

Effect of Financial Conditions, Opinion Shopping, and Leverage on Acceptance of Going Concern Audit Opinions

(Case Study of Property and Real estate Sector Companies Listed on the Indonesia Stock Exchange 2016 - 2018)

1st Yuliani Fauzi Achmad, 2nd Windratno

Accounting

Indonesian College of Economics

Jakarta, Indonesia

yuliani.akt23@gmail.com; windratno@stei.ac.id

Abstract- *This study aims to determine the effect of financial conditions, opinion shopping, and leverage on going concern audit opinion acceptance of property and real estate companies listed on the Indonesia Stock Exchange (BEI) in 2016-2018.*

This study uses an associative relationship method with a quantitative approach, which is measured using a logistic linear regression-based method with SPSS. The population of this study is all property and real estate sector companies listed on the IDX for the 2016-2018 period. The sampling technique in this study used a purposive sampling method with a total sample size of 28 companies so that the total observations in this study were 84 financial reports. The data used in this study are secondary data. In collecting data, this research uses time series through the official IDX website: www.idx.co.id.

Based on the results of testing and analysis using logistic linear regression analysis, it is found that simultaneously financial conditions, opinion shopping, and leverage have a significant effect on going concern audit opinion acceptance. Partially, opinion shopping variable has a significant effect on going concern audit opinion acceptance. Meanwhile, the variable financial condition and leverage do not significantly influence the acceptance of going concern audit opinion.

Keywords: *Going Concern Audit Opinion, Company Financial Condition, Opinion Shopping, Leverage*

I. Introduction

Along with the expanding global economy, it makes competition in the business world increasingly complex. This requires the company to improve its performance in order to be able to compete with its competitors, by increasing company profits. Profit is an important benchmark for business development and maintaining the continuity of the company's running.

In developing its business, companies need third parties such as investors, lenders, suppliers or business creditors to increase capital for the company. The third party requires a tool that reflects the financial condition of a company, which is called a financial statement. The financial statements that are presented must be prepared in accordance with financial accounting standards. Therefore, companies need an independent party, namely auditors to assess whether the financial statements they have prepared are in accordance with financial accounting standards.

Not only that, auditors have an obligation to convey the company's going concern (going concern). Going concern is the survival of a business entity and is an assumption in the financial reporting of an entity. This assumption requires that the company operationally have the ability to maintain its survival (going concern) and will continue its business in the future. It is assumed that the company does not intend or intend to liquidate or materially reduce its business scale (Indonesian Institute of Accountants, 2017: 5).

A lot of criticism and spotlight is directed at the public accounting profession when the case of manipulation of financial statements is revealed, such as in the case of Enron and KAP Arthur Anderson. The Enron and WorldCom case is one of the auditors' failures in providing audit opinion. In this case, KAP Arthur Anderson manipulated the financial statements by showing as if the company's performance was in good condition even though the company at that time was bearing large debts. Andersen has lost the trust of the stock holder to provide fair information regarding the accountability of the agent in carrying out the mandate. (Ramadhan, Fuad. 2014)

In Indonesia, cases related to a going concern that occurred were with Indonesian airlines, namely Batavia Air, Batavia Air, which could not pay a debt of \$ 4.68 million due on December 13, 2012, because Batavia Air did not make payments, the creditors filed for bankruptcy with Batavia. Water. 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 report also received an unqualified audit opinion and did not receive a going concern qualification in 2011. However, it turned out that Batavia Air was not able to sustain its business (going concern) thus experiencing bankruptcy.

When the economy is sluggish and experiencing delays, the property business is still an attractive investment field for Indonesians. The property and real estate business is seen as more profitable in terms of investment. Quoted from www.kompas.com (9 April 2017), property prospects are indeed bright, including apartments. The attractiveness due to the ease of access and location, supported by the level of housing demand that continues to increase, keeps the prospect of apartments soaring. Along with population growth, which always increases every year, making the property business very profitable, especially in the housing sector. The government also took part in the policy of providing housing loans for the middle to lower class people.

However, it was reported from www.kontan.co.id (9 April 2017) that there are several factors that affect the sluggishness of the property business, such as an increase in property prices that are higher than the level of people's purchasing power. In addition, the property sector is heavily influenced by the business cycle. Even based on data collected in 2016, only a small proportion of listed property sector recorded a growth in net profit at the end of the third quarter. The rest, the majority of property issuers recorded a decrease in net income.

Some of the things that cause going concern opinion problems are the condition of the company that has experienced large losses, high debt ratios and the absence of an action plan from the management. The company's financial condition is a reflection of the company's survival itself. Auditors tend not to give a going concern audit opinion to companies with good financial

The Influence of Financial Conditions, Opinion Shopping, and Leverage on Acceptance of Going Concern Audit Opinions Case Studies of Property and Real Estate Companies Listed on the Indonesia Stock Exchange 2016 - 2018

conditions, as well as bad financial conditions, it is likely that the auditors will provide a going concern audit opinion (Syamsuri Rahim, 2016).

In a study conducted by Putra (2016), the company's financial condition is proxied by using the Altman bankruptcy model, the results show that the company's financial condition variables affect going-concern audit opinion. However, this is not supported by research conducted by Effendi (2019) which states that financial conditions have no effect on going concern audit opinion acceptance.

One of the steps taken by the company in avoiding going concern audit opinion acceptance is by making changes and finding auditors who are able to support the accounting treatment used in the company or what is commonly known as opinion shopping. Companies that have done opinion shopping tend to get a clean audit opinion. In research conducted by Rahmat Akbar (2019), opinion shopping has an effect on the acceptance of going concern audit opinion.

