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THE EFFECT OF COMPANY SIZE, PROFITABILITY RATIO, AND PRIOR OPINION ON GOING CONCERN OPINION

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Abstract. This research quantitatively examines the effect of company size, profitability ratio, and previous year audit opinion on going-concern audit opinions. The population includes financial companies listed on the Indonesia Stock Exchange (IDX) between 2021 and 2023, from which the samples of 192 data are selected through purposive sampling with data cut off as of March 31, 2024. The type of data used is secondary data. The data are derived from the financial report for the 2021-2023 period submitted on the official IDX website, IDX Channel. The results of the hypothesis testing by logistic regression analysis show that company size has no effect on going-concern audit opinions; profitability ratio has a negative effect on going-concern audit opinions; and the previous year audit opinion has a positive effect on going-concern audit opinions. The research results, thus, suggest that auditors consider profitability ratio and previous year audit opinion when presenting a going-concern audit opinion.

Keywords: Company size; profitability ratio; previous year audit opinion; going-concern audit opinion.

I. INTRODUCTION

Financial reports are explained as the result of the accounting process which is used as a means of communication between financial data or activities of a company and parties with an interest in the data or activities of the company (Hery, 2015). Audit is an activity to accumulate and evaluate evidence about information to determine and report the level of conformity between information and predetermined criteria (Arens, A, & Loebbecke, 2003). The output of the audit activities carried out by the external auditor is the External Audit Report which contains an audit opinion. Auditing Standard (SA) 570 states that the auditor must evaluate the audit evidence and conclude based on that evidence whether or not there is a material uncertainty relating to events or conditions that could cause significant doubt about the entity's ability to continue its business. Going concern audit opinion is generally stated in a special paragraph, namely an emphasis paragraph on a matter as stipulated in Auditing Standard (SA) 706 (Indonesian Institute of Certified Public Accountants, 2021).

One example of a case of auditor failure in expressing a going concern opinion is what happened to Public Accountants (AP) Jenly Hendrawan, Nunu Nurdiyaman, and the Public Accounting Firm (KAP) Kosasih, Nurdiyaman, Mulyadi Tjahyo & Partners (KNMT) at PT Asuransi Jiwa Adisarana Wanaartha (WAL).Based on the examination, the Public Accountant and KAP who provided audit services for the Annual Financial Statements of PT Asuransi Jiwa Adisarana

Wanaartha (WAL) from 2014 - 2019 were considered not applying the prudential principle because they could not find any indications of manipulation of financial statements.

Hayes et al. (2015) states that there are several indicators that are considered in providing a going concern audit opinion, namely the net liability position, poor key financial ratios, minus gross profit or large operating losses, inability to pay creditors when due, excessive dependence on short-term loans to finance long-term assets, difficulty in meeting the terms of the loan agreement, termination or dividend arrears, and legal problems. In addition, another factor that can affect going concern audit opinion is company size which can be seen from positive company growth (Carcello, V, & T. L, 2000). According to Mutchler (1985), the previous year's audit opinion can also affect going concern opinion.

There are a number of studies that have been conducted previously to determine several factors that can be used as indicators in stating going concern audit opinion. Research by Muttaqin & Sudarno (2011) shows that going concern audit opinion acceptance is influenced by financial and non-financial factors. These financial factors are profitability ratios and market value ratios and non-financial factors including the previous year's audit, opinion shopping, and auditor client tenure. In research conducted by Kimberli & Kurniawan (2021), the profitability ratio proxied by the Return on Asset ratio can be used as a consideration for auditors in providing going concern audit opinion. In this study, the other two variables, namely the liquidity ratio, proxied by the quick ratio, and company growth, proxied using an increase / decrease in sales, cannot be used as a consideration in providing a going concern audit opinion. Meanwhile, in the research of Santosa & Wedari (2007), company size can be used as a consideration in providing going concern audit opinion.

