THE EFFECT OF PROFITABILITY, LIQUIDITY AND COMPANY SIZE ON GOING CONCERN AUDIT OPINIONS: STUDIES ON MANUFACTURING COMPANIES LISTED ON IDX 2016-2019

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Abstract - *The purpose of this research was to determine: (1) The Effect of Profitability on the Going Concern Audit Opinion, (2) The Effect of Liquidity on the Going Concern Audit Opinion, (3) The Effect of Company Size on the Going Concern Audit Opinion, (4) The Effect of Profitability, Liquidity, and Company Size on Going Concern Audit Opinions in manufacturing companies. This type of research is comparative causal research. The population in this study are companies listed on the Indonesia Stock Exchange in 2016-2019. The sampling technique used purposive sampling technique. The sample consisted of 29 companies from 169 manufacturing companies listed on the Indonesia Stock Exchange in 2016-2019, so that the analyzed research data amounted to 116. The data analysis techniques used were descriptive statistics and logistic regression. Based on the results of this study indicate that (1) Profitability has a significant and significant effect on Going Concern Audit Opinion, (2) Liquidity has no and significant effect on the Going Concern Audit Opinion (3) Company size has a significant and significant effect on Going Concern Audit Opinions, (4) Profitability, Liquidity, and Company Size affect the Going Concern Audit Opinion.*

Keywords: *Capital Structure, Net Premium Growth, Profitability, Life Insurance.*

Abstrak - *Penelitian ini bertujuan untuk mengetahui: (1) Pengaruh Profitabilitas terhadap Opini Audit Going Concern, (2) Pengaruh Likuiditas terhadap terhadap Opini Audit Going Concern, (3) Pengaruh Ukuran Perusahaan terhadap terhadap Opini Audit Going Concern, (4) Pengaruh Profitabilitas, Likuiditas, dan Ukuran Perusahaan terhadap Opini Audit Going Concern pada perusahaan manufaktur. Jenis penelitian ini adalah penelitian kausal komparatif. Populasi dalam penelitian ini adalah perusahaan yang terdaftar di Bursa Efek Indonesia pada tahun 2016-2019. Teknik pengambilan sampel menggunakan teknik purposive sampling. Sampel berjumlah 29 perusahaan dari 169 perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2016-2019, sehingga data penelitian yang dianalisis berjumlah 116. Teknik analisis data yang digunakan adalah*

statistik deskriptif dan regresi logistik. Berdasarkan hasil penelitian ini menunjukkan bahwa (1) Profitabilitas berpengaruh dan signifikan terhadap Opini Audit Going Concern,. (2) Likuiditas tidak berpengaruh dan signifikan terhadap Opini Audit Going Concern (3) Ukuran Perusahaan berpengaruh dan signifikan terhadap Opini Audit Going Concern, (4) Profitabilitas, Likuiditas, dan Ukuran Perusahaan berpengaruh terhadap Opini Audit Going Concern.

***Kata Kunci**: Profitabilitas, Likuiditas, Ukuran Perusahaan, Going Concern.*

I. INTRODUCTION

A company that stands must have a goal of being able to maintain a going concern. The continuity of the company's business is always linked to the ability of management to run the company in order to survive. Going concern is a basic assumption in the preparation of financial statements, it is assumed that a company does not intend or intend to liquidate and even materially reduce its business scale (Astari, 2017).

The auditor will provide a going concern audit opinion to the company when the auditor feels that there is doubt about the company's ability to sustain its business, if the auditor thinks that the company is not able to last long, a going concern audit opinion will be given. There are five types of audit opinion provided by the auditor, namely unqualified opinion, unqualified opinion with explanatory paragraphs, unqualified opinion, unfair opinion, and non-giving opinion (Harris & Merianto, 2015).

The phenomenon of manufacturing companies in Indonesia that received a going concern audit opinion was the case that Batavia Air was unable to pay its USD 4.68 million debt due on December 31, 2012, based on research results obtained by Difa and Suryono (2015), because Batavia Air did not do so payment, the creditors filed a bankruptcy lawsuit against Batavia Air. Where before Batavia Air went bankrupt, its financial statements showed the ability to pay short-term and long-term obligations, and cash flow was in good condition, the financial statements also received an unqualified audit report and received a going concern qualification in 2015. However, it turned out that Batavia Air unable to maintain the continuity of its business so that it went bankrupt.

Another phenomenon of manufacturing companies in Indonesia that received a going concern audit opinion is PT ARGO PANTES Tbk. stated that from Note 35 to the financial statements indicating the company suffered a net loss of USD 25,717,177 for the year ended December 31, 2017 and on that date the company also recorded a capital deficiency of USD 56,991,258. These conditions, together with other matters as described in Note 35, indicate a material uncertainty which could cause significant doubt as to the Company's ability to sustain its business.

Going concern audit opinion is an audit opinion issued by the auditor in order to ensure that a company can maintain its business continuity or not. Giving a going concern audit opinion will help the public or investors in assessing the company's financial condition. The reason for going concern audit reports affects the reactions of interested parties because this report is able to reveal new information from a company related to client status and client plans to improve their financial conditions (Menon & Williams, 2010).

