Journal of Islamic Contemporary Accounting and Business
JICAB No. 2 Vol. 2 2024
E-ISSN: 3021-7105

The Impact of Bankruptcy Prediction, Company Growth, and Audit Quality on the Acceptance of Going Concern Audit Opinions

Muhamad Rivan Farizi [1], Lia Dahlia Iryani [2], May Mulyaningsih[3]
[123] Program Studi Akuntansi Fakultas Ekonomi dan Bisnis Universitas Pakuan, Bogor
email: rivan.farizii@gmail.com, dahlia.iryani@unpak.ac.id

A B S T R A C T

This study aims to analyze the effect of bankruptcy prediction, company growth, and audit quality on the acceptance of going concern audit opinions. The research was conducted on cement sub-sector companies listed on the Indonesian Stock Exchange (IDX) from 2018 to 2022. The study utilizes a sample of annual financial statements audited by independent auditors. Data collection was performed by downloading audited annual financial reports. The analysis employed SPSS version 26, using logistic regression and hypothesis testing. The results indicate that, individually, bankruptcy prediction, company growth, and audit quality have no significant effect on the acceptance of going concern audit opinions. Additionally, simultaneous testing reveals that these factors do not have a significant collective impact on the issuance of going concern audit opinions in cement sub-sector companies listed on the IDX for the period 2018-2022.

A R T I C L E I N F O

Article History:
Submitted/Received 5 May 2024
First Revised 9 Sep 2024
Accepted 9 Sep 2024
First Available online 30 Sep 2024
Publication Date 30 Sep 2024

Keyword:
Bankruptcy prediction, Growth of company and Quality Audit, going concern audit opinion.

A B S T R A K

Penelitian bertujuan untuk menganalisis pengaruh Prediksi Kebangkrutan, Pertumbuhan Perusahaan, dan Kualitas Audit Terhadap Penerimaan Opini Audit *Going Concern*. Penelitian ini dilakukan pada Perusahaan Sub Sektor Semen Yang Terdaftar di BEI Tahun 2018-2022. Penelitian ini menggunakan sampel data Laporan keuangan tahunan yang telah diaudit oleh auditor independen. Pengumpulan data dilakukan dengan cara men*download* Laporan keuangan tahunan yang telah diaudit oleh auditor independen. Penelitian ini menggunakan SPSS versi 26 dengan analisis regresi logistik dan uji hipotesis. Hasil penelitian mengungkapkan bahwa secara parsial prediksi kebangkrutan, pertumbuhan perusahaan dan kualitas audittidak berpengaruh terhadap penerimaan opini audit going concern. Berdasarkan hasil secara simultan, diketahui bahwa prediksi kebangkrutan, pertumbuhan perusahaan dan kualitas audit juga tidak berpengaruh signifikan terhadap penerimaan opini audit going concern pada perusahaan sub sektor semenyang terdaftar di Bursa Efek Indonesia periode 2018-2022.

INTRODUCTION

The global economic crisis triggered by the Covid-19 pandemic in recent years has had a significant impact on the Indonesian economy. The country is closely intertwined with the global economy and the crisis has not only had health consequences, but also a serious impact on the business sector. The Covid-19 pandemic triggered a wave of company bankruptcies, from MSMEs to large corporations that could no longer maintain their operations. Quarantine measures and social restrictions, while necessary to protect health, have suppressed economic activities such as a decline in consumption, investment delays and barriers to international trade. The pandemic, as an extraordinary event, has had a huge economic impact and presents us with different challenges than previous financial crises, such as the Asian financial crisis of 1998 and the global financial crisis of 2009, which were generally caused by people's financial mismanagement (Ministry of Finance, 2020).

It is assumed that every company that exists will always be able to ensure its survival (going concern). The going concern assumption is based on the assumption that a company will be able to survive in its business in the future. Therefore, financial statements are prepared by management on a going concern basis unless management intends to liquidate the entity or cease operations (SA 570).

The sustainability of an entity's operations is a critical consideration for parties with an interest in an entity, particularly investors. Before investing their money in the operational activities of a company, investors need to know the level of operational sustainability of the company. The operational sustainability of the company is closely related to the management's ability to manage all available resources to ensure the continuity of the company. In the face of uncertain economic conditions, investors expect auditors to be able to provide early warnings of possible financial failure of the company (Chen & Church, 1992). The audit opinion on the annual financial statements is therefore an important criterion for investors when making their investment decisions.

The manipulation of financial statements has led to numerous incidents where public auditors face criticism, as they are often perceived to contribute to the presentation of inaccurate information, thereby causing harm to various stakeholders. In response, the American Institute of Certified Public Accountants (AICPA) introduced a requirement (Januarti, 2007) that obliges auditors to explicitly assess and report whether the client company has the capacity to continue operations for at least one year after the date of the financial statements. While ensuring the operational continuity of a company is not the direct responsibility of auditors, it remains a critical factor in shaping their professional opinion.

In a study by Difa and Suryono (2015), the case of Batavia Air, which failed to repay its USD 4.68 million debt due on December 31, 2012, was highlighted as an example of an Indonesian manufacturing company receiving a going concern audit opinion. Prior to its bankruptcy, Batavia Air's financial statements indicated the ability to meet both short-term and long-term obligations, with cash flow appearing stable. As a result, the company received an unqualified audit report, with a going concern qualification in 2015. However, despite these indicators, Batavia Air ultimately went bankrupt.

This case demonstrates that financial difficulties can severely disrupt a company's operations, potentially leading to bankruptcy. Bankruptcy occurs when a company is no longer able to meet its financial obligations, both short-term and long-term, due to insufficient funds. When a company's revenue or assets are inadequate to repay loans, finance operations, and fulfill other obligations, the likelihood of bankruptcy increases (Muharrami, 2018).

