Original Researcher Article

The Moderating Effect Of Stock Trading Volume On The Impact Of Accounting Information On Public Welfare

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ABSTRACT

Purpose – This study aims to examine how public welfare, proxied by the number of national strategic projects, can be influenced by accounting information, which is proxied by net income and audit opinion in financial statements. It investigates the effects of net income and audit opinions on the number of strategic projects, as well as the moderating role of stock trading volume in these relationships.

Research methodology – Using data from 75 companies listed on the Indonesia Stock Exchange (IDX) and national statistics on national strategic projects cases from 2019 to 2024, the study applies multiple regression and data panel regression, specifically the common effect model with estimated coefficient Driscoll-Kraay. The analysis is grounded in signaling theory.

Findings – The results show that during the pandemic, post-pandemic, and the new normal period of 2019–2024, audit opinion significantly increases strategic projects, which in turn means that public welfare also improves. Also, the interaction between audit opinion and stock trading volume has a significant negative impact on strategic projects. The interaction between net income and stock trading volume has no impact on the increase in the number of strategic projects. As described by signaling theory. Accounting information, as well as improved audit opinion, and financial statements when characterized by strong transparency and accountability, has the potential to play an important role in improving public welfare.

Research limitations – The study focuses only on Indonesian listed companies during the pandemic and post-pandemic until the new era period. Future research could be applied to other countries and longer time spans, and use other variables, namely GDP, Firm size, and Debt Ratio.

Practical implications – The results provide insights for regulators to strengthen accounting and auditing standards.

Originality/Value – This study uniquely identifies the accounting information in affecting public welfare, which is proxied by national strategic projects in Indonesia...

Keywords: Audit Opinion, Net Income, National Strategic Project, Stock Trading Volume, Panel Data Regression.

INTRODUCTION:

Welfare is a benchmark used to determine whether an individual or a community group is in a decent economic condition. Various factors influence public welfare, including the level of education, market price levels, and the availability of employment (Sultan et al., 2023).

In relation to employment availability, Scott and O'Brien (2020) state that public welfare can be proxied by the number of national strategic projects. This means that the greater the number of strategic projects, the more labor will be absorbed, which in turn will lead to an increase in people's welfare.

Did the global economic crisis during the 2019–2024 period affect public welfare, particularly in Indonesia? As we know, during 2019–2024 there were significant changes in the business world driven by various external factors, such as the COVID-19 pandemic, followed by the post-pandemic era, and the energy crisis in Europe resulting from the Russia–Ukraine conflict (Kilfoyle, 2023). These events triggered a global economic recession, which also affected Indonesia's economy.

This economic crisis had a direct impact on the financial performance of companies listed on the IDX. Do changes in corporate financial performance, as presented in accounting information, affect the broader economy and public welfare? This issue is highly interesting and warrants further research.

Signaling theory (Nagar & Sen, 2016; Scott & O'Brien, 2019) states that net income serves as the primary signal in financial statements. IFAC (2016) also affirms that net income reflects a company's main financial performance. Therefore, in this study, accounting information is proxied by net income, which is used as the independent variable,

with the research period focused on 2019–2024. Furthermore, considering users' perception that financial statements are more reliable when audited, audit opinion is also employed as an independent variable (IFAC, 2016).

According to Scott & O'Brien (2020), financial statements contribute to improving a country's public welfare. They state that high-quality managerial performance within a company produces credible financial statements because managers do not engage in shirking. Investors and the capital market respond positively to such financial reports (Kurniawati & Pamungkas, 2023; Baker & Wurgler, 2007).

Thus, higher net income, coupled with improved audit opinions, provides a positive signal to investors and the capital market. This positive sentiment increases stock trading volume and increases funds circulating in both private and government businesses. Businesses can expand by selecting profitable projects, potentially improving people's welfare. As stated by Florio & Pancotti (2022), conceptually, the number of development projects can be linked to people's welfare through the principles of development economics. In this study, the dependent variable is national strategic projects, and stock trading volume is used as a moderating variable.

