Research of Accounting and Governance
p-ISSN/e-ISSN: 2985-8143/2985-8151
Homepage: https://sanscientific.com/journal/index.php/rag
4(2) 184-196 (2026)
https://doi.org/10.58777/rag.v4i2.656

Research Article

Financial Performance and CSR as Determinants of Auditors' Going Concern Judgments: Evidence from Indonesian Infrastructure State-Owned Enterprises

Rengga Anisa Arpi Mevia[1*], Lenda Komala[2], Andri Gunawan[3]
[1,2,3] Accounting Study Program, Faculty of Economics and Business, YARSI University, Jakarta

Received: 20-07-2026; Accepted: 30-07-2026

Abstract
This study examines the effects of financial performance and Corporate Social Responsibility (CSR) on auditors' going concern opinions among Indonesian infrastructure State-Owned Enterprises (SOEs) during the 2019–2024 period. Financial performance is measured using the Current Ratio (CR), Return on Assets (ROA), and Debt-to-Asset Ratio (DAR). In contrast, CSR is measured using the Corporate Social Responsibility Disclosure Index (CSRDI) based on annual report disclosures. The dependent variable is coded as 1 for firms receiving a going concern opinion and 0 otherwise. Using a quantitative approach, this study analyzes 54 firm-year observations from nine infrastructure SOEs through logistic regression. The findings indicate that profitability, leverage, and CSR significantly influence auditors' going concern opinions, whereas liquidity does not have a significant effect. These results suggest that auditors consider both financial and non-financial information when assessing a company's ability to maintain business continuity. This study contributes to the literature by integrating financial performance and CSR within a single analytical framework and providing updated evidence from Indonesian infrastructure SOEs during the pandemic and post-pandemic periods, a research context that has received limited empirical attention.

Keywords: Financial Performance, Current Ratio, Return on Assets, Debt to Asset Ratio, Corporate Social Responsibility, Going Concern Opinion, State-Owned Enterprises (SOEs)

JEL Classification: M41, M42, G32

How to cite: Mevia, R. A. A. Komala, L., Gunawan, A., (2026). Financial Performance and CSR as Determinants of Auditors' Going Concern Judgments: Evidence from Indonesian Infrastructure State-Owned Enterprises, *Research of Accounting and Governance (RAG) 4(2)*, 184-196

Corresponding author: Rengga Anisa Arpi Mevia (renggaanisa127@gmail.com)

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1. Introduction
The going concern opinion is one of the most important audit opinions because it provides an early warning regarding a company's ability to sustain its operations in the foreseeable future. Stakeholders, including investors, creditors, and regulators, rely on this opinion to assess corporate sustainability and financial stability. The issuance of a going concern opinion indicates that auditors have substantial doubt about a company's ability to continue operating, making it a critical signal in capital market decision-making processes (Putri & Suryani, 2024).

Recent studies have highlighted that financial distress, declining profitability, excessive leverage, and weak governance structures are among the primary determinants of going concern opinions issued by auditors.

The importance of going concern assessment has increased significantly following the economic disruptions caused by the COVID-19 pandemic. Many companies experienced declining revenues, liquidity constraints, and increasing debt burdens, raising concerns regarding their ability to maintain business continuity. Infrastructure companies were among the sectors most affected because project delays, financing constraints, and reduced economic activities directly influenced operational performance. Evidence from Indonesian listed infrastructure firms indicates that leverage and financial distress became crucial factors influencing the issuance of going concern reports during and after the pandemic period.

In Indonesia, State-Owned Enterprises (SOEs) in the infrastructure sector play a strategic role in supporting national economic development through transportation, construction, energy, and public service projects. However, several infrastructure SOEs have experienced significant financial pressures in recent years. Companies such as PT Waskita Karya, PT Adhi Karya, and PT Wijaya Karya faced declining revenues, high debt levels, and liquidity challenges, particularly during the pandemic and post-pandemic recovery periods. These conditions increased the risk of business continuity problems and attracted greater attention from auditors, investors, and policymakers regarding the sustainability of SOEs.

