
**THE EFFECT OF FINANCIAL PERFORMANCE ON GOING
CONCERN AUDIT OPINION ON CONSUMER NON-CYCLICAL
COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE
FOR THE 2021-2023 PERIOD**

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ABSTRACT

This study aims to examine the influence of financial performance on the issuance of going concern audit opinions in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023. Financial performance is measured using various financial ratios, including profitability, liquidity, solvency, and activity indicators. A quantitative approach was adopted, utilizing secondary data collected from 88 companies, totaling 264 observations. Sampling was conducted through purposive sampling based on specific eligibility criteria. Logistic regression was employed for data analysis, considering the binary nature of the dependent variable. The results reveal that among the analyzed financial ratios, only the cash ratio (liquidity) and debt-to-asset ratio (solvency) significantly influence the likelihood of a company receiving a going concern audit opinion. These findings underscore the critical role of short-term liquidity and long-term debt management in auditors' evaluation of a company's ability to continue operations. This study contributes to the literature by highlighting specific financial metrics that serve as key indicators in auditors' going concern assessments and offers practical implications for corporate financial management and audit decision-making.

KEYWORDS *Going concern audit opinion; Liquidity; Profitability; Leverage; Activity ratio.*



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INTRODUCTION

The COVID-19 pandemic has brought profound changes to the structure of the global economy. These restrictions have an impact on the community, both individually and in groups, such as companies. Many business actors lose their main source of income due to the absence of ongoing transactions, so they cannot undertake the needs or expenses that still have to be met. This situation is exacerbated by prolonged uncertainty regarding when the pandemic will end and when economic activity can return to normal.

Indonesia's economy contracted or decreased by -2.07% in 2020, which if this occurs consecutively is referred to as a recession. Entering 2021, the government began to promote recovery efforts by adopting more flexible policies while accelerating the mass COVID-19 vaccination program. This vaccination not only aims to protect public health, but also restore public confidence to return to activities. In 2021, economic growth began to creep up and recorded a figure of 3.69%. Although it has not fully recovered, this is a positive signal that the Indonesian economy has begun to rise.

With the pandemic under control and vaccination coverage getting wider, economic activity is back in full swing. 2022 is a stronger recovery moment, where Indonesia's economic growth reached 5.31%, the highest figure in recent years. This means that not only Indonesia is recovering, but also companies in Indonesia, which are improving or paying attention to its performance. Company performance is often associated with financial capability, which is an indicator of an entity's ability to manage and manage financial resources in achieving its business goals. The purpose of why such performance is considered is to ensure that the company can achieve business sustainability, provide *added value* to shareholders, and fulfill obligations to interested parties or *stakeholders*. By calculating the financial ratio, including liquidity, profitability, solvency and activity ratio, this overall financial performance can be checked.

For public companies (Tbk) that have public accountability, there are principles of corporate governance, or referred to as *good corporate governance* (GCG), that must be followed. One of these principles that will be discussed is the principle of transparency, which emphasizes that the application of openness must be carried out to all aspects of the company (Syofyan, 2021). This principle is implemented by displaying financial statements, annual *reports*, and sustainability reports belonging to the company that are clear, accurate, and easily accessible to the public. The financial statements must be audited to ensure that the information presented to the public, is accurate, transparent, and meets applicable accounting standards. This is subject to Law Number 40 of 2007 concerning Limited Liability Companies.

The product or output provided by a public accountant is in the form of an Independent Auditor's Report (LAI), which expresses an opinion on the entity's financial statements whether it has been reasonably prepared and in accordance with applicable accounting standards, in all material respects. In this situation, public accountants may face significant challenges in assessing the going *concern* of the entities they are clients. An opinion assuming *going concern* is an opinion given by a public accountant when there is any doubt as to whether an entity is able to continue its operations for a period of at least 12 months. This assessment

involves analyzing various indicators, such as recurring losses, reliance on short-term debt, negative cash flows, or failure to meet financial obligations. In the context of the pandemic, these indicators are increasingly found due to very depressed business conditions.

