International Journal of Economics and Financial Issues

ISSN: 2146-4138

available at http: www.econjournals.com

International Journal of Economics and Financial Issues, 2025, 15(3), 254-261.

Evaluating the Impact of Board Effectiveness and Audit Committee Performance on Audit Quality during the Covid-19 Pandemic: Evidence from Indonesian Firms

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Received: 01 October 2024 **Accepted:** 23 March 2025 **DOI:** https://doi.org/10.32479/ijefi.17587

ABSTRACT

Audit is the main foundation of the corporate governance system. However, the level of audit efficiency is highly dependent on the actual conditions and changes in the corporate governance environment. This is because effective corporate governance tends to produce accurate and reliable financial reports, while poor governance is often followed by corporate scandal practices and fraudulent actions. The purpose of this study is to evaluate the effect of the effectiveness of the board of commissioners and audit committee during the COVID-19 pandemic on audit quality, especially in the context of providing going concern opinions and the size of the accounting firm. The sample used consisted of 112 Indonesian companies listed on the IDX during the 2019-2022 period. The logistic regression method was used in this study for the data analysis process. The results show that the effectiveness of the board of commissioners and audit committee does not have a significant correlation with the provision of going concern opinions. This opinion better reflects the direct responsibility of the auditor and the results of the audit process carried out by the auditor, and directly shows the independence of an auditor. The effectiveness of the board of commissioners and audit committee influences the determination of the size of the accounting firm, this is due to the role and function of the board of commissioners and audit committee in managing corporate governance.

Keywords: Board of Commissioners, Audit Committee, Going Concern, Accounting Firm Size, Audit Quality
JEL Classifications: G30, G34, M42

1. INTRODUCTION

The business world is a world full of dynamics and competition. However, the sustainability of a company does not only depend on the competition factor alone. Corporate governance practices and audit quality are two key elements that play an important role. The importance of these two aspects is an effort to maintain business continuity and ensure investor trust. In relation to this, it is necessary to have a good understanding of how corporate governance and audit quality are very necessary and can make a significant contribution to the sustainability of the company's operations. AlQadasi and Abidin (2018) stated that audit is the basis of corporate governance. However, audit efficiency depends on the facts and developments in the corporate governance environment. This is because companies with good governance allow for the production of financial reporting with a good level of accuracy and reliability. Corporate scandals and fraud that generally occur in companies are usually the result of inadequate governance. This causes the financial reports produced to be inaccurate and has the potential to cause loss of trust in the company's financial statements (Sailendra et al., 2020).

When implementing a governance system in a company, a special mechanism or procedure is needed to ensure and supervise its implementation. One of the main procedures highlighted is internal control, which involves the board of directors, audit committee, corporate secretary, and management. The effectiveness of the audit committee and board of commissioners is considered an important indicator of good corporate governance (Nasrum, 2018). Likewise, the role of external auditors is assessed by users of financial statements. The assessment carried out is not only limited to ensuring compliance with regulations and audit standards. They expect external auditors to identify and report potential fraud that can damage trust in the financial statements (Sailendra et al., 2020). In addition, it is expected that auditors can carry out their duties with a high level of professionalism, including enforcing the law during the examination of their clients' financial statements. Therefore, integrity and trust in financial statements are two inseparable traits and are closely related to corporate governance and good audit practices (Sailendra et al., 2020). Thus, the role of external auditors is not only to ensure compliance, but also involves the ability to detect potential fraud and maintain the integrity of financial statements.

The problems that occurred at PT. Garuda due to violations committed by auditors have highlighted the urgency of attention to audit quality. The main problem is rooted in the approval of the board of commissioners of PT. Garuda on the 2018 financial statements, which are based on abnormalities, especially related to income recognized from activity contracts that should not have been recognized as income according to financial accounting standards. Even though the role of the board of commissioners in supervising the company looks good, this can be an indication that the role of the audit committee as an information bridge between the auditor and the board of commissioners is not running effectively. In response to objections submitted by the commissioners, improvements were made to the 2018 financial statements. The results of the improvements show that the 2018 financial statements are not significantly different from the 2017 financial statements that have been audited (Imagama, 2020). The emergence of this problem shows the need for solid corporate governance standards and audit quality in public companies, because public organizations must be trustworthy. However, according to Sailendra et al. (2020), corporate governance practices and current audit quality are still a question for users of financial reports, whether corporate governance practices can affect audit quality to be better and be implemented based on the policies of company management and auditors. It can be concluded that there is a relationship between corporate governance (GCG) and audit quality.

