



Analysis Opinion Audit Going Concern: Does Audit Committee Could Make It Better?

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ABSTRACT

The objective of this research is to assess how the audit committee influences the relationships between Liquidity, Leverage, and Profitability on going concern audit opinions. This investigation employs a causality research design, utilizing secondary data and analyzing it with the SPSS application. The study's population comprises 39 infrastructure companies listed on the Indonesia Stock Exchange during the period from 2017 to 2022, with a sample size of 195 companies selected through purposive sampling. Findings indicate that Liquidity and Leverage do not significantly affect the going concern audit opinion, while Profitability exhibits a negative correlation. It suggests that the management of these companies is efficient in implementing strategies to enhance profitability. The audit committee is identified as a moderating variable, and the results show that it effectively strengthens the relationship between liquidity and going concern audit opinions. This is attributed to a sufficient number of audit committee members overseeing management during the preparation of financial statements. The study underscores the impact of the economic downturn in Indonesia, attributed to the Covid-19 pandemic, on the rise of going concern audit opinions, thereby emphasizing the audit committee's function in overseeing management's financial reporting.

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1. INTRODUCTION

Opinion going Concerned is something task Which very influential on the sustainability of the company and is very influential with when providing a going concern opinion, the standing of the auditor, and the KAP's own reputation. Going-concern audit views are offered to assist readers of financial statements in making well-informed investment decisions that will indirectly affect the audited firm. (Averio, 2020) Some auditors are reluctant to offer a judgment on the company's continuity because they fear serious repercussions for both the company and themselves, as The firm's eventual insolvency may be triggered by the going-concern audit opinion. (Ali et al., 2019). (Desai et al., 2023).

The impact of the worsening condition economy in Indonesia moment is Also aggravated by the presence of the Covid-19 pandemic in a Chinese city which has spread to regions around the world including Indonesia. This is one of the factors that cause the numbers Indonesia's economic growth in the second quarter of 2020 to grow by -5.82% YoY. Besides the impact of this bad Indonesian economy increased audit opinion going Concerns in several companies (Abbott et al., 2003). Wrong only opinion audits going concerned Which obtained by PT. Adhi Karya (Persero) Tbk which at the end of 2019. This audit opinion is provided by taking into account the situation Indonesia was facing at the time the financial report was published the Covid-19 pandemic which also hit almost all countries in the world. The presence of the Covid-19 pandemic causes the activities carried out in the economic sector to decrease (Sewpersadh, 2025).

The variables of Firm Firm growth and size affect the going concern audit assessment. (Khodijah and Ratnaningrum, 2020), (Fidiana et al., 2023) explain variable Growth Company, Liquidity, and Profitability own influence ongoing concern audit opinion and according to Fatimah (2018) Leverage and Debt Defaults influence opinion audits going concerned. Meanwhile, a study (Mutsanna and Sukirno, 2020) explains that profitability (Alles and Gray, 2024), Liquidity, and size firm are influential in a manner significant to the audit opinion on going concern. (Mutsanna and Sukirno, 2020) explained that Debt Defaults, don't significantly impact audit-going concerns, and (Hossain et al., 2020) explained variables liquidity, leverage, and Firm Growth have no effect on audit Going Concerned.

Profitability is used to determine a business's ability to acquire profit from its operational activities by using the total assets owned. According to research by (Rahman and Ahmad, 2018), Profitability significantly affects whether of audit opinions going concerned. Meanwhile, research Mutsanna and Sukirno (2020) explains that Profitability, liquidity, and firm size do not affect Opinion audit going Concerns. Mutsanna and Sukirno (2020) explains that Debt Defa. Earlier research on the subject to the going concern audit opinion are often only focused on the aspect of high profits obtained by companies (Wu and Li, 2025) so that the profits are used to pay off the company's obligations without paying attention to the existing level of liquidity, so that in the research raises an important aspect, namely liquidity, the relationship with liquidity, is the smaller the Current Ratio, then a company is illiquid which makes the company unable to pay an obligation to creditors, therefore the auditor may give an audit opinion of going concern.