Opinions of *going concern* can have major consequences for companies. An audit report with this opinion can reduce the *confidence level* of stakeholders, both investors and business partners. The market reaction to the *going concern* opinion is usually in the form of a decrease in stock prices, an increase in loan interest rates, or difficulties in accessing additional funding. However, this opinion also serves as a signal that warns the company to immediately take corrective steps. These steps can be in the form of debt restructuring, cost efficiency, the sale of unproductive assets, to finding strategic partners to get capital injections.

Based on the description of the background above, in the big picture the purpose of this study is to find out the influence of the company's financial performance on the opinion of *going concern*. In detail, this study intends to see the impact of financial performance in terms of profitability; in terms of liquidity; in terms of solvency; and in terms of activity or *activity ratio* to the provision of an opinion by a public accountant that contains a doubt about the sustainability of the business or *going concern* of the entity in an audit engagement. These four aspects are comparisons used to analyze a financial report, or referred to as financial ratios.

Therefore, the expected benefit of this research is that this research can provide insight for public accountants in conducting an in-depth analysis of decision-making related to the provision of audit opinions with the assumption of *going concern*. For the company, these results can provide a perspective in paying attention to the company's condition for the sustainability of its operations and be a benefit for managers in managing the company more effectively. Investors can refer to this research in evaluating the potential for business sustainability of a company, which will be a consideration in making decisions related to investment.

Previous studies have examined the influence of financial ratios on going concern audit opinions, such as the work by Fitria et al. (2021), which found that liquidity and profitability significantly affect going concern audit decisions in manufacturing firms. Similarly, research by Lestari & Muid (2019) revealed that solvency has a dominant influence on auditors' considerations of going concern. However, these studies often focused on specific sectors or periods before the COVID-19 pandemic. The novelty of this study lies in its post-pandemic context, analyzing a comprehensive set of financial performance indicators—including profitability, liquidity, solvency, and activity ratios—in non-cyclical sectors during the 2021–2023 economic recovery period. It offers updated insights into how these ratios influence the issuance of going concern opinions in a time of economic rebound and re-stabilization, providing more recent empirical data that reflect post-crisis business dynamics in Indonesia. This study aims to examine the influence of financial performance on the issuance of going concern audit opinions in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2023.

RESEARCH METHOD

In this research, the technique to be used is a quantitative method, which aims to be descriptive. The purpose of descriptive research is the form of design that is to be applied to this research for the characteristics of various variables in certain situations (Noor, 2020). The types of variables in this research are: (1) independent variables, namely financial performance; and (2) dependent variables which are dichotomical, namely audit opinions through the assumption of *going concern* given to entities that have issues or uncertainties over their business continuity.

This research uses the industrial population listed in the IDX during the period 2021 to 2023, which operates in the *consumer non-cyclical sector*. The sample will be selected through the use of a non-probability technique, namely *selective sampling*, also known as a judgemental technique with the following conditions, namely the following:

1. Non-cyclical consumer industries listed in the IDX each year in the 2021-2023 period;
2. Non-cyclical consumer industries that have provided financial statements for the period 2021-2023;
3. Non-cyclical consumer industries that present audited financial statements with a period of 2021-2023; and
4. Non-cyclical consumer industries that present their financial statements in Rupiah currency for the period 2021-2023.

Therefore, the total number of industries that meet these requirements as a sample of this research reaches 88 (eighty-eight) companies.

