

Original Article

Open Access

The effect of business continuity, debt default, and profitability on the acceptance of a going concern

Subjects
Accounting and
Auditing

Fattiyah Rizki Utami * & **Apriy Linda Diana** 

Master of Management, Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Jakarta, Indonesia

ABSTRACT

Purpose: This study aims to explore the effect of factors such as going concern, debt default, and profitability on Going Concern audit opinion acceptance.

Methods: The research used is a quantitative method. The type of quantitative data in the form of secondary data is obtained by accessing the website www.idx.co.id. The sample was determined by purposive sampling method with a population of 171 manufacturing companies listed on the Indonesia Stock Exchange and a research sample of 49 companies.

Findings: The results showed that: 1) Business continuity proxied by Net Profit Margin affects the acceptance of Going Concern audit opinion; 2) Debt default proxied by Debt to Equity Ratio also affects the acceptance of Going Concern audit opinion; 3) Profitability proxied by Return on Assets affects the acceptance of Going Concern audit opinion; and 4) Simultaneously, business continuity, debt default, and profitability affect the acceptance of Going Concern audit opinion.

Practical Implications: This study highlights the importance of company management in increasing Net Profit Margin, managing Debt to Equity Ratio, and maintaining a high Return on Assets. These measures help ensure business continuity, reduce default risk, and increase auditor and stakeholder confidence, ultimately strengthening the company's position in the market.

Article History:

Received: 10 Jan 2022

Revised: 5 Feb 2022

Accepted: 10 Feb 2022

Online: 14 Feb 2022

Keywords

Commissioner of Business
Continuity, Debt Default,
Profitability, Going
Concern Audit Opinion

Reviewing Editor

Muljanto Siladjaja



Corresponding Author:

Fattiyah Rizki Utami, Email: tamiirizki@gmail.com

Journal of Public Auditing
and Financial
Management

© The Author(s) 2022. Published by LPMP Imperium

This is an open access article distributed under the terms of the Creative Commons attribution license (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. the terms on which this article has been published allow the posting of the accepted Manuscript in a repository by the author(s) or with their consent.

Abstrak

Tujuan: Penelitian ini bertujuan untuk mengeksplorasi pengaruh faktor-faktor seperti going concern, debt default, dan profitabilitas terhadap penerimaan opini audit Going Concern.

Metode: Metode penelitian yang digunakan adalah metode kuantitatif. Jenis data kuantitatif berupa data sekunder diperoleh dengan mengakses website www.idx.co.id. Sampel ditentukan dengan metode purposive sampling dengan jumlah populasi 171 perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia dan sampel penelitian sebanyak 49 perusahaan.

Hasil: Hasil penelitian menunjukkan bahwa: 1) Kelangsungan usaha yang diproksikan dengan Net Profit Margin berpengaruh terhadap penerimaan opini audit Going Concern; 2) Default utang yang diproksikan dengan Debt to Equity Ratio juga berpengaruh terhadap penerimaan opini audit Going Concern; 3) Profitabilitas yang diproksikan dengan Return on Assets berpengaruh terhadap penerimaan opini audit Going Concern; dan 4) Secara simultan, kelangsungan usaha, default utang, dan profitabilitas berpengaruh terhadap penerimaan opini audit Going Concern.

Implikasi Praktis: Penelitian ini menyoroti pentingnya manajemen perusahaan dalam meningkatkan Net Profit Margin, mengelola Debt to Equity Ratio, dan mempertahankan Return on Assets yang tinggi. Langkah-langkah ini membantu memastikan kelangsungan usaha, mengurangi risiko default, serta meningkatkan kepercayaan auditor dan stakeholders, yang pada akhirnya memperkuat posisi perusahaan di pasar.