Giving view point audits going concerned can be done with see the condition internal company through the financial ratios of the company. A company's liquidity ratio indicates how quickly it can pay its short-term obligations with the assets it has on hand (Desai et al., 2020). Prior study said that liquidity affects going concern audit opinion (Averio, 2020). (Rahman and Ahmad, 2018), Liquidity has no effect on Opinion audit Going - Concerns. Meanwhile, according to Kusumaningrum and Zulaikha (2019), ratio leverage is No influential in opinion audits going concerned (Camacho-Miñano et al., 2024). Due to the numerous instances of anomalies that have occurred in the presentation of financial statements in recent times in Indonesia, the role

of the audit committee is a matter that is of concern to stakeholders. This is also an essential topic that needs to be explored to further understand. In this regard, this study objectives to evaluate how the role of auditing committees role in supervising management in preparing financial statements so as to provide information that can be trusted by the public. In addition, this research also makes a theoretical contribution by including the correlation between The audit opinion on going concern and the characteristics of the auditing committee.

The Covid-19 epidemic also caused significant challenges for the infrastructure sector's performance in 2020. Additionally, there has been a decline in infrastructure development activities, which has a significant impact on the commercial and financial results. There were a number of infrastructure-related businesses that were unable to complete numerous tasks in 2020. experienced a decline in financial performance, especially in the company's profit post, some experienced a decrease in profit until they had to suffer losses in 2020.

The findings of earlier studies, (Brand et al., 2020) stated that the Firm Size and Firm Growth variables had an impact on the going concern audit opinion, stated that variables of Company Growth, Profitability and the audit opinion was influenced by liquidity. of going concern and according to (Fatimah, 2018) Leverage and Debt Default had an impact on the going concern audit opinion. Going concern audit opinion. While according to research (Mutsanna and Sukirno, 2020) explained that Profitability, liquidity, Firm Size did not have a significant influence on According to (Mutsanna and Sukirno, 2020). Audit Going Concern clarified that changing liquidity, leverage, and firm growth have no bearing on Audit Going Concern and that Debt Default did not significantly affect it. therefore the author chooses the variables Firm Size, Profitability, and Leverage by adding Liquidity as the moderation variable used in this study.

2. METHODS

The research makes use of a quantitative methodology, which, in most cases, involves selecting a sample that is typical of the whole population rather than the entire population in order to guarantee that the findings may be generalized. This study focuses on 57 infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2022 period. The sampling technique employed is purposive sampling, which aligns with specific criteria: companies must be part of the infrastructure sector listed on the IDX for the specified period and must regularly publish audited annual financial statements. The study encompasses the 2017-2022 period, resulting in a selected population of 39 companies over a six-year research timeframe.

This study's data analysis was carried out by utilizing Considering that the dependent variable, namely the independent variable in the going regarding the audit opinion is a mix of metric and non-metric factors, and dummy variables are used variables (nominal) (Pochiraju and Seshadri, 2019). According to (Fayaz et al., 2022) outlined how logistic regression is used to ascertain if its independent Variables can be used to forecast the likelihood dependent variables will occur. For its independent variables, the logistic regression analysis method does not call for a traditional assumption test. This study's logistic regression model is:

Model :

$$\text{Ln} \frac{GC}{1-GC} = \alpha_{it} + \beta_1 \text{LKS}_{it} + \beta_2 \text{LEV}_{it} + \beta_3 \text{PRF}_{it} + \beta_4 \text{LKS} * \text{KA}_{it} + \beta_5 \text{LEV} * \text{KA}_{it} + \beta_6 \text{PRF} * \text{KA}_{it} + \varepsilon_{it}$$

Keterangan:

$$\text{Ln} \frac{GC}{1-GC} = \text{Audit opinion going concern (1 = companies that get audit opinions going concern, 0 = companies that do not get audit opinions going concern)}.$$

- α = Constant
- β_{1-3} = Independent Variable Regression Coefficient
- β_{4-6} = Coefficient Regression Moderating Variable
- CR = Current Ratio
- DER = Debt to Equity Ratio
- ROA = Return On Asset
- COMMITE = Audit Committee
- LNSIZE = Company Size
- ε = Standard Error

Meanwhile, the hypothesis testing technique, namely the Simultaneous Regression Test (Omnibus Test) is employed to ascertain the degree to which an independent variable as a whole contributes to the explanation of dependent variables, and the partial regression test (also known as the Wald Test) is used to ascertain the degree to which an explanatory or independent variable contributes to explanation of dependent variables on its own. (Ghozali, 2018) The following is the operationalization of variables explained in **Table 1**.