Independent variables of financial performance are calculated by financial ratios, including profitability ratio, liquidity ratio, solvency ratio and activity ratio. Profitability reflects how efficiently an industry manages assets, equity, and other resources to create profits. In this research, profitability is proxied through the ratio below with the formula:

$$ROA = \frac{\text{Net Profit After Tax}}{\text{Total Asset}}$$

$$ROE = \frac{\text{Net Profit After Tax}}{\text{Total Equity}}$$

$$GPM = \frac{\text{Gross Profit}}{\text{Sales}}$$

$$NPM = \frac{\text{Net Profit}}{\text{Sales}}$$

Liquidity indicates how quickly and efficiently a company can access funds to maintain its operational continuity. The ratio in this study is assessed through the use of the ratio below with the formula:

$$CRR = \frac{\text{Aset Lancar}}{\text{Liabilitas Lancar}}$$

$$QR = \frac{(\text{Aset Lancar} - \text{Persediaan})}{\text{Liabilitas Lancar}}$$

$$CR = \frac{\text{Kas dan Setara Kas}}{\text{Liabilitas Lancar}}$$

Solvency is proxied using the ratio below, which compares the amount of a company's debt, both short-term and long-term, with the company's total equity and total assets, respectively. The following is the formula of the ratios used:

$$DAR = \frac{\text{Total Liabilitas}}{\text{Total Aset}}$$

$$DER = \frac{\text{Total Liabilitas}}{\text{Total Ekuitas}}$$

The activity ratio reflects a company's ability to manage its assets in order to generate value for the business. The formula for the activity ratio used is:

$$TATO = \frac{\text{Penjualan}}{\text{Total Aset}}$$

$$FAT = \frac{\text{Penjualan}}{\text{Rata – rata Aset Tetap}}$$

$$IT = \frac{\text{Harga Pokok Penjualan}}{\text{Rata – rata Persediaan}}$$

The dependent variable in this research is *the dummy* variable, which is a variable used to measure variables that have qualitative properties. Variables that have dichotomic properties only have 2 (two) possible outcomes, namely 0 (zero) and 1 (one). The group that provides a statement related to a successful or correct event is 1 (one), while the category that provides a statement of a failed or incorrect event is given a number of 0 (zero). The opinion given to companies with issues or uncertainties over their business continuity, called the *going concern* audit opinion is a dependent variable used in this research, which has the following criteria as follows:

1. Companies that receive an audit opinion *of going concern*, including opinions without modification, reasonable opinions with exceptions, or unreasonable opinions = 1
2. Entities that do not obtain a *going concern* audit opinion (or obtain a *non-going concern* opinion) = 0

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 1. Descriptive Statistical Test

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	264	-.40	.94	.0499	.11518
ROE	264	-19.47	2.17	-.0526	1.36193
GPM	264	-.41	1.00	.2443	.17649
NPM	264	-2.40	.71	.0291	.25155
CRR	264	-2.55	7.37	.7366	.92961
QR	264	.10	7.30	1.0062	.72368
CR	264	-.19	9.64	.5896	1.10990
DER	264	-4.86	54.98	1.9766	5.29120
DAR	264	.00	2.31	.4883	.29376
TATO	264	.02	7.70	1.2495	.96620
FAT	264	.01	162.28	8.1522	19.52598
IT	264	.01	46.58	7.1966	6.02668
Valid N (listwise)	264				

Source : Data Processing Results (2024)

Based on Table 1, the previous independent variable shows that the minimum value in the ROA variable is -0.40, the maximum value in the FAT variable is 162.28, the largest *average* value in the FAT variable is 8.1522, and the largest standard deviation value is in the FAT variable of 19.52598 and the smallest in the ROA variable with a value of 0.11518.

Table 2. Descriptive Test (Frequency)

Opini Going Concern					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Opini non Going Concern	88	33.3	33.3	33.3
	Opini going concern	176	66.7	66.7	100.0
	Total	264	100.0	100.0	

Source : Data Processing Results (2024)

Table 2 shows that the results of the descriptive statistical analysis of the frequency of audit opinion variables containing uncertainty of *going concern* (OGC) show that the frequency of going concern audit opinions is as much as 66.7% (176/264) of the data of the companies studied. Meanwhile, the frequency of *non-going concern* opinions was 33.3% (88/264) of the data of the companies studied.