Kata Kunci: Komisaris Kelangsungan Usaha, Default Utang, Profitabilitas, Opini Audit Going Concern

1. Introduction

In the preparation of financial statements, it has become a basic assumption that the company will continue to operate in the future without any indication of bankruptcy. Business continuity is the primary objective of any business entity in a competitive economic environment. However, management is often not fair and objective in reporting its performance, which can raise questions about the company's resurgence amidst the challenges of the global market. Therefore, an independent auditor is needed to evaluate the management of funds and ensure that the financial statements prepared are in accordance with applicable accounting standards. This is especially important in the current era of global economic uncertainty. The topic to be discussed in this study is the effect of Going Concern, Debt Default, and Profitability on the acceptance of Going Concern audit opinion in companies listed on the Indonesia Stock Exchange (IDX). Going Concern can be defined as the assumption that an entity will continue to operate within a reasonable period, which means there is no intention to liquidate or significantly reduce the scale of its operations. Understanding this issue is important for investors and other stakeholders in order to make more informed decisions regarding investment and risk management.

Several previous studies have examined the factors that influence the acceptance of Going Concern's audit opinion. Daulika's (2016) study investigates the effects of debt default, profitability, company growth, and opinion shopping and shows that debt default and opinion shopping have a significant impact. Another study by Siallagan et al. (2020) also indicates a negative effect of Debt to Assets Ratio and company growth on Going Concern audit opinion. However, there are inconsistencies in the results of these studies, which indicate the need for a review of influential variables in different contexts. Although previous studies provide insight into the factors that influence the receipt of Going Concern audit opinion, there are still gaps in the related literature. Most studies highlight financial aspects while paying less attention to non-

financial factors that may also contribute. For example, Harris's (2015) research shows that company size and the previous year's audit opinion also have an impact. This provides an incomplete picture of the overall factors that interact in determining the Going Concern audit opinion.

The purpose of this study is to examine the influence of going concern, debt default, and profitability on the acceptance of going concern audit opinions in manufacturing companies listed on the IDX in the 2017-2019 period. In addition to making an academic contribution, the results of this study are expected to provide practical benefits for auditors and company management. By understanding the factors that influence audit opinion, companies can improve their financial reporting practices, and auditors can provide more appropriate assessments of these reports, thereby strengthening market integrity and trust.

2. Theoretical Background & Hypotheses

Agency Theory

Agency theory, according to Prasetia and Rozali (2016), explains the contractual relationship between the principal and the agent, where the agent carries out work on behalf of the principal with the potential for information asymmetry. To minimize this problem, an independent third party, the auditor, is required to oversee management. Auditors, as explained by Yanti and Setiawan (2019), are tasked with providing opinions on financial statements and considering the company's business continuity. If the company previously received a Going Concern audit opinion, the agent is expected to improve management so that it does not receive a similar opinion again. The absence of improvement can put the company at risk of getting the same opinion in the future.

Audit opinion

Based on SA 700, there are two types of opinions issued by auditors: unmodified opinion and modified opinion. An unmodified opinion states that the financial statements are prepared fairly and in accordance with applicable accounting standards. The auditor must give an opinion based on sufficient evidence, and if there is a material misstatement, the opinion may be modified. The conditions for providing an unmodified opinion include compliance with auditing standards, sufficient audit evidence, and financial statements in accordance with general accounting principles. According to IAPI SA 700, the auditor may decide to express or not express an opinion based on the results of the audit performed.

Going concern

The assessment of the company's business sustainability depends on internal factors, especially management's ability to manage resources to pay off debt and increase sales. Profitability, as measured by the net profit margin (NPM) ratio, is an important indicator, but research by Afansyah (2017) shows that NPM is not significant to the Going Concern audit opinion. Barus and Rica (2014) divide Going Concern problems into financial and operational issues, which include liquidity deficiencies and dubious revenue prospects. Going Concern as an assumption in financial reporting reflects the survival of the entity, where the inability to fulfill obligations signals risk. Hani et al. (2003) emphasize the importance of Going Concern in maintaining long-term business activities.

Debt default

Failure to meet debt and interest obligations is an important indicator in the Going Concern assessment used by auditors to assess the viability of the company. Auditors tend to examine the company's debt status first as an initial step to determine its financial health. When a company's debt reaches a high level, the allocation of cash flow to cover these obligations can disrupt the company's operations. If the company cannot pay off its debts, creditors will give default status, which has negative implications for the perception of corporate accountability. According to

Irfana (2012), the auditor's first step is to check the company's debt, and difficulties in debt repayment can cause the auditor to give default status. This is confirmed by research showing that debt default has a positive effect on the acceptance of Going Concern audit opinion, as found in studies by Ulya (2012) and Praptitorini and January (2009).

