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Analysis of the Influence of Company Growth, Profitability, Debt Default, Managerial Ownership, and Institutional Ownership on the Acceptance of Going Concern Audit Opinions in Manufactured Companies Listed on the IDX 2019-2021

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ABSTRACT

This research aims to determine the influence of company growth, profitability, debt default, managerial ownership, and institutional ownership on the acceptance of going concern audit opinions in manufacturing companies on the IDX in 2019 - 2021.

This research was conducted based on the phenomenon that there are still companies with financial and non-financial problems that cause doubts about the company's ability to maintain its survival so that it receives a going concern audit opinion. The sampling technique used was the purposive sampling method, where a final sample of 167 companies was obtained with observations for three years for a total of 501 observation samples. The analysis technique used is Logistic Regression Analysis using the SPSS 24 program.

This research shows that company growth, managerial ownership, and institutional ownership have a significant negative effect on the acceptance of going concern audit opinions, and debt default has a significant positive effect on the acceptance of going concern audit opinions. Meanwhile, profitability does not significantly affect the acceptance of going-concern audit opinions.

Keywords: *going concern audit opinion, company growth, profitability, debt default, managerial ownership, institutional ownership.*

INTRODUCTION

Every company generates profits to maintain survival (Going Concern) in the long term (Sudarman et al., 2020). Company survival is essential for parties interested in the company, especially investors. The company's ability to maintain its performance is one reason investors invest in it (DeFond et al., 2002). Conditions and events experienced by a company can indicate the company's business continuity (Going Concern), such as significant and ongoing operating losses that raise doubts about the company's survival (Krissindiastuti & Rasmini, 2016).

Audit Standard 341 (IAPI, 2011) defines going concern as the company's survival, which is used as an assumption in financial reporting as long as there is no evidence that there is information that shows the opposite. The auditor provides a going concern opinion if the company cannot maintain its business continuity. On the other hand, if the auditor finds no uncertainty regarding the company's ability to maintain its business continuity, then the auditor gives a non-going concern opinion (Purba & Nazir, 2019).

Investors need the role of the auditor because the auditor acts as an intermediary between the interests of investors and the company as the provider of financial reports to ensure that going concerned opinions are published to the public under the actual conditions of the company (Blay et al., 2011). The performance of a company is reflected in its financial reports. Therefore, one form of management accountability to society, especially to shareholders, is in the form of financial reports (Orlitzky et al., 2003)

So that the financial reports prepared by the company can be trusted, auditors who play a role in bridging the interests of financial report users and financial report providers are needed. The auditor is responsible for assessing whether there is any doubt about the company's ability to maintain its viability within no more than one year from the audit report date (IAPI, 2011).

As an independent party who will assess the fairness of the financial statements, the auditor must review and analyze the company's business continuity. If the auditee has several problems regarding the continuity of the company's business, then the auditor will issue a going concern opinion. Professional standards require auditors to assess a client's management plan when there is doubt about the client's capacity to continue as a going concern (Geiger et al., 2022). If, during the audit process, the auditor finds no doubt that the company will be able to maintain its viability, then the auditor has the right to issue a non-going concern audit opinion. However, if, according to the auditor, there is doubt that the company will be able to maintain its viability in the next twelve months, then the auditor has the right to issue a going concern audit opinion, which in the audit report will be included in the explanatory paragraph or the opinion paragraph (Sari, 2020).

In evaluating whether a company doubts its ability to maintain its continuity (going concern), auditors can pay attention to company growth, profitability, debt default, managerial ownership, and institutional ownership. The financial condition and proportion of ownership owned by a company can indicate the company's ability to survive in a certain period.

Several studies related to company growth have been conducted by Pratiwi and Lim (2019) and Kartika et al. (2012), which show that company growth affects going concern audit opinion. In contrast to Setiawan et al. (2015) research, Saifudin and Trisnawati (2015) found that company growth did not affect going concern audit opinion.

Gallizo and Saladrigues (2016). Setiawan et al. (2015) and Averio's (2020) test results show that profitability significantly affects going concern audit opinion. In contrast to research by Sari (2020), Wulandari et al. (2014) show that profitability ratios do not affect providing going concern audit opinions.

Izazi and Arfianti (2019) and Suharsono (2018) stated that debt default influences going concern audit opinion. However, in contrast to research conducted by Vernando and Yuniarto (2018), Hinarno and Osesoga (2016) stated that debt default does not affect going concern audit opinion.

