

GIVING GOING CONCERN IN THE 2019-2021 TRANSPORTATION COMPANY AUDIT OPINION WITH COMPANY SIZE AS MODERATION

Juan Carlos Pangestu ^{1*}, Monica Lesmana ²
^{1,2} Accounting Major, Universitas Bunda Mulia

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E-mail:

juancarlospangestu@gmail.com

ABSTRACT

The year 2019 – 2021 was quite a difficult year for companies on the Indonesian stock exchange, especially the transportation sector . This has caused many companies in this sector to question their business sustainability. This study aims to determine the factors that influence the provision of going concern audit opinions on transportation sector companies 2019 – 2021 with company size as a moderation variable. Data analysis using logistic regression analysis method. The results show that the company's growth affects the provision of going concern audit opinions, it can be seen that this variable has a significance value of 0.010 which is smaller than the significance value of 0.05 . Solvency does not affect the provision of going concern audit opinions. it can be seen that the solvency ratio has a significance value of 0.133, which means it is greater than the 0.05 significance level. Company size strengthens the relationship between the effect of company growth on the provision of going concern audit opinions but does not moderate the relationship of the influence of solvency on the provision of going concern audit opinions.

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1. INTRODUCTION

The year 2019 – 2021 was quite a difficult year for companies on the Indonesian stock exchange, especially the transportation sector. The year the Covid 19 pandemic virus spread in Indonesia. The corona virus disease does not only affect the health of humans but also the health of a company[8]. The value of the company experienced a decline during that year due to the decline in its financial performance. Many companies experience financial distress and some even have no sales at all [7]. The company's financial statements with these conditions were given a going concern audit opinion by the auditor. This opinion shows that the auditors question the continuity of the company's business. The company's success in achieving its goals can be assessed from the company's performance which is also used as a basis for decision making both internal and external parties[12] . Business continuity will be the concern of stakeholders such as investors to determine a decision. The survival of an entity can be influenced by 2 problem factors, namely internal and external. External factors are factors that do not directly affect company activities, these factors include: economic, market, environmental, social and political conditions. While internal factors are problems originating from within the company which consist of factors that directly affect the company's performance. Financial statements are one illustration of what is happening internally in the company. During the pandemic, there were companies that were able to survive and grow rapidly, but many companies were unable to maintain their business continuity, so some of them closed or changed their business fields. The continuity and stability of the life of a company's business today in accordance with the turbulent and uncertain economic growth in Indonesia is very important for companies to maintain[11]. Giving a going concern audit opinion is interesting to study where to look at what factors influence the giving of a going concern audit opinion. In considering the going concern assessment of the entity, the auditor needs to consider a number of factors. Previous studies such as Averio [2], Ariani [1] have not shown the same results regarding variables that affect business sustainability. The urgency to conduct this research because failure in business continuity can lead to bankruptcy. This harms interested parties such as shareholders, debt holders and other parties. Especially for companies listed on the Indonesia Stock Exchange, where shareholders are also from the public. On this basis, it is necessary to know what affects business continuity and what the auditor considers in giving the opinion.

2. LITERATURE REVIEW

Signalling Theory

Providing a going concern audit opinion gives a signal that the company's condition is not good because the auditor questions how the company's survival is related. Giving this opinion will certainly have a negative effect on the company. In giving a going concern audit opinion, the auditor certainly has a clear basis and argument. In general, the auditor will examine the values contained in the financial statement accounts or other information. When financial statement accounts or other information are found whose values affect business continuity, this will become the basis for the auditor to provide a going concern audit opinion.

Corporate Growth

Companies with high sales growth will reduce the possibility of receiving a going concern audit opinion, the same means that the company is considered to have the ability to ensure the continuity of its business.

Solvability

The Solvency Ratio is a measurement ratio used to measure the financing of the entire company's assets by debt. Companies that have a high solvency number can indicate financial problems where the company has a high risk of experiencing losses. This problem will raise doubts for the auditor on the sustainability of the company's business. High levels of debt will be able to affect the value of a company

Company size

Companies that have a large size generally have high sales growth and this shows that the company's condition is good so that it reduces the giving of going concern audit opinions.

