

# **Analysis of Factors Affecting the Audit Quality, Financial Condition, Opinion Shopping, and Debt Default Against the Going Concern Audit Opinion Acceptance (Case Study on IDX Manufacturing Company in the Food and Beverage Sub-Sector of 2016-2020)**

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## **Abstract**

Going concern audit opinion is an opinion expressed by the auditor regarding the uncertainty of the company's viability caused by several factors. The purpose of the going concern audit opinion is to provide a good early warning for business entities to immediately improve their business continuity. The auditor is responsible for evaluating, analyzing whether the company or business entity has substantial doubts about the company's condition regarding the company's ability to continue as a going concern. The purpose of this study is to determine the effect of audit quality, opinion shopping, financial condition, and debt default, either simultaneously or partially affecting going concern audit opinion. The population used in this study are manufacturing companies listed on the Indonesia Stock Exchange for the food and beverage sub-sector in 2016-2020. The number of samples of the food and beverage sub-sector in 2016-2020 are 14 companies with a total sample data of 70 companies analyzed in this study. In this study, hypothesis testing was carried out using descriptive analysis and logistic regression. The study results show that audit quality, opinion shopping, financial condition, and debt default have a simultaneous influence on going-concern audit opinion. In the partial test, the financial condition partially has a positive influence on going concern audit opinion. Meanwhile, audit quality, opinion shopping, and debt default have no influence on going concern audit opinion. It is hoped that this study can be used by investors as a reference for considerations regarding investment decisions to pay more attention to the company's financial condition. This study is expected to be a guide, information, and insight for companies and individuals in developing financial statements so that they do not provide financial reports that are lacking and are in accordance with applicable accounting standards.

## **Keywords**

Audit Quality, Opinion Shopping, Financial Condition, Debt Default, Going Concern Audit Opinion

## **1. Introduction**

A company is founded with the aim of surviving to maintain the viability of it. The viability of the company is always associated with the company's management in managing and surviving in business activities for a long period of time. Investor is one party who has an important role in maintaining the viability of a company by providing every operational activity in the company through investment. Investors will want and agree to invest in the business, then the investment can be considered for investors who will hold a meeting, the consideration is in the form of profits that will be obtained by the investors and safety guarantees regarding the capital to be invested in the business. The role of audit opinion is needed by users of financial information such as shareholders,

management, creditors, potential investors, labor organizations, and tax service offices, according to the standards of the Professional Standards of Public Accountants (PSA 29). Audit opinion is often used in the use of financial statements, especially investors to be surer that they are not wrong in investing in a company on a going concern audit opinion. Going concern is part of the basic assumptions of the assessment of the viability of a company. Going concern is a business ability that maintains its viability for a certain period, whether it is appropriate or not, it can be seen from one year that has passed since the date the financial statements were issued.

Going concern is very important to be acknowledged and expressed. Many auditors experience a dilemma between morals and ethics in giving going concern audit opinions, for the auditors must prioritize the interests of investors over the interests of the company. When economic conditions are uncertain, investors expect auditors to provide an early warning against the failure of a company's financial condition. The issuance of a going concern audit opinion is very important and useful for investors in making decisions in determining which company is right to invest. Giving a going concern audit opinion to a client company can often result in an unfavorable or negative impact on the viability of the company, where giving the opinion is thought to tend to accelerate the bankruptcy of a company, since expressing the opinion causing the problems that exist in the company are immediately revealed. This will have an impact on the viability of the company, starting from the investors and the management who will begin to distrust each other. This problem can lead to withdrawal of investment by many parties to the company. Meanwhile, the auditor who has issued a going concern audit opinion has no responsibility for events that may occur after the opinion is issued in the entity's audit report.

The audited financial statements of the company will be published to the public later. This is intended so that the public can obtain information about the condition of the company that has been audited (especially investors and debtors). The opinion given by the auditor on the company's financial statements can be one of the references for consideration from the investors in making long-term investment decision steps. Likewise, the debtor, when they can consider providing a loan to the company, they will examine the company's ability to repay the loan that will be given. If more parties rely on the reliability in financial statements, the role of the auditor in expressing the right opinion is very important, so that there are no mistakes in decision making done by the company.

In this study, the study objects are manufacturing companies listed on the Indonesia Stock Exchange for the food and beverage sub-sector in 2016-2020. The selection of samples for the food and beverage sub-sector based on the pandemic situation where they experienced an increase due to the increasing demand for medicine and food and beverage needs. If the problems from the sector experiencing anxiety continuously, the company will have difficulty in paying debts, so that the company can be in doubt for the continuation of its business and business growth. Therefore, this study was chosen by the authors to choose a consumer goods industry sub-sector companies on the Indonesia Stock Exchange to serve as the object of study for a selected period from the year of 2016 to 2020.

Audit quality is an audit carried out with audit standards so it can be disclosed and reported in the event of a violation committed by the auditee. Audit quality is usually a benchmark for the level of auditors in identifying and evaluating a company. The results of a study conducted by Oktavani (2020) showed that the audit quality variable has a positive influence on the going concern audit opinions. Meanwhile, according to Devin Fridana Irsandi (2020) the audit quality variable has no influence on the going concern audit opinions. Auditors who understand the risks in auditing in the industry will be of added value to a company that uses services on independent party financial statements.

