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EARNING QUALITY AS MEDIATOR AND FIRM SIZE AS MODERATOR: A MODERATED-MEDIATION ANALYSIS OF FINANCIAL DETERMINANTS ON GOING-CONCERN AUDIT OPINIONS IN TECHNOLOGY COMPANIES

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Abstract
This study examines the influence of profitability, leverage, liquidity, and independent commissioners on going concern audit opinions, with earnings quality as a mediating variable and company size as a moderating variable, in technology companies listed on the Indonesia Stock Exchange during the 2021–2024 period. The research employs a quantitative approach with panel data regression analysis using the Fixed Effect Model on 11 technology companies with 44 observations. Secondary data were collected from annual reports and financial statements obtained from the official IDX website and company websites. The results indicate that profitability has a significant negative effect on going concern audit opinions, while leverage, independent commissioners, and liquidity do not significantly affect going concern audit opinions. Company size strengthens the effect of profitability but weakens the effects of leverage, independent commissioners, and liquidity on going concern audit opinions. Earnings quality mediates the relationships between independent commissioners and going concern audit opinions, and between liquidity and going concern audit opinions, but does not mediate the relationships between profitability and going concern opinions, nor between leverage and going concern opinions. These findings highlight that profitability and earnings quality play crucial roles in influencing auditor assessments of business continuity.

Keywords: Going Concern Audit Opinion, Profitability, Liquidity, Earnings Quality, Company Size

1. Introduction

Financial statements are the results of a company's performance that reflect the financial and operational condition of an entity in a certain period. The information presented in financial statements is needed by stakeholders, both internal and external, as a basis for making appropriate economic decisions (Arsih & Anisykurlillah, 2015). In order for this information to have a high level of reliability, auditors play an important role as independent parties who are tasked with examining and assessing the fairness of the presentation of financial statements. Auditors act as independent third parties between management and stakeholders who are responsible for providing assurance on the financial statements presented to the public (Senjaya & Budiartha, 2022). Audit opinions serve as an important source of information for users of financial statements in assessing the going concern of a company. One opinion that is of primary concern is the going concern audit opinion, as stipulated in the Standards of Professional Practice for Public Accountants (SPAP) based on ISA 570 on going concern. The concept of going concern describes a company's ability to maintain its business continuity for one accounting

period or twelve months into the future. If the auditor finds significant doubt regarding this ability, the auditor has the right to express a going concern audit opinion in the published audit report (Wiguna & Hariyani, 2021).

The phenomenon of going concern audit opinions can be found in companies listed on the Indonesia Stock Exchange (IDX), one of which is PT Adhi Karya (Persero) Tbk. This company experienced a consecutive decline in operating income during the 2018–2020 period due to the delay of a number of projects, which had an impact on the company's ability to generate revenue. Based on its financial statements, PT Adhi Karya's revenue in 2018 was recorded at IDR 15.65 trillion, decreasing to IDR 15.30 trillion in 2019, and then experiencing another significant decline to IDR 10.83 trillion in 2020. This decline in revenue resulted in a continuous decline in gross profit and net profit. On December 31, 2020, PT Adhi Karya (Persero) Tbk received a going concern audit opinion disclosed in Note 51 to the consolidated financial statements, which explained the economic uncertainty caused by the Covid-19 pandemic in Indonesia (CNBC Indonesia, 2020). This phenomenon illustrates that going concern audit opinions are not merely technical audit issues but reflect real financial pressures faced by companies, particularly during periods of economic uncertainty.

The urgency of this research is driven by several critical factors. First, the going concern audit opinion is a crucial indicator for stakeholders in assessing a company's business continuity risk, making it essential to understand the factors that influence auditors' decisions in issuing such opinions. Second, the COVID-19 pandemic has created unprecedented economic pressures on companies across various sectors, potentially altering the dynamics of going concern audit opinion issuance. Third, the inconsistency of previous research findings regarding the influence of managerial ownership, company size, and auditor reputation on going concern audit opinions indicates a research gap that needs to be addressed. Some studies found that managerial ownership affects going concern audit opinions (Loupatty & Usmany, 2023; Maulana & Utami, 2023), while others reported no effect (Arifah & Nazar, 2020; Hutagalung & Triyanto, 2021). Similarly, company size has been found to have significant effects in some studies (Minerva et al., 2020; Putri & Helmayunita, 2021) but not in others (Haalisa & Inayati, 2021; Halim, 2021). Auditor reputation has also yielded mixed results (Yunus et al., 2020; Iriyanti & Nyale, 2022; Miraningtyas & Yudowati, 2019; Syamsuddin, 2023). Fourth, differences in research periods, company sectors, and research methods across previous studies create opportunities to provide more comprehensive empirical evidence regarding the determinants of going concern audit opinions.

Managerial ownership is the proportion of shares owned by management who are directly involved in the management of the company (Hamid & Fidiana, 2020). High managerial ownership is believed to align the interests of principals and agents, thereby reducing agency conflicts and lowering the risk of companies receiving going concern audit opinions (Saputra & Halim, 2022). According to agency theory, when managers have a significant ownership stake in the company, they are more likely to act in the best interest of shareholders, reducing opportunistic behavior and improving financial reporting quality. This condition may lead auditors to perceive lower business continuity risk, thereby reducing the likelihood of issuing going concern opinions. However, the inconsistent findings in previous research suggest that the effect of managerial ownership on going concern opinions may be contingent on other contextual factors.

