

# The Effect Of Company Size, Profitability, Liquidity, And Company Growth On Going Concern Audit Opinion In Manufacturing Companies Listed On The Indonesia Stock Exchange (Idx) In 2020-2022

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## ABSTRACT

This observation aims to test the Influence of Company Size, Profitability, Liquidity, and Company Growth on Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. The quantitative approach is that the results of the research calculations were tested with PLS. The population in this study was 287 all manufacturing companies listed on the Indonesia Stock Exchange (IDX). The research sample was 26 companies with an observation sample of 78 company data and was applied using the Purposive Sampling technique. The results of the study show that Company Size does not affect Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. Profitability does not affect Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. Liquidity does not affect Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. Company Growth does not affect Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. Company Size, Profitability, Liquidity, and Company Growth do not affect Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.

Keywords: Company Size, Profitability, Liquidity, Company Growth, Going Concern Audit Opinion.

## INTRODUCTION

Nowadays, many companies are affiliated with the capital market and usually, they present their financial reports to the public and submit them to the Capital Market Supervisory Agency (Bapepam) no later than 90 days after the closing of the annual report. Usually, these financial reports will be audited by independent auditors, both big four and non-big four. The results of the financial report audit will be accompanied by their opinions, both going-concern audit opinions and non-going concern audit opinions.

The provision of audit opinions does not depend on the size of the company, whether it is large or small, but based on the financial transactions they audit. One of the largest companies is PT Indofood Sukses Makmur Tbk (INDF). In 2022, INDF also received a going concern opinion, such as goodwill experiencing a decrease in value, and recorded it at IDR 52.2 trillion for the acquisition and 29% representing its total consolidated assets.

The granting of a going concern audit opinion to the company was due to a decrease in net profit. INDF, including the largest companies, also experienced a decrease in net profit in 2022 of IDR 9,192,569,000,000 from 2021 of IDR 11,229,695,000,000. The net profit decreased quite significantly then this also affected the granting of a going concern audit opinion.

The auditor also considers the company's ability to pay current debts to third parties, although this liquidity includes high current assets and consists of several component items. Usually, companies with high liquidity do not get a going concern audit opinion. However, INDF received a going concern audit opinion even though liquidity was high where INDF's cash and cash equivalents in 2022 amounted to IDR 25,945,916,000,000, decreasing compared to 2021 of IDR 29,478,126,000,000, while other accounts such as accounts receivable increased but their disbursement required maturity.

The company's growth has increased in 2022, as seen from INDF's sales of IDR 110,830,272,000,000 compared to IDR 99,345,618,000 in 2021. The increase in sales growth does not guarantee that the independent auditor will not provide a going concern audit opinion. The provision of a going concern audit opinion is possible if profitability and liquidity are low.

The research phenomena can be presented as follows:

**Table 1.1** Research Phenomenon of Manufacturing Companies Listed on the IDX  
(stated in rupiah)

Emiten code	Year	Total Asset	Profit After Tax	Current Asset	Sales	Audit Opinion
IGAR	2020	665.863.417.235	60.770.710.445	509.735.319.690	739.402.296.030	<i>Non Going Concern</i>
	2021	809.371.584.010	104.034.299.846	664.451.418.649	970.111.806.482	<i>Non Going Concern</i>
	2022	863.638.556.466	102.314.374.301	707.960.865.488	1.083.672.730.660	<i>Going Concern</i>
DPNS	2020	317.310.718.779	2.400.715.154	184.653.012.538	96.644.910.643	<i>Going Concern</i>
	2021	362.242.571.405	22.723.655.893	225.928.824.403	147.210.449.631	<i>Non Going Concern</i>
	2022	405.675.831.614	27.428.849.986	255.997.357.126	200.912.586.007	<i>Going Concern</i>
ICBP	2020	103.588.325.000.000	7.418.574.000.000	20.716.223.000.000	46.641.048.000.000	<i>Non Going Concern</i>
	2021	118.015.311.000.000	7.911.943.000.000	33.997.637.000.000	56.803.733.000.000	<i>Non Going Concern</i>
	2022	115.305.536.000.000	5.722.194.000.000	31.070.365.000.000	64.797.516.000.000	<i>Going Concern</i>

( Source: [www.idx.co.id](http://www.idx.co.id) )

Based on the research phenomenon above, it can be seen that IGAR's assets in 2022 experienced a significant increase, its net profit decreased disproportionately to the increase in sales in that year and had quite high current assets, but the company still received a going concern from an independent auditor. The going concern opinion given by an independent auditor is possible due to a decrease in profit due to high credit sales. DPNS in 2022 had high total assets, high net profit, high current assets, and high sales were also given a going concern opinion and this was suspected of high credit sales. ICBP in 2022 received a going concern audit opinion due to a decrease in total assets, a drastic decrease in net profit, a drastic decrease in current assets, and a drastic increase in sales. High sales do not guarantee that the company is in good condition, it is suspected that credit sales are high.