Nurdin et al. (2016) and Nurpratiwi and Rahardjo (2014) stated that managerial ownership influences concern audit opinion. In contrast to the research of Sadirin et al. (2017) and Hinarno & Osesoga (2016), managerial ownership does not affect going concern audit opinion. Nurdin et al. (2016) and Untari & Santosa (2017) show that institutional ownership influences going concern audit opinion. It contrasts with research by Putri & Primasari (2017) and Wardani & Satyawan (2022), which states that institutional ownership does not affect going concern audit opinion.

This research uses manufacturing companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2021 as research objects. Manufacturing companies are a sector that is quite important for the country's economic development. In Indonesia, there are more companies in the manufacturing sector compared to other company sectors. With a larger number of companies, manufacturing companies have industrial influence and share fluctuations on the Indonesian Stock Exchange.

In 2019-2021, 13 companies were delisted from the Indonesia Stock Exchange (BEI), including those from the manufacturing, property, real estate, finance, trade, and building construction subsectors (PT Indonesian Stock Exchange, n.d.). In 2019, six companies were delisted. 2020 there were six companies, and in 2021, one was delisted. The list of issuers/public companies/listed companies/or delisted shares is in the attachment list in this research.

Many reasons behind these companies being removed from the IDX publication list include continuous losses, the company's operations ceasing, license revocation, and disruption to the company's liquidity. In other words, these companies have problems with business continuity.

Based on the information on delisting companies above, data was obtained on several manufacturing companies that received going concern audit opinions on the Indonesia Stock Exchange for 2019-2021, as in the attached table.

Table 1. List of Issuers Obtaining Going Concern Audit Opinions for the 2019 to 2021

No	Emiten Code	Company Name	Reasons for Obtaining a Going Concern Audit Opinion
1	ARGO	Argo Pantes Tbk	Capital deficiency and long-term liabilities exceed total assets (2019 – 2021).
2	AISA	FKS Food Sejahtera Tbk.	Capital deficiency and long-term liabilities exceed total assets (2019).
3	ALMI	Alumindo Light Metal Industry	Negative Working Capital and Loss for the current year (2019 – 2021).
4	AMIN	Ateliers Mecaniques D Indonesi	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2020).
5	ANTM	Aneka Tambang Tbk.	Uncertainty about ongoing concerns due to the impact of the COVID-19 pandemic and Losses for the current year (2019 - 2020).
6	BEEF	Estika Tata Tiara Tbk.	The opinion does not express an opinion (Disclaimer of Opinion), year loss, current liabilities exceeding total assets, or capital deficiency (2021).
7	BNBR	Bakrie & Brothers Tbk	Current year losses are recurring, and short-term liabilities exceed total current assets (2019 – 2021).
8	BRMS	Bumi Resources Minerals Tbk.	Total short-term liabilities exceed total current assets (2019 – 2021)
9	BRNA	Berlina Tbk.	Uncertainty about going concern due to the impact of the Covid-19 pandemic, loss for the year, and total short-term liabilities exceeding total current assets (2019 - 2021).
10	CAMP	Campina Ice Cream Industry Tbk	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2019 – 2020).
11	CPRO	Central Proteina Prima Tbk.	Current year losses are recurring, and short-term liabilities exceed total current assets (2019 – 2020).
12	DKFT	Central Omega Resources Tbk.	Doubts about business continuity in connection with the issuance of the latest mining industry regulations by the Republic of Indonesia government and their impact on the group's business (2019 - 2021).
13	DLTA	Delta Djakarta Tbk.	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2019 – 2021).
14	DPNS	Duta Pertiwi Nusantara Tbk.	There are deferred exploration expenses of IDR. 113,000,000,000, while the company is not producing (2019 – 2021).