Going concern audit opinion

Going Concern audit opinion is an assessment given by the auditor to determine whether the company can maintain its survival. This ability is one of the important criteria in the preparation of financial statements, which should be based on transactions when recorded, not when cash is received or paid. Suppose a business entity cannot continue its operations. In that case, its financial statements must be prepared based on the assumption of liquidation and realizable value as an alternative basis for recording (Kesumojati et al., 2017).

Hypotheses

The influence of going concern on going concern audit opinion

The sustainability of a company's business can be assessed from internal factors, usually associated with the ability of management to manage all resources owned by the company in order to be able to pay off its debts and increase sales so that the company can survive in tight business competition sustainably. In this case, for example, profitability is related to the company's ability to generate profits. The profitability ratio used in this study is proxied by the net profit margin (NPM) ratio. In the results of research conducted by Afansyah (2017), it was stated that NPM did not have a significant effect on the provision of going concern audit opinions. Thus, going concern has the potential for a negative impact on going concern audit opinions. Based on the description above, one hypothesis is taken, namely:

H1: Going Concern has a negative effect on going concern audit opinions.

The Effect of Debt Default on Going Concern Audit Opinion

When a company has difficulty paying its debts (debt default), this raises doubts about the company's business continuity. In this situation, auditors tend to provide a Going Concern audit opinion. Ramadhany (2004) found that debt default affects Going Concern opinion, which is in line with previous research by Chen and Church (1992) which shows a strong relationship between debt default status and Going Concern problems. Irfana (2012) adds that the auditor's first step in assessing the company's financial health is to examine its debt. If the debt is very high, a lot of the company's cash will be allocated to cover the debt, which can disrupt operational activities. When the company fails to meet its debt obligations, the auditor will give default status. Other studies, including those conducted by Ulya (2012) and Praptitorini and January (2007), also confirm that debt default has a positive effect on Going Concern audit opinion acceptance. Thus, it can be concluded that debt default has the potential to positively affect the acceptance of Going Concern audit opinion.

H2: Debt Default has a positive effect on Going Concern audit opinion

The effect of Profitability on Going Concern Audit Opinion

When a company has difficulty paying its debts (debt default), this raises doubts about the company's business continuity. In this situation, auditors tend to provide a Going Concern audit opinion. Ramadhany (2004) found that debt default affects Going Concern opinion, which is in line with previous research by Chen and Church (1992) which shows a strong relationship between debt default status and Going Concern problems. Irfana (2012) adds that the auditor's first step in assessing the company's financial health is to examine its debt. If the debt is very high, a lot of the company's cash will be allocated to cover the debt, which can disrupt operational activities. When the company fails to meet its debt obligations, the auditor will give default status. Other studies, including those conducted by Ulya (2012) and Praptitorini and

January (2007), also confirm that debt default has a positive effect on Going Concern audit opinion acceptance. Thus, it can be concluded that debt default has the potential to positively affect the acceptance of Going Concern audit opinion.

H3: Profitability has a negative effect on the Going Concern audit opinion.

3. Methods

Sample procedure

The research strategy used in this study is associative research. In the sampling process, researchers applied a purposive sampling method with specific criteria. The criteria include manufacturing companies listed on the Indonesia Stock Exchange between 2017-2019 and not delisted. In addition, the company must publish an auditor's report and have an independent report on its financial statements. Equally important, the company must record negative net profit after tax for at least three consecutive periods because the auditor will not issue a Going Concern opinion for companies with positive profits. The final sample consists of 49 companies from a population of 171 manufacturing companies.