The above explanation, when illustrated in schematic form, appears as follows.
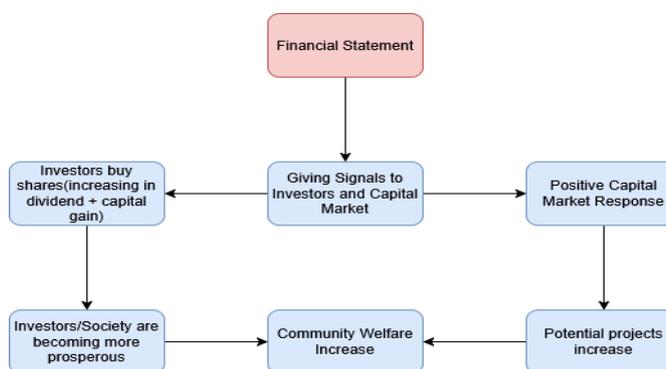

Figure 1 Scheme of the influence of financial reports on community welfare

Source: Scott & O'Brein, 2020

The view expressed by Scott & O'Brien (2020) serves as one of the motivations for conducting further research to examine more deeply the validity of the claim that financial statements can contribute to improving public welfare in Indonesia.

Previous studies, like research conducted in the United States indicates that net income has a significant effect on improving public welfare, as evidenced by an increase in U.S. GDP. When net income rises, GDP also increases (Konchitchki and Patatoukas, 2014). This also suggests that stock trading volume tends to increase, since higher net income influences investors to purchase shares (Beer et al., 2018; Da et al., 2018). In Zimbabwe, research by Chikwira and Mohammed (2023) likewise concludes that

stock trading volume has a positive effect on the country's GDP growth.

The number of national strategic projects can serve as an indicator of public welfare (Florio & Pancotti, 2022). In Indonesia, these projects are indeed intended to enhance public welfare. According to Presidential Regulation No. 66 (2020), infrastructure projects designated as national strategic projects are implemented by the government and established through Presidential Regulation, with the primary objective of improving public welfare and promoting economic growth. Arjawa and Senimantara (2022) further state that economic growth is represented by the economic welfare of society.

Various previous studies have shown inconsistent findings regarding the relationship between net income, audit opinion, stock price/stock trading volume, and GDP or public prosperity. Therefore, further research is needed to provide stronger empirical evidence. These inconsistencies can be seen in the following discussion.

This study is motivated by the argument that recent research has attempted to address research design problems that previously resulted in contradictory findings. For example, net income increases GDP, thereby enhancing prosperity (Konchitchki & Patatoukas, 2014).

However, other studies report different results, stating that net income does not affect stock prices, as found in the studies by Fatmawatie (2023) and Mareza et al. (2025). Research in Zimbabwe (Chikwira & Mohammed, 2023) indicates that stock trading volume has a positive effect on GDP growth, thereby increasing prosperity.

Studies on the audit opinion variable also show inconsistent conclusions. Research in Tunisia finds that audit opinion does not affect stock prices or stock returns (Salim, 2021) and therefore does not contribute to investor prosperity. In contrast, research in Vietnam concludes that audit opinion and audit firm reputation have a significant effect on stock prices (Thuy et al., 2025). Furthermore, Badlaoui et al. (2023) find that a modified audit opinion has a significant negative effect on stock prices, leading to a decline in stock trading volume..

This study adopts a novel approach by examining the opinion of Scott & O'Brien (2020), namely that a company's financial performance, as reflected in net income, affects public welfare, which is proxied by the number of national strategic projects.

At the same time, this study integrates two less-explored variables—audit opinion (IFAC, 2016) and stock trading volume—within the underrepresented context of the Indonesian business environment.

This study contributes to the financial accounting literature by enriching theoretical insights into community welfare as an outcome of changes in corporate financial performance in Indonesia, and by supporting the development of a more comprehensive analytical model.

From a practical perspective, the findings provide guidance for listed companies to maintain financial performance through improved reporting strategies, while also offering investors valuable information to support more informed decision-making.

1. Literature Review

Signaling Theory

Signaling theory (Spence, 1973; Brigham & Houston, 2011) explains how management's disclosure of growth prospects influences investors, with net income serving as a key performance signal (Ball & Brown, 1968; Scott & O'Brien, 2019). While net income conveys firm quality and supports transparency, it can also be manipulated through earnings management (Nagar & Sen, 2016; Scott & O'Brien, 2019).

