THE IMPACT OF LIQUIDITY RATIO, LEVERAGE RATIO, COMPANY SIZE AND AUDIT QUALITY ON GOING CONCERN AUDIT OPINION

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Abstract

The main purpose of this study to analyze liquidity ratio, leverage ratio, company size, and audit quality ongoing concern opinion. The logistic regression analysis model is used to identify the effect of independent variables on the dependent variable. The sample is taken from the manufacturing company listed on the Indonesia Stock Exchange. The data covers a period of three years, from 2015 to 2017. The results of this study leverage and audit quality variables have a significant positive effect ongoing concern audit opinion, while other variables such as liquidity proxied by the current ratio, leverage proxied by the debt to equity ratio and company size are insignificant ongoing concern audit opinion.

Keywords: Audit quality, firm size, going concern opinion, leverage, Liquidity, and logit model.

Submission date : 2019-07-11 Acceptance date : 2019-08-14

INTRODUCTION

Going concern is very related to the performance of an entity because the performance determines the company can continue to operate or not in the future, especially financial performance. Information about financial performance is summarized and stated in financial statements. A financial report is a structured presentation of financial position and performance of corporate (IAI, 2013). According to Government Regulation No. 24 year 1998 amended into Government Regulation No. 64 of 1999 concerning the Company's Annual Financial Information states in Article 2 that "(1) All companies are required to submit Annual Financial Reports to the Minister. (2) The Annual Financial Report as referred to in paragraph (1) is a public document that can be known by the public ". All companies
must submit a financial report, and the report is necessarily audited by a public accountant (external auditor).

O’Reilly (2009) states that going concern opinion will be useful for users of financial statements, especially investors, as bad news about the survival of the company. Managers are responsible for a company’s going concern, that bear also borne by the auditor. The auditor’s responsibility to disclose the business sustainability of an entity through an audit report. Besides, that, auditors are responsible for assessing whether there is a large doubt about the ability of the business unit to maintain its survival in a reasonable time. The auditor is also responsible for obtaining sufficient and appropriate audit evidence about the accuracy of the use of business continuity assumptions by management in preparing and presenting financial statements, and for concluding whether there is a material uncertainty about the entity's ability to sustain it business (IAPI, 2012). In giving a going concern audit opinion, auditors can see from internal and external aspects in the form of audit quality, company's financial condition, and size of the company.

According to (Fahmi, 2015) on a study of 228 bankrupt public companies, 96 of them received unqualified audit opinions before going down. Biggest bankruptcy scandal Enron on 2002 became a phenomenal case in the business world, starting from an overstatement of net income turn out into manipulation of corporate financial documents which recorded 100 billion USD in profit the previous year. Arthur Andersen (used to professional audit, tax, and advisory services) took part in the scandal. Unethical and unprofessional actions fail to predict business continuity because they provide audit opinions that are not in accordance with company conditions.

The similar case also occurred in Indonesia, Sun Prima Nusantara Pembiayaan company which received a going concern audit opinion for the former period, but the profit earned dropped dramatically on the following year. From manufacturing sector, several mining companies whose business continuity was interrupted, one of which was PT Arpeni Pratama Ocean Line, which suffered losses for years due to large debts. Investors and creditors. In the aviation service sector, the bankruptcy case of the company was experienced by Batavia Air after failing to pay its obligations to pay a late interest of 4% plus a prime interest rate of US $ 4,688. This case is highlighted because if we referred to the audited financial statements in 2011, the company's financial condition is considered good. Likewise, the company’s ability to pay short and long-term obligations is also considered good. In other words, the company can pay its obligations (Fahmi, 2015).

Agency Theory developed by Jensen & Meckling (1976) describes the relationship between the shareholders (principal) and management (agent). The practice of financial report manipulation is to get a fair opinion from the external auditor. The aim is to attract investors to invest and attract creditors to give an injection of funds (debt). The existence of capital and debt as external financing, the company hopes to obtain large profits in the future. The purpose to prosper the interests of the principal by being able to distribute high dividends as feedback from the amount of profits earned. How to manipulate financial statements to get going concern opinion is a form of deviant action taken by management so that the company looks good, this requires that principle as the owner of the company issues agency cost as monitoring so that the agent does not act deviant. The phenomenon of providing going concern audit opinion is explained to be able to serve as an early warning of the ability of the company to run its business in the future.

