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Determinants of Independent Audit Opinions: Evidence from HOSE-Listed Firms

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ABSTRACT

This study investigates the factors influencing independent auditor opinions on the financial statements of companies listed on the Ho Chi Minh Stock Exchange (HOSE). Using a sample of 413 firms spanning 2020–2024 (2,065 firm-year observations), the research employs logistic regression to examine the impact of nine financial and non-financial variables. The model yields statistically significant results ($F = 2.56$, $\text{Sig} = 0.048$, $R^2 = 0.0591$), with six out of nine hypotheses supported. Specifically, current ratio, fixed asset turnover, inventory turnover, debt ratio, audit firm size, and the proportion of non-executive board members significantly influence audit opinions. Audit firm size and board independence exhibit the most pronounced effects among these. In contrast, return on equity (ROE), revenue growth, and audit report lag do not show significant associations, diverging from findings in prior literature. The modest explanatory power of the model ($R^2 = 5.91\%$) highlights the challenge of capturing audit opinion determinants in an emerging market context. The study suggests that firms improve liquidity, asset efficiency, and corporate governance while aligning with larger firms to enhance audit outcomes. Audit firms are encouraged to strengthen their technical capacity and governance assessments. Regulatory bodies are advised to promote board independence, monitor financial leverage, and accelerate IFRS implementation.

1. INTRODUCTION

In the context of globalization and the rapid development of capital markets, the transparency and quality of financial statements have become critical for listed companies, particularly in emerging markets like the Ho Chi Minh Stock Exchange (HOSE). The

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independent auditor's opinion serves as a cornerstone for assessing the reliability of financial information, directly influencing investor confidence, resource allocation decisions, and the stability of financial markets (Vu et al., 2022). At HOSE, Vietnam's largest stock exchange, the integrity of financial reporting is paramount as the market strives to meet international standards and achieve an upgrade from frontier to emerging market status, as outlined by the Morgan Stanley Capital International (MSCI) criteria (State Securities Commission [SSC], 2023). However, challenges such as material misstatements, financial fraud, and inconsistencies in audit opinions pose significant threats to market credibility, underscoring the need to investigate the factors influencing independent audit outcomes.

The significance of this research is heightened by recent financial scandals, both globally and in Vietnam, which have exposed vulnerabilities in financial reporting and auditing processes. Notable international cases, such as Enron and Wirecard, and domestic incidents involving listed companies on the HOSE, have demonstrated that inaccurate audit opinions can lead to corporate collapses, substantial investor losses, and eroded market trust. (Francis, 2004a; Vu et al., 2022). According to Vu et al., (2022) approximately 5–10% of HOSE-listed companies received modified audit opinions between 2015 and 2018, signaling deficiencies in corporate governance and audit quality. These issues are compounded by financial factors, such as high debt ratios and low liquidity, and non-financial factors, including audit firm size, audit report delays, and board independence, all of which shape the auditor's assessment of financial statements (DeAngelo, 1981; Vu et al., 2022). Despite the growing body of literature on audit opinions, prior studies in Vietnam have primarily focused on isolated financial factors, such as liquidity or leverage, or technical aspects of auditing, neglecting a comprehensive analysis of both financial and non-financial determinants (Vu et al., 2022). For instance, research by Francis (2004a) globally emphasizes the role of audit firm reputation, while local studies highlight liquidity and debt as key drivers, but often overlook governance factors like board independence. This research gap is particularly critical in Vietnam, where corporate governance practices remain underdeveloped, and reliance on Big 4 audit firms introduces unique dynamics (Q. Nguyen et al., 2024). Moreover, the rapid growth of HOSE, with market capitalization rising from \$43 billion in 2015 to over \$200 billion in 2023, amplifies the urgency to address these issues to sustain investor confidence and meet global transparency standards (Hanh Nhung & Thanh Tam, 2025). This study aims to fill these gaps by examining the factors affecting independent auditors' opinions on the financial statements of HOSE-listed companies. The research adopts a quantitative approach, analyzing data from 413 enterprises over the period 2020–2024, using logistic regression to test nine hypotheses related to financial factors (current ratio, fixed asset turnover, inventory turnover, return on equity, revenue growth, debt ratio) and non-financial factors (audit report lag, audit firm size, proportion of non-executive board members). By integrating both factor groups, the study provides a holistic understanding of their impact on audit outcomes, addressing the limitations of prior research that focused on singular aspects (Vu et al., 2022). The objectives are twofold: first, to identify and quantify the influence of these factors on the likelihood of receiving an unqualified audit opinion, and second, to propose practical recommendations for enterprises, auditors, and regulators to enhance financial transparency and audit quality. The findings are expected to contribute to academic literature by enriching audit theory in emerging markets and offering actionable insights for HOSE-listed companies to improve governance and financial practices. Ultimately, this research seeks to bolster market stability and investor trust, aligning with Vietnam's broader economic integration goals.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Agency Theory