**LITERATURE REVIEW**

**The Influence of Company Size on Going Concern Audit Opinion**

Rahmawati, et al., (2018:68) The larger the company, the less likely the company is to receive a going concern audit opinion. Oktaviana and Karnawati (2020:117) Company size indicates how big or small a company is. The larger the company, the smaller the auditor's likelihood of providing a going concern audit opinion. Suryani (2020:247) The larger the assets owned by the company, the more the company is considered capable of overcoming any problems that arise with the support of

its resources. Public trust in large companies is also higher than in small companies, so the possibility of getting a going concern audit opinion is smaller.

**The Influence of Profitability on Going Concern Audit Opinion**

Sari (2020:2), high ROA will further distance the company from going concern problems. Conversely, a low ROA level will increasingly allow the company to experience ongoing concern problems. Oktaviana and Karnawati (2020:122) If the company can obtain high profits, it will also generate large returns so that the company can be considered to have the ability to survive. So getting a going concern audit opinion tends to be low. Suprihati and Yuli (2022:17) the greater the Profitability ratio can indicate that a company's performance is getting better so that auditors do not give a Going Concern opinion to a company that already has high profits.

**The Influence of Liquidity on Going Concern Audits Opinion**

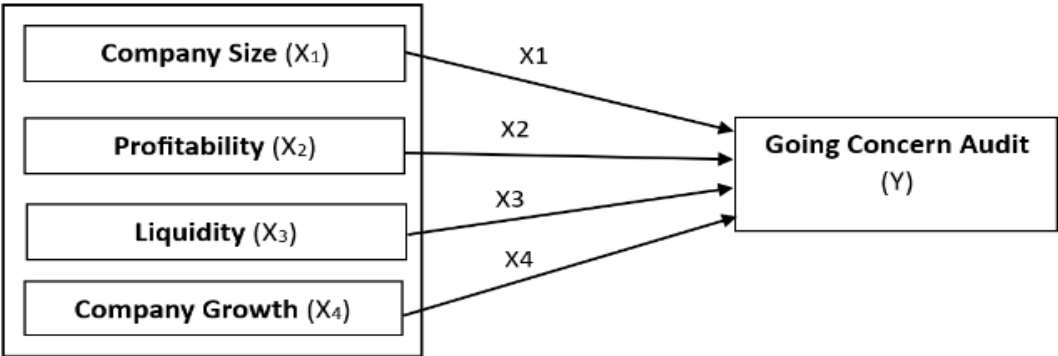
Anggraini, et al., (2021:49) The company has an independent auditor's report which in the audit opinion section and notes to its financial statements discloses the company's condition which is experiencing liquidity problems due to the Covid-19 pandemic, but the auditor concludes that this condition does not have a significant impact so that the company can still obtain a non-going concern audit opinion. Naziah and Nyale (2022:2695) if the company's liquidity ratio is good, the company can pay off its current debts that are due on time, thus reducing the probability of receiving a going concern audit opinion from the company. Damayanty, et al., (2022:6) The lower the liquidity, the less liquid the company is so that it is unable to pay its obligations to creditors, so the auditor will provide a going concern audit opinion.

**The Influence of Company Growth on Going Concern Audits Opinion**

Andini, et al., (2021:391) auditors do not pay attention to the growth of entity sales when providing an audit opinion related to going concern because the increase in sales is not necessarily followed by an increase in profits. Halim (2021:167) The higher the sales growth, the less likely the auditor is to provide a going concern opinion. Syarif (2021:50) company growth hurts the acceptance of going concern opinions, this explains that a higher sales growth ratio means that it can provide an opportunity for the company's profits to increase so that the company can maintain its business continuity.