In 2002 PT. KimiaFarma Tbk was proven to have misstated its financial statements due to a mark up of inventory recording amounting to Rp 32.7 billion. Then PT. Indofarma practiced earning management by presenting an overstated net profit of Rp 28,870 billion, as a result of the valuation of goods in process which was higher than it should have been, so that the cost of goods sold for that year was understated. KAP HTM has indeed been proven not to participate in manipulative scandals committed by management, but this is a negligence in detecting any improper presentation of client financial statements. This has resulted in users of financial statements not receiving fair reports and damaging the reputation of the accounting profession. (Tombs, 2016)

Meanwhile in 2005 PT. KAI was also proven to have misstated financial statements due to a violation of the code of ethics committed by an auditor who gave an unqualified opinion, whereas at that time PT. KAI suffered a loss of Rp. 63 billion. There are indications that the above companies have conducted opinion shopping in order to obtain an unqualified statement from the auditors.

The case of "buying and selling" opinion that recently occurred was the arrest of six people who were caught in the arrest operation on May 26, 2017. Six people who were arrested by the KPK in the BPK Building, namely, ALS (Ali Sadli), BPK auditor, Hospital (Rochmadi Saptogiri) echelon I BPK, JBP (Jarot Budi Prabowo) echelon III of the Ministry of Health, hospital secretary, JBP driver and 1 security guard. During the Catching Hand Operation, KPK investigators also found Rp40 million in cash in Ali Sadli's room. The money is strongly suspected of being linked to bribery in a case relating to the provision of an Unqualified Opinion (WTP) on the institution's financial report. Deputy Chairman of the Corruption Eradication Commission Laode M Syarif added that as a background, in March 2017 the KPK had conducted an examination of the PDTT Ministry of Health report for the 2016 budget. According to Laode, in order to obtain WTP opinion,

Another factor that plays an important role in receiving a going concern audit opinion is leverage. Leverage is the ratio of the use of debt as a means of corporate financing, where if the amount of debt owned by the company is greater than the total assets, it will affect financial performance and this can lead to a greater possibility for the auditor to provide a going concern audit opinion (Wibisono, 2013). The leverage variable is considered one of the important factors for the auditor in providing a going concern audit opinion.

As in the case of the property sector company listed on the IDX, namely PT Bakrie Developtent Tbk. In an article published by Merdeka.com (2018) entitled "The perpetual debt of the Bakrie company," it is stated that the Bakrie group uses capital to pay for or disrupt expansion by selling assets from subsidiaries. The long list of Bakrie companies whose shares have been sold to other investors are Seamless Pipe Indonesia Jaya, Bakrie Pipe Indonesia, South East Asian Pipe Indonesia, South East Asian Pipe, Bakrie Construction, Bakrie Building Industries to the latest is selling shares of PT Energi Mega Persada Tbk.

Despite always escaping in looking for loopholes in debt problems, its subsidiary, which is engaged in the property sector, PT Bakrieland Development, was also sued for bankruptcy by The Bank of New York Mellon London branch against Bakrieland's subsidiary, BLD Investment Pte, which has debts of USD 155 million. debt bondage has ensnared almost all Bakrie subsidiaries and has been going on for the last five years. The bankruptcy lawsuit addressed to Bakrieland and its subsidiaries is one of the impacts of the Bakrie company's business system which relies on debt.

According to an article published in CNBC Indonesia, due to not submitting the 2018 financial report and not paying the fine for late reporting, the property issuer PT Bakrieland Development Tbk (ELTY) received a warning from the Indonesia Stock Exchange (IDX) again. Furthermore, another ELTY debt restructuring case is related to the US \$ 155 million convertible bond issued by ELTY's Singapore-based subsidiary BLD Investment Ltd (BLDI). The company was even sued by creditors for being late in paying its obligations.

However, as of the third quarter of 2018, the company's debt was successfully repaid through the issuance of warrants and submission of 37.9% or the equivalent of 8.56 billion shares owned by Subsidiaries in PT Graha Andrasentra Propertindo Tbk (JGLE). Launching the financial report for the third quarter of 2018, the total debt that the company still has reached IDR 4.17 trillion. The largest proportion of loans came from PT Bank Mayapada Internasional Tbk and GLI with a value of Rp 671.48 billion and Rp 313.5 billion, respectively. The company seems to have taken steps to anticipate debt repayment by setting aside assets, including share ownership that is ready to be sold, including the company's ownership rights to PT Bakrie Nirwana Semesta and PT Dwi Makmur Sedaya.

In Santoso (2013) research, proxied leverage using a debt ratio has the results of leverage influencing the going concern audit opinion acceptance. This is because the higher the leverage ratio of a company, the more doubt the auditor will be about the survival of the company, because most of the funds obtained by the company will be used to finance debt.

This research refers to the research conducted by Syamsuri Rahim (2016) entitled "The influence of the company's financial condition, audit quality and opinion shopping on going concern audit opinion acceptance". The difference in this study is the replacement of one dependent variable of audit quality to leverage. In this study, researchers also used different research subjects, namely the property and real estate sectors for 2016-2018. This study aims to determine the effect of financial conditions, opinion shopping and leverage on the acceptance of going concern audit opinion on property and real estate companies listed on the Indonesia Stock Exchange in 2016-2018.

II. LITERATURE REVIEW

2.1. Theoretical basis

2.1.1 Agency Theory

Agency theory is a theory that explains the relationship between the agent as the party who manages the company and the principal as the owner, both of whom are bound in a contract. The owner (employer or principal) is the party that evaluates information and the agent is the party who carries out management activities and makes decisions (Jensen and Meckling, 1976 in Bahtiar Effendi 2019).

2.1.2. Audit

According to Sukrisno Agoes (2012: 4), an audit is an examination that is carried out critically and systematically, by an independent party, of the financial reports that have been prepared by management along with accounting records and supporting evidence, with the aim of being able to provide an opinion. regarding the fairness of these financial statements.

2.1.3. Going Concern Audit Opinion

According to IAI (2006) in PSA No. 30 explains that the auditor is responsible for evaluating whether there is significant doubt about the entity's ability to maintain a going concern within an appropriate period, not more than one year from the date of the financial statements being audited. The auditor's evaluation is based on knowledge of conditions and events that existed at or that occurred before the field work was completed.