Several researchers have developed predictive models that are valuable for managers in anticipating the risk of bankruptcy. These models function as early warning systems, capable of identifying the initial signs of financial distress, allowing companies to take corrective actions before the situation becomes critical. One widely used model is the Altman Z-Score, developed by Edward Altman, which assesses the likelihood of corporate bankruptcy. Additionally, the Altman Z-Score serves as an indicator of a company's overall financial performance (Risna, 2020).

Indonesia's slow infrastructure development poses a significant barrier to economic growth, creating inefficiencies that deter foreign investment. Recognizing this challenge, the government has prioritized the improvement and expansion of infrastructure to enhance the country's investment appeal and boost business profitability. Currently, major infrastructure projects, such as the construction of dams, toll roads, and sanitation systems, are underway. However, this expansion necessitates a corresponding increase in cement production to meet the demands of ongoing construction (Hasan and Azis, 2018).

In recent years, the cement industry in Indonesia has faced a downturn due to oversupply issues. This challenging period is reflected in the declining stock prices of cement producers listed on the Indonesia Stock Exchange (IDX). According to Kevin (2018), the industry experienced an excess supply of up to 41.05 million tons, prompting PT Indocement Tunggal Prakasa Tbk to halt production at three of its plants. The oversupply led to a 12% drop in cement prices. However, domestic cement consumption is projected to grow by 4% to 5% due to the ongoing infrastructure projects. In addition to oversupply, the industry is also grappling with predatory pricing tactics employed by the Chinese company Conch Cement. Conch has been selling its cement products at lower prices to capture market share, and by 2018, it had secured 4.6% of the Indonesian market (CNBC Indonesia, 2018).

In early 2020 Indonesia experienced the COVID-19 virus pandemic or Corona Virus Disease 2019. The impact of the pandemic is very significant and can be seen in various aspects of life, such as an increase in the number of deaths and cases infected with COVID-19, restrictions on distance learning, and decreased economic activity in the real sector. The cement sub-sector is also affected by COVID-19 with the rise and fall in the number of domestic cement sales (Figure 1.1), following the cement sales data:

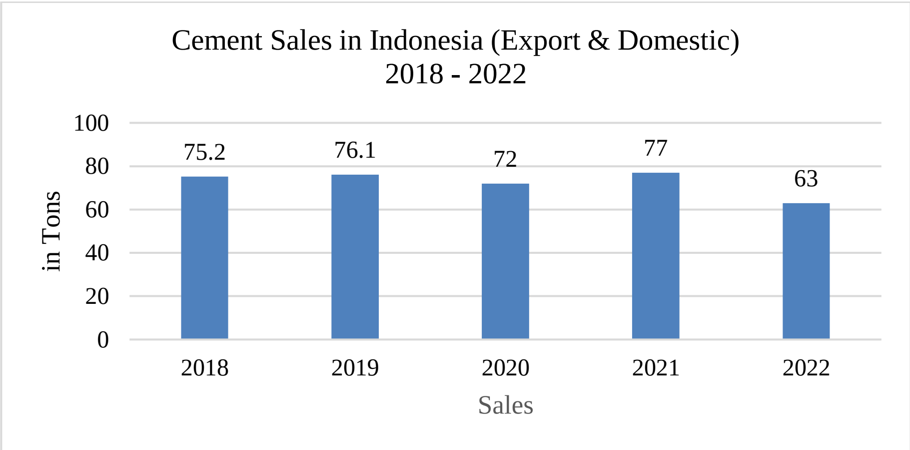

Figure 1: Cement sales in 2018-2020

The growth of national cement sales from 2018 to 2022 exhibited fluctuations, with an increase in 2019, followed by a sharp decline in 2020 due to the COVID-19 pandemic. Sales gradually recovered in 2021 but experienced another downturn in 2022. These fluctuations in sales directly impact a company's value; strong sales growth typically enhances the company's value, while poor sales growth diminishes it. This, in turn, affects shareholders who have invested in the company, as they expect returns on their investment through improved company performance and profitability.

Another factor influencing the acceptance of a going concern audit opinion is audit quality. Audit quality plays a critical role in determining the likelihood of a company receiving a going concern opinion. It refers to the auditor's ability to identify and report any violations in the client’s accounting system during the audit process. Auditors are guided by established auditing standards and the relevant code of ethics for public accountants in performing this task. High audit quality ensures that financial statements accurately reflect a company's financial health and risks (Rahmadona, 2019).

Audit quality, as reflected in the reputation of the Public Accounting Firm (KAP), can be distinguished between the Big Four and non-Big Four firms. Auditors employed by reputable, large-scale KAPs tend to exercise greater caution in issuing their opinions, as maintaining their firm's reputation is paramount. In addition, these auditors strive to deliver accurate and transparent audit results to safeguard their credibility and uphold public trust. Consequently, if an auditor detects signs that a company's viability is at risk, they are more likely to issue a going concern audit opinion reflecting the company's true condition. Higher audit quality, as indicated by the firm's reputation, generally reduces the likelihood of the company receiving a going concern audit opinion (Sudarno, 2020).

According to Minerva and Stefani (2020), audit quality has a positive and significant effect on the issuance of going concern opinions, with a significance level of 0.006, which is below the 0.05 threshold, based on their study of manufacturing companies listed on the Indonesia Stock Exchange from 2015 to 2017. In contrast, research by Wardhani (2017) found that audit quality had a negative coefficient of -0.541, with a significance level of 0.437, which exceeds the 0.05 threshold, indicating that audit quality had no significant impact on the issuance of going concern opinions. Similarly, Pradesa (2019) also concluded that audit quality had no effect on going concern audit opinion issuance.