The following is a graph of manufacturing companies that received a going concern audit opinion on the Indonesia Stock Exchange in 2016 - 2019
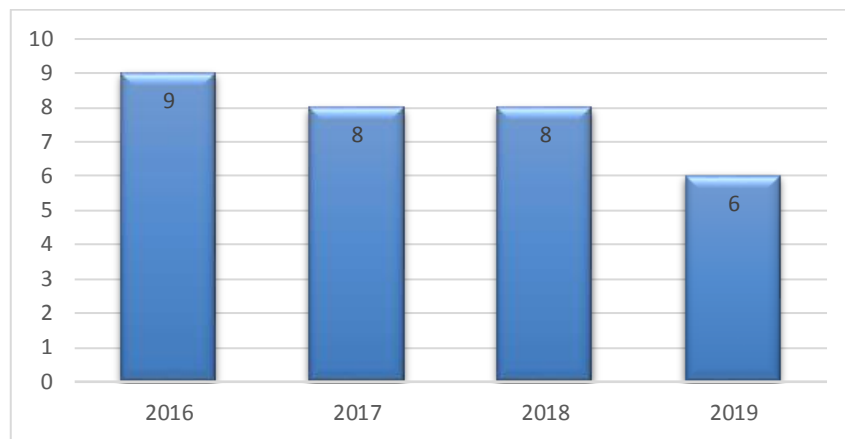
Source: Indonesia Stock Exchange, 2020

Figure 1: Going Concern Audit Opinion Graph for Manufacturing Companies in 2016-2019

Based on the graph above, it can be seen that mining companies that received a going concern audit opinion in 2016 consisted of 9 companies then experienced a decline in 2017 and 2018, namely with the same number of 8 companies, then decreased again in 2019, namely 6 companies. Companies that receive a going concern audit opinion on manufacturing companies are triggered by unfavorable global economic conditions because the trade war between the US and China has an impact on the decline in manufactured export commodities in the world and has an impact on Indonesia.

Acceptance of going concern audit opinion is assumed to be a negative signal for shareholders or investors. Doubts about the continuity of the company's business are an indication of a company's bankruptcy. If the financial statements are prepared using basic assumptions regarding going concern, it means that it can be estimated that the company can survive for a long time (Astari, 2017).

The company's going concern is very much needed by interested parties, especially investors. The existence of a business entity in the long term has the objective of being able to maintain the company's going concern. Conditions experienced by a company can signal the continuity of the company's business, such as significant and ongoing operating losses that cause doubts about the company's survival (Krissindiastuti & Rasmini, 2016).

Profitability shows the company's ability to generate profits during a certain period. The higher the profitability value, the greater the company's ability to generate profits. The company's financial condition that can be seen through the company's financial statements. Companies with a good level of profitability will be considered better in the eyes of investors. A positive level of profitability indicates that the company generates profits, on the other hand, a negative level of profitability means that the company is experiencing a loss. Pradika (2017) and Arma (2013) which state that profitability is negatively related and has a significant effect on going concern audit opinion. In contrast to Pasaribu's (2015) study, the profitability ratio has no effect on going concern audit opinion acceptance. Januarti and Fitrianasari (2008) stated that the profitability ratio did not have a significant effect on going concern opinion. The absence of significant evidence between profitability and going concern opinion provision is due to the relatively large financial leverage borne by the company, namely the increase in operating profit is not matched by a decrease in corporate debt.

Liquidity is the company's ability to meet its short-term obligations (current liabilities). A company that is able to meet its financial obligations on time means that the company is in a "liquid" state. Companies with good financial conditions are companies that can meet their short-term obligations in a timely manner. Companies that are unable to fulfill their short-term obligations in a timely manner will create uncertainty about the survival of the company. This shows that companies that can meet their short-term obligations in a timely manner are likely to give a going concern audit

opinion that tends to be lower, compared to companies that cannot fulfill their short-term obligations on time. Ramadhani's research (2016) shows that liquidity does not have a significant effect on going concern audit opinion. This is because auditors do not only see aspects of the company's ability to meet short-term obligations, but auditors also see aspects of the company's overall capabilities. Meanwhile, Saifudin's research (2016) shows that liquidity using the current ratio proxy has a significant effect on going-concern audit opinion.

Company size can be seen from the company's financial condition, for example the amount of total assets. Santosa and Wedari (2007) found that size has an effect on going concern opinion. Mutchler (1985) cited by Santosa and Wedari (2007) states that a small company will be more at risk of receiving a going concern audit opinion compared to a larger company. This is possible because auditors believe that a larger company can solve the financial difficulties it faces than a smaller company. However, Januarti and Fitrianasari (2008) and Junaidi and Hartono (2010) obtained empirical evidence that the size of the client company had no effect on the going concern opinion issued by the auditor. This occurs because the growth of the company's assets is not followed by the company's ability to increase its profit balance (Januarti and Fitrianasari, 2010).

Source: Central Statistics Agency, 2019
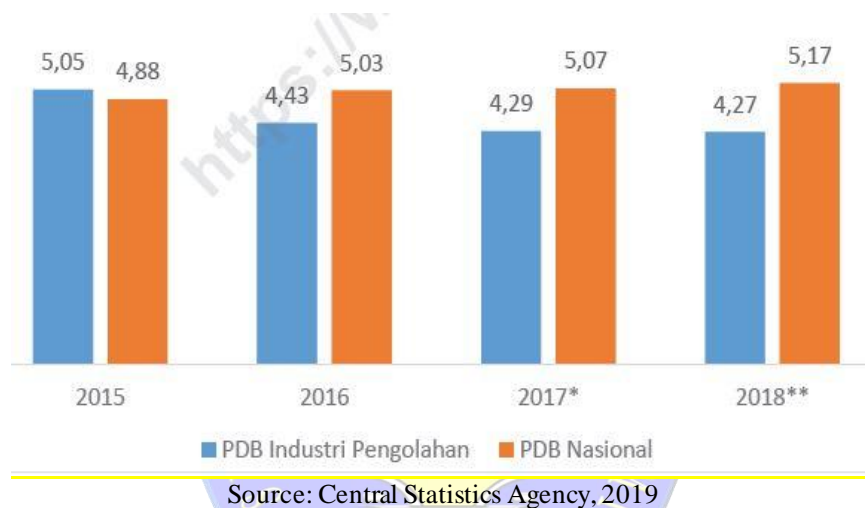
Figure 2 Comparison of Manufacturing Industry GDP Growth with National GDP

The comparison between the GDP growth of the manufacturing industry and the national GDP can be seen in Figure 2. National GDP growth has a value that is almost the same as the growth of the manufacturing industry, which is growing at around 5% each year. The highest national GDP growth occurred in 2018, namely 5.17%. National GDP experienced a slowdown in 2015 by 4.88%. In 2016, the national GDP growth was 5.03% and in 2017 it was 5.07%.

