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Earnings management: The role of monitoring and the implications on audit opinion

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Abstract—*This study aims to determine and analyze the role of corporate governance monitoring proxied by the board of commissioners, independent commissioners, and audit committees on earnings management and the implications of earnings management on going concern audit opinions on life insurance companies listed on the Indonesia Stock Exchange (IDX) in 2018-2020 for 3 years. The sample selection used purposive sampling, namely the sampling method based on certain criteria so that 69 samples were obtained from all life insurance companies. This study aims to detect earnings management variables using the Kasznik (1999) model. The analytical method used in this study is a multiple regression analysis and logistic regression using the SPSS (statistical product and service solution) version 25.0 program. The results from corporate governance, it can be shown that the board of commissioners, independent commissioners and audit committees have no effect on earnings management, while the audit committee has no effect on earnings management. Although the audit committee has a significant effect on earnings management, it has not succeeded in suppressing earnings management. The last, earnings management has an effect on going concern audit opinion*

Keywords—1.*Board of Commissioners;2. Independent Commissioner; 3. Audit Committee; 4. Earnings Management; 5. Audit Opinion Going Concern*

Introduction

This study aims to determine and analyze the role of Cooperate Governance Monitoring as proxy by the Board of Commissioners, Independent Commissioners, and the Audit Committee on Earnings Management and the Implications of Earnings Management on Going Concern Audit Opinions. Where earnings management is the action of management to change profit figures in the process of preparing financial statements. Earnings management arises, when management takes advantage of special decisions in reporting company finances and making transactions. The aims is to deceive external parties about the company's economic capabilities. The reason for the lack of confidence of investors in the quality of financial reporting is one of the consequences of earnings management actions (Setiani, FP, & MAD, NP 2022). (Chen et al. 2015; Liu et al. 2014) Earnings management is an action taken by managers to manipulate numbers in financial statements or manipulate company profits for the financial reporting process. This causes the financial reporting of a company not to be based on the actual situation with the aim of obtaining the expected profit, even though it is detrimental to other parties. The amount of profit that is deliberately regulated by managers in the preparation of financial statements by taking advantage of gaps in accounting standards that involves judgment and estimation is called earnings management (Healy & Wahlen, 1999).

Company earnings information is often used as a basis for decision making by investors and creditors (Kieso, et al. 2018). Higher profits indicate better company performance (Kieso et al., 2018). Because of the importance of earnings information, it can lead to differences in the interests of the company owner (principal) and company management (agent) (Feviana & Supatmi, 2021). Information about profit is often used as an engineering target, in order to attract investor sympathy to invest in the company. By using certain accounting policies in order to display a good profit report on the financial statements. In order for the financial statements to look good in the eyes of stakeholders, the management usually carries out earnings management (Fieska Putri Setiani & Ngurah Pandji., 2022). The management (agent) is considered correct when carrying out earnings management actions for the benefit of the company.

Earnings management is a form of information asymmetry, so it is important to supervise the performance and behavior of managers in the company (Firmansyah. A, et al. 2021). This supervision is one form of the implementation of Good Corporate Governance with the aim of increasing transparency, especially on financial information provided by the company to the public. The implementation of Corporate Governance can be seen from the information on the functions of the Board of Commissioners, Independent Commissioners, and the Audit Committee (Firmansyah. A, et al. 2021).When the monitoring function is really carried out properly, there is room for internal parties to move to commit fraud to be very small, one of the frauds in question is the occurrence of earnings management within the company (Damayanti .Y, et al. 2021). Corporate Governance provides a mechanism to control managerial actions, ensure financial reliability, and protect the interests of various stakeholders (Bushman & Smith., 2003 in Deepa Mangala & Neha Singla., 2021). Thus, earnings management actions taken by managers need to be investigated further. further (Firmansyah A, et al. 2021).

The financial statements show the results of management's accountability for the use of the resources entrusted to them (PSAK No.1) and are the main tool for shareholders to monitor the performance of the directors (Santoso, T. R, et al. 2021). Financial statements contain financial information of a business entity for a period. The financial statements consist of statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows, and notes to financial statements (Kieso, Weygandt, & Warfield., 2017:4). However, earnings management can result in biased financial statement information used by its users. Financial statement information becomes less relevant in decision making, due to the discretion of certain management policies (Firmansyah & Yusuf., 2020).