The research gap in this study is caused by differences or inconsistencies in the results of previous studies, which is the reason for the need for further research to examine the effect of company size, profitability ratio and previous year's audit opinion. This research is important to do because there is no definite measure in determining the business continuity of an entity, while this is crucial for various parties. So it is hoped that the variables studied in this study can be used as references in the future to be a consideration for auditors in providing going concern opinions.

The updates contained in this study are the observation period and the observed company sector. The population in this study are companies in the financial sector listed on the Indonesia Stock Exchange (IDX) for the period 2021-2023. This is based on the latest case related to errors in providing going concern audit opinions that occurred in insurance companies. The research period was chosen with the aim of updating the results of previous similar studies.

This research is expected to contribute to the development of science and be an update to previous studies. For researchers, this study is expected to increase researchers' understanding of the influence of the variables used in this study on the provision of going concern audit opinion and increase researchers' competence both in the field of scientific writing and in the field of auditing. For Auditors, the results of this study are expected to be taken into consideration for auditors to determine the factors that can be used in providing going concern audit opinion. For Company Management, this research can be a reference for management to determine proper corporate governance so that the sustainability of the company can be maintained. For Stakeholders, it is hoped that they can understand the factors that cause going concern opinions to arise so that they are expected to make better business decisions, and for further researchers, it is hoped that this research can be used as a reference for conducting better research in the future.

This study aims to determine the effect of company size on the possibility of going concern audit opinion statements, determine the effect of profitability on going concern audit opinion provision and determine the effect of prior audit opinion on going concern audit opinion acceptance.

II. LITERATURE REVIEW

A. Signal Theory

Signaling theory is a theory that explains the actions of company management in providing information about the company's prospects to external parties indirectly. This is based on the imbalance (asymmetry) of information between company management and external parties. (Bergh et al., 2014). The submission of this information is carried out using the media of the company's financial statements.

The report then needs to be believed in the fairness of its presentation and disclosure. In this case, the auditor's role is to provide assurance through his opinion to ensure that the financial statements have been presented fairly. Apart from providing an opinion on the fairness of the presentation of the financial statements, the auditor is also obliged to provide conclusions regarding the presence or absence of material uncertainties relating to the entity's ability to continue its business as written in Audit Standard 507 (Indonesian Institute of Certified Public Accountants, 2021).

In considering giving a going concern opinion, auditors need to analyze the signals given by company management contained in the financial statements. The signals used to determine going concern audit opinion in this study are company size, profitability ratio and previous year's audit opinion.

B. Audit Opinion

In carrying out his duties, an auditor must express his opinion in a report called the Independent Auditor's Report (LAI) (Indonesian Institute of Certified Public Accountants, 2021). There are five types of opinions issued by auditors, namely:

1. Unqualified Opinion
   This opinion is given if the auditor believes that the entity's financial statements are fairly prepared in accordance with applicable accounting standards and give a true picture of the entity's financial position, operating performance and cash flows.
2. Qualified Opinion
   The auditor gives an unqualified opinion if there is an exception to one aspect of the audited financial statements, but in general the financial statements are considered to present a fair picture.
3. Disclaimer of Opinion:
   This opinion is given when the auditor is unable to express an opinion on the financial statements due to limitations in performing the audit or significant uncertainties that prevent the auditor from giving a fair opinion.
4. Adverse Opinion:

An adverse opinion is given if the auditor finds that the financial statements as a whole are not fairly presented or there are significant misstatements.

5. Disclaimer of Opinion with Special Considerations:
   This type of opinion is given when the auditor has some concerns or limitations in the audit, but not significant enough to warrant a disclaimer of opinion.

C. Going Concern Audit Opinion

Going Concern Audit Opinion is a special opinion given by the external auditor regarding the ability of an entity to continue its operations for a reasonable period of time, usually one year ahead of the date of the financial statements. Going concern audit opinion is regulated in Auditing Standards (SA) 700 and SA 570. SA 570 which states that the auditor must evaluate the audit evidence and conclude based on that evidence whether or not there is a material uncertainty relating to events or conditions that could cause significant doubt about the entity's ability to continue its business. Going concern audit opinion can be expressed in a special paragraph, namely an emphasis paragraph on a matter as regulated in Auditing Standard (SA) 706 (Indonesian Institute of Certified Public Accountants, 2021).