Previous study about going concern opinion been so many done and there is inconsistency result from the previous study. Rahman and Ahmad (2018) prove financial ratio like profitability, liquidity, and leverage are significant on going concern opinion, but the result is not in line with (Susanto, 2009) proves that there is no significant influence between financial ratios and going concern audit opinion. Also, another study by (Santosa &
Wedari, 2007) state that the size of the company affects the acceptance of going-concern audit opinion. Nariman (2017), Sunarwijaya & Arizona (2019), Wibisono (2013), and Muthahiroh & Cahyonowati (2013) which state that firm size does not influence the acceptance of going concern opinion. While regarding audit quality according to Rahman & Ahmad (2018), it has a significant influence on the provision of going concern opinion, whereas according to Susanto (2009) audit quality does not affect going concern opinion.

The purpose of this study to prove the impact of liquidity ratios, leverage ratios, company size and audit quality on the provision of going concern opinion on manufacturing companies listed on the Stock Exchange for the period 2015-2017. This study also contains an analysis that can be used as investors and creditors and users of financial statements to make decisions on investment and financial activities and obtain reliable sources of information about the current and future conditions of the company.

LITERATURE REVIEW

Agency problem was initially explored by Ross (1973), while Jensen & Meckling first stated detailed theoretical exploration in 1976. This theory is one of the theories that emerged in the development of accounting research, which is a modification of the development of accounting models finance by adding aspects of human behavior in the economic model. According to Jensen & Meckling (1976) define agency relations as a contract, in which one person or more (principal) asks another party (agent) to carry out a number of jobs on behalf of the principal, which involves delegating some decision-making authority to the agent. The agency relationship sometimes creates problems between principals and agents. A conflict that occurs because humans are economic beings who have the basic nature of selfish interests. Principals and agents have different goals, and each wants their goals fulfilled. It is difficult to achieve an efficient contract when the agent knows more information related to the company than the principal. This imbalance of information between the two parties, which is called asymmetric information. A. Rahman & Siregar (2012) state that the auditor is seen as an independent party deemed capable of bridging principal and agent interests in carrying out monitoring of management performance whether it has acted in accordance with the principal's wishes through a means, namely financial statements.

The process of collecting data and evaluating evidence or evaluating evidence regarding information to determine and report the degree of conformity between that information and the criteria set forth is called auditing. Auditing must be done by people who are competent and independent (Arens, Elder, & Beasley, 2015). The results of audit activities conducted by the auditor on the financial statements of a company will state an opinion that is in accordance with the actual condition of the company. This opinion will be published to the public so that investors can make investment decisions.

Going concern audit opinion is a modified audit opinion that is under the auditor's judgment there is a significant inability or uncertainty towards the survival of a company in carrying out its operations, within a reasonable period of time or not more than one year from the date of the audited financial statements (IAPI, 2012). Included in the going concern audit opinion is unqualified with explanatory language or emphasis of matter paragraph, an unqualified opinion, adverse opinion and a disclaimer opinion that includes paragraphs or explanatory sentences regarding the company's ability to maintain its survival.

The ratio that describes the company's ability to meet its short-term obligations, according to Amalia (2015) this ratio serves to measure the fulfillment of the obligations held by the company before the maturity period, both obligations to parties outside the company and parties in the company. The level of company liquidity can be measured through the
current ratio. This ratio is used to measure the ability of a company to meet its short-term obligations (current debt) by using its current assets. So it can be assumed that the greater the comparison of current assets with current debt, the better the company's ability to fulfill its short-term obligations. The current ratio has a minimum standard size of 200%. This current ratio shows the level of safety (margin of safety) (Yuliani & Erawati, 2017).

Leverage or solvency shows the ability of a company to fulfill its financial obligations if the company is liquidated, both short and long-term financial obligations (Munawir, 2007). A company solvable if the company has enough assets or wealth to pay all of its debts. Similarly, if the company does not have sufficient assets or wealth to pay its debts, the company is insolvable. Leverage can be measured by using a debt to equity ratio, which is generally abbreviated as DER. Debt to equity ratio is a ratio that compares the amount of debt to equity. This ratio is used to see the company's ability to pay off existing debt (long-term and short-term) by using existing capital or equity.