Company size is generally measured based on total assets, where large companies are considered to have better financial stability in maintaining business continuity. According

to signalling theory, larger companies send positive signals to external parties regarding their stability and ability to maintain business continuity (Spence, 1973). Large companies typically have greater resources, better access to capital markets, and more diversified revenue streams, making them more resilient to financial difficulties. Consequently, auditors may perceive lower going concern risk for larger companies. However, empirical evidence regarding the effect of company size on going concern opinions remains mixed, necessitating further investigation.

In addition, the reputation of the auditor is also a factor that can influence the auditor's decision in issuing a going concern audit opinion. Auditors from reputable public accounting firms tend to have better audit quality in revealing going concern issues. However, in order to maintain their reputation and relationship with clients, auditors from large public accounting firms often take a more cautious approach in issuing going concern audit opinions (Syamsuddin, 2023). According to agency theory, reputable auditors have stronger incentives to maintain their independence and professional skepticism to protect their reputation capital. However, the pressure to maintain client relationships may sometimes lead to more conservative or cautious behavior in issuing going concern opinions. The mixed findings in previous research regarding the effect of auditor reputation on going concern opinions highlight the need for further examination.

The research gap in this study lies in the limited understanding of how managerial ownership, company size, and auditor reputation influence going concern audit opinions in the Indonesian context, particularly in the post-pandemic period. While individual studies have examined the direct effects of these variables, the inconsistent findings indicate that the influence of these factors on going concern opinions may be contingent on contextual factors such as industry characteristics, economic conditions, and regulatory environments. Additionally, most previous studies have focused on different time periods and sectors, limiting the comparability and generalizability of findings.

The novelty of this research lies in the integration of several aspects. First, this study focuses on the post-pandemic period, which represents a unique context characterized by economic recovery, increased financial pressure, and heightened uncertainty that may have altered the dynamics of going concern audit opinion issuance. Second, this study examines three factors managerial ownership, company size, and auditor reputation simultaneously within a single analytical framework, enabling a more comprehensive understanding of their relative effects on going concern audit opinions. Third, this study contributes to the limited empirical evidence on going concern audit opinions in the Indonesian context, providing insights into how corporate governance mechanisms and firm characteristics influence auditor decisions.

The purpose of this study is to examine the influence of managerial ownership, company size, and auditor reputation on going concern audit opinions in companies listed on the Indonesia Stock Exchange. Specifically, this research aims to: (1) analyze the effect of managerial ownership on going concern audit opinions; (2) analyze the effect of company size on going concern audit opinions; and (3) analyze the effect of auditor reputation on going concern audit opinions.

The contribution of this research is multifaceted. From a theoretical perspective, this research contributes to the enrichment of literature on going concern audit opinions by extending the application of agency theory, signalling theory, and stakeholder theory to the context of audit opinion formation. The findings contribute to the understanding of how managerial ownership, company size, and auditor reputation influence auditors' going concern decisions. From a practical perspective, this study provides actionable

insights for auditors, company management, investors, and regulators in assessing and managing going concern risks. The results are expected to provide practical benefits for auditors in making more accurate audit decisions, for management in improving corporate governance and financial performance, for investors in assessing business continuity risks, and for regulators in strengthening supervision and guidance regarding going concern opinions. Furthermore, the research serves as a reference for future studies exploring the dynamics of going concern audit opinions.

2. Theoretical Background

2.1 Agency Theory

Agency theory explains the contractual relationship between owners (principals) and managers (agents), in which managers are given the responsibility to manage the company in order to achieve the interests of the owners (Jensen & Meckling, 1976). However, differences in objectives between the two often give rise to conflicts and information asymmetry. In the context of going concern audit opinions, this theory is relevant because auditors act as independent parties who assess the reliability of financial statements prepared by management. When management has incentives to present financial information that portrays a more positive picture of the company's condition than reality, auditors serve as a monitoring mechanism to ensure that financial statements are presented fairly and that any material uncertainties regarding business continuity are properly disclosed. Agency theory also explains the role of corporate governance mechanisms, such as independent commissioners, in reducing agency conflicts by improving management oversight and limiting opportunistic behavior. Furthermore, the theory suggests that leverage reflects financial risk arising from management's funding decisions, where high leverage can increase the risk of companies receiving going concern audit opinions due to heightened financial distress and pressure on management to meet debt covenants.

2.2 Signalling Theory

Signalling theory (Spence, 1973) explains that financial statements are used by companies to signal their financial condition to external parties, such as investors and auditors. Financial information disclosed by companies, such as profitability, liquidity, earnings quality, and company size, are signals given to external parties to assess the financial condition and business continuity prospects of the company. High profitability and liquidity, as well as good earnings quality, are seen as positive signals that can reduce the probability of a company receiving a going concern audit opinion. In addition, company size reflects the level of stability and ability of the company to deal with economic uncertainty, thereby influencing the auditor's assessment of going concern risk. Signalling theory provides a robust framework for understanding how companies communicate their financial health through various signals and how these signals are interpreted by auditors in forming going concern opinions.

2.3 Going Concern Audit Opinion

A going concern audit opinion is a statement by an auditor that indicates material uncertainty about a company's ability to continue its operations for a period of at least twelve months from the date of the financial statements (ISA 570). This opinion is issued when the auditor has significant doubt regarding the company's ability to maintain its business continuity. According to the Standards of Professional Practice for Public

Accountants (SPAP), auditors are required to assess the company's ability to continue as a going concern based on available evidence, including financial, operational, and other relevant information. The going concern audit opinion serves as an important indicator for stakeholders in assessing business continuity risks and making economic decisions. Factors that influence the issuance of going concern opinions include financial performance, corporate governance mechanisms, and company characteristics.