Measurement of variables

In this study, going concern audit opinion is used as the dependent variable, while going concern, debt default, and profitability are used as independent variables. The going concern audit opinion variable is a dichotomous variable, where going concern audit opinion is coded 1, while non-going concern audit opinion is coded 0 (Qhintari & Siska, 2018). Going concern variables are measured using Net Profit Margin, which shows the proportion of net profit after tax to total sales.

$$\text{Net Profit Margin} = \frac{\text{Laba Bersih setelah pajak}}{\text{Total penjualan}}$$

Debt default is measured using the Debt to Equity Ratio, which compares total debt to total equity.

$$\text{Debt To Equity Ratio} = \frac{\text{Total Hutang}}{\text{Total Ekuitas}} \times 100$$

Meanwhile, profitability is measured using Return on Assets (ROA), which shows the efficiency of the company in using its assets and debt (Haryanto & Sudarno, 2019).

$$\text{Return On Asset} = \frac{\text{Net Income}}{\text{Total Asset}} \times 100$$

Analysis technique

The data analysis technique in this study utilizes logistic regression analysis using E-Views 10 statistical software, which carries out descriptive statistical tests first to describe or identify the characteristics of the data that has been collected in such a way. Then, hypothesis testing is carried out, namely, the F test to see whether or not a regression model is feasible, the T-test to find out how the influence of each variable X on variable Y, and the coefficient of determination test to see how much influence variable X has on variable Y compared to other variables outside this study.

4. Results and Discussion

Descriptive statistical test

From the results of the Table 1 descriptive statistical analysis, there are several important findings related to the variables studied. The going concern variable, proxied by Net Profile Margin (NPM), shows a minimum value of -7.847, which is owned by PT Panasia Indo Resources Tbk in 2019. Conversely, the maximum value of NPM is 6.321, which was achieved by PT Intikeramik Alamasri Industri Tbk in 2018. The average Net Profile Margin of manufacturing companies in this study was recorded at -0.155408, with a standard deviation of 1.111895, which indicates a significant variation in the profitability performance of these companies.

Tabel 1. Descriptive statistical test

	Reception Audit Opinion Going Concern	Going Concern	Debt Default	Profitability
mean	0.442177	-0.155408	8.149891	-0.041367
Maximum	1	6.321	786,931	0.607
Minimum	0	-7.847	-10.188	-1,369
Std. Dev.	0.498343	1.111895	65.26384	0.146929
Observations	147	147	147	147

Source: Results of data processing with Eviews version 10.0

The Debt Default variable, proxied through the Debt to Equity Ratio (DER), shows a minimum value of -10.188 owned by PT Eterindo Wahanatama Tbk in 2017. On the other hand, the maximum value is shown by PT Alumindo Light Metal Industry Tbk, with a value of 786,931 in 2019. The average Debt to Equity Ratio in this study is 8.149891, with a standard deviation of 65.26384, which indicates a wide range in the company's dependence on debt. The Profitability variable, as measured by Return On Assets (ROA), shows a minimum value of -1.369, which was owned by PT Magna Investama Mandiri Tbk in 2019, and a maximum value of 0.607, which was achieved by PT Tiga Pilar Sejahtera Food Tbk in the same year. The average Return On Assets is -0.041367, with a standard deviation of 0.146929, indicating that the company's profitability performance has fluctuated significantly.

Hypotheses test

Analysis from Table 2 concludes that the logistic regression equation for Going Concern Audit Opinion Acceptance

Going Concern Audit Opinion = 0.779487 - 2.480671 Going Concern + 1.212942 Debt Default - 1.328284 Profitability.

The constant 0.779487 indicates the value of audit opinion acceptance when all independent variables are zero. The Going Concern variable, as measured by Net Profit Margin, has a negative coefficient of -2.480671, indicating that an increase in NPM reduces the likelihood of receiving a going concern audit opinion. Conversely, Debt Default, as measured by Debt to Equity Ratio, has a positive coefficient of 1.212942, indicating that an increase in DER increases the likelihood of receiving a going concern audit opinion. For Profitability, as measured by Return On Assets, the coefficient of -1.328284 indicates that an increase in ROA also reduces the likelihood of receiving a going concern audit opinion.