Company size shows the company's financial capability. Companies that experience growth show that the company's operational activities are running well so that the company can maintain its economic position and survival. Mutchler (1997) in Santosa & Wedari (2007) states that auditors more often issue going concern audit opinions on smaller companies. Then the bigger the company, the less likely the company will accept going concern opinion. Large companies are companies that start from small scale have experienced many challenges so that they can become large-scale companies, so large companies are assumed to have better ability to maintain their survival than small companies.

Audit quality, according to DeAngelo (1981) in Komalasari (2004), is defined as the probability of errors and irregularities that can be detected and reported. The probability of detection is influenced by an issue that refers to an audit conducted by the auditor to produce his opinion. Issues relating to audit issues are auditor competencies, requirements relating to the conduct of audits, and report requirements. Audit quality is determined by two important factors, namely the independence and competence of the auditor itself.

CONCEPTUAL FRAMEWORK

In this study, four factors can influence the acceptance of a going concern audit opinion, namely liquidity, leverage, company size, and audit quality. Where the four factors are included in the independent variable (X), while the going concern audit opinion is the dependent variable (Y), which is affected by the four factors. The following is an overview of the conceptual framework presented in the diagram.

![Conceptual Framework Diagram](image-url)
Hypothesis Development

Liquidity refers to the ability of a company to fulfill its short-term financial obligations using current assets. The greater the liquidity of a company shows, the more liquid the company because the company has a sufficient amount of current assets to be used to fulfill its current liabilities to creditors. The possibility of receiving a going concern audit opinion will be smaller if the liquidity of a company lower because it is assumed the company can continue its business activities without any indication company cannot fulfill its short-term obligations to creditors in the future (Susanto, 2009).

This hypothesis supported by Ariesetiawan & Rahayu (2015) and Indriastuti (2016) which found that liquidity ratios negatively affect the acceptance of going-concern audit opinion. Based on the description above, the hypothesis that can be concluded is H1: Liquidity has a negative effect on going concern audit opinion.

Leverage reflects the company's ability to fulfill its financial obligations. Leverage refers to the amount of funding that comes from the company's debt to increasingly creditor. A company's large debt to equity ratio shows that the more rupiah's own capital is used as collateral for debt and indicates poor financial performance (Kasmir, 2012). Conversely, the smaller the debt-to-equity ratio shows, the less the rupiah's capital is used as collateral for a debt. If it is associated with the acceptance of a going-concern audit opinion, the possibility of receiving a going-concern audit opinion will be smaller if the debt-to-equity ratio shows smaller results, because it shows good financial performance when there is not much collateral for the debt. This hypothesis is supported by M. A. Rahman & Ahmad (2018), and Sussanto & Aquariza (2013) found that leverage has a positive effect on the acceptance of going-concern audit opinion. Based on the description above, the hypothesis that can be formulated is H2: Leverage has a positive effect on going-concern audit opinion.

McKeown, Mutchler, & Hopwood (1991) in Nariman (2017) states that large companies offer higher audit fees than those offered by small companies. In relation to the significant audit fee, the auditor may hesitate to issue a going concern audit opinion to a large company. Mutchler (1997) empirical evidence that there is a negative relationship between company size and the acceptance of going-concern audit opinion. Based on the description above, the hypothesis that can be formulated is H3: Company size has a negative effect on going-concern audit opinion.

According to DeAngelo (1981) in Komalasari (2004), Audit quality is determined by two important factors, namely the independence and competence of the auditor itself. The auditor's experience, knowledge, and academics also influence the size of the public accounting firm. An audit is a work that must be done carefully; if there is an error in the audit, it will affect the quality or reputation of the public accounting firm that has an impact on the going concern for the company and leads to bankruptcy.

Therefore, companies tend to use services from public accounting firms that have good quality or audit reputation and receive international recognition. The quality audit results are needed as information for the company itself, investors, and creditors who will make consideration for the company. Therefore, the hypothesis that can be made is the auditor's quality has a positive effect on the acceptance of audit opinion with going concern.