This study uses manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2016 to 2019 as research objects. Manufacturing companies are a sector that is quite important for the development of the country's economy. Companies in the manufacturing sector have an important influence on a country's industry. In Indonesia, companies in the manufacturing sector have more companies listed on the Indonesia Stock Exchange when compared to other corporate sectors. With more companies, companies in the manufacturing sector have industrial influence as well as stock fluctuations on the Indonesia Stock Exchange. The manufacturing industry in recent years has experienced growth. In 2017, the manufacturing sector industry experienced a growth of 4.74 (Detik Finance, 2018), in 2018 it experienced a growth of 4.07% (Sindonews, 2019). Therefore, information about manufacturing companies will be very useful for investors. 2016 to 2019 was chosen because that year is the newest year.

Based on the inconsistencies in the results of the previous studies described above, this study wants to reexamine the factors that influence going-concern audit opinion. This study takes the title "The Effect of Profitability, Liquidity, and Company Size on Going Concern Audit Opinions: Studies on Manufacturing Companies listed on the IDX in 2016-2019".

II. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT
2.1. Going Concern Audit Opinion

In accordance with generally accepted auditing standards set by the Indonesian Institute of Certified Public Accountants (IAPI), auditors are required to convey to users of their reports important information that the auditor thinks needs to be disclosed. This information is conveyed by the auditor through an audit report. The audit report is a tool used by the auditor to convey the conclusions of the results of the audit that has been performed. The opinion given is a statement of fairness, in all material respects, financial position and results of operations and cash flow in accordance with Financial Accounting Standards (IAPI, 2011). According to Mulyadi (2014) there are five types of audit opinions, namely:

1. Unqualified Opinion. With an unqualified opinion, the auditor stated that the financial statements were presented fairly in all material respects in accordance with Indonesian standards.
2. Unqualified Opinions with Explanatory Paragraphs. In certain circumstances, the auditor adds an explanatory paragraph or other explanatory language to the audit report, even though it does not affect the unqualified opinion of the audit financial report. An explanatory paragraph is included after the opinion paragraph.
3. Qualified Opinion. A qualified opinion is given when the auditee presents the financial statements fairly, in all material respects in accordance with the accounting principles and standards in Indonesia, except for the impact of the excluded matters.
4. Adverse Opinion. An unfair opinion is given by the auditor if the auditee's financial statements do not present a fair financial report in accordance with generally accepted accounting principles.
5. Not Providing an Opinion (Disclaimer). The auditor's statement not to give this opinion is appropriate if there are very material audit scope limitations either by the client or due to certain conditions and the Auditor is not independent of the client.

Going concern is the company's ability to maintain its survival within a reasonable period, which is not more than one year from the date of the audit financial report. The going concern problem is divided into two, namely financial problems which include liquidation deficiency, equity deficiency, debt delinquency, difficulty in obtaining funds, as well as operating problems which include continuous operating losses, dubious income prospects, threatened operating capabilities and weak control over operations (Hidayat, 2018).

The going concern assumption is used as one of the assumptions that can be used in preparing the company's financial statements. The going concern of the company becomes a financial reporting assumption as long as there is nothing that indicates inappropriate information. A discrepancy occurs with an entity's information if the company is unable to pay off its due debt. Discontinued sale of most of the assets to external parties through SA section 341 business (Izzati, 2014).

Going concern audit opinion is an opinion issued by the auditor to ascertain whether the company is able to survive (SPAP, 2001). In this case, the auditor can evaluate whether there is any doubt about the company's ability to maintain its survival, then according to the SA Section (SPAP, 2001), it states that the auditor has the responsibility to evaluate whether there is a big doubt about the company's ability to sustain its survival in a period of time. Appropriate, not more than one year from the date the financial statements are being audited (Muhamadiyah, 2013). PSA No. 29 paragraph 11 letter d, states that, a big doubt regarding the company's ability to maintain its going

concern is a condition that makes the auditor add an explanatory paragraph in the audit report, although it does not affect the unqualified opinion expressed by the auditor (Muhamadiyah, 2013).

2.2. Profitability Ratio

Profitability is the company's ability to earn profits in relation to sales, total assets, and own capital (Sartono, 1998). According to Hanafi (2014), the profitability ratio is used to measure the company's ability to generate profits (profitability) at the level of sales, assets and certain share capital.

Profit is often a measure of a company's performance. Where when the company has high profits, it means that its performance is good and vice versa. In addition to being an indicator of the company's ability to fulfill its obligations for its funders, it is also an element in the creation of company value that shows the company's prospects in the future. According to Harahap (2007) the profitability ratio describes the company's ability to earn profits through all its capabilities, and existing sources such as sales activities, cash, equity, number of employees, number of branches and so on. Meanwhile, according to Hanafi (2014) the profitability ratio is used to measure the company's ability to generate profits at the level of sales, assets and certain share capital. Based on the theory above, it can be concluded that the profitability ratio is the company's ability to generate profits by using factors to generate maximum profit.