Opinion shopping is an activity to find the auditors who are willing to support the accounting treatment proposed by the management to achieve reporting objectives. Opinion shopping variable in a study conducted by Ribkha Laura (2001) has a positive influence on the continuity of audit opinion. Meanwhile, according to Irsandi (2020), the opinion shopping variable has no influence on the continuity of the audit opinion. Opinion shopping causes companies receiving the going concern audits. Opinion shopping auditor turnover caused by the previous auditor will issue a going concern audit opinion and replace it with a new auditor who does not issue a going concern audit opinion.

Financial condition is a condition of the company that is shown through the results of the company's financial statements. The company's health can be seen from the company's financial risk. Financial condition variable in a study conducted by Ribkha (2021) has a positive influence on going concern audit opinion. Meanwhile, according to Irsandi (2020), the financial condition variable has no influence on the going concern audit opinions. Financial conditions cause companies receiving the going concern. The financial condition shows the real financial condition, when the company's financial condition is good, it can be said that the issuer is able to maintain its business continuity.

Debt Default is a debtor's failure to meet the principal debt or interest that has matured. A business entity that experiences a debt default has the characteristics of a company that is unable or negligent in paying the principal or interest debt that is due, the approval of the debt agreement that has been violated. Debt default variable in a study conducted by Devina (2020) has a positive influence on going concern audit opinion. Meanwhile, according to Wahyu (2021), the debt default variable does not influence the going concern audit opinion. The emergence of a going concern audit opinion on the debt default of an issuer is caused by an agent delegated by the company to carry out operations and company decisions, so it can cause a debt default influence.

### **1.1. Objectives**

Going concern audit opinion becomes an important part as a source of information conveyed through the auditor when auditing the financial statements of an entity that focuses on the conformity between the financial statements and the applicable general accounting standards. This study evaluates various factors that influence the acceptance of going concern audit opinions on a business entity. There are several things that must be done in this study in order to achieve these goals, namely:

1. Analyze and evaluate the problems that become the phenomenon of the study.
2. Select samples with predetermined criteria for the object of the study.
3. Check the calculation of analytical techniques in this study with descriptive statistical analysis and logistic regression using the Spss 25 software.
4. Adequate disclosure of information in the financial statements.
5. Provide understanding or source of insight to investors, business entities, auditors, and readers as reference information for making investment decisions, providing broad insight as consideration for companies in the process of submitting financial statements.

## **2. Literature Review**

The concept of agency theory according to Supriyono (2018), is the occurrence of a contractual relationship between principal and agent. It explains the relationship that occurs between the principal and the management in order to carry out all operational activities of the company. In relation to agency theory and going concern audit opinion, there is a need for an independent third party who serves as the principal mediator with the agent. This third party is an auditor who is assigned to monitor all behavior of managers in the company whether they have carried out in accordance with the objectives or wishes of the principal. Auditors are considered as parties who are able to bridge the interests of the principal and the agent to reveal the real condition of the company in accordance with the actual company's financial statements.

Auditing is an examination carried out critically and systematically by an independent party on the company's financial statements that have been prepared by the management, as well as the bookkeeping records and the other supporting evidence with the aim of being able to provide an opinion regarding the fairness of the company's financial statements (Aikrisno, 2018). Going concern is the ability of a business entity to maintain the viability of its company for a certain period so that it will not experience bankruptcy in the future (Nugroho, 2018). The company will accept a going concern audit opinion if there is doubt about the company in maintaining its survival (Minerva, 2020). Going concern audit opinion is in the form of an unqualified opinion with an explanatory paragraph regarding business continuity or going concern of an entity.

Audit quality, according to Rosnidah in Minerva, et al. (2020), is the implementation of an audit in accordance with audit standards so it can be disclosed and reported if a violation occurs by the auditee. Based on the understanding stated above, it can be understood that audit quality is related to the auditor's ability to find, identify, and report violations committed by the clients along with the evidence found. The bigger the Public Accounting Firm (PAF), the higher the audit quality. The results of a study conducted by Oktavani (2020) showed that the audit quality variable has a positive influence on the going concern audit opinions where the auditor is used as another proxy for audit quality on the integrity of financial statements.

According to Efendi (2019), companies are likely to get a better opinion if they change their auditors compared to the companies that do not. This happens because companies tend to change auditors after providing a going concern audit opinion, or in order to obtain an unqualified opinion on the going concern audit opinion, that auditees who receive the going concern audit opinion tend to accept going concern audit opinion if they change auditors.

Financial condition is a condition of the company that is shown through the results of the company's financial statements. The company's health can be seen from the company's financial risk. According to Efendi (2019), a

company that has sufficient cash to meet the company's financial obligations, a logical amount of receivables, efficient inventory management, good investment planning and a healthy capital structure so as to maximize the achievement of the company goals. The worse the condition of the company, the more likely the company will receive a going concern audit opinion. On the other hand, companies that have never experienced financial difficulties, the auditor never gives a going concern audit opinion. The study conducted by Ribkha (2021) and Jalil (2019) showed that the financial condition variable has a positive influence on the going concern audit opinion which states that the worse financial condition will make the chances of the business entity getting a going concern audit opinion. The occurrence of a debt default or the company being unable to fulfill the debt agreement is one of the factors that can influence the going concern opinion decision. In the studies by Devina (2020) and Wahyu (2020), the debt default variable has a positive influence on the going concern audit opinions, when an entity experiences debt default, the more likely it is to receive a going concern audit opinion.

Ginting (2018) stated that a debt default is a debtor who fails to fulfill his obligations to pay the principal debt along with the interest that is due. Companies that fail to pay their debts (debt default) will disrupt the company's viability. Debt default is the failure of the debtor (company) to pay the principal and or interest debt at maturity.

