



Effect of Financial Performance on Going Concern Audit Opinion

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ABSTRACT

This study aims to examine and analyze the effect of financial performance through activity ratios, liquidity ratios, solvency ratios, and profitability ratios on going concern audit opinions. This research is expected to provide benefits of knowledge in the fields of accounting and auditing, add insight to the company about the effect of financial ratios, become the basis or basis for further new research, become a consideration for investors in deciding whether to invest or not, and become a further study of performance on the going concern audit opinion. The research population in the form of Pharmaceutical Companies and Food and Beverage Companies obtained through purposive sampling method and obtained as many as 16 companies. Research data was collected through the method of documentation. The analysis technique used is Binary Logistic Regression. The results showed that the Financial Performance as measured by the Solvency Ratio had a significant effect on the Going Concern Audit Opinion whereas the Financial Performance as measured by the Activity Ratio, Liquidity Ratio, and Profitability Ratio did not significantly affect the Going Concern Audit Opinion.

Keywords: Financial Performance, Going Concern Audit Opinion.

1. INTRODUCTION

In general, investors invest in shares through the capital market, with the aim of obtaining returns in the form of dividends or capital gains. Therefore, before investors invest in shares of a company, the first thing to think about is the level of company survival (going concern). The Public Accountant Professional Standard (SPAP) defines a going concern audit opinion as an opinion given by the auditor in assessing or ascertaining whether the company can maintain its viability.

In the 2020 period, the economy in Indonesia is in an unhealthy condition due to the spread of Covid-19. The declining economy in Indonesia raises awareness from the business community, especially for companies and investors, that it is very important that going concern audit opinions from auditors are accurate and can account for their opinions. Companies need an accurate audit opinion to deal with bankruptcy that may occur, especially when the country's economy is experiencing a downturn. Investors need an audit opinion in assessing the viability of the company so that it is worthy of being used as an investment location.

The declining economic level, especially during the Covid-19 pandemic, created a dilemma for auditors, whether the auditor issued a going concern opinion and would cause the company to experience more financial difficulties, or not issue a going concern audit opinion, but resulted in the users of financial statements not knowing the possibility of failure. against the company. In carrying out the audit process, the auditor is required to seek a lot of information that is both quantitative and qualitative in nature. Obtaining quantitative information through financial performance analysis can assist the auditor in providing an audit opinion.

Financial performance is the result of efforts that have been made by the company in measuring and assessing every achievement and success of the company. The company's financial performance is known to be increasing or even decreasing, it can be known by the preparation and analysis of financial statements. One of the analytical tools that can be used to measure financial performance is financial ratios (Sofyan, 2019 : 115). The relationship between financial performance variables has an effect on the acceptance of going concern audit opinions given by auditors to companies because financial performance explains the auditor's decision in providing going concern audit opinions to manufacturing companies listed on the Indonesia Stock Exchange. (Susanto & Zubaidah, 2017: 792). This is based on the company's efforts to maintain the viability of its business by using financial performance indicators as seen through the auditor's statement in the independent auditor's opinion report.

In previous studies, the liquidity ratio has an influence on going concern audit opinion (Januarti & Fitrianasari, 2008: 55) In addition, solvency as proxied by debt to total assets (DTA) has an influence on going concern opinion, while liquidity proxied by current ratio and profitability proxied by return on assets has no effect on going concern audit opinion (Maradina, 2019 : 23-24) If the company has good liquidity and high profitability, then the possibility to continue its business activities will be greater, so the possibility of going concern opinion will be less. (Muttaqin, 2012: 23) The differences in the results of these studies indicate that

the results of research on the effect of financial performance through financial ratios on going concern audit opinions have not been consistent.

The background in this study makes researchers interested in researching the acquisition of auditors' opinions through financial performance as measured by financial ratios. So the researcher wants to examine how "INFLUENCE OF FINANCIAL PERFORMANCE ON GOING CONCERN AUDIT OPINION (Case Study of Pharmaceutical Companies and Food and Beverage Companies Listed on the Indonesia Stock Exchange in 2018-2020)". The author chooses to examine the pharmaceutical sector and food and beverage companies listed on the Indonesia Stock Exchange because they are classified as go public companies, thus becoming one of the factors that can affect economic conditions in Indonesia.