Table 2. Hypotheses test

Variable	Coefficient	Std. Error	Z-statistic	Prob
Going Concern	-2,480671	0,670011	-3,70244	0,0002
Debt Default	1,212942	0,422182	2,873032	0,0041
Profitability	-1,328284	0,736117	-22,4044	0,0312
Going Concern Audit Opinion	0,779487	0,581523	1,340424	0,1801
McFadden R-Squared 0,441944				
Prob(LR statistic) 0,000000				

Source: Eviews 10 (Panel Data Regression Output Results)

Analysis from Table 2 concludes that the logistic regression equation for Going Concern Audit Opinion Acceptance is = $0.779487 - 2.480671 \text{ Going Concern} + 1.212942 \text{ Debt Default} - 1.328284 \text{ Profitability}$.

The constant 0.779487 indicates the value of audit opinion acceptance when all independent variables are zero. The Going Concern variable, as measured by Net Profit Margin, has a negative coefficient of -2.480671, indicating that an increase in NPM reduces the likelihood of receiving a going concern audit opinion. Conversely, Debt Default, as measured by Debt to Equity Ratio, has a positive coefficient of 1.212942, indicating that an increase in DER increases the likelihood of receiving a going concern audit opinion. For Profitability, as measured by Return On Assets, the coefficient of -1.328284 indicates that an increase in ROA also reduces the likelihood of receiving a going concern audit opinion.

Discussion

Effect of Going Concern on Going Concern Audit Opinion

The results state that going concern proxied by Net Profit Margin (NPM) affects going concern audit opinion. The negative NPM coefficient indicates that increasing NPM reduces the likelihood of receiving a going concern audit opinion. The company's business continuity can be assessed through management's ability to manage resources to generate profits, pay debts, and increase sales. The results of this study support the findings of Angrijani and Zakaria (2017), Ratna et al. (2020), Manuhara (2020), and Anali (2020), who also found a negative effect of NPM ongoing concern audit opinion acceptance. However, this result contradicts the studies of Afansyah (2017) and Daulika (2016) which state that NPM does not affect the audit opinion.

Effect of Debt Default on Going Concern Audit Opinion

The results showed that debt default, proxied by Debt To debt-to-equity ratio (DER), affects going concern audit opinion. The coefficient for debt default is positive, indicating that an increase in the debt default ratio has the potential to increase the likelihood of receiving a going concern audit opinion. When the company fails to pay its debts, its business continuity will be in doubt, so auditors tend to provide a going concern audit opinion. High debt makes the company's cash more focused on covering obligations, which can disrupt operational activities. If the company has difficulty meeting its debt obligations, the auditor will provide a default status, which leads to the provision of a going concern audit opinion. This research is in line with the findings of Ulya (2012), Praptitorini and Januarti (2007), Daulika (2016), and Dwita et al. (2020) which confirms that debt default affects going concern audit opinion. However, the results contradict the research of Ratna et al. (2020), Manuhara (2020), and Anali (2020) which state that debt default has no effect on the audit opinion.

Effect of Profitability on Going Concern Audit Opinion

The results showed that profitability proxied by Return On Assets (ROA) influences going concern audit opinion. The profitability coefficient is negative, which indicates that an increase in the ROA ratio will reduce the likelihood of receiving a going concern audit opinion. The profitability ratio serves to measure the company's ability to generate profits and assess its business efficiency. Companies that record low profits or even experience losses tend to face financial difficulties, so it is very likely to get a going concern audit opinion. As an independent party, the auditor will assess management performance, and the lower management performance in terms of profitability, the higher the likelihood that the auditor will provide a going concern audit opinion. This finding is consistent with previous research conducted by Daulika (2016), Ratna et al. (2020), Manuhara (2020), and Anali (2020), which also state that profitability affects going concern audit opinion.