2.4 Managerial Ownership

Managerial ownership is the proportion of shares owned by management who are directly involved in the management of the company (Hamid & Fidiana, 2020). According to agency theory, high managerial ownership is believed to align the interests of principals and agents, thereby reducing agency conflicts and lowering the risk of companies receiving going concern audit opinions (Saputra & Halim, 2022). When managers have a significant ownership stake in the company, they are more likely to act in the best interest of shareholders, reducing opportunistic behavior and improving financial reporting quality. This condition may lead auditors to perceive lower business continuity risk, thereby reducing the likelihood of issuing going concern opinions. Managerial ownership serves as an internal governance mechanism that can influence management behavior and the quality of financial reporting.

2.5 Company Size

Company size reflects the resources and economic capacity of an entity, generally measured based on total assets. According to signalling theory, large companies send positive signals regarding stability and the ability to maintain business continuity (Spence, 1973). Large companies tend to have better financial stability in maintaining business continuity, as they have greater resources, better access to capital markets, and more diversified revenue streams. Research by Minerva et al. (2020) and Putri and Helmayunita (2021) shows that company size affects the acceptance of going concern audit opinions. Conversely, research by Haalisa and Inayati (2021) and Halim (2021) found that company size does not affect the acceptance of going concern audit opinions. These mixed findings indicate that company size may influence auditor decisions through various mechanisms, including its effect on financial stability and the credibility of management's signals to external parties.

2.6 Auditor Reputation

Auditor reputation is an important factor that can influence the auditor's decision in issuing a going concern audit opinion. According to agency theory, reputable auditors have stronger incentives to maintain their independence and professional skepticism to protect their reputation capital. Auditors from reputable public accounting firms tend to have better audit quality in revealing going concern issues. However, in order to maintain their reputation and relationship with clients, auditors from large public accounting firms often take a more cautious approach in issuing going concern audit opinions (Syamsuddin, 2023). Research by Yunus et al. (2020) and Iriyanti and Nyale (2022) shows that auditor reputation has a significant effect on going concern audit opinions. Meanwhile, research by Miraningtyas and Yudowati (2019) and Syamsuddin (2023) found that auditor reputation has no effect on the acceptance of going concern audit opinions.

2.7 Hypothesis Development

2.7.1 The Influence of Managerial Ownership on Going Concern Audit Opinions

Managerial ownership is the proportion of shares owned by management who are directly involved in the management of the company (Hamid & Fidiana, 2020). According to agency theory, high managerial ownership aligns the interests of principals and agents, thereby reducing agency conflicts and lowering the risk of companies receiving going concern audit opinions (Saputra & Halim, 2022). When managers have a significant ownership stake, they are more likely to act in the best interest of shareholders, improving financial reporting quality and reducing business continuity risk. Research by Loupatty and Usmany (2023) and Maulana and Utami (2023) found that managerial ownership affects going concern audit opinions. Based on these arguments, the following hypothesis is proposed:

H1: Managerial Ownership has a negative effect on Going Concern Audit Opinions

2.7.2 The Influence of Company Size on Going Concern Audit Opinions

Company size is generally measured based on total assets, where large companies are considered to have better financial stability in maintaining business continuity. According to signalling theory, larger companies send positive signals to external parties regarding their stability and ability to maintain business continuity (Spence, 1973). Large companies typically have greater resources, better access to capital markets, and more diversified revenue streams, making them more resilient to financial difficulties. Research by Minerva et al. (2020) and Putri and Helmayunita (2021) shows that company size affects the acceptance of going concern audit opinions. Based on these arguments, the following hypothesis is proposed:

H2: Company Size has a negative effect on Going Concern Audit Opinions

2.7.3 The Influence of Auditor Reputation on Going Concern Audit Opinions

Auditor reputation is a factor that can influence the auditor's decision in issuing a going concern audit opinion. According to agency theory, reputable auditors have stronger incentives to maintain their independence and professional skepticism to protect their reputation capital. Auditors from reputable public accounting firms tend to have better audit quality in revealing going concern issues. Research by Yunus et al. (2020) and Iriyanti and Nyale (2022) shows that auditor reputation has a significant effect on going concern audit opinions. Based on these arguments, the following hypothesis is proposed:

H3: Auditor Reputation has a negative effect on Going Concern Audit Opinions

3. Methods

3.1 Research Design

This study employs a quantitative approach with an explanatory research design to examine the influence of managerial ownership, company size, and auditor reputation on going concern audit opinions. The quantitative approach is considered appropriate because the study aims to empirically test the proposed hypotheses using statistical analysis of numerical data derived from annual reports and financial statements. The explanatory research design enables the examination of causal relationships between independent variables (Managerial Ownership, Company Size, and Auditor Reputation) and dependent variable (Going Concern Audit Opinion). The research is conducted on technology sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period.

3.2 Population and Sample

The population of this study consists of 47 technology companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The technology sector was selected due to its dynamic nature, rapid growth, and unique financial characteristics that make it susceptible to going concern risks. The sampling method used was purposive sampling, with the following criteria: (1) technology sector companies listed on the Indonesia Stock Exchange during the period 2021–2024; (2) technology sector companies that published complete financial reports during the 2021–2024 period; and (3) technology sector companies that earned a profit during the 2021–2024 period. Based on these criteria, a sample of 11 technology sector companies was obtained, yielding 44 firm-year observations (11 companies × 4 years) over the observation period from 2021 to 2024.