2. THEORETICAL BASIS

Agency theory or agency theory is a theory that explains two conflicting economic behaviors, namely the principal and the agent. Agency theory focuses on designing performance and reward measures, arguing that managers can behave positively towards the company as a whole (Raharjo, 2020: 45) Agency conflict is a conflict that occurs between managers (stakeholders) and shareholders with the concept of free cash flow. The concept of free cash flow shows that debt financing decisions are defined as a form of business that can resolve agency conflicts over cash flow, thus the company's performance will be better as well as the company's value (Prasetyo, 2013 :11)

The Professional Standards of Public Accountants (SPAP) state that the purpose of the audit of the independent auditor's report is to express a material fairness opinion in a company, financial position, results of operations, changes in equity, and cash flow statements in accordance with accounting principles. Audit opinion consists of six types which include, unqualified opinion, unqualified opinion with an explanatory paragraph, qualified opinion, unqualified opinion, disclaimer of opinion, and going concern. An audit report with a modification regarding going concern is an indication that in conducting the auditor's assessment there is a risk that the company's survival is being disrupted and even the company is unable to maintain it. In making this decision, the auditor must consider the results of operations, economic conditions affecting the company, the ability to pay debts, and future liquidation needs. Companies that previously obtained a going concern audit opinion have a greater probability of getting it back (Vernando & Yuniarto, 2018 : 7)

Financial performance is a measurement taken by the company in assessing the success and achievement of the company. The financial performance of a company can be seen through the analysis of financial statements in the form of financial ratios. One of the objectives of ratio analysis is to assist management in measuring company performance (Kasmir, 2016:132) Ratio analysis is expressed in the form of comparisons or percentages. Financial ratios generally have four types of ratios which include, liquidity ratios, activity ratios, solvency ratios, and profitability ratios.

Liquidity is defined as an evaluation of the company's ability to repay its short-term debt with current assets in the company (Masyitah E & Kahar H, 2018: 34-43) The high level of liquidity illustrates that the company's ability to pay off its short-term debt is also getting higher. The dimension of the concept of liquidity describes a measure of management's performance in managing working capital which is funded by current debt and the company's cash balance. The dimensions of the liquidity concept include the current ratio, quick ratio, cash ratio, and net working capital to total asset ratio (Harmono, 2018:106)

Types of liquidity are classified as follows: (1) Current Ratio (Current Ratio) measures the company's ability to pay short-term obligations or debts when they are due in their entirety. The minimum standard of current ratio to determine that the company is at a safe point is 200% or 2 times; (2) Quick Ratio measures the company's ability to pay current liabilities using current assets without calculating inventory. The minimum standard to determine that the company is in better condition than other companies is 100% or 1.5 times; and (3) Cash Ratio measures the amount of cash available to pay debts. The minimum standard to determine the condition of the company is better than other companies, namely 50% (Kasmir, 2008: 135)

The activity ratio measures the efficiency and effectiveness of the company's operating activities by management (Harmono, 2018:106). The higher the total asset turnover of the company, the higher the effectiveness of the company's total assets (Aisyah et al. , 2017 : 413) If the management of the company cannot maximize the use of company assets, then the company's sales cannot be maximized.

The types of activity ratios are classified as follows: (1) Receivable Turn Over measures the length of collection or the number of times receivable funds rotate in a period. The maximum standard to determine the company is in good condition is 15 times; (2) Inventory Turn Over measures the number of times the funds in inventory rotate during a certain period. The average standard to determine the company in good condition is 20 times; (3) Working Capital Turn Over measures the effectiveness of working capital through its many turnovers over a certain period. The average standard used to measure companies in good condition is 6 times; and (4) Total Assets Turn Over measures the turnover of all assets and total sales of each rupiah of assets. The minimum standard to show the company is in good condition is 2 times (Kasmir, 2008: 176)

The solvency ratio or also known as the leverage ratio is the ratio used to assess the company's ability to pay off its debts and obligations as a whole by using guaranteed capital and assets owned by the company in the long and short term. Optimal capital structure can occur if the company's cost of capital is also optimal. The dimensions of the company's capital structure include debt to assets, long term debt to equity, and debt to equity (Harmono, 2018:111) (Aprilia, 2016 : 6)