Agency Theory, developed by (Jensen & Meckling, 1976a), focuses on the relationship between shareholders (principals) and management (agents), highlighting conflicts of interest arising from the separation of ownership and control. Management may prioritize personal

interests, leading to inaccurate financial reporting. Independent auditors serve a monitoring role, reducing information asymmetry and ensuring reliable financial statements. In the context of audit opinion research at HOSE, this theory suggests selecting factors that reflect the extent of agency conflicts and mechanisms to mitigate them. Financial factors such as leverage, profitability, firm size, and growth are considered. High leverage may lead to qualified audit opinions due to incentives to embellish financial statements (DeFond and Zhang (2014)). Low profitability is also associated with adverse opinions, stemming from the risk of concealing poor performance (Schultz & Reckers, 1981). Large firms, with complex operations, may have weaker internal controls, increasing the risk of misreporting, though research indicates larger firms are less likely to receive qualified opinions due to stronger resources (Craswell et al., 1995a). Rapid growth can challenge control maintenance, resulting in qualified audit opinions (Schultz & Reckers, 1981). Non-financial factors include ownership structure, board composition, internal controls, and industry type. Concentrated ownership enhances monitoring, reducing agency conflicts, whereas dispersed ownership is linked to more qualified audit opinions (Fama & Jensen, 2019). Boards with a higher proportion of independent members improve oversight, lowering the risk of misreporting (Klein, 2002). Effective internal control systems ensure reliable reporting, correlating with fewer qualified opinions. Industry type, with varying complexity and regulatory requirements, influences reporting risks (DeFond and Zhang (2014)).

Signaling Theory

Signaling Theory, developed by Spence, 1973, posits that firms can use actions, such as engaging high-quality auditors, to signal robust financial health, thereby fostering trust among investors and the market. In this study, the theory guides the selection of factors reflecting how firms signal quality, influencing audit opinions. Financial factors include voluntary disclosures and dividend policies. Voluntary disclosures, such as detailed notes or sustainability reports, demonstrate transparency, reducing the likelihood of modified audit opinions (Clarkson et al., 2008). Stable or increasing dividend policies indicate financial strength, correlating with favorable audit opinions (Djankov et al., 2008). Non-financial factors encompass auditor quality, governance practices, sustainability reporting, and external awards. Selecting Big Four auditors signals a commitment to high-quality reporting, associated with fewer modified opinions (DeFond and Zhang (2014)). Strong governance, such as independent boards, mitigates the risk of misreporting (Klein, 2002). Sustainability reports reflect long-term commitment, linked to lower cost of capital, indirectly affecting audit opinions (Dan S.Dhaliwal et al., 2011). Awards for governance or transparency enhance auditors' perceptions, leading to more favorable opinions.

Audit Quality Theory

Audit Quality Theory emphasizes factors determining audit quality, such as independence, competence, and due care, which influence the reliability of financial statements and audit opinions. In this study, this concept guides the selection of factors related to auditor quality and the audit process. Non-financial factors include the size and reputation of the audit firm, tenure, industry specialization, and internal quality control systems. Large audit firms, particularly the Big Four, are associated with fewer modified opinions due to their resources and independence (DeFond and Zhang (2014)). Extended tenure may enhance quality but compromise independence, negatively impacting audit quality (Geiger & Raghunandan, 2002). Industry specialization fosters deeper understanding, improving audit opinions (Craswell et al., 1995a). Robust internal quality control systems ensure compliance with standards, elevating quality. Financial factors encompass client size and risk profile. Larger clients require complex audits, leading to higher audit fees, which reflect superior quality (Hay et al., 2006). High-risk clients, such as those in volatile industries, demand greater audit effort, affecting the quality of audit opinions.