D. Company Size

Company size is measured in various ways, depending on the context and purpose of measurement. In this study, company size is seen from the total net assets of a company. Total net assets are then entered into the natural logarithm function LN Asset to minimize the gap or difference in assets between large companies and small companies that are quite far. In research conducted by Santosa & Wedari (2007), company size is proven to have a significant effect with a negative direction on going concern opinion. This shows that the higher the size of the company, the smaller the opportunity for the company to get a going concern opinion.

E. Profitability Ratio

Profitability ratios are financial analysis tools used to measure a company's ability to generate profits or gains relative to various measures of its activities, assets, or equity. Ratio. In this study, the profitability ratio used is the ratio that compares net income with total assets (ROA). The ratio can be written in the following formula:

$$ROA = \frac{Laba\ bersih}{Total\ Aset}$$

Research conducted by Muttaqin & Sudarno (2011) revealed that the profitability ratio has a negative effect on the possibility of receiving going concern audit opinion. The negative effect indicates that the higher the ROA value, the smaller the probability of the company getting a going concern audit opinion.

F. Prior Year Audit Opinion

In research conducted by (Mutchler, 1985), the audit opinion obtained by the company in the previous year has a very high accuracy of its influence on going concern audit opinion, namely 89.9%. In research conducted by Muttaqin & Sudarno (2011), the previous year's audit opinion had a positive effect on going concern audit opinion acceptance. This shows that companies tend to get a going concern opinion in the current year when in the previous year the company also received the same opinion.

G. Research Framework

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Auditors, apart from assessing the fairness of the financial statements provided by management, are also expected to be able to provide an opinion on the sustainability of the company. Auditors need to understand and consider factors that may be accurately used in determining company sustainability. Company size is one of the indications that can be used by auditors in providing going concern audit opinion. The greater the asset value, the greater the size of the company and the less likely the company will experience sustainability problems.

One of the profitability ratios is Return on Asset (ROA). ROA provides an overview of how the company utilizes its assets to create added value that can support the company's operational sustainability.

The previous year's audit opinion is the strongest indicator that can be used by auditors. The previous year's audit opinion reflects the auditor's evaluation of the truth, adequacy and fairness of the company's financial statements for that period. Without a significant improvement in the company's financial performance, the prior audit opinion can be used as a reference in formulating a going concern opinion in the following year.

Based on this description, the theoretical framework is represented in Figure 1.

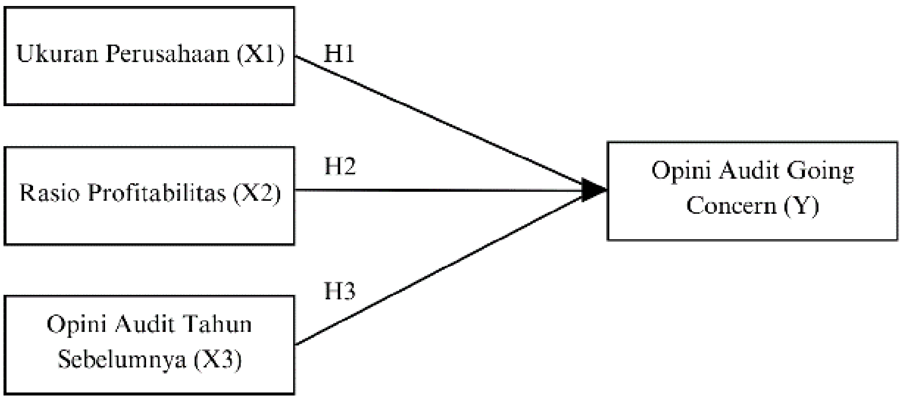

FIGURE 1. RESEARCH FRAMEWORK

H. The effect of company size on going concern audit opinion

The effect of company size on going concern audit opinion can be reflected in several aspects that are usually considered by auditors in the audit process. Company size can include revenue, total assets, number of employees, and other factors that indicate the scale of operations and complexity of the entity. In this study, company size is measured using the company's total assets.