**Conceptual Framework**

The Conceptual Framework can be seen in Figure 1



**Figure 1 Conceptual Framework**

**Research Hypothesis**

The Research Hypothesis is as follows:

- H1: Company Size Influences Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
- H2: Profitability Affects Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
- H3: Liquidity Affects Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
- H4: Company Growth Influences Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
- H5: The influence of Company Size, Profitability, Liquidity, and Company Growth simultaneously affects the Going Concern Audit Opinion of Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) 2020-2022.

## METHODS

### Research Methodology

This research method was conducted on Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022 using quantitative methods and through the internet media, which can be seen on the website [www.idx.co.id](http://www.idx.co.id). According to Margono (2010:105), quantitative research is research that begins with deductive thinking, testing hypotheses in the field, and concluding empirical data.

### Population and Research Sample

According to Tersiana (2018:75), the population is the entire research subject. The population in this study was 287 manufacturing companies listed on the Indonesia Stock Exchange (IDX), and the samples were manufacturing companies that met the criteria of manufacturing companies that published financial reports and had independent auditor reports for the 2020-2022 period. The sample selection method in this study was carried out using the purposive sampling method. According to Suryadi, et al. (2019:165), "purposive sampling is a sampling method based on certain criteria set by researchers."

The purposive sampling technique is based on certain criteria as follows:

1. Manufacturing Companies listed on the Indonesia Stock Exchange in 2020-2022.
2. Manufacturing Companies that published financial reports in 2020-2022.
3. Manufacturing Companies that meet all the variables studied in 2020-2022.

The research sample was 26 Manufacturing Companies on the Indonesia Stock Exchange for the 2020-2022 period. The determination of the research sample using certain criteria is described in Table 2.1 as follows:

**Table 2.1 Research Sample**

No	Criteria	Sample
1	Manufacturing Companies Listed on the Indonesia Stock Exchange 2020-2022	287
2	Manufacturers that have not/have not published financial reports for 2020-2022	-95
3	Manufacturing Companies that do not meet all the variables studied in 2020-2022	-166

4	The total sample of companies that were sampled	26
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### Sample Collection Techniques

The data used in this study are secondary. Secondary data in this study are financial statements, balance sheets, Profit and Loss financial statements, and audit opinion reports.

### Operational Definition

**Table 2.2 Operational Definition of Variables**

No	Variable	Variable Definition	Indicator	Scale
1.	Company Size (X1)	Company size, namely large-scale companies generally find it easier to obtain debt than small companies because it is related to the level of creditor trust in large companies.	Company size = Ln Total asset	Ratio
2.	Profitability (X2)	Profitability ratio measures a company's ability to generate profits using the company's resources, such as assets, capital, or sales.	$Return\ on\ Assets\ (ROA) = \frac{Earning\ After\ Taxes}{Total\ Assets}$	Ratio
3.	Liquidity (X2)	The liquidity ratio is a company's ability to meet its short-term obligations on time.	Current ratio = $\frac{Current\ Asset}{Current\ Debt}$	Ratio
4	Company Growth (X4)	Company growth is proxied by sales growth.	Company Growth = $\frac{this\ year's\ sales - last\ year's\ sales}{last\ year\ sales}$	Ratio
5.	Going Concern Audit Opinion (Y)	There is definite doubt about the client's ability to continue as a going concern.	The going concern audit opinion variable is measured using a dummy variable. Where category 1 is for Consumer Goods Sector Companies that receive an unqualified going concern audit opinion and 0 is for Consumer Goods Sector Companies that receive an unqualified non going concern audit opinion.	Nominal

### Descriptive Statistical Test

Descriptive Statistical Analysis is conducted to identify the variables to be tested in each hypothesis, and the profile and distribution of the variables. The research using descriptive statistics consists of the maximum value, minimum value, average (mean), and standard deviation of each variable used.

### **Data Analysis Techniques**

According to Yamin (2021:6-7) Models in PLS consist of structural models and measurement models. The structural model describes the relationship between the influence of research variables or research hypotheses that are built. The measurement model describes the relationship between variables and the measurement items that measure them.