In this study, researchers used Return on Assets (ROA) to assess the level of company profitability. ROA shows the company's ability to generate profits from assets used to generate profits. Munawir (2002) by knowing this ratio, it will be known whether the company is efficient in utilizing its assets in the company's operational activities. This ratio also provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to generate revenue. This ratio is a comparison between net income and total assets.

$$ROA = \frac{Net\ Profit}{Total\ Assets} \qquad (1)$$

Based on the explanation of profitability above, it can be concluded that profitability is a measuring tool to determine the company's ability to generate profits in relation to sales, assets, and its own shares. In measuring profitability, there are two types that can be used to determine the level of profitability, profitability is seen through its relation to sales and profitability is seen through its relation to investment.

2.3. Liquidity Ratio

According to Sofyan Syafri Harahap (2007), the liquidity ratio is a ratio that measures a company's ability to meet its short-term obligations. To be able to fulfill its obligations, the company must have a tool that is used to pay, namely in the form of current assets whose amount must be much greater than current liabilities. Meanwhile, according to Irham Fahmi (2012) the ability of a company to meet its short-term obligations in a timely manner.

According to Subramanyam (2010), liquidity is the company's ability to generate cash in the short term to meet its obligations and depends on the company's cash flow and components of current assets and liabilities. This means that if the company is collected, the company will be able to meet the debt, especially debt that is due. In other words, the liquidity ratio serves to show or measure the company's ability to fulfill its obligations that are due, both obligations to parties outside the company (business entity liquidity) and within the company (company liquidity). Thus, it can be concluded that the Liquidity ratio is a company's ability to finance and meet obligations (debt) when collected.

According to Harahap (2007), the liquidity ratio is a ratio that measures a company's ability to meet its short-term obligations. To be able to fulfill its obligations, the company must have a tool that is used to pay, namely in the form of current assets whose amount must be much greater than current liabilities.

Researchers only use the current ratio as a tool to measure the level of liquidity of a company.

This ratio measures the company's ability to meet short-term liabilities using current assets. The current ratio is used as a general practice that is better as a starting point for measuring all the working capital that a company uses by comparing the amount of current assets and current liabilities. According to Fahmi (2012) the condition of a company that has a good current ratio is considered a good and good company, but if the current ratio is too high it is also considered bad because it can indicate problems such as relatively high inventory levels compared to the estimated sales level so that the turnover rate inventory is low and indicates either an over investment in that inventory or a large bad debt balance.

The level of liquidity of a company can be measured through Current Ratio. Current Ratio is calculated by dividing current assets by current debt. This ratio shows the extent to which current assets with current liabilities cover current liabilities.

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liability} \qquad (2)$$

2.4. Company Size

Company size is the size of a company. Company size is a scale in which a company can be classified into a large or small company, in various ways, including: total assets, sales and market capitalization (Sudarmadji and Sularto, 2007). According to Brigham and Houston (2001), company size is the average total net sales for the year concerned to several years. In this case, if the sales are greater than the seller's variable costs and fixed costs, the amount of profit before tax will get. Conversely, if sales are less than variable costs and fixed costs, the company will experience a loss.

Asset value shows the wealth owned by the company in carrying out its operational activities. Sales value represents the turnover that the company can make. The market capitalization value shows how much the company is known to the public. Company size can be seen from how big or small the business the company does. Companies with a large scale and positive growth indicate that the company is less likely to go bankrupt and is considered capable of maintaining its business continuity (Januarti and Fitrianasari, 2008).

Based on the above definitions, it can be concluded that the size of the company is a description of a company that can be categorized as a large or small company which can be seen through its total assets, net sales, and market capitalization. The size of a company large or small can determine the probability of a company going bankrupt or being able to survive.

The firm size variable is presented in the form of natural logarithms, because the value and distribution are large compared to other variables. The measurement uses the formula:

$$SIZE = \log natural\ (Total\ Aset) \qquad (3)$$

2.5. Framework

The framework of this research is outlined in the research model in Figure 3.
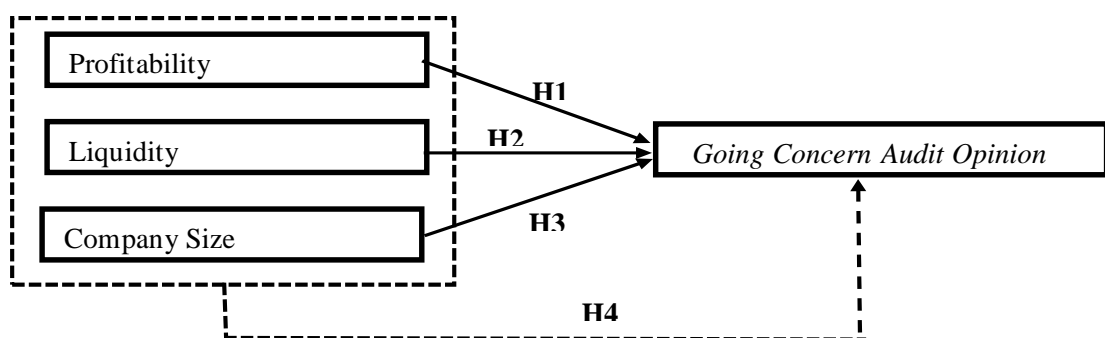
Figure 3 Research Framework

2.6. Hypothesis

Based on the framework and research paradigm previously described, the hypotheses proposed in this study are:

H1: Profitability affects the Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesian Stock Exchange in 2016-2019.

H2: Liquidity affects the Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesian Stock Exchange in 2016-2019.

H3: Company size affects the Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesian Stock Exchange in 2016-2019.

H4: Profitability, Liquidity, and Company Size simultaneously affect the Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesian Stock Exchange in 2016-2019.