In Santosa & Wedari's research (2007), it was found that companies with greater asset values tended not to receive going concern audit opinions. This is in line with the concept explained by signal theory. The interpretation of signal theory in this study is indicated by the company's asset value. The higher the value of the company's assets, the greater the size of the company. The larger the size of the company, the lower the possibility of the company getting a going concern audit opinion. Based on the theory and research results, the first hypothesis is formulated as:

H1 : Company size has a negative effect on going concern audit opinion giving

I. Effect of Profitability Ratio on the issuance of going concern audit opinion

The effect of profitability ratios on the issuance of going concern audit opinion can be an important consideration for auditors in evaluating the sustainability of a company's operations. The profitability ratio describes the company's ability to generate profits from its operations, which can provide an indication of the company's financial strength and performance in the long term. In this study, the profitability ratio is proxied using the ROA (Return on Assets) ratio.

If it is associated with signal theory, when the company succeeds in developing its business, there will be an increase in profits. The higher the company's profit, the more likely the company is to continue and develop its business. The company can also fulfill its obligations when the operations carried out generate sufficient profits. So it is unlikely that the company will get a going concern opinion. Research conducted by Muttaqin & Sudarno (2011) revealed a similar thing. In this study, it is concluded that companies with high ROA values tend not to get going concern audit opinions. Thus hypothesis 2 is formulated as follows:

H2 : Profitability ratio has a negative effect on going concern audit opinion giving.

J. The effect of the previous year's audit opinion on going concern audit opinion

The effect of the previous year's audit opinion on going concern audit opinion can be an important consideration for auditors in evaluating a company's ability to continue its operations within a reasonable period of time. The previous year's audit opinion reflects the auditor's evaluation of the truth, adequacy and fairness of the company's financial statements for that period.

In terms of signal theory, companies that in the previous year had received a going concern opinion would give a negative signal to stakeholders and eventually lose the trust of various parties such as investors, creditors and customers. So that the company will decrease its financial performance and tend to get the same opinion the following year. This is evidenced in research conducted by Muttaqin & Sudarno (2011). In this study, it is explained that companies with a going concern opinion in the previous year will get the same opinion the following year if there is no significant improvement in financial performance. Thus hypothesis 3 is formulated as follows:

H3 : The previous year's audit opinion has a positive effect on going concern audit opinion.

III. RESEARCH METHODOLOGY

The research conducted used a type of quantitative research. Quantitative research is a scientific research method that focuses on collecting data in the form of numbers that can be measured numerically or analyzed using statistical calculations (Bougie & Sekaran, 2019). The approach used in this study is a causal approach with the aim of determining the effect of company size, profitability ratio, and previous year's audit opinion on the provision of going concern audit opinion. The research population selected in this study are financial sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2021 - 2023. The sample selection in this study used purposive sampling method. The type of data used is secondary data with the source used is the official website of the Indonesia Stock Exchange www.idx.co.id. The technique used for data collection in this study uses documentation techniques.

A. Operational Definition and Measurement of Variables

In this study, there are four variables used. These variables are company size, profitability ratio, previous year's audit opinion, and going concern audit opinion. The measurement of each variable is explained in the following table:

Table 1 Variable Measurement

Variables	Measurement
Going concern audit opinion	Dummy variables use a scale of 0 for companies that do not receive a *going concern* audit opinion and a scale of 1 for companies that receive a *going concern* audit opinion.
Variables	Measurement
Company size	Ln = Total Assets
Profitability ratio	$RoA = \frac{Laba\ bersih}{Total\ Aset}$
Prior year audit opinion	Dummy variable using a scale of 0 for companies that did not receive a *going concern* audit opinion in the previous year and a scale of 1 for companies that received a *going concern* audit opinion in the previous year.