### **Analysis Techniques in the PLS Method (Partial Least Square)**

According to Yamin (2021:12), the evaluation of the structural model is seen from 2 things, namely:

1. First, perform a collinearity check on the independent/exogenous variables (inner collinearity). If  $VIF > 5$ , then there is a suspicion of multicollinearity.
2. Hypothesis testing through a bootstrapping process where t-values for the two-tailed test are 1.65 (significant level = 10%), 1.96 (significant level 5%) and 2.58 (significant level = 1%). Smartpls 3 has issued a p-value for each evaluation and compared it with alpha (0.05 or 0.01). If p-value  $< 0.05$  then it is significant.

### **Coefficient of Determination**

According to Yamin (2021:12-13), Model quality evaluation in SmartPLS 3 is part of the model quality criteria. Model quality evaluation can be seen from several measures, namely:

1. The measure used is R Square. The R square value describes the overall influence of exogenous/endogenous variables on other endogenous variables.
2. Q Square redundancy describes how well the model has predictive relevance. If Q square redundancy  $> 0$  indicates that the exogenous variable has predictive relevance to the endogenous variable constructed. Q square redundancy is measured when the endogenous variable is measured reflectively.

The  $f^2$  effect size is a measure of how much influence a variable has in a structural model. Changes in the R Square value are used to see whether the influence of exogenous variables on endogenous variables has a substantive influence. This measure is calculated by comparing the R square value when the variable is entered/excluded from the structural model.

## **RESULT AND DISCUSSION**

### **Company Overview**

This research uses 26 entity financial reports from 2020-2022. Some general descriptions of the entities studied are described as follows:

#### **Indocement Tunggal Prakarsa Tbk (INTP)**

Indocement Tunggal Prakarsa Tbk didirikan 16 Januari 1985 dengan mulanya kegiatan komersial di tahun 1985 berkantor pusat di Wisma Indocement Lantai 13, Jalan Jend. Sudirman Kav. 70-71, Jakarta 12910-Indonesia. Kegiatan usaha INTP yakni pabrikasi semen dan bahan bangunan, pertambangan, konstruksi, perdagangan, angkutan darat dan laut, pembangkitan tenaga listrik, pengelolaan dan pengolahan air dan limbah.

#### **Wijaya Karya Beton TBK (WTON)**

Wijaya Karya Beton TBK was established on March 11, 1997. The head office of Wijaya Karya Beton Tbk is located at Wika Tower 1, 2nd Floor, Jl. Panjaitan Kan 9, Jakarta 13340-Indonesia. Based on the company's articles of association, the scope of WTON's activities is engaged in the trade and industry of concrete, construction services, and other related business fields.

## 1. Arwana Citramulia Tbk (ARNA)

Arwana Citramulia Tbk was established under the name PT Arwana Citra Mulia on February 22, 1993, and began commercial operations on July 1, 1995. ARNA's head office is located in the Puri Indah business center, block T2 no. 24, Kembangan, West Jakarta 11610, and its factories are located in Tangerang and Serang (Banten), Gersik and Mojokerto (East Java) and Ogan Ilir (South Sumatra) - Indonesia. Based on the articles of association, the scope of ARNA's activities is mainly engaged in the building materials industry from clay/ceramics, not bricks and tiles, including the business of making goods from clay/ceramics for the needs of building materials other than bricks, tiles and sanitary ware from porcelain, such as water pipes, tiles, vents and buis (rings for wells). Currently, ARNA's main activity is running a business in the ceramic industry and selling its products domestically.

### **A. Respondent Characteristics**

The respondents of this research are financial reports for the period 2020-2022 by looking at the values of each research respondent, namely Company Size, Profitability, Liquidity, Company Growth, and Going Concern Audit Opinion.

### **B. Explanation of Research Variables**

#### **Company Size**

Measures an entity from the logarithm of its total assets. The higher the entity's assets indicate a large-scale entity.

#### **Profitability**

Describes net profit after tax using all assets owned.

#### **Liquidity**

Reflects the current assets held by the entity to finance its current liabilities.

#### **Company Growth**

Describes the comparison between sales from last year's observations with sales this year.

#### **Going Concern Audit Opinion**

The provision of opinion by the independent auditor regarding the unqualified going concern audit opinion and the Company received an unqualified ongoing concern audit opinion.

### **Results and Discussion**

#### **Data Analysis**

In analyzing the data, this study used SEM-PLS software. SEM-PLS is software used to process data without performing normality tests and can be used in small sample studies. This study uses the inner model testing stage.