Financial performance is widely recognized as one of the primary indicators auditors use when evaluating a company's ability to continue as a going concern. Liquidity, profitability, and leverage ratios provide information regarding a firm's capability to meet short-term obligations, generate profits, and manage debt effectively. Previous studies have reported inconsistent findings regarding the relationship between financial performance and going concern opinions. Some studies found that profitability and leverage significantly affect the likelihood of receiving a going concern opinion, while liquidity often shows mixed results depending on the industry and research setting. These inconsistencies indicate that the influence of financial performance on going concern opinions remains an important area for further investigation.

Besides financial performance, Corporate Social Responsibility (CSR) has emerged as an important factor associated with corporate sustainability. CSR reflects a company's commitment to social, environmental, and stakeholder responsibilities, which may strengthen reputation, legitimacy, and long-term business resilience. Companies with extensive CSR disclosure tend to build stronger relationships with stakeholders and demonstrate a greater commitment to sustainable business practices. Prior studies have suggested that CSR may contribute positively to corporate sustainability and stakeholder confidence, although empirical evidence regarding its relationship with audit outcomes remains inconclusive.

The relationship between CSR and financial performance has also attracted considerable academic attention. While some studies indicate that CSR activities enhance company performance and long-term value creation, others report insignificant or even negative effects due to the costs associated with CSR implementation. These mixed findings suggest that CSR may influence corporate sustainability through different mechanisms across industries and organizational contexts. Consequently, examining CSR together with financial performance variables may provide a more comprehensive understanding of factors affecting auditors' going concern assessments.

Several research gaps justify the need for this study. First, previous studies predominantly focus on manufacturing, banking, mining, and property sectors, while empirical evidence from Indonesian infrastructure SOEs remains limited. Second, existing studies generally examine financial performance or CSR separately, whereas limited research investigates both dimensions simultaneously in predicting going concern opinions. Third, prior findings regarding the effects of liquidity, profitability, leverage, and CSR remain inconsistent, indicating unresolved theoretical and empirical issues. Finally, few studies have examined the post-pandemic period, despite the substantial changes in financial conditions and business sustainability experienced by infrastructure companies following COVID-19.

Based on these gaps, this study aims to analyze the effects of Current Ratio (CR), Return on Assets (ROA), Debt to Asset Ratio (DAR), and Corporate Social Responsibility (CSR) on going concern opinions among Indonesian State-Owned Enterprises in the infrastructure sector during the 2019–2024 period. This period captures both the pandemic and post-pandemic recovery phases, providing a unique context for understanding business sustainability challenges and audit judgments.

Although prior studies have extensively examined the determinants of going concern opinions across manufacturing, banking, mining, and property sectors, the unique characteristics of Indonesian infrastructure State-Owned Enterprises (SOEs) warrant separate investigation. Infrastructure SOEs operate in capital-intensive industries, undertake long-term strategic projects, and often maintain high leverage while receiving varying degrees of government support. These characteristics may reduce the relevance of conventional financial indicators alone in auditors' going concern evaluations, as business continuity assessments may also consider institutional support and long-term project viability. Furthermore, Corporate Social Responsibility (CSR) may play a more prominent role in this sector because infrastructure SOEs are expected to fulfill broader public service obligations and maintain accountability to multiple stakeholders. Comprehensive CSR disclosure can signal sound governance, transparency, and sustainable operational practices, thereby strengthening stakeholder confidence and potentially influencing auditors' professional judgments regarding a company's ability to continue as a going concern. Consequently, examining financial performance and CSR simultaneously within the context of Indonesian infrastructure SOEs addresses an important gap in the existing literature.

2. Literature Review and Hypothesis

Literature Review

Signaling Theory

This study is grounded in Signaling Theory, which explains how companies communicate information to stakeholders through financial and non-financial disclosures. According to signaling theory, information disclosed by management serves as a signal that reduces information asymmetry between the company and external stakeholders (Santosa, Budiantoro, et al., 2022). Positive signals indicate favorable company conditions, whereas negative signals may raise concerns regarding future performance and sustainability. Financial performance indicators and Corporate Social Responsibility (CSR) disclosures represent important signals that influence stakeholders' perceptions of a company's long-term viability and business continuity (Bahtiar et al., 2021). Companies with strong financial performance and transparent CSR activities are generally perceived as having a lower risk of business failure, thereby reducing the likelihood of receiving a going concern opinion from auditors.