The case of earnings management practices that occurred, it show a fairly large case in 2018 for a government airline, PT Garuda Indonesia, which was alleged to have beautified its financial statements. The 2018 financial report

recorded a significant net profit (Rp.11.33 billion), while in the previous quarter the company suffered a fairly large loss. The discrepancy that occurred resulted in the public accounting firm auditing PT Garuda being sanctioned by the Ministry of Finance because the results of its audit were suspected to be full of manipulation (kemenkeu.go.id., 2019). This case was revealed to have recorded income too quickly (Banjarnahor, 2019). Mahata Aero Technology is a newly established company with a capital of no more than Rp 10 billion, signed a contract with PT Garuda by recording a debt of USD 239 million, while PT Garuda recorded it as income in the 2018 financial statements (Banjarnahor, 2019). This causes the profit (profit) contained in PT Garuda's financial statements to be higher than it should be. According to PSAK 72, revenue recognition is carried out when the company transfers goods or services to customers (Indonesian Accountants Association., 2018) and (Damayanti.Y, et al. 2021). In this case, PT Garuda should have recognized revenue over time (over time).) for the contract value that has been agreed with Mahata Aero Teknologi (Firmansyah et al. 2020). However, than it should be (Firmansyah et al. 2020). PT Garuda Indonesia engineered the financial statements by reporting the profit that the company should have reported a loss (Rini., 2021).

Another earnings management practice issue is PT Asuransi Jiwasraya in 2019, showing that financial reports are not of high quality because they cannot be trusted which are not prepared properly. In addition, PT Asuransi Jiwasraya needs Rp 32.89 trillion to return to health. The emergence of the Jiwasraya case is the culmination of various problems that have occurred to the company in previous years (RAHardian., 2020). The case experienced by PT Asuransi Jiwasraya is an example of how important quality financial reports are to make the right decisions. Misstatements that occur whether intentional or not can have an impact on the loss of various parties (Sampurna as Chairman of the BPK., 2020). And PT Asuransi Jiwasraya received an "unfair" opinion in 2017 by the Supreme Audit Agency, this was due to a shortage of reserves of Rp.7.7 trillion (Rini., 2021).

The case of Good Corporate Governance, PT Asuransi Jiwasraya failed to apply the principles of Accountability, Transparency and Responsibility (Senopati., 2020). Most companies with weak corporate governance are faced with financial problems compared to those with strong corporate governance (Mitton., 2002). Thus, one way that can be done to monitor this problem is to implement Corporate Governance in the company (Karina, & Sutarti, S., 2021). So Based on the case above, the impact is seen to be significant on earnings management, so that it is necessary to have Corporate Governance that can regulate and control the company's operational activities (Anisa Larasati, et al. 2022).

The existence of a business entity in the long term aims to maintain the viability (Going Concern) of the company. Conditions and events experienced by a company can provide an indication of the company's going concern, such as significant operating losses and ongoing events that raise doubts about the company's going concern (Melistiari MKN, et al. 2021).According to PSA No. 29 paragraph 11 letter d, states that, substantial doubt about the ability of the business unit to continue as a going concern is a situation that requires the auditor to add an explanatory paragraph (or other explanatory language) in the audit report, even though it does not affect the unqualified opinion, stated by the auditor (Meiden. C., & Farhan ZM, 2021). “Companies with deviant levels of investment tend to abuse earnings management. So quality accounting information plays an important role in facilitating efficient investment (Linhares., et all. 2018). Going Concern or the survival of the company is one of the important pillars of the basic assumptions of financial reporting, PSAK No. 1 explains the basic assumptions of financial reporting consisting of Entity Units, Going Concern, Periodcity, Monetary Units, and Accrual Basis. Due to the conditions and events experienced by the company can provide an indication of the company's going concern (Siahaan, YE, 2021).

The principal will appoint an auditor to evaluate management performance based on year-end financial statements. The auditor will assess the fairness of the information presented in the financial statements. Apart from assessing the fairness of the financial statements, the auditor will assess the going concern of the business. If it is considered unable to maintain its business, the auditor will issue an audit report with a going concern audit opinion (Andrian et al., 2019). In addition to audit opinions related to the fairness of the presentation of financial

statements, there is a Going Concern Audit Opinion for companies experiencing potential bankruptcy. This information is considered important for Stakeholders or stakeholders, especially investors in making investment decisions (Firmansyah A, et al. 2021). Users of financial statements expect auditors to provide information about the state of the company in real terms and with a fair view (Gallizo, et al. 2016).