The emergence and spread of the Corona Virus Disease (COVID-19) has caused significant changes in economic conditions in various countries, which have had a major impact on various industrial sectors in Indonesia (Anggarini et al., 2023). This further raises the question marks that arise among users of financial reports regarding whether corporate governance practices can affect audit quality for the better or not. For shareholders, the uncertainty in economic conditions triggered by the COVID-19 pandemic creates uncertainty regarding the sustainability of the company's operations.

This study aims to explore the effectiveness of the role of the board of commissioners and the role of the audit committee in influencing the results of audit quality carried out during the COVID-19 pandemic. The test was carried out based on agency theory which explains the conflict of interest that occurs between management as an agent and shareholders as principals (Senjaya and Firnanti, 2017). Alhababsah (2018) highlighted the importance of effective corporate governance in reducing agency conflicts, especially through high-quality financial reports and reducing profit manipulation. Similar findings were expressed by Alzeaideen and Al-rawash, (2018), who highlighted that a good corporate governance structure helps prevent conflicts between directors and shareholders by ensuring the appropriateness and balance of information.

The majority of previous studies have focused more on the influence of GCG mechanisms on audit quality using various types of different proxies. Gerged et al. (2020) and Ogoun and Perelayefa, (2020), the size of the accounting firm is used as a proxy for audit quality. Soliman (2020) uses a combination of three proxies to measure audit quality, namely audit tenure, accounting firm size and audit fee. These three researchers separately tested the impact of each characteristic of the board of commissioners and audit committee. On the other hand, the studies of Anafiah et al., (2017), Riguen et al. (2018) and Sailendra et al. (2020) tested the effect of the combined GCG index on audit quality using several proxies, such as accounting firm size, audit tenure, audit fee, and going concern opinion. There has been no previous research that has attempted to compare and provide a good explanation regarding the impact of GCG effectiveness on audit quality with different proxies.

DeFond and Zhang (2014) stated that to measure audit quality, the results of the audit process (output measures) and audit input (input measures) can be considered. DeFond and Zhang (2014) stated that there is no single proxy for audit quality that can provide a complete picture of audit quality. Based on these findings, they proposed that comparing audit quality between various categories produces a more comprehensive interpretation of its impact on audit quality, rather than comparing only one category. Going concern opinion is used as a proxy for measuring audit quality that considers the results of the audit process, while to measure audit quality that considers audit input, the accounting firm size is used as a proxy.

Based on the statement from DeFond and Zhang (2014), this study aims to test the effectiveness of the board of commissioners and audit committee on audit quality during the COVID-19 Pandemic, using audit quality proxies, namely going concern opinion and accounting firm size. Going concern opinion is described as a very direct measure of audit quality, because auditors have full responsibility for the audit opinion because it is under their control. When auditors fail to report going concern when required, this indicates a serious audit error and indicates poor audit quality. DeFond and Zhang (2014) also explained that the going concern proxy to measure the actual audit quality by using data during the audit process. Audit opinion functions as a direct communication channel between auditors and consumers of financial statements, making it an important component of the audit process. In addition, business continuity is a discrete metric with a fairly high level of consensus and minimal errors in the measurement process. Meanwhile, the size of the accounting firm is used as an indicator of audit quality because auditors from large accounting firms are expected to have stronger incentives and greater competence to provide higher audit quality (DeFond and Zhang, 2014).

2. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

An important role is played by auditors in reducing existing information asymmetry and facilitating external parties to verify the validity of financial statements. Therefore, the credibility of audit quality has a role as an effective deterrent against financial statement fraud, because the good name of management can be threatened and the value of the company can be negatively affected if reporting errors are revealed (Alhababsah, 2018). Audit quality can be categorized as the joint probability assessed by the market that a given audit will (a) find violations in the client's accounting system and (b) report those violations (Dwekat et al., 2018). Higher audit quality proactively provides assurance to investors (Khudhair et al., 2019).