Multicollinearity Test

Table 3. Multicollinearity Test

		Coefficients^a	
		Collinearity Statistics	
Model		Tolerance	VIF
1	ROA	.457	2.187
	ROE	.315	3.176
	GPM	.627	1.595
	NPM	.517	1.933
	CRR	.547	1.829
	QR	.418	2.394
	CR	.542	1.844
	DER	.335	2.981
	DAR	.612	1.633
	TATO	.711	1.407
	FAT	.807	1.239
	IT	.815	1.228

a. Dependent Variable: Opini
Going Concern

Source: Data Processing Results (2024)

Table 3 shows the results of the multicollinearity test with the explanation of each variable as follows, namely:

1. The *tolerance* value of ROA is 0.457, which exceeds 0.10 and the VIF value of 2.187, not reaching 10;
2. The *tolerance* value of ROE is 0.315, which exceeds 0.10 and the VIF value of 3.176 does not reach 10;
3. The *tolerance* value of GPM is 0.627, which exceeds 0.10 and the VIF value of 1.595 does not reach 10;
4. The *tolerance* value of NPM is 0.517, which exceeds 0.10 and the VIF value of 1.933 does not reach 10;
5. The *tolerance* value of the CRR is 0.547, which exceeds 0.10 and the VIF value of 1.829 does not reach 10;
6. The *tolerance* value of QR is 0.418, which exceeds 0.10 and the VIF value of 2.394 does not reach 10;
7. The *tolerance* value of CR is 0.542, which exceeds 0.10 and the VIF value of 1.844 does not reach 10;
8. The *tolerance* value of DER is 0.335, which exceeds 0.10 and the VIF value of 2.981 does not reach 10;
9. The *tolerance* value of DAR is 0.612, which exceeds 0.10 and the VIF value of 1.633 does not reach 10;
10. The *tolerance* value of TATO is 0.711, which exceeds 0.10 and the VIF value of 1.407 does not reach 10;
11. The *tolerance* value of FAT is 0.807, which exceeds 0.10 and the VIF value of 1.239 does not reach 10; and
12. The *tolerance* value of IT is 0.815, which exceeds 0.10 and the VIF value of 1.228 does not reach 10.

Therefore, this shows that there is no problem of multicollinearity between the independent variables used in this research, or it can be said that the data used in this study is distributed normally.

Prerequisite Test

a. Overall *Model Fit*

Table 4. Uji Overall Model Fit (Iteration History)

Iteration History ^{a,b,c}				Model Summary			
Iteration		-2 Log likelihood	Coefficients Constant	Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
Step 0	1	336.121	.667	1	301.425 ^a	.123	.171
	2	336.079	.693	a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.			
	3	336.079	.693				

a. Constant is included in the model.
b. Initial -2 Log Likelihood: 336.079
c. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Source: Data Processing Results (2024)

The results of the overall model conformance test are presented in Table 4, where the comparison between -2Log *likelihood* (*block number* = 0) and -2Log *likelihood* (*block number* = 1) shows a decrease, so H₀ is accepted. This indicates that the regression model is getting better to estimate the giving of *going concern audit opinions* after incorporating independent variables into the model, with a significance level of $\alpha = 0.05$ or 5%. A decrease of 34,654 (336,079 – 301,425) indicates an improvement in the quality of the regression model.

b. Model Feasibility Test (*Goodness of Fit*)

Table 5. Uji Goodness of Fit

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	12.650	8	.124

Source : Data Processing Results (2024)

The results of Hosmer and Lemeshow's *goodness of fit test* are presented in Table 5, proving that the significance value of 0.124 exceeded the confidence degree of 0.05 (H₀ is accepted). Therefore, the regression model is considered feasible and capable of predicting the observation value.