2.1.4. Financial Condition

The financial condition describes the health condition of the company as shown in the financial statements. A healthy company or not can be seen from the company's financial ratios. According to Effendi (2019) in Andika (2014) companies that have sufficient cash to meet the company's financial obligations, a logical amount of receivables, efficient inventory management, good investment planning and a healthy capital structure will maximize the achievement of company goals.

2.1.5. Opinion shopping

Opinion shopping is defined by the Securities and Exchange Commission (SEC) in (Praptitorini & Januarti, 2012) as an activity to find auditors who are willing to support the accounting treatment proposed by management to achieve the company's reporting objectives. According to Lennox (2000) in Effendi (2019), companies are likely to get a better opinion if they change their auditors than companies that do not change their auditors. This happens because companies tend to change auditors after giving a going concern audit opinion or to get an unqualified opinion.

2.1.6. Leverage

According to Ambarwati (2014) Leverage is a ratio used to determine a company's ability to meet its long-term obligations. In order to see whether a company's performance is good or bad, the leverage ratio is often used because it is considered a lever because it uses loans as business capital. The purpose of using this ratio is to see the comparison between the use of company funds that come from their own capital with funds that come from outside parties. This ratio is one of the guarantees in measuring the ability of a company to pay its debts if there are doubts about business continuity.

2.2. Hypothesis Development

2.2.1. The Influence of Financial Conditions with Acceptance of a Going Concern Opinion

Financial condition is a condition that reflects the health of a company during a certain period. Auditors tend not to provide a going concern opinion for companies with good financial conditions. In providing a going concern opinion, an auditor is very concerned about the company's financial condition. Companies that do not have serious financial problems, do not experience liquidity problems, have sufficient working capital, and do not experience an equity deficit usually do not get a going concern audit opinion (Danang, 2016). This is supported by the theory given by (Wulandari, 2014), the main key in seeing companies that are able to maintain their survival, one of which is by looking at financial conditions. The financial condition reflects the company's ability to fulfill its obligations that are close to maturity or loan interest. Based on this description, the hypothesis in this study is as follows:

H1: Financial conditions partially affect the acceptance of going concern opinion

2.2.2. The Influence of Opinion Shopping with the Acceptance of Going Concern Opinions

Opinion shopping shows the change of independent auditors for the following year if the company gets a going concern audit opinion in the current year. In a study conducted by Teoh, 1992 in research Praptitorini and Januarti (2012) stated that to avoid going-concern opinion the company made an auditor switching. Chen et al., (2005) stated in the results of their research that when a company changes auditors (switching auditors), it will reduce the possibility of getting unwanted audit opinions, compared to companies that do not change auditors for several periods. So companies that are successful in doing opinion shopping hope to get an unqualified opinion from the new auditor. Lennox (2002) has proven in his research that opinion shopping has a significant effect on going concern auditing (Hangoluan, 2014). Based on this description, the hypothesis in this study is as follows:

H2: Opinion shopping partially affects the acceptance of going concern opinion

2.2.3. The Effect of Leverage on the Acceptance of a Going Concern Opinion

Companies use the leverage ratio to determine the level of use of liabilities as a source of corporate financing. The leverage ratio is usually measured by comparing total liabilities to total assets owned by the company. If total liabilities show a number that is greater than total assets, it shows a negative amount of the company's equity balance. The greater the leverage ratio, the worse the company's performance will be and can cause uncertainty about the company's survival. It is the uncertainty regarding the viability of the company that can lead to bankruptcy in the company. In research conducted by Rahmat (2019) and Eko (2013), it is found that leverage affects the acceptance of going concern audit opinion. This is because the higher the leverage ratio of a company, the more doubt the auditor will be about the survival of the company, because most of the funds obtained by the company will be used to finance debt. Based on this description, the hypothesis in this study is as follows:

H3: Leverage partially affects going concern opinion acceptance

2.2.4. The Influence of Financial Conditions, Opinion Shopping, and Leverage with Acceptance of Going Concern Opinions

In providing a going concern audit opinion, an auditor must pay attention to several factors that will influence him in providing an opinion. Financial condition is a condition that reflects the health of a company during a certain period. Auditors tend not to provide a going concern opinion for companies with good financial conditions. In providing a going concern opinion, an auditor is very concerned about the company's financial condition. Auditors also need to pay attention to the company's ability to pay off debt, the higher the level of debt compared to the equity owned by a company, the higher the level of uncertainty in the company to maintain its survival. If in the previous year the company received a going concern audit opinion, the company will try to avoid the same audit opinion in the following year by changing auditors that will support management's wishes or opinion shopping. If the company does an opinion shopping, the company has a new auditor who is expected to provide a non-going concern audit opinion, then the possibility of the company getting a going concern audit opinion in the following year will be smaller. In a research conducted by Muslimah (2017) partially, company growth, debt default, and opinion shopping have no significant effect, while prior opinion has a significant positive effect on going concern audit opinion acceptance. However, simultaneously the company's growth, prior opinion,

H4: Financial conditions, Opinion shopping, and Leverage simultaneously affect the acceptance of going concern opinion

2.3. Research Conceptual Framework

In connection with this in this study using several factors from the variables of financial conditions, Opinion Shopping, and leverage on the acceptance of Going Concern Audit Opinion either partially or simultaneously, a conceptual framework can be made as follows:

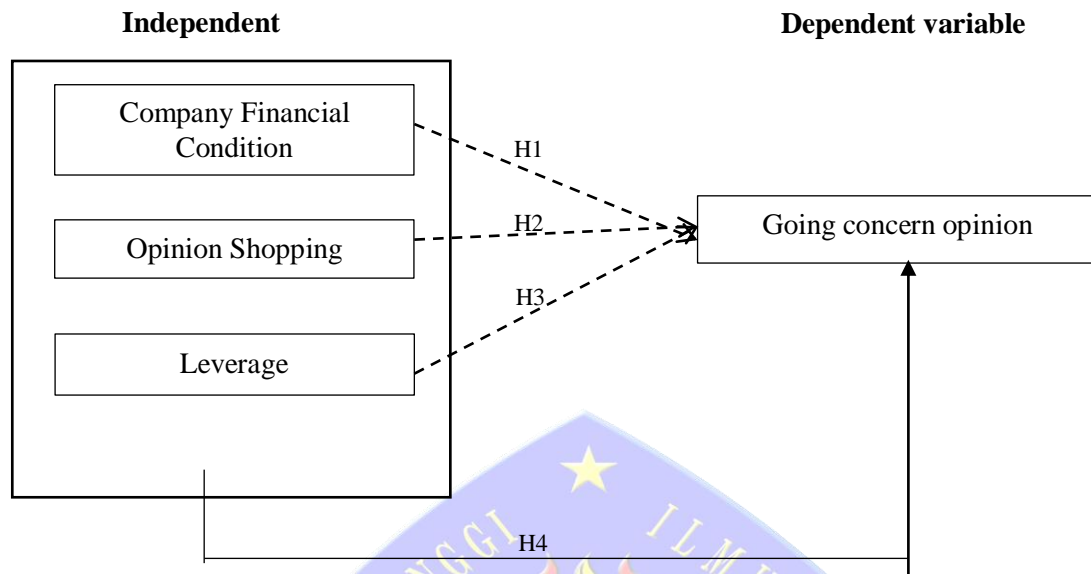


Figure 2.1
conceptual framework

III. RESEARCH METHOD

3.1. Research Strategy

The strategy in this study uses an associative approach, namely research aims to determine the relationship between two or more variables, which serves to explain a symptom (Wiratna Sujarweni, 2018; 19). This method will explain the effect of financial conditions, opinion shopping, and leverage on the acceptance of going concern audit opinion on the financial statements of property and real estate sector companies for 2016-2018 listed on the Indonesia Stock Exchange.

3.2. Population and Sample

The population in this study were property and real estate sector companies listed on the Indonesia Stock Exchange (BEI) from 2016 to 2018. The sample was determined based on the purposive sampling method, with a total sample of 84 companies. The data used in this study are secondary data. The data collection technique uses the documentation method through the official IDX website: www.idx.co.id.

3.3. Operationalization of Variables

There are two variables used in this study, namely:

1. Independent Variable (Independent Variable)

In this study, the independent variables used are financial condition, opinion shopping and leverage

a. Financial Condition (X1)

The company's financial condition is a description of the actual health condition of a company. Financial conditions are measured by defining companies that experience financial distress, referring to the research conducted by McKeown (1991) in Maria Dini Yanuariska and Aloysia Yanti Ardiati (2018) Revised Altman model, this is consistent with the previous year's research.

Revised Altman Z-Score Model

$$Z = 0,717X_1 + 0,847X_2 + 3,107 X_3 + 0,420X_4 + 0,988 X_5$$

b. Opinion Shopping (X2)

Opinion shopping is an activity to change auditors by companies to avoid giving going concern opinion. Opinion shopping is measured by dummy variables referring to research conducted by Ni Putu Evi Kusumayanti and Ni Luh Sari Widhiyani (2017).

1 = the company is audited by a different independent auditor for the following year after the company gets a going concern audit opinion

0 = the company was audited by the same independent auditor for the following year after the company received a going concern audit opinion

c. Leverage (X3)

Leverage is a ratio that describes the level of debt compared to the company's equity. In order for a company to be safe, the portion of debt must be small compared to the equity it has. This ratio is as used by Mutchler (1984) in the research of Manao and Nursetyo (2002) in research (Mulyasri, Miyasto, & Harjum, 2016)

$$\text{Rasio Leverage} = \frac{\text{Total hutang}}{\text{Total ekuitas}}$$

2. Bound Variable (Dependent Variable)

The dependent variable in this study is the acceptance of Going Concern Audit Opinion using dummy variables referring to research conducted by Ni Putu Evi Kusumayanti and Ni Luh Sari Widhiyani (2017).

1 = company that receives a going concern audit opinion

0 = companies that do not receive a going concern audit opinion

3.4. Data Analysis Methods

The data analysis method used was logistic regression analysis to determine the influence of independent variables that affect the dependent variable. As for the equations logistic regression models are as follows:

$$\text{OGC} = \alpha + \beta_1 (\text{KK}) + \beta_2 (\text{OS}) + \beta_3 (\text{LEV})$$

IV. RESULTS AND DISCUSSION

4.1. Descriptive statistics

Descriptive statistics aim to describe various data characteristics such as mean, minimum, maximum and standard deviation. Descriptive statistics are more concerned with collecting and summarizing data and presenting the summarized results.

Table 1
Descriptive Statistical Analysis

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Financial condition	84	, 21	6.12	1.0043	, 77758
Opinion shopping	84	, 000	1,000	, 10714	, 311152
Leverage	84	, 04	3.70	, 6849	, 62225
Going Concern Audit Opinion	84	, 000	1,000	, 08333	, 278045
Predicted probability	84	, 00006	, 58281	, 0833333	, 13199618
Predicted group	84	, 000	1,000	, 03571	, 186691
Difference between observed and predicted probabilities	84	-, 58281	, 96761	, 0000000	, 24449654
Residual standard	84	-1.48354	2,65757	-, 1511092	, 67135625
Valid N (listwise)	84				

Source: Data processed (2020)

Based on the results of the descriptive statistical analysis in the table above, it can be explained as follows:

1. The results of descriptive statistical analysis for financial conditions show a minimum value of 0.21, a maximum value of 6.12 with an average of 1.0043 and a standard deviation of 0.777. The average value of 1.0043 indicates that the financial condition of property and real estate companies is still stable.
2. The results of descriptive statistical analysis for opinion shopping show a minimum value of 0,000, a maximum value of 1,000, an average of 0.107 and a standard deviation of 0.311. The average value of 0.107 indicates that the opinion shopping of property and real estate companies is still stable.
3. The results of descriptive statistical analysis of leverage show a minimum value of 0.04, a maximum value of 3.70 with an average of 0.6849 and a standard deviation of 0.62225. The average value of 0.6849 indicates that the leverage of property and real estate companies is still considered reasonable.
4. The results of descriptive statistical analysis of going-concern audit opinion show a minimum value of 0,000, a maximum value of 1,000 with an average of 0.083 and a standard deviation of 0.278. The average value of 0.083 indicates that the going concern audit opinion with code 1 indicates that the research sample received more going-concern audit opinion from the 84 samples studied.