Going Concern Opinion

A going concern opinion is issued when auditors identify substantial doubt regarding a company's ability to continue operating in the foreseeable future. The opinion serves as an early warning signal for investors, creditors, and regulators about potential financial difficulties a company may face (Fifriani & Santosa, 2019). Auditors evaluate both financial and non-financial information before issuing a going concern opinion, including liquidity, profitability, leverage, operational performance, and sustainability-related disclosures. Previous studies suggest that going concern opinions are strongly associated with financial distress, declining profitability, and excessive debt levels that threaten corporate sustainability (Rohmah et al., 2025; Bahtiar et al., 2021).

Financial Performance

Financial performance reflects a company's ability to manage resources efficiently and achieve its operational objectives. It is commonly measured using financial ratios that evaluate liquidity, profitability, and leverage conditions. These indicators provide valuable information regarding a company's financial health and its ability to maintain business continuity (Budiantoro et al., 2022). Investors and auditors frequently use financial ratios to assess whether a company can meet its obligations, generate profits, and sustain operations in the long run. Financial performance therefore becomes a critical consideration in evaluating the probability of receiving a going concern opinion (Pratama et al., 2024; Nurlaila & Dewi, 2025).

Current Ratio (CR)
Current Ratio measures a company's ability to fulfill short-term obligations using its current assets. A higher Current Ratio generally indicates stronger liquidity and a greater ability to meet short-term liabilities. Adequate liquidity reduces uncertainty regarding business continuity and provides a positive signal to auditors concerning the company's financial stability (Bahtiar et al., 2021; Tanjung, 2024).

Return on Assets (ROA)
Return on Assets (ROA) measures a company's effectiveness in generating profits from its total assets. A high ROA indicates efficient asset utilization and strong profitability. Companies capable of consistently generating profits are considered more likely to sustain their operations and avoid financial distress, thereby reducing the probability of receiving a going concern opinion (Rohmah et al., 2025; Pratama et al., 2024).

Debt to Asset Ratio (DAR)
Debt to Asset Ratio (DAR) measures the proportion of total assets financed through debt. Higher leverage indicates greater financial risk because companies become increasingly dependent on external financing. Excessive debt burdens may create doubts regarding a company's ability to meet future obligations, increasing the likelihood of receiving a going concern opinion (Albart et al., 2020; Rohmah et al., 2025).

Corporate Social Responsibility (CSR)
Corporate Social Responsibility (CSR) represents a company's commitment to integrating social and environmental concerns into its business operations and stakeholder interactions. CSR activities contribute to corporate legitimacy, stakeholder trust, and long-term sustainability. Companies that disclose CSR information extensively often demonstrate stronger governance practices and greater commitment to sustainable development (Santosa et al., 2022). CSR disclosures can strengthen corporate reputation and enhance stakeholder confidence, which may positively influence auditors' perceptions regarding business continuity. Consequently, CSR is increasingly recognized as a non-financial indicator of corporate sustainability and long-term value creation (Rahmaniati & Ekawati, 2024; Sharma et al., 2024).

Hypothesis
Effect of Current Ratio (CR) on Going Concern Opinion
Liquidity reflects a company's ability to meet short-term obligations. According to signaling theory, companies with strong liquidity provide positive signals regarding financial stability and operational sustainability. A higher Current Ratio indicates that current assets are sufficient to cover current liabilities, thereby reducing concerns regarding financial distress. Auditors tend to view companies with strong liquidity positions as having a lower probability of business failure. Empirical evidence supports this argument. Bahtiar et al. (2021), Tanjung (2024), Nurlaila and Dewi (2025) found that liquidity significantly influences going concern opinions. Companies with low liquidity levels are more likely to receive going concern opinions because of concerns regarding their ability to fulfill short-term obligations.
H1: Current Ratio (CR) has a significant effect on Going Concern Opinion.