### 3. Methods

The method used in this study is a quantitative method. Quantitative research is a method based on the philosophy of positivism, used to examine certain samples or populations by collecting data using the data analysis research instruments in the form of numbers and statistical analysis that aims to test established hypotheses (Sugiyono, 2019:16). This research uses a case study research strategy, where the authors conduct an in-depth exploration of events, programs, processes, activities of one or more people. Based on the involvement, the authors did not intervene in the data because the type of data is in the form of secondary data, namely the company's financial statements obtained from the Indonesia Stock Exchange, so it is free from manipulation. The background of this study is non-contrived, that is, a study occurs in a normal environment because the phenomenon occurs naturally or is not designed (Hermawan & Yusran, 2017). The implementation time of this research uses verification data.

The method of data collection in this study uses the documentation method, where the authors look for some information related to the study topic through books, journals and the internet. The sampling design of this study is non-probability sampling, with the type of purposive sampling. Analysis of the data in this study through hypothesis testing. Hypothesis testing is a temporary answer to the problem formulation made by authors, so there is a need for testing to prove its truth (Sugiyono, 2019). The following are the research methods used in this study: (Figure 1)

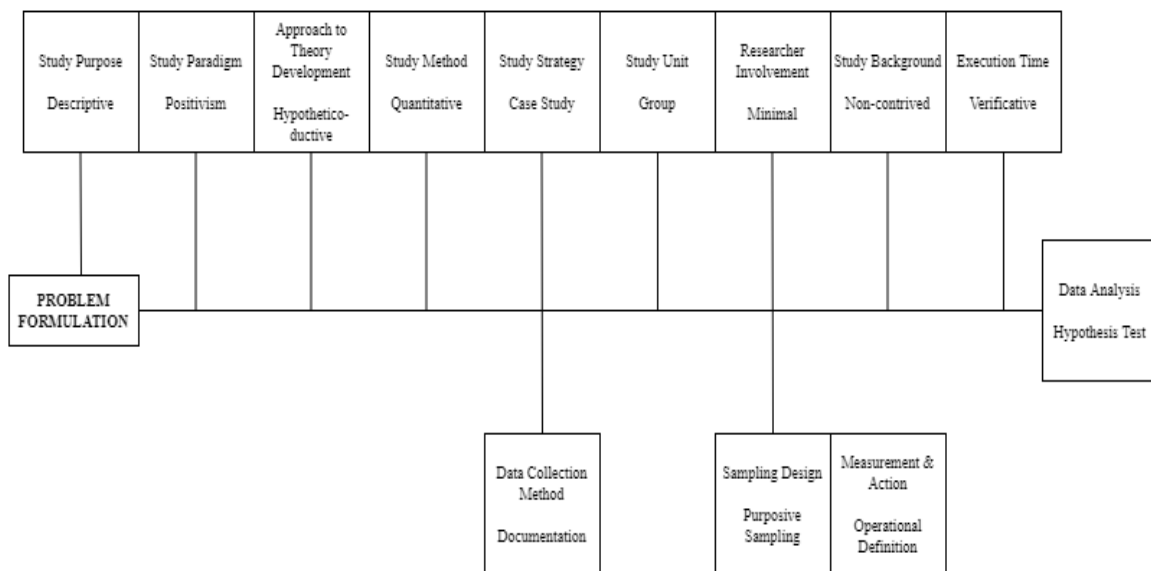


Figure 1 Types of Study  
Source: Data processed by the authors (2022)

Data processing in this study used the SPSS 25 program. Descriptive statistical analysis in this study was used to calculate the influence and variables of financial condition, audit quality, opinion shopping, debt default on the going concern audit opinions. This study uses descriptive statistical analysis, which is divided into two, namely:

(1) ratio-scale statistical analysis using mean, maximum, minimum, and standard deviation values, (2) nominal-scale descriptive statistical analysis using frequency and percentage. (Figure 1)

#### 4. Data Collection

In this study, authors used quantitative data with secondary data. Quantitative research is a method based on the philosophy of positivism, used to examine a particular sample or population with the aim of testing a predetermined hypothesis. The secondary data of this research is through the official website of the Indonesia Stock Exchange (IDX). Data collection techniques in this study are:

##### 1. Literature study

Literature study is a technique of collecting data from library books and information quoted directly from other scientific literatures.

##### 2. Documentation

The documentation in this study uses the technique of collecting financial statements, annual reports of manufacturing companies listed on the IDX from 2016-2020 as well as research-related articles.

The sampling method is purposive sampling, which is the technique of determining the sample based on certain considerations or criteria. The following are the criteria for the sample studied as follows: (Tables 1 & 2)

Table 1 The Procedures of Sampling Technique Determination

No.	Sample Selection Criteria	Amount
1.	The food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the period of 2016-2020.	30
2.	Manufacturing companies in the food and beverage sub-sector that are not consistently registered annually for the 2016-2020 period.	14
3.	Companies that do not distribute cash dividends during 2016-2020.	3
Number of Samples		14
Number of Observations 14x5		70

Table 2 Sample List of Companies in the Food and Beverage Sub-Sector of 2016-2020

No.	Code	Company
1	AISA	Tiga Pilar Food Tbk
2	CEKA	Wilmar Cahaya Indonesia Tbk
3	ICBP	Indofood CBP Sukses Makmur Tbk
4	INDF	Indofood Sukses Makmur Tbk
5	MYOR	Mayora Indah Tbk
6	ROTI	Nippon Indosari Corpindo Tbk
7	SKLT	Sekar Laut Tbk
8	ULTJ	Ultra-Jaya Milk Industry & Trading Company Tbk