15	DPUM	Dua Putra Utama Makmur Tbk.	Net sales decreased by 60.2%, operating expenses increased, loss for the year, and cash shortage for operating activities (2019 – 2021).
16	DSFI	Dharma Samudera Fishing Indust	The company experienced a deficit of IDR. 92,000,000,000, and this deficit occurs repeatedly (2019 – 2021).
17	ETWA	Eterindo Wahanatama Tbk	Uncertainty about ongoing concern due to the impact of the COVID-19 pandemic, year loss, short-term liabilities exceeding current assets, and working capital deficit (2019 – 2021).
18	GOLL	Golden Plantation Tbk.	The opinion does not express an opinion (Disclaimer of Opinion), loss for the year, and current liabilities exceed total assets (2019 – 2021).
19	HDTX	Panasia Indo Resources Tbk.	Qualified opinion, loss for the year, and current liabilities exceed total assets (2019 – 2021).
20	HKMU	HK Metals Utama Tbk.	Loss for the current year for three consecutive years (2019 – 2021).
21	IBFN	Intan Baru Prana Tbk.	The opinion does not express an opinion (Disclaimer of Opinion), Capital deficiency, loss for the year, or Current liabilities exceeding total assets (2019 – 2021).
22	IIKP	Inti Agri Resources Tbk	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2019 – 2021).
23	IKAI	Intikeramik Alamasri Industri	Recurrent losses for the current year and short-term liabilities exceed total current assets (2019 – 2021)
24	IMPC	Impack Pratama Industri Tbk.	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2019 – 2021).
25	INCF	Indo Komoditi Korpora Tbk.	Uncertainty about ongoing concern due to the impact of the COVID-19 pandemic, loss for the year, and short-term liabilities exceeding total current assets (2021).
26	INTA	Intraco Penta Tbk.	Loss for the year, the entity's inability to pay off maturing debts (2019 – 2021).
27	JAWA	Jaya Agra Wattie Tbk.	Losses for the year and short-term liabilities exceed total current assets.
28	JKSW	Jakarta Kyoei Steel Works Tbk.	Recurrent losses for the current year, capital deficiency (2019 – 2021).
29	KRAS	Krakatau Steel (Persero) Tbk.	Current year loss, negative working capital, and short-term liabilities exceed total current assets (2019 – 2021).
30	LMPI	Langgeng Makmur Industri Tbk	Loss for the current year (2019 – 2021).
31	MAIN	Malindo Feedmill Tbk.	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2019).
32	MARK	Mark Dynamics Indonesia Tbk.	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2019).
33	MDRN	Modern Internasional Tbk.	Loss for the year, capital deficiency, and short-term liabilities exceed total current assets (2019 – 2021).
34	MYTX	Asia Pacific Investama Tbk	Loss for the current year and capital deficiency (2019 – 2021).
35	PBRX	Pan Brothers Tbk	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2019-2021).

36	PCAR	Prima Cakrawala Abadi Tbk	Losses for the current year and the entity did not obtain an industrial business permit (IUI) because the office and factory are located in a residential/residential area (2019 – 2021).
37	PICO	Pelangi Indah Canindo Tbk	Going Concern uncertainty due to the impact of the COVID-19 pandemic, total short-term liabilities exceeding total current assets, and the entity is in the period of requesting a postponement of debt payment obligations (PKPU) (2019 - 2021).
38	POLY	Asia Pacific Fibers Tbk	Loss for the year, capital deficiency, and short-term liabilities exceed total current assets (2019 – 2021).
39	PRAS	Prima Alloy Steel Universal Tbk	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2019).
40	PTSN	Sat Nusapersada Tbk	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2019-2021).
41	RMBA	Bentoel Internasional Investam	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2019-2021).
42	SRSN	Indo Acidatama Tbk	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2019-2021).
43	SSTM	Sunson Textile Manufacture Tbk	Recurring losses for the current year (2019 – 2021).
44	SULI	SLJ Global Tbk.	Loss for the year, capital deficiency, and short-term liabilities exceed total current assets (2019 – 2021).
45	TINS	Timah Tbk.	Negative operating cash flow, the entity's inability to pay off maturing debt obligations, and losses for the year (2019 – 2021).
46	TIRT	Tirta Mahakam Resources Tbk	Continuous current year loss, total short-term liabilities that exceed total current assets, and negative equity (2020 – 2021).
47	UNSP	Bakrie Sumatera Plantations Tb	Debt restructuring, current-year loss, capital deficiency, and short-term liabilities exceed total current assets (2019 – 2021).
48	WSBP	Waskita Beton Precast Tbk.	Loss for the year, capital deficiency, and short-term liabilities exceed total current assets (2020 – 2021).
49	YPAS	Yanaprima Hastapersada Tbk	Going Concern uncertainty due to the impact of the Covid-19 pandemic (2020-2021).
50	ZONE	Mega Perintis Tbk	Going Concern uncertainty due to the impact of the COVID-19 pandemic (2020).

Based on this data, several manufacturing companies received going concern audit opinions in 2019, namely Argo Pantes Tbk (ARGO), Jakarta Kyoei Steel Works Tbk (JKSW), Langgeng Makmur Industri Tbk (LMPI), and others. In 2020, namely Berlina Tbk (BRNA), Campina Ice Cream Industry Tbk (CAMP), Inti Agri Resources Tbk (IIKP), Mega Perintis Tbk (ZONE) and others. Furthermore, in 2021, there will be Eterindo Wahanatama Tbk (ETWA), Garuda Maintenance Facility Aero Asia Tbk (GMFI), Panasia Indo Resources Tbk (HDTX), Krakatau Steel (Persero) Tbk (KRAS), Asia Pacific Investama Tbk (MYTX) and others.