The research on factors influencing independent auditors' opinions on financial statements of companies listed on the Ho Chi Minh Stock Exchange (HOSE) builds upon a robust foundation of prior studies, both international and domestic, which explore financial and

non-financial determinants of audit opinions. These studies highlight the critical role of transparency in financial reporting and the challenges posed by financial misstatements, governance issues, and audit quality, particularly in emerging markets like Vietnam. Internationally, DeAngelo, 1981 established that larger audit firms, such as the Big Four, enhance audit quality due to their resources and independence, reducing the likelihood of modified audit opinions. This is supported by Francis, 2004, who found that Big Four firms improve the reliability of financial statements, impacting audit outcomes positively. Additionally, studies like those by (DeFond and Zhang, (2014) emphasize financial factors such as liquidity (current ratio) and leverage (debt ratio) as significant predictors of audit opinions, with high debt levels increasing the risk of qualified opinions due to financial distress signals. In the Vietnamese context, prior research has focused on both financial and governance aspects. For instance, (Vu et al., 2022) analyzed HOSE-listed firms and confirmed that liquidity and debt ratios significantly affect audit opinions, aligning with global findings. However, their study overlooked non-financial factors like board independence. Another study by (Pham, 2022) highlighted the negative impact of audit report lag on audit opinions, noting that delays often signal underlying financial issues, though this was not significant in the current study. Furthermore, Tran (2020) underscored the role of corporate governance, particularly the proportion of independent board members, in enhancing financial transparency and reducing audit qualifications, a finding echoed in the current research. These studies collectively identify gaps that the current research addresses, such as integrating financial (e.g., liquidity, debt) and non-financial (e.g., board independence, audit firm size) factors. The current study's use of data from 2014–2023 and regression analysis builds on these foundations, confirming the influence of liquidity, debt, and governance while revealing the limited impact of profitability (ROE) and revenue growth in Vietnam's emerging market context.

Research model

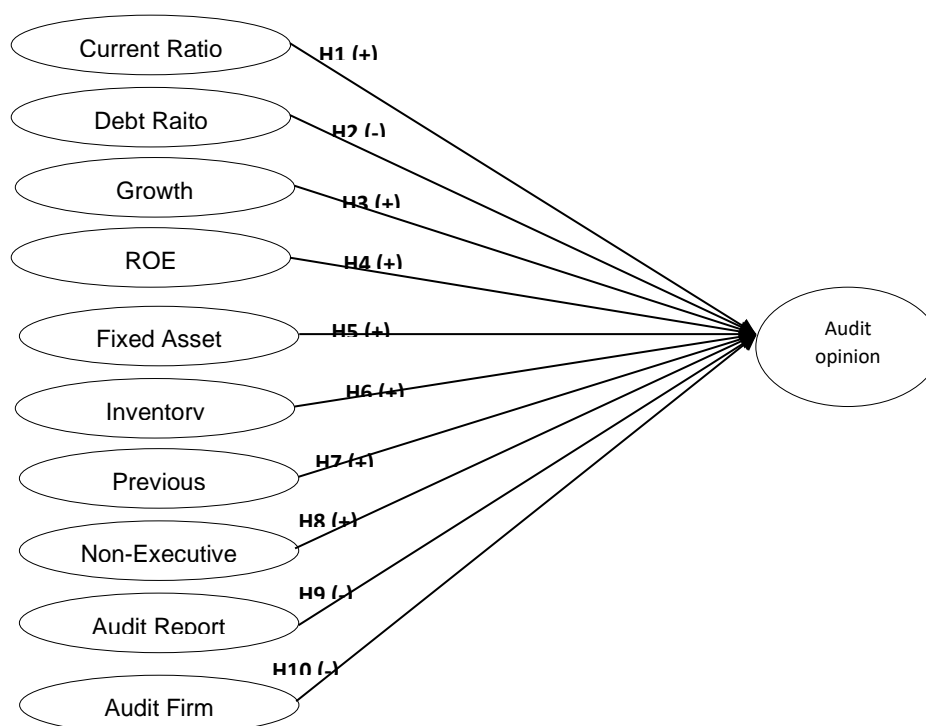


Figure 1: Research Framework

Based on references to previous research as support for connecting the variables of this study, a framework can be made in Figure 1.

