, MI06, MI07, MI08, MI10, MI11, MI12, MI14, MI16, MI17, MI18	Increasing the independence of auditors	
EI01, EI02, MI01, MI02, MI05, MI06,MI07, MI08, MI09, MI10, MI11, MI12,MI13, MI14, MI17, MI18	Improving the disclosure and transparency system	
MI02, MI03, MI04, MI05, MI07, MI09, MI10, MI12, MI13, MI14, MI15, MI17, MI18	Amending strict rules for delaying audit reports by competent bodies	
EI01,EI02,MI01, MI03, MI05, MI07, MI09, MI10, MI11, MI15, MI16, MI18	Strengthening background factors through improving economic, political and cultural conditions	
MI01, MI05, MI06, MI07, MI09, MI10, MI11, MI12, MI18	Increasing the supervision of internal and external regulatory institutions	
EI01, EI02,MI02, MI03, MI04, MI05, MI06, MI07,MI09, MI10, MI12, MI13,MI14, MI15, MI16, MI17, MI18	Reducing representation conflict	
EI01, EI02, MI01, MI02, MI03, MI04, MI05,MI06, MI07, MI08, MI09, MI10,MI11, MI12, MI13, MI14, MI15, MI16, MI17, MI18	Reducing information asymmetry	
EI02, MI01, MI02, MI03, MI04, MI05, MI07, MI08, MI09, MI10, MI11, MI13, MI14, MI15, MI17, MI18	Quick access to information	
EI01, MI01, MI02, MI03, MI04, MI05, MI06,MI07,MI09, MI10, MI11, MI12, MI13, MI15, MI16, MI17, MI18	Health and economic justice	
EI02,MI01, MI02, MI03, MI04, MI05, MI06, MI09, MI10, MI11, MI12,MI13,MI14, MI15, MI16, MI17	Tendency of companies to join IFRS	
EI01, EI02, MI01, MI02, MI03, MI04, MI05, MI06, MI07, MI08, MI09, MI10, MI11, MI12, MI13, MI14, MI15, MI16, MI17, MI18	Increasing the ability to rely on the financial statements of companies	
EI01,EI02, MI01, MI02, MI03, MI04,MI05, MI06,MI07, MI09, MI10, MI11, MI12, MI13, MI14, MI15, MI16, MI17, MI18	Methodology of actual and projected profit and loss of the company	
MI02, MI03, MI04, MI05, MI06,MI08, MI09,MI12,MI13, MI14, MI15, MI16,MI18	Growth and development of economic units	
EI01, EI02, MI01, MI02, MI03, MI04, MI05, MI06,MI07, MI08, MI09, MI10, MI11,MI12, MI13, MI14, MI15,MI16, MI17, MI18	Evaluation and comparison with other companies (facilitating investment)	
MI01,MI02, MI03,MI04, MI05, MI06, MI08, MI09, MI10, MI11, MI12,MI14,MI15,MI16, MI17	Risk reduction for all stakeholders	
EI02,MI01, MI02, MI03,MI04, MI05, MI06, MI11, MI12, MI13, MI14, MI15, MI16,MI17, MI18	Facilitating healthy competition between companies	

In the above table, it can be seen that the classification of codes leads to the formation of 2 main themes and 30 sub-themes.

In order to evaluate the acceptability of the model based on the interviews, a questionnaire based on it, in the form of 5 general questions and 12 specialized questions with answers, was presented and made available to the experts. The questionnaire was evaluated with a five-point Likert scale, with the highest number for completely agree and the lowest number for completely disagree. The information obtained from completing the questionnaire will be collected in Excel software and analyzed with SPSS statistical software version 22.

The five general questions asked include gender, work experience, age, educational qualification and job position.

A specialized questionnaire with 12 questions according to the provided template was distributed electronically among 300 people, of which 250 completed questionnaires were received. After collecting the information in the online press and the prepared Excel output, the qualitative numbers were converted into quantitative and analyzed according to the obtained numbers. In the following, the components of the questionnaire are presented in Table 2:

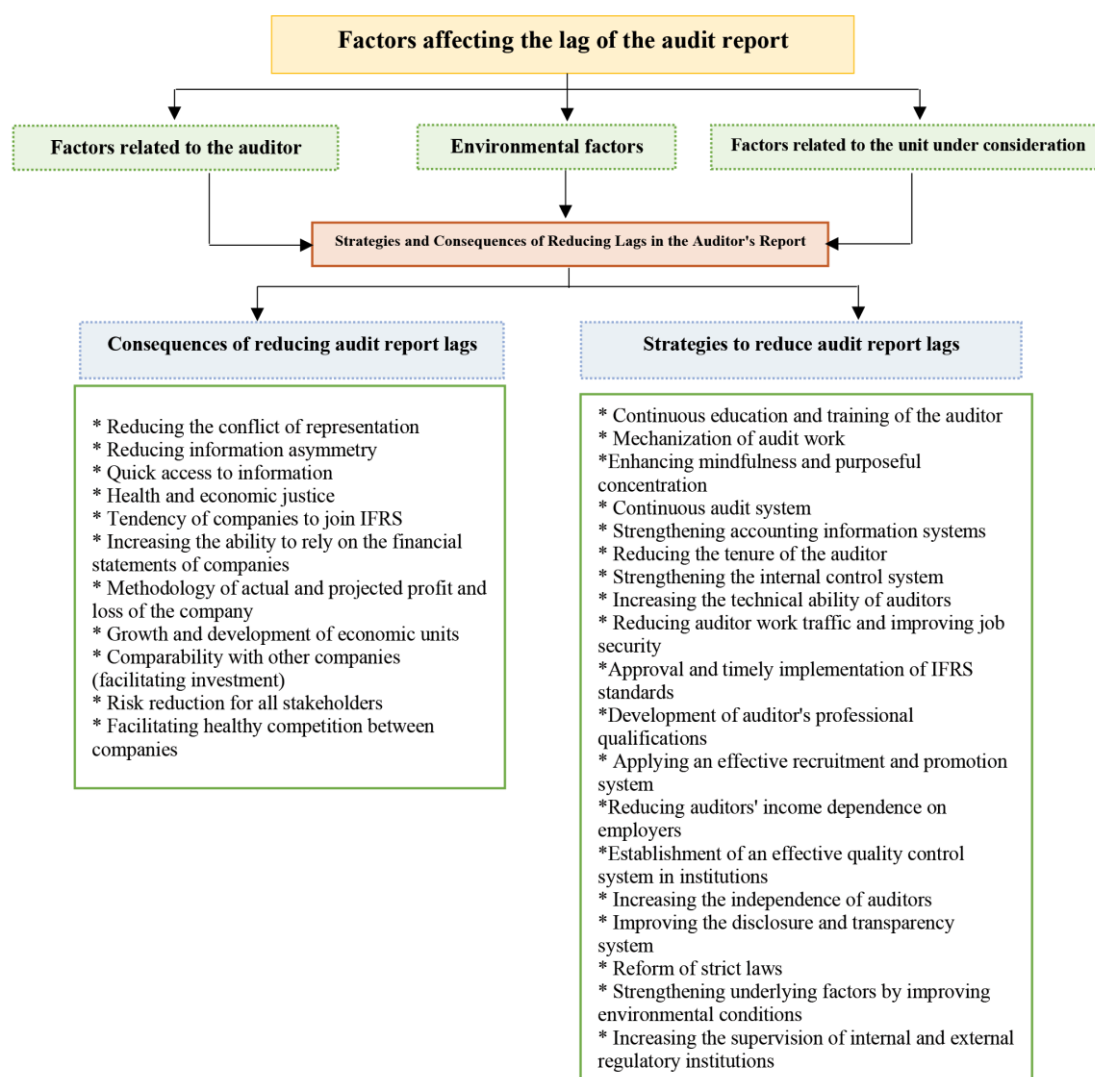


Diagram1. The pattern related to the factors affecting the lag of the audit report

Table 2: Questionnaire components

Items related to each component	N	Questionnaire components
1-7	7	Available solutions to reduce the lag of the auditor's report
8-12	5	Consequences of reducing the lag of the auditor's report

To determine the validity of the questionnaire, its content was reviewed by the supervisor and experts, and at the end, the existing questionnaire was prepared. The reliability of the questionnaire was obtained with Cronbach's alpha test for 12 questions equal to 0.801, which indicates that the prepared questionnaire has the necessary reliability or reliability.

In the following, descriptive statistics of the variables are presented in Table 3.

According to Table 3, it can be seen that the number of respondents is 250; The first component (available solutions to reduce audit report lags) with 7 questions and a 5-choice Likert scale was able to assign the highest number 35 and the lowest number 21 by the respondents and the average score of the respondents was 30.47. Then, in the second component (consequences of reducing the delay of the auditor's report), the lowest number obtained by the respondents was 16 and the highest number was 25 with a standard deviation of 2.080 and its average is 21.95. Finally, the total components or the questionnaire (identifying and presenting a pattern for factors influencing the lag of the auditor's report) with 35 questions (Likert scale 5) reports the highest number of 175 and the lowest number of 109 with an average of 154.7. In the following, it can be seen that the numerical values of the mean and the median are close to each other, and the numbers have relative symmetry and the numbers are close to each other, and the values related to the standard deviation indicate the coherence of the obtained data.