#### **Descriptive Statistics**

Testing data per variable to find out the number of samples, lowest value, highest value, average, and standard deviation.

### Descriptive Statistics

Description	N	Mean	Median	Min	Max	Std. Dev
Company Size	78	29.427	28.870	26.480	32.830	1.762
Profitability	78	0.084	0.070	0.000	0.230	0.054
Liquidity	78	5.813	2.410	1.120	208.440	23.216
Company Growth	78	0.094	0.100	-0.340	0.620	0.175
Going Concern Audit Opinion	78	0.333	0.000	0.000	1.000	0.471

**Table 3.1 Descriptive Statistics Table (Source: SEM-PLS 3.0)**

1. The sample size of the companies is 78 with a min of 26,480, max of 32,830, mean of 29,427, and std deviation of 1,762.
2. Profitability sampled 78 with min 0.000, max 0.230, mean 0.084, and std deviation 0.054.
3. Liquidity sampled 78 with min 1,120, max 208,440, mean 5,813, and std deviation 23,216.
4. Company Growth sampled 78 with min -0.340, max 0.620, mean 0.094, and std deviation 0.175.
5. Going Concern Audit Opinion sampled 78 with min 0.000, max 1.000, mean 0.333, and std deviation 0.471.

#### Inner Model Evaluation (Structural Model)

Conducting structural evaluation (inner model) which includes R-Square, goodness of fit, and path coefficient. The results of the inner model testing are as follows:

#### Inner Model Evaluation

Description	R Square	R Square Adjusted
Audit Quality	0,048	-0,004

**Table 3.2 Inner Model Evaluation Table (Source: SEM-PLS 3.0)**

The R-Square value of the Going Concern Audit Opinion variable is 0.048, this shows that Company Size, Profitability, Liquidity, and Company Growth on the Going Concern Audit Opinion are 4.8%, and the rest of the remaining 95.2% is explained by other variables.



### Inner Model

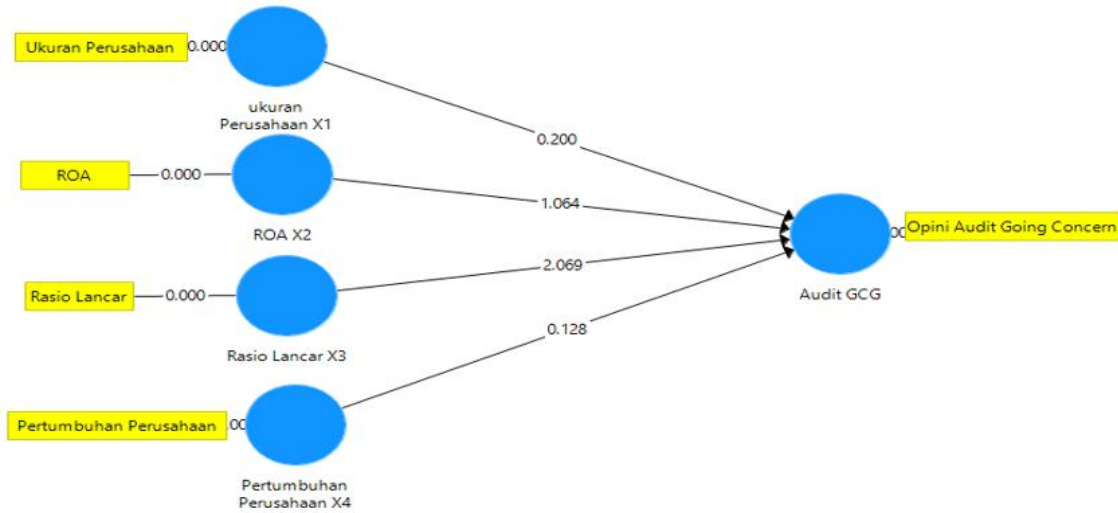


Figure 3.1 Inner Model (Source: SEM-PLS 3.0)

### Inner Model Evaluation

The loading factor describes how much the indicators are related to each construct. The diagram above shows that all indicators have a loading factor of 1,000, which means that all indicators are valid because the loading factor value meets the criteria, namely the construct loading factor value must be above 0.70. These results indicate a good relationship between the indicators and each construct.

