Jurnal Riset Akuntansi dan Keuangan

Journal homepage: https://ejournal.upi.edu/index.php/JRAK/

The Influences of Profitability, Company Growth, Financial Condition, and Debt Default on Going Concern Audit Opinions

Ghozy Agung Permana[1], Edi Joko Setyadi[2], Iwan Fakhruddin[3], Nur Isna Inayati[4]

Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Purwokerto, Indonesia
*Correspondence: E-mail: ghozy.agungpermana@gmail.com , ej_setyadi@yahoo.co.id

A B S T R A C T	I N F O A R T I K E L
This research focuses on property and real estate companies in Indonesia, especially in the context of profitability, company growth, financial condition and debt default on going concern audit opinions. The aim is to evaluate the influence of these factors on going concern disclosures in audit opinions, thereby providing a deeper understanding for stakeholders in assessing the company's financial risk. This research uses secondary data from the annual financial reports of companies listed on the Indonesia Stock Exchange (BEI) during the 2019-2022 period. This research applies logistic regression analysis to test the proposed hypothesis. The results show that profitability and financial condition have a significant negative relationship with going concern as an audit opinion, while company growth and debt default do not show a significant relationship. This emphasizes the importance of financial factors in determining a company's business continuity.	

1. INTRODUCTION

Bankruptcy is a serious issue that significantly impacts global economic stability, particularly in the context of company dynamics. As the global economy continues to evolve, it presents a significant challenge for companies to sustain themselves (going concern). Companies in the property and real estate sectors often serve as primary indicators of a country's economic progress. According to (Wulanningsih & Agustin, 2020) Indonesia's property and real estate sector is a significant concern for investors. On one hand, many view this sector as profitable, but on the other hand, it also faces significant vulnerability to changes and fluctuations influenced by various factors. Several main factors that influence the development of this sector in Indonesia include macroeconomics, government policy, regulations, and taxes. Survival is a critical consideration for organizations and is closely tied to managerial competency in leading a company. Therefore, the company's survival depends on effective management. Going concern statements, provided by an auditor, are essential for evaluating a business's condition and making investment decisions based on financial statements (Putra et al., 2021). When an economy experiences uncertainty, investors seek early warnings from auditors about potential financial failure. Audit statements on financial statements, especially opinions regarding business continuity, are important indicators for investors before making investment decisions. Investors need to ask auditors to provide business ratings to assess the company and make the right investment decisions. (Widyastuti & Efrianti, 2021).

An independent auditor is a third party that evaluates the performance of management. The auditor provides an opinion and evaluates whether the company can sustain itself based on the financial reports presented (Effendi, 2019). As per PSA No. 30 (2011) If a company is unable to sustain its business activities, auditors can issue an statement going concern. Conversely, if the corporation can continue its operations, The auditor will not provide a statement of business continuity (Divira & Darya, 2023).

This research is based on a phenomenon that occurred in 2020, specifically related to company survival. Several issuers in the property sector experienced bankruptcy, sparking concerns about the fate of investors. The Indonesian Stock Exchange (BEI) emphasized that they are selective in granting permits to companies to enter the stock exchange and carry out strict supervision of operational and financial performance. If there are legal problems before bankruptcy, the company is obliged to provide information disclosure. BEI will delist companies experiencing bankruptcy, announce information regarding the Executive Board, Supervisory Board, and controlling shareholders, and prohibit them from holding similar positions in other companies listed on the BEI. Issuers who experience delisting are required to buy back their shares to protect investors' rights, in accordance with applicable regulations. Investors are reminded to understand industry risks and pay attention to company announcements in order to make informed investment decisions.

Establishing a business entity is primarily aimed at ensuring its continued operation, known as "going concern." This assumption hinges on management's ability to comprehensively handle the company, including its financial and non-financial aspects. Any doubts about the company's survival can signal potential bankruptcy. Assessing the going concern involves evaluating whether the company can continue operating in the long term, typically for at least the next year. This assessment is crucial in accounting and financial management as it offers an overview of the company's health and sustainability (Pramono et al., 2020).