Uji Hipotesis

a. Coefisien Determinasi (Nagelkerke's *R-square*)

Table 6. Uji Nagelkerke's *R-Square*

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	301.425 ^a	.123	.171

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

Source : Data Processing Results (2024)

Based on the results of Nagelkerke's test *R-square* in Table 4.6 resulting from logistic regression analysis using SPSS, the value of Nagelkerke's determination coefficient *R-square* A total of 0,171. This value indicates that the independent variable tested is able to provide an explanation of 17.1% variation in the audit opinion variable *going concern*. Meanwhile, a total of 82.9% were influenced through other variables that were not in this research.

b. Classification Matrix

Table 7. Audit Opinion Classification Test

Classification Table ^a				
Observed		Predicted		Percentage Correct
		Opini non Going Concern	Opini going concern	
Step 1	Opini Going Concern	17	71	19.3
	Opini non Going Concern	12	164	93.2
Overall Percentage				68.6

a. The cut value is .500

Source : Data Processing Results (2024)

The results of the classification matrix can be found in Table 4.7, which shows that the logistic regression model has the ability to predict the giving of an audit opinion *of going concern* or *an audit opinion of non-going concern* by 68.6%. The probability of the company obtaining a *going concern* audit opinion was 93.2% of the total data sample, as many as 264 samples. Meanwhile, the probability or possibility of the industry receiving a *non-going concern* audit opinion is 19.3% of the total sample of research data.

c. Uji t (Uji Wald)

Table 8. T-test - Partial hypothesis

		Variables in the Equation					
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	ROA	2.577	2.601	.982	1	.322	13.156
	ROE	-.620	.650	.909	1	.340	.538
	GPM	.647	1.091	.352	1	.553	1.911
	NPM	-.294	.793	.138	1	.711	.745
	CRR	.339	.208	2.656	1	.103	1.403
	QR	-.614	.319	3.701	1	.054	.541
	CR	-.732	.216	11.446	1	.001	.481
	DER	.018	.050	.125	1	.724	1.018
	DAR	-1.297	.603	4.631	1	.031	.273
	TATO	-.270	.177	2.329	1	.127	.764
	FAT	.003	.008	.134	1	.715	1.003
	IT	-.024	.025	.908	1	.341	.977
	Constant	2.354	.605	15.152	1	.000	10.525

a. Variable(s) entered on step 1: ROA, ROE, GPM, NPM, CRR, QR, CR, DER, DAR, TATO, FAT, IT.

Source : Data Processing Results (2024)

Based on Table 8, the results of the partial hypothesis test show that:

1. The constant (α) has a coefficient of 2.354, which means that if all independent variables have a fixed value, then the likelihood of the company receiving an audit opinion of *going concern* (OGC) from an external auditor will be reduced by 2.354.
2. The *Return-on-Assets* (ROA) variable had a coefficient of 2.577 (positively correlated) and a significance level of 0.322, exceeding the established confidence level so that the hypothesis (H1) was rejected.
3. The *Return-on-Equity* (ROE) variable has a coefficient of -0.620 (negatively correlated) and a significance level of 0.340 higher than the previously determined confidence level, so the hypothesis (H2) is rejected.
4. The *Gross Profit Margin* (GPM) variable has a coefficient of 0.647 (positively correlated) and a significance level of 0.553 exceeds the previously established confidence level, so the hypothesis (H3) is rejected.
5. The *Net Profit Margin* (NPM) variable has a coefficient of -0.294 (negatively related) and a significant value of 0.711 higher than the previously determined confidence level, so the hypothesis (H4) is rejected.
6. The *Current Ratio* (CRR) variable has a coefficient of 0.339 (positively correlated) with a significance value of 0.103 which exceeds the previously determined confidence level, so the hypothesis (H5) is rejected.
7. The *Quick Ratio* (QR) variable has a coefficient of -0.614 (negatively related) and a significance value of 0.054, slightly higher than the previously established confidence level so that the hypothesis (H6) is rejected.
8. The *Cash Ratio* (CR) variable has a coefficient of -0.732 (negatively related) with a *significant value* of 0.001, the value is below the previously determined confidence level, therefore the hypothesis (H7) is accepted.
9. The *Debt-to-Equity Ratio* (DER) variable has a coefficient of 0.018 (positively correlated) with a *significant value* of 0.724 higher than the previously determined confidence level, so the hypothesis (H8) is rejected.