Going Concern Opinion

In accounting, the going concern principle is usually used in assessing the preparation of financial statements, the company is assumed that for the coming period it will still continue to operate or has the ability to maintain its business continuity and there is no threat of being liquidated or ceasing operations in the coming period. In general, the auditor who evaluates the sustainability of the company's business, the auditor will issue a going concern opinion. There are financial and non-financial factors that affect the sustainability of the company

3. METHOD

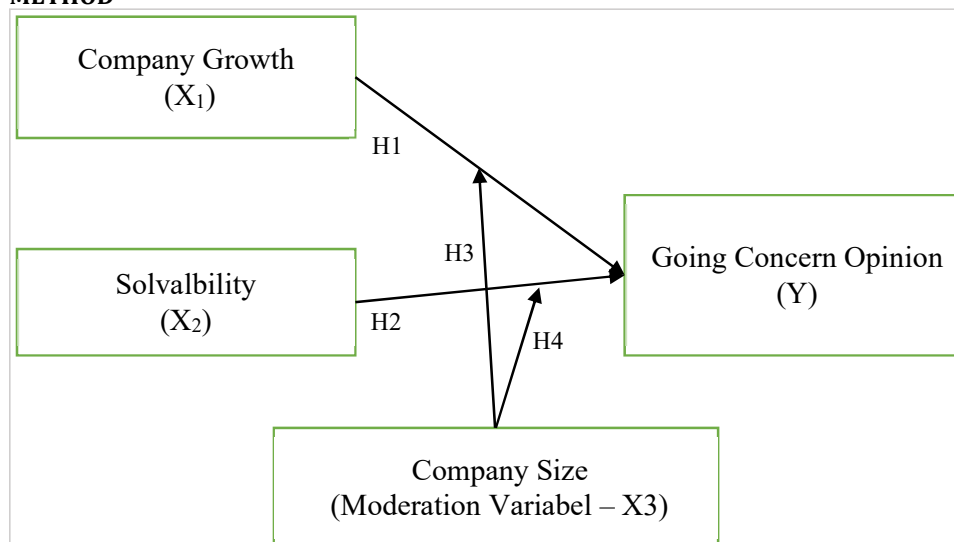


Figure 1. Conceptual Framework

Research Hypothesis

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Based on the problem formulation and conceptual framework above, the research hypothesis put forward by the researcher is as follows:

1. Company Growth has a positive and significant influence on giving a Going Concern Opinion
2. Solvability has a positive and significant influence on giving a Going Concern Opinion
3. Company growth has a positive and significant effect on giving a Going Concern Opinion moderated by company size
4. Solvability has a positive and significant effect on giving a Going Concern Opinion moderated by company size

The research method used is the Quantitative Research Method by retrieving data from the 2019 - 2021 transportation sector financial reports and annual reports listed on the Indonesia Stock Exchange. The sampling technique used a purposive sampling method with the following criteria

- Transportation & Logistics sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period.
- Companies in the Transportation & Logistics sector are not delisted from the Stock Exchange during the 2019-2021 period.
- Do not switch sectors during the 2019-2021 period.
- Has issued financial reports and has been audited for the 2019-2021 period
- The company publishes financial reports that close the books with a cut-off date of 31 December.

The type of data used is secondary data, namely using data from financial reports and annual reports

Table 1 Operational Definition of Research Variables

Variabel	Indikator
Y = Going Concern Opinion	0 = There is no going concern opinion 1 = there is a going concern opinion
X1 = Company Growth	$\frac{Pbt - Pbt_{-1}}{Pbt_{-1}}$
X2 = Solvability	Total Liabilities / Total Asset
X3 = Company Size	Ln Total Assets

Secondary data that has been collected from the financial statements of each company. Then it is entered in the spss statistical tool. Data analysis using Logistics linear regression analysis.

