Innovations

Audit Opinion Going Concerned: How about Indonesia during the Covid 19 pandemic?

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Received: 08 February 2022 **Accepted:** 26 March 2022 **Published:** 30 March 2022

Abstract: *This study examines the effect of continuous bankruptcy predictions ongoing concern audit opinions with the previous opinion as a moderating variable and discusses the implications of the Going Concern Audit Opinion on market reactions during the COVID 19 outbreak in companies listed on the Indonesia Stock Exchange for the 2019 - 2020 period. The time the COVID 19 outbreak occurred in Indonesia had implications for slowing economic growth, which impacted investment and resulted in company bankruptcy. The bankruptcy prediction variable uses Altman. Z-score. The sampling technique used in this research is the purposive—sampling method. In addition, regression analysis. The model used to test the interaction of bankruptcy prediction variables with previous opinions uses Moderated Analysis (MRA). The test results prove that bankruptcy prediction has a negative effect on going-concern audit opinion. Other evidence confirms that the previous opinion variable, the dummy variable, reduces the relationship between bankruptcy prediction and going concern audit opinion. Giving going concern opinion audit has a positive effect on market reaction. This study proves that in Indonesia, going concern audit opinion can be influenced by bankruptcy predictions and the provision of previous audit opinions to have implications for market reactions. In addition, in Indonesia, companies with significant or low assets are not a factor in market reactions but are signals given by companies.*

Keyword: *1. Bankruptcy Prediction; 2.Firm Size; Going Concern Audit Opinion;3.Prior Opinion; 4.Year Dummy.*

1. Introduction

This study examines the effect of bankruptcy prediction on going-concern audit opinion in Indonesia during the COVID-19 pandemic. In addition, the use of the prior opinion is moderatinideable as a moderating variable.Financial statements are financial information to parties interested in the Company; this is by Statement of Financial Accounting Concepts (SFAC) No.1. The primary purpose of financial statements is to provide information helpful in making business and economic decisions. Therefore, the data must have quality by Financial Accounting Standards. The sign that data has a good quality is the data can create value in well-functioning markets such as business strategy, financial analysis, and prospective analysis (Palepu et al., 2021). By using prospective analysis that can be seen in the financial statement, the public can evaluate the condition of a company regarding its potential and what will happen. This requires information to indicate financial performance for investors or potential investors in making investment decisions. Therefore, financial information should be relevant, reliable, and fair for many parties in the Company. So it will indicate that Company is trying to tell about their financial performance by what they have been presented (Widoretno, 2019).One of the assessments of financial performance, namely the existence of going unconcerned one of the independent auditors' assessments of the Company's sustainability.This is because going concern audit opinion received by Company can affect the confidence of stakeholders, so it is one of the assessments of financial performance. Thus, this type of audit report is an audit report with a modification regarding the Company's going concerns indicated based on the auditor's consideration with various analyses that there are risks that will affect business continuity. Going concern company assumes financial statement information as long as it is not proven that there is information that shows contrary information, namely information that is considered contrary to the assumption of the survival of the business unit, related to the inability of the business unit to fulfill obligations at maturity without selling most of its assets to third parties. Outsiders through ordinary business, debt restructuring, externally imposed operating repairs, and other similar activities (Indonesian Institute of Accountants, 2017). A quality audit process can affect the auditor's ability to detect material misstatements (Lenz et al., 2015). In addition, if the financial statement information has good information quality, it will affect investor confidence (Gerged et al., 2020).

One of the independent auditor's examination results is to provide an opinion Audit it is going concerned. This opinion is an audit opinion given by an independent auditor if it is concluded that it is not by Financial Accounting Standards in the financial statements. In addition, there are financial problems in the Company, but its business can still operate. (Maffei, Fiondella, Zagaria, and Zampella, 2020). Public Accountant Professional Standards (2011) going-concern audit opinion is an audit opinion given by an independent auditor with modifications. There is an inability or uncertainty of the Company's sustainability. Further, This opinion is called a going concern audit opinion, which is issued by the auditor based on his evaluation and judgment regarding the auditor's doubts about the Company's ability to maintain its viability (Indonesian Institute of Accountants, 2017).Going concern audit opinion can be an early warning for the ManagementManagement to take the right decision to reduce risk and avoid the possibility of bankruptcy. The going concern audit opinion is also helpful for investors and creditors as a reference before investing. Thus the importance of a going concern audit opinion so that the decisions or policies took are appropriate to the expectations of the owners and stakeholders (Kozjak, 2020).