There are many reasons behind the company obtaining a going concern audit opinion. For example, Argo Pantes Tbk (ARGO) is known to have experienced a decline in sales from 2018 to 2019, wherein in 2018, the net sales value was IDR. 446,766,837,264, while the net sales value in 2019 was IDR. 268.342.395.458. It shows that sales have decreased by (-0.399). Berlina Tbk (BRNA) is known to have a negative profitability value (-0.072), where the loss for the year 2020 was recorded at IDR. 163,083,992,000 with total assets worth Rp. 2,263,112,918,000. Meanwhile, the entities Eterindo Wahanatama Tbk (ETWA), Garuda Maintenance Facility Aero Asia Tbk (GMFI), and Asia Pacific Investama Tbk (MYTX) are known to be unable to fulfill their obligations to pay debts.

Based on the phenomenon and research gap, this research wants to re-examine the factors influencing going concern audit opinion. In this study, researchers used the variables company growth, profitability, debt default, managerial ownership, and institutional ownership with a population of open manufacturing companies (Tbk) in 2019-2021, 2019-2021 was chosen because that year is the newest 2022 was not included because The data required for the research is not yet available. However, it is hoped that the results of this research can reflect the latest conditions of the research object. The research results are reported in the form of a thesis with the title "Analysis of the Influence of Company Growth, Profitability, Debt Default, Managerial Ownership and Institutional Ownership on the Acceptance of Going Concern Audit Opinions in Manufacturing Companies on the IDX in 2019-2021".

LITERATURE REVIEW

Going Concern Audit Opinion

A going concern audit opinion is a modified audit opinion given by the auditor if there is doubt about the company's going concern capabilities or there is significant uncertainty about the company's viability in carrying out its operations within a reasonable period, no more than one year after the date of the financial statements being audited (SPAP, 2011).

In carrying out audit procedures, the auditor may identify information regarding certain conditions or events that, when considered as a whole, indicate substantial doubt about the entity's ability to continue as a going concern within a reasonable period. The following are several incidents or occurrences that could cause major doubts about the company's ability to maintain its survival, as stated in SA Section 341.

1) Negative Trend. For example, recurring operating losses, lack of working capital, negative cash flow from business activities, and poor critical financial ratios.
2) Other clues about possible financial difficulties. For example, failure to fulfill its debt obligations or similar agreements, arrears in dividend payments, rejection by suppliers of customary credit purchase requests, debt restructuring, the need to seek new sources or methods of funding, or the sale of a substantial portion of assets.
3) Internal Problems. For example, strikes or other labor relations difficulties, heavy dependence on the success of a particular project, uneconomic long-term commitments, and the need to significantly improve operations.
4) External problems that have occurred. For example, filing lawsuits regarding legal issues or other issues that may jeopardize the entity's ability to operate; loss of essential franchises, licenses, or patents; loss of key customers or suppliers; losses due to major disasters such as earthquakes, floods, drought, which cannot be insured or insured but with inadequate coverage.

As for measuring going concern audit opinion, researchers use dummy variables. Going concern audit opinion (GCO) is coded one, then non-going concern audit opinion (NGCO) is coded 0. This measurement follows research conducted by Handoko and Kusuma (2019).

Company Growth

Company growth can show the company's strength in the industry and indicate the company's ability to maintain business continuity (Rudyawan & Badera, 2009). Pratiwi and Lim (2019) stated that companies that continuously generate profits will not experience bankruptcy. If the company continues to generate profits, it experiences positive and is unlikely to receive a going concern audit opinion. On the other hand, companies with negative growth tend to experience bankruptcy, which will impact the survival of their business, and there is a high possibility of receiving a going concern audit opinion.

In this research, company growth is proxied by the sales growth ratio. The sales growth ratio measures how well a company maintains its economic position in its industry and overall economic activity (Tintri & Arief, 2012).