Table 1. Definition and measurement of variables.

Variable	Definition	Variable Measurement	Scale
Dependent :			
Opini Audit Going Concern (Y)	Considering that business continuity is assumed, An organization that is thought to be sustainable in the business world for the imminent future (Abbasi et al., 2020)	A dummy variable is used to measure it, and a going concern audit opinion is represented by the number 1 (one), and a non-going concern audit opinion by the number 0 (zero) .	Ratio
Independent :			
Liquidity (X ₁)	The capacity of the business to meet its short-term obligations that must be satisfied (Lin and Yen, 2022).	$Current\ Ratio : \frac{Current\ Asset}{Current\ Liabilities}$	Ratio
Leverage (X ₂)	The ratio is employed to assess a business's capacity to fulfil its commitments over the long run. (Lin and Yen, 2022).	$DER : \frac{Total\ Liabilities}{Total\ Equity}$	Ratio
Profitability (X ₃)	The ratio measures a company's capacity to turn a profit . (Liao et al., 2023).	$ROA : \frac{Net\ Income}{Total\ Asset}$	Ratio
Moderating :			
Committee Audits (Z)	The purpose of the audit committee was to assist the Board of Commissioners in fulfilling its duties. and activities, and it reports to the Board of Commissioners. (POJK No.5/POJK.04/2015)	Komite Audit : $\frac{Jumlah\ Anggota\ Komite\ Audit}{Jumlah\ Dewan\ Komisaris}$	Ratio

Source : Processed by the author

3. RESULTS AND DISCUSSION

3.1. Descriptive Statistics

This study employed a logistic regression model to comprehensively analyze the impact of independent variables—liquidity, leverage, and profitability—on the dependent variable—ongoing concern audit opinion—and the moderating variable—the audit committee

Table 2. Results test statistics descriptive

<i>Variables</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Means</i>	<i>std. Deviation</i>
OAGC	195	0	1	.17	.380
CR	195	.000	410,920	8,292	43,800
DER	195	-2,857	370,620	3,532	26,597
ROA	195	-33,153	1,195	-.319	2,903
ka	195	0	2	.98	.570
FS	195	8,091	19,325	15,326	2,310

Table 2 above shows a description of each variable. Based on Table 3 can be described as follows the liquidity, a maximum of 410,920, a minimum of 0.000, an average of 8,292, and a standard deviation of 43,800 are demonstrated by the current ratio. The debt-to-equity ratio is indicative of leverage, with a maximum value of 370.620, a minimum of 0.000, an average of 3.532, and a standard deviation of 26.597. Profitability, as indicated by return on assets, has a maximum value of 1.195, a lowest value of -33.15 The return on assets metric provides information about profitability, which may range from a maximum value of 1.195 to a minimum value of -33.153, with an average value of -0.319 and a standard deviation of 2.903. A mean of -0.98 and a standard deviation of 0.570 are the values that are produced by the Audit Committee. The highest possible value is 2.00, and the lowest possible value is 0.00. Significance of the company The logarithm of total assets has a range that goes from a minimum of 8.091 to a maximum of 19.325, with an average of 15.326 and a standard deviation of 2.310 across the board.

Table 3. Results descriptive frequencies opinion audits going concerned

	<i>Categories</i>	<i>frequency</i>	<i>Percentages</i>
	VALID	<i>Opinion Audit going Concerned</i>	34
	<i>Non-Opinion audits going Concern</i>	161	82.6
	<i>Total</i>	195	100.0

Table 3 demonstrates that the going concern audit opinion functions as the dependent variable in this study. In this study, the infrastructure company gets opinion audits going concerned which is a number 34 observation or as big 17.4%, And no get audit opinion going concerned which is a number 161 observation or as big 82.6%.