1.2. Agency Theory

Agency theory (Jensen & Meckling, 1976; Scott & O'Brien, 2019) describes how shareholders delegate authority to managers, creating potential conflicts when managers pursue personal gains, such as inflating earnings. Agency theory supports examining net income and audit opinion to ensure unbiased financial reporting (Jensen & Meckling, 1976; Hoesada, 2020).

1.3. Stakeholder Theory

This theory states that all stakeholders have the right to obtain information about organizational activities that may affect them, whether they directly play a constructive role in the organization's survival (Puspita & Wahyudi, 2021).

From the company's perspective, firms seek to report their performance in managing the impacts arising from their business operations to stakeholders (Yulianti & Nugrahanti, 2020).

This theory supports further examination of net income and audit opinion as important factors that provide assurance that financial statements can be trusted by stakeholders.

National strategic Projects

The principles of development economics emphasize the accumulation of public investment as a driver of growth and the distribution of social benefits. This argument is rooted in welfare economics, where projects are considered inputs to maximize the social welfare function (Florio & Pancotti, 2022). Conceptually, the number of development projects can be linked to people's welfare through the principles of development economics.

2. Hypothesis Development

2.1. Relationship between Net Income and National Strategic Project

Konchitchki and Patatoukas (2014) conclude, net income serves as an indicator of increases in Gross Domestic Product (GDP). The higher the net income, the greater the dividends and capital gains investors expect, thereby improving their welfare (Kurniawati & Pamungkas, 2023). Similarly, Lamont and Frazzini (2007) find that stock prices increase around the time of net income announcements. Rising stock prices indicate an increase in stock trading volume. Hypothesis H_{a1} relates to signaling theory—that net income signals company performance. It also aligns with agency theory, which suggests published net income is credible. It also aligns with stakeholder theory, which suggests net income is a company performance indicator for stakeholders. It also aligns with Florio & Pancotti (2022) that the number of national strategic projects is related to people's welfare.

H_{A1}: Net income affects the national strategic project

2.2. Relationship between Opini Audit and National Strategic Project

Market reactions to audit opinions are not always consistent across countries or different markets. For example, research in Tunisia by Ghorbel (2012) and Salim (2021) shows that audit opinion does not affect stock prices or stock returns.

But in Vietnam, where research concludes that audit opinions and audit firm reputation have significant positive effects on stock prices (Thuy et al., 2025). Meanwhile, a study conducted in Oman concludes that a qualified opinion does not affect stock trading volume (Flees & Mouselli, 2021) and therefore does not contribute to improving investor welfare. Hypothesis H_{A2} relates to agency theory, which states that auditing financial statements can reduce conflict between principals and agents. It also relates to signaling theory, which states that an audit opinion obtained by a company is a positive signal for users. This also aligns with stakeholder theory, which states that an audit opinion can be an indicator of company performance for stakeholders.

H_{A2}: Audit opinion influences the national strategic project

2.3. The moderating effect of stocks trading volume on the relationship between Net Income and National Strategic Project

The interaction of stocks selling volume which is considered to increase positive investor sentiment with net income, which is considered to company performance, is thought to increase national strategic project.

H_{A3}: stocks trading volume strengthens the influence of net income on national strategic

    project

2.4. The moderating effect of stock trading volume on the relationship between audit opinion and National Strategic Project

The interaction of stocks selling volume which is considered to increasing positive investor sentiment with audit opinion, which is considered to fairly stated financial statements, is thought to increase national strategic project.

H_{A4}: stock trading volume strengthens the influence of audit opinion on national strategic

    project

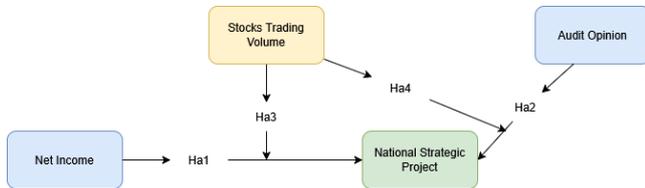The comprehensive research model of this study is presented in Figure 2 as follows.