4.2. Inferential Analysis

4.2.1. Assessing the Overall Model (Overall Model Fit)

The overall model fit test or the overall test of this model is to test the independent variables in the logistic regression simultaneously or simultaneously to influence the dependent variable.

Table 2
The value -2LL which only consists of constants and independent variables

Iteration History, b, c, d					
Iteration	-2 Log likelihood	Coefficients			
		Constant	Financial condition	Opinion shopping	Leverage
1	45,248	-1,641	-, 092	1,583	-, 150
2	37,705	-2,073	-, 285	2,346	-, 445
3	36,182	-1,756	-, 702	2,697	-1,002
Step 1 4	35,860	-1,127	-1,217	2,800	-1,542
5	35,841	-, 935	-1,394	2,831	-1,684
6	35,841	-, 924	-1,405	2,833	-1,691
7	35,841	-, 924	-1,405	2,833	-1,691

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 48,188

Source: Data processed (2020)

Based on the table above, the sig model value is 0.006 because this value is less than 0.05 (5%), it can be concluded that financial conditions, opinion shopping and leverage simultaneously have a significant effect on going concern audit opinion.

4.2.2. Determinant Coefficient (Nagelkerke R Square)

The Nagelkerke's R² value can be interpreted as the R² value for multiple regression. 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.

Table 3
Nagelkerke R Square Model Summary value

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	35,841a	, 137	, 313

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than, 001.

Source: Data processed (2020)

Based on the data from the table above, the Nagelkerke R Square value is 0.313, which means that the dependent variable can be explained by the independent variable by 31.3%, while the remaining 68.7% is explained by other variables set by the research model. This shows that together the

variation of the independent variables (financial condition, opinion shopping and leverage) can explain the variation of the going concern audit variable by 31.3%.

4.2.3. Assessing the Feasibility of a Regression Model

Assessing the feasibility and regression models can be done by paying attention to the goodness of fit model as measured by the Chi-Square in the Hosmer and Lemeshow's column (Ghozali, 2016: 345).

Table 4
Assessing the Feasibility of the Hosmer and Lemeshow Test Regression Model

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	9,550	8	, 298

Source: Data processed (2020)

Based on the table, it can be seen that the significance value is 0.298. The significant value obtained is above 0.05, which means that hypothesis 0 (zero) cannot be rejected (accepted). This means that the model predicts the value of the observation or the model is acceptable because it matches the observation data so that this model can be used for further analysis.

4.2.4. Classification Matrix

The classification matrix shows the predictive power of the regression model to predict the likelihood that a company will receive a going concern audit opinion.

Table 5
Classification Matrix

Classification Tablea					
		Observed	Going Concern did not receive an audit opinion	Predicted Audit Opinion get an audit opinion	Percentage Correct
Step 1	Going Concern Audit Opinion	did not receive an audit opinion	75	2	97.4
		get an audit opinion	6	1	14.3
	Overall Percentage				90.5
a. The cut value is, 500					

Source: Data processed (2020)

Based on the data from the table below, it shows that the predictive power of the regression model to predict the possibility of a company receiving going concern opinion is 14.3%. This means that the predictive ability of the model with variable financial conditions, opinion shopping and leverage can statistically predict 90.5%.

4.2.5. Hypothesis test

Research Testing with logistic regression models used in this study is to determine the effect of each independent variable on the dependent variable.

Table 6
Nagelkerke R Square Model Summary value

		Variables in the Equation					95% CI for EXP (B)	
		B	SE	Wald	df	Sig.	Exp (B)	
							Lower	Upper
Step 1a	Financial condition	-1,405	1,585	,786	1	,375	,245	,011 5,485
	<i>Opinion shopping</i>	2,833	,918	9,525	1	,002	17,000	2,812 102,767
	Leverage	-1,691	1,511	1,253	1	,263	,184	,010 3,560
	Constant	-,924	1,976	,218	1	,640	,397	
a. Variable (s) entered on step 1: Financial condition, Opinion shopping, Leverage.								

Source: Data processed (2020)

Hypothesis testing is done by comparing the level of significance (sig) with the error rate (α) = 5% or 0.05. Based on table 6, the following results can be interpreted:

1. Testing the first hypothesis (H1)

In the financial condition variable obtained a regression coefficient of -1.405 with a significance level (p-value) of 0.386 > 0.05. Because the significance level is greater than α = 0.05, the 1st hypothesis is rejected. This means that the financial condition does not have a significant effect on going concern audit opinion. The results of this study do not support the first hypothesis which states that financial conditions have an effect on going concern audit opinion.

2. Second Hypothesis Testing (H2)

In opinion shopping variable obtained a regression coefficient of 2.833 with a significance level (p-value) of 0.002 < 0.05. Because the level of significance is smaller than α = 0.05, the second hypothesis is accepted. This means that opinion shopping has a significant effect on going concern audit opinion. The results of this study support the second hypothesis which states that opinion shopping has an effect on going concern audit opinion.