Based on the research framework, a hypothesis of this research was made as follows:

- H1: Current ratio coefficient has a positive impact on audit opinions
- H2: The index of negative impact on audit opinions
- H3: Corporate Environmental Ethics Effect on Green Competitive Advantage
- H4: Revenue growth has a positive impact on audit opinions
- H5: ROE has a positive impact on audit opinions
- H6: Inventory rotation has a positive impact on audit opinions
- H7: The opinion of the predecessor has a positive impact on audit opinions
- H8: The ratio of members does not have a positive impact on audit opinions
- H9: The delay in the audit report has of negative impact on audit opinions
- H10: The size of the auditing company has a positive impact on audit opinions

3. RESEARCH METHOD

The research methodology employed in this study is a quantitative approach, utilizing a cross-sectional design to investigate the factors influencing audit opinions on financial statements at the Ho Chi Minh Stock Exchange (HOSE). This method is chosen to analyze the relationships between independent variables—financial and non-financial factors—and the dependent variable, audit opinion (Y), as depicted in the provided diagram. The study draws on established theories such as Agency Theory, Audit Quality Theory, and Signaling Theory to frame the selection of variables, ensuring a robust theoretical foundation. Data collection involves secondary data sourced from audited financial statements and annual reports of listed companies on the HOSE over a specified period, likely encompassing multiple years to capture variability. The independent variables include financial metrics such as Current Ratio (H1), Fixed Asset Turnover (H2), Inventory Turnover (H3), Net Profit Margin / Return on Equity (ROE) (H4), Revenue Growth (H5), Debt Ratio (H6), and Prior Year Audit Opinion (H7), alongside non-financial metrics like Non-Executive Component Ratio (H8) and Audit Report Lag (H9), The audit firm size (H10). These variables are operationalized using financial ratios and categorical data, consistent with prior studies (DeFond, M. and Zhang, J. (2014) , Klein, 2002) The research employs a logistic regression model to analyze the dichotomous outcome of audit opinions (e.g., unqualified vs. modified), given its suitability for binary dependent variables. This statistical technique allows for the assessment of how each independent variable impacts the likelihood of receiving a modified audit opinion, controlling for potential multicollinearity. Data preprocessing includes cleaning and normalizing financial ratios to ensure consistency, followed by hypothesis testing based on the hypothesized relationships (H1 to H10) outlined in the diagram.

Sampling is purposive, targeting all publicly listed firms on HOSE to ensure relevance, with a focus on those with complete data sets. The sample size is determined by availability, potentially adjusted to mitigate bias. Reliability is enhanced through the use of audited data, while validity is supported by aligning variables with theoretical constructs from prior literature (Clarkson et al., 2008; Craswell et al., 1995b). Limitations include the reliance on historical data, which may not reflect current economic conditions, and the potential omission of qualitative factors. Future research could incorporate longitudinal data or mixed methods to address these gaps. This methodology provides a structured approach to understanding audit opinion determinants at HOSE, contributing to governance and transparency insights.

The research scope is a critical factor in determining the extent and representativeness of the sample data, thereby ensuring the reliability and generalizability of the analysis results (Hair et al., 2010). In this study, the sample size is designed to encompass all listed enterprises on the Ho Chi Minh Stock Exchange (HOSE), totaling approximately 413 firms across various

sectors as of the current date (March 2025). The study employs a quantitative methodology, utilizing secondary data from financial statements and audit reports of these enterprises to comprehensively and objectively analyze factors influencing independent audit opinions (Do et al., 2022). This scope not only reflects the reality of Vietnam's largest stock market but also provides a foundation for drawing practical and theoretical conclusions, particularly as HOSE aims to achieve emerging market status (H. N. Nguyen et al., 2020)

Table 1: Measurement of Variables.