Another factor influencing the likelihood of receiving a going concern audit opinion is the audit opinion from the previous year. Companies that received a going concern audit opinion in the prior period are generally assumed to have ongoing business continuity issues, increasing the likelihood of receiving the same opinion in the subsequent period. Studies by Suantini and Sunarsih (2021) and Pratiwi (2018) found a positive relationship between the previous year's audit opinion and the issuance of a going concern opinion. However, research by Syahputra and Yahya (2017) suggested that the prior audit opinion had no significant relationship with the issuance of a going concern audit opinion.

Based on the background above, this study aims to analyze the effect of Bankruptcy Prediction, Company Growth, and Audit Quality on the Acceptance of Going Concern Audit Opinions.

LITERATURE REVIEW

Bankruptcy Prediction

Bankruptcy can be defined as the failure of a business to achieve its primary objective of generating profits through its operations (Oktavian & Sandari, 2018). It occurs when a company is unable to meet its financial obligations or debts by the specified payment deadline, which often serves as an initial indicator of impending bankruptcy (Purnomo & Hendratno, 2019). Bankruptcy is also characterized by a company's inability to balance its debt and obligations, which exceed the fair market value of its assets (Efendi et al., 2020).

Extensive research has been conducted on bankruptcy detection tools, leading to the development of various prediction models aimed at improving a company's financial health before it reaches bankruptcy. Commonly used models include the Altman Z-Score, Grover, Springate, and Zmijewski, which are utilized by practitioners and researchers to assess whether a company is at risk of bankruptcy. Once an early warning is detected, the company's efforts to improve its financial situation depend on the capacity of its sector and the financial options available (Yolianda, 2018).

However, this study focuses specifically on the Altman Z-Score method, as it is widely regarded as a reliable tool for bankruptcy prediction, particularly in the manufacturing sector. Developed by Altman through Multiple Discriminant Analysis, the Altman Z-Score has a 95% accuracy rate in predicting bankruptcy within the manufacturing industry listed on the United States capital market. The Z-Score is calculated using a linear equation with five X coefficients, each representing specific financial ratios (Altman, 1968).

$$Z = 1,2(X_1) + 1,4(X_2) + 3,3(X_3) + 0,6(X_4) + 1,0(X_5)$$

Description:
X1 = Working Capital / Total Assets
X2 = Retained Earnings / Total Assets
X3 = Earnings before interest & tax / Total Assets
X4 = Market value of equity / Total Liabilities
X5 = Sales/Total Assets

The classification used to predict company bankruptcy with this discriminant model analysis is by looking at the Z value area, which is classified as follows:

Table 1: Altman Z-Score Criteria

Value Description	Value Description
Z-Score > 2.99	Not Bankrupt
Z-Score 1.81 < Z < 2.99	Gray Area
Z-Score < 1.81	Bankrupt

Source: Altman (1968)

The table above illustrates that companies with a Z-Score greater than 2.99 are classified as financially stable and not at risk of bankruptcy. Companies with a Z-Score between 1.81 and 2.99 fall into a "gray area," indicating they are vulnerable to financial distress and may be prone to bankruptcy. Companies with a Z-Score below 1.81 face a significant risk of bankruptcy, signaling that investors and creditors should exercise caution before making investment decisions.

To calculate the Z-Score, the values of five key financial ratios are extracted from a company's financial statements. These values are then multiplied by specific coefficients derived by Altman. The resulting figures are summed to produce the overall Z-Score, which reflects the company's financial health.

Company Growth

Company sales growth reflects the changes in sales as reported in its financial statements and serves as an indicator of the company's growth potential (Weston & Copeland, 1992). This sales growth ratio is crucial for evaluating how effectively a company maintains its economic standing within its industry and the broader economy. Companies with positive sales growth are more likely to increase annual sales, resulting in higher profits. Higher profits, in turn, enhance cash flow, enabling the company to invest more in future projects. Growth in sales is often a sign that the company's operations are running smoothly, indicating financial health. As a result, companies with positive growth rates are less likely to receive a going concern audit opinion than those with negative growth rates. This is because increasing sales generally provide opportunities for greater profitability. Auditors also consider the sales growth ratio to assess the auditee's ability to maintain or expand sales levels, calculated using data from the company's income statements (Wibisono, 2015).

Sales growth, which is the change in a company's sales from year to year, can be measured as a percentage. If a company's sales growth exceeds the industry average, it indicates strong, above-average growth for the industry. Achieving higher-than-average sales growth can be done by expanding market share or increasing demand within the industry. The sales growth ratio is a useful metric for approximating company performance in these areas. It also shows how well the company maintains its position within the industry and the economy at large. If sales growth exceeds the increase in costs, the company will generate higher profits, which is crucial for its long-term viability (Ramadhani & Khairunnisa, 2019). The sales growth ratio is calculated using the formula:

$$\frac{Sales_t - Sales_{t-1}}{Sales_{t-1}}$$

Audit Quality

According to Agoes (2012), auditing is defined as a critical and systematic examination conducted by an independent party of the financial statements prepared by management, along with the accounting records and supporting evidence. The objective of this process is to provide an opinion on the fairness and accuracy of the financial statements. Mulyadi (2013) adds that auditing is a systematic process aimed at obtaining and objectively evaluating evidence related to economic activities. The purpose is to determine the degree of conformity between these statements and pre-established criteria, and to communicate the results to interested stakeholders.

De Angelo (1981), as cited by Murti (2017), defines audit quality as the probability that an auditor will detect and report irregularities in the auditee's accounting system. This probability is influenced by the auditor's competence and expertise, while the auditor's independence determines the objectivity of the reporting. Audits are essential in reducing the information asymmetry between managers and owners, providing an independent assessment of the fairness of the financial statements.