Profitability serves as a guide for managers to assess how well a company is operating by looking at its Return On Assets (ROA). A positive ROA highlights that the corporation is making the most of its assets to generate profits. If a company experiences high profitability, The probability of the auditor issuing a going concern statement is low. Conversely, low

profitability is likely for the corporation to receive an audit opinion of going concern (Khamsiyahni & Amin, 2023). Research conducted by Khamsiyahni & Amin (2023), Saputra et al. (2021), and Putri et al. (2022) a negative impact on the audit opinion about the issuer's capacity to remain operational as a viable entity has been linked to profitability. However, research conducted by Naziah & Nyale (2022), Kimberli & Kurniawan (2021), and Damayanty et al. (2022) There was not a significant correlation found between profitability and the audit opinion regarding business continuity.

Corporate development is the business entity's performance level in achieving its strategic goals sustainably. It serves as a benchmark for evaluating the effectiveness of the company's strategy and capabilities, which is reflected in the sales growth ratio (Saputra et al., 2021). Several studies, such as those conducted by Rani & Helmayunita (2020), Sulistyowati & Wibowo (2022), and Khamsiyahni & Amin (2023) a study has shown that there exist a negative correlation between company growth and the issuance of going concern statements. However, other research such as that conducted by Saputra et al. (2021), Sakti (2022), Kimberli & Kurniawan (2021), and Setyanida & Srimindarti (2021) do not prove that company growth influences going concern as an audit statement.

The financial condition of a corporation offers a complete snapshot of its financial status and stability during a specific period. This assessment is based on information from financial reports, which typically include Statements of financial position, income, cash flow, and changes in equity (Putra et al., 2021). The company's financial condition provides crucial information for auditors to assess business continuity and the risk of financial failure (Effendi, 2019). In the event of financial instability of a company, the auditor may provide a going concern statement, which highlights substantial uncertainty regarding the corporation's capabilities. conversely, if the business entity has an optimal financial position, then the auditor states that the business entity can continue its operations (Akbar & Ridwan, 2019). previous research by Resky et al. (2024), Sardi et al. (2021), and Susilawati (2019) Research indicates a significant negative correlation between financial condition and audit opinion on continuity. However, other research conducted by Effendi (2019) and Setyanida & Srimindarti (2021) did not find a significant relationship between issuer growth and going concern issuance as per the auditor's opinion.

Debt default occurs when the company fails to pay interest or the principal debt. (Chen & Church, 1992). Under Statement of Auditing Standards (PSA) 30, auditors have a benchmark tool to indicate the possibility that a company is experiencing difficulties in sustaining operational continuity. A key indicator is substantial uncertainty regarding the entity's capability to meet its obligations as they come due (default). If an entity is in a state of failure to fulfill its obligations, the entity will likely be declared bankrupt (Sakti, 2022). A literature review reveals inconsistent findings regarding the correlation between debt default and going concern as an auditor's opinion. Referring to previous research by Nurbaiti & Yanti (2022), Putra et al. (2021), and Sakti (2022) prove that debt default there is a positive relationship with audit opinion regarding business continuity. In contrast, studies carried out by Putri & Astuti (2023), Sardi et al. (2021), and Setyanida & Srimindarti (2021) did not find an important relationship between debt default and audit opinions for the continuation of business operations.

Thus, the research problem that can be formulated is whether profitability, company growth, financial condition, and debt default influence audit opinion of going concern. Then the aim of this research is to help accounting practitioners, regulators, investors, and other stakeholders to gain more understanding to help make more appropriate choices and encourage company sustainability, and provide a more comprehensive and relevant understanding in assessing a company's financial risks. Prior studies frequently concentrate on analyzing the influence of financial factors on going concern audit opinions individually. Nevertheless, this

study offers a noteworthy contribution through the utilization of a distinctive mix of variables, encompassing financial condition variables, thereby yielding disparate outcomes in contrast to prior research. Consequently, this investigation fills a void in the current literature and has the potential to serve as a valuable point of reference for forthcoming research.