This hypothesis is supported by the results of research from M. A. Rahman & Ahmad (2018), which provide results that the quality of auditors influences going concern opinion. Based on the description above, the hypothesis that can be formulated as follows.
H4: Audit quality has a positive effect on going concern audit opinion

METHODS

This research is a hypothesis testing which explains the phenomenon in the form of relationships between variables (Indriantoro & Supomo, 2002). This study aims to identify and test the influences on financial and non-financial factors, which include liquidity, leverage, firm size, and audit quality on going-concern audit opinion. This research is focused on companies in manufacturing industries that are listed on the Indonesia Stock Exchange (IDX) with a period of 3 years (2015-2017).

Going concern audit opinion is a modified audit opinion that is under the auditor's judgment there is a significant inability or uncertainty towards the survival of a company in carrying out its operations, within a reasonable time or not more than one year from the date of the audited financial statements (IAPI, 2011)

The audit opinion included in the going concern audit opinion includes an unqualified with explanatory language or emphasis paragraph, qualified opinion, adverse opinion and disclaimer opinion that includes paragraphs or explanatory sentences regarding the ability of a business unit to maintain its survival. While the non going concern audit opinion is an unqualified opinion. In the research audit opinion using a dummy variable that is for the company given. Going concern audit opinion (OAGC) is coded 1, and Non going concern audit opinion (OANGC) is coded 0.

Liquidity used to evaluate a company's ability to fulfill short-term obligations (Subramayan & Wild JJ, 2010). Liquidity in this study measured by the current ratio. The current ratio is a comparison between current assets and current liabilities that measure a company's ability to meet its short-term obligations using current assets owned by the company.

Leverage or solvency shows the ability of a company to fulfill its financial obligations if the company is liquidated, both short and long-term financial obligations (Munawir, 2007). Leverage in this study is measured by the debt to equity ratio. Debt to equity ratio is a comparison between the total amount of debt as a whole and capital or equity that measures the company's ability to pay debts using existing capital. Alternatively, often, the debt to equity ratio is interpreted as a ratio that describes the guarantee of the use of funds originating from creditors using existing capital.

Company size is a variable used to measure the size of a sample company. Variable measurements are calculated using natural logarithms of total revenue according to McKeown et al., (1991) in Nariman (2017).

Audit quality is a probability that an auditor finds and reports about a violation in the auditee accounting system (DeAngelo, 1981). Auditor quality is an image or good name obtained by the auditor from his client because he has done a good job, including the auditor, has gained the trust and can be responsible. The audit quality variable in this study was measured by the size of the accounting firm measured using the dummy variable. The big four auditors will be coded 0, and Audit Firm that is not included in large or non big four auditors will be coded 1.

This study uses logistic regression test data analysis, the reason being that the dependent variable tested is a dummy variable. The stages of the logistic regression test are the feasibility test of the goodness of fit, the overall feasibility of the overall model fit model, the tested coefficient of determination significance test of individual parameters, and logistic regression test where the equation is:

\[ OAGC_it = \alpha + \beta_1LIq_it + \beta_2LEV_it + \beta_3UKPER_it + \beta_4KADT_it + \varepsilon_it \]
RESULTS

The sample used in this study was selected by purposive sampling, in other words, the sample used in the research process is a representation of the existing sample population and is in accordance with the objectives of the study. Based on the criteria set, the number of samples in this study was 138 companies. The sample selection process based on predetermined criteria is shown in table 1 below.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Criteria of sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of manufacturing companies for a period of 2015-2017</td>
<td>133</td>
</tr>
<tr>
<td>Manufacturing companies listed on IDX (2015-2017) have not complete information and unaudited financial report</td>
<td>(7)</td>
</tr>
<tr>
<td>Manufacturing companies do not generate positive profits 2014-2017</td>
<td>(80)</td>
</tr>
<tr>
<td>Number of manufacturing companies suitable with criteria</td>
<td>46</td>
</tr>
<tr>
<td>Sample of research (46 x 3)</td>
<td>138</td>
</tr>
</tbody>
</table>