There are seven attributes of audit quality that significantly impact client satisfaction, as identified by Yulius (2009): (1) the auditor's experience in conducting audits, (2) understanding of the client's industry, (3) responsiveness to client needs, (4) adherence to general auditing standards, (5) commitment to audit quality, (6) involvement of the audit leader, and (7) proper execution of fieldwork. To maintain high audit quality, auditors must adhere to the professional code of ethics, professional standards, and applicable financial accounting standards in Indonesia.

Audit quality is also associated with the reputation of the auditing firm, often represented by whether the firm is part of the Big Four or a non-Big Four firm. Big Four firms are known for producing high-quality audits due to their desire to maintain their established reputations and avoid jeopardizing the trust they have built. Additionally, Big Four firms employ highly qualified auditors and invest in the training and development of their staff, ensuring ongoing competence and expertise (Malinda, 2020).

Going Concern Audit Opinion

According to Mulyadi (2014) there are five types of audit opinions, namely:

1. Unqualified Opinion. With an unqualified opinion, the auditor states that the financial statements are fairly presented in all material respects in accordance with applicable standards in Indonesia.
2. Unqualified Opinion with Explanatory Language. In certain circumstances, the auditor adds an explanatory paragraph or other explanatory language in the audit report, although it does not affect the unqualified opinion on the audited financial statements. The explanatory paragraph is included after the opinion paragraph.
3. Qualified Opinion. A qualified opinion is given if the auditee presents fairly the financial statements, in all material respects in accordance with Indonesian accounting principles and standards, except for the impact of excluded matters.
4. Adverse Opinion. An adverse opinion is given by the auditor if the auditee's financial statements do not present fairly the financial statements in accordance with generally accepted accounting principles.
5. No Opinion (Disclaimer). The auditor's statement not to give an opinion is appropriate when there are very material limitations on the scope of the audit either by the client or due to certain conditions and the Auditor is not independent of the client.

Going concern refers to a company's ability to continue its operations for a foreseeable period, typically not exceeding one year from the date of the audited financial statements. The challenges associated with going concern are generally categorized into two areas: financial and operational problems. Financial problems may include liquidity shortages, equity deficiencies, debt arrears, and difficulty obtaining funds, while operational issues involve sustained operating losses, uncertain revenue prospects, threats to operational capacity, and weak control over business operations (Hidayat, 2018).

The going concern assumption is a fundamental principle used in the preparation of financial statements, where the assumption is that the company will continue its operations unless there is evidence to suggest otherwise. A company's inability to meet its financial obligations, such as failing to pay off debts as they mature or liquidating key assets, could indicate discrepancies in its financial stability and raise questions about its ability to continue as a going concern (Izzati, 2014).

In audit reporting, a binary scale is often used to measure going concern opinions, where 1 represents the issuance of a going concern opinion, and 0 indicates the absence of such an opinion. According to SA Section 341 (SPAP, 2001), auditors have the responsibility to evaluate whether there is substantial doubt regarding the company's ability to continue as a going concern for a reasonable period, typically no more than one year from the date of the audited financial statements (Muhamadiyah, 2013). Per PSA No. 29, paragraph 11(d), when there is significant doubt about a company's ability to continue as a going concern, the auditor is required to include an explanatory paragraph in the audit report. This explanatory paragraph does not necessarily affect the auditor's unqualified opinion but serves to highlight the company's financial uncertainties (Muhamadiyah, 2013).

Framework of Thought

The Effect of Bankruptcy Prediction, Company Growth and Audit Quality on Going Concern Audit Opinion Acceptance:

1. The Effect of Bankruptcy Prediction on Going Concern Audit Opinion Acceptance.

   A company that is experiencing financial problems, the company's operational activities will be disrupted, so that it can have an impact on the high risks faced by the company in maintaining its business survival in the future. This will affect the audit opinion given by the auditor. Poor financial conditions will increase the likelihood of a company receiving a going concern audit opinion because, the beginning of company bankruptcy is characterized by poor financial conditions. Bankruptcy is usually associated with financial distress, which is where the company's financial condition is not healthy, as measured by Z-Score. Apart from being useful for predicting bankruptcy, Z-Score discriminant analysis can also be used as a measure of the company's overall financial performance (Efendi et al., 2020).

   The results of previous research conducted by Septiana & Khatimah (2021), Yunus et al. (2020) and Henryson & Simbolon (2021) who successfully showed that Bankruptcy Prediction has an influence on Going Concern Audit Opinions. Meanwhile, research by Ramadhanty (2019) & Wardani (2017) explains that Bankruptcy Prediction has no significant effect on Going Concern Audit Opinions.

2. The Effect of Company Growth on Going Concern Audit Opinion Acceptance.

   The company's cash flow is influenced by the increase or decrease in business volume, which affects the company's growth. The sales growth ratio can assess the company's ability to maintain its financial condition. Company growth indicates the firm's ability to sustain its operations. A growing company demonstrates positive operational activities, meaning the business is functioning properly and can maintain its economic position and continuity. On the other hand, a company with negative growth shows a greater tendency towards bankruptcy (Altman, 1968).

   This is supported by previous studies, including those by Pratiwi & Lim (2018) and

Septiana & Khatimah (2021), which found that company growth affects the going concern audit opinion. However, research by Muslimah & Triyanto (2019) and Halim (2021) indicated that company growth does not influence the going concern audit opinion.

3. The Influence of Audit Quality on the Acceptance of Going Concern Audit Opinions.

DeAngelo (1981) defines audit quality as the probability that an auditor will detect and report material misstatements. The auditor's reporting process depends on their motivation to disclose such violations, which in turn is influenced by the auditor's independence. The term "audit quality" can have different meanings depending on the perspective of the audit service provider or recipient. The Financial Accounting Standard Committee (2000) states that audit quality is determined by two factors: competence (expertise) and independence, both of which directly affect quality and potentially influence each other. Additionally, the perception of financial statement users regarding the auditor's independence and expertise also plays a role.