III. RESEARCH METHODE

The object of research is the effect of profitability, liquidity and company size on going concern audit opinion on manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2016-2019 period. This study uses a causal research method and the type of data used in this study is secondary data, which is financial statement data sourced from the Indonesia Stock Exchange. The population of this research is 29 manufacturing companies listed on the Indonesia Stock Exchange for the period 2016-2019. The sample selection was carried out using non-probability sampling methods with the sampling technique carried out by purposive sampling. The data analysis method used in this study is a logistic regression model using the help of a computer statistical application program Eviews 9.

Table 1: Variables and Measurements

Variables	Indicators	Scale
Profitability	$ROA = \dfrac{Net\ Profit}{Total\ Assets}$	Ratio
Likuidity	$Current\ Ratio = \dfrac{Current\ Assets}{Current\ Liability}$	Ratio
Company Size	$SIZE = \log natural\,(Total\ Aset)$	Ratio
Going Concern Audit Opinion	0 = Non-Going Concern Audit Opinion 1 = Going Concern Audit Opinion	Ratio

Source: data processed, 2020

This study used logistic regression analysis. The analysis was carried out by looking at the influence of each dependent variable on the independent variable and the effect of all dependent variables on the independent variable. The regression model formed is as follows:

$$Ln\left(\frac{GC}{1-GC}\right) = \alpha + \beta_1 X_1 + \beta_1 X_2 + \beta_1 X_3 + e \qquad (5)$$

Where :

GC $\qquad$ = Going Concern Audit Opinion (GCOA)

α $\qquad$ = regression constan

$\beta_1, \beta_2, \beta_3$ = regresion coefficients

X_1 $\qquad$ = profitability (ROA)

X_2 $\qquad$ = liquidity (CR)

X₃ = company size (SIZE)

X_3 = company size (SIZE)

e = residual error

IV. RESULTS

4.1. Research Sample Description

From the results of the analysis of the annual reports and financial reports of the auditee in the research year, it can be seen that the types of opinions received by each company during the study period. These opinions are then classified into two types of audit opinions, the first is going concern audit opinion (GC) and the second is non going concern audit opinion (NGC). The distribution of these companies is presented in table 2

.

Table 3: Company Distribution Table Based on Audit Opinions

Audit Opini	2016	2017	2018	2019	Total
Going Concern	9	8	8	6	31
	31%	28%	28%	21%	27%
Non Going Concern	20	21	21	23	85
	69%	72%	72%	79%	73%
Total	29	29	29	29	116
	100%	100%	100%	100%	100%

Source: secondary data processed, 2020

Based on table 3, above that in 2016 the number of manufacturing sector companies that obtained going concern audit opinion was 9 companies or 31% of the total companies. In 2017, the number of sample companies that obtained going concern audit opinion decreased by one company and in 2018 the number of sample companies that obtained the same going concern audit opinion in 2017 was 8 companies or 28% of the total companies. In 2019 the number of sample companies that obtained going concern audit opinions decreased to the same 6 companies in 2019 amounting to 21% of the total companies.

4.2. Descriptive statistics

Table 4: Descriptive Statistics Table

	GCOA	ROA	CR	SIZE
Mean	0.267	-0.012	1.488	28.201
Median	0.000	-0.003	1.131	27.926
Maximum	1.000	1.040	8.521	32.255
Minimum	0.000	-1.712	0.028	25.215
Std. Dev	0.444	0.257	1.411	1.478
Observations	116	116	116	116

Source: secondary data processed, 2020

The results of descriptive statistical analysis of going-concern opinion (GC) acceptance show a minimum value of 0, a maximum value of 1 with an average of 0.267 and a standard deviation of 0.444. The average value of 0.267 indicates that more going concern audit opinion does not accept going concern audit opinion from the 116 samples studied. Of the 116 companies, 26.7% received a going concern audit opinion and 83.3% received a non going concern audit opinion. The average value of 0.267 is smaller than the standard deviation of 0.444, indicating that the data is varied.

The results of descriptive statistical analysis on profitability (ROA) show a minimum value of -1,712, a maximum value of 1.040 with an average of -0.012 and a standard deviation of 0.257. Based on the minimum value of -1,712 achieved by Jakarta Koei Steel Works LTD Tbk., the profit in 2018 was IDR (48,558,147,000). while the maximum value of 1,040 was achieved by Schering Plow Indonesia Tbk. in 2016 which had a profit of IDR 223,074,487,000. The average value of -0.012 is smaller than the standard deviation of 0.257, indicating that the data is varied.

The results of descriptive statistical analysis on Liquidity (CR) show a minimum value of 0.028, a maximum value of 8,521 with an average of 1.488 and a standard deviation of 1.411. Kertas Basuki Rachmat Indonesia Tbk. achieved a minimum value of 0.028 in 2019, having current liabilities of Rp. 673,152,878,916, which is greater than current assets of Rp. 19,179,430,042 indicating that the inability to pay its debts in 2017 and a maximum value of 8,521 by Inti Keramik Alam Asri Industri Tbk, where the current assets owned by Inti Keramik Alam Asri Industri Tbk. in 2019 are Rp.1,242,713,466,000, greater than their current liabilities in 2019, Rp.145,834,280,000, indicating that Inti Keramik Alam Asri Industri Tbk. in 2019 is able to pay or cover its debts. The average value of 1.488 is greater than the standard deviation of 1.411, indicating that the data is homogeneous.