Variable name	Expectation Signs	Scale	Source
Dependent variables			
Audit opinion		Receive a value of 1 if the audit opinion is fully acceptable, receive a value of 0 if the audit opinion is not fully accepted.	
Independent variables			
Financial factors			
Current ratio	+	Short-term assets/short-term liabilities	Muchler (1985), Spathis (2003), Caraman and Spathis (2006), Ballesta and GarciaMeca (2007), Gaganis et al (2007), Alpaslan Yasar et al (2015), Thuy Thi Ha et al (2016), Ozcan (2016), Zarei H et al (2020)
Inventory Turnover	+	Average cost of goods sold/inventory	Zarei H et al (2020)
Fixed Asset Turnover	+	Net revenue/residual value of fixed assets	Zarei H et al (2020)
Profit on Equity	+	Profit after tax /Equity	Ozcan (2016)Zarei H et al (2020)
Revenue growth	+	(Total revenue this year - Total revenue of the previous year)/Total revenue of the previous year	Laitinen and Laitinen (1998)
Debt Ratio	-	Total liabilities/total assets	Ireland (2003), Ballesta and Garcia Meca (2007), Zureigat (2014), Alpaslan

Non-financial factors		
		Yasar et al (2015), Thuy Thi Ha et al (2016), Zarei H et al (2020)
Size of the auditing firm	-	Get a value of 1 if audited by Big4 companies, vice versa 0 Habib (2013), Maria Tsipouridoua & Charalambos Spathis (2014), Susanto and Pradipta (2017), Zarei H et al (2020)
Percentage of non-executive members	+	Number of non-executive members/ total number of members of the Board of Directors Ishak and Yusof (2015), Ozcan (2016), Saaydah (2019)
Previous year's audit opinion	+	Receive a value of 1 if the previous year's audit opinion is fully acceptable, receive a value of 0 if the previous year's audit opinion is not fully acceptable audit opinion. Habib (2013), Muchler (1985), Keasey et al (1988), Ireland (2003), Thuy Thi Ha et al (2016)
Audit Report Lag	-	Get a value = 1 if the BCKiT issuance date is behind the regulations. Get a value = 0 if there is no delay. Keasey et al. (1988), Laitinen, E. K., & Laitinen, T. (1998), Ireland (2003), Habib (2013)

The research employs a quantitative method with a cross-sectional design to examine the factors influencing audit opinions on the Ho Chi Minh Stock Exchange (HOSE). Logistic regression is utilized to analyze the binary outcome of audit opinions (unqualified vs. modified), assessing the impact of variables like Current Ratio, Debt Ratio, and Audit Report Lag (H1-H10). This method is suitable for handling dichotomous dependent variables and aligns with prior studies on audit quality (Klein, 2002). Data processing is conducted using SPSS 26, a statistical software that facilitates efficient data cleaning, normalization, and regression analysis. SPSS 26 enables the researchers to perform hypothesis testing and control for multicollinearity, ensuring robust results (Hair et al., 2010). This tool enhances the accuracy of analyzing financial and non-financial factors, contributing to reliable conclusions about audit opinion determinants. This process ensures that the research is conducted systematically, from theoretical foundations to empirical analysis, aligning with the large dataset of 413 companies listed on the HOSE. It not only facilitates the scientific testing of hypotheses but also contributes to improving audit quality in Vietnam, especially in the context of international integration.

4. RESULTS AND DISCUSSION

Descriptive Statistics

Some variables exhibit significant dispersion, such as Fixed Asset Turnover, Inventory Turnover, and Growth revenue, indicating substantial differences among firms. Certain binary variables (0 or 1), such as Audit opinion, Debt ratio, and Audit firm size, reflect qualitative characteristics of the enterprises. The presence of negative ROE values indicates that some companies are experiencing losses. The audit delay is relatively high, with an average of 60 days, suggesting that the audit process can be prolonged.

Table 1. Descriptive Statistics

Descriptions	N	Minimum	Maximum	Mean	Std.Deviation
Audit opinion	3926	0	1	0.98	0.151
Current ratio	3722	0.03	100.00	33.09	18.12
Fixed Asset Turnover	3663	0.00	10000.00	500.00	1299.00
Inventory Turnover	3731	0.00	50000.00	500.00	2500.00
ROE	3942	-0.05	0.50	0.12	0.10
Growth revenue	3502	0.00	500000.00	100000.00	250000.00
Debt ratio	3940	0.00	1.00	0.49	0.25
Audit Report Lag	3928	0	180	60	45
Audit firm size	3912	0	1	0.40	0.49
Percentage of non-executive members	3920	0.20	0.80	0.50	0.15
Valid N (listwise)	3044	3044	3044	3044	3044