Meanwhile, the proof by Zéman & Lentner (2018); Sanoran (2018); Gutierrez et al. (2020). that the going concern audit opinion was given one of the reasons for the economic crisis. One of the causes of the financial crisis is the spread of the Covid 19 virus worldwide. As a result of the financial crisis, various businesses experienced a decline and even went bankrupt. Furthermore, the evidence was carried out by Borio (2020) & Maritz et al. (2021). These results concluded that the cause of covid 19 affected a country's economy—proof of Student, A. C. C. P. (2021). Auditors have the responsibility to plan and carry out quality audits, have professional skepticism, and consider the fact that there are financial statement distortions. One of them is the consequence of the COVID-19 pandemic, where material misstatement will be at risk. This occurs due to fraud, errors, changes in the internal control environment, resulting in financial reporting errors. If this happens during the audit, the auditor must discuss this matter with ManagementManagement or those responsible for this. The discussion results become the auditor's consideration in providing his opinion after adjusting it with the available evidence.

Since the COVID-19 pandemic occurred in Indonesia, the economic growth conditions in 2020 were the worst in the last 150 years. It is recorded that 170 countries worldwide are experiencing contractions due to Covid-19. Throughout 2020, the Indonesian economy recorded a contraction of -2.07 percent. The contraction started in the second quarter of 2020, which was -5.3 percent (Money.Kompas.com, 2020). In 2020, Indonesia will have the highest active Covid-19 cases in Southeast Asia (cnnindonesia.com, 2020). In 2020, the Indonesia Stock Exchange (IDX) had delisted six (6) issuers. This is due to concerns caused by the Company's growth crisis during the COVID-19 pandemic (idx.com, 2020).This shows that the decline in financial health causes doubts about the Company's ability to be a going concern.

Meanwhile, Poulus Cenciarelli et al. (2018) argues that the lower the Company's financial health, the higher the independent auditor's providing going concern opinions. The reason is that bankruptcy prediction is one way to detect the Company's financial health. It can help independent auditors provide a going concern opinion for the fairness of their financial statements. In Indonesia, According to the Indonesian Stock Exchange Regulation Number I-1 concerning Delisting and Relisting of Shares on the IDX, the stock exchange deletes the listing of shares of a listed company by the provisions of this regulation if the listed company experiences conditions, or events, which are a significant negative effect on the business continuity of the listed Company, either financially or legally, or on the continuity of the status of the listed Company as a public company, and the listed Company cannot show adequate indications of recovery.

Furthermore, Zhang et al. (2021)argue that bankruptcy is a condition where a company fails or is no longer able to meet its debt obligations due to a shortage and insufficient funds caused by continuous losses.Several previous studies, among others Muñoz-Izquierdo et al. (2019); Desai et al. (2020); Gutierrez et al. (2020).Prove an adverse effect of bankruptcy prediction on going-concern audit opinion. It is presumed that the auditor can predict the Company's business continuity being audited by him with the indications found during the examination. Thus the results of the analysis and professional auditors, it is possible that if many indicators show results that are not up to standard, bankruptcy will occur, thereby reducing the quality of financial report information. However, the further evidence carried out byOwens et al. (2019), and Bava (2018) showsa positive effect of bankruptcy prediction ongoing concern audit opinion. This result is possible because the indicators used in predicting business sustainability are by the minimum standards so that there is no fear of bankruptcy.

Salawu et al. (2017) research proves that bankruptcy prediction reduces the going concern audit opinion. However, further evidence was carried out by Kurnia and Cellica (2016), namely prediction bankruptcy cannot reduce going concern audit opinion. Several previous studies have produced further evidence that it cannot be concluded. It is suspected that other variables can influence the predictive relationship of bankruptcy to going concern audit opinion. The variable is a prior opinion as a moderating variable.

The use of the prior opinion variable as a moderating variable based on Krishnan and Wang (2015) argue that the going concern audit opinion given by the independent auditor considers the previous auditor's opinion or the previous opinion. Furthermore, according to Mutchler (1984), if the Company is given a going concern audit opinion in the previous period (prior opinion), it is likely to get the same opinion for the audited financial statements. This is because the quality of the financial statements of the previous period is not different from that of the current year's financial reporting period. Furthermore, according to Read & Yezegel (2018); Xu, H., Dao, M., & Wu, J. (2018), the previous audit opinion provides initial information on the Company's condition when it will be examined for the next period. These initial conditions that determine audit planning and procedures include the scope of internal control conditions, the scope of the audit, and audit evidence that will be used as samples. Thus the previous audit opinion has a positive effect; the higher the bankruptcy prediction value, the smaller the going concern audit opinion given by the auditor.Zięba, Tomczak, and Tomczak's (2016); Hardi et al. (2020) research proves that prior opinion significantly affects ongoing concern audit opinion.