Going concern opinion is used as a proxy for the basis of measuring audit quality that takes into account the results of the audit process, while the size of the accounting firm is used as a proxy for measuring audit quality that considers audit input (DeFond and Zhang, 2014). An audit opinion containing elements of going concern reflects the auditor's assessment of the potential for significant uncertainty related to the client's ability to continue its business. Although the client manager may provide encouragement to influence the auditor to provide a positive opinion because going concern opinion can incur additional costs, and following such pressure can threaten auditor independence and result in decreased audit quality (DeFond and Zhang, 2014). The studies of Christensen and Courtright (2015) and DeFond and Zhang (2014) confirm that going concern opinion has significant relevance in evaluating audit quality.

The size of the accounting firm shows a strong belief that this measure includes incentives and/or competencies possessed by auditors in carrying out their duties, this support is based on many previous studies. The size of the accounting firm reflects the characteristics possessed by auditors, where auditors from large accounting firms are expected to have stronger incentives and greater competencies to provide higher audit quality (DeFond and Zhang, 2014).

This test is based on agency theory which explains the conflict of interest between management as an agent and shareholders as principals (Senjaya and Firnanti, 2017). The separation of roles between owners and managers gives rise to opportunistic behavior and increases agency problems in the company (Fama and Jensen, 1983). This conflict can be reduced by agency costs, which include monitoring and bonding costs. Monitoring costs include techniques for monitoring manager behavior and the participation of appropriate external auditors (Dwekat et al., 2018). External audits are used by the board of directors to monitor management and pay attention to the interests of owners. According to agency theory, an effective board of directors and audit committee play an important role in overseeing agent behavior, reducing agency costs, and aligning principal interests (Alhababsah, 2018; Fama and Jensen, 1983).

2.1. The Role of the Board of Commissioners in Audit Quality

The difference is seen in the board of commissioners in Indonesia with the board of directors in companies located in the United States and other countries that have a one-tier board structure system. In Indonesia, companies tend to implement a two-tier system, which implies a separation between the board of commissioners and the board of directors (Hermawan, 2011). In a one-tier structure, the board of directors functions as a supervisory entity, while in a two-tier structure, the supervisory role is held by the board of commissioners. In accordance with agency theory, this function of the board of commissioners is expected to reduce the potential for agency conflict between the board of directors and shareholders (Nasrum, 2018). The task of the board of commissioners is to supervise and ensure that management (board of directors) activities pay attention to the interests of all stakeholders and carry out the best duties for the sustainability of the company (Komite Nasional Kebijakan Governance (KNKG), 2006; Hermawan, 2011; Nasrum, 2018). As expressed by Alhababsah, (2018), a well-performing board of directors (board of commissioners) is able to effectively carry out supervisory, control, and advisory duties. The purpose of carrying out this task is to maintain the company's value and protect the interests of shareholders.

According to Alhababsah (2018), an effective board has the ability to reduce the risk of fraudulent acts that appear in financial statements, reduce revenue manipulation, strengthen internal control systems, avoid opportunistic managerial behavior and misuse of company resources, reduce debt costs, and improve the integrity of financial reporting. The main role of the board of directors is to monitor management and provide professional advice. These two roles confirm that the board of directors has a significant influence on the selection of auditors. Thus, the board of directors can have a significant impact on the decision to determine the auditor (Hassan et al., 2018).

Findings from research conducted by Ejeagbasi et al., (2015); Dwekat et al., (2018); Hassan et al. (2018); and Soliman (2020) show that the effectiveness of the board of commissioners (board of directors) as one element of the corporate governance mechanism (GCG) can improve audit quality (KAP size). This finding is supported by the results of research from Wardani and Satyawan, (2022) and Rabiah et al. (2015) which show that the board of commissioners has an impact on the provision of going concern opinions. Based on these findings, hypotheses will be proposed in this study, including:

H_{1a}: There is an influence between the effectiveness of the board of commissioners on audit quality with going concern opinion as a measurement indicator.

H_{1b}: There is an influence between the effectiveness of the board of commissioners on audit quality with the size of the accounting firm as a measurement indicator.