Demographic frequency distribution is presented in the following.

Table 4 shows that out of 250 respondents, the smallest statistical sample size is related to women, and the largest number of respondents were men.

According to Table 5, 4.4 percent of the respondents were under 30 years old (the lowest group), 50 percent were between 40 and 50 years old (the largest number of respondents)

Frequency distribution based on educational qualification in Table 6 shows that most respondents had a master's degree.

In Table 7, the financial manager had the lowest number of respondents and the head of accounting had the highest number of respondents.

According to this table 8, it can be seen that the largest group is related to people who have work experience between 15 and 25 years.

Following the discussion of the normality test, it is performed as follows:

For normality, the Kolmogorov-Smirnov test is used. According to Table 9, the distribution of the components is abnormal (not normal); Because the significance level for all components is less than 0.05. For this reason, the null hypothesis of normality is rejected and the opposite hypothesis is confirmed. In this regard, non-parametric tests should be used to continue the work

To verify the data, a binomial mean test is performed.

At the error level of 5%, the binomial mean test in Table 10 shows that the formulated questions were approved. This is because the probability of the test statistic for all questions was less than 0.05, and the identification and analysis of solutions and consequences of reducing the lag in submitting audit reports and providing a suitable model was proved. As a result, hypothesis H0 was rejected because more than 50% of the respondents agree with the formulated proposition ( $P > 0.05$ ).

Table 3. Statistics

		Component 1	Component 2
N	Valid	250	250
	Missing	0	0
Mean		30.4680	21.9520
Median		31.0000	22.0000
Std. Deviation		2.88623	2.08015
Minimum		21.00	16.00
Maximum		35.00	25.00

**Table 4. Frequency distribution - gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	woman	79	31.6	31.6	31.6
	man	171	68.4	68.4	100.0
	Total	250	100.0	100.0	

**Table 5. Frequency distribution - Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 30 years	11	4.4	4.4	4.4
	Between 30 and 40 years	65	26.0	26.0	30.4
	Between 40 and 50 years	125	50.0	50.0	80.4
	More than 50 years	49	19.6	19.6	100.0
	Total	250	100.0	100.0	

**Table 6. Frequency distribution - Degree**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	bachelor's degree	39	15.6	15.6	15.6
	Master's degree	152	60.8	60.8	76.4
	Ph.D	59	23.6	23.6	100.0
	Total	250	100.0	100.0	

**Table 7. Frequency distribution - job position**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	auditor	78	31.2	31.2	31.2
	accountant	43	17.2	17.2	48.4
	Chief Accountant	101	40.4	40.4	88.8
	Financial manager	28	11.2	11.2	100.0
	Total	250	100.0	100.0	

**Table 8. Frequency distribution - work experience**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 5 years	6	2.4	2.4	2.4
	Between 5 and 15 years	89	35.6	35.6	38.0
	Between 15 and 25 years	106	42.4	42.4	80.4
	More than 25 years	49	19.6	19.6	100.0
	Total	250	100.0	100.0	

**Table 9. One-Sample Kolmogorov-Smirnov Test**

		Component 1	Component 2
N		250	250
Normal Parameters <sup>a,b</sup>	Mean	30.4680	21.9520
	Std. Deviation	2.88623	2.08015
Most Extreme Differences	Absolute	.128	.124
	Positive	.103	.108
	Negative	-.128	-.124
Kolmogorov-Smirnov Z		2.017	1.954
Asymp. Sig. (2-tailed)		.001	.001
a. Test distribution is Normal.			
b. Calculated from data.			