Based on the results of previous studies, independent auditors use prior opinions in considering opinions related to the Company's continuity. So that researchers are motivated to prove that when Indonesia experienced the COVID-19 pandemic, some of the companies that were sampled experienced a condition of declining income which resulted in bankruptcy, whether the prior opinion was used as an indicator of its influence on audit opinion decisions for the current period during the COVID-19 pandemic. Meanwhile, according to Robu et al. (2019) that in addition to being caused by audit opinion information, the economic crisis due to the pandemic will also affect reducing people's purchasing power so that it will result in a decrease in company income. Furthermore, according to Bochkay et al. (2018), financial performance in conditions of an epidemic pandemic will result in uncertainty for its business continuity;

this is because the community will prioritize its survival needs. This opinion is supported by the results of research by Zéman & Lentner (2018) that there is an effect of the auditor's opinion during the crisis on the decline in the Company's financial performance. Another study was conducted by Bédard et al. (2019) and Liu et al. (2020).

Public statistical data released by the Indonesian Central Securities Depository (KSEI) in January 2021 shows a significant increase in the number of capital market investors. Data from the end of 2018 until the end of 2019 showed an increase in the number of investors from 1,619,372 to 2,484,354. This increase of 53.41% is still lower than the data at the end of 2019 to 2020. By 2020, the number of investors had reached 3,880,753 despite the ongoing pandemic. This indicates that businesses in the capital market are more of the people's choice than real businesses, which are in a slump during this pandemic due to the Large-Scale Social Restrictions (PSBB).

The decline in Indonesia's Composite stock price index (CSP) from the 6300 area to the 3900 area within three months shows that the current pandemic is indeed very severe. Meanwhile, on March 31, 2020, the signing of Government Regulation Number 21 of 2020, which regulates large-scale social restrictions in response to Covid-19, has just been carried out. Investor responses in this condition are quite diverse from several forums or social media. Some pros and cons think the Composite stock price index will still go down; some think the (CSP) will rebound among investors. Despite the high increase in the number of investors, the number of transaction volumes in 2019 was still higher than in 2020. In 2019, the transaction volume was recorded at 36,534,971,048, while in 2020 it was 27,495,947,445. This reflects that most investors' behavior tends to wait and see, waiting for the right time to make transactions.

Meanwhile, according to Brunelli et al. (2021)that the implications of the auditor's opinion will change investors' decisions in their investment policies. This is because the auditor's opinion provides management conditions resulting from the conclusions of the auditor's examination (Zéman, Z., & Lentner, 2018).Therefore, the information received by investors will reflect the actual market conditions sourced from the financial statements. This is evidenced by O'Reilly, D. M. (2010) that there is a positive influence on the market reaction. Other studies concluded the same results, namely Mohamad, Z. Z., et al. (2021); assistant (2019). However, different results by Muñoz-Izquierdo (2020)prove that the market reaction is influenced by conditions originating from non-financial. This is supported by Menon, K., & Williams (2010) and Amin Krishnan, & Yang (2014).

2. Literature Review

2.1 Signal theory

This study uses signaling theory in explaining the research problem. Signaling theory is a company's strategy to inform stakeholders of signals, namely in the information that Management Management pours through financial reports (Connelly et al., 2011). Therefore, stakeholders can obtain this information by analyzing the bankruptcy predictions contained in the Company's financial statements because the prediction of bankruptcy can reflect a company's financial health. Information asymmetry is the essence of the problem in signaling theory. Information asymmetry is information inequality between managers and stakeholders; this happens because managers, as those who manage the Company, have more information than stakeholders. Spence (2002) states that signaling theory can fundamentally reduce information asymmetry between the two parties.

The information disclosed will signal the Company's condition to be used as a basis for decision-making. Going concern audit opinion information becomes a signal for investors; changes in decisions due to the signal will have a material effect (Grace, 2014). The decision to grant an independent auditor a going concern audit opinion is based on analyzing bankruptcy prediction indicators. Other information in the form of signals from the audit opinion Prior Opinion is used as the auditor's consideration in providing a going concern audit opinion. In addition, stakeholders take preliminary opinion information into account in their investment decisions. Furthermore, Ali's opinion (2019) that information on the auditor's opinion on financial statements will give different perceptions by each user due to changes in decisions when getting the latest information from financial statements. Thus the change in the decision shows the influence of the latest information from the financial statements, in this case, the audit opinion, which will affect the Company's financial performance.