A company with a positive sales growth ratio runs correctly to maintain its economic position and survival. Meanwhile, companies with negative growth indicate a greater tendency towards bankruptcy.

$$\text{Economic Growth} = \frac{\text{Net Sales}_{t} - \text{Net Sales}_{t-1}}{\text{Net Sales}_{t-1}}$$

Profitability

Profitability is the company's ability to earn profits related to sales, total assets, and own capital (Saifudin & Trisnawati, 2015). This research's profitability ratio is the Return on Assets (ROA). Return On Assets (ROA) shows the company's ability to generate profits from the assets used. By knowing this ratio, the company efficiently utilizes its assets in its operational activities. This ratio also provides a better measure of company profitability because it shows management's effectiveness in using assets to obtain income (Sari, 2020)

A company with a high level of profitability indicates that it can run its business well to maintain its survival. In other words, the higher the level of profitability, the lower the possibility of giving a going concern opinion by the auditor. On the other hand, companies with low profitability tend to get going concerned opinions (Kristiana, 2012 in Saifudin & Trisnawati, 2015).

$$\textbf{ROA} = \frac{\textbf{Net Profit}}{\textbf{Total Assets}}$$

Debt Default

In Statement of Auditing Standards No.30 (SPAP, IAI 2011), the going concern indicator that auditors widely use in making decisions regarding their audit opinion is failure to fulfill debt obligations. Debt default is the failure of the debtor (company) to pay off the principal and interest to the creditor when due (Chen & Church, 1992 in Ramadhany, 2004). Debt default is determined through the company's liquidity ratio. In this research, the author uses the current ratio to measure a company's level of liquidity. This ratio measures the company's ability to meet short-term obligations using current assets. Suppose a company has a low level of liquidity, where the number of current assets it owns is less than its current liabilities. In that case, the company may have difficulty paying off its principal and interest debts to creditors at maturity. Suppose the company fails to pay its debts. In that case, the sustainability of the company will be in doubt. Therefore, the possibility of a going concern audit opinion will be more significant, and investment by outside parties will decrease (Harris & Merianto, 2015).

In measuring debt default, researchers use dummy variables. The debt default status is coded 1, and the non-debt default status is coded 0. Finding out whether a company is experiencing debt default status can be seen using Altman's bankruptcy prediction model, known as the Z Score, a formula developed by Altman to detect company bankruptcy in the period before bankruptcy occurs. This Altman model has a classification accuracy of 90% (Fachrudin, 2020).

Managerial Ownership

Based on Agency Theory, it is explained that there is an imbalance of information and a conflict of interest between agents (management) and principals (shareholders). The principal authorizes agents to carry out company operational activities. Therefore, agents have more information about the company than principals (Setiawan & Suryono, 2015). The imbalance of information and management freedom for agents tends to make company management maximize company profits, which leads to maximizing its interests at the expense and costs that must be borne by the company owner (Nurdin et al., 2016). So, there is a need for an incentive mechanism to encourage management to act in the interests of the owner, one of which is through managerial ownership (Sadirin et al., 2017).

Managerial ownership is shares ownership in a company where the shares are held by management who actively participates in company decision-making (Dela & Sunaryo, 2013). The greater the proportion of managerial ownership, the more agency conflicts within the company will be reduced, thereby making the relationship between managers and shareholders more harmonious because of the similarity of interests. It is because managers will try to increase the firm value and maintain the company's survival, so the possibility of auditors providing a going concern audit opinion on the company is slight (Eduk & Nugraeni, 2017).

$$\text{MOWN} = \frac{\text{Total of Managerial Share}}{\text{Total of Outstanding Share}}$$

Institutional Ownership

Based on the Agency Theory perspective, Jensen and Meckling (1976) explained that there is an imbalance of information and a conflict of interest between agents (management) and principals (shareholders). To bridge this gap, according to Sari (2012), the concentration of ownership by outside parties can give rise to influence from outside parties, thereby changing the company's management, which initially ran according to the company's wishes, to have limitations. It means that in making decisions, company management will influence the majority of ownership holders. Institutional ownership has an essential meaning in monitoring management because institutional ownership will encourage more optimal supervision. The company's greater institutional ownership also encourages management's supervision in making the right decisions and optimizing company performance to avoid receiving a going concern audit opinion.

$$\text{IOWN} = \frac{\text{Total of Institutional Share}}{\text{Total of Outstanding Share}}$$

Framework

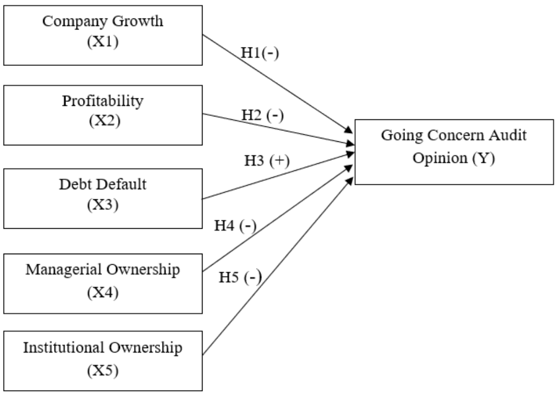

Figure 1. Framework

H1: Company growth negatively affects receiving going concern audit opinions.