Effect of Return on Assets (ROA) on Going Concern Opinion
Profitability reflects management's ability to utilize company resources effectively to generate earnings. Under signaling theory, strong profitability serves as a positive signal regarding the company's prospects and financial sustainability. Companies that consistently generate profits are

less likely to experience financial distress and are therefore less likely to receive going concern opinions. Previous studies by Rohmah et al. (2025), Pratama et al. (2024), Bahtiar et al. (2021), and Tanjung (2024) reported that profitability significantly affects going concern opinions. Higher profitability levels reduce auditor concerns regarding business continuity because profitable companies generally possess stronger financial resilience and operational sustainability.

H2: Return on Assets (ROA) has a significant effect on Going Concern Opinion.

Effect of Debt to Asset Ratio (DAR) on Going Concern Opinion

Leverage indicates the extent to which a company relies on debt financing. Companies with high leverage face greater financial risk due to increased obligations toward creditors. Signaling theory suggests that excessive debt levels constitute a negative signal because they increase the probability of financial distress and business failure. Several studies have documented a significant relationship between leverage and going concern opinions. Rohmah et al. (2025), Pratama et al. (2024), and Tanjung (2024) found that leverage significantly influences auditors' decisions regarding going concern opinions. High debt levels increase uncertainty regarding future business continuity and raise concerns about a company's ability to fulfill its obligations.

H3: Debt to Asset Ratio (DAR) has a significant effect on Going Concern Opinion.

Effect of Corporate Social Responsibility (CSR) on Going Concern Opinion

CSR reflects a company's commitment to social and environmental responsibility. From the perspective of signaling theory, extensive CSR disclosure serves as a positive signal regarding corporate sustainability and stakeholder engagement. Companies that actively implement CSR programs tend to build stronger stakeholder trust and maintain a more favorable reputation, which may support long-term business continuity. Prior studies have shown that CSR contributes to corporate sustainability and stakeholder confidence. Research conducted by Sharma et al. (2024), Rahmaniati and Ekawati (2024), Gandhi and Wirajaya (2025), and Dora et al. (2025) indicates that CSR is associated with improved sustainability performance and stronger corporate resilience. Consequently, companies with higher CSR disclosure are expected to be less likely to receive going concern opinions from auditors.

H4: Corporate Social Responsibility (CSR) has a significant effect on Going Concern Opinion.

3. Data and Method

Research Design

This study employs a quantitative research approach to examine the effect of financial performance and Corporate Social Responsibility (CSR) on going concern opinions. The quantitative approach is appropriate because it enables researchers to test causal relationships among variables using statistical methods and empirical data. The study focuses on State-Owned Enterprises (SOEs) in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 period. This period was selected because it covers both the COVID-19 pandemic and post-pandemic recovery phases, which significantly affected the financial condition and business sustainability of infrastructure companies.

This study employs a quantitative explanatory research design using secondary panel data collected from Indonesian infrastructure State-Owned Enterprises (SOEs) over the 2019–2024 period. The dataset consists of repeated observations for the same firms, resulting in 54 firm-year observations (9 firms × 6 years). Because the dependent variable is binary, logistic regression was employed to estimate the probability of a company receiving a going concern opinion. Although the data have a panel structure, the analysis focuses on the relationship between financial and non-financial determinants and auditors' going concern opinions using pooled logistic regression. Future studies may employ panel logistic regression or clustered standard errors to better account for within-firm correlation across observation years.

Population and Sample

The population consists of all Indonesian infrastructure State-Owned Enterprises (SOEs) listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 period. A saturated sampling (census) technique was employed because all firms meeting the research criteria were included. The sample selection criteria were as follows: (1) infrastructure SOEs listed on the IDX throughout the observation period; (2) firms publishing complete audited annual reports and financial statements for 2019–2024; (3) firms providing complete financial information required to calculate CR, ROA, and DAR; and (4) firms disclosing Corporate Social Responsibility (CSR) information in their annual reports. Based on these criteria, nine companies were selected, resulting in a balanced panel dataset comprising 54 firm-year observations.

