

ABSTRACT

Addressing going concern issues in non-financial state-owned enterprises is a critical importance to investors and stakeholders, as it reflects the financial stability of a business and its ability to fulfill obligations. This issue is reflected in the fluctuations of a company's going concern audit opinion, where substantial evidence is found regarding indications of material financial distress, causing the company to be unable to meet its financial obligations and maintain its business continuity.

This study aims to explore, examine, and analyze the influence of board gender diversity and liquidity on financial distress and its implications on going concern audit opinion in non-financial state-owned enterprises (SOEs) listed on the Indonesia Stock Exchange for the period 2020–2023.

The Partial Least Squares - Structural Equation Modeling approach is employed to analyze secondary data sourced from the audited financial statements through Smart PLS 4.0 software. The research sample was selected using a purposive sampling technique, resulting in 21 companies or 84 observation units.

The results reveal that board gender diversity, liquidity, and financial distress each have a significant negative effect on the going concern audit opinion. Liquidity has a significant positive impact on financial distress, while board gender diversity shows no significant effect on financial distress. Additionally, financial distress mediates the relationship between liquidity on going concern audit opinions, but does not mediate the relationship between board gender diversity on going concern audit opinions.

These findings contribute both theoretically and practically to the understanding of how governance aspects and financial conditions influence the assessment of going concern assumptions and the resulting audit opinion. It is recommended that future researchers explore more deeply the factors influencing going concern audit opinions and add measurement indicators for more accurate results.

Keywords: going concern audit opinion, financial distress, board gender diversity, liquidity