The types of solvency ratios are classified as follows: (1) Debt To Asset Ratio (Debt Ratio) measures the ratio of total debt to total assets. The average standard used to determine that the company is in good condition is 35%; (2) Debt To Equity Ratio assesses debt using equity. The maximum standard for assessing a company in good condition is 90%; and (3) Long Term Debt To Equity Ratio measures debt using own capital. The goal is to measure the guarantee of long-term debt on the company's capital (Kasmir, 2008: 156)

Profitability ratio is a picture or reflection of the company's fundamental performance which is reviewed through the efficiency and effectiveness of the company's operations to earn a profit. The dimensions of the profitability concept ratio include Net Profit Margin, Gross Profit Margin, Return On Assets, Return On Equity, Return On Investment, and Earning per Share. The profitability dimension has a causal relationship to firm value. The causal relationship shows management performance as measured using the profitability dimension, so that it has a positive impact on investors' decisions to invest and on creditors' decisions to fund the company through debt (Harmono, 2018:110)

The types of profitability ratios are classified as follows: (1) Profit Margin on Sales (Profit Margin) measures the company's profit margin on sales during a certain period; (2) Return on Investment (ROI) results show the return on the total assets of the company. The minimum standard to show the company is in good condition is 30%; (3) Return on Equity (ROE) measures the net profit after tax on the company's capital. The minimum standard to show the company is in good condition is 40%; and (4) Earnings per Share of Common Stock measures the success of the company's management in achieving returns to shareholders. The higher the ratio, the higher the welfare of shareholders (Kasmir, 2016: 199)

The hypothesis in this study is described as follows:

2.1. The Effect of Financial Performance Measured Through Activity Ratios On Going Concern Audit Opinions.

The activity ratio has an attachment to existing resources, but so far the activity ratio is rarely considered by some parties. In previous studies, the activity ratio has no significant effect on going-concern audit opinion (Utami et al. , 2017: 2885) The activity ratio has an effect on the auditor in providing a going concern audit opinion (Wulandari, 2014 : 556) During the Covid-19 pandemic, the activity ratio had a negative impact. This makes the activity ratio have a significant influence on the company's performance (Riduan et al. , 2020 :10) Researchers formulate the hypothesis that:

H1 : *Financial performance as measured by the activity ratio has a significant effect on going-concern audit opinion.*

2.2. The Effect of Financial Performance Measured Through Liquidity Ratio on Going Concern Audit Opinion.

Previous research has succeeded in obtaining conclusions regarding the effect of the liquidity ratio on going-concern audit opinion. The liquidity ratio has no effect on going concern audit opinion (Vernando & Yuniarto, 2018 : 146) Liquidity ratio is a ratio that has a significant influence on going concern audit opinion (Kristiana, 2012: 50) During the Covid-19 pandemic, many companies experienced a decline in their current liquidity. The decrease in liquidity may have an impact on audit opinion, given the number of audit policies that have changed due to the Covid-19 pandemic. So the researchers obtained the hypothesis that:

H2 : *Financial performance as measured by the liquidity ratio has a significant effect on going concern audit opinion.*

2.3. The Effect of Financial Performance Measured Through Solvency Ratios on Going Concern Audit Opinions.

The solvency ratio is a ratio that is often used by companies to compare the owner's funds with funds borrowed by creditors. Several previous studies succeeded in concluding the effect of financial performance through solvency ratios on going-concern audit opinions. The solvency ratio has no significant effect on going concern audit opinion (Vernando & Yuniarto, 2018 : 146) The solvency ratio has an influence on going concern audit opinion (Listantri & Mudjiyanti, 2016 : 174) Covid-19 has an impact on the solvency ratio so that it provides a significant difference (Roosdiana, 2020 : 140) So the researchers obtained the hypothesis that:

H3 : *Financial performance as measured by solvency ratio has a significant effect on going concern audit opinion.*

2.4. The effect of financial performance as measured by profitability ratios on going-concern audit opinion.

The profit of a company is often used by internal or external parties to assess the company. During the Covid-19 pandemic, company profits measured through profitability ratios had differences, this indicates that profitability affects company performance during the Covid-19 pandemic (Hilman & Laturette, 2021 : 105). Previous researchers succeeded in concluding that the profitability ratio has a significant influence on going-concern audit opinion (Utami et al. , 2017: 2884) so the researchers obtained the hypothesis that:

H4 : *Financial performance as measured by profitability ratios has a significant effect on going-concern audit opinion.*

3. RESEARCH METHODS

The dependent variable in this study is going concern audit opinion. This study divides the going concern audit opinion into 2 categories by using a dummy measurement. If the auditor considers that the company is still able to maintain its viability with an audit opinion in the form of an unqualified opinion, it is included in category 0. qualified, unreasonable opinion, do not believe or give an opinion, then it is included in category 1. The independent variable in this study is financial performance which includes:

3.1. Activity Ratio (X1).

This study obtained data on the X1 variable through the level of activity in the company. The measurement of the company's activity level is represented by the Fixed Asset Turn Over Ratio. Fixed Asset Turn Over Ratio is the company's ability to use its fixed assets to generate sales,with the following formula:

$$\text{Fixed Assets Turn Over Ratio} = \frac{\text{Operating Income}}{\text{Total Fixed assets}} \times 1 \text{ kali}$$

3.2. Liquidity Ratio (X2).

The independent variable X2 comes from the company's liquidity measurement. In this study, researchers used the calculation of the Current Ratio to represent the level of company liquidity. Current Ratio is the company's ability to pay short-term obligations when billed as a whole, with the following formula:

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current Liabilities}} \times 100\%$$

3.3. Solvency Ratio (X3).

This study uses the firm's level of solvency to measure the independent variable X3. In this study, the level of liquidity is represented byDebt to Asset Ratio. Debt to Asset Ratio is the company's ability to pay off its obligations in its entirety using asset collateral, with the following formula:

$$\text{Debt to Asset Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

3.4. Profitability Ratio (X4).

The independent variable X4 uses the company's profitability data. In this study, the company's profitability is represented by Return On Assets. Return On Assets is the company's ability to generate returns on the company's total assets, with the following formula:

$$\text{Return on Asset} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \times 100\%$$

This study uses quantitative data in the form of secondary data obtained through the official website of the Indonesia Stock Exchange. The secondary data used includefinancial position report per semester, income statement per semester, and independent auditor report for 2018-2020. The research data is managed using Binary Logistics Regression analysis technique.

4. RESULTS AND DISCUSSION

4.1. Analysis of Research Results

Classic assumption test: Table 1 shows the Multicollinearity Coefficients Test Results

Table 1. Multicollinearity Coefficients Test Results
Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Activity Ratio	.689	1,452
Liquidity Ratio	.494	2,023
Solvency Ratio	.686	1.458
Profitability Ratio	.953	1.049

a. Dependent Variable: Audit Opinion Going Concern

Source: SPSS 22 output (data processed in 2021).

Based on the calculation of the Multicollinearity Test showing the tolerance value > 0.10 and the VIF value < 10, it can be concluded that there is no multicollinearity in the data of this study.

4.2 Binary Logistics Regression Test.

Table 2 shows the Binary Logistics Regression Test Results

Table 2. Binary Logistics Regression Test Results
Variables in the Equation

	B	SE	Wald	df	Sig.	Exp(B)
Step 1a X1	-1.091	4.192	.068	1	.795	.336
X2	1.014	1,761	.331	1	.565	2,756
X3	9.593	3,620	7.021	1	.008	1.466
X4	.414	18,342	.001	1	.982	1.513
Constant	1.182	10,568	.012	1	.911	3.259

a. Variable(s) entered on step 1: X1, X2, X3, X4.

Source: SPSS 22 output (data processed in 2021).

Based on the Binary Logistics Regression Test in Table 2, the following regression equation is obtained:

$$Y = 3.259 + 0.336.X1 + 2.756.X2 + 1.466.X3 + 1.513.X4.$$

Based on this equation, it can be interpreted as follows: (1) The constant of 3.259 states that if X1, X2, X3, and X4 do not exist or the value is zero (0), then the variable Y is worth 3.259; (2) The regression coefficient of 0.336 states that each addition of 1 unit of the X1 variable will increase the Y variable by 0.336, assuming that the X1 variable is constant; (3) The regression coefficient of 2.756 states that each addition of 1 unit of variable X2 will increase the variable Y by 2.756, assuming that the variable X2 is constant; (4) The regression coefficient of 1.466 states that each addition of 1 unit of the X3 variable will increase the Y variable by 1.466, assuming that the X3 variable is constant; and (5) the regression coefficient of 1.513 states that each addition of 1 unit of the X4 variable will increase the Y variable by 1.513, assuming that the X4 variable is constant.