5. Conclusion

Based on the interpretation of the research results that have been carried out, it can be concluded that going concern proxied by Net Profit Margin hurts going concern audit opinion; that is, when the Net Profit Margin ratio increases, the possibility of the company receiving a going concern audit opinion will decrease. Conversely, debt default proxied by Debt To Equity Ratio (DER) shows a positive effect on the audit opinion, so the increasing DER ratio increases the possibility of a going concern audit opinion. In addition, profitability proxied by Return On Assets (ROA) also has a negative effect, indicating that an increase in the ROA ratio will reduce the possibility of the company getting a going concern audit opinion. Simultaneously, the three factors of going concerned, debt default, and profitability can affect going concern audit opinion. In connection with the results of this study, companies are advised to continue to increase the NPM and ROA ratios each year as an indicator of management success and use the DER ratio wisely to improve financial performance through business expansion and purchase of operational assets. This research does not experience limitations because all the necessary data is available, but for further development, it is recommended that researchers add other independent variables, extend the research period to 2020, and expand the scope of the research sector, including manufacturing companies in other countries as a comparative study that discusses going concern audit opinion.

References

- Angrijani, Mei Uli and Zakaria. 2016. "The Influence of Financial Performance on Going Concern Audit Opinions (Case Study on Islamic Commercial Banks Listed on the IDX)", *Future Journal*, p. 256-266.
- Alexander Ramadhani. 2004. Analysis of Factors Affecting the Acceptance of Going Concern Opinions on Manufacturing Companies Experiencing Financial Distress on the Jakarta Stock Exchange. *MAKSI Journal*. Vol.4, pp:146-160.
- Barus, AC, & Rica, V. 2014. Analysis of Factors Affecting Earnings Persistence in Manufacturing Companies on the Indonesia Stock Exchange. *Journal of Microskilled Economics Wira*, 4(02), 71-80.
- Chen, KCW, and BK Church. 1992. "Default on Debt Obligation and the Issue of Going-Concern Report". *Auditing: A Journal of Practice & Theory*, Fall. 30 – 49
- Daulika, Firlie. 2016. The Effect of Debt Default, Profitability, Company Growth and Opinion Shopping on the Acceptance of Going Concern Audit Opinions. *Perbanas Accounting Journal*