3.2. Assessing Models fit and Whole Model (Overall Fit Models)

This research is being conducted to determine whether the study data model was appropriate prior to or subsequent to the inclusion of the independent variables. By comparing the initial -2 Log Likelihood, one can evaluate the whole model's fit (-2LL) values with the final -2 Log Likelihood (-2LL) logs. The research model is deemed appropriate for the data if there is a reduction in the original -2LL results compared to the final -2LL values. On the other hand, a rise in the observed outcomes indicates that the study model did not adequately account for the data. Here are the results evaluating the whole model study:

Table 4. Results -2 Logs Likelihood Beginning

<i>Iterations</i>		<i>-2 Logs Likelihood</i>	<i>Coefficients Constant</i>
Step 0	1	182,354	-1,303
	2	180,474	-1,537
	3	180,465	-1,555
	4	180,465	-1,555

Table 5. Results -2 Logs Likelihood Ending

<i>Iterations</i>		<i>-2 Logs Likelihood</i>	<i>Coefficients Constant</i>
Step 1	9	116.106	.423

According to **Table 4**, the results of -2LL at step 0, or the initial stage, were 180.465. Table 5 presents the outcomes of -2LL step 1, concluding at 116.106. The initial -2LL value is 64,359 less than the final -2LL, as seen by the two tables. The study model posits that when the difference between the initial and final -2LL values is smaller than -2LL, a specific condition is met. This aligns with data, indicating that the inclusion of variables such as liquidity, leverage, and profitability in the research will enhance the model's fit.

The suitability of the regression model is assessed using Hosmer and Lemeshow's Goodness of Fit Test, which evaluates the alignment between predicted outcome probabilities and observed probabilities. The model study may be accepted based on data observation if the statistical significance exceeds 0.05; conversely, if the statistical significance is below 0.05, it indicates a substantial discrepancy from the data observation to the research model.

Table 6. Results of Hosmer and Lemeshow's test

<i>Step</i>	<i>Chi-Square</i>	<i>Df</i>	<i>Sig.</i>
1	13,282	8	.102

Table 6 shows the chi-square as big 13,282 with a mark significance of 0.102 > 0.05) it can be explained that there are differences between the model and the data, enabling the research model to anticipate observed metrics, or in other words, the model itself. This is accepted Because match the observational data and can use in test analysis furthermore in a word another hypothesis zero accepted.

In order to determine the measurement test coefficient, the test nagelkerke R2 square is utilized. The test By doing so, it is possible to determine the extent to which the independent variable can explain the dependent variable.

Table 7.Results Nagelkerke R Square Test

<i>Step</i>	<i>-2 Logs Likelihood</i>	<i>Cox and Snell R Square</i>	<i>Nagelkerke R Square</i>
1	116.106 ^a	.281	.466

Table 7 indicates that the Nagelkerke R Squared value is 0.466, corresponding to 46.6%. The opinions of the going concern audit serves as the dependent variable in this study, whereas liquidity, leverage, and profitability operate as independent variables, collectively explaining 46.6% of the variance. The remaining 53.4% is influenced by factors from external research models.

3.3. Test hypothesis Simultaneous (Omnibus test)

Test hypothesis simultaneous for explaining influence _ from whole variable independent to variable dependent with value terms significance smaller from 0.05.

Table 8. Results Omnibus test

		Chi-square	Df	Sig.
Step 1	Step	64,359	5	.000
	Blocks	64,359	5	.000
	Model	64,359	5	.000

Table 8 displays the findings from the logistic regression analysis performed at a 5% significance level. The test results demonstrate a significance value of less than 0.05 ($0.000 < 0.05$), suggesting that the independent variables, namely liquidity, leverage, and profitability manner together influential and significant to the opinion audit going concerned.

Test hypothesis Partial did use test wald to each variable independently that is liquidity, leveraged, And profitability. Whereas For testing variable moderating that is committee audits use test MRA (Moderating Regression analysis)

Variable Which can influence the connection directly between variable exogenous with endogenous variables. This test is conducted by evaluating the significance value (α) the value must be less than 0.05 for the hypothesis to be accepted. The subsequent output presents the results of the logistic regression analysis.