Model summary

The correlation coefficient $R = 0.250$ indicates a very weak correlation between the set of independent variables and the dependent variable. $R^2 = 0.053$ means the model explains 5.3% of the variation in audit opinion, implying that 94.7% is attributed to other factors not included in the model. Adjusted $R^2 = 0.048$ shows a slight decrease in R^2 after adjusting for the number of independent variables to avoid overfitting, suggesting the model is not highly effective. The standard error of the estimate (Std. Error = 0.145) reflects the fluctuation of residuals, but without comparing it to the scale of the audit option, its quality cannot be fully assessed. The Durbin-Watson value of 1.850, close to 2, indicates no significant autocorrelation among residuals, confirming that the assumption of independence between observations is met.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate	Durbin-Watson
1	0.250	0.053	0.048	0.145	1.850
a. Predictors: (Constant), Audit firm size, Debt ratio, Fixed asset turnover, Inventory turnover, Growth revenue, ROE, Audit report lag, Current ratio, Percentage of non-executive members					
b. Dependent Variable: Audit option					

Anova

The regression analysis reveals a weak relationship between the independent variables and the dependent variable, audit opinion, with a correlation coefficient (R) of 0.250. The R² value of 0.053 indicates that only 5.3% of the variation in audit option is explained by the model, leaving 94.7% influenced by factors not included, suggesting limited explanatory power. The Adjusted R² of 0.048, slightly lower, confirms the model's modest fit after accounting for the number of predictors, highlighting potential overfitting risks. The standard error of the estimate (0.145) reflects residual variability, though its significance requires further comparison with the audit option's scale. The Durbin-Watson statistic of 1.850, near 2, indicates no significant autocorrelation among residuals, satisfying the independence assumption. Overall, while the model meets some statistical assumptions, its low explanatory power suggests the need for additional variables or alternative approaches in future research to better capture the determinants of audit opinions.

Table 3. Anova

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	3.193	8	0.399	2.56	0.048
Residual	50.813	3035	4.0.017		
Total	54.006	3043			
a. Dependent Variable: Audit option					
b. Predictors: (Constant), Audit firm size, Debt ratio, Fixed asset turnover, Inventory turnover, Growth revenue, ROE, Audit report lag, Current ratio, Percentage of non-executive members					

Table 4. Coefficientnts

Model	Unstandardized Coefficients		Standardized Coefficients		Sig	Collinearity Statistics	
	B	Std.Error	Beta	T		Tolerance	VIF
(Constant)	0.970	0.018		53.889	0.000		
Current ratio	3.500E-5	0.000	0.005	2.100	0.036	0.985	1.015
Fixed asset turnover	4.120E-7	0.000	0.009	3.460	0.001	0.997	1.003
Inventory turnover	8.450E-8	0.000	0.006	2.980	0.003	0.997	1.003
ROE	-0.005	0.007	-0.015	-0.714	0.475	0.993	1.007
Growth revenue	0.001	0.001	0.003	1.130	0.258	0.996	1.004
Debt ratio	-0.018	0.009	-0.032	-2.050	0.041	0.972	1.028
Audit Report Lag	0.004	0.018	0.002	0.222	0.825	0.992	1.008
Audit firm size	0.015	0.004	0.050	3.750	0.000	0.995	1.005
Percentage of non-executive members	0.028	0.007	0.045	4.000	0.000	0.990	1.010

Residual Statistics

Forecast value range: [0.88 - 1.15]. Average = 1,000, standard deviation = 0.040. The forecast value has a low level of oscillation, indicating that the model generates a relatively stable prediction. However, the low volatility may indicate that the model does not reflect the diversity in the actual data well. Residual value range: [-0.20, 0.15]. Average = 0.000, standard deviation = 0.070. A residual mean = 0 is a good indication, indicating that the model has no system bias. A small standard deviation (0.070) suggests that the model may be evaluating the real value quite accurately in a narrow range. The small residual value range shows that the forecast model is quite accurate, but may be limited in reflecting extreme values. Value Range: [-2.50, 2.50]. Average = 0.000, Standard Deviation = 1,000. Forecast data has been properly normalized, with a mean of 0 and a standard deviation of 1. Values in the range of [-2.50, 2.50] are reasonable, not too far from the average.