- Hani., Clearly, and Mukhlisin. 2003. Going Concern and Audit Opinion: A Study on Banking Companies in the JSE. National Accounting Symposium VI. 1221 - 1233.
- Harris, Randy and Wahyu Merianto. 2015. The Influence of Debt Default, Disclosure, Previous Year's Audit Opinion, Company Size, and Opinion Shopping on the Acceptance of Going Concern Audit Opinions. *Journal of Accounting*, Volume 4, No. 3
- Haryanto, YA, & Sudarno. 2019. The Effect of Profitability, Solvency, Liquidity, and Market Ratios on Going Concern Audit Opinions. *Diponegoro Journal Of Accounting* Volume 08, Number 04, ISSN (Online): 2337-3806, 1-13.
- Irfan, Muhammad. 2012. Analysis of the Effect of Debt Default, Quality of Public Accountants, Opinion Shopping and Company Ownership on Going Concern Audit Opinion Acceptance. *Journal of Economics and Business*. Semarang: Faculty of Economics and Business. Diponegoro University
- January, Indira. "Analysis of the Influence of Company Factors, Auditor Quality, Company Ownership on the Acceptance of Going Concern Audit Opinions (Manufacturing Companies Listed on the Indonesia Stock Exchange)". Article presented at the 12th National Accounting Symposium, 4-6 November Palembang 2009
- Kieso, Donald E. Jerry J. Weygandt, Paul D. Kimmel. 2014. *Accounting Principles Introduction to Accounting Edition 7 Volume 1*. Jakarta: Salemba Empat.
- Kieso, Donald E. Jerry J. Weygandt, Paul D. Kimmel. 2014. *Accounting Principles Introduction to Accounting Edition 7 Volume 1*. Jakarta: Salemba Empat.
- Kesumojati, SCI, Widyastuti, T. Dan Darmansyah. 2017 Effect of Audit Quality, Financial Distress, Debt Default on the Acceptance of Going Concern Audit Opinions. *JIAFE (Scientific Journal of Accounting, Faculty of Economics)* Volume 3 No. 1 of 2017, pp 62-76. E-ISSN 2502-4159.
- Kristiana, Ira. 2012. The Influence of Company Size, Profitability, Liquidity, Company Growth, On Going Concern Audit Opinions on Manufacturing Companies Listed on the Indonesian Stock Exchange. *Scientific periodicals for accounting students – vol 1, no. 1*, January 2012.
- Mais, R. G., Munir, M., Muchlis, S., & Istiqorul, A. P. (2022). The Effect of Profitability, Leverage, Liquidity and Audit Committee on Islamic Social Reporting (ISR) Disclosure. *Indonesian Journal of Business, Accounting and Management*, 5(1), 01-06.
- Murhadi, Werner R. 2015. *Analysis of Financial Statements, Projections and Stock Valuation*. Jakarta: Salemba Empat
- Praptitorini, Mirna Dyah and Indira Januarti. 2011. "Analysis of the Effect of Audit Quality, Debt Default and Opinion Shopping on the Acceptance of Going Concern Audit Opinions". *Indonesian Journal of Accounting and Finance* Volume 8 - No. 1, June: 78 – 93
- Prasetya, Irsyad Fauzan and Rozmita Dewi Yuniarti Rozali. 2016. The Effect of Audit Tenure, Audit Rotation and KAP reputation on Audit Quality (Study on Manufacturing Companies Listed on the Indonesia Stock Exchange 2011-2014). *Journal of Research Accounting*. ASSET Vol 5, No.1
- Puspitasari, Endah Ratna. 2020. Analysis of the Effect of Profitability, Liquidity, Company Size and Financial Distress on the Acceptance of Going Concern Audit Opinions in Manufacturing Companies Listed on the Indonesia Stock Exchange in 2015-2018. *Journal of Economics and Business*, STIE YKPN.
- Putra, Wahyu Manuhara and Rita Purnawati. The Effect of Audit Tenure, Audit Delay, Company Growth, Profitability, Leverage, and Financial Difficulties on Acceptance of Going Concern Audit Opinions. Conference: 4th International Conference on Sustainable Innovation 2020- Accounting and Management (ICoSIAMS 2020).
- Now, Uma and Roger Bougie. 2017. *Research Methods for Business: Expertise-Development Approach*, 6th Edition, Book 1, Second Printing, Salemba Empat, South Jakarta 12610.
- Setiawan, Santy. 2006. "Going Concern Opinion and Prediction of Corporate Bankruptcy." *Scientific Journal of Accounting* Volume V No. 1, May 2006. 59-67

- Siallagan, Tantya, Meilani Silalahi and Keumala Hayati. 2020. The effect of financial ratios on the acceptance of going concern audit opinions in the year (2016-2018). Accountable pISSN: 0216- 7743-eISSN: 2528-1135
- Sutedja, Christian. 2010. Factors Influencing the Giving of Going Concern Audit Opinions to Manufacturing Companies. Journal of Contemporary Accounting Vol.2 No. 2.
- Tia Rahma Yanti and Putu Ery Setiawan, "The Effect of Information Asymmetry, Company Size, Leverage and Profitability on Earnings Management", E-Jurnal Accounting 27 (2019): 708
- Ulya, Alfaizatul. 2012. "Going Concern Audit Opinion: Analysis Based on Financial and Non-Financial Factors", ISSN Accounting Journal 2252-6765. Semarang State University.

Acknowledgment

the authors are grateful to the various reviewers for their constructive comments in shaping the manuscript.

Funding

Not applicable

Conflicts of interest/ Competing interests:

The authors have no conflicts of interest to declare that are relevant to the content of this article.

Data, Materials and/or Code Availability:

Data sharing is not applicable to this article as no new data were created or analyzed in this study

Publisher's Note

Imperium Research Institute remains neutral with regard to jurisdictional claims in published maps and institutional affiliations

Cite this paper:

Utami, F., R. & Apry, L., D. (2022). The effect of business continuity, debt default, and profitability on the acceptance of a going concern audit opinion. *Journal of Public Auditing and Financial Management*, 2(2), 85-94. <https://doi.org/10.36407/jpafm.v2i2.1599>