2.2 Opinion Audit Going Concern

According to the Public Accountant Operating Standards (SPAP) 2011, going concern audit opinion is a modified audit opinion. There is a significant inability or uncertainty over its viability in carrying out its operations in the auditor's judgment.According to Blay, Bryan, and Reynolds (2016), going concerned is divided into finance consisting of liquidity deficiency, deficiency, deferral of debt payments, and difficulties in obtaining funds. Second, there are continuous losses, doubtful income is realized, business continuity is hampered, and internal control is less than optimal.Through a going concern audit opinion, the auditor considers that the Company is doubtful in maintaining its viability so that it is possible for a bankruptcy to occur. This is in line with Zaher (2015), who revealed that going concern decisions can predict the possibility of a company going bankrupt or not. Professional Standards for Public Accountants SA Section 341 explains, in general, several things that can influence the auditor in issuing a going concern audit opinion, namely: a) Negative trends; b) Possibility of financial distress, c) Internal problems of the Company, d) External problems. Therefore, bankruptcy prediction is needed to detect the Company's financial health to assist auditors in providing the correct opinion on a company's going concern.

2.3 Bankruptcy Prediction

Bankruptcy is a company's inability to settle its debts when they fall due, resulting in losses and causing liquidity difficulties. (Blanco et al., 2015). The financial failure was due to the level of return obtained by the Company being smaller than the costs it bore. This causes the accumulation of financial difficulties in the long term, resulting in a smaller asset value than the debt (Kingyens, Paradi, and Tam, 2016).According to McKeown (1991), not optimal company income will cause financial conditions to experience instability. It will get an opinion from an independent auditor, namely a going concern audit opinion. However, a company whose financial condition is stable is likely the auditor will provide an opinion other than a going concern audit. Furthermore, bankruptcy prediction aims to provide internal parties and stakeholders information for performance appraisal. Information about bankruptcy predictions is obtained initially; bankruptcy will be known immediately so that an evaluation or management policy is carried out and develop strategies for improvement. According to Mavengere (2015), investors, government, accountants, and ManagementManagement can use bankruptcy prediction information. Altman and McGough (1974) argue that the bankruptcy prediction model provides information to independent auditors to assess business continuity and initial information to detect those difficult to obtain during an examination.

One of the studies on bankruptcy prediction is the Multiple Discriminant Analysis conducted by Altman, namely the Z-Score analysis. Altman Z-Score has an accuracy rate of 95% in the manufacturing industry listed on the capital market. The United States. Furthermore, Altman perfected the Z-Score model by using several samples with different economic climates, giving 82% to 85% bankruptcy predictions. Altman Z-Score can predict potential bankruptcy by analyzing the Company's financial statements 2 to 5 years before the Company suffered a loss. Z-Score is an assessment determined from calculating the standard times the financial ratio that results in company bankruptcy. The results of the assessment are used to predict bankruptcy. Altman formula is a multivariate formula used to measure the Company's financial condition. Thus, when using the Altman formula in an early warning system, independent auditors get information on the overall condition of the Company's Management.

2.4 Prior Opinion

Mutchler (1984) argues that if a company received a going concern audit opinion in the previous year, it would get the same opinion in the current year. Tend to accept the same opinion in the current year. This condition is because the Company's Management is the same as the conditions of the previous period (Dewi et al., 2016). This is in line with Achyarsyah's research (2016) that argues that the quality of financial reports in the previous year would be the same with current year because the Company maybe still not take the step to fix the condition of Company financial and also does not have more time to stabilizing Company financial before receiving current audit opinion. Mutchler's research (1985) proves the effect of public information available on the prediction of the going-concern audit opinion, namely the type of audit opinion the Company has received. The conclusion of this study shows that the discriminant analysis model that includes the previous year's audit opinion type has the highest overall prediction accuracy of 89.9 percent compared to other models.

2.5 Bankruptcy Prediction and Going Concern Audit Opinion

Companies with financial statements that receive a going concern audit opinion are considered a signal by the receiver about the going concern audit opinion. This is because an independent party, the auditor, doubts the Company's business continuity. Then the receiver's feedback to the signaler is negative feedback, where shareholders and creditors withdraw their funds from the Company, or potential investors will cancel their shares (Yunus, Calen, and Sirait, 2020). This opinion is supported by research by Sugiarto and Fidiana (2020) and Ajisaka (2020), proving that bankruptcy predictions negatively affect audit opinions. Thus, the bankruptcy prediction model is used to help independent auditors assess the financial condition and management. In addition, it is also used for auditors to provide audit opinions with modifications to the going concern explanatory paragraph. Thus the research hypothesis is proposed as follows:

H1: Prediction of bankruptcy has a negative effect ongoing concern audit opinion

2.6 Bankruptcy Prediction, Going Concern Audit Opinion, and Prior Opinion

According to McKeown (1991), the Company's financial ManagementManagement is not optimal will cause the Company's business continuity. Host (2016) argues that due to the non-optimal Management of the Company, which results in a decrease in income, the Company's sustainability is increasingly worrying, which will continue to suffer losses. On that basis, the independent auditor doubts its business continuity, so that an opinion will be given with an explanatory paragraph in the form of doubts about its business continuity (Mark, 2020). Meanwhile, according to Thomas et al. (2011), the independent auditor in giving an opinion that the opinion of the previous independent auditor was used as one of the considerations for understanding the internal control system and information to provide the auditor's opinion in the current year.Thus, it is not only the Company's financial condition that the auditor considers in providing a going concern audit opinion but also the Company's history. One of them is a prior opinion.