Figure 2. Research Model

Source: Author, 2025

3. Methodology

This study uses a quantitative method (Duli, 2019). The study uses numbers and statistics to collect, analyze, and interpret data. The objective is to explain, improve understanding, or explore new aspects of the variables that influence the hypothesis being tested (Sekaran & Bougie, 2020).

Primary data were collected through expert discussions. Of the 825 companies listed on the IDX, the criteria are companies that have annual reports for 2019-2024, have not been delisted from the IDX, and do not have negative profits. Using purposive sampling, 75 IDX-listed companies across 11 sectors and 33 subsectors with audited financial statements from 2019–2024 were selected, yielding 440 observations over the four-year period.

The measurement of variables is presented in Table 1 as follows.

Table 1

Operationalization of Variables

Variable	Definition	Scale	Indicator
Net Income *(independent variable)*	The net income represents the company's performance (Scott & O'Brain, 2020; Manurung et al., 2019; OJK, 2017).	Ratio	The natural logarithm value of net income is listed in the company's income statement
Audit Opinion *(independent variable)*	Audit opinion indicates whether financial statements contain material misstatements resulting from fraud (UU RI, 1999).		The weight of the opinion type is multiplied by the ranking weight of the public accounting firm (Janan,2023; Manurung et al.,2025).
Stocks selling volume *(moderating variable)*	The company's stock selling volume per year. (at investing.com; https://www.investing.com/equities/bumi-resources).	Ratio	Total stock selling volume each year from investing.com
National welfare (dependent variable)	As Scott & O'Brein (2020) say increasing in net income will increase stocks prices then will increase national strategic project as the proxy of national welfare.	Ratio	The total of national strategic projects per year (Data Indonesia)

Source: processed by researchers

*Notes:

The audit opinion indicator is calculated by multiplying the weight of the opinion type by the ranking of the public accounting firm. Audit opinion weight: unqualified = 4, qualified = 3, disclaimer = 2, adverse opinion = 1. Then, multiplied by the weight of the ranking of the public accounting firm that audited it, Deloitte Indonesia = 11, EY Indonesia = 10, PWC Indonesia = 9, KPMG Indonesia = 8, BDO Indonesia = 7, RSM Indonesia = 6, Grant Thornton LLP = 5, Crowe Indonesia = 4, Mazars Indonesia = 3, KAP Anwar & Rekan = 2; other KAPs outside of 10 are weighted by = 1 (Janan, 2023).

The Regression of Data Panel

Panel Data Regression Equation

The multiple panel data regression equation is formulated as follows:

Equation: The effect of Net Income and Audit Opinion, moderated by the Stock Trading Volume variable, on National Strategic Projects.

$$NSP_{it} = \alpha + \beta_1 LogNI_{it} + \beta_2 Opin_{it} + \beta_3 logNI_{it} * STV + \beta_4 logOpin_{it} * STV + \varepsilon$$

NSP project   = National strategic project

α   = Constanta

β   = Regression coefficient independent variable

LogNI   = Log Net income

Opin   = Opini audit

$\text{LogNI}_{it}*\text{STV}$ = Log Net income x stocks trading volume

LogOpinit*STV = Log Opini audit x stocks trading volume

ε = *Error term*

i = company

t = year/ time

Panel data regression analysis can be conducted using the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) approaches.

To determine the most appropriate model, the Chow test, Hausman test, and Lagrange Multiplier (LM) test are performed.

The Chow test is used to determine the best model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM).

The hypotheses of the Chow test are as follows:

H_0: The regression model is the Common Effect Model.
H_1: The regression model is the Fixed Effect Model.

The Hausman test is a statistical test used to determine whether *the Fixed Effect Model or the Random Effect Model* is more appropriate for use

H_0: The regression model is the Random Effect Model.

H_1: The regression model is the Fixed Effect Model

The Lagrange Multiplier (LM) test is used to determine whether the Random Effect Model or the Common Effect Model is more appropriate.

H_0: The regression model is the Random Effect Model.

H_1: The regression model is the Common Effect Model.

Multiple Linear Regression

The second data analysis model used in this study is multiple linear regression. Multiple linear regression is intended to examine the effect of independent variables on the dependent variable (Ghozali, 2018; Sekaran & Bougie, 2019).