Research by Minerva et al. (2020) indicates that audit quality affects going concern audit opinions, while studies by Chandra et al. (2019), Ramadhanty (2019), and Cristiani (2023) show that audit quality does not affect the acceptance of going concern audit opinions.

4. The Influence of Bankruptcy Prediction, Company Growth, and Audit Quality on the Acceptance of Going Concern Audit Opinions.

Poor financial conditions increase the likelihood of a company receiving a going concern audit opinion, as the onset of bankruptcy is typically marked by deteriorating financial health. Bankruptcy is usually associated with financial distress, where a company's financial condition is unhealthy, often measured using the Z-Score. The Z-Score discriminant analysis is not only useful for predicting bankruptcy but also serves as a measure of a company's overall financial performance. Company growth indicates the firm's ability to sustain its operations. A growing company demonstrates positive operational activities, meaning the business is functioning properly, allowing the company to maintain its economic position and continuity. Conversely, a company with negative growth shows a higher tendency towards bankruptcy, making it more likely for auditors to issue a going concern audit opinion.

When providing assessments of a company's financial statements, auditors must maintain an independent stance to ensure that the reports are trusted by both the public and creditors. An independent auditor will not issue biased reports in favor of the audited company. Audit quality, often judged by the reputation of the public accounting firm (KAP), can be represented by whether the firm belongs to the Big Four or non-Big Four firms. Auditors are responsible for the opinions they issue, as these opinions influence the decision-making of financial statement users. Independent auditors play a crucial role in maintaining the trust of financial report users, as audited financial statements are considered more reliable and provide more accurate information. One such opinion issued by independent auditors is the going concern opinion (Malinda, 2020).

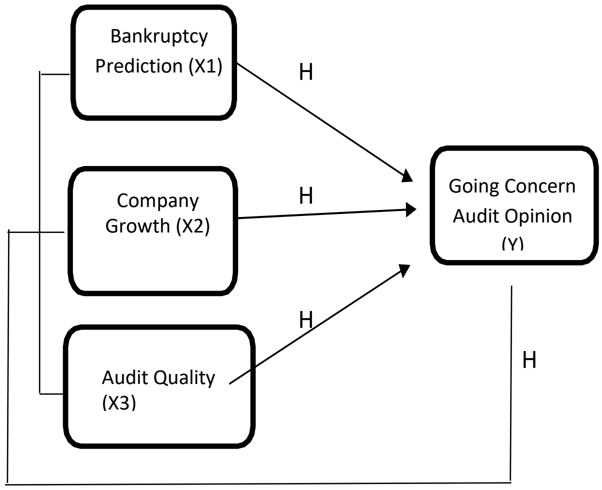

Figure 2: Research Framework

Research Hypotheses

A hypothesis is a temporary answer that will be tested for its validity by analyzing research data. The proposed hypotheses are as follows:

Hypothesis 1: Bankruptcy prediction has a negative effect on the acceptance of going concern audit opinions in cement sub-sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period.

Hypothesis 2: Company growth has a negative effect on the acceptance of going concern audit opinions in cement sub-sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period.

Hypothesis 3: Audit quality has a negative effect on the acceptance of going concern audit opinions in cement sub-sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period.

Hypothesis 4: Bankruptcy prediction, company growth, and audit quality collectively have a negative effect on the acceptance of going concern audit opinions in cement sub-sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period.

RESEARCH METHODOLOGY

This study employs a causal associative research design, which aims to analyze the relationships between variables and how they influence one another (Agung, 2019). The main objective is to examine the relationships between Bankruptcy Prediction, Company Growth, and Audit Quality on the Acceptance of Going Concern Audit Opinions in cement sub-sector companies listed on the Indonesia Stock Exchange (IDX).

The unit of analysis in this research is the organization, with data derived from the financial reports and independent auditor reports of cement sub-sector companies listed on the IDX between 2018 and 2022. The study specifically focuses on the Indonesia Stock Exchange, particularly companies within the cement sub-sector. The headquarters of PT Bursa Efek Indonesia is located at the Indonesia Stock Exchange Building Tower, Jalan Jenderal Sudirman Kav. 52-53, Jakarta 12190.

The type of data used is quantitative, comprising numerical values such as amounts, levels, comparisons, and volumes extracted from the financial reports of companies listed on the IDX. This study utilizes secondary data, which is gathered indirectly through intermediary sources. Data and information were primarily collected from the official website of the Indonesia Stock Exchange (www.idx.co.id).

RESULT AND DISCUSSION

Descriptive Statistical Analysis

Bankruptcy Prediction Variable (X1): This variable shows a minimum value of 0.78, obtained by PT. Solusi Bangun Indonesia Tbk (SMCB), and a maximum value of 11.20, obtained by Indocement Tunggal Prakarsa Tbk (INTP). The average (mean) value across all observations for this variable is 4.2967, with a standard deviation of 3.58056. The bankruptcy prediction is measured using the Altman Z-Score.

Company Growth Variable (X2): This variable shows a minimum value of -0.14, recorded by Semen Baturaja (Persero) Tbk (SMBR), and a maximum value of 0.29, also recorded by Semen Baturaja (Persero) Tbk (SMBR). The average (mean) value across all observations for this variable is 0.0353, with a standard deviation of 0.09687.

Audit Quality Variable (X3): This variable has a minimum value of 0.00, indicating that the company does not use a Big Four accounting firm, and a maximum value of 1.00, meaning that the company does use a Big Four accounting firm. The average (mean) value for this variable across all observations is 0.6667, with a standard deviation of 0.48795.