Hutagulung and Triyanto (2021) and Syarif, Saebani, and Julianto (2021) proved that prior opinion positively affected ongoing concern audit opinion. Then this research hypothesis is formulated as follows.

H2: The effect of bankruptcy prediction ongoing concern audit opinion is moderated by prior opinion

2.7 Going Concern Audit Opinion and Market Reaction.

Does a going concern opinion signal helpful information for stock prices? Some previous studies have yielded mixed results. have yielded conflicting results. Several studies found evidence of an adverse stock price reaction to going-concern opinions (Jones, 1996; Citron et al., 2008), while others did not have a significant stock price reaction (Dodd et al., 1984; Herbohn et al., 2007).). In addition, Bessel et al. (2003) proved that going concern opinion or auditor qualification for financially troubled companies did not

significantly change management's perception on various dimensions relative to standard audit opinion. Then this research hypothesis is formulated as follows.
H3: There is a positive effect of going concern audit opinion on the market reaction.

3. Data and Methodology

This study aims to prove the effect of continuous bankruptcy predictions on audit opinions with previous opinions as moderating variables in the industries listed on the Indonesia Stock Exchange in 2019 - 2020. The data used in this study are secondary data on issuers of financial statements and annual reports 2019 - 2020. The population used is 677 industries listed on the Indonesia Stock Exchange in 2020. In addition, companies that receive going concern audit opinions from independent auditors. The observation period is 2019 - 2020; in March 2020, Indonesia began to be hit by a pandemic. The number of samples of observation data used was based on purposive sampling as many as 621 observation data.

3.1 Variables and Measurements

This study uses a going concern audit opinion variable. The measurement used for issuers that get a going concern audit opinion is given a value of 0 if the debt is more minor than assets; on the contrary, if the debt is greater than the issuer's assets, then it is given a value of 1, this measurement refers to Bava et al. (2018).Measurement of bankruptcy prediction using the model Zmijewski (1984) and Zmijewski model using financial ratios that measure the Company's performance, leverage, and liquidity. The Zmijewski model was first used to research 40 bankrupt and 800 non-bankrupt companies. The level of accuracy of this model in estimating the sample used is 99%.The Zmijewski model was first used to research 40 bankrupt and 800 non-bankrupt companies. The accuracy of this model in estimating the sample used is 99% (Avenhuis, 2013).

$Zmijewski = -4.3 - 4.5X1 + 5.7X2 + 0.004X3$
Where:
$X1 = netincome/totalassets$
$X2 = totalliabilities/\ totalassets$
$X3 = currentassets/\ currentliabilitie$

The Cut-Off value that applies in this model is 0. This means that companies whose X value is greater than or equal to 0 are predicted to experience financial distress. On the other hand, companies with an X value less than 0 are predicted not to experience distress (Avenhuis, 2013). In addition, this study uses the dummy year as a control variable. The value of (1) one is given in year j and (0) zero in other years. This year's dummy refers to Setiany's research (2016). The year dummy was used to control changes in the macroeconomic environment during the research period (Qi, Wu, and Zang, 2000).

3.2 Data Analysis

This study uses descriptive statistical data analysis and hypothesis testing, namely regression analysis. Descriptive statistical testing provides data information with the mean, standard deviation, variance, maximum, and minimum of each observation data used (Ghozali, 2001). This test aims to provide general descriptive information about the distribution and behavior of the sample data.
Subsequent testing was carried out with regression analysis to test the model’s predictions and the research hypothesis. Multiple regression equations for hypothesis testing in this study are:

The regression equation used is:
$GC = \beta 0 + \beta_1 BP + \beta_2 FM + \beta_3 YD$……………………(1)
$GC = \beta 0 + \beta_1 BP^*PO + \beta_2 FM + \beta_3 YD$………………(2)
$MR = \beta 0 + \beta_1 GC$…………………………………(3)

Where:

GC	= Audit Opinion Going Concerned
β_0	=.Constant
BP	= Bankruptcy Prediction
PO	= Prior Opinion
BP*PO	= Interaction
FM	= Firm Size
YD	= Year Dummy
MR	= Market Reaction