In the descriptive statistical analysis, the researcher will describe the results of the calculation of the minimum and maximum values, the average value, and the standard deviation of each variable. The analysis table is presented in the following section

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIQ</td>
<td>Minimum</td>
</tr>
<tr>
<td></td>
<td>31,77</td>
</tr>
<tr>
<td>LEV</td>
<td>.05</td>
</tr>
<tr>
<td>UKPER</td>
<td>25,15</td>
</tr>
<tr>
<td>KADT</td>
<td>.00</td>
</tr>
<tr>
<td>OAGC</td>
<td>.00</td>
</tr>
</tbody>
</table>

Liquidity variables (LIQ) have a mean value of 178,7413 or 138 data (N) valid with a standard deviation (Std. Deviation) of 145,87384 The maximum value in this variable owned by Intanwijaya International Tbk in 2015 amounted to 967,73. While the smallest value (minimum) is owned by Asia Pacific Investama Tbk in 2014 amounted to 31,77

The leverage variable (LEV) has a mean value of, 6575 of 138 data (N) that is valid with a standard deviation (Std. Deviation) of, 47195. The maximum value in this variable owned by Primarindo Asia Infrastructure Tbk in 2014 amounted to 3,03. While the smallest value (minimum) is owned by Nusantara Inticorpora Tbk in 2017 amounted to, 05
Variable company size (UKPER) has a minimum value of 28,0566. Astra International Tbk on 2017 and a maximum value of 33,20 Surya Intipermata Tbk on 2017. The average value of the growth of the company is 25.15 with a standard deviation of 1.48410.

Audit quality variable (KADT) has two categories big four accounting firm and non big-four accounting firm. Table 4 shows that 45 samples (32.6) percent used the big four accounting professional firm services company while remaining 93 samples (67.4 percent) did not use the big four accounting professional firm services company. So it is proven that the data included in this variable is 100 percent valid.

Table 3

<table>
<thead>
<tr>
<th>Frekuensi Opinion Audit Going Concern</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opinion audit non going concern (OANGC)</td>
<td>106</td>
<td>76.8</td>
</tr>
<tr>
<td>Opini audit going concern (OAGC)</td>
<td>32</td>
<td>32.3</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100</td>
</tr>
</tbody>
</table>

Going concern audit opinion variable (OAGC) has two categories, non going concern audit opinion and going-concern audit opinion, which means this variable is classified as a dummy variable. Table 3 shows that as many as 106 samples (76.8 percent) did not receive the going-concern audit opinion, while the remaining 32 samples (23.2 percent) received the going-concern audit opinion. So, it is proven that the data included in this variable is 100 percent valid.

Table 4

<table>
<thead>
<tr>
<th>Frekuensi Kualitas Audit</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big four public accounting firm</td>
<td>45</td>
<td>32.6</td>
</tr>
<tr>
<td>Non big four public accounting firm</td>
<td>93</td>
<td>67.4</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5

<table>
<thead>
<tr>
<th>Hosmer and Lemeshow Test</th>
<th>Step</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>10.559</td>
<td>8</td>
<td>0.228</td>
</tr>
</tbody>
</table>

The value of Chi-square is 10,559 with a significance value of 0.228. Thus, Ho is accepted because the probability is greater than the predetermined level of significance, which is 0.228> 0.05, which means that the regression model is feasible to be used in subsequent analyses because there is no significant difference between the predicted classifications and the observed classification.

Table 6

<table>
<thead>
<tr>
<th>Comparation begining-2LL between ending-2LL</th>
<th>Description</th>
<th>-2 Log Likelihood (-2LL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block Number = 0</td>
<td>175,699</td>
<td></td>
</tr>
<tr>
<td>Block Number = 1</td>
<td>116,176</td>
<td></td>
</tr>
</tbody>
</table>

The initial value of -2 Log Likelihood (Block Number = 0) is the Log Likelihood value -2 before entering the four independent variables of 175,699. Then after entering the
liquidity variable (LIQ), leverage (LEV), Company Size (UKPER) and audit quality (KADT) the final Log Likelihood value -2 (Block Number = 1) becomes 116,176 it can be said that the model hypothesized is fit with the data, because the addition of independent variables into the model can improve the fit model.