Table 1. Research Sample

No	Code	Company Name
1	ATIC	Anabatic Technologies Tbk.
2	MLPT	Multipolar Technology Tbk.
3	MTDL	Metrodata Electronics Tbk.
4	GLVA	Galva Technologies Tbk.
5	ZYRX	Zyrexindo Mandiri Buana Tbk.
6	WGSH	Wira Global Solusi Tbk.
7	DCII	DCI Indonesia Tbk.
8	ELIT	Data Sinergitama Jaya Tbk.
9	PTSN	Sat Nusapersada Tbk
10	CHIP	Pelita Teknologi Global Tbk.
11	TRON	Teknologi Karya Digital Nusa Tbk.

Source: Compiled by the author (2025)

3.3 Data Collection Techniques

This study uses secondary data obtained from publicly available sources. Secondary data were collected from annual reports and financial statements of technology companies listed on the Indonesia Stock Exchange during 2021–2024, obtained from the official IDX website (www.idx.co.id) and company websites. The data collection procedure involved several sequential steps: (1) identification of technology sector companies listed on the IDX during the 2021–2024 period; (2) selection of companies meeting the predetermined purposive sampling criteria; (3) extraction of financial data from audited annual financial statements, including information required for calculating managerial ownership, company size, auditor reputation, and going concern audit opinions; and (4) documentation of all extracted data systematically organized into a panel dataset suitable for statistical analysis using EViews 12. The secondary data sources employed in this research are considered reliable as they represent official publications from the Indonesia Stock Exchange and audited financial reports.

3.4 Operational Definition of Variables

Table 2. Operational Definition and Measurement of Variables

Variable	Type	Definition	Measurement	Scale	Source
Going Concern Audit	Dependent	Auditor's assessment of a	Dummy: 1 = GC opinion, 0	Nominal	Sari & Rahmawati (2021)

Variable	Type	Definition	Measurement	Scale	Source
Opinion (Y)		company's ability to maintain its viability	= Non-GC opinion		
Managerial Ownership (X_1)	Independent	Proportion of shares owned by management directly involved in company management	Percentage of shares owned by management	Ratio	Hamid & Fidiana (2020)
Company Size (X_2)	Independent	Scale of the company representing firm's resources and operational capacity	Ln (Total Assets)	Nominal	Astuti & Lestari (2022)
Auditor Reputation (X_3)	Independent	Reputation of the public accounting firm conducting the audit	Dummy: 1 = Big Four, 0 = Non-Big Four	Nominal	Syamsuddin (2023)

Source: Developed for this research (2026)

3.5 Data Analysis Techniques

Data analysis in this study is conducted using panel data regression with the assistance of EViews 12 software. The analysis stages include:

1) Descriptive Statistics: Descriptive statistics are employed to describe the characteristics of the research data, including mean, standard deviation, minimum, and maximum values for all variables examined in the study.
2) Panel Data Model Selection: The selection of the appropriate panel data regression model is carried out through three main stages: the Chow Test to compare whether the Common Effect Model (CEM) or Fixed Effect Model (FEM) is the better model to use; the Hausman Test to determine whether the best model is FEM or Random Effect Model (REM); and the Lagrange Multiplier (LM) Test to confirm whether REM is more appropriate than CEM.
3) Classical Assumption Tests: Prior to hypothesis testing, classical assumption tests are conducted to ensure that the regression model satisfies the required assumptions so that the estimation results are more reliable. The tests include normality test, multicollinearity test using Variance Inflation Factor (VIF), and heteroscedasticity test.
4) Panel Data Regression Analysis: The regression model used in this study is formulated as follows:

$$OAGCit = \alpha + \beta 1MOit + \beta 2SIZEit + \beta 3ARit + \varepsilon it$$

Where:
OAGC = Going Concern Audit Opinion
MO = Managerial Ownership
SIZE = Company Size
AR = Auditor Reputation
α = Constant
β_1–β_3 = Regression coefficients
ε = Error term
i = Company
t = Year

5) Hypothesis Testing: Hypothesis testing is conducted using:
   a. F-test to examine the simultaneous effect of independent variables on Going Concern Audit Opinion;
   b. t-test to determine the partial effect of each independent variable on Going Concern Audit Opinion;
   c. Coefficient of Determination (R^2) to determine the model's ability to explain variations in Going Concern Audit Opinion.

   All hypothesis tests are conducted at a significance level of 5% ($p < 0.05$).

4. Results and Discussion

4.1 Descriptive Statistical Analysis

Table 3. Descriptive Statistics

Variable	Mean	Median	Max	Min	Std. Dev.
OAGC	0.181818	0.000000	1.000000	0.000000	0.390154
ROA	0.129750	0.078000	1.658800	0.003000	0.256963
DER	1.232295	0.938500	4.388000	0.093000	1.031477
PDK	0.406818	0.300000	0.667000	0.167000	0.145311
CR	1.822432	1.353000	9.672000	0.066000	1.676297
UP	29.33693	29.43129	31.96923	26.68307	1.366865

Source: Processed data (2025)