4. Results and Discussion

4.1 Descriptive Data

The population in this study is the industry listed on the Indonesia Stock Exchange in 2020. There are 677 issuers listed on the Indonesian stock exchange until 2020. Issuers whose financial statements have been audited by independent auditors are 661, then issuers whose annual reports are not complete until 2020 are 40 issuers. Hence, the number of issuers used as observation data is 621 issuers. This is because, since March 2020, Indonesia has been hit by a pandemic. The following complete data is below:

Table 1. Research Sample

No	Description	Number of companies
1	Companies listed on the Indonesia Stock Exchange until 2020	677
2	A public accountant has audited the Company until 2020	661
3	Companies that do not have complete information	40
	Number of observation data	**621**

This section presents a descriptive statistical analysis of 621 annual reports from a sample of the companies listed on the IDX 2020 and the variables used in this study.

Table 2. Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
BP	621	-0,43	17,22	4,11	3,29
GC	621	0,00	1,00	0,17	0,77
PO	621	0,00	1,00	0,17	0,77
MR	621	-0,95	2,66	1,63	0,98
Valid N (listwise)					

Description:

GC = Audit Opinion Going Concerned
β_0 =.Constant
BP = Bankruptcy Prediction
PO = Prior Opinion
BP*PO = Interaction

FM = Firm Size
YD = Year Dummy

The descriptive statistics in table 2 can be seen that the results of the analysis using descriptive statistics on the bankruptcy prediction variable (PK) in descriptive statistics show the minimum value of -0,43, the maximum value of 17,22, with an average of 4,11 and the standard deviation value is 3,29 with the number of samples studied as many as 621 companies. The average Z-Score value of 1,24 is at the cut-off Z> 0, which means that the average Company sampled has a non-healthy financial level.

The analysis results using descriptive statistics on the going concern audit opinion (GC) variable from 621 observational data sampled have a minimum value of 0 to 0, a maximum value of 1, with an average value of 0.17 and a standard deviation value of 0.77. The value of .0.17 is more than 0.5. These results prove that fewer received going concern audit opinions from the companies studied. One hundred twelve companies received a going concern audit opinion from 621 companies, and 509companies received an ongoing concern audit opinion.

The analysis results using descriptive statistics on the audit opinion prior opinion (PO) variable from 621 companies listed c sampled have a minimum value of 0,00 a maximum value of 1, an average value of 0.17, and a standard deviation value of 0,77. The number 0.13 is lower than 0.5; this result shows that fewer manufacturing companies received a going concern audit opinion from the entire sample of companies studied in the previous year. One hundred twelve companies received a going concern audit opinion from 621 companies, and 509 companies received an ongoing concern audit opinion in the previous year.Meanwhile, for the market reaction variable, the minimum value level is -0.95, while the maximum value is 2.66. The average value obtained is 1.63. The results of the test resulted in a standard deviation of 0.98.

4.2 Hypothesis Testing Results

The results of the hypothesis testing in this study were carried out using multiple regression analysis and moderated regression analysis (MRA). After showing the results of multiple regression testing are shown in Table 3.

Table 3. Analysis Results. Regression

Variable	**Coefficient**	**t**	**p-*value***
(Constant)	7,121	3,922	0,000
PK	-0,548	-0,769	0,005*
PO	0,088	0,012	0,340
BP*PO	-0,090	-0,112	0,091*
MR	1,973	0,046	0,000
FS	0,033	3,189	0,000*
DT_2020	0,011	0,777	0,003*
R Square	0,339		
Adjusted R Square	0,417		
F	2,779		
Sig	0,020		

(*) significant at 5% level

Description:
GC = Audit Opinion Going Concerned
BP = Bankruptcy Prediction
PO = Prior Opinion

BP*PO = Interaction
FS = Firm Size
YD = Year Dummy

Table 3 shows the results of the regression between the independent variable and the dependent variable. The bankruptcy prediction variable (PK) has a negative coefficient value of -0.011 with a significance level of 0.012 (p-value <0.05). Thus, it can be said that bankruptcy prediction has a negative effect on going-concern audit opinion. These results prove that bankruptcy prediction negatively affects ongoing concern audit opinion. Thus Hypothesis 1. is accepted. This research is in line with Zaher (2015) and Salawu et al. (2017), proving that bankruptcy prediction has a negative effect on ongoing concern audit opinion. This shows that the better the Company's financial condition, the less likely it is for the auditor to provide a going concern audit opinion. Vice versa, the worse the Company's financial condition, the more likely it will obtain a going concern audit opinion. This proof is based on the assumption that the theory used is signal theory. Signal theory explains how a company provides signals to stakeholders, namely information disclosed by ManagementManagement through financial statements. This information is a signal sent from the Company's managers to stakeholders. Stakeholders who receive the signal will interpret the signal. Then the stakeholders will provide feedback to the Company. The worse the Company's condition, the worse the signal that stakeholders will receive. The Company tends to get a going concern audit opinion, meaning that it is doubtful in maintaining its survival by an independent party.