2.2. The Role of the Audit Committee in Audit Quality

The role of the Audit Committee has significant importance in strengthening the governance structure in the company and is key in efforts to improve the integrity of financial statements and reduce audit risk (Alhababsah, 2018). To avoid legal liability and maintain reputation, it is important for the audit committee to promote and maintain auditor independence, as well as closely monitor the audit process to achieve comprehensive audit coverage (Alhababsah, 2018). Furthermore, auditor independence is a prerequisite for ensuring audit quality in order to reduce pressure that may arise from management (Alhababsah, 2018). This understanding is also emphasized by Hassan et al. (2018), who emphasize the vital role of the audit committee in ensuring the quality of financial statements and corporate accountability. In relation to agency theory, the audit committee has a role as an intermediary between the board of directors and external auditors to assist in overcoming information asymmetry, encouraging an effective monitoring process, and increasing auditor independence.

Based on the explanation of the audit committee's duties, it can be concluded that the main responsibility of the audit committee is to provide assurance that the financial information provided is in accordance with relevant standards and is free from substantial errors that could endanger audit quality. The level of effectiveness of the audit committee in carrying out its responsibilities and providing assurance that the preparation of financial reports by the company's management that has been implemented can be presented accurately and free from significant material errors (Komite Nasional Kebijakan Governance (KNKG), 2006; Nasrum, 2018).

The results of the study conducted by Ejeagbasi et al. (2015); Dwekat et al. (2018); and Soliman (2020) concluded that the audit committee has a significant impact on audit quality. This finding is also supported by the research results of Rabiah et al. (2015) which shows that the audit committee has an impact on the provision of going concern opinions. Referring to these findings, a hypothesis is proposed in this study with details as below:

H_{2a}: There is an influence between the effectiveness of the audit committee on audit quality with going concern opinion as a measurement indicator.

H_{2b}: There is an influence between the effectiveness of the audit committee on audit quality with the size of the accounting firm as a measurement indicator.

3. RESEARCH METHODS

In this study, the type of approach used is a quantitative approach used in descriptive design. The aim is to provide an overview or explanation of the situation, conditions, and variables that arise in the community environment that is the focus of the study, based on current events and conditions (Astuti et al., 2022). The companies included in the scope of this study are all non-financial companies listed on the Indonesia Stock Exchange starting from 2019 to 2022. The effectiveness variables of the board of commissioners and audit committee are measured using a checklist developed by Hermawan (2011). The checklist for the effectiveness of the board of commissioners consists of 17 indicators and the effectiveness of the audit committee consists of 11 indicators, all of which are assessed with a score of 3 for good, 2 for fair and 1 for poor. Meanwhile, the going concern opinion and the size of the accounting firm are measured using dummy variables. In this study, the size of the accounting firm is seen from the big four and non accounting firms, where the value is 1 for the big four accounting firms and 0 for non. Meanwhile, for the going concern proxy, the value 1 is for giving a going concern opinion and the value 0 is for non-going concern. In this study, logistic regression analysis was used. The decision to use this method is based on its advantages, which are more flexible compared to other analysis techniques. Logistic regression offers significant flexibility, including: (a) does not require the assumption of normality and heteroscedasticity for independent variables, so that classical assumption tests are not needed even if there is more than one independent variable; (b) the ability to handle a mixture of continuous, discrete, and dichotomous variables as independent variables; (c) does not require independent variables in interval format (Bonadilla and Syamlan, 2019). Because the dependent variables in this study are non-metric and dichotomous, namely going concern opinion and non-going concern opinion, as well as the size of big four and non-big four accounting firms, the multivariate analysis method using logistic regression was chosen to estimate this model. This is in line with the explanation.

4. RESULTS AND DISCUSSION

There were 112 companies selected to be the samples used during the observation period from 2019 to 2022, so that the total sample was 448. Descriptive statistical information from this sample can be seen in Table 1.

Based on the data presented in Table 1, it can be concluded that the measurement of audit quality with going concern opinion has an average of 0.11 from a total of 448 samples observed. This shows that around 11% of the total research samples received a going concern opinion. It can be concluded that only a small number of companies listed on the Indonesia Stock Exchange (IDX) during the 2019-2022 period received a going concern opinion. Furthermore, the size of the accounting firm as the second indicator used as a measuring tool to measure audit quality has an average value of 0.35 from a total of 448 samples observed. This average shows that around 35% of the total research samples chose auditors in the big four category.

In addition, the data shows that, based on the number of points in the board of commissioner effectiveness checklist, the board of commissioner variable averaged 37.65, indicating that, during the 2019-2022 period, the effectiveness of the board of commissioners in the list of companies listed on the IDX may not be optimal. In addition, there is significant variation in the effectiveness of the board of commissioners, as indicated by the large difference between the maximum and minimum values of the board of commissioner variable.