B. Data Analysis Method and Hypothesis Testing

This study uses the logistic regression data analysis method. This method was chosen because the dependent variable (Y) used in this study is qualitative with a nominal scale using dummy variables (Bougie & Sekaran, 2019). The logistic regression analysis used in this study used the help of the IBM Statistical Package for Social Sciences (SPSS) veris 26.0 program. Logistic regression analysis includes descriptive statistical analysis, model feasibility test, and hypothesis testing.

The model feasibility test is carried out using several tests, the first is the Hosmer-Lemeshow test with the aim of evaluating the suitability of the logistic regression model with the criterion that H0 is accepted if the alpha (α) significance value is more than 0.05. Second, the overall model test is carried out with the aim of knowing the suitability of the data with the hypothesized model. There are two hypotheses in the overall model test, namely H0 (null hypothesis) and H1 (alternative hypothesis). The decrease in the Log Likelihood model, the -2Log L value (Block Number = 0) is greater than the -2LogL value (Block Number = 1) indicating a better regression model. And third, the coefficient of determination test is carried out to see how much the independent variable can explain the dependent variable. Nagelkerke R Square with a value close to 1 is considered better than Nagelkerke R Square close to 0.

The hypothesis in this study was tested using two tests, namely the F test and the T test. The F test aims to determine the effect of all independent variables (X) in this study on the dependent variable (Y) simultaneously or together. The combination of all independent variables (X) is concluded to have a joint influence on the dependent variable (Y) if the significance value (sig.) α is less than or equal to 0.05. Meanwhile, the T test is used so that the effect of each independent variable (individually) on the dependent variable (Y) can be known. In the T test, H0 is accepted if the significance value $\alpha \leq 0.05$.

IV. RESULT AND DISCUSSION

A. *Descriptive Statistical Test Results*

Descriptive statistical tests were carried out to get an overview of the data to be analyzed in this study. The data presented by the descriptive test results provide information about the minimum and maximum values, mean, and standard deviation of each variable studied.

Table 2 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
UP	192	21,993	35,315	29,87503	2,595665
RP	192	-8,896	1,101	-0,2637	0,661364
OATS	192	0	1	0,10	0,306
OA	192	0	1	0,09	0,285
Valid N (listwise)	192				

Source: Researcher data using SPSS 26.0

Description
UP: Company Size
RP : Profitability Ratio
OATS : Prior Year Audit Opinion
OA : Audit Opinion

The interpretation of the data presented in table 4.4 is explained as follows:

1. Going Concern Audit Opinion
   Based on the results of descriptive statistical tests, the previous year's audit opinion has an average of 0.09 (9%). This value is less than 50% so it can be concluded that companies that get a going concern audit opinion are fewer than companies that do not receive a going concern audit opinion. Only about 17 samples received a going concern audit opinion from a total of 192 research samples.
2. Company size
   Based on the results of descriptive statistical tests, the UP variable has an average of 29.87503 with a standard deviation of 2.595665. The standard deviation value is greater than the mean value, which means that the data distribution is less diverse and tends to be homogeneous. The smallest company size with a value of 21.993 is owned by Onix Capital Tbk. and the highest company size is owned by Bank Mandiri (Persero) Tbk. with a value of 35.315.

3. Profitability ratio
   The highest profitability ratio value was generated by Bank Negara Indonesia (Persero) Tbk. amounting to 1.101 and the lowest value of -8.896 owned by Onix Capital Tbk. The standard deviation value of 0.661364 is greater than the mean value of -0.2637. This shows that the data is quite widely distributed and heterogeneous.
4. Prior year audit opinion
   The descriptive statistical test results show that the mean value is less than (<) 0.50, which is 0.10. This means that companies that received a going concern audit opinion in the previous year were fewer than companies that did not receive a going concern audit opinion. The number of samples that received a going concern audit opinion in the previous year totaled 20. The standard deviation value of 0.306 is greater (>) than the mean value, which means that the data is well distributed and tends to be heterogeneous.