H2: Profitability has a negative effect on acceptance of going concern audit opinion.

H3: Debt default positively affects acceptance of going concern audit opinion.
H4: Managerial ownership has a negative effect on acceptance of going concern audit opinion.
H5: Institutional ownership has a negative effect on acceptance of going concern audit opinion.

MATERIALS & METHODS

This type of research is associative research with a cause-and-effect relationship. Causal research is a cause-and-effect relationship where one of the independent variables influences the dependent variable. This research focuses on the influence of Company Growth, Profitability, Debt Default, Managerial Ownership, and Institutional Ownership on Acceptance of Going Concern Audit Opinions. The approach used in this research is quantitative. The population used in this research is manufacturing companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The sampling technique in this research is using a purposive sampling method to obtain the correct sample for this research. The selected sample must meet the following criteria:

1) Manufacturing companies listed on the Indonesian Stock Exchange during the observation period, namely 2019-2021.
2) Manufacturing companies that publish financial reports that independent auditors have thoroughly audited during 2018-2021.
3) The company discloses information about Corporate Governance in the annual report, namely Managerial Ownership and Institutional Ownership.

Based on the purposive sampling method, 167 out of 210 companies met the criteria. Quantitative data analysis uses SPSS (Statistical Package for Social Science) software.

RESULT

Logistic Regression Analysis

Assessing the Overall Model (Overall Model Fit)

This test is used to assess whether the hypothesized model fits the data or not. The test compares the value between -2 Log Likelihood (-2LL) at the beginning (Block Number = 0) and the value -2 Log Likelihood (-2LL) at the end (Block Number = 1). The model can be considered good or acceptable if there is a decrease in value from the initial -2LL to the final -2LL. The results of the overall model assessment are that there is a decrease in the initial -2LL value to the final -2LL, so the regression model can be accepted because the hypothesized model fits the data.

Table 2. Overall Model Fit Test

Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	344.214	-1.601
	2	325.868	-2.088
	3	325.294	-2.195
	4	325.293	-2.199
	5	325.293	-2.199

a. Constant is included in the model.
b. Initial -2 Log Likelihood: 325.293
c. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Source: Secondary Processing Results, 2023

Table 3. Overall Model Fit-2 Test

Iteration History[a,b,c,d]

Iteration		-2 Log likelihood	Coefficients					
			Constant	X1	X2	X3	X4	X5
Step 1	1	308.900	-.724	-.338	.019	.417	-1.766	-1.622
	2	248.735	-.766	-1.447	.029	.950	-3.163	-2.997
	3	225.410	-1.050	-3.016	.033	1.455	-3.733	-3.924
	4	222.100	-1.315	-3.624	.041	1.862	-4.059	-4.522
	5	221.941	-1.450	-3.738	.045	2.046	-4.143	-4.677
	6	221.940	-1.467	-3.742	.045	2.067	-4.148	-4.685
	7	221.940	-1.468	-3.742	.045	2.067	-4.148	-4.685

a. Method: Enter
b. Constant is included in the model.
c. Initial -2 Log Likelihood: 325.293
d. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

Source: Secondary Processing Results, 2023

Table 4. Comparison of Initial -2LL Values with Final -2LL Values

Block Number = 0	*Block Number = 1*	Decrease/Increase
325.293	221.940	Decrease

Source: Secondary Processing Results, 2023

Based on Table 4, the initial -2 log-likelihood in block number = 0 is 325,293. Then, in the following table, the final -2 log-likelihood with block number = 1 obtained a value of 221,940, so it can be seen that there was a decrease in the -2 log-likelihood value of 103,353. This decrease in -2LL can be interpreted as meaning that the hypothesized model fits the data, which means that adding independent variables, namely company growth, profitability, debt default, managerial ownership, and institutional ownership, to the research model will improve the fit of this research model. Using constants with five variables shows a model that can explain its influence on the acceptance of going concern audit opinions.

Feasibility of the Regression Model (Hosmer and Lemeshow's Goodness of Fit Test)

Testing the feasibility of the logistic regression model was carried out using the Hosmer and Lemeshow Goodness of Fit Test, which was measured by the Chi-Square value in the Hosmer and Lemeshow column. This test tests the match between predicted (probability values based on prediction results) and observed probabilities (observed probability values). It helps to know that the empirical data is suitable or per the model (there is no difference between the model and the data, so the model can be said to fit).