Table 1: Descriptive statistics

Variable	n	Minimun	Maximum	Mean	Standard Deviation
KA	448	0	1	0.11	0.318
KAP	448	0	1	0.35	0.479
KOM	448	29	48	37.65	3.045
KOMAUD	448	12	21	17.885	1.391
Valid N (listwise)	448				

The audit committee variable has an average effectiveness of 17.85, which is determined using the number of points on the audit committee effectiveness checklist. This average shows that the effectiveness of the audit committee in companies listed on the IDX in 2019-2022 is not ideal. During 2019-2022, the effectiveness of the audit committee tends not to show optimal performance. The variability of the effectiveness of the audit committee is also quite large, as seen from the significant difference that appears between the maximum and minimum values of the audit committee variable.

4.1. Logit Model Results Analysis

The testing in this study uses two measurements as indicators of audit quality. The first indicator is the going concern opinion, while the second indicator is the size of the accounting firm. The first statistical test uses a logit model to evaluate the effect of the effectiveness of the board of commissioners and the audit committee on the provision of going concern opinions and the size of the accounting firm. The overall evaluation of the quality of the model is carried out through the probability of the Chi-square test on the Hosmer and Lemeshow test, the iteration history value, and the R-squared value.

The measurement of the Goodness of Fit model is measured through the Chi-square probability in the Hosmer and Lemeshow test. At the time of testing the results shown were the Chi-square value of 0.647 for the going concern opinion and 0.074 for the accounting firm size. All of these values have exceeded the significance level of $\alpha = 0.05$, indicating that the regression model provides adequate information and is suitable for further analysis.

The validity of the model is also checked by looking at the decrease in the −2 loglikelihood value from the initial step to the next step. If the initial −2 loglikelihood value is higher than the final value, it indicates that the logistic regression model that has been formed is better. In testing the going concern opinion, the −2 loglikelihood value decreased from 317.603 to 312.207. While for the size of the accounting firm, the −2 loglikelihood value decreased from 582.789 to 567.319. This shows that audit quality is significantly influenced by the independent variables as a whole.

The focus of this study is to evaluate how much influence the board of commissioners and audit committee have on audit quality, so that the R-squared value for going concern opinion is 0.024 (2.4%) and for accounting firm size is 0.047 (4.7%). This shows that there are still other factors outside the model that affect audit quality.

The next test was conducted to test the impact of the effectiveness of the board of commissioners and the effectiveness of the audit committee on the going concern opinion and the size of the accounting firm. The test results can be seen in Tables 2 and 3 below.

Table 2. Variables in the Equation

Variable	B	Standard erres	Wald	df	Sig.	Exp (B)
Step 1[a]						
X1_ Commissioner	0.070	0.034	4.285	1	0.038	1.073
X2_ AuditCommittee	0.213	0.075	7.981	1	0.005	1.237
Constant	-7.074	1.702	17.281	1	0.000	0.001

[a]Variable (s) entered on step 1: X1_Komisaris, X2_KomiteAudit

Table 3: Variables in the equation

Variable	B	Standard erres	Wald	df	Sig.	Exp (B)
Step 1[a]						
X1_ Commissioner	0.045	0.050	0.792	1	0.374	1.046
X2_ AuditCommittee	0.213	0.113	3.577	1	0.059	1.238
Constant	-7.587	2.504	9.185	1	0.002	0.001

[a]Variable (s) entered on step 1: X1_Komisaris, X2_KomiteAudit

Based on the analysis presented in Tables 2 and 3, it can be concluded that H1a, which states that the effectiveness of the board of commissioners does not have a significant impact on audit quality through the provision of going concern opinions, is proven by the significance figure (sig) of 0.374 which is higher than the significance level $\alpha = 0.05$. However, there is a positive impact of high effectiveness of the board of commissioners on audit quality, as seen from the size of the accounting firm (H_{1b}), with a sig value of 0.038 which is smaller than $\alpha = 0.05$.

The effectiveness of the audit committee does not show evidence of a significant impact on audit quality through the issuance of going concern opinions (H_{2a}), with a sig value of 0.059. However, the effectiveness of the audit committee is proven to have a positive impact on audit quality as measured by the size of the accounting firm (H_{2b}), with a sig value of 0.005 which is smaller than $\alpha = 0.05$.