10. The *Debt-to-Assets Ratio* (DAR) variable has a coefficient of -1.297 (negatively related) and a significance value of 0.031, which is lower than the specified confidence level so that the hypothesis (H9) is accepted.
11. The *Total Assets Turnover* (TATO) variable has a coefficient of -0.270 (minus/negatively related) with a *sig. value* of 0.127 higher than the established confidence level, so the hypothesis (H10) is rejected.
12. The variable *Fixed Assets Turnover* (FAT) has a coefficient of 0.003 (positively correlated) with a significance of 0.715 higher than the established confidence level, so the hypothesis (H11) is rejected.
13. The *Inventory Turnover* (IT) variable has a coefficient of -0.024 (negatively correlated) and a *sig. value* of 0.341, which is higher than the established confidence level therefore the hypothesis (H12) is rejected.

The Effect of *Return-on-Assets* (ROA) on the Provision of *Going Concern* Audit Opinion

Based on the results of the above study, hypothesis (H₁) which states that the ROA variable proves a coefficient value of 0.322, which exceeds 0.05, as a result of which conclusions can be drawn if the ROA variable has no influence on the audit opinion *going concern*. This result is in line with previous research conducted by de Haan and Sari (2023), which also found that ROA does not affect the opinion of *going concern* audits.

The Effect of *Return-on-Equity* (ROE) on the Provision of *Going Concern* Audit Opinion

Based on the results of the above study, the variable, hypothesis (H₂) which states that the ROE proves that the coefficient value of 0.340 exceeds 0.05 as a result can be concluded if the ROE variable does not affect the audit opinion *of going concern*. These results are in line with previous research conducted by de Haan and Sari (2023), which also found that ROE has no effect on audit opinions *of going concern*.

The Effect of *Gross Profit Margin* (GPM) on the Provision of *Going Concern* Audit Opinion

Based on the results of the above study, the variable, hypothesis (H₃) which states that GPM proves that the coefficient value of 0.553 exceeds 0.05 as a result can be concluded if this variable does not affect the dependent variable. This finding is in line with previous research conducted by de Haan and Sari (2023), which also found that GPM did not affect the audit opinion *of going concern*.

The Effect of *Net Profit Margin* (NPM) on the Provision of *Going Concern* Audit Opinion

Based on the results of the above study, the variable, hypothesis (H₄) which states that NPM proves a coefficient value of 0.711, which exceeds 0.05 so that a conclusion can be drawn if the NPM variable does not affect the dependent variable of this research. Previous research by de Haan and Sari (2023) also found that NPM does not affect the opinion of *going concern* audits.

The Effect of *Current Ratio* (CRR) on the Provision of *Going Concern Audit Opinions*

Based on the previous results, it can be concluded that CRR does not affect the opinion of the *going concern* assumption because the value of the hypothetical variable coefficient (H_5) CRR of 0.103 exceeds 0.05. This finding is consistent with previous findings by de Haan and Sari (2023) who also found that CRR does not affect opinions on business continuity assumptions.

The Effect of *Quick Ratio* (QR) on the Provision of *Going Concern Audit Opinions*

Based on the results of the above research, the variable, hypothesis (H_6) that provides a statement if the QR proves that the coefficient value of 0.054 exceeds 0.05 as a result can be concluded if the QR variable does not affect the audit opinion *going concern*. This finding is in line with previous research by de Haan and Sari (2023), which also found that QR does not affect audit opinions *going concern*.

The Effect of *Cash Ratio* (CR) on the Provision of *Going Concern Audit Opinions*

Based on the results of the above study, the variable, hypothesis (H_7) that states that CR shows a coefficient value of 0.001 does not reach the confidence level of 0.05 as a result of which conclusions can be drawn if the CR variable affects in a significant way the audit opinion *going concern*. These findings are in line with previous research by Evy and Muhyarsyah (2022), which also found that CR affects in a significant way the audit opinion *of going concern*.

