

*Proceedings of The 1st Jakarta Economic Sustainable International Conference
Agenda (JESICA)*

**ANALYSIS OF THE INFLUENCE OF AUDIT QUALITY, PREVIOUS
YEAR AUDIT OPINION, AND PROFITABILITY ON ACCEPTANCE
OF GOING CONCERN AUDIT OPINION**

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ABSTRACT

In early 2020, the world was shocked by the emergence of the SARS-Cov-19 virus, also known as Covid-19. Indonesia is one of the countries affected by the virus. With it, many aspects of life are hampered. From an economic perspective, many companies suffered heavy losses, some even went bankrupt or closed their businesses. This study aims to examine and analyze the effect of audit quality, previous year's audit opinion and profitability on going concern audit opinion acceptance. This study uses secondary data, property and real estate, manufacturing and financial sector companies listed on the Indonesia Stock Exchange with an observation year of 2020 during the Covid-19 pandemic. The population in this study were 229 companies. The sampling technique used was purposive sampling with a total sample of 77 companies. The measurement of the dependent variable is going concern audit opinion using a dummy variable, the independent variable is audit quality using a dummy variable, the previous year's audit opinion using a dummy variable, and profitability being measured using ROA. The results showed that audit quality and profitability had no effect on the acceptance of going-concern audit opinion, while previous year's audit opinion had a positive influence on the acceptance of going-concern audit opinion.

Keywords: *Audit opinion, going concern, audit quality, profitability*

INTRODUCTION

In early 2020 the world was shocked by the emergence of the SARS-Cov-2 virus, also known as Covid-19. The virus originated in China in 2019 and has continuously spread to all parts of the world. During the Covid-19 pandemic in early 2020, Indonesia was one of the countries affected by the virus. To limit the spread of the Covid-19 virus in Indonesia, the Indonesian government responded with a policy of limiting activities outside the home on a national scale. With it, many aspects of life become hampered. Political, social, cultural, and economic aspects are hampered by the pace of movement which has an impact on state losses. In addition, from an economic point of view, many companies suffered heavy losses, some even went bankrupt or closed their businesses. So in the future, it is necessary to ask questions regarding the survival of the company in the event of a pandemic that has an impact on the condition of national companies.

Going concern is the survival of an organization or a legal entity and is contained in part of the company's annual financial reporting information. Generally, if a company's financial statements show an opinion on business viability, it means that the company is able to survive for a certain period of time. On the other hand, when a company's annual financial report does not have a survival opinion, it means that the company is not in trouble. Going concern can be called sustainability in accounting assumptions which means that a business forecast can continue for a certain period of time. The assumption of going concern is that a business entity is considered capable of continuing or maintaining its business in a long period of time and not going bankrupt or going into liquidation in a short period of time. al., (2003).

The results of the examination of financial reports (audit opinions) are considered as a liaison between stakeholders and company management. because only financial reports without examination cannot accurately reflect the condition of the company. In fact, companies really need an audit of financial statements to gain public trust, because the laws and regulations (article 68 paragraph 1 of Law No. 40 of 2007) state that the obligation to submit financial reports to external supervisors (public accountants) is justified with the assumption that trust society should not be disappointed. The results of the audit report from an examination of the financial statements are in the form of an opinion which will later be used as a basis for connecting the company with the public. The types of audit opinions according to SA 700 IAPI, (2013). unmodified opinion, namely unqualified opinion, SA 705 IAPI, (2013) opinion with modifications, namely: a) qualified opinion, b) unqualified opinion, c) disclaimer of opinion.

Going concern audit opinion is an opinion given by the auditor on the certainty that the company will maintain its viability (SPAP, 2001). The going concern audit opinion is given by the auditor for doubts from the results of the financial statement examination related to the company's viability, which means that the going concern audit opinion is a modified audit opinion. Interested external parties feel that a going concern audit opinion is needed in order to be able to predict the viability of the company with the aim of an action from the interested parties. So the auditor hereby must be responsible for providing a going concern audit opinion, because the audit opinion will influence the decisions of the parties using the financial statements. Financial statements that receive going concern information or statements (opinions) are usually more trustworthy by users of financial statements, because such information can increase confidence and trust in the fairness of financial statements.

The term going concern can be interpreted in two ways, the first concern in terms of concepts and the second concern in terms of audit opinion. Conceptually, going concern can be used as the strength of a business entity to maintain its business continuity for a long time. However, in terms of the corporate audit opinion that received a going concern opinion, it was proven that the reviewer had doubts about the capability of the corporation to continue its business in the coming period, Syahputra & Yahya, (2017).

LITERATURE REVIEW

Going Concern Audit Opinion

(Institut Akuntan Publik Indonesia, 2012) SA No. 570, the auditor's consideration of the entity's capability to maintain its existence. Continuous attention is one of the most important concepts on which financial reporting is based. Namely, the main responsibility of the director in assessing the appropriateness of the preparation of financial statements by

relying on a sustainable concern policy and the responsibility of the auditor in convincing himself that the basis for sustainable business use is appropriate and accurately stated in the financial statement.