The results of descriptive statistical analysis of the Company Size (Size) show a minimum value of 25,215, a maximum value of 32,256 with an average of 28,201 and a standard deviation of 1,478. Based on the minimum value of 25,215 achieved by Primarindo Asia Infrastructure Tbk., the total assets in 2017 amounted to IDR 89,327,328,853. while the maximum value of 32,256 was achieved by Barito Pacific Tbk. in 2018 having total assets of IDR 101,982,312,171,000. The average value of 28,201 is greater than the standard deviation of 1.478, indicating that the data is homogeneous.

4.2. Multicollinearity Test

The multicollinearity test used in this study uses the Centered Variance Inflation Factor value. If the Centered VIF value is smaller than 10 then there is no multicollinearity in the model. The multicollinearity test results can be seen in table 5.

Table 5: Multicollinearity Test Results

Variance Inflation Factors

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
X1_ROA	0.022247	1.024932	1.022461
X2_CR	0.000736	2.150910	1.014406
X3_SIZE	0.000668	371.0433	1.008008
C	0.534708	372.6632	NA

Source: secondary data processed, 2020

Based on the table above, the calculation results show that all VIF values for the Profitability Variable (ROA) are 1,002, the CR variable is 1,014 and the Company Size variable is 1,008. All the VIF values of the independent variables in this study are less than 10, thus, it can be concluded that all independent variables in this study do not occur multicollinearity.

4.3. Hypothesis Test

In this study, hypothesis testing was carried out using logistic regression. Logistic model regression analysis was used in this study because the variables in this study were because the dependent variable used in this study was dichotomous. According to Imam Ghozali (2011), in testing the logistic regression model the independent variables are tested simultaneously, but the

interpretation of the model output can be done partially. The logistic model used in this study can be described as follows:

4.3.1. Eligibility Results for Regression

Assessment of the feasibility of the regression model was carried out using the Hosmer and Lomeshow's Goodness of Fit Test. If the significance value of Hosmer and Lomeshow's Goodness of Fit Test produces a value greater than 0.05, the null hypothesis is accepted. That is, the model can predict the value of its observations and the model can be accepted. The results of Hosmer and Lomeshow's Goodness of Fit Test can be seen in the following table:

Table 6: Results of the Hosmer and Lomeshow's Goodness of Fit Test

Goodness-of-Fit Evaluation for Binary Specification
Andrews and Hosmer-Lemeshow Tests

H-L Statistic	7.8192	Prob. Chi-Sq(8)	0.4513
Andrews Statistic	25.4648	Prob. Chi-Sq(10)	0.0045

Source: secondary data processed, 2020

From the test results in the table above, it is obtained a Chi-square of 7.8192 with a significance value of 0.4513. From these results it can be seen that the significant value is greater than 0.05 so that the null hypothesis is accepted, which means that there is no difference between the predicted classification and the observed classification. So it can be concluded that the logistic regression model used has met the data adequacy (fit).

4.3.2. Model Fit Results

Model fit testing is done to determine the fit model with data both before and after the independent variables are entered into the model. Testing is done by comparing the initial -2 log likelihood (-2LL) value (Block Number = 0) and the final -2 log likelihood (-2LL) value (Block Number = 1). If the test results in a decrease in the value between the initial -2LL and -2LL at the end of the test (Block Number = 1), it shows that the hypothesized model is fit with the data. A decrease in the Log Likelihood value indicates that the regression model is getting better. The results of the fit model test can be seen in the following table:

Table 7: Fit Test Results Table 1

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	134,814	-,931
	2	134,675	-1,007
	3	134,675	-1,009
	4	134,675	-1,009

Source: secondary data processed, 2020

Based on the results of the fit 1 test processing in table 4.5 shows that the initial -2 Log Likelihood value is 134.675. Mathematically, this figure is significant at 5% alpha and means that the null hypothesis (H0) is rejected. This means that only constants are not fit with the data (before the independent variables are included in the regression model) (Ghozali, 2016). The next step is to

compare the initial -2 Log Likelihood value (fit-1 test table) with the final -2 Log Likelihood (fit-2 test table).

Table 8: Fit Test Results Table 2

Iteration		-2 Log likelihood	Coefficients			
			Constant	ROA	CR	SIZE
Step 1	1	113,834	4,781	-2,328	-,171	-,195
	2	102,930	7,298	-5,514	-,380	-,284
	3	99,269	9,957	-8,812	-,523	-,379
	4	98,977	11,113	-10,028	-,583	-,421
	5	98,975	11,238	-10,146	-,589	-,425
	6	98,975	11,239	-10,147	-,589	-,425
	7	98,975	11,239	-10,147	-,589	-,425

Source: secondary data processed, 2020

Based on the output results in table 4.8, there is a decrease in the value between -2 initial and final Log Likelihood of 98.975. This decrease means that the addition of the independent variables to the regression model improves the fit model or in other words, the model fits the data.

4.4. Results of the Regression Model Formed

This study used logistic regression analysis. The analysis was carried out by looking at the influence of each dependent variable on the independent variable and the effect of all dependent variables on the independent variable. The regression model formed is as follows:

Table 9: Logistic Regression Analysis Results

Variable	Coefficient	Std. Error	z-Statistic	Prob.
X1_ROA	-10.14204	2.654546	-3.820631	0.0001
X2_CR	-0.589332	0.224810	-2.621464	0.0088
X3_SIZE	-0.424993	0.197771	-2.148911	0.0316
C	11.23211	5.528011	2.031853	0.0422

McFadden R-squared	0.264902	Mean dependent var	0.267241
S.D. dependent var	0.444439	S.E. of regression	0.378488
Akaike info criterion	0.922408	Sum squared resid	16.04432
Schwarz criterion	1.017359	Log likelihood	-49.49964
Hannan-Quinn criter.	0.960952	Deviance	98.99928
Restr. deviance	134.6750	Restr. log likelihood	-67.33750
LR statistic	35.67573	Avg. log likelihood	-0.426721
Prob(LR statistic)	0.000000		