Theoretical basis

Agency theory is explained by Jensen & Meckling (1976) where the principal, being the owner of the company, hands over decision-making authority to the agent, serving as the manager who carries out tasks on their behalf. However, the agent does not consistently work with the principal's best interests as both parties strive to achieve their optimal outcomes. Clients create contracts that provide incentives for brokers, resulting in mutual profits for all parties involved. Asymmetric information arises in this scenario because managers are the primary holders of information about the financial and operational reports, unlike the company owners. This situation can trigger a conflict of interest between owners and administrators (managers), because their goals may not be aligned. Managers may act more in personal interests than in the interests of owners, a condition known as agency problems (Putri et al., 2022). agent assumes risk in proportion to the balance of services provided. Agency agreements sometimes require coordination between the company owner (principal) and manager (agent).

A going concern is the auditor's evaluation of an issuer's cability to maintain its operations in the future. If auditors are uncertain about the company's viability, they must provide a statement regarding the continued operation of the business entity. As independent third parties, auditors bridge the gap between two parties by scrutinizing financial statements to ensure their accuracy and fairness in presentation (Praptitorini & Januarti, 2011).

Hypothesis Development

Profitability is evaluated using the Return on Assets (ROA) assessment. A high Return on Assets (ROA) indicates the efficient use of company assets so that it shows optimal performance. Therefore, a high profitability ratio where the company makes significant profits allows the auditor not to provide an opinion. Conversely, a business entity that has a low profitability ratio can encourage auditors to give an opinion that the business entity is weak in maintaining its survival. Referring to previous research conducted by Khamsiyahni & Amin (2023), Saputra et al. (2021), and Putri et al. (2022) presence of a significant negative correlation between profitability and the ability to continue as an audit report regarding going concern. From the description above, the hypothesis is formulated as follows:
H1: Profitability has a significant negative effect on Going Concern Audit Opinion

Company growth reflects the extent to which an organization is successful in maintaining its business operations. Companies that have a strong level of growth capability for the survival of their companies are perceived as entities that are able to survive in the long term and overcome the challenges of an increasingly stringent environment. Referring to previous research by Khamsiyahni & Amin (2023), Nurbaiti & Yanti (2022), and Rani & Helmayunita, 2020) which examined the significant negative relationship between company growth and going concern as an audit opinion. Based on the description above, the hypothesis is formulated as follows:
H2: Company growth has a significant negative effect on Going Concern Audit Opinions.

The financial condition of a business entity can present a highlight of its financial position during a certain period. The financial stability of a company greatly influences the survival of its business. Worsening the financial health of a corporation is probable for the corporation to obtain a going concern statement from an audit (Setyanida & Srimindarti, 2021). Altman designed a Z-score model that can be applied to measure financial conditions and predict

bankruptcy. The Z-score is a statistical instrument that functions to evaluate the risk of a company's financial stability by calculating many ratios collectively. Referring to previous research by Resky et al. (2024), Sardi et al. (2021), and Susilawati, 2019) shows a strong negative correlation between financial status and the issuance of an audit opinion regarding business continuity. From the description above, the hypothesis is formulated as follows:

H3: Financial conditions has a significant negative effect on Going Concern Audit Opinion

To assess the health of a company, auditors will first look at its debt. If the company has a high burden of liabilities, the company will likely use available cash funds to pay back the loan first. This step will reduce the cash flow of company activities thereby disrupting the smooth functioning of the company. When a company fails to pay its bills on time, auditors declare the company in default. When a company enters default status, the auditor assumes the company is weak in maintaining its survival. Previous research by Nurbaiti & Yanti (2022), Putra et al. (2021), and Sakti (2022) shows a significant positive relationship between debt default and audit opinion about going concern. From the description above, the hypothesis formulated is as follows:

H4: Debt Default has a significant positive effect on Going Concern Audit Opinion.