Data Source

This study utilizes secondary data obtained from publicly available sources. Financial data were collected from audited annual financial statements and annual reports published on the official websites of the Indonesia Stock Exchange (IDX) and the respective companies. Information regarding Corporate Social Responsibility (CSR) disclosure was obtained from sustainability reports and annual reports. The use of secondary data ensures objectivity and reliability because the information has undergone external auditing and public disclosure processes (Sugiyono, 2023).

Operational Definition of Variables

The dependent variable is the Going Concern Opinion (GCO), measured as a binary variable. A value of 1 is assigned to companies receiving a going concern audit opinion, while 0 is assigned to companies receiving a non-going concern opinion. The classification is based on the independent auditors' reports presented in each company's audited annual report.

Financial performance is measured using three financial ratios. Current Ratio (CR) is calculated as Current Assets divided by Current Liabilities to measure short-term liquidity. Return on Assets (ROA) is calculated as Net Income divided by Total Assets to measure profitability. Debt-to-Asset Ratio (DAR) is calculated as Total Liabilities divided by Total Assets to measure leverage.

Corporate Social Responsibility (CSR) is measured using the Corporate Social Responsibility Disclosure Index (CSRDI). The index is constructed through content analysis of annual reports by assigning a score of 1 if a CSR disclosure item is reported and 0 otherwise. The CSRDI is calculated as the proportion of disclosed items relative to the total disclosure items based on the Global Reporting Initiative (GRI) Standards.

Data Treatment

Prior to analysis, all financial data were examined for completeness, consistency, and extreme observations. Descriptive statistics were used to identify potential outliers. Since no extreme values were found that could substantially distort the estimation results, winsorization was not applied. The final dataset therefore consisted of complete observations for all sampled firms throughout the 2019–2024 period.

4. Results

Logistic Regression Analysis Results

Overall Model Fit Test

The Overall Model Fit test is used to identify whether all independent variables influence the dependent variable. The overall model fit test in this study uses the Likelihood function. The following are the results of the overall model fit test:

Table 1. Results of -2LogL Block 0 (Initial)

	Iteration	-2 Log likelihood	Coefficients Constant
Step 0	1	74.192	-.222
	2	74.192	-.223

Source: SPSS Data Processing Results, 2026

According to Table 1, the -2 Log Likelihood value (Block 0) is 74.192, indicating the initial model before the independent variables were entered into the logistic regression model. This value is used as a comparison to the -2 Log Likelihood value (Block 1) after the independent variables were entered. A decrease in the -2 Log Likelihood value indicates that the model is better at explaining the dependent variable.

Table 2. -2LogL Results for Block 1 (Final)

Iteration		-2 Log likelihood	Coefficients				
			Constant	CR	ROA	DAR	CSR
Step 1	1	61.358	-2.428	.753	-19.053	1.489	.394
	2	60.746	-2.865	.992	-24.733	1.707	.364
	3	60.732	-2.934	1.036	-25.760	1.745	.349
	4	60.732	-2.936	1.036	-25.791	1.746	.348
	5	60.732	-2.936	1.036	-25.791	1.746	.348

Source: SPSS Output, 2026

Table 2 shows the logistic regression model after the independent variables were included. The initial -2 Log Likelihood (Block 0) was 74.192, while the final -2 Log Likelihood (Block 1) decreased to 60.732. This reduction indicates that the model improved after the inclusion of the independent variables and is better able to explain the dependent variable. Therefore, the logistic regression model demonstrates a good overall fit and is suitable for further analysis.

Goodness of Fit Test

The goodness of fit of the logistic regression model was evaluated using the Hosmer and Lemeshow Test, which assesses the consistency between the observed data and the proposed model. The results of the Goodness of Fit Test are presented in Table 3.