Table 3 shows that the Going Concern Audit Opinion (OAGC) variable has an average of 0.181818 with a median of 0.000000, indicating that most companies do not receive a going concern opinion, accompanied by a standard deviation of 0.390154 which reflects moderate variation. The Return on Assets (ROA) variable has an average of 0.129750 and a median of 0.078000, with a relatively wide range of values (0.003000–1.658800) and a standard deviation of 0.256963, which indicates heterogeneity in profitability between companies. The Debt to Equity Ratio (DER) variable recorded an average of 1.232295 and a median of 0.938500, but the maximum value reached 4.388000 and the standard deviation was high at 1.031477, indicating that there were companies with extreme leverage levels. Meanwhile, the Independent Commissioners (PDK) variable has more limited variation with an average of 0.406818, a median of 0.300000, and a standard deviation of 0.145311, indicating greater consistency compared to other variables. The Current Ratio (CR) variable shows an average of 1.822432 with a very wide range of values from 0.066000 to 9.672000 and a standard deviation of 1.676297, indicating significant differences in company liquidity. The Company Size (UP) variable has an average of 29.33693 with a standard deviation of 1.366865, indicating relatively consistent company sizes across the sample.

Table 4. Descriptive Statistics of Moderated Variables

Variable	Mean	Median	Max	Min	Std. Dev.
ROA_UP	3.333977	0.945500	40.52800	0.000000	6.281312
DER_UP	32601.42	27796.50	108288.0	3.851000	25537.13
PDK_UP	3546.742	11.93400	26978.00	0.000000	7329.232
CR_UP	44075.65	52.12550	307552.0	0.000000	88875.14

Source: Processed data (2025)

Table 4 shows that all moderating variables (ROA_UP, DER_UP, PDK_UP, CR_UP) show a much higher level of variability than the original variables. ROA_UP has an average of 3.333977 with a large standard deviation (6.281312) and a maximum value of 40.52800. DER_UP even shows an average of 32601.42 with a very high standard deviation of 25537.13 and a maximum value of 108288.0, which indicates extreme changes in leverage due to moderation. The PDK_UP and CR_UP variables also show similar patterns with high average values accompanied by large standard deviations (3546.742 and 44075.65, respectively), reflecting very wide data dispersion. Overall, variables without moderation have a more stable level of variation, while moderation interaction variables display a very high level of heterogeneity, indicating that the moderation process substantially increases data diversity between companies.

4.2 Panel Data Model Selection

Table 5. Panel Data Model Selection Test Results

Test	Statistic	Prob.	Decision
Chow Test	3.114646	0.0030	FEM > CEM
Hausman Test	13.954835	0.0010	FEM > REM
LM Test	0.687122	0.7680	CEM > REM

Source: Processed data (2025)

Table 5 shows the results of a series of panel data model selection tests. The Chow Test produced a probability value of 0.0030 < 0.05, indicating that the Fixed Effect Model (FEM) is more appropriate than the Common Effect Model (CEM). The Hausman Test produced a probability value of 0.0010 < 0.05, indicating that FEM is more appropriate than the Random Effect Model (REM). Meanwhile, the Lagrange Multiplier Test produced a probability value of 0.7680 > 0.05, confirming that CEM is more appropriate than REM. Based on these results, the Fixed Effect Model (FEM) was selected as the most appropriate estimation model for this study.

4.3 Classical Assumption Tests

4.3.1 Normality Test

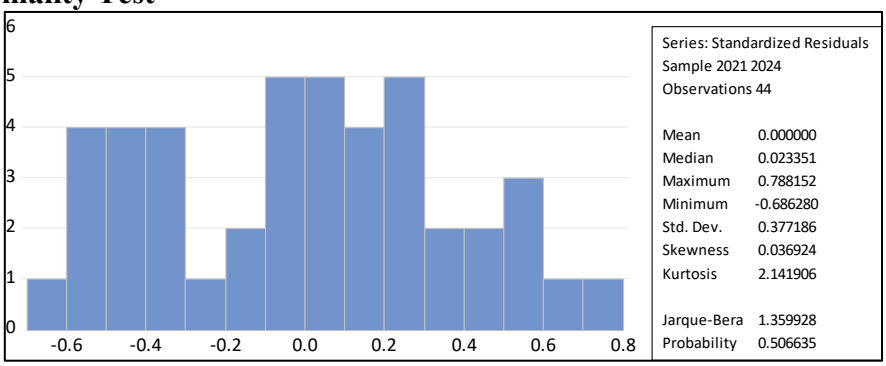

Figure 1. Results of Normality Test

Source: Processed data (2025)

Figure 1 shows the results of the Jarque-Bera normality test with a probability value of 0.506635. Because the probability value obtained exceeds the significance limit of 0.05, the Null Hypothesis (H0) is not rejected. This indicates that the residual data is normally distributed. Thus, the regression model has met the normality assumption.

4.3.2 Multicollinearity Test

Table 6. Multicollinearity Test Results

Variable	OAGC	ROA	DER	PDK	CR	UP
OAGC	1.000000					
ROA	-0.028844	1.000000				
DER	-0.105041	0.041943	1.000000			
PDK	0.079183	0.024788	-0.077810	1.000000		
CR	-0.322952	0.109822	-0.232307	-0.125840	1.000000	
UP	-0.106668	-0.033323	-0.043913	0.097618	0.154761	1.000000

Source: Processed data (2025)

Table 6 shows that there are no correlation values exceeding 0.80 between independent variables. Therefore, it can be concluded that this study does not experience multicollinearity problems, and the regression model has met the multicollinearity assumption.