9	ALTO	Tri Bayan Tirta Tbk
10	BUDI	Budi Starch & Sweetener Tbk
11	CLEO	Sariguna Primatirta
12	DLTA	Delta Jakarta Tbk
13	HOKI	Buyung Poertra Sembada
14	MLBI	Multi Bintang Indonesia

## 5. Results and Discussion

### 5.1 Ratio Scale Descriptive Statistical Analysis

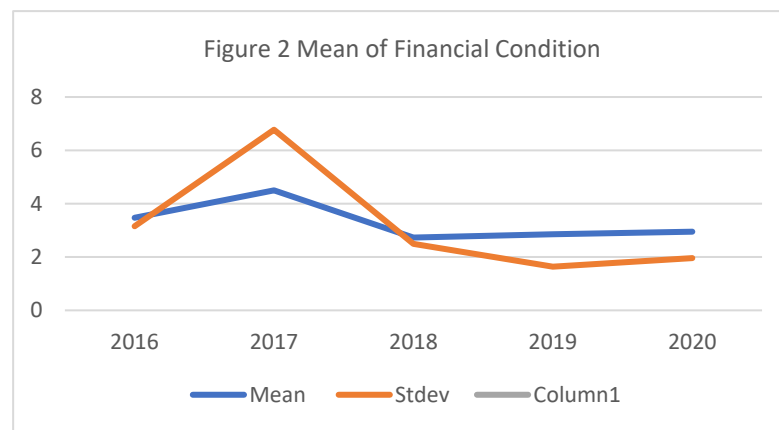


Figure 2 Mean of Financial Condition

From Figure 2, the results obtained on the financial condition variable have the highest mean value in 2017 with a value of 4,502 with a standard deviation of 6.773.

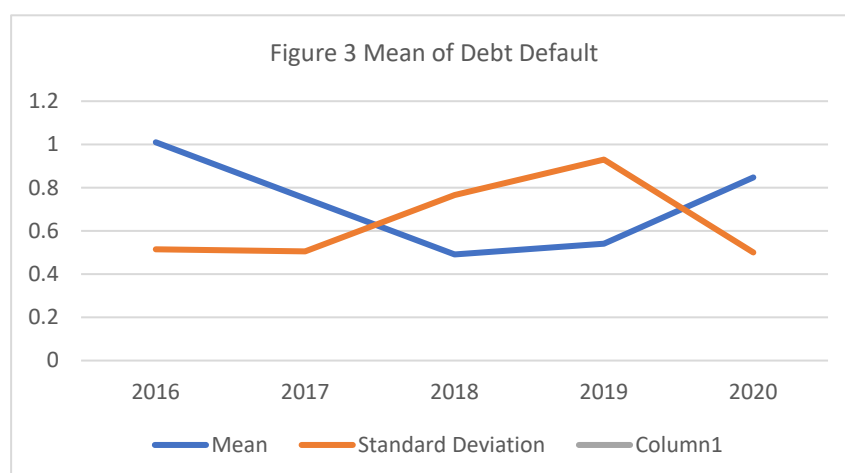


Figure 3 Mean of Debt Default

From Figure 3 the results obtained for the debt default variable have the highest mean value in 2016 with a value of 1.010, a standard deviation of 0.515.

## 5.2 Nominal Scaled Descriptive Statistical Analysis

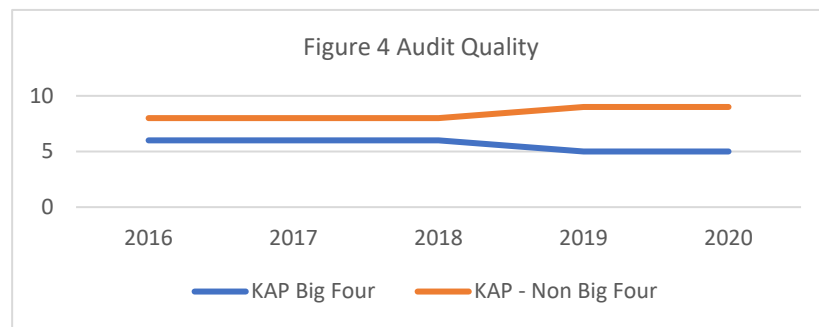


Figure 4 Result Descriptive statistical of Audit Quality

From Figure 4, it can be seen that in 2016-2020 there were 70 samples from a total of 70 samples that had been audited by the Big Four KAP. There are 28 samples that have been audited by the Big Four Public Accountants, namely 28 samples that have been audited by the Big Four Public Accountants, namely 6 companies.