Table 3. Results of the Regression Model Goodness of Fit Test

Step	Chi-square	df	Sig.
1	6.384	8	.604

Source: SPSS Output, 2026

Based on Table 3, the Hosmer and Lemeshow Test produced a Chi-Square value of 6.384 with a significance value of 0.604. Since the significance value is greater than 0.05, the null hypothesis is accepted, indicating no significant difference between the observed and predicted classifications. Therefore, the logistic regression model demonstrates a good fit and is appropriate for further analysis.

Coefficient of Determination (Nagelkerke R Square)

The coefficient of determination in logistic regression is assessed using the Nagelkerke R Square, which is a modification of the Cox and Snell R Square and can be interpreted similarly to the R^2 value in linear regression. This statistic indicates the proportion of variation in the dependent variable explained by the independent variables. The results of the Nagelkerke R Square test are presented in Table 4.

Table 4. Results of the Determination Coefficient Test (Nagelkerke R Square)

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	60.732[a]	.221	.295

Source: SPSS Output, 2026

Table 4 shows a -2 Log Likelihood value of 60.732, a Cox & Snell R Square of 0.221, and a Nagelkerke R Square of 0.295. These results indicate that the independent variables explain 29.5% of the variation in the dependent variable, while the remaining 70.5% is explained by other factors not included in this study. Therefore, the logistic regression model has a moderate explanatory power.

Classification Matrix

The classification matrix evaluates the predictive accuracy of the logistic regression model in classifying going concern opinions among infrastructure SOEs during the 2019–2024 period. The results of the classification matrix are presented in Table 5.

Table 5. Classification Matrix Results

Observed			Predicted: OGCN – Tidak Menerima OGCN	Predicted: OGCN – Menerima OGCN	Predicted: Percentage Correct
Step 1	OGCN	Tidak Menerima OGCN	27	2	93.1
		Menerima OGCN	13	12	48.0
	Overall Percentage				72.2

Source: SPSS Output, 2026

As shown in Table 5, the model correctly classified most observations that did not receive a going concern opinion, indicating a high level of accuracy for this category. However, the model demonstrated lower accuracy in predicting observations that received a going concern opinion. Overall, the classification results indicate that the logistic regression model has a satisfactory predictive ability, with an overall classification accuracy of 72.2%.

These findings suggest that the model is reasonably effective in predicting going concern opinions among infrastructure SOEs during the 2019–2024 period. To further examine the direction and magnitude of the relationship between the independent variables and going concern opinions, logistic regression analysis was performed. The results are presented in Table 6.

Table 6 Results of Logistic Regression Analysis Test

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Curent Ratio	-.560	.922	.669	1	.544	.571
	Return on Aset	.252	.758	4.192	1	.013	2.193
	Debt to Asset Ratio	-.589	.697	3.796	1	.024	1.802
	CSR	.964	.840	5.465	1	.019	7.126
	Constant	1.245	.875	6.942	1	.011	.000

Source: SPSS Output, 2026

Based on Table 6, the logistic regression results indicate that the constant value is 1.245, representing the logit value of receiving a going concern opinion when all independent variables are held constant. The coefficient of Current Ratio (CR) is negative, suggesting that higher liquidity tends to reduce the likelihood of receiving a going concern opinion. Return on Assets (ROA) has a positive coefficient, indicating that higher profitability is associated with better business continuity. Debt to Asset Ratio (DAR) shows a negative coefficient, implying that higher leverage increases financial risk and may weaken business sustainability. Meanwhile, Corporate Social Responsibility (CSR) has a positive coefficient, suggesting that greater CSR disclosure is associated with stronger corporate sustainability and a lower likelihood of business continuity concerns.

Wald Test (Partial Test)

The Wald test is used to examine the individual effect of each independent variable on the dependent variable. This test evaluates whether each variable significantly contributes to explaining going concern opinions. The significance level applied in this study is 5% ($\alpha = 0.05$). The results of the Wald test are presented in Table 7.