B. *Model Feasibility Testing Results*

Regression Model Fit Test (Hosmer and Leemeshow's Goodness of Fit Test)

The feasibility test of the regression model in this study using the Hosmer-Lemeshow test needs to be done to consider the feasibility of the data to be analyzed at the next stage. The results of the Hosmer-Lemeshow test on the variables of this study are as follows:

Table 3 Hosmer-Lemeshow Test

Step	Chi-square	df	Sig.
1	5,885	8	0,660

Source: Researcher data using SPSS 26.0

The significance value in the tested data is more than 0.05, which is 0.660 with a chi-square value of 5.885. This shows that the regression model can be used to predict the value of observations so that further analysis can be carried out.

Overall Model Fit Test (Testing the Overall Model)

Testing the overall model in this study uses the Log Likelihood Value function which is converted to -2LogL. This test is needed to assess whether the independent variables in the model in this study make the test results better than using only the dependent variable. Models with only constants are marked with a description (Block Number 0), while models with additional independent variables are marked with a description (Block Number 1).

Table 4 Initial -2LogL Value and Final -2LogL Value

	-2LogL	Value
1	Initial (Block Number 0)	114,874
2	End (Block Number 1)	42,898
Diff -2LogL		71,976

Source: Researcher data using SPSS 26.0

The test results show that there is a decrease in value after the independent variables are added to the model. The initial -2LogL value before the independent variables were added to the model was 114.874 and then decreased to 42.898 after three independent variables were added. The decrease in -2LogL value occurred by 71.976. This shows that the three independent variables used in this study can improve the accuracy of going concern audit opinion.

Nagelkerke R Square (Assessing the Coefficient of Determination)

The coefficient of determination test in research using logistic regression is carried out using Nagelkerke R Square. This test is conducted to measure how well the linear model matches the observational data. Through the Nagelkerke R Square test, researchers can determine the amount of variability in the dependent variable that can be explained by the independent variable. The R square value is between 0 and 1 with interpretation:

1. A value of 0 means that the model cannot explain the variability of the dependent variable at all.
2. A value of 1 means that the model can explain all the variability of the dependent variable.

The following are the results of the Nagelkerke R Square test in this study:

Table 5 Coefficient of Determination

Step	-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
1	42,898	0,313	0,694

Source: Researcher data using SPSS 26.0

The number in the Nagelkerke R Square column has a value of 0.694, indicating that the independent variables used in this study - company size, profitability ratio, and previous year's audit opinion - can explain 69.4% of the variability of the dependent variable going concern audit opinion. While the other 30.6% is explained by other variables not tested in this study.

Classification Matrix

Analysis using a classification matrix is carried out to see the predictive accuracy of the logistic regression model used in this study. The provision of non-going concern audit opinion coded 0 and going concern audit opinion coded 1 is presented in table 4.3.

Table 6 Classification Matrix

Observed			Predicted		
			OA		Percentage
			NGCAO (0)	GCAO (1)	Correct
Step 1	OA	NGCAO (0)	170	5	97,1
		GCAO (1)	3	14	82,4
	Overall percentage				95,8

Source: Researcher data using SPSS 26.0

The matrix test results show that 175 of the 192 samples used in this study did not get a going concern audit opinion (coded 0). Meanwhile, according to logistic regression analysis, 5 of the 175 samples should have received a going concern audit opinion. According to this test, there should be 170 samples that do not receive a going concern audit opinion.

Next, the test results also explain that 17 companies received a going concern audit opinion (coded 1) but 3 of them should not have received a going concern audit opinion. Meanwhile, 14 of the 17 data are correct to receive a going concern audit opinion. It can be concluded that overall, the predictive reliability of this model is 95.8%.

C. Hypothesis Testing

F Test (Simultaneous)

The F test is used to determine the effect of a combination of independent variables together or simultaneously on the dependent variable. The Omnibus Test of Model Coefficient table is used to see the α value of 0.05 to determine the simultaneous effect. The test results on the research data are presented in table 4.9.