Through the going concern audit opinion, the auditor considers that the company itself is doubtful in maintaining the survival, so that it is possible for bankruptcy to occur (Zulfikar, et al. 2022). This is in line with (Zaher, 2015) which revealed that going concern decisions can predict the possibility of a company going bankrupt or not. Professional Standards for Public Accountants SA Section 341 explains that basically there are things that can influence the auditor in issuing a going concern audit opinion, namely: a) Negative trends; b) Possibility of financial distress, c) Internal problems of the Company, d) External problems. Therefore, bankruptcy prediction is needed as a tool in detecting the company's financial health, Protecting the company's principals, Therefore, bankruptcy prediction is needed as a tool in detecting the company's financial health, so that it can assist auditors in giving the right opinion on a company's going concern (Zulfikar, et al. 2022).

Protecting the company's principals, Corporate Governance is an effort to reduce management's capacity to carry out earnings management practices (Klein, 2002; Peasnell et al., 2000). Corporate governance is a system established to control and regulate the company. This system limits the freedom of management to perform earnings management (Winrta Shevin., et al. 2021). On the other hand, managers also have an interest in maximizing their welfare (Anggre O. P., et al. 2021).

The importance of monitoring the role of Corporate Governance in the company will result in the formation of Good Corporate Governance so that long-term sustainability of the company will occur. The Board of Commissioners is responsible for the Audit Committee for reports from the Audit Committee, the Board of Commissioners and the Audit Committee to become a single unit in supervising the preparation of financial statements (Susanti, AD, 2021). Through the role in carrying out the supervisory function, the composition of the board can influence the management in compiling financial reports so that a quality profit report can be obtained (Tri Mulyani., 2021). Meanwhile (Firdayanti et al. 2020) found that the role of independent commissioners can reduce earnings management. To support the role of independent commissioners in implementing governance, In a board of commissioners structure there is also a need for an audit committee (Kusuma & Firmansyah, 2018; Nugroho & Firmansyah, 2018). The audit committee has a task in the form of providing an assessment and supervision of management behavior in financial reporting as a basis for decision making (Firmansya. A., et al. 2021). Where Silmy., et al. (2020) found that audit committees can reduce earnings management actions. Meanwhile, Istikhomah & Widyawati, (2018), Suaidah & Utomo (2018), Suri & Dewi (2018) prove that the audit committee has no influence on earnings management. Meanwhile, Arifah & Nazar, (2020), Asyati & Farida (2020) and Wanti EPAS, et al, (2021) concluded that independent commissioners have no influence on earnings management.These differences lead to opportunistic behavior of agents to do things that have a negative impact on shareholders so that the decline in company performance cannot be avoided and the possibility of receiving a Going Concern Audit Opinion by an entity will be even greater (Wardani, A., & Satyawan, M. D., 2022) .

The strict of monitoring pushes internal party's room for movement to be limited so that it is small the possibility for internal parties to commit fraud, one of which is earnings management (Darmayanti, Y. et al. 2021). In line with the research results of Anggreni & Adiwijaya., (2020), Research by El Diri et al. (2020) and Alam et al. (2020). Monitoring serves as a mediator in bridging the information inconsistency gap between the board of directors and the external auditor. Basically, the oversight role of the audit committee involves corporate governance, auditors and audits, and financial reporting (Wolnizer., 1995).Where to anticipate deviant actions carried out by the management, Corporate Governance emphasizes the importance of the monitoring function in supervising management performance, and one of them is the existence of the Board of Commissioners, Independent Commissioners, and the Audit Committee.

Researchers feel interested in doing this research. Underlying reason, The researcher's interest hat there is an earnings management phenomenon that still often occurs in companies that need some knowledge as consideration for responding to and inconsistencies that occur between studies that have been carried out by previous researchers discussing earnings management because from previous studies it was found that there were differences in research results. about the effect of the independent variable on the dependent variable, namely earnings management practices monitored by the Cooperate Governance proxy and earnings management on Going Concern Audit Opinions.