3. Third Hypothesis Testing (H3)

In the leverage variable obtained a regression coefficient of -1.691 with a significance level (p-value) of 0.263 > 0.05. Because the level of significance is greater than α = 0.05, the 3rd hypothesis is rejected. This means that leverage does not have a significant effect on going concern audit opinion. The results of this study do not support the third hypothesis which states that leverage has an effect on going concern audit opinion.

4. Fourth Hypothesis Testing (H4)

The fourth hypothesis states that financial conditions, opinion shopping, and leverage have a significant effect on going concern audit opinion. The results in the Omnibus Test of Model Coefficients table show that the variable financial condition, opinion shopping, and leverage has a significant model number of 0.006 because this value is less than 0.05 (5%).

These results mean that H4 is accepted, or in other words, financial conditions, opinion shopping, and leverage have a significant effect on going concern audit opinion.

4.3. Discussion

Going concern is one of the basic assumptions in the presentation of financial statements. This means that the company is expected to never be liquidated and will continue to maintain its viability in the future. Acceptance of a going concern audit opinion is the responsibility of the auditor in conveying whether there is great doubt about the entity's ability to sustain life and an early warning for users of financial statements so that they are not mistaken in making decisions.

4.3.1. Effect of Financial Conditions on Acceptance of Going Concern Audit Opinions

Testing the 1st hypothesis aims to analyze the effect of financial conditions on going-concern audit opinion. The financial condition variable shows a regression coefficient of -1.405 with a significance level (p -value) of $0.386 > 0.05$. Because the level of significance is greater than $\alpha = 0.05$, the 1st hypothesis is rejected. So this research does not prove that financial conditions have an effect on going concern audit opinion. The results of this study do not support the research conducted by Danang Anugrah Putra, Ach. Syaiful Hidayat Anwar, and Thoufan Nur (2016) stated that the company's financial condition has an effect on going concern audit opinion. However, the results of this study support the research conducted by Bahtiar Effendi (2019) which states that financial conditions do not affect the acceptance of going concern audit opinion.

Case Evidence indicates that the health level of a company can be seen from the company's financial condition. Companies that have a good financial condition, the auditor will not issue a going concern audit opinion (Ramadhany, 2014: 55). In providing a going concern audit opinion, the auditor does not only pay attention to the ratios in the financial statements, but must also consider the economic conditions that occurred at that time. In addition, the financial condition does not affect the acceptance of going concern audit opinion in this study due to the limited period of the study, namely for the 2016 to 2018 reports. Good financial conditions are not a guarantee that the company is free from going concern problems.

4.3.2. The effect of Opinion shopping on the Acceptance of Going Concern Audit Opinions

The second hypothesis testing aims to analyze opinion shopping on going concern audit opinion. Opinion shopping variable shows a regression coefficient of 2.833 with a significance level (p -value) of $0.002 < 0.05$. Because the level of significance is smaller than $\alpha = 0.05$, the second hypothesis is accepted. So this research proves that opinion shopping has an effect on going concern audit opinion. Case evidence indicates that Opinion shopping is defined as the activity of finding auditors who are willing to support the accounting treatment proposed by management to achieve the company's reporting objectives. Companies usually use auditor switching to avoid receiving going-concern opinions (Teoh, 1992). The audit opinion is based on whether the auditee's financial statements present fairly the company's financial condition. The results of this study support the research conducted by Rahmat Akbar Simamora (2019) opinion shopping has a significant effect on going concern audit opinion. And the results of research conducted by Nathan J. Newton (2016) revealed that companies tend to do opinion shopping in order to get clean reports, internal control of opinion shopping occurs especially in the competitive audit market. However, it does not support the research conducted by Ni Putu Eka (2019) which states that opinion shopping

has no effect on Going Concern Audit Opinions. The results of this study support the research conducted by Rahmat Akbar Simamora (2019) opinion shopping has a significant effect on going concern audit opinion. And the results of research conducted by Nathan J. Newton (2016) revealed that companies tend to do opinion shopping in order to get clean reports, internal control of opinion shopping occurs especially in the competitive audit market. However, it does not support the research conducted by Ni Putu Eka (2019) which states that opinion shopping has no effect on Going Concern Audit Opinions. The results of this study support the research conducted by Rahmat Akbar Simamora (2019) opinion shopping has a significant effect on going concern audit opinion. And the results of research conducted by Nathan J. Newton (2016) revealed that companies tend to do opinion shopping in order to get clean reports, internal control of opinion shopping occurs especially in the competitive audit market. However, it does not support the research conducted by Ni Putu Eka (2019) which states that opinion shopping has no effect on Going Concern Audit Opinions. opinion shopping internal control occurs primarily in a competitive audit market. However, it does not support the research conducted by Ni Putu Eka (2019) which states that opinion shopping has no effect on Going Concern Audit Opinions. opinion shopping internal control occurs primarily in a competitive audit market. However, it does not support the research conducted by Ni Putu Eka (2019) which states that opinion shopping has no effect on Going Concern Audit Opinions.

4.3.3. Effect of Leverage on Acceptance of Going Concern Audit Opinion

Testing the third hypothesis aims to analyze the effect of leverage on going concern audit opinion. The leverage variable shows a regression coefficient of -1.691 with a significance level (p -value) of $0.263 > 0.05$. Because the level of significance is greater than $\alpha = 0.05$, the 3rd hypothesis is rejected. So this research does not prove that leverage has an effect on going concern audit opinion. Case Evidence indicates that even though the company's debt condition is high, the company has a good performance and increases profits every year, the auditor will consider the impact of the company's performance so that the company's high debt condition is not the basis for the auditor to provide a going concern audit opinion. The company prioritizes these funds to be used for operational activities of the company first so that the company's productivity process is effective so that the company will generate higher profits, this will not make auditors doubt, so the company will avoid going concern audit opinion. The results of this study support the research conducted by Edward Akiko Wibisono (2013) and Ni Made Ade Yuliyani (2017) that the leverage variable has no significant effect on going concern audit opinion acceptance. However, this study does not support the research of Eko Budi Santoso (2013) and Rahmat Akbar Simamora (2019) that the leverage variable affects the acceptance of going concern audit opinion.