Source: secondary data processed, 2020

Based on table 9, the logistic regression model obtained is as follows

$$ln\frac{GC}{1-GC} = 11{,}232 - 10{,}14ROA - 0{,}589CR - 0{,}424SIZE \qquad (4)$$

4.4.1. Coefficient of Determination

The coefficient of determination is used to determine how much variability of the independent variables is able to clarify the variability of the dependent variable. The coefficient of determination in the logistic regression can be seen in the McFadden R Square value. The McFadden R Square value can be interpreted as the R Square value in multiple regression (Ghozali, 2016). Based on the logistic regression results in table 9, the McFadden R-squared value is 0.264 or 26.4%. This shows that the Going Concern Opinion variable can be explained by the independent variables, namely profitability (ROA), Liquidity (CR) and Company Size (Size) of 26.4%. While the rest (100% - 26.4% = 73.6%) is explained by other variables outside the research regression model.

4.4.2. Logistic Regression Models for Partial Effects

Table 10: Partial Influence Test Results

Variable	Coefficient	Std. Error	z-Statistic	Prob.
X1_ROA	-10.14204	2.654546	-3.820631	0.0001
X2_CR	-0.589332	0.224810	-2.621464	0.0088
X3_SIZE	-0.424993	0.197771	-2.148911	0.0316
C	11.23211	5.528011	2.031853	0.0422

Source: secondary data processed, 2020

Based on table 10 and equation 4, the logistic regression model for partial effects can be described as follows
1. The constant logistic regression coefficient has a positive coefficient of 11.232, which means that if other variables are considered zero, the Going Concern Audit Opinion will increase by 11.232 units.
2. The coefficient of the Profitability variable is -10.14 which means that any increase in profitability will result in a decrease in the Going Concern Audit Opinion by 10.14 units. The significance value of the Profitability variable of 0.0001 is smaller than the significance level of 0.05, which means that H1 is accepted and H0 is rejected, so it can be concluded that the Profitability variable has a partially significant effect on Going Concern Audit Opinion.
3. The liquidity variable coefficient is -0.589, which means that any increase in profitability will result in a decrease in the Going Concern Audit Opinion by 0.589 units. The significance value of the Liquidity variable is 0.0088 smaller than the 0.05 significance level, which means that H2 is accepted and H0 is rejected, so it can be concluded that the Liquidity variable has a partially significant effect on the Going Concern Audit Opinion.
4. The coefficient of the Company Size variable is -0.424, which means that each increase in Company Size will result in a decrease in the Going Concern Audit Opinion by 0.424 units. The significance value of the firm size variable of 0.0316 is smaller than the significance level of 0.05, which means that H3 is accepted and H0 is rejected, so it can be concluded that the firm size variable has a partially significant effect on the Going Concern Audit Opinion.

4.4.3. Logistic Regression Model for Simultaneous Influence

This test is conducted to test whether the variables of Profitability, Liquidity, and Company Size simultaneously affect the Going Concern Audit Opinion. The results of the Likelihood Ratio can be seen in the following table:

Table 11: Simultaneous Influence Test Results

LR statistic	35.67573	Avg. log likelihood	-0.426721
Prob(LR statistic)	0.000000		

Source: secondary data processed, 2020

The results of the logit regression test obtained a statistical LR value of 35.675 with a significance of 0.000. With a Sig value that is smaller than 0.05, which means that H4 is accepted, while H0 is rejected, it can be concluded that going concern audit opinion issuance can be predicted by Profitability, Liquidity and Company Size or in other words the independent variables (Profitability, Liquidity and Company Size) have a significant effect simultaneously to the Going Concern Audit Opinion.

4.5. Discussion of Research Results

Based on the results of the data analysis above, the proof of the hypothesis can be explained as follows

Table 11: Summary Results of Hypothesis Test

Variables	Estimate	Sig	Information
Profitability (ROA)	-10.14204	0.0001	H_1 accepted
Liquidity (CR)	-0.589332	0.0088	H_2 accepted
Company Size (Size)	-0.424993	0.0316	H_3 accepted

Source: secondary data processed, 2020

Based on the results of hypothesis testing, it is concluded that H1 is accepted while H0 is rejected, which means that the Profitability variable has a significant effect on Going Concern Audit Opinion. The results of this study are in line with research conducted by Melania, Andini and Arifati (2016) which states that Profitability has a significant negative effect on Going Concern Audit Opinions. Profitability is the company's ability to generate profits. The higher the profitability, the greater the company's ability to generate profits. Companies that have high profitability tend to have high profits accompanied by an increase in company assets. With a high level of profitability, the auditor will tend to provide a non-going concern audit opinion because the company is considered to have a healthy financial condition so that it is considered to have the ability to maintain the company's operational capability.

The results of this study indicate that profitability affects the Going Concern Audit Opinion. This means, the greater the profitability, the lowering of the Going Concern Audit Opinion. Therefore, it can be concluded that the existence of Profitability has a significant and significant effect on Going Concern Audit Opinions in Manufacturing Companies listed on the IDX in 2012-2015. This shows that profitability, which is proxies by return on assets, has an effect on going concern audit opinion. The higher the profitability means that the company's management is considered capable of managing existing assets to generate profits. Companies with high profitability indicate that the company is able to run its business well so that it can maintain its survival. Thus,

going concern audit opinion will be low. Because companies with high profitability do not show a loss thus they do not have continuity problems.