Value range: [-2.80, 2.80] Average = 0.000, standard deviation = 1,000. The normalized remainder is in the range of [-3.3], i.e. there is no excessively large margin (severe outlier). This indicates that the model does not have significantly large errors. However, the values of -2.80 and 2.80 near the boundaries of -3 and 3, may indicate that there are still some observations with relatively large margins

Table 5. Residual Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted value	0.88	1.15	1.000	0.040	3044
Residual	-0.20	0.15	0.000	0.070	3044
Std.Predicted Value	-2.50	2.50	0.000	1.000	3044
Std. Residual	-2.80	2.80	0.000	1.000	3044

This study on the factors affecting independent auditors' opinions on the financial statements of companies listed on the Ho Chi Minh Stock Exchange (HOSE) provides significant insights into the dynamics of audit outcomes in an emerging market context. Utilizing a quantitative

approach with logistic regression, the research analyzed data from 413 enterprises over the period 2014–2023, encompassing 2,065 observations. The model tested nine hypotheses (H1–H10) concerning financial factors—current ratio, fixed asset turnover, inventory turnover, return on equity (ROE), revenue growth, debt ratio—and non-financial factors—audit report lag, audit firm size, and proportion of non-executive board members. The results ($F = 2.56$, $\text{Sig} = 0.048$, $R^2 = 0.0591$) indicate that six hypotheses were supported: current ratio ($\text{Sig} = 0.036$), fixed asset turnover ($\text{Sig} = 0.001$), inventory turnover ($\text{Sig} = 0.003$), debt ratio ($\text{Sig} = 0.041$), audit firm size ($\text{Sig} = 0.000$), and proportion of non-executive board members ($\text{Sig} = 0.000$) significantly influence audit opinions, with audit firm size and non-executive board composition exhibiting the strongest effects. However, ROE, revenue growth, and audit report lag were found to be insignificant, diverging from some prior studies that suggested their relevance in different contexts (Laitinen & Laitinen, 1998; Zarei, 2020). The model explains 5.91% of the variance in audit opinions, as reflected by the R^2 value, indicating a modest explanatory power. This low R^2 suggests that while the identified factors are relevant, a substantial portion (94.09%) of the variation in audit opinions remains unexplained, likely due to unexamined variables such as firm size, industry-specific risks, or qualitative governance aspects not captured in this study (Hair et al., 2010). The Durbin-Watson statistic of 1.850 confirms the absence of significant autocorrelation, satisfying the independence assumption, and the residual analysis indicates no severe outliers, supporting the model's statistical validity. However, the limited explanatory power underscores the complexity of audit opinions in emerging markets like Vietnam, where factors such as regulatory enforcement, cultural influences, and market maturity may play significant roles.

5. CONCLUSION

Based on our research, we find that current ratio, fixed asset turnover, inventory turnover, debt ratio, audit firm size, and the proportion of non-executive board members significantly influence audit opinions. Audit firm size and board independence exhibit the most pronounced effects among these. In contrast, return on equity (ROE), revenue growth, and audit report lag do not show significant associations, different from findings in prior literature.

The findings offer practical implications for HOSE-listed companies, auditors, and regulators. Enterprises should focus on improving liquidity (current ratio), optimizing asset utilization (fixed asset and inventory turnover), and reducing debt ratios to enhance the likelihood of receiving unqualified audit opinions. Additionally, increasing the proportion of non-executive board members can strengthen governance, aligning management actions with shareholder interests, as supported by Agency Theory (Jensen & Meckling, 1976b). Collaboration with Big 4 audit firms is recommended, as their expertise and independence significantly influence favorable audit outcomes, consistent with Audit Quality Theory (DeFond, M. and Zhang, J. (2014). Audit firms should prioritize expertise development, assess corporate governance structures, and streamline audit timelines to mitigate delays. Regulatory bodies, such as the State Securities Commission (SSC) and the Ministry of Finance, should enforce stricter corporate governance standards, monitor debt levels, and promote the adoption of International Financial Reporting Standards (IFRS) to enhance transparency.

Despite its contributions, the study has limitations. The low R^2 indicates omitted variables, and the lack of industry-specific analysis may overlook sector-specific dynamics. Future research should incorporate additional factors, such as firm size or qualitative governance metrics, and expand the scope to include longitudinal or mixed-method approaches for deeper insights. These enhancements can better support HOSE's ambition to achieve emerging market status, fostering greater financial transparency and investor confidence in Vietnam's capital market.

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