The results of the test process have been presented and it can be concluded that the effectiveness of the board of commissioners has no impact on the provision of going concern opinions by auditors. The development and spread of the corona virus (COVID-19) have contributed to the negative impact on various industrial sectors in Indonesia. Amid the uncertainty regarding the economic conditions caused by this pandemic, companies are expected to be able to emphasize the principle of going concern, which is a basic concept in financial reporting. This principle shows the organization's commitment to maintaining its operations in the future (Guo et al., 2020). However, concerns about an entity's ability to maintain its business continuity can result in the receipt of an audit opinion on going concern. Companies that receive such an opinion are often considered to be at risk of facing long-term challenges (Rahim, 2016).

Auditors as third parties who act as a bridge between the principal and agent are expected to provide certainty regarding the company's ability to continue its business as stated in the audit report. As emphasized by DeFond and Zhang (2014), audit opinion functions as a means of communication between auditors and shareholders to explain the stages of the audit process and its results. Modified going concern audit opinion communicates the auditor's evaluation of whether there is substantial doubt about the client's ability to continue its business continuity (DeFond and Zhang, 2014). The provision of a going concern opinion better reflects the auditor's direct responsibility and the results of the audit process carried out by the auditor, and directly reflects the independence of an auditor (DeFond and Zhang, 2014).

Therefore, the provision of going concern opinion by the auditor has no correlation with the level of effectiveness of the board of commissioners in the company. The going concern proxy, which aims to measure audit quality through the results of the audit process (DeFond and Zhang, 2014), by considering the condition of financial ratios such as leverage ratio, profit and loss, and the company's operational cash flow, is a significant indicator in assessing audit quality. Thus, the provision of going concern opinion does not describe the extent of the effectiveness of the board of commissioners in the company. The role of the board of commissioners is more focused on supervising management activities (board of directors), with the aim of ensuring that the interests of all stakeholders are met and the continuity of the company's operations is maintained (Komite Nasional Kebijakan Governance (KNKG), 2006; Hermawan, 2011; Alhababsah, 2018; Nasrum, 2018).

The board of commissioners plays an important role in determining audit quality, especially in terms of the size of the accounting firm. The COVID-19 pandemic has had a significant impact on the company's operations, creating economic uncertainty and questions about operational continuity. The board of commissioners has the primary responsibility to supervise management activities, with the aim of ensuring that the interests of all stakeholders are met and the continuity of the company's operations is maintained (Komite Nasional Kebijakan Governance (KNKG), 2006; Hermawan, 2011; Alhababsah, 2018; Nasrum, 2018). Therefore, to ensure the company's operations during the pandemic, an external audit is an unavoidable necessity. An external audit is a monitoring tool used by the board of directors (board of commissioners and audit committee) to convey direction to management to pay attention to the needs of the owners (Alhababsah, 2018). Furthermore, Hassan et al. (2018) stated that the board of directors (board of commissioners) has two main roles, namely supervising management and providing expert advice, which indicates that the board of directors has a major influence in determining the choice of auditors.

The size of the audit firm is used as an indicator to measure audit quality by considering audit input (DeFond and Zhang, 2014). This reflects a strong belief that the size of the audit firm includes the incentives and/or competencies of auditors in carrying out their duties, a view that has been supported by various previous studies. The size of the audit firm reflects the characteristics possessed by auditors, especially auditors from large audit firms are expected to have greater incentives and competencies to provide higher audit quality (DeFond and Zhang, 2014).

This view is in line with the research results of Ejeagbasi et al., (2015), AlQadasi and Abidin, (2018), Dwekat et al., (2018), Hassan et al. (2018), and Soliman (2020), which show that the effectiveness of the board of commissioners or board of directors actually reflects the quality of the Good Corporate Governance (GCG) mechanism which is able to improve audit quality in terms of accounting firm size. However, it is not in line with the research results of Hoseinbeglou et al. (2017) the effectiveness of the board of commissioners does not have a significant impact on audit quality (KAP size). This result is confirmed by the research results of Rabiah et al. (2015) and Wardani and Satyawan (2022) which state that the board of commissioners has an impact on providing going concern opinions. However, this is not confirmed by the research results conducted by Ravyanda et al. (2014), Purnamasari et al. (2020) and Wulansari and Lawita, (2023) which state that the board of commissioners has no impact on the provision of going concern opinions by auditors.