1) If Hosmer and Lemeshow's goodness of fit test value is equal to or smaller than 0.05, then the null hypothesis is rejected, which means there is a significant difference between the model and the observed values. Hence, the model's goodness of fit is not good because the model cannot predict the observed values.
2) If Hosmer and Lemeshow's goodness of fit test value is equal to or greater than 0.05, then the null hypothesis cannot be rejected, which means there is no significant difference between the model and the observed values. Hence, the model's goodness of fit is good because the model can predict the value.

Table 5. Regression Model Feasibility Test

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	4.393	8	.820

Source: Secondary Processing Results, 2023

Table 5 shows that the regression model feasibility test results show a chi-square value of 4.393 with a significance of 0.820. Because the significance value is 0.820 > 0.05, the null hypothesis is accepted, and it is stated that the regression model in this research is declared feasible and able to predict the observed values. In other words, the model is acceptable because it matches the observation data.

Coefficient of Determination Test (Nagelkerke's R Square)

The Determination Coefficient determines how much the combination of independent variables, namely company growth, profitability, debt default, and managerial ownership, can explain the dependent variable, Going Concern Audit Opinion. In logistic regression, the coefficients of determination used are Cox & Snell Square and Nagelkerke R Square. The Cox & Snell Square value shows the level of relationship between the independent and dependent variables. In contrast, the Nagelkerke R Square value shows the contribution of the independent variable in explaining the dependent variable. If the Nagelkerke R Square value is small, it means that the ability of the independent variable to explain the dependent variable is minimal. Meanwhile, if the Nagelkerke R Square is close to 1, the independent variable can provide almost all the information needed to predict the dependent variable.

Table 6. Coefficient of Determination Test

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	221.940[a]	.186	.390

a. Estimation terminated at iteration number 12 because parameter estimates changed by less than .001.

Source: Secondary Processing Results, 2023

Table 6 shows the results of testing the coefficient of determination, which shows a Nagelkerke R Square value of 0.390. This value is interpreted as company growth, profitability, debt default, managerial ownership, and institutional ownership influencing going concern audit opinion by 39%. Other variables outside the research model explain the remaining 61%.

The results of this analysis show that the independent variables used in this research, namely company growth, profitability, debt default, managerial ownership, and institutional ownership, have low percentage values, where the independent variables are not capable enough to influence the dependent variable, namely going concern audit opinion. In this research, the researcher focuses on several indicators from company fundamentals or internals to determine their influence on the acceptance of going concern audit opinions. Based on the results of data analysis, it was found that indicators originating from company fundamentals only influenced 39%. Meanwhile, in this research, other independent variables that are not used in the research, such as indicators originating from external companies that are related to auditors as parties who provide opinions on the company's financial reports, are not the focus of this research, so they are not included in the research variables. It is possible that other variables outside the research model can influence the dependent variable, namely the acceptance of going concern audit opinions of 61%.

Logistic Regression Test Results

Data analysis in this study uses logistic regression because the dependent variable was a dummy variable. Dummy variables are categorical or non-metric variables measured using a nominal scale. Apart from that, the independent variable in this research is a mixture of metric and non-metric variables, so normality, heteroscedasticity, and autocorrelation tests are not needed on the independent variables.

Table 7. Logistic Regression Test Results

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	95% C.I.for EXP(B) Upper
Step 1[a]	X1	-3.742	.599	39.012	1	.000	.024	.007	.077
	X2	.045	.098	.213	1	.645	1.046	.863	1.269
	X3	2.067	.771	7.187	1	.007	7.901	1.743	35.807
	X4	-4.148	1.221	11.536	1	.001	.016	.001	.173
	X5	-4.685	.855	30.047	1	.000	.009	.002	.049
	Constant	-1.468	.839	3.060	1	.080	.230		

a. Variable(s) entered on step 1: Company Growth, Return On Assets, Debt Default, Managerial Ownership, Institutional Ownership.

Source: Secondary Processing Results, 2023

Based on Table 7, the regression equation formed from the data significance test is as follows:

Y = -1,468 - 3,742X1 + 0,045X2 + 2,067X3 - 4,148X4 - 4,685X5

Hypothesis Test

Partial Test (Wald Test)

In the Wald test, hypothesis testing is carried out individually or partially. The following are decision-making rules based on the probability value approach:

1. If the probability value (sig.) > 0.005, H0 is accepted, and H1 is rejected.
2. If the probability value (sig.) <0.005, H0 is rejected, and H1 is accepted.

