

ABSTRACT

This study aims to analyze the effect of tax risk and auditor quality on audit report lag in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX). Tax risk serves as an indicator of fiscal uncertainty arising from discrepancies between commercial and fiscal income (Book-Tax Differences/BTDV) and reflects the complexity of corporate tax reporting. Meanwhile, the involvement of big four auditors is considered to represent higher audit efficiency and competence. The relevance of these two factors to the length of the audit process remains an area of exploration, particularly in the context of Indonesia's consumer non-cyclicals sector.

This research adopts a quantitative approach using panel data regression and the Random Effects Model (REM). The sample was selected through purposive sampling companies that met the specified criteria and possessed complete data for the 2021–2023 period, resulting in a total of 145 observations. Data were obtained from companies' financial statements and the refinitiv database.

The findings indicate that tax risk does not have a significant effect on audit report lag, with a positive coefficient that contradicts the initial hypothesis. This suggests that, within the sampled companies, auditors do not yet consider tax risk a key determinant in estimating audit duration. In contrast, the involvement of big four auditors has a statistically significant negative effect on audit report lag, indicating that companies audited by highly reputable auditors tend to complete the audit process more promptly. Meanwhile, control variables such as profitability and leverage show significant effect on audit report lag.

These findings highlight the importance of auditor quality in supporting timely audit reporting. In addition, the results may serve as a reference for management in formulating efficient audit strategies and for regulators in promoting greater awareness of the need for transparent tax risk management as part of sound corporate governance.

Keywords: tax risk, audit report lag, Book-Tax Differences (BTDV), Big four auditors, audit efficiency, financial reporting.