2. METHODOLOGY

Data types and sources

The data for this research was obtained from the yearly financial reports of property and real estate firms that are publicly traded on the Indonesia Stock Exchange (BEI) from 2019 to 2022. The information was acquired by directly downloading it from the official BEI website at www.idx.co.id. The research population comprises all 93 property and real estate firms listed on the IDX during that period, representing the entire industry in Indonesia.

Research methods

For the research, a purposive sampling approach was used to select the sample. This method is known for its effectiveness in choosing samples that fulfill the specific criteria outlined in the research objectives. This research took samples from property and real estate companies that met certain criteria, namely companies listed on the IDX from 2019 - 2022, and companies that had financial report data and independent auditor reports for 2019 - 2022. 53 of the 93 companies selected were appropriate. with criteria as a research sample. This number was chosen according to the 4-year duration analyzed.

Operational Definition and Variable Measurement

a. Profitability

Profitability is the profit (profit) generated by the company's capabilities from its business activities. Profit as a measuring tool for evaluating the effectiveness and efficiency of company operations. On (Putri et al., 2022) The Return On Asset (ROA) ratio scale is used as a measure of profitability:

$$\textbf{ROA} = \frac{\textit{Net Profit}}{\textit{Total Assets}} \; x \; \textbf{100}\%$$

b. Company Growth

A company's strength to handle business challenges is often related to company growth. One of the main indicators of company growth is sales volume because sales are the main activity that reflects market demand for the products or services provided by the company.

Increased sales indicate that the company is successful in attracting and retaining customers, which in turn will increase profits. (Kimberli & Kurniawan, 2021) Company growth can be calculated as follows:

$$\text{Company Growth} = \frac{Net\ Sales_t - Net\ Sales_{t-1}}{Net\ Sales_{t-1}}$$

c. Financial Conditions

Financial conditions can be used as an important indicator that can describe the continuity of life (going concern) of an entity in the future (Akbar & Ridwan, 2019). The financial distress model can be called the Altman Z-Score and was developed by Altman on Putri & Astuti (2023) This instrument is often applied to calculate the possibility of company bankruptcy. The reliability of an audit opinion can be influenced by the results obtained from using a bankruptcy prediction model, as follows:

$$Z = 1{,}2\ X1 + 1{,}4\ X2 + 3{,}3\ X3 + 0{,}6\ X4 + 1{,}0\ X5$$

Information :

X1= Working Capital / Total Assets

X2= Retained Earning / Total Assets

X3= Earnings Before Interest and Tax / Total Assets

X4= Market Value of Equity / Total liabilities

X5= Sales / Total Assets

d. Debt default

Debt status is one of the elements evaluated by auditors in assessing the company's viability. Debt reflects a company's financial obligations and greatly affects the issuer's capacity to maintain its operations (Putri & Astuti, 2023). The larger the amount, it can indeed cause serious disruption to the continuity of the business and can cause business losses. The Debt to Asset Ratio (DAR) formula is used to measure the debt default variable, as described by Sakti (2022):

$$\text{Debt to Asset Ratio} = \frac{Total\ Amoun\ of\ Debt}{Total\ Assets}\ x\ 100\%$$

Analysis Methods

The research was conducted by utilizing several approaches to logistic regression analysis, including descriptive statistical analysis, descriptive statistical analysis of frequencies, logistic regression analysis, model testing, coefficient of determination, f test, and t test.