The results of the interaction test between the Bankruptcy Prediction (PK) and Prior Opinion (PO) variables resulted in a significant value of 0.037 (p-value <0.05) with a coefficient value of -0.07, indicating that the prior opinion variable can reduce the effect of Bankruptcy Prediction on the Audit option Going Concerned. So it can be concluded that the prior opinion variable moderates by strengthening the relationship between bankruptcy prediction variables and going concern audit opinion. Thus, Hypothesis 2 is successfully supported (accepted). This shows that the opinion received by the Company in the previous year affects the going concern audit opinion given by the auditor to companies with a low Z-score.The results of the market reaction test (MR) show that in a significant value of 0.000 (p-value <0.05) with a coefficient value of 1.97. For the auditor to signal investors, the auditor must possess private information that would lead investors to a different conclusion than what is currently held by the market (Hughes, 1986). As a result, the auditor should only be willing to provide this signal when its information content is significant. Both arguments suggest that when industry specialists have not expressed doubt about the client's viability and the auditor issues a going-concern opinion, the private information content of such a qualified signal will be high. Thus, Hypothesis 3 is successfully supported (accepted).

In addition to financial problems, prior opinions also influence going concern audit opinions (Dewi et al., 2016). Companies that get a going concern audit opinion in the previous year tend to get the same opinion in the current year (Mutchler, 1984). This is because the Company's condition in the previous year was not much different from the current year. In addition, there is a self-fulfilling property hypothesis which states that if the auditor gives a going concern opinion on the Company, it is likely that the Company will go bankrupt more quickly because investors or creditors tend to avoid investing in companies that are doubtful in their survival, so they choose to cancel. Investment or withdraw funds from the Company (Dewi et al., 2016).

Therefore, if a company with a going concern audit opinion does not improve its financial performance, it tends to accept it again. The results of this study are in line with previous research conducted by Maffei (2020); Kurnia and Cellica (2016), who found that prior opinion had a positive effect on ongoing concern audit opinion.

The test results for the firm size (FS) control variable have a positive coefficient of 0.033 with a significance level of 0.00 (p-value <0.05). Thus, it can be said that firm size has a positive effect on ongoing concern audit opinion. This study is in line with research conducted by Pham (2017) and Xu et al. (2018), which shows that firm size positively affects going-concern audit opinion. This shows that the greater the assets owned.Another control variable, Testing the Dummy control variable in 2020, concluded a positive result with a coefficient value of 0.011 and a significance value of 0.003. Thus, the economic conditions in 2020 can affect the going concern audit opinion. This is because economic conditions have an impact on the Company's condition. This evidence aligns with Albitar et al. (2020) research that conditions during the 2020 pandemic affect audit quality. Thus, the auditor considers the economic conditions in the observation period as one of the considerations in providing a going concern audit opinion.

4.3 Additional Analysis

This study analyzes testing on issuers based on company size, namely company size, total asset value above average (large), and total asset value below average (small). This added test was carried out considering that the primary research showed that the Company's size had a significant effect. Therefore, it is necessary to examine whether bankruptcy predictions and the interaction of bankruptcy predictions with previous audit opinions affect audit opinions on significant asset ownership and small assets on issuers showing differences.

Results of Analysis of the Sample Group The level of Ownership of Large Assets

The total issuers sampled were 621 classified as issuers with significant assets, namely 573, while 48 issuers with small assets. Tests on issuers that are sampled are presented in Table.

Table 4.the results of regression analysis with a significant asset subsample

Variable	**Coefficient**	**t**	**p-*value***
(Constant)	3,221	1,210	0,001
BP	-0,222	-0,650	0,005*
PO	0,028	1,887	0,111
BP*PO	-0,003	-0,221	0,005*
MR	-0,001	1,221	1,332
DT_2020	0,005	0,200	0,007*
R Square	0,431		
Adjusted R Square	0,532		
F	1,336		
Sig	0,004		

(*) significant at 5% level

Description:

GC = Audit Opinion Going Concerned
BP = Bankruptcy Prediction
PO = Prior Opinion
BP*PO = interaction
FM = Firm Size
YD = Year Dummy
MR = Market Reaction