Table 7 F Test Results

		Chi-square	df	Sig.
Step 1	Step	71,976	3	<0,001
	Block	71,976	3	<0,001
	Model	71,976	3	<0,001

Source: Researcher data using SPSS 26.0

The results of the f test in this study indicate that the significance value (sig.) is less than 0.005. So it can be concluded that the three independent variables - company size, profitability ratio, and previous year's audit opinion - used in this study simultaneously affect the independent variable (going concern audit opinion).

T Test (Partial)

The t test is used to determine the effect of the independent variable on the dependent variable individually and to determine the direction of influence of each variable tested. The interpretation of the f test results is to compare the variable f test results in this study with the Variables in the Equation Table with an alpha (α) value of 0.05. The f test results in this study are described in table 4.10

Table 8 T Test Results

		B	S.E.	Statistical t	df	Value Prob.	Exp(B)
Step 1	UP	-0,030	0,213	0,19	1	0,889	0,971
	RP	-12,461	4,691	7,056	1	0,008	0,000
	OATS	5,014	0,953	27,694	1	<0,001	150,441
	Constant	-3,684	6,440	0,327	1	0,567	0,025

Source: Researcher data using SPSS 26.0

Based on the table above, the company size variable (UP) proxied by total assets has a probability value of 0.889, which is greater than the significance value (sig.) 0.05. Thus, the alternative hypothesis will be rejected so that company size has no effect on going concern audit opinion.

In the table it can be seen that the profitability ratio has a small significance value (sig.) which is 0.008. The profitability ratio variable (RP) has a significance value (sig.) less than (<) 0.05 and its beta coefficient value is -12.461. So it can be concluded that in the t test, the profitability ratio has a negative effect and has a significant effect on the provision of going concern audit opinion. Therefore, the alternative hypothesis is accepted.

The previous year's audit opinion variable has a significance value of <0.001. This shows that the previous year's audit opinion has a significant effect on the provision of going concern audit opinion. The beta coefficient value on this variable is 5.014, which means that the previous year's audit opinion has a positive effect on the provision of going concern audit opinion. Thus, the alternative hypothesis is accepted.

Discussion of Research Results

This discussion aims to explain the effect between the independent variables tested on the dependent variable using the analyzes that have been carried out. A summary of the research results is written in table 9

Table 9 Overview of Hypothesis Testing Results

	Hypothesis	Statistical value t	Probability Value	Description
H_1	Company size has a negative effect on *going concern* audit opinion	0,19	0,889	H_1 is rejected
H_2	Profitability ratio has a negative effect on *going concern* audit opinion	7,056	0,008	H_2 accepted
H_3	Previous year's audit opinion has a positive effect on *going concern* audit opinion	27,694	<0,001	H_3 accepted

Source: Researcher data using SPSS 26.0

1. *Company size has a negative effect on going concern audit opinion*

Based on the hypothesis testing that has been carried out, it is concluded that company size proxied by total assets has no effect on going concern audit opinion. The results of this study are in line with previous research by Muttaqin & Sudarno (2011) which states that company size has no effect on going concern audit reports. This shows that total assets cannot be used as an indicator in providing going concern audit opinion. The results of this study contradict the results of research conducted by Santosa & Wedari (2007) which found evidence that company size has a negative effect on going concern audit opinion.

Signal theory fails to explain the relationship between the company's asset value (which is used to determine company size) and going concern opinion. Company size proxied by using LN total assets cannot be used as an indicator in determining the sustainability of companies in the financial sector. This can be explained by the argument that assets in banking companies have the potential to cause bias when used as a benchmark for company size because one of the main work scopes of financial sector companies is the management of assets such as deposits, lending to debtors, and customer cash turnover. In Theodorus & Artini's research (2018), it is explained that the large scale of the company measured using assets does not guarantee the health of financial sector companies, but also needs to be supported by proper asset management and the performance of the company itself.