### Convergent Validity

The convergent validity of a construct with reflective indicators is evaluated using Average Variance Extracted (AVE). The AVE value must be above 0.5. The following is a table of AVE values:

Measurement with AVE

	Average Variance Extracted (AVE)
Company Size	1,000
Profitability	1,000
Liquidity	1,000
Company Growth	1,000
Going Concern Audit Opinion	1,000

Table 3.3 Measurement Table with AVE (Source: SEM-PLS 3.0)

The Average Variance Extracted (AVE) value for each variable > 0.5 means good validity.

### Composite reliability test

	Composite Reliability
Company Size	1,000
Profitability	1,000
Liquidity	1,000
Company Growth	1,000

Going Concern Audit Opinion	1,000
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**Table 3.4 Composite Reability Table (Source: SEM-PLS 3.0)**

The composite reliability value of each variable is  $1 > 0.60$  so it is concluded that each variable has high reliability.

**Cronbach's Alpha**

	<i>Cronbach's Alpha</i>
Company Size	1,000
Profitability	1,000
Liquidity	1,000
Company Growth	1,000
Going Concern Audit Opinion	1,000

**Table 3.5 Cronbach's Alpha Table (Source: SEM-PLS 3.0)**

The Cronbach's alpha value for each construct is  $1 > 0.60$ , which means that each indicator has a close relationship with its latent variable.

### Inner Model Testing

Inner model testing can be done by multicollinearity testing which aims to test whether or not there is a correlation between variables. Multicollinearity testing is seen from the collinearity statistics (VIF) value. The results of the multicollinearity test are as follows:

**Inner Model Test Results**

	<b>VIF</b>	<b>Description</b>
Company Size	1.063	No Multicollinearity Occurs
Profitability	1.021	No Multicollinearity Occurs
Liquidity	1.113	No Multicollinearity Occurs
Company Growth	1.037	No Multicollinearity Occurs

**Table 3.6 Inner Model Test Results (Source: SEM-PLS 3.0)**

Each exogenous variable in the research model of Company Size, Profitability, Liquidity, and Company Growth has a VIF value  $< 5$ , so it can be concluded that there is no multicollinearity problem in the research model.

### Model Feasibility Testing

The results of the model feasibility test are shown as follows:

**Model Feasibility Test Results**

	<i>Cut off Value</i>	<b>Model Results</b>	<b>Conclusion</b>
SUMMER	$< 0,08$	0,000	Model Fit
Chi-Square	0	-0,000	Model Fit
NFI	$> 0,09$	1,000	Model Fit

Rms_Theta	Close to 0	0,092	Model Fit
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**Table 3.7 Results of Model Feasibility Testing (Source: SEM-PLS 3.0)**

NFI value  $> 0.9$  ( $1,000 > 0.9$ ), SRMR value  $< 0.08$  ( $0.000 < 0.08$ ), and chi Square value =  $-0.000$  can be concluded that the research model has met the model feasibility index and can be continued to inner model testing. The rms\_Theta value approaching =  $0.092$  can be said to be good because the rms\_Theta value is close to zero, so it can be concluded that the research model has met the model feasibility index and can be continued to inner model testing.

### Hypothesis Test Results

**Hypothesis Test Results**

	Original Sample (O)	Mean Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Company Size → Going Concern Audit Opinion	0.025	0.043	0.125	0.200	0.841
Profitability → Going Concern Audit Opinion	0.126	0.107	0.118	1.064	0.288
Liquidity → Going Concern Audit Opinion	0.202	0.226	0.098	2.069	0.039
Company Growth → Going Concern Audit Opinion	0.013	0.014	0.099	0.128	0.898

**Table 3.8 Hypothesis Test Results (Source: SEM-PLS 3.0)**

1. The P-value between the influence of Company Size on Going Concern Audit Opinion is 0.841, meaning that Company Size does not affect Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
2. The P-value between the influence of Profitability on Going Concern Audit Opinion is 0.288, meaning that Profitability does not affect Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
3. The P-value between the influence of Liquidity on Going Concern Audit Opinion is 0.039, meaning that Liquidity influences Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.
4. The P-value between the influence of Company Growth on Going Concern Audit Opinions is 0.898, meaning that Company Growth does not affect Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.

### Discussion of Data Analysis Results

#### The Influence of Company Size on Going Concern Audit Opinion

The results of the researcher's research show that Company Size has no effect on the Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. This is possible because large companies have more assets that can be used as collateral, but such a situation does not necessarily get a going concern audit opinion on the company's future survival.