4.3.3 Heteroscedasticity Test

Table 7. Heteroscedasticity Test Results (Glejser Test)

Prob. Chi-Square(3)	0.4033

Source: Processed data (2025)

Table 5 shows the results of the Glejser Heteroscedasticity Test with a Probability (Prob.) value of the Obs*R-squared statistic of 0.4033. Since this probability value is greater than 0.05, the Null Hypothesis (H0): Homoscedasticity is accepted. Thus, the regression model has fulfilled the classical assumption that the residual variance is constant and is free from heteroscedasticity.

4.4 Hypothesis Testing

4.4.1 Model Suitability Test (F-Test)

Table 8. F-Test Results

Prob(F-statistic)	0.002577

Source: Processed data (2025)

Based on Table 8, the probability value of the F-statistic is 0.002577 < 0.05. Therefore, it can be concluded that the independent variables (Profitability, Leverage, Liquidity, and Independent Commissioners), the moderating variable (Company Size), and the interaction effect variables simultaneously influence the dependent variable (Going Concern Audit Opinion). Thus, the model is declared feasible for use.

4.4.2 Coefficient of Determination Test (R^2)

Table 9. Coefficient of Determination Test Results

Adjusted R-squared	0.500990

Source: Processed data (2025)

Based on Table 9, the Adjusted R-Squared value is 0.500990, so it can be concluded that the independent variables (Profitability, Leverage, Liquidity, and Independent Commissioners), the moderating variable (Company Size), and the interaction between

the independent variables and the moderating variable in this study can explain the variation of the dependent variable (Going Concern Audit Opinion) by 50%. While the remaining 50% is influenced by other components or factors not included in the regression equation of this study.

4.4.3 Partial Test (t-Test)

Table 10. t-Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.	Conclusion
C	0.894007	2.032555	0.439843	0.6630	Not Significant
ROA	-0.054800	0.036801	-1.489093	0.0142	Significant
DER	-0.155752	0.103805	-1.500403	0.0640	Not Significant
PDK	7.155096	0.566652	12.62705	0.6435	Not Significant
CR	0.000983	0.001298	0.757340	0.1571	Not Significant
UP	-0.046862	0.055446	-0.845199	0.4047	Not Significant
ROA_UP	0.664668	0.246174	2.700262	0.0145	Significant
DER_UP	-0.060015	0.039036	-1.537419	0.0717	Not Significant
PDK_UP	0.120899	0.083440	1.448932	0.7327	Not Significant
CR_UP	0.509114	0.205403	2.478616	0.1613	Not Significant

Source: Processed data (2025)

Based on Table 8, the following interpretation can be obtained:

1) Profitability (ROA): The probability value is 0.0142, which is below α = 0.05. This indicates that profitability has a significant negative effect on going concern audit opinions. The negative coefficient shows that the higher a company's profitability, the less likely it is to receive a going concern audit opinion. This finding is consistent with previous studies which state that profitability affects going concern audit opinions (Putra & Sari, 2021; Wijaya et al., 2023). This finding reinforces Signaling Theory that high profits are a positive signal for auditors in assessing the company's business continuity.
2) Leverage (DER): The probability value is 0.0640, which exceeds 0.05. Therefore, it can be concluded that leverage does not have a significant impact on going concern audit opinions. Leverage indicates the level of debt, but auditors also consider the ability to pay and creditor support. If obligations can still be met, high leverage does not affect the going concern opinion.
3) Independent Commissioners (PDK): The probability value is 0.6435, which is above 0.05, indicating that independent commissioners do not have a significant effect on going concern opinions. The existence of independent commissioners does not always reflect the effectiveness of supervision of the company's financial condition. If the supervisory role is not optimal, the existence of independent commissioners is not strong enough to influence the auditor's assessment of going concern. This finding is not in line with previous studies which stated that independent commissioners have

an effect on going concern audit opinions (Hidayat & Utami, 2022; Kurniawan, 2024).

4) Liquidity (CR): The probability value is 0.1571, which exceeds 0.05. Therefore, it can be concluded that liquidity does not have a significant effect on going concern audit opinions. High liquidity does not always guarantee that a company is free from going concern issues, because auditors look at the overall financial picture, including cash flow, future expenses, and business prospects. Consequently, liquidity alone is not strong enough to have a significant effect. This result differs from previous studies which stated that liquidity affects going concern audit opinions (Siregar & Fitri, 2021; Lestari et al., 2023).
5) Company Size (Z) moderating Profitability: The interaction variable of profitability and company size (ROA×UP) has a probability value of 0.0145 < 0.05, so that company size strengthens the effect of profitability on going concern audit opinions. Large companies tend to be more stable and easily obtain funding. If profitability is high, auditors are increasingly confident in their business continuity, so the effect of profitability on going concern opinions becomes stronger. This finding is consistent with previous studies (Firmansyah & Ardiansyah, 2023; López et al., 2025).
6) Company Size (Z) moderating Leverage: The probability value of 0.0717 > 0.05 indicates that company size weakens the relationship between leverage and going concern audit opinions. Large companies are considered more resilient and have broader access to funding. Therefore, high leverage is not immediately viewed as risky by auditors, thereby weakening the influence of leverage on going concern opinions.
7) Company Size (Z) moderating Independent Commissioners: The probability value of 0.7327 > 0.05 indicates that company size weakens the relationship between independent commissioners and going concern audit opinions. The complexity of large companies can make independent commissioner supervision less than optimal, causing auditors to focus more on financial conditions. As a result, the influence of independent commissioners on going concern opinions weakens.
8) Company Size (Z) moderating Liquidity: The probability value of 0.1613 > 0.05 indicates that company size weakens the effect of liquidity on going concern audit opinions. Large companies usually have strong assets, business relationships, and financial support. So even if liquidity is low, auditors do not immediately assume that the company has going concern problems. This condition weakens the effect of liquidity on the auditor's opinion.