3. RESULT AND DISCUSSIONS

Descriptive Statistical Analysis

Table 1 : Descriptive Statistics Result

	N	Minimum	Maximum	Mean	Std. Deviation

Profitability	205	-0.38	0.26	0.0031	0.06338
Company Growth	205	-0.94	4.36	0.0944	0.67626
Financial Condition	205	-2.39	236.46	5.3786	20.76240
Debt default	205	0.00	1.62	0.3948	0.24428
Valid N (listwise)	205				

In order to outline the primary characteristics of the data, descriptive statistical tests were conducted. According to Table 1, the profitability variable ranges from -0.38 to 0.26. The average comes out to be 0.0031, with a data spread of 0.06338. Moving on to the variables representing company growth, the range is from -0.94 to 4.36. The average is calculated as 0.0944, with a data spread of 0.67626. Next, the company's financial condition variable ranges from -2.39 to 236.46. The mean value is found to be 5.3786, with a data distribution of 20.76240. Lastly, the debt default variable has a range from 0.00 to 1.62, and the mean value is 0.3948, with a data spread of 0.24428.

Descriptive Statistical Analysis of Frequencies

Table 2 : Descriptive Frequency Result

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non Going concern	169	82.4	82.4	82.4
	Going concern	36	17.6	17.6	100.0
	Total	205	100.0	100.0	

The table 2 is a variable measurement using a dummy approach. Code 0 is given to auditors who do not issue an audit opinion of going concern on the corporation, while code 1 is given to auditors who provide an audit opinion of going concern. From the frequency distribution table, it can be seen that code 0 has a frequency of 169 or covers 82.4% of the data. In contrast, code 1 has a frequency of 36 which represents 17.6% of the data.

Logistic Regression Analysis

Table 3 : Logistic Regression Result

	B
Profitability	-11.733
Company Growth	0.570
Financial Condition	-2.209
Debt default	1.049
Constant	0.080

Through the logistic regression analysis in Table 3, the logistic regression model equation can be seen as follows: **Ln $\frac{GC}{1-GC}$ = 0,080 – 11,733 X1 + 0,570 X2 – 2,209 X3 + 1,049 X4 + e**

Overall Model Fit

Table 4 : Model Fit 1

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	192.4522	-1.29756
	2	190.5242	-1.52877
	3	190.515	-1.54628
	4	190.515	-1.54638

Table 5 : Model Fit 2

Iteration		-2 Log likelihood	Coefficients Constant
Step 1	1	155.155	-1.980
	2	139.509	-2.846
	3	136.095	-3.183
	4	132.150	-2.931
	5	124.313	-2.183
	6	114.171	-0.890
	7	110.839	-0.120
	8	110.556	0.067
	9	110.553	0.080
	10	110.553	0.080

To analyze the fit model, you can compare the -2 Log Likelihood (-2LL) value in Table 4 with the -2 Log Likelihood (-2LL) value in Table 5. From the model results, the value of -2 Log Likelihood in fit model 1 is 190,515 while the value of -2 Log Likelihood in fit model 2 is 110.553. The model is considered very good or acceptable if the value decreases from -2LL model fit 1 to -2LL model fit 2. The overall model evaluation findings of this study show that the initial -2LL value decreases to the final -2LL value. The validity of the regression model is verified through data analysis. shows the suitability between the hypothetical model and actual data, so that this model can be used for further research purposes

Regression Model Feasibility Test (Hosmer and Lemeshow Test)

In evaluating the suitability of a regression model, you can check the suitability of the model as indicated by the Chi-Square value. Table 6 below presents the results of the regression model feasibility test:

Table 6 : Regression Model Feasibility Result

Step	Chi-square	df	Sig.

1	10.719	8	0.218

The results of the Regression Model Feasibility Test (Hosmer and Lemeshow) are shown in Table 6. The Chi-Square value obtained from the test was 10.719, with a significance level of 0.218. A significance value greater than 0.05 typically indicates that the regression model is a good fit for the observational data and can be used for further examination.