4.3.4. The influence of financial conditions, opinion shopping and leverage on the Acceptance of Going Concern Audit Opinions

The calculation results show that simultaneously financial conditions, opinion shopping and leverage have a significant effect on going concern audit opinion on property and real estate companies listed on the Indonesia Stock Exchange in 2016-2018. These results are in line with research conducted by Danang Anugrah Putra, Ach.Syaiful Hidayat Anwar, and Thoufan Nur (2016) that financial conditions have an effect on going concern audit opinion. Likewise, research by Wisnu Putra Iriawan, Leny Suzan (2015) that opinion

shopping has a significant effect on going concern audit opinion. And Edward Akiko Wibisono's research (2013) states that the leverage variable has no significant effect on going concern audit opinion acceptance.

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the research results that have been discussed in the previous chapter, the researchers gave the following conclusions:

1. Partially, financial conditions do not have a significant effect on going-concern opinion on property and real estate companies listed on the Indonesia Stock Exchange in 2016-2018.
2. Partially opinion shopping has a significant effect on going concern opinion on property and real estate companies listed on the Indonesia Stock Exchange in 2016-2018.
3. Partially, leverage has no significant effect on going-concern opinion on property and real estate companies listed on the Indonesia Stock Exchange in 2016-2018.
4. Simultaneously, financial conditions, opinion shopping and leverage have a significant effect on going concern opinion on property and real estate companies listed on the Indonesia Stock Exchange in 2016-2018.

5.2. Suggestion

The suggestions that the researchers submit to subsequent studies are as follows:

1. Future research is expected to expand the research period to more than five years and expanding the sample of companies not only property and real estate but all types of industries as objects of research.
2. Future research is expected to add independent variables other than financial condition, opinion shopping, and leverage, such as sustainability reporting and tenure audits and other variables.

5.3. Research Limitations

Limitations This research certainly has several limitations, one of which is that this study only uses an observation period of only 3 (three) years and when economic conditions are normal, it is not possible to see the trend of going concern audit opinion issuance by long-term auditors.

REFERENCE LIST

- Agoes, Sukrisno. 2012. Auditing: Practical Guidelines for Accountant Audit by Public Accountants. Volume 1, Edition 4, Jakarta: Salemba four.
- Ambarwati, FR (2014) Concept of Basic Human Needs. Yogyakarta: Pranama Science.
- Arens, Alvin., Randal J. Elder, Mark S. Beasley, 2011, Auditing and. Assurance Services: An Integrated Approach, 1.3th Edition, Pearson. Prentice Hall.
- Bachdar, Saviq. (2015). Three Phases of Indonesian Property for the 2010-2017 Period. Downloaded on 12 September 2019, <https://marketeers.com/tiga-fase-properti-indonesia-periode-2010-2017>.

- Bahri, Syaiful. 2016. Introduction to Accounting Based on SAK ETAP and IFRS. Edition 1. Yogyakarta: ANDI.
- Dewi, Sofia Prima et al. 2018. Study Guide for Introduction to Accounting. Jakarta: In Media.
- Effendi, Bachtiar. 2019. Audit Quality, Financial Condition, Company Size and Acceptance of Going Concern Audit Opinions. *Research and Journal of Accounting*, 3 (1). 9 - 15.
- Fauziah, Hanifah. 2014. The Effect of Liquidity Ratios, Leverage, Profitability, Previous Year's Audit Opinion and Company Growth on Acceptance of Going Concern Audit Opinions. Essay. Widyatama University Faculty of Economics. Bandung.
- Ghozali, Imam. 2016. Multivariate Analysis Application with IBM SPSS 23 Program (8th Edition). VIII printing. Semarang: Diponegoro University Publishing Agency.
- Hangoluan, B. (2014). The Influence of Company Financial Condition, Company Size, Opinion Shopping and Audit Client Tenure on Acceptance of Going Concern Audit Opinion. Semarang: Diponegoro University.
- Heart, IP, & Rosini, I. (2017). The Effect of Previous Year's Audit Opinions and Financial Conditions on Going Concern Audit Opinions. *Journal of Applied Accounting and Taxation*, 123-133.
- Indonesian Accountants Association. 2017. Professional Standards for Public Accountants. Jakarta: IAI Publishing Division.
- Sensory. (2015). Management and Business Research Methods: Convergence of Communication and Information Technology. Bandung: Refika Aditama.
- Iriawan, WP, & Suzan, L. (2015). The Influence of Company Growth, Opinion Shopping, and Prior Opinion on Going Concern Audit Opinions (Studies on Property and Real Estate Companies Listing on the IDX in 2009 - 2013). *e-Proceeding of Management*, 1683 - 1690.
- Japarudin. (2012). Analysis of the Effect of Corporate Governance Structure on Acceptance of Non-Qualified Audit Opinions. Thesis, Faculty of Economics and Business, Diponegoro University.
- Kamaludin. 2011. Financial Management. Bandung: Mandar Maju.
- Kasmir, 2014. Financial Statement Analysis, First Edition, Seventh Printing. Jakarta: PT. Rajagrafindo Persada.
- Kusumayanti, Ni Putu Evi and Ni Luh Sari Widhiyani. 2017. The Influence of Opinion Shopping, Disclosure and Reputation of KAP on Going Concern Audit Opinions. *Accounting journal*. 18 (3). 2290-2317.
- Kotijah, Siti. (2015). Right to a Good and Healthy Environment in East Kalimantan. Downloaded on 12 September 2019, <http://www.kompasiana.com>

The Influence of Financial Conditions, Opinion Shopping, and Leverage on Acceptance of Going Concern Audit Opinions Case Studies of Property and Real Estate Companies Listed on the Indonesia Stock Exchange 2016 - 2018