In providing a going concern opinion, the audit committee cannot influence the evaluation of audit quality. However, the audit committee still has a significant role in strengthening the structure of corporate governance, being the key to improving the integrity of financial statements, and reducing audit risk (Alhababsah, 2018). Although the point is to oversee the quality of financial statements and corporate accountability, the audit committee plays an important role as an intermediary between the board of directors and external auditors, reducing information imbalances, facilitating monitoring, and increasing auditor independence (Hassan et al., 2018; Nasrum, 2018).

The going concern opinion, which is a direct communication tool between auditors and shareholders, as explained by DeFond and Zhang (2014), reflects the auditor's responsibility and is under his control. The going concern proxy, which attempts to measure audit quality through the results of the audit process by considering the condition of the company's financial ratios, is a significant indicator for auditors in assessing the sustainability of a company. The company's operations have been directly impacted by the COVID-19 pandemic, an opinion on business continuity will still be given, especially since this proxy reflects the auditor's independence in carrying out his work and shows that the auditor has control over the audit process he carries out. In addition, DeFond and Zhang (2014) stated that the auditor's failure to report going concern when required can be considered a serious audit error and is evidence of poor audit quality.

The audit committee, like the board of commissioners, has a significant influence on audit quality as measured by the size of the accounting firm. The effectiveness of the audit committee in this study is assessed based on an evaluation of the accuracy, cost, independence, and objectivity of the external auditor. This shows that the audit committee has an important role in the process of determining the choice of auditor. The size of the accounting firm reflects the characteristics of the auditor, where auditors from large accounting firms are expected to have higher incentives and competencies to provide better audit quality (DeFond and Zhang, 2014).

The findings of this study are not in line with the findings of Hassan et al. (2018), which stated that the effectiveness of the audit committee has no impact on audit quality (KAP size). However, these results are in line with the findings of Ejeagbasi et al., (2015); Anafiah et al., (2017); AlQadasi and Abidin, (2018); Dwekat et al., (2018); and Soliman (2020), which explain that the audit committee has a significant impact on audit quality (KAP Size). Regarding the provision of going concern opinions, the results of this study are in line with Ravyanda et al. (2014) who stated that the audit committee had no impact. And not in line with Rabiah et al. (2015) who stated that the audit committee has an impact on the provision of going concern opinions by auditors.

5. CONCLUSIONS, IMPLICATIONS AND LIMITATIONS

The spread of the COVID-19 pandemic that occurred from 2019 to 2021 has caused significant changes in the global economy, including in Indonesia. The economic uncertainty caused by this pandemic has had a major impact on companies' efforts to maintain their operations in the future. To deal with this situation, an effective mechanism is needed to manage a corporate governance system that can properly oversee the company's operations. The effectiveness of the board of commissioners, audit committee, and performance of external auditors have been seen as significant markers of good corporate governance. Good corporate governance standards, as well as excellent audit quality, are essential to ensure business sustainability and build shareholder trust.

Going concern opinion reflects that the audit process carried out by the auditor is under his/her direct control and responsibility. This is an indication of the level of independence possessed by the auditor. This opinion is produced based on the audit results that consider the condition of the company's financial ratios. Therefore, the effectiveness of the board of commissioners and the audit committee does not directly influence the provision of this opinion by the auditor.

The board of commissioners has two main roles, namely supervising management and providing expert advice. On the other hand, the audit committee is tasked with evaluating the accuracy, independence, and objectivity of external auditors, as well as evaluating external audit fees. Through these tasks, both the board of commissioners and the audit committee have influence in selecting external auditors as an indicator of good audit quality. Large accounting firm auditors are expected to have higher incentives and abilities to provide better audit quality, because accounting firm reflects the characteristics of auditors.

Two proxies to measure audit quality are used in this study. So that a comprehensive picture cannot be obtained regarding the impact of the effectiveness of the audit committee and the board of commissioners when viewed from various proxies to measure audit quality. For further research, additional proxies can be used to measure audit quality such as restatements and discretionary accruals. So that a more complex picture can be obtained regarding the impact of the effectiveness of the audit committee and the board of commissioners during the pandemic from several audit quality proxies.

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