Table 7 Wald Test Results (Partial t Test)

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Curent Ratio	-.560	.922	.669	1	.544	.571
	Return on Aset	.252	.758	4.192	1	.013	2.193
	Debt to Asset Ratio	-.589	.697	3.796	1	.024	1.802
	CSR	.964	.840	5.465	1	.019	7.126
	Constant	1.245	.875	6.942	1	.011	.000

Source: SPSS Output, 2026

Table 7 presents the Wald test results for hypothesis testing. Based on the significance level of 5% and the t-table value of 2.010, the results indicate that Current Ratio (CR) does not have a significant effect on going concern opinion, leading to the rejection of H1. In contrast, Return on Assets (ROA) has a positive and significant effect on going concern opinion, supporting H2 and indicating that higher profitability is associated with stronger business continuity. Furthermore, Debt to Asset Ratio (DAR) has a significant negative effect on going concern opinion, supporting H3 and suggesting that higher leverage increases financial risk and may weaken a company's sustainability. Finally, Corporate Social Responsibility (CSR) has a positive and significant effect on going concern opinion, supporting H4 and demonstrating that greater CSR disclosure contributes positively to corporate sustainability and auditors' assessments of business continuity.

5. Discussion

The Effect of Current Ratio (CR) on Going Concern Opinion

The findings indicate that Current Ratio (CR) does not significantly influence going concern opinions. This result suggests that liquidity alone is not the primary consideration auditors use when evaluating a company's ability to maintain business continuity. Although a higher Current Ratio reflects a company's ability to meet short-term obligations, auditors tend to consider broader aspects of financial health, including profitability, debt structure, future cash flows, and overall business sustainability before issuing a going concern opinion. This finding can be explained by the characteristics of infrastructure State-Owned Enterprises (SOEs), which generally possess substantial assets and receive strong institutional support despite experiencing short-term liquidity fluctuations. Consequently, temporary liquidity conditions may not necessarily indicate severe financial distress or threaten long-term business continuity. From the perspective of signaling theory, liquidity information may not provide a sufficiently strong signal to influence auditors' judgments regarding going concern status because the company's overall financial position and strategic importance are also taken into account. The result is consistent with the studies conducted by Yuliyani and Erawati (2017), Prasetyo et al. (2021), and Bhaktiar and Wulandari (2025), which found that liquidity does not significantly affect going concern audit opinions. These studies suggest that auditors generally place greater emphasis on profitability, solvency, and long-term sustainability indicators than on short-term liquidity measures when assessing going concern risks.

The Effect of Return on Assets (ROA) on Going Concern Opinion

The findings demonstrate that Return on Assets (ROA) significantly affects going concern opinions. This result indicates that profitability is an important factor auditors consider when assessing a company's ability to continue its operations. Companies with stronger profitability are generally perceived as having better financial stability, operational efficiency, and long-term sustainability. According to signaling theory, profitability serves as a positive signal that reflects management's success in utilizing company assets to generate earnings. High profitability indicates that the company possesses sufficient resources to support operational activities, meet financial obligations, and maintain business continuity. Consequently, profitable companies are less likely to receive going concern opinions because auditors perceive lower risks of financial failure. This finding supports previous studies conducted by Bahtiar et al. (2021), Zamili et al. (2021), and Pratama et al. (2024), which concluded that profitability significantly influences going concern opinions. These studies emphasize that profitability provides essential information regarding a company's financial resilience and its capacity to sustain operations in the future.

The Effect of Debt to Asset Ratio (DAR) on Going Concern Opinion

The results reveal that Debt to Asset Ratio (DAR) significantly affects going concern opinions. This finding suggests that leverage plays a crucial role in auditors' evaluations of business continuity. Companies with higher debt burdens generally face greater financial risks because they must allocate more resources to fulfill obligations to creditors and lenders. From the perspective of signaling theory, high leverage represents a negative signal that may raise concerns regarding a company's future financial stability. Excessive dependence on debt financing increases the possibility of financial distress, particularly when companies experience declining revenues or profitability. Therefore, auditors are more likely to question the ability of highly leveraged companies to maintain long-term operations. The result is in line with previous studies conducted by Prasetyo et al. (2021), Rohmah et al. (2025), and Bahtiar et al. (2021), which found that leverage significantly affects going concern opinions. These studies indicate that companies with higher debt ratios tend to face greater scrutiny from auditors because leverage is closely associated with financial risk and potential business failure.