Going Concern Audit Opinion Variable (Y): This variable shows a minimum value of 0.00, meaning the company did not receive a going concern audit opinion, and a maximum value of 1.00, meaning the company did receive a going concern audit opinion. The average (mean) value for this variable across all observations is 0.2667, with a standard deviation of 0.45774.

Model Testing Analysis

1. **Overallfit Model Test**

   The overall model testing is conducted by comparing the values of -2 Log Likelihood (-2LL) at the beginning (block number = 0) with the values of -2 Log Likelihood (-2LL) at the end (block number = 1). A reduction in the -2 Log Likelihood value from the initial to the final stage indicates that the hypothesized model fits the data.

   In this study, the decrease in the -2 Log Likelihood value from the initial to the final step demonstrates that the hypothesized model fits the data. This reduction in -2 Log Likelihood signifies that the research model is considered fit, meaning that the inclusion of additional independent variables—namely, bankruptcy prediction, company growth, and audit quality—improves the model fit in this research.

2. **Assessing Model Fit (Hosmer and Lemeshow's Goodness of Fit Test)**

   To assess the adequacy of the regression model, Hosmer and Lemeshow's Goodness of Fit Test can be used. The model is considered capable of predicting observed values when it fits the observational data, specifically when the Hosmer and Lemeshow's Goodness of Fit Test value is greater than 0.05.

   In this study, the significance value (Sig.) is found to be 0.297. Since this probability value (Sig.) of 0.297 is greater than the significance level of 0.05, the null hypothesis is accepted, and the alternative hypothesis is rejected. This indicates that the model can effectively predict its observed values, suggesting that the regression model used in this study is suitable for further analysis.

Logistic Regression Test Results

Based on the study, the logistic regression equation model is as follows:

$$\boxed{GC = -3.155 + 0.328ZScore + 51.273SGR - 3.879AQ}$$

From the regression equation above, the interpretations are as follows:

1. The constant value of -3.155 indicates that when the variables of bankruptcy prediction,

company growth, and audit quality are not taken into account, the likelihood of receiving a going concern audit opinion is -3.155.

2. The variable X1, which is bankruptcy prediction (ZSCORE), shows a regression coefficient of 0.328 with a significance level of 0.277, which is greater than 0.05. Therefore, it can be concluded that bankruptcy prediction has a positive but insignificant effect on the acceptance of going concern audit opinions.
3. The variable X2, which is company growth (SGR), shows a regression coefficient of 51.273 with a significance level of 0.182, also greater than 0.05. Thus, it can be concluded that company growth has a positive but insignificant effect on the acceptance of going concern audit opinions.
4. The variable X3, which is audit quality (QA), shows a regression coefficient of -3.879 with a significance level of 0.218, again greater than 0.05. This indicates that audit quality has a negative but insignificant effect on the acceptance of going concern audit opinions..

Hypothesis Testing

1. Coefficient of Determination Test (R^2)

In this study, the R^2 value indicates the coefficient of determination. This value can be expressed as a percentage, reflecting the proportion of influence that the independent variables have on the dependent variable. The R^2 value in this study is 0.541, which corresponds to 54.1%. This indicates that the variables of bankruptcy prediction, company growth, and audit quality collectively explain 54.1% of the variance in the acceptance of going concern audit opinions. The remaining 45.9% is attributed to other variables or factors outside the model, such as disclosure, audit tenure, prior opinion, and debt default.

2. Partial Regression Coefficient Test (t-Test)

Based on the results of the partial test (t-test) from the table, the following conclusions can be drawn:

1. The bankruptcy prediction variable (X1) has a significance value of 0.277, which is greater than 0.05. This indicates that the first hypothesis (H1) is rejected. Thus, it can be concluded that bankruptcy prediction does not have a significant effect on the acceptance of going concern audit opinions (Y).
2. The company growth variable (X2) has a significance value of 0.182, which is also greater than 0.05. This means that the second hypothesis (H2) is rejected. Therefore, it can be concluded that company growth does not have a significant effect on the acceptance of going concern audit opinions (Y).
3. The audit quality variable (X3) has a significance value of 0.218, which is greater than 0.05 as well. This indicates that the third hypothesis (H3) is rejected. Consequently, it can be concluded that audit quality does not have a significant effect on the acceptance of going concern audit opinions (Y).

Simultaneous Regression Coefficient Test (F-Test)

Based on the results of the F-test, it can be concluded that the independent variables—bankruptcy prediction, company growth, and audit quality—have a significance value of 0.073. This value is greater than 0.05, indicating that the independent variables used simultaneously do not have a significant effect on the acceptance of going concern audit opinions in the companies studied.

Therefore, the conclusion is that bankruptcy prediction, company growth, and audit quality do not significantly affect the acceptance of going concern audit opinions when considered together.

Discussion and Interpretation

Table 2: Research Hypothesis

Code	Hypothesis	Result
H1	Bankruptcy Prediction Influences the Acceptance of Going Concern Audit Opinions in Cement Subsector Companies Listed on the IDX (2018-2022)	rejected
H2	Company Growth Influences the Acceptance of Going Concern Audit Opinions in Cement Subsector Companies Listed on the IDX (2018-2022)	rejected
H3	Audit Quality Influences the Acceptance of Going Concern Audit Opinions in Cement Subsector Companies Listed on the IDX (2018-2022)	rejected
H4	Bankruptcy Prediction, Company Growth, and Audit Quality Influence the Acceptance of Going Concern Audit Opinions in Cement Subsector Companies Listed on the IDX (2018-2022)	rejected

Khatimah (2021), and Henryson & Mbolon (2021) state that bankruptcy prediction influences the acceptance of going concern audit opinions.