The results of this study are not in line with Rahmawati, et al., (2018:68) The larger the company, the less likely the company is to receive a going concern audit opinion. The results of this study are

in line with Rahmadona, Sukartini, and Djefris (2019) company size does not affect the going concern audit opinion.

### **The Influence of Profitability on Going Concern Audit Opinion**

The results of the researcher's research show that Profitability does not affect the ongoing concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.

The results of this study are not in line with Sari (2020:2), high ROA will further distance the company from going concern problems. Conversely, a low ROA level will increasingly allow the company to experience ongoing concern problems. The results of this study are in line with Naziah and Nyale (2022) profitability does not affect the obtaining of going concern audit opinions in basic and chemical industry sector companies, so H2 is rejected, this is shown by the significance value of  $0.857 > 0.05$ . The failure to support the hypothesis can occur because, in the consideration process, the auditor does not only focus on the profitability ratio but also looks at other aspects which, if considered as a whole, can affect the company's survival.

### **The Influence of Liquidity on Going Concern Audit Opinion**

The results of the researcher's research show that Liquidity affects Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022. The results of this study are not in line with Sari's research (2020) which states that liquidity proxied by the current ratio does not affect going-concern audit opinions. The results of this study are in line with the research of Damayanty, et al., (2022:6) The smaller the liquidity indicates that the company is less liquid so that it is unable to pay its obligations to creditors, so the auditor will provide a going concern audit opinion.

### **The Influence of Company Growth on Going Concern Audit Opinion**

The results of the researcher's research show that Company Growth has no effect on the Going Concern Audit Opinion in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) in 2020-2022.

The results of this study are in line with Andini, et al., (2021:391) auditors do not pay attention to the growth of entity sales when providing an audit opinion related to going concern because the increase in sales is not necessarily followed by an increase in profits. The results of this study are in line with Syarif, et al., (2021) This is because the company's high expenses and sales growth are not followed by the company's ability to obtain profitability, so it will still reduce the company's profit, which has an impact on obtaining a going concern audit opinion by the company.

## **CONCLUSION**

The conclusions from the research results are:

1. Company Size (X1) has a P-Value of  $0.841 > 0.05$ , then Company Size does not have a significant effect on the Going Concern Audit Opinion.
2. Profitability (X2) has a P-value of  $0.228 > 0.05$ , so the Profitability Size does not have a significant effect on the Going Concern Audit Opinion.
3. Liquidity (X3) has a P-value of  $0.039 < 0.05$ , so Liquidity has a significant effect on the Going Concern Audit Opinion.
4. Company Growth (X4) has a P-Value of  $0.898 > 0.05$ , so Company Growth does not have a significant effect on the Going Concern Audit Opinion.

## **Suggestions**

The research suggestions are:

1. For the Company, the company should increase profit by using assets, increasing net profit, productive management of current assets can cover current debts, and increase sales, so that for companies that do not get a going concern audit opinion, it will be lower and will reduce doubts about the company's survival in the auditor's opinion.
2. Investors who want to invest in a company can view the financial reports pay attention to the financial reports and consider the audit opinion before investing.
3. For further researchers, they can replace other independent variables that affect the going concern audit opinion such as the Previous Year's Audit Opinion, and solvency. Extend the research period and replace the observation company.

## LIMITATION

This study has several limitations that may influence the generalizability and interpretation of the results. First, the sample size is limited to 26 manufacturing companies listed on the Indonesia Stock Exchange (IDX) between 2020 and 2022, which may not fully represent the broader population of companies in other industries or regions. Second, the study focuses only on four variables—company size, profitability, liquidity, and company growth—while other factors such as market conditions, regulatory changes, or economic factors that might impact going concern audit opinions were not considered.

Furthermore, the use of financial reports from publicly available sources may introduce a lag in the data, meaning that certain real-time financial changes within the companies may not be reflected. The time frame (2020-2022) coincides with the global COVID-19 pandemic, which could have had unique impacts on companies' financial stability and auditor decisions, potentially skewing the findings.

Lastly, the study employs the Partial Least Square (PLS) methodology, which, while effective for small sample sizes, may not capture all potential relationships between the variables as effectively as other statistical methods with larger datasets might.

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