The expected results of this test are rejecting Ho and accepting Ha, or it can be said that there is a significant effect of independent variables on the dependent variable simultaneously. Following are the results of the simultaneous test:

### Table 7

<table>
<thead>
<tr>
<th>Omnibus Test of Coefficient</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
<td>59,502</td>
<td>4</td>
<td>0.000</td>
</tr>
<tr>
<td>Block</td>
<td>59,502</td>
<td>4</td>
<td>0.000</td>
</tr>
<tr>
<td>Model</td>
<td>59,502</td>
<td>4</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on omnibus test results in sig 0,000 <0,05, smaller than alpha 5%, then Ho is rejected, and Ha is accepted so that it can be said that there is a significant effect of independent variables (liquidity, leverage, firm size and audit quality) on audit going opinion variables concern simultaneously.

### Table 8

<table>
<thead>
<tr>
<th>Coefficient of Determination R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

From the results of data processing output, the Nagelkerke R Square value is 0,486 which means the variability of the dependent variable is the going concern audit opinion can be explained by the four independent variables, namely liquidity, leverage, company size and audit quality by 48,6 percent, while the remaining 51,4 percent is explained by other variables outside the research model.

### Table 9

<table>
<thead>
<tr>
<th>Logistics Regression test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>Constanta</td>
</tr>
<tr>
<td>Likuiditas (LIQ)</td>
</tr>
<tr>
<td>Leverage (LEV)</td>
</tr>
<tr>
<td>Ukuran perusahaan (UKPER)</td>
</tr>
<tr>
<td>Kualitas Audit (KADT)</td>
</tr>
</tbody>
</table>

Logit model:

OAGCit = -10,491 + 2,606LIQ + 0,253LEV + 2,791 UKPER + 2,983KADT + εit

OAGC : going concern opinion
α : constant
β1,2,3,4 : regression coefficient
LIKU : Liquidity
LEVE : Leverage
UKPER : Company Size
Liquidity variables have a positive regression coefficient of 2.606 in beta values, which means if the liquidity variable increases by 1, then the audit opinion goes concern will increase by 2.606 denomination.

The leverage variable has a negative regression coefficient at the beta value of 0.253, which means if the leverage variable increases by 1, then the going concern audit opinion will increase by 0.253 denomination.

Firm size variables have regression coefficients at beta values of 2.791, which means if the company size variable increases by 1, the going-concern audit opinion will increase by 2.791 denomination.

Audit quality variables have a positive regression coefficient of 2.983 which means if the profitability variable increases by 1, the going-concern audit opinion will increase by 2.983 denomination.

<table>
<thead>
<tr>
<th>Model</th>
<th>Beta</th>
<th>Sig/2</th>
<th>result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity (LIQ)</td>
<td>2.606</td>
<td>0.299</td>
<td>rejected</td>
</tr>
<tr>
<td>Leverage (LEV)</td>
<td>0.253</td>
<td>0.003</td>
<td>accepted</td>
</tr>
<tr>
<td>Company Size (UKPER)</td>
<td>2.791</td>
<td>0.066</td>
<td>rejected</td>
</tr>
<tr>
<td>Audit Quality(KADT)</td>
<td>2.983</td>
<td>0.000</td>
<td>accepted</td>
</tr>
</tbody>
</table>

The results can be obtained from the table above. The liquidity variable has a value of beta -2.606 with a significance of -2 tailed of 0.299. Although the beta value has a negative direction similar to the hypothesis tested, the sig value is greater than 0.05. This value is 0.299> 0.05 so that the first hypothesis (H1) Liquidity has a negative influence on the provision of going concern audit opinion rejected.

The results can be obtained from the table above. The leverage variable has a value of beta -0.253 with significance - 2 tailed at 0.003. Beta values have positive directions like the tested hypothesis, with a sig-2 tailed value smaller than 0.05. This value is 0.003 <0.05 so the second hypothesis (H2) Leverage has a positive influence on the provision of going concern audit opinion is accepted.

The non-influence of this ratio is due to the smaller leverage ratio that indicates a good company performance. The provision of this opinion will be given smaller, but according to agency theory developed by Jensen and Meckling (1976), there is a difference in interest between principal and agents. In order to get an injection of financing from outside the company, management can manipulate financial statements by presenting a low leverage ratio in order to attract creditors.