The Influence of Bankruptcy Prediction on the Acceptance of Going Concern Audit Opinions

Hypothesis testing was conducted to assess the influence of the independent variable, bankruptcy prediction (proxied by the Altman Z-Score), on the dependent variable, the acceptance of going concern audit opinions, using logistic regression analysis. The results from the regression model indicate that the bankruptcy prediction variable has a coefficient of 0.328 with a significance level of 0.277, which exceeds the conventional threshold of 0.05. Consequently, it can be concluded that bankruptcy prediction does not have a statistically significant influence on the acceptance of going concern audit opinions.

These findings suggest that not all companies facing bankruptcy receive going concern audit opinions. This could be because auditors consider factors beyond financial indicators when issuing such opinions. As Tuanakotta (2014) explains, in addition to financial metrics, auditors may take into account **operational indicators** and other contextual factors when determining whether to issue a going concern opinion.

These results are consistent with the findings of Ramadhanty (2019) and Wardani (2017), both of whom concluded that bankruptcy prediction does not have a significant effect on the issuance of going concern audit opinions. However, the results contrast with the research conducted by Yunus et al. (2020), Septiana & Khatimah (2021), who found a significant relationship between bankruptcy prediction and going concern audit opinions.

The Influence of Company Growth on the Acceptance of Going Concern Audit Opinions

In this study, company growth is proxied by the sales growth ratio. The results of the hypothesis testing indicate that the company growth variable has a positive coefficient of 51.273 with a significance level of 0.128, which exceeds the significance threshold of 0.05. Therefore, it can be concluded that company growth does not have a statistically significant influence on the acceptance of going concern audit opinions. This suggests that a low sales growth rate does not automatically lead auditors to issue a going concern audit opinion, as they evaluate the overall financial condition of the company rather than focusing solely on sales figures.

These findings align with the research conducted by Muslimah & Triyanto (2019) and Halim (2021), which also demonstrate that company growth does not significantly impact the acceptance of going concern audit opinions. However, these results contradict those of Pratiwi & Lim (2018), as well as Septiana & Khatimah (2021), who argue that company growth does influence the acceptance of going concern audit opinions.

The Influence of Audit Quality on the Acceptance of Going Concern Audit Opinions

The hypothesis test results indicate that the audit quality variable has a negative coefficient of -3.879 with a significance level of 0.218, which exceeds the significance threshold of 0.05. Therefore, it can be concluded that audit quality does not significantly influence the acceptance of going concern audit opinions. Empirically, this study provides evidence that audit quality cannot be regarded as a determinant of going concern audit opinions. This suggests that both Big Four and non-Big Four audit firms deliver high-quality audits when evaluating financial statements, as supported by the adequacy of material evidence and independent assessments. When a company encounters doubts regarding its ability to continue operations, auditors may issue a modified opinion, such as a qualified opinion, which in this context is classified as a going concern audit opinion.

These findings are consistent with the research conducted by Ramadhanty (2019), Chandra et al. (2019), and Cristiani (2023), all of which conclude that audit quality does not significantly affect going concern audit opinions. However, these results contradict the findings of Minerva et al. (2020), who argue that audit quality does influence the acceptance of going concern audit opinions.

The Influence of Bankruptcy Prediction, Company Growth, and Audit Quality on the Acceptance of Going Concern Audit Opinions

Based on the results of the simultaneous hypothesis testing, the Omnibus Test of Model Coefficients indicates a significance value of 0.073, which is greater than the significance level of 0.005. Therefore, the conclusion regarding the simultaneous influence of the independent variables on the dependent variable is to accept H0 and reject H1, meaning there is no significant simultaneous influence of bankruptcy prediction, company growth, and audit quality on the acceptance of going concern audit opinions in cement subsector companies listed on the Indonesia Stock Exchange from 2018 to 2022.

CONCLUSION

Based on the research examining Bankruptcy Prediction, Company Growth, and Audit Quality in relation to the acceptance of Going Concern Audit Opinions in cement subsector companies listed on the Indonesia Stock Exchange from 2018 to 2022, the following conclusions can be drawn:

1. Bankruptcy Prediction: The findings indicate that the Bankruptcy Prediction variable does not significantly affect the acceptance of Going Concern Audit Opinions. This is evidenced by a regression coefficient of 0.328 and a significance level of 0.277, both of which exceed the threshold of 0.05. This suggests that auditors consider not only financial indicators, such as poor financial ratios, but also other factors, including operational indicators and macroeconomic conditions that could impact market and customer dynamics, particularly in light of policies like PSBB, which can lead to revenue declines in sectors such as transportation and affect the ability to meet short-term obligations.

2. Company Growth: The research demonstrates that the Company Growth variable does not significantly influence the acceptance of Going Concern Audit Opinions. This is indicated by a regression coefficient of 51.273 and a significance level of 0.182, both of which exceed the 0.05 threshold. Thus, companies may achieve high sales volumes without the ability to sustain performance, meaning that high sales do not guarantee the absence of a going concern audit opinion. Conversely, a decrease in sales does not automatically signify financial distress.
3. Audit Quality: The results show that the Audit Quality variable does not significantly affect the acceptance of Going Concern Audit Opinions, as evidenced by a regression coefficient of -3.879 and a significance level of 0.218, both above 0.05. This indicates that both Big Four and non-Big Four audit firms deliver reliable and accountable audit services, providing independent opinions.
4. Simultaneous Influence: The study concludes that there is no significant simultaneous influence of Bankruptcy Prediction, Company Growth, and Audit Quality on the acceptance of Going Concern Audit Opinions. This is supported by a significance value of 0.073, which is greater than the 0.05 threshold.

These conclusions highlight the complex nature of audit opinions and suggest that multiple factors beyond traditional financial metrics play a crucial role in auditors' assessments of a company's viability.

REFERENCES

Agoes, S. (2012). Auditing; Petunjuk PraktisPemeriksaan Akuntan oleh AkuntanPublik. Edisi Keempat Buku 1.Jakarta: Salemba empat.