Literature Review

Agency Theory

This research model use the Agency theory (Agency theory), which explains relationships based on contracts that occur between members in the company, namely between the principal owner and the agent as asset manager (Jensen & Meckling., 1976). This kind of relationship occurs when someone (the owner) hires another person (the agent) to represent his interests (Ross, Westerfield & Jordan. , 2009). The relationship between shareholders and management is referred to as an agency relationship (relationship). The contract agreement between the manager and the owner of the company causes the manager's responsibility to provide maximum profit for the company, where in return the manager also expects compensation for his achievements (Wijaya, DB, & Firmansyah, A., 2021).

Agency theory is a reference perspective used to explore Good Corporate Governance (Jensen, 1993). Agency relationship is a collaboration between managers (agents) and investors (principals). The essence of agency theory (agency theory) is the right agreement strategy to balance the conditions between managers and investors regarding conflicts of interest. It's hard to get the right contract. Investors are expected to give residual control rights to managers (residual control rights), namely the freedom to create conditions in special cases, which previously did not exist in the contract (Setiani PF & Pandji Ngurah., 2022).

Research Hypothesis Development

Influence of the Board of Commissioners on Earnings Management (H1)

The board of commissioners is a member of the board of commissioners who is not affiliated with the board of directors, other members of the board of commissioners and controlling shareholders and free from business relationships or other relationships that may affect earnings management actions (Arrosyid. P. Y & Bahri.S., 2021). In line with the research of Ramadhani.S., et al. (2021). Chen et al. (2006) stated that the board meeting more frequently can reduce the possibility of fraud, because regular meetings allow the board to identify and resolve potential problems, especially those related to the quality of financial reporting, and show that independent commissioners have a negative effect on earnings management. Because the independent commissioner is a member of the board of commissioners who has no relationship with anyone, both management and stakeholders (Dasilva, MUC, et al. 2021). However, according to Sajjad et al. (2019) and Afrida DS, (2020), stated that the board of commissioners has an effect on Earnings Management. Meanwhile, according to Febrina et al. (2018) and Al-Haddad and Whittington (2019) conclude that the board of commissioners has a positive effect on earnings management. So based on the description, the following hypothesis is proposed:

H1: The Board of Commissioners has a positive effect on earnings management

Influence of Independent Commissioners on Earnings Management (H2)

Independent commissioners usually have educational backgrounds or work experience in both accounting and finance (Firmansyah, Pamungkas, et al., 2021). The independent commissioner functions as a countervailing power in decision making by the board of commissioners. The board of directors and the board of commissioners are elected by the shareholders at the General Meeting of Shareholders (GMS) representing the interests of these shareholders (Feronika.CAD, et al. 2021). Research results from Ferronica. C..D., et al. (2021) who found that independent commissioners had no effect on earnings management. According to Candera M., et al. (2021) Themore commissioners who come from outside the company (independent parties), the more qualified the supervisory function will be in line with the many demands from independent parties who want transparency. Thus, independent commissioners are able to carry out monitoring functions that encourage the creation of Good Corporate Governance. In line with the research of Arifah & Nazar., (2020), Asyati & Farida., (2020). Rini., (2021). Dasilva, MUC, et al. (2021). Anggreni & Adiwijaya (2020), Firdayanti et al. (2020) found that independent commissioners can suppress earnings management actions. Independent commissioners are able to carry out the supervisory function of managers' actions with motives that only benefit the manager (Anggreni & Adiwijaya, 2020), (Firmansya. A., et al. 2021) and Wanti EPAS, et al., (2021). Thus research by Anisa & Suryani (2020) shows that independent commissioners have a negative effect on earnings management.Concluded that independent commissioners have no effect on earnings management.

H2: Independent Commissioner has a negative effect on earnings management

Influence of the Audit Committee on Earnings Management (H3)