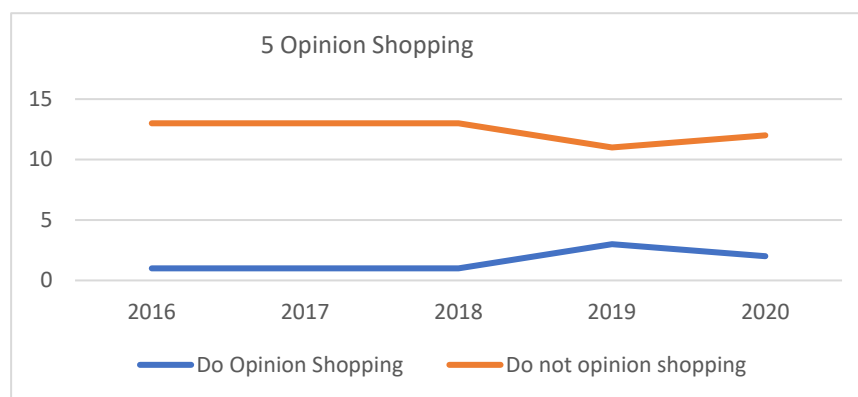


Figure 5 Result Descriptive statistical of Opinion Shopping

From Figure 5 It can be seen that out of 100% of the samples have practiced opinion shopping, which can be indicated when the company is practicing opinion shopping, the sample will get a better opinion from the new auditor than the previous auditor. The total sample who practice opinion shopping is 11%. There are also samples that do not practice opinion shopping because the company indicates that, even though they change auditors, the financial statements produced by the company still contain misstatements, so they will still get a going concern opinion. The total number of companies that do not practice opinion shopping is 89% of companies.

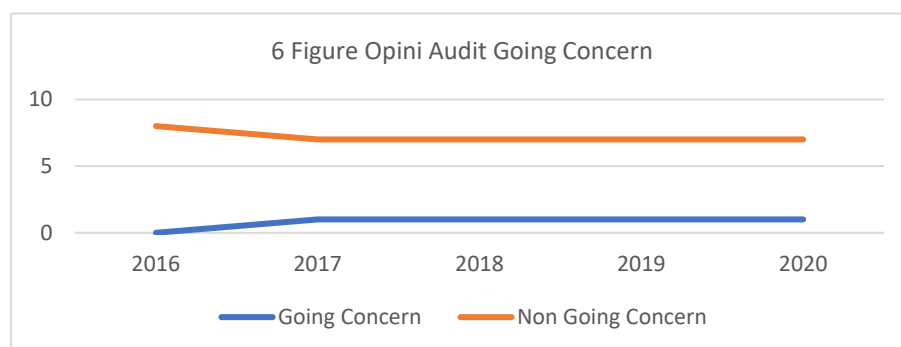


Figure 6 Result Descriptive statistical of Opini Audit Going Concern



From Figure 6 In 2016 the sample indicated a going concern audit opinion was 0 samples, which means that in 2016 there were no companies stating a going concern audit opinion. The samples that did not indicate a going concern audit opinion were 7 samples, namely PT Tiga Pilar Sejahtera Food Tbk (AISA), PT Wilmar Cahaya Indonesia Tbk (CEKA), PT Indofood CBP Sukses Makmur Tbk (ICBP), PT Indofood Sukses Makmur Tbk (INDF), PT Mayora Indah Tbk (MYOR), PT Nippon Indosari Corpindo Tbk (ROTI), PT Sekar Bumi Tbk (SKBM), PT Ultra Jaya Milk Industri & Tanding Company Tbk (ULTJ).

### 5.2.1 Feasibility of Fit Test

This test is used as a measure of the feasibility of the model used in the study. Testing the feasibility of the first regression model used the Hosmer and Lemeshow Test. If the probability value (sig) is greater than 0.05 then Ho is accepted. Means that the model can be used. Meanwhile, if the probability (sig) is less than 0.05 then Ho is rejected, or the model is not suitable for use. The following are the results of the regression model feasibility test:

Table 3 Goodness of Fit Test  
(Hosmer and Lemeshow Test)

Step	Chi-square	Df	Sig.
1	12.020	8	.150

*Source: SPSS 25.0 Output Results*

Based on the Table 3, the results of the Hosmer and Lemeshow Test with a Chi-Square value of 12,020, a significance of 0.150, which is  $0.150 > 0.05$ , means that Ho is accepted, and the model can be used and is able to predict the next observation value because there is a match with the observation data.

### 5.2.2 Overall Model Fit

The second step in the logistic regression analysis method is to assess the overall model by using the likelihood ratio test. Tests to assess the overall fit of the model are carried out by comparing the value between -2 Log Likelihood (-2LL) at the beginning (intercept only) with -2 Log Likelihood (intercept only) with a value of -2LL in the final model indicating that the model by including independent variables is better compared with the model with the intercept only, and it is said that the model fits the data. The results of the Overall Model Fit Test can be seen in the following Table 4:

Table 4 Overall Model Fit Block Number = 0  
Iteration History<sup>a,b,c</sup>

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	48.146	-1.600
	2	45.591	-2.086
	3	45.512	-2.193
	4	45.512	-2.197
	5	45.512	-2.197

- a. Constant is included in the model.
- b. Initial -2 Log Likelihood: 45.512
- c. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

*Source: Data processed by the authors (2022)*

Based on the Table 4, shows that the value of -2 Log Likelihood (LL) at the initial 0 step. It is known that the number shown in the second column of the last row is 45.512. If there is a decrease of -2 Log Likelihood (LL) in the feasibility test step 1, then the hypothesized model fits the data. The overall test results of model 1 are presented as follows:



### 5.3 Logistic Regression Analysis

This study uses logistic regression analysis techniques using SPSS 25 software. There are two models of this logistic regression analysis technique, namely testing the feasibility of the regression model and testing the entire model. This test is used to assess whether the model is fit or not with the data.