Aini R, Idris A, Ayuanti R (2022). Analisis Prediksi KebangkrutanMenggunakan Metode Altman *Z-Score*. Competitive JurnalAkuntansi dan Keuangan, 6(1).

Brigham, Eugene F. dan Joel F. Houston. (2011). Dasar-dasar Manajemen

Keuangan. Edisi 11 Buku 2. Jakarta:Salemba Empat.

Cerelia et al. (2021). *Learning Loss* Akibat Pembelajaran Jarak Jauh Selama Pandemi Covid-19 di Indonesia.Seminar NASIONAL Statistika X. ISSN Cetak: 2087-2590 ISSN Online: 2599-2546.

Chandra et al. (2019). Pengaruh Kualitas Audit, *Debt Default* (Kegagalan Hutang) dan Ukuran Perusahaan terhadap Penerimaan Opini Audit *Going Concern* pada Sub sektor Perusahaan Tekstil & *Garment* Yang Terdaftar Di Bursa Efek Indonesia Pada Periode 2014-2017.

Chen, Kevin C. W., and Bryan K. Church. 1992. Default on Debt Obligations and the Issuance of Opini Going-Concern Opinions. Auditing: A Journal of Practice & Theory. Vol. 11, No. 2: 30-49

Cristiani, L, V. (2023). Kualitas Auditor danFinancial Distress Terhadap Opini Audit Going Concern Pada Perusahaan Sektor Transportasi Yang Terdaftar Di Bursa Efek Indonesia.

Darya, K., & Puspitasari, S, A. (2017). Reputasi KAP, Audit Tenure, Ukuran Perusahaan Klien dan Kualitas Audit (Studi padaPerusahaan LQ 45 Indonesia). Jurnal Keuangan dan Perbankan, Vol 13 No. 2 Juni 2017: 97-109.

Efendi, Y., Mahrus, M., & Wijayanto, D. (2020). Analisis Model Altman *Z- Score* Dalam Memprediksi Kebangkrutan Pada Perusahaan Perbankan Swasta Nasional Devisa Yang Go Public Di Bursa Efek Indonesia (Periode 2015-2017.Jurnal Sains Sosio Humaniora, 4(1),259–263.

Ginting, S., & Tarihoran, A. (2017). Faktor-faktor yang MempengaruhiPernyataan *Going Concern*. Jurnal Wira Ekonomi Mikroskil Volume 7,Nomor 01, April 2017.

Harahap, S. S. (2015). Analisis Kritis atas Laporan Keuangan. Jakarta: PT.Raja Grafindo Persada.

Hasan, M., Azis, M (2018). Pembangunan Ekonomi & Pemberdayaan Masyarakat Strategi PembangunanManusia dalam Perspektif EkonomiLokal. Edisi Kedua

Henryson dan Simbolon (2021). Pengaruh Audit *Tenure* dan PrediksiKebangkrutan Terhadap Opini Audit *Going Concern* pada Perusahaan Sub Sektor Transportasidan Logistik yang terdaftar di

BEI tahun 2015-2020.

Herawati, T., & Selfia, S. S. (2019). Tinjauan Indikator Kualitas Audit. Prosiding FRIMA (Festival Riset Ilmiah Manajemen dan Akuntansi). 2, 122-126. https://doi.org/10.55916/frima.v0i2.25.

Hidayat, A. A. (2018). Analisis faktor-faktorkeuangan yang berpengaruh pada penerimaan opini audit going concern. (Studi Empiris Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia), 2(2), 1–11.

Izzati, S. S. dan L. S. (2014). Faktor- faktor yang mempengaruhi penerimaan opini audit going concern padaperusahaan manufatur yangterdaftar di Bursa Efek Indonesia.

Malinda, R., Sudarno (2020). PengaruhReputasi KAP, Ukuran KAP, danBiaya Audit Terhadap Kualitas Audit (Studi pada Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2015-2017). Diponegoro Journal of Accounting. Volume 3, Tahun 2020, Halaman 1-11.

Minerva et al. (2020) Pengaruh Kualitas Audit, *Debt Ratio*, UkuranPerusahaan dan *Audit Lag* terhadap Opini Audit *Going Concern.*

Muhammadiyah, F. (2013). Opini audit going concern: Kajian Berdasarkan Model PrediksI. Riset Akuntansi, Auditing Dan Informasi, 13(1), 79–111.

Muharrami R, Sinta S (2018). Analisis Prediksi Kebangkrutan dan Rasio Keuangan Bank Umum Syariah dengan Metode Altman *Z-Score*pada tahun 2011-2015. *Journal of Islamics Economics, Finance, and Banking, 2018, 1(1)*

Mulyadi. (2013). Auditing. Buku Satu. Jakarta: Salemba Empat.

Mulyadi. (2013). Sistem Akuntansi, EdisiKetiga, Cetakan Keempat, Salemba Empat, Jakarta.

Murti, G. T. (2017). Pengaruh IndependensiAuditor terhadap Kualitas Audit. Jurnal Akuntansi Riset.

Muslimah, O. & Triyanto, D. N. (2019). Pengaruh Pertumbuhan Perusahaan, *Prior Opinion, Debt Default* dan *Opinion Shopping* terhadap Penerimaan Opini Audit *Going Concern* (Studi pada Perusahaan Sektor Pertambangan yang Terdaftar di Bursa Efek Indonesia pada Tahun 2013–2017)

Oktavian, R. E., & Sandari, T. E. (2018). Analisis Kebangkrutan Perusahaan Dengan Metode ZScore AltmanPada 10 (Sepuluh) PerusahaanProperty Dan Real Estate Yang Terdaftar Di Bei. JEA17: Jurnal Ekonomi Akuntansi, 3(01), 39–46.