Coefficient of Determination

The Coefficient of Determination Test is utilized to assess the level of correlation between the independent variable and the dependent variable by examining the Nagelkerke R-squared (R2N) value as displayed in Table 7:

Table 7 : Coefficient of Determination Result

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	110.533[a]	0.323	0.534

The logistic regression model displays the Nagelkerke R Square coefficient of determination in Table 7. According to this research, the Nagelkerke R Square value of 0.534 suggests that factors such as profitability, company growth, financial condition, and debt defaults may explain 53.4% of the variation in going concern audit opinions. It is implied that the remaining 46.6% of changes in going concern audit conclusions might be impacted by factors that were not considered in this study.

Simultaneous Test f

Table 8 : Simultaneous Test f Result

		Chi-square	df	Sig.
Step 1	Step	79.962	4	0.000
	Block	79.962	4	0.000
	Model	79.962	4	0.000

Simultaneous testing of the variables profitability, company growth, financial condition, and debt default produces a probability value (Sig.) of 0.000. The significance level (Sig.) is 0.000, less than 0.05. Based on the data analyzed, it can be seen that the combination of independent variables has a high influence on the going concern audit opinion variable.

Simultaneous Test t

Table 9 : Simultaneous Test t

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Profitability	-11.733	4.178	7.886	1	0.005	0.000
	Company Growth	0.570	0.341	2.789	1	0.095	1.769

Financial Condition	-2.209	0.559	15.592	1	0.000	0.110
Debt default	1.049	1.314	0.637	1	0.425	2.854
Constant	0.080	0.968	0.007	1	0.934	1.083

To evaluate the influence of several independent variables on the dependent variable, you can use the Simultaneous t-test by showing significant values and coefficient values. The table shown above is the result of the Simultaneous t Test. The results show that the profitability variable obtained a coefficient value of -11.733 and a significance value of 0.005, then the company growth variable obtained a coefficient value of 0.570 and a significance value of 0.095, then the financial condition variable obtained a coefficient value of -2.209 and a significance value of 0.000, then the debt default variable obtained a coefficient value of 1.049 and significance value 0.425. Significance values act as indicators to determine whether a variable has a strong enough relationship with other variables to be considered statistically significant.

RESULTS AND DISCUSSION

a. The Influence of Profitability on Going Concern Audit Opinions

Based from table 9, it is proven that profitability possesses a strong relationship with going concern as an audit opinion, so hypothesis (H1) is approved. Strong statistical evidence from the significance value shown in the table above shows a value of (0.005) which is smaller than (0.05) and a coefficient value of (-11.733) which indicates a negative relationship between the financial situation and audit statement of going concern. To measure the effectiveness of operations and their ability to generate profits, companies use profitability indicators. This indicator refers to the profit generated from sales, shares, and own capital by the company's capabilities. Profitability is considered a valid indicator for assessing a corporation's operational productivity. This is due to the role of profitability as a basis for comparison in determining investment options commensurate with the risk scale acceptable to the issuer (Saputra et al., 2021). On the other hand, high profitability that comes from the company's operational efficiency increases the level of trust of the principal. This evidence is exemplified by an inversely correlated variable, wherein a high profitability ratio denotes the corporation's robust capacity to yield profits. The likelihood of the issuer receiving an audit opinion pertaining to business continuity is low. if the issuer obtains an opinion of going concern from the auditor, it is because the issuer's profitability is low (Khamsiyahni & Amin, 2023).

This research is in line with previous research performed by (Khamsiyahni & Amin (2023), Saputra et al. (2021), and Putri et al. (2022) which shows that the profitability variable has a negative correlation with the audit opinion regarding the issuer's ability to continue operating.

b. The Influence of Company Growth on Going Concern Audit Opinions

The analysis results show that there is no significant relationship between company growth and going concern as an audit opinion. This means that hypothesis H2 is rejected, because the significance value of 0.565 is greater than alpha 0.05. Company growth, which refers to fluctuations in sales volume, may not consistently provide an accurate picture of a company's financial condition. When an organization experiences an increase in net sales without an increase in profits or a decrease in operational costs, The auditor still provides an audit opinion on business continuity. However, a decrease in sales does not always mean that an organization has a going concern as an audit statement (Setyanida & Srimindarti, 2021).