4. RESULT AND DISCUSSION

From the results of the analysis using the logistic regression method in the SPSS data processing program, the statistical results below are obtained. The results show that the data can be used for logistic regression method analysis.

Table 2. Block Number 0

Block Number 0		
Iteration		-2 Log Likelihood
Step 0	1	45.318
	2	45.323
	3	45.323

Table 3. Block Number 1

Block Number 1		
Iteration		-2 Log Likelihood
Step 1	1	29.387
	2	27.236
	3	26.831
	4	26.831
	5	26.831
	6	26.831

Table 4 Model FIT

Block Number	-2 Log Likelihood	Keterangan
0	46.193	
1	28.387	Accepted

The initial value of -2 Log Likelihood (Block Number = 0) is the value of Log Likelihood -2 of 46,193 which then obtains the final value of Log Likelihood -2 (Block Number = 1) to 28,387. The table shows that the model can be accepted that the initial -2LL value decreases with the final -2LL value.

Table 5 Nagelkerke's R-Square

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	26.956 ^a	.398	.539

Based on the table above, it can be seen that the Nagelkerke R Square value is 0.539 and the Cox & Snell R Square value is 0.398. Where the Nagelkerke R Square value of 53.90% shows the magnitude of the explanation of the dependent variable which is explained by the independent variable and it is also found that 100% - 53.90% = 46.10% is in the form of other factors outside the model which explain the dependent variable in the study This.

Table 6 Hosmer and Lemeshow's Fit Test

Step	Chi-square	Df	Sig.
1	3.123	11	.781

From these values it can be seen that the Hosmer and Lemeshow count has a Chi Square value of 3.123 < compared to the Chi Square table of 11.0983 and a significance value of 0.781 > 0.05 so that it can be concluded that the FIT model can be accepted and hypothesis testing can be observed for this study.

Table 7. Partial Statistical Test Results (W Test) - Non Moderation

Variables in the Equation			
		B	Sig.
Step 1 ^a	GWT_COM	.893	.010
	SOL_RTO	.931	.133
	Constant	19.699	.000

a. Variable(s) entered on step 1: GWT_COM, SOL_RTO

From logistic regression testing without the role of moderating variables, the pre-pandemic logistic regression equation was produced as follows:

$$Y1 = -19,699 + .893 \text{ GWT_COM} + 0,931 \text{ SOL_RAT} + \dots$$

Table 8. Partial Statistical Test Results (W Test) - With Moderation

Variables in the Equation			
		B	Sig.
Step 1 ^a	GWT_COM	1.079	.001
	SOL_RTO	2.567	.320
	SIZ_COM	8.512	.003
	GWTCOM_SIZCOM	3.117	.001
	SOLRTO_SIZCOM	2.083	.279
	Constant	18.162	.001

a. Variable(s) entered on step 1: GWT_COM, SOL_RTO, SIZ_COM, GWTCOM_SIZCOM, SOLRTO_SIZCOM.

From logistic regression testing with the role of moderating variables, the pre-pandemic logistic regression equation was produced as follows:

$$Y1 = 18,162 + 1,079 \text{ GWT_COM} + 2,567 \text{ SOL_RAT} + 8,512 \text{ SIZ_COM} + 3,117 \text{ GWTCOM_SIZCOM} + 2,083 \text{ SOLRTO_SIZCOM} + \dots$$

Company Growth has a positive and significant influence on giving a Going Concern Opinion.