A going concern audit opinion is a modified audit opinion in which the auditor has considered significant uncertainties or incompetence about ongoing corporate matters in carrying out its operations. The audit opinion given by the auditor to check whether there is any doubt regarding the entity's capability to survive is known as a going concern audit opinion (SPAP SA 341, 2011). SA Section 508 paragraph 11 letter c (IAPI, 2011) states that there is considerable doubt about the viability of the company. So if there is too much doubt about the company's capability to survive, the auditor can release a going concern audit opinion on these concerns.

Audit Quality

Audit quality is the accountant's contribution in detecting and notifying irregularities or fraud that occurs in the client company. Detecting fraud requires experience, knowledge, professionalism, and the company's audit structure. but it also depends on the independence of an accountant.

In the research tested, Sarada Putra et al., (2021) & Mahdi, (2017) tested whether there was an effect on audit quality on the acceptance of the survival audit opinion. The results of his research conclude that audit quality has a significant relationship to the acceptance of the survival audit opinion. Based on these results, the formulation of hypotheses can be made, namely:

H₁: Audit Quality Has a Positive Effect on Accepting Going Concern Audit Opinions

Previous Year's Audit Opinion

Last year's audit opinion is the audit opinion obtained by a business entity in the past year or one year prior to the research year. Business entities that have received a going concern audit opinion in the last year are assumed to have problems maintaining the viability of their business, thus enabling the auditor to return to provide a business continuity audit opinion in the current period (Syahputra & Yahya, 2017). The going concern audit opinion in the previous period is a factor in the auditor's consideration in re-releasing the going concern audit opinion in the next period

In research tested by Astari, Putu Wasita & Latrini, (2018), Hati & Rosini, (2017) & Santosa, Arga Fajar, & Wedari, (2007). test whether there is an effect on the audit opinion last year on the going concern audit opinion. The results of his research stated that the previous year's audit opinion had an influence on the going concern audit opinion. On the basis of these impacts, the formulation of hypotheses can be made, namely:

H₂ : Previous Year's Audit Opinion Positively Affects Going Concern Audit Opinion

Profitability

Profitability is the ratio in evaluating the capability of a company when pursuing profit. Profitability ratios can provide a measure of the effectiveness of management in business entities. This can be seen through the profits obtained by the company from sales activities and investment income. The use of this ratio shows the efficiency of the corporation. Profitability is the ability of the company to generate profits from its own capital, total assets and sales. Therefore, long-term investors often use this ratio for the benefit of profitability analysis.

In research conducted by Arma, (2013) & W. M. Putra & Purnamawati, (2021) stated that the profitability variable has a negative influence on the acceptance of the business

continuity audit opinion. Based on these results, it is possible to formulate a hypothesis, namely:

H₃ : Profitability has a negative effect on going concern audit opinion

RESEARCH METHODS

In this study, the population used are all property and real estate, manufacturing, and financial sector corporations listed on the Indonesia Stock Exchange during the 2020 observation period during the Covid-19 pandemic. The selection method or sample selection uses purposive sampling. In this study, the data used are quantitative secondary data types. The sources of data in this study were obtained from documentation and observation of financial reports after being audited with the object of research, namely property and real estate, manufacturing, and financial companies listed on the Indonesia Stock Exchange (IDX).

The dependent variable used in this research is the Going Concern Audit Opinion. This variable is measured using a dummy scale, the measurement is measured using the code: 1 = if the corporation gets a going-concern audit opinion and 0 = if the company does not get a non-going-concern audit opinion. While the independent variable audit quality is measured by a dummy variable with a code of 1 = Using Big Four KAP and 0 = Not Using Big Four KAP. For the previous year's audit opinion using a dummy variable with a code of 1 = financial statements that received a going concern audit opinion in the previous year and 0 = financial statements that did not receive a going concern audit opinion in the previous year. The profitability variable uses financial ratios by comparing net income with total assets.

RESULTS AND DISCUSSION

Table 1 Overall Test Model
Iteration History^{a,b,c}

	<i>-2log likelihood</i>
<i>-2log likelihood (Block Number =0)</i>	69,920
<i>-2log likelihood (Block Number =1)</i>	39,206

Source: IBM SPSS 25 output results, 2021

Table 1 shows -2log probability beginning of 69,920. When compared with the chi square table with DF = N-1 = 76, the chi square table with a probability of 0.05 is 97.35097. With that, it can be seen that -2log probability of 69,920 < chi square of 97,35097. These results indicate that the model before the inclusion of the independent variable is declared Fit. In addition, there is a decrease in the value of -2log likelihood entry with beginning which can mean that the second model is getting better after the independent variables are included or can be called model fit.