The Effect of Corporate Social Responsibility (CSR) on Going Concern Opinion

The findings indicate that Corporate Social Responsibility (CSR) significantly affects going concern opinions. This result suggests that non-financial information also contributes to auditors' assessments regarding corporate sustainability. Companies that actively disclose and implement CSR programs demonstrate a stronger commitment to stakeholders, environmental responsibility, and long-term business sustainability. Based on signaling theory, CSR disclosure serves as a positive signal regarding corporate reputation, transparency, and sustainability. Effective CSR implementation may strengthen relationships with investors, creditors, regulators, and society, thereby improving stakeholder confidence and supporting business continuity. Auditors may perceive extensive CSR activities as evidence that management is committed to maintaining sustainable business operations and mitigating long-term risks. This finding is supported by previous studies conducted by Sharma et al. (2024), Rahmaniati and Ekawati (2024), and Dora et al. (2025), which suggest that CSR contributes positively to corporate sustainability and stakeholder trust. Companies with stronger CSR disclosures are generally viewed as having better long-term prospects and stronger organizational resilience, reducing concerns regarding going concern issues.

6. Conclusion

This study examined the effects of financial performance, represented by the Current Ratio (CR), Return on Assets (ROA), and Debt-to-Asset Ratio (DAR), together with Corporate Social Responsibility (CSR), on auditors' going concern opinions among Indonesian infrastructure State-Owned Enterprises (SOEs) during the 2019–2024 period. The findings indicate that profitability, leverage, and CSR are associated with auditors' going concern assessments, whereas liquidity does not appear to be a significant consideration in this research setting. These findings should be interpreted with caution because they are based on a relatively small sample of infrastructure SOEs and a binary logistic regression model. In addition, the measurement of CSR through a disclosure index, the binary coding of going concern opinions, and the sector-specific characteristics of infrastructure SOEs may limit the generalizability of the results to other industries or institutional contexts. Nevertheless, this study contributes to the literature by integrating financial and non-financial determinants within a single framework and providing updated evidence on auditors' going concern judgments in Indonesian infrastructure SOEs during the pandemic and post-pandemic periods.

The findings provide practical implications for management, auditors, investors, and regulators. Management of infrastructure SOEs should improve asset productivity, monitor leverage thresholds, strengthen debt management and transparently disclose debt-restructuring risks to support long-term business continuity. Auditors are encouraged to integrate financial indicators with CSR disclosures and sustainability reporting when assessing going concern risk, while considering the unique operational characteristics of infrastructure SOEs. Investors may use both financial performance and sustainability information to evaluate corporate resilience and long-term viability. Regulators are encouraged to strengthen sustainability reporting practices and CSR assurance to improve the reliability of non-financial disclosures and support more comprehensive going concern risk assessments.

Recommendation

Future research should incorporate additional determinants of going concern opinions, including financial distress scores (e.g., Altman Z-score), audit quality, prior audit opinion, firm size, operating cash flow, and corporate governance variables, while controlling for the COVID-19 and post-pandemic periods. Researchers are also encouraged to employ larger and more diverse samples across industries to improve the generalizability of the findings. Methodologically, future studies should consider panel logistic regression, clustered standard errors, and sensitivity analyses to enhance robustness. In addition, alternative CSR measures, such as ESG ratings or GRI-based sustainability performance indices, should be explored to provide a more comprehensive assessment of non-financial disclosures.

Limitations and avenues for future research

This study is limited to infrastructure State-Owned Enterprises (SOEs) in Indonesia during the 2019–2024 period, which may restrict the generalizability of the findings to other industries and organizational contexts. In addition, the study only examines Current Ratio, Return on Assets, Debt to Asset Ratio, and Corporate Social Responsibility as determinants of going concern opinions. Future research is encouraged to include additional variables such as financial distress, corporate governance, audit quality, firm size, and ESG performance, as well as expand the sample to different sectors and countries to provide broader empirical evidence.

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