The results can be obtained from the table above. The leverage variable has a beta value2.791 with significance - 2 tailed at 0.066. Beta values have different positive directions like the tested hypothesis, with sig-2 tailed values greater than 0.05. This value is 0.065> 0.05 so that the third hypothesis (H3) The size of the company has a negative influence on the provision of going concern audit opinion rejected.

DISCUSSION

There is no effect on liquidity which is proxied by the current ratio because of the 106 samples that did not receive the going concern audit opinion, 104 of them had a liquidity ratio
(CR) value below the average. It provides empirical evidence that a small value liquidity ratio (CR) does not guarantee the auditor provides a going-concern audit opinion because the auditor does not only consider the factors of liquidity ratio (CR) but also other ratios, and also considers non-ratio factors (non-financial).

The results of this test are in line with the results of research conducted by Susanto (2009) in manufacturing companies in the period 2005-2008, A. Rahman & Siregar (2012) in manufacturing companies in the period 2007-2009 as well as Sussanto & Aquariza (2013) in the consumer goods industry in 2009-2011. However, the results of this test contradict the results of research conducted by Ariesetiawan & Rahayu (2015) in manufacturing companies in the period 2008-2011 and Indriastuti (2016) in manufacturing companies in the 2009-2013 period which stated that liquidity (CR) negatively affected the acceptance of going-concern audit opinion.

The results of this test are in line with the results of research conducted by A. Rahman & Siregar (2012) in manufacturing companies in the period 2007-2009 and Sussanto & Aquariza (2013) in manufacturing companies in the period 2009-2011 which stated that leverage (DER) had a positive effect on acceptance of opinion going concern audit.

Rejection of the hypothesis because the size of the company is not a benchmark in the provision of the going-concern audit opinion. Although a company belongs to a small company, if the company has good management and performance that can survive in the long term, the smaller the potential to get a going concern audit opinion.

This result is in line with research conducted by Kristiana (2012) which states that company size does not affect the acceptance of going-concern audit opinion.

Results that can be obtained from the table above, the leverage variable has a value of beta 2.983 with significance - 2 tailed at 0.000. Beta values have a positive direction like the hypothesis tested, with a sig-2 tailed value smaller than 0.05. This value is 0.000 <0.05 so that the fourth hypothesis (H4) The size of the company has a positive influence on the provision of going concern audit opinion received.

The acceptance of the results of testing the hypothesis means that using the Big Four KAP services will be more likely for the company to accept the going-concern audit opinion. Conversely, companies that do not use Non-Big Four KAP services will be less likely to accept going-concern audit opinions. The provision of a going concern audit opinion by the auditor is not based on the size of the reputation scale of the KAP. Both the big four KAP and non big-four KAP use the same standard in carrying out financial statement audits. Thus, the assumption that assumes that the big four accounting firm has better quality than non-big four accounting firms cannot be justified. The results of this study indicate that many companies receive going-concern audit opinions with non-big four KAPs.

The results of this test are in line with the results of research conducted by Junaidi & Hartono (2010) in all companies listed on the Stock Exchange in the period 2003-2008 and A. Rahman & Siregar (2012) in manufacturing companies in the period 2007-2009. However, the results of this test are not in line with the results of research conducted by Santosa & Wedari (2007) in manufacturing companies in the period 2001-2005.

CONCLUSION

Based on the results of the study and hypothesis testing, the conclusions that can be drawn from this study are. First, liquidity proxied by the current ratio variable has insignificant on going concern audit opinion. Second, leverage proxied by debt to equity ratio has significant on going concern audit opinion; third, the company have an insignificant
effect the going concern audit opinion, and audit quality has a significant influence on going concern audit opinion.

While the suggestions for further research increase the number of research objects by expanding to other types of industrial sectors, extends the observation period, and testing other factors that are estimated to be a factor in going concern audit opinion acceptance both financial and non-financial factors.

By testing other factors besides factors in this study, the parties who have involvement in this matter can know more about the factors that influence the going concern audit opinion that can provide more confidence to the parties in making considerations and making a decision.

REFERENCES