Table 9. Results test coefficient regression

		B	SE	Wald	df	Sig.	Exp(B)
Step 1 ^a	CR	-.007	.005	1620	1	.203	.993
	DER	.000	.049	.000	1	.996	1,000
	ROA	-4,589	1,563	8,621	1	.003	.010
	Ka	1,120	.569	3,882	1	.049	3,065
	CR*KA	1,269	.424	8,958	1	.003	3,556
	DER*KA	-.026	.064	.166	1	.683	.974
	ROA*KA	5,686	3,082	3,403	1	.065	294,636
	CONSTANT	.423	2,585	.027	1	.870	1,527

Table 9 presents the outcomes of logistic regression analysis conducted at a significance level of 5%. The logistic regression equation can be derived from the test results as follows :

$$Y = 0,423 - 0,007 \text{ LKS} + 0,000 \text{ LEV} - 4,589 \text{ PRF} + 1,269 \text{ LKS*KA} - 0,026 \text{ LEV*KA} + 5,686 \text{ PRF*KA}$$

3.4. Influence Liquidity to Opinion Audits Going Concerned

Table 10 presents a coefficient value of -0.007. The data also shown with a significance level of 0.203, exceeding the threshold of 0.05 ($0.203 > 0.05$). With this in mind, it can be inferred that the audit opinion on going concern is not impacted by liquidity. This indicates that infrastructure companies are classified as liquid entities due to their ability to fulfill short-term obligations with current assets. A correlation exists between liquidity and the going concern audit opinion,

indicating that reduced liquidity levels increase the likelihood of auditors providing a going concern audit opinion. A low liquidity level signifies that the corporation is illiquid, indicating that its current assets are inadequate to fulfill its imminent short-term obligations or debts as they mature.

Substance This is what an auditor evaluates to refrain from issuing a going concern audit opinion. It is essential to evaluate not just the company's capacity to meet short-term obligations but also its ability to fulfill long-term commitments. This study's findings correspond with the research conducted by (Ali et al., 2019; Maradina, 2019; Mutsanna and Sukirno, 2020; Rahman and Ahmad, 2018; Rahmawati et al., 2018; Simamora and Hendarjatno, 2019; Yulianto et al., 2020).

3.5. Influence Leverage to Opinion Audits Going Concerned

Leverage is hypothesized to have a positive impact on audit opinions concerning going concern, according to the second research hypothesis. The value of the coefficient is 0.000, and the significance value is 0.996, which is more than 0.05 ($0.996 > 0.05$). This information is shown in **Table 10**. As a result, it appears that leverage does not have any impact on the audit conclusion about the going concern scenario. The company's ability to maintain business continuity is called into question when the leverage ratio is high since a sizeable portion of the company's money will be used to pay off debt, which will result in a reduction in the amount of resources available for operational purposes.. Creditors typically favor a low debt ratio, as they assess a company's financial health through this metric before approving a loan. A higher debt ratio raises concerns over the company's viability and increases the likelihood of auditors issuing a going concern conclusion in the independent auditor's report. If a company's debts exceed its assets, creditors will be reluctant to extend funding, as they may perceive that any financial support will solely be allocated to debt repayment rather than to the company's operational activities.

The matter arises from the fact that the company's infrastructure is categorized among mid-sized firms that utilize debt for operational activities, as evidenced by the average debt value of infrastructure companies being 3.5. The auditor will contemplate issuing a going concern audit opinions, as they certain that the company can fulfill its obligations. The research findings align with the studies conducted by Weni and Nengzih (2021); Suryani et al., (2023)

3.6. Influence Profitability to Opinion audits going Concerned

In assessing this third hypothesis, we will seek proof that profitability adversely affects audit conclusions issued regarding going concern. Table 10 indicates that the coefficient is -4.589, with a significance level of 0.003, which is less than 0.05 ($0.003 < 0.05$). 3.5. According to the findings of the influence of profitability on audit opinions regarding going concern, profitability has a negative impact on audit opinions regarding going concern.

The company's capacity to make profits is crucial, as profit constitutes the primary objective of establishing a commercial entity. The results of this research correspond with previous studies suggesting that higher profitability within a company correlates with a reduced probability of receiving a going concern audit opinion, as financially successful organizations generally do not face losses and, consequently, do not encounter continuity challenges. Consequently, the company's profitability serves as an indicator for the auditor concerning business continuity; a higher profitability value signifies more effective fund management, thereby enhancing the firm's capacity to sustain operations and reducing the likelihood of receiving a going concern audit opinion.

When a corporation generates a substantial profit from an acquisition, it might allocate those funds to settle its obligations. An auditor may be predisposed to issue a going-concern audit opinion for the acquiring company if they believe that the money will be more effectively utilized to foster future business growth. (Rahman and Ahmad, 2018; Averio, 2020).