This method is selected because it can explain whether there is a significant effect of net income, audit opinion, and stock trading volume on national strategic projects.

The following is the multiple linear regression equation used in this study:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 NI * SSV + \beta_4 Opin + e$$

Y = National strategic projects

α = Constant

β_1 = Coefficient Multiple Regression

β_2 = Coefficient multiple Regression

X_1 = Net income; NI*STV = Net income x stocks trading volume

X_2 = Audit opinion; Opin*STV = Audit opinion x stocks trading volume

e = Error

4. Result

Result of Partial test

The panel data regression analysis is conducted through the following stages:

CEM. The Common Effect Model is the most basic estimation method in panel data regression, as it applies to the ordinary least squares (OLS) principle. This study shows Prob>F =0.6401, meaning H_0 was accepted.

FEM. The Fixed Effect Model is an approach that assumes the intercept and slope (β) of the regression equation are constant across cross-sectional units and overtime-series units. The most used estimation technique for this approach is the Least Square Dummy Variables (LSDV) method. Prob>F = 1.0000, meaning H_0 was accepted.

REM. The Random Effect Model arises from variations in the value and direction of relationships across subjects, which are assumed to be random and specified in the form of residuals. The REM is estimated using the Generalized Least Squares (GLS) method. In this study, Prob>F = 1.0000 was obtained, meaning H_0 was accepted. Therefore, it was continued with Chow, Hausman, and LM tests.

The Chow, Hausman, and Lagrange Multiplier (LM) tests are conducted to determine the most appropriate model among the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) for panel estimation. In this study, the Chow test results indicate that the CEM is the best model, with Prob > F = 1.0000, which is greater than α (0.05). The Hausman test results suggest that the REM is the preferred model, with Prob > chi² = 0.1229. Meanwhile, the LM test result shows Prob > chibar² = 1.0000, which is greater than α (0.05), indicating that the accepted model is CEM. Based on the results of these three tests, the conclusion is that the Common Effect Model (CEM) is the most appropriate model for this study.

Classical assumption tests are conducted prior to performing the regression analysis.

The normality test is conducted to test $H_1: \varepsilon_i \nsim N(0, \sigma^2)$. The results indicate that the residuals are not perfectly normally distributed, as the p-value for skewness is 0.0000 and the p-value for kurtosis is 0.0000, both of which are below $\alpha = 0.05$. The joint test yields an Adjusted $chi^2(2) = 47.01$ with a p-value of 0.0000, confirming non-normality. The multicollinearity test concludes that there is no multicollinearity problem, as the VIF values for all variables are below 10. The autocorrelation test is conducted using the Wooldridge test. The results indicate the presence of autocorrelation because the significance value (p-value) is less than $\alpha = 0.05$. The heteroskedasticity test using the Breusch–Pagan test shows that there is no heteroskedasticity problem, as the value of Prob > $chi^2 = 0.7797$.

The Common Effect Model (CEM) is selected as the best model, specifically in its robust form. In this study, the CEM regression with Driscoll–Kraay robust standard errors is employed to analyze the panel data, as this method can address the autocorrelation problem.

The implementation of CEM is combined with the estimation of the Driscoll-Kraay standard error to analyze the relationship between variables that is consistent and reliable in panel data conditions with large time dimensions, while also overcoming the problems of heteroscedasticity, autocorrelation, and cross-correlation (cross-sectional dependence) Marhazni (2016). The results of the data analysis are as follows:

Table 2

Xtscc y_project_strategic Ln_NetIncome OpiniAudit modX1_z modX2_z

Regression with Driscoll-Kraay standard Errors

Number of obs	= 440
Number of groups	= 75
F (4, 5)	= 16.79
Prob > F	= 0.0042
R-squared	= 0.0058
Root MSE	= 75.6337

Drisc/Kraay

Y_projec_s-s	Coefficient	Std. errs.	t	P>|t|	[95% conf.]	[interval]
x1_netincome-e	-3.943837	5.277556	-0.75	0.489	-17.51023	9.622553
x2_OpiniAudit-a	1.285627	.269125	4.78	0.005	.5938188	1.977434
mod_x1_z	.6850911	.3322715	2.06	0.094	-.16904	1.539222
mod_x2_z	-.1549041	.026895	-5.89	0.002	-.2224835	-.0873246
_cons	81.24504	40.77406	1.99	0.103	-23.56802	186.0581

Source: Stata processed.