Table 5. Result Logistic Regression Analysis

<b>Feasibility of fit test</b>	Chi square = 12.020	Sig = 0.150
<b>Overall model fit</b>	First step block number 0 = 45.512	Block number 1 = 16.228

*Sources: SPSS 25.0 Output Result*

Logistic regression test results on two methods. Feasibility of fit test Chi-Square value of 12,020, a significance of 0.150, which is  $0.150 > 0.05$ , means that  $H_0$  is accepted and the model can be used and is able to predict the next observation value because there is a match with the observation data. Overall model fit result The first step (Block Number = 0), has a value of 45.512 and in the next step it is known that the final -2LogL value (Block Number = 1 ) is 16.228. It shows that the decrease in -2LogL at the beginning and -2LogL at the end is 29.284. The decrease in the value indicates the regression model is getting better, so this regression model is feasible or good to be used for further analysis. (Table 5)

#### 5.3.1 Feasibility of Fit Test

This test is used as a measure of the feasibility of the model used in the study. Testing the feasibility of the first regression model used the Hosmer and Lemeshow Test. If the probability value (sig) is greater than 0.05 then  $H_0$  is accepted. Means that the model can be used. Meanwhile, if the probability (sig) is less than 0.05 then  $H_0$  is rejected, or the model is not suitable for use. The following are the results of the regression model feasibility test:

Table 6 Goodness of Fit Test  
Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	12.020	8	.150

*Source: SPSS 25.0 Output Results*

Based on the Table 6, the results of the Hosmer and Lemeshow Test with a Chi-Square value of 12,020, a significance of 0.150, which is  $0.150 > 0.05$ , means that  $H_0$  is accepted, and the model can be used and is able to predict the next observation value because there is a match with the observation data.

#### 5.3.2 Overall Model Fit

The second step in the logistic regression analysis method is to assess the overall model by using the likelihood ratio test. Tests to assess the overall fit of the model are carried out by comparing the value between -2 Log Likelihood (-2LL) at the beginning (intercept only) with -2 Log Likelihood (intercept only) with a value of -2LL in the final model indicating that the model by including independent variables is better compared with the model with the intercept only, and it is said that the model fits the data. The results of the Overall Model Fit Test can be seen in the following Table 7:

Table 7 Overall Model Fit Block Number = 0  
Iteration History<sup>a,b,c</sup>

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	48.146	-1.600
	2	45.591	-2.086
	3	45.512	-2.193
	4	45.512	-2.197
	5	45.512	-2.197

*Source: Data processed by the authors (2022)*

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 45.512

- c. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Based on the Table 7, shows that the value of -2 Log Likelihood (LL) at the initial 0 step. It is known that the number shown in the second column of the last row is 45.512. If there is a decrease of -2 Log Likelihood (LL) in the feasibility test step 1, then the hypothesized model fits the data. The overall test results of model 1 are presented as follows:

Table 8 Overall Model Fit Block Number = 1

Iteration History<sup>a,b,c,d</sup>

Iteration		-2 Log likelihood	Coefficients				
			Constant	Audit Quality	Opinion Shopping	Financial Condition	Debt Default
Step 1	1	40.034	-1.121	-.510	1.247	-.068	-.265
	2	28.401	-.928	-1.108	1.867	-.297	-.392
	3	20.918	-.325	-2.016	2.279	-.720	-.304
	4	17.658	.435	-3.182	2.759	-1.168	-.409
	5	16.545	1.099	-4.470	3.193	-1.572	-.479
	6	16.306	1.377	-5.733	3.519	-1.773	-.476
	7	16.255	1.431	-6.858	3.653	-1.817	-.471
	8	16.238	1.435	-7.877	3.667	-1.820	-.471
	9	16.232	1.435	-8.879	3.667	-1.820	-.471
	10	16.230	1.435	-9.880	3.667	-1.820	-.471
	11	16.229	1.435	-10.880	3.667	-1.820	-.471
	12	16.229	1.435	-11.880	3.667	-1.820	-.471
	13	16.228	1.435	-12.880	3.667	-1.820	-.471
	14	16.228	1.435	-13.880	3.667	-1.820	-.471
	15	16.228	1.435	-14.880	3.667	-1.820	-.471
	16	16.228	1.435	-15.880	3.667	-1.820	-.471
	17	16.228	1.435	-16.880	3.667	-1.820	-.471
	18	16.228	1.435	-17.880	3.667	-1.820	-.471
	19	16.228	1.435	-18.880	3.667	-1.820	-.471
	20	16.228	1.435	-19.880	3.667	-1.820	-.471

Source: SPSS 25.0 Output Results

- a. Method: Enter
- b. Constant is included in the model.
- c. Initial -2 Log Likelihood: 45.512
- d. Estimation terminated at iteration number 20 because maximum iterations has been reached. Final solution cannot be found.

Table 8 shows the value of -2LogL. The first step (Block Number = 0) has a value of 45.512 and in the next step it is known that the final -2LogL value (Block Number = 1) is 16.228. It shows that the decrease in -2LogL at the beginning and -2LogL at the end is 29.284. The decrease in the value indicates the regression model is getting better, so this regression model is feasible or good to be used for further analysis.

## 5.4 Hypothesis Test

### 5.4.1 Coefficients of Determination

Testing the coefficient of determination aims to determine how much influence the independent variables in the study have on the dependent variable. The value of the coefficient of determination is determined by the value of Nagelkerke R Square.

Table 9 Coefficients of Determination

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	16.228 <sup>a</sup>	.342	.715

a. Estimation terminated at iteration number 20 because maximum iterations has been reached. Final solution cannot be found.