3.7. Influence Committee Audits In Moderate Influence Between Liquidity To Opinion Audits going concerned

The purpose of the fourth hypothesis is to investigate whether or not the audit committee has the ability to improve the influence of liquidity on the ongoing concern audit opinion. The value of the coefficient in Table 10 is 1.269, and the significant value is 0.003, which is less than 0.05 (0.003 is less than 0.05). As a result, it is possible to draw the conclusion that committee audits increase the impact of liquidity on audit opinions about going concern. This indicates that high liquidity makes investors interested in investing their business capital. For committee roles, an audit is required to oversee the preparation of financial reports to conform with the standards that have been determined and encourage management performance to be better (Dewi and Premashanti, 2020; Litan et al., 2024). Investors, as external parties, are unable to directly assess the quality of a company's information. The presence of an audit committee is anticipated to oversee the preparation of financial statements in accordance with established standards and to promote enhanced management performance.

3.8. Influence audit committee in moderating the influence between leverage on audit opinion going concerned

Specifically, the fifth hypothesis, which states that the audit committee increases the influence of leverage on going concern audit opinions, is being evaluated. In Table 10, it can be seen that the coefficient is -0.026, and the significant value is 0.683, which is greater than 0.05 (0.683 is greater than 0.05). Therefore, it can be inferred that the audit committee does not moderate the leverage effect on going concern audit opinion. This shows that the audit committee is not equipped to address the issue if the company has substantial debt and is unable to meet its obligations, leading the auditor to issue a going concern audit opinion due to the independent nature of the audit committee. Findings from the study, this statistic is consistent with the findings of the investigation carried out by Dewi and Premashanti (2020) and Ashiru et al., (2024). The audit committee is expected to oversee the company's performance. The audit committee can enhance the quality of financial statements by consistently overseeing them to ensure the provision of reliable information.

3.9. Influence committee audits in moderate influence between profitability to opinion audits going concerned

Sixth evaluation This study investigates the extent to which committee audits can amplify the influence of profitability on ongoing concern audit opinions. Table 10 indicates a coefficient value of 5.686 and a significance value of 0.065, which exceeds the threshold of 0.05 ($0.065 > 0.05$). Therefore, it can be concluded that the audit committee is not able to moderate the profitability of the going concern audit opinion. The findings indicate that the audit committee's role has not significantly influenced the quality of earnings. This study's results are inconsistent with those of Dewi and Premashanti (2020) and Felix et al., (2024). The audit committee plays a crucial role in shaping profit quality, which is vital information for the public, particularly investors. External

investors cannot directly assess the quality of information provided by the company; thus, the audit committee's evaluations regarding firm's performance may influence investors' judgments regarding the company's profitability.

4. CONCLUSION

This study seeks to assess the influence of financial performance—encompassing liquidity, profitability, and leverage—on the audit opinion about going concern, with the audit committee serving as a moderating variable. The results demonstrated that liquidity, measured by the current ratio, did not affect the going concern audit opinion; leverage, assessed via the debt-to-equity ratio, also had no effect; however, profitability, evaluated by return on assets, negatively influenced the going concern audit opinion. Profitability, as assessed by return on assets, adversely affects the going concern audit opinion owing to the company's substantial earnings, resulting in the absence of a going concern audit opinion. Company management is seen as proficient and adept in executing strategies to optimize profits. Management decisions predominantly aim to maximize profit; elevated profits bolster the company's managerial reputation. This study employs the audit committee as a moderating variable, indicating that it can only enhance the relationship between liquidity and the going concern audit opinion. The quantity of audit committees is deemed adequate to oversee the company's management; furthermore, the audit committee is capable of supervising management throughout the formulation of financial statements.

The adverse effects of Indonesia's declining economic conditions are exacerbated by the detrimental Covid-19 pandemic, leading to a rise in Going Concern audit views among various enterprises. The assessment of the company's sustainability entails analyzing its capabilities for long-term operations, enabling the provision of a going concern audit opinion. This evaluation examines the firm's internal circumstances via financial statistics, encompassing liquidity, leverage, and profitability. The audit committee's effectiveness in enhancing the quality of financial reports improves information reliability, hence influencing investors' evaluations of the company's profitability.

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