Y = 81.2450 – 3.9438 NI + 1.2856 Opin +0.6850 NI*STV – 0.1549 Opin*STV

     (0.103)   (0.489)   (0.005)   (0.094) (0.002)

The R-squared value is 0.0058. This indicates that the independent variables—Net Income, Audit Opinion, the interaction between Net Income and stock trading volume, and the interaction between Audit Opinion and stock trading volume—simultaneously explain only about 0.58% of the variation in the Number of National Strategic Projects. The remaining 99.42% is influenced by other variables that were not examined in this study.

The F-test results show an $F(4, 5) = 16.79$ with Prob > F = 0.0042. Since the probability value is smaller than $\alpha = 0.05$, H_0 is rejected. This means that, simultaneously, the four independent variables have a significant effect on the Number of National Strategic Projects, or on the improvement of public welfare in Indonesia.

Partial Hypothesis Significance Test (t-test)

Net Income has a significant value of $0.489 > \alpha\ 0.05$ with negative direction. This means that an increase in Net Income is not proven to have a significant effect on the Number of National Strategic Projects and therefore does not directly improve public welfare. This finding supports the conclusions of Fatmawatie (2023) and Mareza et al. (2025), which state that net income does not affect stock

prices, and consequently does not enhance investor welfare.

In contrast, Audit Opinion has a p-value of 0.005, indicating a significant effect. This means that better audit opinions are proven to significantly increase the number of national strategic projects.

The interaction between stock trading volume and Net Income is not also found to have a significant effect in increasing the number of national strategic projects, with a significance value of $0.094 > \alpha$ 5%. The interaction between stock trading volume and Audit Opinion has a significant negative effect on national strategic projects, with a significant value of $0.002 < \alpha$ 0.05. In other words, the stock trading volume variable plays a moderating role in strengthening the influence on the number of national strategic projects. As a result, investor prosperity may increase, more labor can be absorbed, and ultimately public welfare improves.

This is evident in the Indonesian context, where economic growth ranged from 3.69% to 5.02% (PWC-Indonesia, 2024). Therefore, it can be concluded that will lead to higher stock trading volume, which ultimately increases the number of national strategic projects and, in turn, potentially enhances public welfare. This finding is consistent with research in Vietnam concludes that audit opinion and audit firm reputation have a significant effect on stock prices (Thuy et al., 2025)

5. Discussion

The next stage is to conduct a robustness test to verify whether the results of the panel data regression can be considered reliable. For this purpose, the data are re-estimated using an alternative method, namely multiple linear regression (Allison, 1977). The results of the robustness test using this alternative method—multiple linear regression—are presented as follows:

Table 3

The result of the variables Net income, Audit opinion, NI*Stv, Opinaud*Stv Process on the National strategic project

Variables	Coefficient	Sign. Value	Conclusion α 0.05	
LnNI	0.369	1.672	H_{A1}: Rejected	+
OpinAud	3.767	4.000	H_{A2}: Rejected	+
LogNI*Stv	0.0943	0.090	H_{A3}: Rejected	+
Opinaud*Stv	-247	0.245	H_{A4}: Rejected	-
Constanta	53.20**	26.20	not significant	+

Sources: Data processed by Stata

Notes: Observations: 440; R-squared: 0.007.

  LogNI   : log net income

  Opinaud : audit opinion

  logNI*STV : Interaction between log net income and log stocks trading volume

  Opinaud*STV: Interaction between audit opinion and log stocks trading volume

Using α 0.05, the data processing results show that no independent variables have a significant effect on the number of National Strategic Projects. In other words, stock trading volume as a moderating variable does not strengthen the influence of net income and audit opinion on national strategic projects. This conclusion is not consistent with the previous findings obtained using the Common Effect Model (CEM) regression with Driscoll–Kraay standard errors. It is also not aligned with Scott & O'Brien's (2020) theory, which states that net income influences strategic projects.