Based on the results of testing the company growth variable on giving Going Concern Audit Opinions to transportation sector companies listed on the IDX in 2019-2021, it can be seen that GWT_COM has a significance value of 0.010 which is smaller than the significance value of 0.05, which

means the first hypothesis in the study this is acceptable and concludes that the company's growth variable has an influence by giving a going concern audit opinion. This research is in line with research conducted by Karjono & Sumadiya (2021)[5], Fath & Sugito (2020)[3], which in his research stated the results of the research that company growth affects going-concern audit opinions but has a difference where it has a negative influence direction. The company's growth as measured through sales growth can state how sales are part of the company's activities with an increase in sales each year. However, in this study it gave positive results. It is possible that the sales growth that occurred during the Covid 19 period, namely 2019 -2021, allowed the auditor to worry that the sale was not accompanied by payment by the buyer, causing large receivables. This can be proven that the sample found companies with high sales growth but have a large enough value of accounts receivable. This condition allows the auditor to question the continuity of the business. High sales if not accompanied by payment will certainly make the company experience financial difficulties. This needs further research with different research models. The research results are not in line with Hidayati, N. (2020, April)[4] , Rahmadona et all (2019)[10] , Khamsiyahni & Amin. (2023)[6], Widhiastuti & Kumalasari (2022)[15],

Solvability has no significant effect on giving a going concern audit opinion.

Based on the results of testing the solvency variable for giving a Going Concern Audit Opinion to transportation sector companies listed on the IDX in 2019-2021 it can be seen that the solvency ratio has a significance value of 0.133, which means it is greater than the 0.05 significance level which states that the second hypothesis in this study this is unacceptable and concludes that the solvency variable has no influence on giving a going concern audit opinion. Research conducted by Rachmadiyahana (2023)[9], Khamsiyahni & Amin. (2023)[6] , Rahmadona et all (2019)[10] has the same opinion as the results of this study, which states that changes in the value of the solvency ratio have no effect on giving a going concern audit opinion. The total liabilities which are greater than the assets are not a consideration for the auditor in giving a going concern audit opinion. Large debt is a natural thing, especially when the company is developing or increasing its business. As long as debt payments are made properly and the profit generated is still there, giving a going concern audit opinion will not be carried out. Giving a going concern opinion may be done if the company has failed to pay and not because of the amount of debt or the ratio of liabilities to assets. Subsequent research must add a variable, namely the number of payment defaults that occur in one period. The research results are not in line with Theresia & Setiawan (2023)[14], Suwardji et all (2022)[13], Widhiastuti & Kumalasari (2022)[15], Averio (2020)[2], Ariani (2019) [1].

Company growth has a positive and significant effect on Going Concern Opinion moderated by company size.

Based on the results it can be seen that Company Size as a moderating variable between the effect of Company Growth on giving going concern audit opinions has a significance value of 0.001, which means smaller from a significance level of 0.05, which means that the third hypothesis can be accepted and concludes that company size has a role as a moderating variable that can strengthen the effect of Company Growth on giving a going-concern audit opinion. Company size will strengthen the effect of sales growth on giving a going concern audit opinion. The research results are not in line with Hidayati, N. (2020, April)[4]. This research is in line with research conducted by Karjono & Sumadiya (2021)[5] but has a difference where the direction of the moderating effect is to weaken the effect.

Solvability has no significant effect on Going Concern Opinion which is moderated by company size.

Based on the test results it can be seen that Company Size as a moderating variable between the influence of the Solvability Ratio on giving a going concern audit opinion has a significance value of 0.279 which means it is greater than the significance level of 0.05 which means that the fourth hypothesis is unacceptable and concludes that company size cannot be has a role as a moderating variable that can strengthen the effect of the Solvability Ratio on giving a going concern audit opinion. The results of the study show that solvency has no effect on giving an audit opinion so that it is natural that company size does not affect the relationship between the two variables. The research results are in line with Rachmadiyahana (2023)[9] but not in line with Suwardji et all (2022)[13]

5. CONCLUSION

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Based on the test results, only company growth has an influence on giving a going-concern audit opinion while solvency has no effect on giving a going-concern audit opinion. Firm size strengthens the influence relationship between company growth and going concern audit opinion but does not moderate the effect relationship between solvency and giving going concern audit opinion. Suggestions for further research are to take more research variables by adding profitability or liquidity variables and changing the moderation variable of company size to audit quality. The company sector studied can also be changed or added to the year

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