4.4.4 Mediation Test (Sobel Test)

Table 11. Sobel Test Results

Path	t-Statistic	t-Table	Conclusion
ROA → ERC → OAGC	-2.00277	2.019541	Not Significant
DER → ERC → OAGC	0.102942	2.019541	Not Significant
PDK → ERC → OAGC	6.253999	2.019541	Significant
CR → ERC → OAGC	-9.316494	2.019541	Significant

Source: Processed data (2025)

Based on Table 9, the Sobel test results show that earnings quality mediates the relationship between independent commissioners and going concern audit opinions (t = 6.254 > 2.019), and mediates the relationship between liquidity and going concern audit opinions (t = -9.316 > 2.019). However, earnings quality does not mediate the relationship

between profitability and going concern audit opinions (t = -2.003 < 2.019), nor between leverage and going concern audit opinions (t = 0.103 < 2.019).

4.5 Discussion

4.5.1 The Effect of Profitability on Going Concern Audit Opinions

Based on the results of the partial test (t-test) using the Fixed Effect Model (FEM), profitability (ROA) has a probability value of 0.0142 < 0.05, indicating that profitability has a significant negative effect on going concern audit opinions. The negative coefficient shows that the higher a company's profitability, the less likely it is to receive a going concern audit opinion. This finding is consistent with previous studies which state that profitability affects going concern audit opinions (Putra & Sari, 2021; Wijaya et al., 2023). This finding reinforces Signaling Theory that high profits are a positive signal for auditors in assessing the company's business continuity. When companies demonstrate strong profitability, auditors perceive lower business continuity risk, thereby reducing the likelihood of issuing going concern opinions.

4.5.2 The Effect of Leverage on Going Concern Audit Opinions

The partial test results show that leverage (DER) has a probability value of 0.0640 > 0.05, so leverage does not have a significant effect on going concern audit opinions. Leverage indicates the level of debt, but auditors also consider the ability to pay and creditor support. If obligations can still be met, high leverage does not affect the going concern opinion. This finding differs from previous studies which found that leverage affects going concern audit opinions (Pratama & Nugroho, 2022; Rahman et al., 2024). The non-significant effect may be due to auditors considering broader financial indicators and the company's ability to service debt rather than leverage ratios in isolation.

4.5.3 The Effect of Independent Commissioners on Going Concern Audit Opinions

The partial test results show that independent commissioners (PDK) have a probability value of 0.6435 > 0.05, so independent commissioners do not have a significant effect on going concern audit opinions. This finding is not in line with previous studies which stated that independent commissioners have an effect on going concern audit opinions (Hidayat & Utami, 2022; Kurniawan, 2024). This shows that the existence of independent commissioners quantitatively does not necessarily reflect the effectiveness of supervision as perceived by auditors, especially in companies with high operational complexity. The non-significant effect may be due to the limited supervisory role of independent commissioners in technology companies where operational complexity may reduce governance effectiveness.

4.5.4 The Effect of Liquidity on Going Concern Audit Opinions

Based on the t-test results, liquidity (CR) has a probability value of 0.1571 > 0.05, so liquidity does not have a significant effect on going concern audit opinions. This result differs from previous studies which stated that liquidity affects going concern audit opinions (Siregar & Fitri, 2021; Lestari et al., 2023). This difference shows that auditors not only assess the ability to pay short-term liabilities, but also consider overall financial conditions, such as future cash flows and business prospects. High liquidity does not always guarantee that a company is free from going concern issues, because auditors look at the overall financial picture.

4.5.5 The Moderating Role of Company Size on Profitability

The interaction test results show that the interaction variable of profitability and company size (ROA×UP) has a probability value of 0.0145 < 0.05, so that company size strengthens the effect of profitability on going concern audit opinions. This finding is consistent with previous studies (Firmansyah & Ardiansyah, 2023; López et al., 2025), which state that large companies with high profitability provide stronger assurance for auditors regarding business continuity. Large companies tend to be more stable and easily obtain funding, making the positive signal of profitability more credible.

4.5.6 The Moderating Role of Company Size on Leverage

The results of the DER×UP interaction test show a probability value of 0.0717 > 0.05, which means that company size weakens the effect of leverage on going concern audit opinions. This finding explains that in large companies, high leverage is not directly perceived as a serious risk by auditors because the company is considered to have broader access to funding. These results are conceptually consistent with previous studies, although not statistically significant at the 5% level.

4.5.7 The Moderating Role of Company Size on Independent Commissioners

The probability value of the interaction between independent commissioners and company size (DK×UP) is 0.7327 > 0.05, indicating that company size weakens the influence of independent commissioners on going concern audit opinions. This finding suggests that in large companies, organizational complexity can reduce the effectiveness of independent commissioner oversight, causing auditors to focus more on financial indicators. These results are not entirely consistent with previous studies that emphasize the role of governance.

4.5.8 The Moderating Role of Company Size on Liquidity

The results of the CR×UP interaction test show a probability value of 0.1613 > 0.05, which means that company size weakens the effect of liquidity on going concern audit opinions. This finding shows that large companies with low liquidity are not immediately considered problematic in terms of going concern by auditors due to strong asset support and business relationships. These results differ from some previous studies that assessed liquidity as a major factor.