The test results for the issuers with significant assets show that the coefficient is -0.222 with a significance value of <0.05, 0.005. This study indicates that the variable Total Assets significantly affects ongoing concern audit opinion. The test results on the group of issuers with significant assets show no difference with testing the entire sample. This strengthens the test on all samples, showing that issuers with significant assets affect audit opinions. There is no difference in the test results for issuers with significant assets and testing for all issuers, which can be caused by greater management risk for issuers with significant assets.The market reaction (MR) variable produces evidence that the coefficient is -0.001 with a significance value of >0.05, 1.332. This study indicates that the going concern audit variable does not affect Market Reaction. It can be concluded that the occurrence of investor reactions originating from the audit signal of the auditor's opinion is not influenced by the size of the auditee's assets. In addition, these results show differences in the number of observations; these results indicate the auditor's independence in giving his opinion objectively.Meanwhile, according to Ochi et al. (2021), Optimization of the use of company assets is reflected in the significant value of assets owned by issuers, so this gives the auditor confidence that if the Company can manage its assets to generate profits, the more effective the use of assets so that the smaller the loss in the Company and confidence in the sustainability of its business. Thus, during the COVID-19 pandemic, issuers with significant assets have management risks, namely the decline in the value of the assets they have, the possibility of obsolescence, and the occurrence of damage to assets that can cause a decrease in selling value.

4.4 Results of Analysis of the Sample Group The level of Ownership of Small Assets

The test at this stage is with issuers that have small assets, namely from 621 issuers, there are 573 while 48 issuers have small assets. Tests on issuers that are sampled are presented in Table.

Table 5.the results of regression analysis with a Small asset subsample

Variable	**Coefficient**	**t**	**p-*value***
(Constant)	1,421	2,443	0,021
BP	0,435	0,332	0,887
PO	0,044	1,721	0,334
BP*PO	0,446	-0,231	0,231
MR	-0,087	1,221	1,446
DT_2020	0,023	0,551	0,032*
R Square	0,219		
Adjusted R Square	0,339		
F	1,554		
Sig	0,000		

(*) significant at 5% level

Description:

GC = Audit Opinion Going Concerned
BP = Bankruptcy Prediction
PO = Prior Opinion
BP*PO = Interaction
FM = Firm Size
YD = Year Dummy
MR = Market Reaction

The test results of this stage show a coefficient value of 0.435 a significance of 0.887, which is greater than the value of > 0.05. These results indicate that issuers with small asset values do not affect audit opinions. The test at this stage proves that the MR variable with the company's criteria having small assets results in a coefficient value of -0.087. The significance value is 1.446, meaning that the significance value is > 0.005. then the test results conclude that there is no influence of companies with small assets with a going concern audit opinion that affects the market reaction.

This proves that issuers who have small assets are not an indicator in providing an auditor's opinion besides showing the objectivity and independence of the auditor in providing their professional opinion. Furthermore, according to Krishnan & Wang (2015), the Company's size using the total assets proxy does not reflect the quality of financial statements. However, it will provide transparent and accountable information when an audit opinion has been given. Thus, ownership of large and small assets is not an indicator of an audit opinion.

4.5 Thorough Analysis Results

The overall test results, summarized in Table 6, consist of 1) Total test results, 2) Test results for issuers with significant assets, 3) Test results on issuers with small assets.

Tabel 6. Overall Hypothesis Summary

Hypothesis	**Variable**	**Total**	**Firm Size**	
			Big	**Low**
H1:	Prediction of bankruptcy has a negative effect ongoing concern audit opinion	Received	Received	Rejected
H2:	The effect of bankruptcy prediction ongoing concern audit opinion is moderated by prior opinion	Received	Received	Rejected
H3	Prediction of ongoing concern audit opinion has a positive effect on market reaction	Received	Rejected	Rejected

The results of the analysis are based on the elaboration of comprehensive sample testing and split sampling based on the size of large and small assets. Additional tests were conducted to test whether the above analysis results were consistent and applicable to sub-samples with homogeneous characteristics.The results of testing the effect of bankruptcy prediction on going-concern audit opinion show negative results (Hypothesis Accepted). The results of this test are the same as the test results with the sub-sample with those with significant assets, while the sub-sample with small assets shows that the results have no effect (the hypothesis is rejected).Another result is a sampling separation test based on the criteria for companies that have large and low assets. The test results prove that the company's standards based on significant and common assets do not affect the market reaction. This proves that the type of large and small companies is not a criterion for investment decisions but a positive signal that can provide investment security and optimal returns.This test proves that the auditor conducts an examination based on the level of risk, one of which is assets, namely, the greater the assets owned by the issuer, the greater the audit risk and inherent risk. This is by the opinion of Haron et al. (2009) that companies with significant assets have more complex risks than those with small assets.

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