Table 7 shows that:

1) The company growth variable, proxied by sales growth, has an Asymptotic Significance (Sig.) of 0.000 < 0.05, and the Wald Statistics value of 39.012 is greater than the chi-square table value of 4.393. It shows that company growth significantly affects going concern audit opinion. The coefficient value (B) of -3.742 shows that company growth negatively affects going concern audit opinion. The conclusion is that company growth negatively affects going concern audit opinion.
2) The profitability variable, proxied by ROA, has an Asymptotic Significance (Sig.) of 0.645 > 0.05 and a Wald Statistics value of 0.231, smaller than the chi-square table value of 4.393. It shows that profitability has no significant effect on going concern audit opinion. The coefficient value (B), which is 0.045, shows that profitability positively affects going concern audit opinion. The conclusion is that profitability has a positive and insignificant effect on going concern audit opinion.
3) The debt default variable has an Asymptotic Significance (Sig.) of 0.007 < 0.05, and a Wald Statistics value of 7.187 is greater than the chi-square table

value of 4.393. This shows that debt default significantly affects going concern audit opinion. The coefficient value (B), which is 2.067, shows that debt default positively affects going concern audit opinion. The conclusion is that debt default positively and significantly affects going concern audit opinion.

4) The managerial ownership variable has an Asymptotic Significance (Sig.) of 0.001 < 0.05, and a Wald Statistics value of 11.536 is greater than the chi-square table value of 4.393. It shows that managerial ownership significantly affects going concern audit opinion. The coefficient value (B) of -4.148 shows that managerial ownership negatively affects going concern audit opinion. The conclusion is that managerial ownership negatively and significantly affects going concern audit opinion.
5) The institutional ownership variable has an Asymptotic Significance (Sig.) of 0.000 < 0.05, and a Wald Statistics value of 30,047 is greater than the chi-square table value of 4.393. It shows that institutional ownership significantly affects going concern audit opinion. The coefficient value (B) of -4,685 shows that institutional ownership negatively affects going concern audit opinion. The conclusion is that institutional ownership negatively and significantly affects going concern audit opinion.

CONCLUSION

Based on the results of the research and discussions that have been carried out, the following conclusions can be drawn:

1) Company growth significantly negatively affects the acceptance of going-concern audit opinions. So, the first hypothesis (H1) is accepted. The direction of the negative regression coefficient shows that the higher the company's sales growth, the lower the possibility of the company receiving a going concern audit opinion.
2) Profitability does not significantly affect acceptance of going concern audit opinion. So, the second hypothesis (H2) is rejected. It shows that auditors do not consider high or low profitability values as proxied by ROA in providing going concern audit opinions.
3) Debt default has a significant positive effect on the acceptance of going concern audit opinion. So, the third hypothesis (H3) is accepted. The direction of the positive regression coefficient indicates that companies that receive debt default status tend to receive a going concern audit opinion. This incident shows that when an agency cannot pay off the primary loan and interest when it is due, it can indicate that the agency has financial difficulties, which raises doubts about the company's ability to maintain its business continuity. So, it can be concluded that the company's debt default status can be an indicator or consideration for auditors in providing a going concern audit opinion.
4) Managerial ownership significantly negatively affects the acceptance of going concern audit opinion. So, the fourth hypothesis (H4) is accepted. It shows that companies where management owns a proportion of shares and actively participates in decision-making can indicate that the company tends not to obtain a going concern audit opinion.
5) Institutional ownership negatively affects the acceptance of going concern audit opinions. So, the fifth hypothesis (H5) is accepted. It shows that the amount of investment by institutions, whose nominal value tends to be large, can encourage the supervision of management in making the right decisions and optimizing company performance to increase the value of a business entity. This relationship means that greater institutional ownership

shares can indicate that the company is less likely to obtain a going concern audit opinion.

LIMITATIONS

Based on the conclusions, there are limitations to this research, namely as follows:

1) In variable X2, namely profitability, the measuring instrument used is ROA, which shows the company's ability to generate profits from the number of assets available. In this study, profitability, as proxied by ROA, does not significantly affect the acceptance of going concern audit opinions. Therefore, future researchers may use other measuring tools such as Net Profit Margin (NPM) or Return On Equity (ROE) to see the effect on the acceptance of going concern audit opinions.
2) In variable bankruptcy analysis, other models, such as the Zavgren Method, determine whether a company experiences debt default status as a probability and not as a cut-off value. If the probability value shows 1, the company is categorized as bankrupt. If the probability value is below 1, then the company is in the healthy category. There is no gray area in this method, so there are only two categories: companies categorized as bankrupt and not bankrupt. Therefore, future researchers will use other bankruptcy prediction models like Springate, Zmijewski, Foster, Zavgren, and Grover's methods.

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