The Effect of *Debt-to-Equity Ratio* (DER) on the Provision of *Going Concern Audit Opinion*

Based on the results of the above study, if the variable, hypothesis (H_8) which states that the DER shows a coefficient value of 0.724 exceeds 0.05, as a result, it can be concluded that the DER variable does not affect the audit *opinion going concern*. These findings are in line with previous research conducted by de Haan and Sari (2023), which also found that DER did not affect the opinion of *going concern* audits.

The Effect of *Debt-to-Assets Ratio* (DAR) on the Provision of *Going Concern Audit Opinion*

Based on the results of the above research, if the variable, hypothesis (H_9) which states that the DAR shows a coefficient value of 0.031 exceeds 0.05, as a result, it can be concluded that the DAR variable affects in a significant way the *audit opinion going concern*. These findings are in line with previous research by de Haan and Sari (2023), which also found that DAR has a significant effect on *audit opinion going concern*.

The Effect of *Total Assets Turnover* (TATO) on the Provision of *Going Concern Audit Opinions*

Based on the results of the above research, if the variable, hypothesis (H_{10}) which provides a statement if the TATO proves that the coefficient value of 0.127 exceeds 0.05 so that it can be concluded that the TATO variable does not affect in

a significant way the going concern audit opinion. This result is different from previous research by de Haan and Sari (2023), who stated that TATO does not affect the going concern audit opinion.

The Effect of *Fixed Assets Turnover (FAT)* on the Provision of *Going Concern Audit Opinions*

Based on the results of the above research, the variable, hypothesis (H_{11}) that provides a statement that the FAT shows a coefficient value of 0.715 exceeds 0.05 as a result of which the conclusion is drawn if the FAT variable does not affect in a significant way the going concern audit opinion. These findings are in line with previous research by de Haan and Sari (2023), which also concluded that FAT does not affect the audit opinion *of going concern*.

The Effect of *Inventory Turnover (IT)* on the Provision of *Going Concern Audit Opinions*

Based on the results of the above study, the variable, hypothesis (H_{12}) which states that IT shows a coefficient value of 0.341 exceeds 0.05 as a result can be concluded if the IT variable does not affect in a significant way the audit opinion *going concern*. These findings are in line with previous research by de Haan and Sari (2023), which also found that IT has no effect on audit opinions *going concern*.

CONCLUSION

This research aims to test and analyze the impact of financial performance, proxied by financial ratios, on the going concern audit opinion. The study focuses on companies listed on the IDX within the non-cyclical consumer industry from 2021 to 2023. Based on the data management and explanations provided in the previous chapter, the researcher concludes that: 1) Profitability, proxied by Return-on-Assets (ROA), Return-on-Equity (ROE), Gross Profit Margin (GPM), and Net Profit Margin (NPM), does not affect the going concern audit opinion; 2) Liquidity, proxied by the Current Ratio (CRR) and Quick Ratio (QR), does not affect the going concern audit opinion, though liquidity proxied by the Cash Ratio (CR) does have an effect; 3) Solvency, proxied by the Debt-to-Equity Ratio (DER), does not affect the going concern audit opinion, but when proxied by the Debt-to-Assets Ratio (DER), solvency has an impact on the audit opinion; 4) Activities, proxied by Total Assets Turnover (TATO), Fixed Assets Turnover (FAT), and Inventory Turnover (IT), have no effect on the going concern audit opinion. The study does acknowledge limitations, including the focus on the non-cyclical consumer industry, which excludes other manufacturing sectors listed on the IDX, and the limited observation period of only three years (2021-2023). Future research is encouraged to expand the sampling to include a broader range of industries and extend the observation period. Additionally, future researchers may consider identifying other influencing factors and incorporating relevant variables for a more comprehensive analysis

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