Table 2 Hypothesis Test
Variables in the Equation

Variabel	B	Wald	Sig.
Kualitas Audit	-1,373	0,861	0,353

Opini Audit Tahun Sebelumnya	4,498	13,263	0,000
Profitabilitas	-2,326	1,469	0,226
<i>Constant</i>		-2,570	

Source: IBM SPSS 25 output results, 2021

In the first hypothesis (**H₁**) which is tested in this study, audit quality has a positive influence on the acceptance of going concern audit opinions. The test results show that audit quality has an error rate (p-value) of $0.353 > 0.05$. The test results mean that H1 is rejected, with that audit quality variable has no effect on the acceptance of going concern audit opinions.

The quality of audit services provided by public accounting firms to clients is basically the same, namely they both examine the financial statements objectively, both large-scale KAPs (Big 4) and small-scale KAPs. If the auditor has doubts about the client's financial statements, the auditor will issue a going concern opinion on the client's financial statements, with the aim of being in the public interest. Basically, the auditor is an independent party on the engagement between the agent and the principal. Therefore, the auditor is expected to be able to carry out examinations in accordance with appropriate audit procedures and adhere to professional ethics. Based on the test results, it is known that audit quality has no influence on the acceptance of business continuity audit opinions, this proves that corporations that use audit services by Big 4 Public Accounting Firms do not necessarily get business continuity audit opinions outside of worsening or developing company conditions in 2020. In fact, in 2020, corporations that get a going concern audit opinion are mostly given by non-Big 4 auditors. It is clear that the task of an auditor is to examine the client's financial statements objectively and be independent regardless of the status of the public accounting firm that employs them.

In the second hypothesis (**H₂**) which is tested in this study, the previous year's audit opinion has a positive significant effect on the acceptance of going-concern audit opinion. The test results show that the previous year's audit opinion had an error rate (p-value) of $0.000 < 0.05$. From the test results, it can be concluded that H2 is accepted, meaning that the previous year's audit opinion variable has a significant positive effect on the going concern audit opinion acceptance. Variable.

The previous year's audit opinion was a factor in the auditor giving a going concern audit opinion, because there must be a reason why the previous auditor gave a going concern audit opinion. In addition, if the company has received a going concern audit opinion in the previous year, it is difficult to stabilize the company's condition into a normal state, because when the company receives a going concern audit opinion, the company may experience difficulties for the next period in operational activities or funding from outside parties (investors).). Based on the test results in this study, it is known that the audit opinion of the previous period has a significant positive effect on the acceptance of the going concern audit opinion, this proves that the audit opinion of the previous period is an auditor's consideration in providing a business continuity audit opinion in 2020. Supported by the results of the study In this case, the majority of corporations that received a going concern audit opinion received a business continuity audit opinion in the previous period. If in the previous year the corporation did not get a business continuity audit opinion and received that opinion in 2020, then there are other factors that affect the condition of the corporation, namely the impact of Covid-19, supported by data that received 9 audit opinions from the previous period and those who received audit opinions. going concern in 2020 as many as 13 corporations. With this, there will be an increase in

business continuity audit opinions in 2020 in the property & real estate, manufacturing, and finance sectors by 4 corporations.

The third hypothesis (H₃) tested in this study is that profitability has a negative effect on the acceptance of going concern audit opinions. The test results show that profitability has an error rate (p-value) of $0.226 > 0.05$. Based on these results, it can be concluded that H₃ is rejected, in other words, the profitability variable has no effect on the going concern audit opinion acceptance.

The acquisition data in this study were selected by purposive sampling with the criteria of corporations experiencing losses as the sample. Based on the results of this study, it is known that profitability has no effect on the acceptance of the business continuity audit opinion. So hereby proves that the level of profitability is not one of the auditor's considerations in providing a business continuity audit opinion. Based on the acquisition data, the total number of corporations that received a business continuity audit opinion in this study were 13, the majority suffered losses below 10%, with a total of 8 corporations. Meanwhile, 5 corporations that received a business continuity audit opinion experienced losses of more than 10%. With this it is clear that profitability is not the only material for the auditor's consideration in providing a going concern audit opinion. In addition, when viewed from the frequency of corporations that experience losses above 10% as much as $17 - 5$ (corporations that receive a business continuity audit opinion) = 12 (corporations that do not receive a business continuity audit opinion with losses of more than 10%) out of 77 samples. It is clear that corporate losses in 2020 are beyond the company's control due to the impact of Covid-19 and the Indonesian government's policies regarding restrictions on activities outside the home.

CONCLUSION

This study aims to examine and analyze the effect of audit quality, previous year's audit opinion, and profitability on the acceptance of the going concern audit opinion. From the results of testing the data, it can be concluded that the results of the study show that audit quality has no effect on the acceptance of going-concern audit opinions. The results of this study indicate that the previous year's audit opinion has a positive effect on the acceptance of going concern audit opinions. The results of this study indicate that profitability has no effect on the acceptance of the business continuity audit opinion.

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