Source: SPSS 25.0 Output Results

Based on the data processing in the Table 9 using logistic regression, the coefficient obtained is 0.674. This figure shows that audit quality, opinion shopping, financial condition, debt default explain the dependent variable, namely the going concern audit opinion of 71.5% and the remaining 28.5% is explained by factors not involved or not included in the study.

**5.4.2 Simultaneous Significance Test (F Test)**

Hypothesis testing used a regression model with the enter method with a significance level of 5%. It was used to test the effect of audit quality, opinion shopping, financial condition, debt default on the going concern audit opinion. Therefore, if the Omnibus Test of Model Coefficients (simultaneous effect) test shows significant results, then all independent variables are included in the model or not in the variables excluded from the model. The test results of the Omnibus Test of Model Coefficients (Simultaneous Testing) are presented in the Table 10.

Table 10 F Test  
Omnibus Tests of Model Coefficients

		Chi-square	Df	Sig.
Step 1	Step	29.283	4	.000
	Block	29.283	4	.000
	Model	29.283	4	.000

Source: SPSS 25.0 Output Results

From the results of the simultaneous test in the Table 8 Omnibus Tests of Model Coefficients, it is known that the sig value of 0.000 is smaller than the significance level of 0.05 ( $0.000 < 0.05$ ), so it can be stated that  $H_0$  is rejected while  $H_a$  is accepted, which means that the independent variable is used in this study, namely audit quality, opinion shopping, financial condition and debt default simultaneously have a simultaneous influence on the going concern audit opinion.

**5.4.3 Partial Test (T Test)**

The test in this study was used to determine the relationship of the independent variable to the dependent variable. The T statistical test basically shows how far the influence of one independent variable individually in explaining the variation of the dependent variable (Ghozali, 2016). This T-test was conducted to see the influence of audit quality, opinion shopping, financial condition, and debt default on the going concern audit opinion. The significance level used was 0.05. The following are the results of partial statistical tests which can be seen from the Table 11:

Table 11 Partial Test Results

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	Audit Quality	-19.880	5808.832	.000	1	.997	.000	.000	.
	Opinion Shopping	3.667	2.626	1.951	1	.163	39.133	.228	6720.950
	Financial Condition	-1.820	.845	4.644	1	.031	.162	.031	.848
	Debt Default	-.471	.665	.501	1	.479	.625	.170	2.299
	Constant	1.435	1.577	.829	1	.363	4.201		

a. Variable(s) entered on step 1: Audit Quality, Opinion Shopping, Financial Condition, Debt Default.

Source: SPSS 25.0 Output Results

From the test results above, the regression model equation is obtained as follows:

$$LN \frac{OAGC}{1-OAGC} = 1.435 - 19.880(KA) + 3.667(OP) - 1.820(KU) - 0.471(DD) + e$$

Where:

OAGC	=	Going Concern Audit Opinion
KA	=	Audit Quality
OP	=	Opinion Shopping
KU	=	Financial Condition
DD	=	Debt Default
E	=	Error

In the partial test, the significant value  $< 0.005$  indicates that the X variable influences the Y variable, namely the financial condition variable with a significance value of  $0.031 < 0.005$ , which states that the financial condition has a positive influence on the going concern audit opinion. Meanwhile, the significance value  $> 0.005$  indicates that the X variable is not related to the Y variable. This occurs in the audit quality, opinion shopping, debt default variables which have a significance value of more than 0.005, so these variables do not affect the going concern audit opinion.

### **Hypothesis test results**

The results of the logistic regression equation above are.

1. A constant value of 1,435 indicates that if the independent variable has a fixed value (constant), then the going concern audit opinion value is 1,435
2. The regression coefficient for the audit quality indicator is -19.205, which means that every time there is a change in one unit, it is likely that the company will receive a going-concern audit opinion and will experience a decrease of -19.205.
3. The regression coefficient for the Opinion Shopping indicator is -19,880, which means that if the opinion shopping variable increases by one year, the probability of receiving a going concern audit opinion will decrease by -19,880.
4. The regression coefficient for the financial condition indicator is -1,820, which means that if the financial condition increases by one year, the probability of receiving a going concern audit opinion will decrease by -1,820.
5. The regression coefficient for the debt default indicator is -0.471, which means that every time there is a change in one unit, it is likely that the company will receive a going concern audit opinion will decrease by -0.471.

Based, the partial test results (t test) can be described as follows:

1. The probability value (t-statistic) of audit quality (X1) is 0.997, this value shows greater than 0.05 with a coefficient of -19,880. Then Ho1 is accepted and Ha1 is rejected, which means that audit quality partially has no significant effect on going concern audit opinion.
2. The probability value (t-statistic) of opinion shopping (X2) is 0.163, the value shows 0.05 greater with a coefficient of 3.667. Then Ho2 is accepted and Ha2 is rejected, which means that opinion shopping partially has no significant effect on going concern audit opinion.
3. The probability value (t-statistic) of the financial condition is 0.031, this value shows less than 0.05 with a coefficient of -1.820. Then Ho3 is rejected and Ha3 is accepted, which means that financial condition has a partial significant effect on the going-concern audit opinion.
4. The probability value (t-statistic) of default debt is 0.479, the value is greater than 0.05 with a coefficient of -0.471, so Ho4 is accepted and Ha4 is rejected, meaning that debt default partially has no significant effect on the going concern audit opinion.