- Glorio Tomb. 2016. Fraud Case: PT Kimia Farma Tbk: Jakarta. Downloaded on February 12, 2020, <https://prezi.com/-h5jegek4wnl/kasus-fraud-pt-kimia-farma-tbk-2011/>.
- Mareque, Mercedes. Francisco López-Corrales and Aurea Pedrosa. 2017. Audit Reporting for Going Concerns Spain During the Global Financial Crisis. *Economic Research*, 30 (1). 154-183.
- Mulyasri, D., Miyasto, & Harjum, M. (2016). The Influence of Enterprise Risk Management, Firm Size, Leverage, Sales Growth, Profitability Firm Value (Case Study on Non-Financial Sector Companies Listed on the IDX for the Period 2011 - 2013). Thesis Diponegoro University.
- Muslimah, Oktavia and Dedik Nur Triyanto. 2017. The influence of company growth, Prior Opinion, Debt Default and Opinion shopping on the Acceptance of Going Concern Audit Opinion. *Journal of Accounting, Auditing and Accounting Information Systems*, 3 (2). 229-242.
- Nanu Hasanuh. 2011. Basic Accounting Theory and Practice. Jakarta: Mitra Wacana Media.
- Nursiyono Joko Ade and Wahyuningtyas Febry. 2014. Introduction to Basic Statistics. Bogor: In Media.
- Noviansyah, Aditya. (2015). 2015 Flashback: The Property Industry Staggered. Downloaded on 12 September 2019, <https://bisnis.tempo.co>.
- Newton, Nathan J. et. al. 2016. Internal Control Opinion shopping and Audit Market Competition. *The Accounting Review*, 91 (2). 603 - 623.
- Praptitorini, MD, & Januarti, I. (2012). Analysis of the Effect of Audit Quality, Debt Default and Opinion Shopping on Acceptance of Going Concern Opinions. *Indonesian Journal of Accounting and Finance*, 78 - 93.
- Prayanthi, Ika and Nadya Gabriela Chordina Kakunsi. 2017. The Altman Model and Auditor's Opinion About Going concern of the Companies. *Science Journal of Business and Management*, 189 - 193.
- Putra, Danang Anugrah, and Ach. Syaiful Anwar. 2016. The Influence of Company Growth, Company Financial Condition, and Previous Audit Opinion on Going Concern Audit Opinion. *Indonesian Accounting and Finance Review Journal*, 857 - 863.
- Rahim, Syamsuri. 2016. The Effect Of Company's Financial Condition, The Audit Quality and Shopping Opinion Towards The Acceptance Of Going Concern Audit Opinion. *Scientific Journal of Accounting and Business*, 11 (2), 75-83
- Rudianto. 2013. Management Accounting Information for Strategic Decision Making. Jakarta: Erlangga
- Salawu, Rafiu Oyesola. et. al. 2017. Going concern and Audit Opinion of Nigerian Banking Industry. *Journal of Accounting and Taxation*, 9 (1). 63 - 72.

- Santoso, Eko Budi and Ivan Yudhistira Wiyono. (2013). The Effect of Auditor's Reputation, Bankruptcy Predictions, Disclosure and Leverage on Acceptance of Going Concern Audit Opinions. *Journal of Accounting*, 4 (2). 139-154.
- Simamora, Rahmat Akbar and Hendarjatno Hendarjatno. 2019. The effects of audit client tenure, audit lag, opinion shopping, liquidity ratio, and leverage to the going concern audit opinion. *Asian Journal of Accounting Research*, 4 (1). 145-156
- S. Munawir. 2014. *Financial Statement Analysis*. Yogyakarta: Liberty.
- Sujarweni, Wiratna. 2018. *Easy Guide to Processing Structural Equation Modeling (SEM) with Lisrel*. Jakarta: Pustaka Baru Press.
- Sujarweni, Wiratna. 2016. *Thoroughly peel accounting research with SPSS*. Yogyakarta: New Library Press.
- Sugiyono. (2017). *Quantitative Research Methods, Qualitative and R & D*. Bandung: Alfabeta.
- Tempo. 2015. Behind 2015: The Property Industry Staggered. Downloaded on 12 September 2019, <https://bisnis.tempo.co/>
- Tuanakotta, 2014. *ISA-Based Audit*. Jakarta: Four Salemba
- Warn, Carl S. et. al. 2017. *Introduction to Accounting 1 Adapted Indonesia Edition 4*. Jakarta: Salemba 4.
- Wibisono, Edward A. 2013. Bankruptcy Predictions, Leverage, Previous Audits, Company Size Against the Going Concern Opinion of IDX Manufacturing Companies. *EMBA Journal*, 1 (4), 362 - 373.
- Wisnu, A. (2015). *Effect of Profitability, Solvency, Liquidity, Company Size, Audit Opinion on Audit Report Lag*. Thesis of Sanata Dharma University.
- Wulandari, S. (2014). *Analysis of Factors Affecting the Auditor in Providing a Going Concern Audit Opinion*. *E-Journal of Accounting*, Udayana University, 531 - 558.
- Yanti, Ni Putu Purnami Eka and AANB Dwirandra. 2019. Opinion shopping as a Moderator of the Influence of Financial Distress on Going Concern Audit Opinions. *Udayana University Accounting E-Journal*, 26 (1), 111 - 145.
- Yuliyani, Ni Made Ade and Ni Made Adi Erawati. 2017. The Effect of Financial Distress, Profitability, Leverage, and Liquidity on Going Concern Audit Opinions. *E-Journal of Accounting at Udayana University*, 19 (2), 1940 - 1520.
- Yuariska, Maria Dini and Aloysia Yanti Ardiati. 2018. The Influence of Financial Conditions, Audit Tenure, and KAP Size on Going Concern Audit Opinions in Manufacturing Companies Listed on the IDX 2012-2016. *Journal of Management and Entrepreneurship*, 7 (2). 234-251.