Based on the results of hypothesis testing, it is concluded that H2 is accepted while H0 is rejected, which means that the Liquidity variable has a significant effect on Going Concern Audit Opinion. The results of this study are different from research conducted by Melania, Andini & Arifati (2016) and Wulandari (2014) which state that liquidity does not have a significant effect on Going Concern Audit Opinions. Liquidity is the company's ability to pay its short-term obligations using current assets. In relation to lower liquidity, the company is less liquid so that it cannot pay its creditors, the auditor may provide an audit opinion with Going Concern. Auditors in issuing a Going Concern Audit Opinion must see the company's ability to maintain its survival. The company has its own potential in maintaining its survival. Auditors must consider the potential that the company has. These potentials include the company's ability to generate profits in the following year.

Liquidity is the company's ability to pay off short-term debt. The company's ability to maintain the company's survival is not only seen from its liquidity. Companies can have other potentials in maintaining their survival, such as getting a new supply of capital or having the ability to generate good profits in the following year. The results of this study indicate that liquidity has a significant effect on Going Concern Audit Opinions in Manufacturing Companies listed on the IDX in 2016-2019.

Based on the results of hypothesis testing, it is concluded that H3 is accepted while H0 is rejected, which means that the firm size variable has a significant effect on Going Concern Audit Opinion. The results of this study are in line with research conducted by Melania, Andini & Arifati (2016) which states that liquidity has a significant effect on Going Concern Audit Opinions. However, it is different from research conducted by Alichia (2013) and Wulandari (2014) which states that company size does not have a significant effect on Going Concern Audit Opinion. A company with a positive asset growth rate followed by an increase in operating results will increase confidence in the company and provide a sign that the company is far from the possibility of going bankrupt. The higher the total assets owned by the company, the company is considered a large company and is able to maintain its business continuity so that it is less likely to receive a going concern audit opinion.

Auditors will be more likely to issue a going concern audit opinion to smaller companies, this is because auditors view that larger companies have more ability to solve their financial problems when compared to smaller companies. Santosa and Wedari (2007) conducted research on the factors that influence the tendency of going concern audit opinion acceptance. The results of these studies provide evidence that company size affects the acceptance of going-concern audit opinion. This result is in accordance with the research of Mutchler et al. which provides empirical evidence that there is a negative relationship between company size and going concern audit opinion acceptance.

The results of this study support the fourth hypothesis, namely that there is an effect of Profitability, Liquidity, and Company Size on Going Concern Audit Opinions in Manufacturing Companies listed on the IDX in 2016-2019. These results are indicated by the significance value of Profitability, Liquidity, and Company Size of 0.000 and less than 0.05, so it can be stated that Profitability, Liquidity, and Company Size have a significant effect simultaneously on Going Concern Audit Opinions in Manufacturing Companies listed on the IDX in 2016-2019. Judging from the McFadden R Square value of 0.264, which means that the variables of Profitability, Liquidity, and Company Size affect the Going Concern Audit Opinion by 26.4%, while the rest is explained by other factors outside of this study.

V. CONCLUSION, IMPLICATION AND LIMITATION

5.1. Conclusion

Based on the results of analysis and discussion related to the influence of Profitability, Liquidity, and Company Size on Going Concern Audit Opinions at Manufacturing Companies Listed on the IDX in 2016-2019, the following conclusions can be drawn:

1. Profitability has a significant and significant effect on Going Concern Audit Opinions in Manufacturing Companies listed on the IDX in 2016-2019. This is indicated by the value of the regression coefficient X1 of -10,142 and a significance value of 0,000 which is smaller than 0.05. Thus, the higher the profitability, the less likely it is to accept a Going Concern Audit Opinion for Manufacturing Companies listed on the IDX in 2016-2019.

2. Liquidity affects the Going Concern Audit Opinion in Manufacturing Companies listed on the IDX in 2016-2019. This is indicated by the regression coefficient X2 of -0.589 and a significance value of 0.008 which is greater than 0.05. Thus, the higher the Liquidity, the less likely it is to accept a Going Concern Audit Opinion for Manufacturing Companies listed on the IDX in 2016-2019.

3. Company size has a significant and significant effect on Going Concern Audit Opinion in Manufacturing Companies listed on the IDX in 2016-2019. This is indicated by the regression coefficient X3 of -0.424 and a significance value of 0.031 which is smaller than 0.05. Thus, the higher the Company Size, the less likely it is to accept a Going Concern Audit Opinion for Manufacturing Companies listed on the IDX in 2016-2019.

4. There is a significant influence on Profitability, Liquidity, and Company Size simultaneously on the Going Concern Audit Opinion in Manufacturing Companies listed on the IDX in 2016-2019. This is indicated by a significant value of 0.000 which is smaller than 0.05, which means that Profitability, Liquidity, and Company Size simultaneously have a significant effect on Going Concern Audit Opinions in Manufacturing Companies listed on the IDX in 2016-2019. Judging from the McFadden R Square value of 0.264, which means that the variables of Profitability, Liquidity, and Company Size affect the Going Concern Audit Opinion by 26.4%, while the remaining 73.6% is explained by other factors outside of this study.

5.2. Sugestion

In the future, this research is expected to be able to present higher quality research results with some input regarding several things including:

1. Further research is suggested to consider using other research populations listed on the Indonesia Stock Exchange (IDX) such as the mining sector or property companies, real estate, and construction.
2. Further researchers are advised to increase the research period.
3. Further research is suggested to add variables that are related to going concern audit opinion, such as earnings management, bankruptcy prediction, debt default, previous year's audit opinion, KAP reputation and others.

5.3. Limitations

The limitations of this research, of course, have several limitations, namely as follows:

1. The author only uses 3 (three) independent variables, namely profitability, liquidity and company size.
2. The sample period is only 5 (five) years, namely 2015-2019

VI. REFERENCES

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