The net income variable apparently does not affect the number of strategic projects, either based on panel data processing or multiplier regression. From an accounting perspective, net income may not affect stock prices, because Users may consider net income uncredible, perhaps because management is hiding bad news so it isn't reflected in net income (Scott & O'Brein, 2020). This finding aligns with Fatmawati's research (2023) and Mareza et al., (2025) stating that net income does not affect stocks price.

Audit opinion aspects. Generally, before conducting an audit, auditors first assess the company's internal controls. The better the internal controls, the lower the likelihood of fraud within the company. This indicates that the company's financial statements are credible and free from misstatements due to fraud or corruption (UU, 2011), thus resulting in the company receiving the best possible opinion, namely an unqualified opinion. As concluded by Hikam et al. (2020) that audit opinions reduce fraud and corruption through improved governance and internal control. Also, research in Vietnam concludes that audit opinion and audit firm reputation have a significant effect on stock prices (Thuy et al., 2025).

The interaction between net income and stock trading volume apparently has no effect in strengthening the influence of net income on strategic projects in Indonesia. Increased net income is not lead to increased investor confidence. This also not encourages increased funding in both private and government businesses. This finding is not support Scott & O'Brein, (2020), also Chikwira & Mohammed, 2023, which indicates that increasing in net

income will increase stock trading volume has a positive effect on GDP growth, thereby increasing prosperity.

The interaction between audit opinion and stock trading volume has a significant negative effect on the number of strategic projects. This can occur when the auditor assesses a client's internal controls, where there is a possibility of undetected collusion within the company. Therefore, the audit opinion does not necessarily reflect that the financial statements are free from material misstatements. Tehupuring (2018) argues that even an unqualified opinion does not guarantee freedom from fraud and corruption, as audits focus on the fairness of financial statements rather than illicit activities. Malau et al. (2018) also concluded a strong association between audit opinion and fraud in the Solomon Islands, especially with disclaimer opinions.

Implications of the Research Findings

International Impact. Different countries experienced varying levels of economic growth during the 2019–2024 period. Countries with economic growth rates comparable to Indonesia's—approximately 3.69%–5.02% (PWC-Indonesia, 2024)—include Brunei Darussalam, the United States, Vietnam, Cambodia, Thailand, and Malaysia (Uly & Pratama, 2023). These countries, particularly those in the ASEAN region with relatively similar institutional and cultural characteristics—may benchmark the findings of this study according to their respective national contexts. The key lesson from this research that may be relevant internationally is that:

Credible net income,

Audit opinion quality,

The interaction between audit opinion and stock trading volume, and

The interaction between net income and stock trading volume significantly will influence improvements in public welfare.

This suggests that strengthening financial reporting credibility and capital market mechanisms can serve as an important channel that will link corporate financial performance to broader economic welfare. For ASEAN countries, where capital markets are developing and institutional trust is crucial, enhancing audit quality and market transparency may contribute not only to investor confidence but also to national economic development and public prosperity (Catalano et al., 2013).

Conclusion

The study demonstrates how accounting information, as presented in financial statements, has the potential to increase public welfare. Net income, when considered individually, does not significantly affect public welfare; in other words, an increase in net income is not proven to influence the number of national strategic projects, and therefore does not directly improve investor or public welfare. In contrast, audit opinions indicating a significant effect. This means that higher-quality audit opinions are proven to positively influence the number of national strategic projects. The interaction between stock trading volume and net income has not a significant effect on increasing the number of strategic projects. And, the interaction between stock trading volume and audit opinion has a negative significant effect on national strategic projects. In other words, stock trading volume acts as a moderating variable that strengthens the impact of audit opinion on the number of national strategic projects. As a result, because of audit opinions indicating a significant effect, investor prosperity increases, more labor is absorbed and has the potential to increase public welfare.

Countries with economic growth rates comparable to Indonesia's—approximately 3.69%–5.02% —include Brunei Darussalam, the United States, Vietnam, Cambodia, Thailand, and Malaysia. These countries, particularly those in the ASEAN region with relatively similar institutional and cultural characteristics—may benchmark the findings of this study according to their respective national contexts.

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