## **5.5 Discussion**

### **5.5.1 The Influence of Audit Quality on the Going Concern Audit Opinion**

The regression results show a significant value of audit quality of 0.997 which is greater than 0.05 and a coefficient value of -19.880, which means that audit quality has no partial influence on the going concern audit opinion. This means that companies that use the services of auditors affiliated with the Big Four PAF will tend not to accept going concern audit opinions, while companies that do not use the services of auditors affiliated with the Big Four PAFs will tend to accept going concern audit opinions.

Table 12 Comparison Table of Audit Quality with GCAO

Description	GCAO		NON GCAO		Total
	Amount	%	Amount	%	
Use the Bigfour PAF	0	0%	28	40%	28
Do not use the Bigfour PAF	7	0%	35	60%	42
Total	7		63		70

*Source: Data processed by the authors (2022)*

Table 12 shows that 70 companies, where the companies consisting of unreputed audit quality, are 7 companies indicated by audit opinion going concern. Companies with unreputable audit quality are as many as 35 and 28 reputable companies are not indicated by the going concern audit opinion. This result is supported by studied of Rizky et al (2020) and Irsandi Hermanto (2020) which stated that audit quality has no significant influence on the going concern audit opinions.

### 5.5.2 The Influence of Opinion Shopping on the Going Concern Audit Opinion

The regression results show a significant value of opinion shopping of 0.163, which is greater than 0.05, and a coefficient value of 3.667, which means opinion shopping has no partial influence on the going concern audit opinion. This means, whether the company does opinion shopping, or can also be called auditor switching (PAF replacement), or not, will not really affect the existing audit results. The following can be proven by the table below:

Table 13 Comparison Table of Opinion Shopping with GCAO

Description	GCAO		NON GCAO		Total
	Amount	%	Amount	%	
Change the PAF	5	56%	3	5%	8
Do not change the PAF	4	44%	58	95%	62
Total	9		61		70

*Source: Data processed by the authors (2022)*

Table 13 shows among the 70 companies, there are 8 companies that replace the audit, consisting of 5 companies indicated by the going concern audit opinion and 3 companies unindicated by the going concern audit opinion, while 62 companies that did not replace the audit consisting of 4 companies indicated by the going concern audit opinion and 58 companies are not indicated by the going concern audit opinion. The results of this study are supported by studies of Huda et al (2021) and Irsandi Hermanto (2020) which stated that opinion shopping has no significant influence on the going concern audit opinion.

### 5.5.3 The Influence of Financial Condition on the Going Concern Audit Opinion

The regression results show a significant value of financial condition of 0.031, which is smaller than 0.05 and a coefficient value of -1.820, which means that financial conditions have a partial influence on the going concern audit opinion. This can be proven by the following Table 14:

Table 14 Comparison Table of Financial Condition with GCAO

Description	GCAO		NON GCAO		Total
	Amount	%	Amount	%	
< 1,81 - 2,99	7	100%	35	60%	42
> 2,99	0	0%	28	40%	28
Total	7		63		70

*Source: Data processed by the authors (2022)*

Table 14 shows that among the 70 companies, 28 companies have high profits to avoid bankruptcy so as to allow the company not to be indicated to have the going concern audit opinion. The companies that have bankruptcy rates are indicated by the going concern audit opinion are 7 companies, and there are 35 companies that are not indicated by the going concern audit opinion. The results of this study are supported by a study of Katrian & Nurbaiti (2020) which stated that financial condition affects the going audit opinion concern.

#### **5.5.4 The Influence of Debt Default on the Going Concern Audit Opinion**

The regression results show a significant debt default value of 0.479 which is greater than 0.05 and a coefficient value of -0.471, which means that debt default has no partial influence on the going concern audit opinion. The companies that get a debt default condition (failure to pay debts) will continue to live or run.

Table 15 Comparison Table of Debt Default with GCAO

Description	GCAO		NON GCAO		Total
	Amount	%	Amount	%	
<i>Debt default &lt; 1</i>	2	29%	41	65%	53
<i>Debt Default &gt; 1</i>	5	71%	22	35%	27
Total	7		63		70

*Source: Data processed by the authors (2022)*

Table 15 shows that among the 70 companies, there are 27 companies that show that they are in a debt default condition above the average. There are 5 companies indicated to have a going concern audit opinion and 22 companies are not indicated to have a going concern audit opinion. There are 53 companies have a debt default condition in below the average with 2 companies are indicated to have a going concern audit opinion and 35 companies are not indicated to have a going concern audit opinion. The results of this study are supported by the studies of Huda et al (2020), Setyanida & Srimindarti (2021), and Irsandi & Hermanto (2020) which stated that debt default has no significant influence on the going concern audit opinion.

## **6. Conclusion**

Based on the results of descriptive statistical analysis and logistic regression testing in this study, it shows that audit quality, opinion shopping, financial condition, debt default have a simultaneous influence on the going concern audit opinion. In the partial test, the financial condition partially has a positive influence on the going concern audit opinion. Meanwhile, audit quality, opinion shopping, debt default has no influence on the going concern audit opinion. It is hoped that this study can be used by the investors as a reference for considerations regarding investment decisions to pay more attention to the company's financial condition. This study is expected to be a guide, information, and insight in developing financial statements for companies and individuals, so that they do not provide financial reports that are lacking and are in accordance with applicable accounting standards. For auditors, this study is expected to be an input or a consideration for companies in the submitting process of financial statements that can be carried out relevantly, contribute to other parties who need, and provide knowledge and insight about the role of auditing.



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in Pati. The benefits of knowledge that have been given by lecturers are developed in the world of economic industry so that her businesses are growing.