4.5.9 The Mediating Role of Earnings Quality

The Sobel test results show that earnings quality mediates the relationship between independent commissioners and going concern audit opinions, and mediates the relationship between liquidity and going concern audit opinions. This indicates that effective governance through independent commissioners improves earnings quality, which subsequently reduces the likelihood of going concern opinions. Similarly, better liquidity leads to higher earnings quality, which then reduces going concern risk. However, earnings quality does not mediate the relationships between profitability and going concern opinions, nor between leverage and going concern opinions, suggesting that these relationships operate through direct mechanisms rather than through earnings quality.

5. Conclusion

This study examines the influence of profitability, leverage, liquidity, and independent commissioners on going concern audit opinions, with earnings quality as a mediating variable and company size as a moderating variable, in technology companies listed on the Indonesia Stock Exchange during the 2021–2024 period. Using panel data regression analysis with the Fixed Effect Model (FEM) on 11 technology companies with 44 observations, the results show that profitability has a significant negative effect on going concern audit opinions, indicating that higher profitability reduces the likelihood of receiving a going concern opinion as high profits serve as a positive signal to auditors regarding business continuity. Leverage does not significantly affect going concern audit opinions, suggesting that auditors consider broader financial indicators and debt servicing ability rather than leverage ratios in isolation. Independent commissioners do not significantly affect going concern audit opinions, indicating that the existence of independent commissioners quantitatively does not necessarily reflect the effectiveness of supervision as perceived by auditors, especially in companies with high operational complexity. Liquidity does not significantly affect going concern audit opinions, as auditors assess overall financial conditions including future cash flows and business prospects rather than liquidity alone. Furthermore, company size strengthens the effect of profitability on going concern audit opinions, confirming that large companies with high profitability provide stronger assurance for auditors regarding business continuity. Company size weakens the effects of leverage, independent commissioners, and liquidity on going concern audit opinions, indicating that large companies are perceived as more resilient with broader access to funding, making financial indicators less critical in auditor assessments. The Sobel test results reveal that earnings quality mediates the relationships between independent commissioners and going concern audit opinions, and between liquidity and going concern audit opinions, but does not mediate the relationships between profitability and going concern opinions, nor between leverage and going concern opinions.

The theoretical implications of this study contribute to the enrichment of literature on going concern audit opinions by extending the application of agency theory and signalling theory to the context of technology companies in Indonesia. The significant negative effect of profitability on going concern opinions supports signalling theory, confirming that high profitability serves as a positive signal to auditors regarding business continuity. The non-significant effects of leverage, independent commissioners, and liquidity challenge traditional assumptions that these factors uniformly influence going concern opinions, suggesting that their effects may be contingent on contextual factors such as company size and industry characteristics. The moderating role of company size demonstrates that firm characteristics influence how financial and governance factors affect auditor decisions, extending the application of agency theory to the context of audit opinion formation. The mediating role of earnings quality in the relationships between independent commissioners and going concern opinions, and between liquidity and going concern opinions, highlights the importance of earnings quality as a mechanism through which governance and financial factors influence auditor assessments.

From a practical perspective, companies should maintain strong profitability as a means of reducing the likelihood of receiving going concern audit opinions, as profitability serves as a credible signal of business continuity. Management should recognize that excessive leverage may not significantly affect auditor perceptions in technology companies, provided that debt obligations can be met. Independent

commissioners should strengthen their supervisory role to improve earnings quality and enhance auditor confidence in business continuity. Companies should maintain adequate liquidity, but also recognize that auditors consider broader financial conditions beyond liquidity alone. Larger companies should leverage their stability and resource advantages to maintain investor and auditor confidence, while smaller companies should focus on strengthening profitability and financial transparency. Regulators, particularly the Financial Services Authority (OJK), should consider the unique characteristics of technology companies in developing going concern assessment guidelines, recognizing that traditional financial indicators may have different effects in this sector.

This study has several limitations. First, the analysis is limited to the technology sector, which may restrict the generalizability of findings to other sectors with different characteristics and regulatory environments. Second, the observation period of four years (2021–2024) and the sample size of 11 companies may limit the statistical power and generalizability of findings. Third, the study focuses solely on profitability, leverage, liquidity, and independent commissioners, without considering other potential determinants of going concern audit opinions such as audit quality, company growth, cash flow, or macroeconomic conditions. Fourth, the measurement of independent commissioners based solely on proportion may not fully capture the effectiveness of their supervisory role. Fifth, the measurement of earnings quality using Earnings Response Coefficient (ERC) may not fully capture the complexity of earnings quality, as other dimensions such as earnings persistence and predictability are also important.

Future research should broaden the scope by including other sectors or cross-country comparisons to enhance generalizability and capture variations in going concern audit opinions across different regulatory and economic contexts. It would also be valuable to integrate additional variables such as audit quality, company growth, cash flow, and macroeconomic conditions to provide a more comprehensive understanding of going concern audit opinion determinants. Employing longer observation periods or larger sample sizes could strengthen causal inference and provide deeper insights into the temporal dynamics of going concern opinions. Future studies may further examine other moderating variables, such as corporate governance quality, ownership structure, or regulatory environment, to provide deeper understanding regarding the relationship between financial factors, governance mechanisms, and going concern audit opinions in emerging markets. Finally, qualitative research approaches, such as interviews with auditors and corporate managers, could provide richer insights into the decision-making processes underlying going concern audit opinions.

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