The audit committee is a party that is independent from any party that has the task of assisting the board of commissioners in order to ensure the effectiveness of internal audits and external audits (Asyati & Farida, 2020). This is because the main function of the audit committee is to review the company's internal controls, ensure the quality of financial reports, and increase the effectiveness of the audit function (Feronica. CAD, et al. 2021). Likewise with Silmy et al. (2020) concluded that the presence of the audit committee in the company can reduce earnings management actions. According to Braiotta (2000) in Abbott et al., (2002) states that, "In general, the audit committee has a fairly broad member who should consider the business from experience. which is good, which is not burdensome. Previous research has proven the influence of the Audit Committee on Earnings Management. However, according to Xie et al. (2003) stated that the number of audit committee meetings has a negative effect on earnings management and Joseph V. Carcello et all. (2006) prove that the audit committee has a negative relationship with earnings management. The results of this study are also in line with Ferronica's research. CAD, et al. (2021), Dasilva, MUC, et al. (2021), Wanti EPAS, et al, (2021), (Firmansya. A., et al. 2021) and Rini., (2021) that the audit committee has a negative effect on earnings management. However, the results of Candera's research. M., et al. (2021) and Karina & Sutantri., (2021) prove that the audit committee has no effect on earnings management.

H3 : The Audit Committee has a negative effect on earnings management

Effect of Earnings Management on Going Concern Audit Audit Opinion (H4)

Healy & Wahlen., (1999) Earnings management is a consideration in financial reporting and the preparation of transactions to change financial statements, with the aim of manipulating the amount of earnings to stakeholders about the company's economic performance. This needs to be considered in a Going Concern Opinion. Earnings management is something that can lead to information asymmetry made by agents against the principal because it could be that the company does not provide correct information or in accordance with reality. Many companies beautify their financial statements by giving a high value to profits so that investors see good reports so they can invest (Bakar. MDER, 2021). The company's financial condition describes the company's health level. McKeown, et al. (1991) found that auditors almost never give going concern audit opinions to companies that are not experiencing financial difficulties. Along with the research of Melistiari, NKM, et al. (2021) the provision of a Going Concern Audit Opinion given by the auditor does not look at sustainable earnings but is more based on the condition of the company as a whole. Meanwhile, earnings quality reflects the continuation of earnings (suitableearnings) in the future. Earnings management carried out by managers has an impact on the quality of company earnings, so that the profits displayed in the financial statements do not accurately describe the profits from their business activities (Melistiari. MKN, et al. 2021) and (Bakar Meiyanti. DR, et al. 2021).

H4: Earnings Management has a positive effect on Going Concern Audit Opinion.

Research Methods

The analytical method used in this research is multiple regression analysis and logistic regression using the SPSS (statistical product and service solution) version 25.0 program. The data used in this study is secondary data in the form of financial reports and annual reports for the period 2018 - 2020.

The first analysis equation model is multiple linear regression, the formula is as follows:

$$Y1 = \alpha 1 + \beta 1\ DK + \beta 2 KI + \beta 3 KA + \varepsilon 1$$

Information:

Y1 = Earnings Management
α1 = Constant
β1 = Regression coefficient X against Y
DK = Board of Commissioners
KI = Independent Commissioner
KA = Audit Committee
ε1 = Residual error

The second equation model uses logistic regression analysis as follows:

$$Ln\left(\frac{P}{1-p}\right) = \beta_0 + \beta_1 ML$$

Where : $Ln\left(\frac{P}{1-p}\right)$ = Going concern audit opinion uses (Dummy variable, 1 if the audit opinion is going concern, 0 if the audit opinion not going concern)

Ln : Logaritma Natural.

Keterangan:
B0 = *Konstanta,*
B1 = *Koefisien regresi X terhadap Y,*
ML= *Manajemen Laba*

Table 1 : Independent variable (corporate governance), their proxies and notations used in the OLS regression model

Independent Variables	Proxies of Independent Variable	Notations
Board of Commissioners	$DK = \sum The\ member\ of\ Board\ of\ Commissioners$	(DK)
Independent Commissioner	$KI = \frac{(The\ amount\ of Independent\ Commissioner)}{(All\ member\ of\ independent\ commissioner)}\ x\ 100\%$	(KI)
Audit Committee	$KA = \sum (The\ member\ of\ audit\ committee\ )$	(KA)

Table 2 : Dependent variable (corporate governance), their proxies and notations used in the OLS regression model

Dependent Variables	Proxies of Independent Variable	Notations
Earnings Management (Model1)	*Discretionary Accruals* (DA) Model Model Kasznik (1999)	(ML)
Going Concern audit opinion (Y2)	Audit *Going Concern* (GC)audit opinionusecode1,*NonGoing Concern* (NGC) audit opinion use code 0.	(OAGC)

Results and Discussion

The regression model in this study uses two models, model 1 using multiple linear regression and model 2 using logistic regression. The first significant regression model (p<0.019) and presented in the table below shows that the F value of 3.621 is satisfactory. This result supports the significance of the model. The coefficient of determination (R2) is 0.546 which means that 54.6% of the earnings management variable can be explained by the independent variable. Model 2 uses logistic regression.Where Cox & Snell R Square of 0.20 means that only 20% of earnings management can explain going concern opinion. Detailed discussion of further regression results based on research hypotheses are:

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.416[a]	.546	.654	3770398647.337	2.177

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	61.879[a]	.020	.029
a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.			