Table 10. Binomial Test

		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Q1	Group 1	$\leq 3$	36	.14	.50	.002
	Group 2	$> 3$	214	.86		
	Total		250	1.00		
Q2	Group 1	$\leq 3$	33	.13	.50	.002
	Group 2	$> 3$	217	.87		
	Total		250	1.00		
Q3	Group 1	$\leq 3$	24	.1	.50	.000
	Group 2	$> 3$	226	.90		
	Total		250	1.00		
Q4	Group 1	$\leq 3$	52	.21	.50	.020
	Group 2	$> 3$	198	.79		
	Total		250	1.00		
Q5	Group 1	$\leq 3$	21	.08	.50	.000
	Group 2	$> 3$	229	.92		
	Total		250	1.00		
Q6	Group 1	$\leq 3$	35	.14	.50	.003
	Group 2	$> 3$	215	.86		
	Total		250	1.00		
Q7	Group 1	$\leq 3$	22	.09	.50	.000
	Group 2	$> 3$	228	.91		
	Total		250	1.00		
Q8	Group 1	$\leq 3$	28	.11	.50	.001
	Group 2	$> 3$	222	.89		
	Total		250	1.00		
Q9	Group 1	$\leq 3$	36	.14	.50	.002
	Group 2	$> 3$	214	.86		
	Total		250	1.00		
Q10	Group 1	$\leq 3$	23	.09	.50	.000
	Group 2	$> 3$	227	.91		
	Total		250	1.00		
Q11	Group 1	$\leq 3$	35	.14	.50	.002
	Group 2	$> 3$	215	.86		
	Total		250	1.00		
Q12	Group 1	$\leq 3$	16	.06	.50	.000
	Group 2	$> 3$	234	.94		
	Total		250	1.00		

Note: The conclusions of this table are based on the 95% confidence level.

Confirmation result: that is, the hypothesis H<sub>0</sub> is rejected and the respondents agreed with the proposed proposition.

The rejection result: that is, the hypothesis H<sub>0</sub> is not rejected: the respondents did not agree with the proposition.

## 5. Discussion and Conclusions

The first main theme is categorized in the existing solutions to reduce the determinants of auditor report lags, which includes 19 sub-themes. Also, the opinions of the respondents for the existing solutions to reduce the lag in the auditor's report are as follows:

The respondents agreed that the mechanization of audit work or the use of new technologies such as audit software or the strengthening of training in the use of appropriate information technology software can reduce the workload for the auditor and provide the auditor's report to the consumers without lag, and this issue requires that in countries equipped with auditing software, they should be periodically trained so that the auditing services can be performed automatically.

Respondents agreed that training auditors specializing in the industry and keeping them satisfied along with continuous training can improve auditor performance and easily issue quality and timely reports. In addition, the auditor's mindfulness and purposeful focus reduce stress and anxiety in the audit staff, which positively affects their job performance and the issuance of timely and quality reports of the auditor.

Respondents agreed that the technical and specialized capacity of auditors should be increased to reduce lags in the issuance of audit reports. In addition, if the auditor's work traffic is reduced and job security for the auditor is improved, the lag in the audit report will be reduced.

Strengthening the efficient and effective internal control system can reduce the auditor's workload and ultimately minimize the lag in issuing the auditor's report. Also, the transparency of financial and non-financial information of the audited unit leads to a reduction in the lag in the auditor's report. Also, the implementation of IFRS (International Financial Reporting System) standards will improve the field of disclosure.

The respondents agreed that an effective system for hiring and promoting the audit profession can improve auditor performance and provide the basis for timely reporting. In addition, strengthening appropriate accounting information systems and establishing effective quality control in institutions can reduce the lag in audit reports.

The respondents agreed that the continuous audit system in the audited unit enhances timely reporting.

Also, the tenure, independence and professional competence of the auditors provide the basis for the auditor to issue a timely report. In addition, if the income dependence between the auditor and the employer is reduced, the delay in the audit report will be minimized.

The respondents agree that the amendment of strict laws by competent bodies can reduce the workload for the auditor. On the other hand, the supervision of internal and external bodies can reduce the lag in the auditor's report and provide high-quality reports. Also, strengthening environmental factors (political, cultural and social) has an effective role in reducing the lag of the auditor's report.

The second main theme is related to the consequences of reducing the delay in the auditor's report, and it is categorized into 11 sub-themes including reducing representation conflict, reducing information asymmetry, Quick access to information, health and economic justice, tendency of companies to join IFRS, increasing the sufficiency of companies' financial statements, making the company's actual and projected profit and loss method, growth and progress of economic units, the ability to evaluate and compare with other companies along with facilitating investment, and facilitating healthy competition between companies. The opinions of the experts were in the same direction as the opinions of the experimental group (financial experts) and they agreed. The overall result of this theme is as follows:

Experts and specialists pointed out the consequences of reducing the lag in issuing the auditor's report, reducing the conflict of representation and reducing information asymmetry, which are complementary in a way. In this regard, managers work for the interests of shareholders and information asymmetry is reduced. As a result, when the auditor's report is issued on time, the information of the company is revealed and the representation conflict between shareholders and managers is reduced. In addition, any negative effect that is reduced has a positive outcome. In this regard, reducing the lag of the auditor's report could increase the speed of accessing timely information. Also, if the auditor's report is issued without lag, it can improve health and economic justice in the society. Also, reducing the lag in the auditor's report can have a positive effect that companies tend to implement the IFRS standard and

by disclosing information in an international style, they can be present in the competitive market.