2. *Profitability ratio has a negative effect on going concern audit opinion*

The results of hypothesis testing on the profitability ratio show a significance value (sig.) 0.008 and a beta coefficient value of -12.461. This shows that the profitability ratio proxied using the Return On Asset (ROA) ratio has a negative effect on going concern audit opinion. In the previous variable, company size proxied using total assets, assets that stand alone cannot be used as indicators in providing going concern audit opinion. However, when assets are combined with other financial statement components in a ratio, assets can be used as a consideration in determining going concern opinion. In addition, the type of company observed also affects the financial statement components that can be used as indicators in providing a going concern opinion.

This study shows that the profit generated by the company can be used as an indicator to determine the acceptance of going concern audit opinion. Signal theory is appropriately used to explain the relationship between profitability ratios and going concern audit opinion acceptance because profit can be used as an indication to assess company sustainability. This study provides consistent results in research conducted by Muttaqin & Sudarno (2011) which states that the profitability ratio has a negative effect on going concern audit opinion. However, this research contradicts research conducted by Himam & Masitoh (2020) and Pratiwi (2019) which states that the profitability ratio has no effect on going concern audit opinion.

3. *Previous year's audit opinion has a positive effect on going concern audit opinion*

Based on the results of hypothesis testing on the previous year's audit opinion variable (OATS), the significance value (sig.) shows a value of <0.001 with a beta coefficient value of 5.014. This shows that the previous year's audit opinion has a significant positive effect on going concern audit opinion. Thus, when a company has received a going concern audit opinion in the previous year, the company tends to get a going concern audit opinion in the current year.

This conclusion is relevant to the results of research conducted by Santosa & Wedari (2007); Muttaqin & Sudarno (2011); Muslimah & Triyanto (2019) which state that the previous year's audit opinion has a positive effect on the provision of going concern audit opinion in the following year. The theory used in this study successfully explains the relationship between the previous year's audit opinion and going concern audit opinion in the current year. Opinions in the previous year can be used as a signal in determining the sustainability of the company. When in the previous year the company's sustainability cannot be believed, there is a possibility that the company will get a going concern opinion in the following year if there is no significant improvement in financial performance.

V. CONCLUSION

The results showed that two independent variables in this study had a significant effect on the dependent variable going concern audit opinion. The two variables are profitability ratio and previous year's audit opinion. The profitability ratio has a negative effect on going concern audit opinion, which means that the higher the profitability ratio of a company, the lower the possibility of the company getting a going concern audit opinion. Meanwhile, the previous year's audit opinion has a positive effect on the going concern audit opinion the following year. This shows that when a company receives a going concern audit opinion in the previous year, the company is likely to receive a going concern audit opinion in the following year. Thus, external auditors can consider the profitability ratio and the previous year's audit opinion as indicators in providing a going concern audit opinion.

In this study, the tests carried out failed to prove that company size proxied using the natural logarithm of total assets can affect going concern audit opinion. Thus, it is concluded that company size proxied using the natural logarithm of total assets is less relevant to be used as an indicator in determining going concern companies in the financial sector.

The following are some suggestions that can be considered for the future development of this research.

1. Conduct research in a longer period to determine the tendency of auditors to provide going concern audit opinion on a company using the variables in this study in the long term.
2. Using the merger of several company sectors in future research to determine the differences in the influence of these independent variables on the non-financial sector.
3. Using variables sourced from outside the company to determine the effect of the combination of internal and external factors that can be used as auditor consideration in providing going concern audit opinion.

Limitations in this study include the lack of references regarding the factors that influence the provision of going concern opinion on financial sector companies as a whole. Although there are few studies that study indicators that can be used as a consideration in determining going concern opinions in financial sector companies, the indicators or independent variables used in this study are general and commonly applied to various company sectors. So it can be believed that the variables in this study can represent accurate results.

In addition, following the rules applicable on the Indonesia Stock Exchange regarding the upload limit of the Financial Statements of listed companies, the cut off for data collection in this study is until March 31, 2024. However, it turns out that in that period there were several less orderly companies that had not published financial reports and Independent Audit Reports. Therefore, companies that have not uploaded financial reports until March 31, 2024 are excluded from the research sample. Due to this, there is a possibility that the sample used does not represent the true condition of the population selected in this study.

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