This research does not support previous research by Khamsiyahni & Amin (2023) Nurbaiti & Yanti (2022), and Rani & Helmayunita (2020) which concluded that characteristics related to

company growth hurt audit opinion. regarding business continuity. On the contrary, this study strengthens the conclusions of Kimberli & Kurniawan (2021), Sakti (2022), Saputra et al. (2021), and Setyanida & Srimindarti (2021) which show that there is no substantial correlation between issuer growth and audit opinion on continued operations.

c. The Influence of Financial Conditions on Going Concern Audit Opinions

Based on Table 9, it is proven that the financial condition has a strong relationship with the going concern as an audit opinion, so hypothesis (H3) is approved. Strong statistical evidence from the significance value shown in the table above shows a value of (0.000) which is smaller than (0.05) and a coefficient value of (-0.643) which shows a negative correlation between financial condition and audit opinion on business continuity. a company's financial troubles which result in a deteriorated financial state raise the chances of obtaining a going concern opinion from an audit. Auditors are likely to provide this opinion because the company might be facing significant financial problems (Resky et al., 2024). Empirical studies show that the Revised Altman financial distress model, or Z-score, measures financial status. When a company has a high Z-score, there is a reduced probability that it will get a going concern statement from an auditor. Conversely, a low Z-score could indicate financial troubles so that the issuer gets an audit opinion of going concern. (Divira & Darya, 2023)

The findings of this research are in line with research by Resky et al. (2024), Sardi et al. (2021), and Susilawati (2019) which shows a negative relationship between financial condition variables and going concern audit opinion.

d. The Effect of Debt Default on Going Concern Audit Opinions

Based on the findings of the analysis above, it can be concluded that debt default does not have a significant relationship with going concern audit opinion, so hypothesis (H4) cannot be accepted. This can be proven by the significance value listed in the table above which shows a value of 0.664 which is greater than 0.05. In the context of a company's survival analysis, auditors often consider "debt default" specifically a scenario in which the borrower (firm) does not meet its obligations its obligation to pay principal or interest on a loan when it is due (Putri & Astuti, 2023). Although it is a common belief that failing to pay debts (debt default) does not automatically imply that the company acknowledges the auditor's statement about its financial stability, it is important to note that companies typically attempt to negotiate with creditors to restructure debt payments in order to avoid defaulting. by doing so, they hope to persuade the auditor to reconsider and present a more positive review of the corporation's financial situation. Research findings suggest that a company experiencing financial difficulties is not most likely to receive an audit opinion of operational continuity (Setyanida & Srimindarti, 2021).

This research evidence does not support the statement from previous research conducted by Nurbaiti & Yanti (2022), Putra et al. (2021), and Sakti (2022) which proves that there is a positive relationship between the debt default variable and going concern as an audit statement. However, this research strengthens the findings of Putri & Astuti (2023), Sardi et al. (2021), and Setyanida & Srimindarti (2021) which shows that there is no substantial correlation between debt default and audit opinion regarding the ability to continue operations

4. CONCLUSIONS

Conclusions

After examining financial factors, it has been determined that the assessment of a company's ability to continue as a going concern in an audit report is inversely associated with its profitability and financial condition. However, there is no confirmed correlation between a company's growth and debt default in the audit report on its ability to continue as a going concern.

Research Limitations

This research uses financial report data for the period 2019 - 2022 which does not use the latest financial report data which may result in changes in economic, regulatory, or industrial conditions after that period not being reflected in the findings so it has limitations in capturing the complexity of the relationship between variables and only a few variables are considered. so it does not cover all factors that influence going concern as an audit opinion.

Suggestion

Expand the data sample from various industrial sectors to increase the generalizability of the findings of relationships between variables and include additional variables that have the potential to influence the audit opinion regarding business continuity, such as non-financial elements, external economic factors, or regulatory changes.

5. REFERENCES

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