Financial experts and specialists stated that the timely auditor report has a great positive effect on companies, shareholders and other stakeholders, and since the auditor's job is to validate the financial statements of business units; Timely reporting can increase the reliability of companies' financial statements and ultimately increase the credibility of the company. Also, another positive consequence of reducing the lag in the auditor's report is that the actual and projected profit and loss of the company is revealed and can be easily used by creditors, shareholders, or other stakeholders in making decisions.

Financial experts and experts pointed out the consequences of reducing the lag of the auditor's report to the growth and progress of economic units and stated that the transparency and credit of the company with the auditor's timely report increases the presence of stakeholders for cooperation and provides a competitive advantage for the company to realize their growth and development. In addition, if the auditor's report reaches the stakeholders on time, the company's information becomes comparable (with other companies and previous periods of the same company) and makes investment easier. On the other hand, this issue reduces the risk for the beneficiaries, especially the shareholders or investors.

According to experts and specialists in the field of accounting and auditing, the most important consequence of the lag in the auditor's report is to facilitate the field of healthy competition between companies and economic firms, and this issue can prepare the ground for the progress and development of the country and even prevent the departure of intellectual and material capital from the country. In general, the results obtained were that in order to control the lag in the audit report, a series of measures should be taken by the companies, government and audit institutions, and if they can succeed in this matter, practical solutions should be provided by experts and specialists; Finally, it leaves a positive consequence.

Comparison of the first main theme with other researches: The first main theme is dedicated to the existing solutions to reduce the lag in the auditor's report, and among the proposed solutions, only the theme of some sub-themes has been examined. In this

regard, Singh, Sultana, Islam, and Singh (2022) have pointed to the reduction of work traffic and MohammadRezaei and Saleh (2016) to the amendment of strict laws as a solution.

Comparison of the second main theme with other researches: The second main theme has dealt with the consequences of reducing audit report delay, and no similar research has been found for this main theme. Among the sub-themes, MohammadRezaei and Saleh (2016) and Al-Ajmi (2008) to reduce information asymmetry; Habib, Bhuiyan, Huang and Miah (2019) studied the effect of relying on financial statements in reducing the lag of the auditor's report.

In general, there is no similar research that has dealt with the main and secondary themes at the same time, and this was the first research that we were able to comprehensively address this issue. In the same way, the conducted research cannot be completely compared with other researches.

The limitations encountered in the research are as follows:

Although a lot of effort was made to control the researcher's personal opinion in the work and to collect information in an impartial manner, the nature of qualitative research is such that it is influenced by personal tendencies; As result, this possible effect in this research can be considered as one of the limitations of the work.

The inherent characteristics or daily problems of individuals cannot be controlled, and during the interview, it affects the interviewee or the respondents of the questionnaire, and the accuracy of their answers is doubted, and this is another important limitation of the research.

Among other limitations of the questionnaire, it can be mentioned that their answers are closed, and on the other hand, the accuracy of the selected people in the answers may not be good enough, and this issue is added to the limitation of the work.

Some practical suggestions in line with the research results were presented below.

Regarding the proposed solutions for lagging the audit report, it is recommended that managers, government, stock exchange organization, audit institute, etc., do not ignore these issues because these contents have been proven by the majority of experts. The consequences of the lag in the auditor's report states that if these things are not controlled, they can have negative effects on the decisions of investors,

managers, auditors and other decision makers. Therefore, in order to avoid the negative consequences of lag in audit reporting, managers, auditors, government, etc., should have flexible planning to reduce its negative effects on decision-making. Also, the Tehran Stock Exchange Organization, as a supervisory authority, should effectively monitor the activities of companies to prepare timely reports and leave them to the auditor for auditing so that they do not run out of time. In the end, considering the strengthening of background factors and infrastructures through improving the existing conditions in the company and audit institute, it can be emphasized as one of the infrastructural solutions to reduce the lag in the audit report. Certainly, the government's measures to eliminate unnecessary laws, control the market, improve cultural and social conditions, and align laws and regulations with the existing conditions will play an important role in limiting the lag in the audit report.

In line with this research, it is suggested to the researchers; In the future, researchers should provide a model for the ethical behavior of auditors in order to reduce the delay in the audit report with the approach of actor network theory and if possible, provide a model audit report with artificial intelligence in order to reduce the lag.

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