Table 1
Multiple Linear Regression Research Model

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-638460564.046	2069138886.431		-0.309	0.759
Board of Commissioners	1602585581.306	648254235.854	0.497	2.472	0.017
Independent Commissioner	2734624666.275	867814447.540	0.634	3.151	0.003
Audit Committee	-506042208.947	464574497.192	-0.138	-1.089	0.281

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	154435090613291000000.000	3	51478363537763700000.000	3.621	.019[b]
Residual	739227109911778000000.000	52	14215905959841900000.000		
Total	893662200525069000000.000	55			

Tabel 2 Logistic regression research model

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Earning Management	.000	.000	.928	1	.335	1.000
	Constant	1.036	.313	10.934	1	.001	2.818
a. Variable(s) entered on step 1: Manajemen Laba.							

Hypothesis Testing: This section introduces the research hypothesis testing.
Test the First Research Hypothesis

Hypothesis H1Board of Commissioners on earnings management

Based on the table above, the results of the t value of 2,472 have a significance level of 0.017, that the board of commissioners can reduce earnings management. In line with the research of Ramadhani.S., et al. (2021), Sajjad et al. (2019) and Afrida DS, (2020) prove that the board of commissioners has an effect on earnings management. Chen et al. (2006) stated that the board meeting more frequently can reduce the possibility of fraud, because regular meetings allow the board to identify and resolve potential problems, especially those related to earnings management.

Hypothesis H2 Independent commissioners on earnings management

Based on the table above, the results of the t value of 3,151 with a significance level of 0.003, that independent commissioners can reduce the level of earnings management carried out by management. In line with the research of Arifah & Nazar., (2020), Asyati & Farida., (2020). Rini., (2021). Dasilva, MUC, et al. (2021). And Anggreni & Adiwijaya (2020), Firdayanti et al. (2020) found that independent commissioners can suppress earnings management actions. Independent commissioners are able to carry out the supervisory function of managers' actions with motives that only benefit the manager (Anggreni & Adiwijaya, 2020), (Firmansya. A., et al. 2021) and Wanti EPAS, et al, (2021). Likewise, research by Anisa & Suryani (2020) shows that independent commissioners have a significant positive effect on earnings management.

Hypothesis H3Audit Committee on earnings management

Based on the table above, the results of the t value of -1,089, a significance level of 0.281, that the size of the audit committee has no effect on earnings management. In line with the research of Istikhomah & Widyawati, (2018), Suaidah & Utomo (2018), Suri & Dewi (2018) prove that the audit committee has no influence on earnings management. Thus, the large number of audit committee members in life insurance companies in this study cannot reduce earnings management.

Hypothesis H4 Earnings Management on Going Concern

Based on the table above, it shows the beta value of 0.000 with a significance level of 0335, that earnings management has no effect on going-concern audit opinion. In line with AdamVerdian's research. (2020) & Melistiari, NKM, et al. (2021) stated that earnings management has no effect on the Going Concern Audit Opinion given by the auditors, not seeing sustainable earnings but rather based on the condition of the company as a whole. Thus, the level of earnings management in life insurance companies in this study cannot affect the going concern audit opinion

Conclusion

In this study, the results showed that:

1. The Board of Commissioners has a positive effect on earnings management in all life insurance companies
2. Independent commissioners have a positive effect on earnings management in all life insurance companies
3. The audit committee has no positive effect on earnings management in all life insurance companies
4. Earnings management has no positive effect on earnings management in all life insurance companies

For further research, it can be focused on any factors other than the audit committee that can reduce earnings management. and other determinants besides earnings management that can increase going concern audit opinion. In addition, for further research, research can be carried out in different samples such as manufacturing companies

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