4.3 Hypothesis Testing

4.3.1 Regression Model Feasibility Test

Table 3. Feasibility Test Results of the First Regression Model.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	5.535	8	.699

Source: SPSS 22 output (data processed in 2021).

Based on the Feasibility Test of the Regression Model in Table 3, a significant value of $0.699 > 0.05$ was obtained. This means that the regression model is able to predict the value of the observation or can be accepted because it is in accordance with the observation data. The feasibility of the regression model can also be seen through Table 4:

Table 4. Feasibility Test Results of the Second Regression Model.

Omnibus Tests of Model Coefficients

	Chi-square	df	Sig.
Step 1 Step	36,548	4	.000
Block	36,548	4	.000
Model	36,548	4	.000

Source: SPSS 22 output (data processed in 2021).

Based on the Feasibility Test of the Regression Model in Table 4 shows the chi-square value of 36.548 with a significance of $0.000 < 0.05$. This means that the independent variable (X) together can have a significant effect on the dependent variable (Y).

4.4 Classification Matrix

Table 5. Classification Matrix Test Results

Classification Table

Observed			Predicted		Percentage Correct
			Y		
			0	1	
Step 1	Y	0	86	1	98.9
		1	1	7	87.5
Overall Percentage					97.9

a. The cut value is .500

Source: SPSS 22 output (data processed in 2021).

Based on the results of the Classification Matrix Test in Table 5, it shows the power of the regression model to predict the possibility of a company to receive a going concern audit opinion of 87.5% and the strength of the regression model to predict the possibility of a company to receive a non-going concern audit opinion of 98.9%.

4.5 COEFFICIENT OF DETERMINATION

Table 6. Results of the Coefficient of Determination Hypothesis Testing.

Model Summary

Step	-2 Logs likelihood	Cox & Snell R Square	Nagelkerke R Square
1	18350a	.319	.728

a. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

Source: SPSS 22 output (data processed in 2021).

Based on the calculation of the coefficient of determination in Table 6, the Nagelkerke R Square value is 0.728. This means that there is 72.8% variation in the dependent variable (going concern audit opinion) which can be explained from the independent variables which include financial performance in calculating activity ratios, liquidity ratios, solvency ratios, and profitability ratios. The remaining 27.2% is influenced by other variables outside the study.

4.6 PARTIAL SIGNIFICANCE TEST.

Table 7. Partial Significant Test Results.

Variables in the Equation

	B	SE	Wald	df	Sig.	Exp(B)
Step 1a X1	-1.091	4.192	.068	1	.795	.336
X2	1.014	1,761	.331	1	.565	2,756
X3	9.593	3,620	7.021	1	.008	1.466
X4	.414	18,342	.001	1	.982	1.513
Constant	1.182	10,568	.012	1	.911	3.259

a. Variable(s) entered on step 1: X1, X2, X3, X4.

Source: SPSS 22 output (data processed in 2021).

Based on the calculation of the Partial Significant Test in Table 7, the influence of each independent variable or financial performance as measured by the activity ratio, liquidity ratio, solvency ratio, and profitability ratio on the dependent variable, namely going concern audit opinion is described as follows: (a) Based on the test results Table 7 shows the significance level of the activity ratio of $0.795 > 0.05$. So partially the financial performance as measured by the activity ratio does not significantly affect the going concern audit opinion. This means that the first hypothesis is not tested statistically or H_0 is accepted and H_a is rejected; (b) Based on the test results in Table 7, the significance level of the liquidity ratio is $0.565 > 0.05$. So partially the financial performance as measured by the liquidity ratio does not significantly affect the going concern audit opinion. This means that the first hypothesis is not tested statistically or H_0 is accepted and H_a is rejected; (c) Based on the test results in Table 7, the significance level of the solvency ratio is $0.008 < 0.05$. So partially financial performance as measured by solvency ratio has a significant effect on going concern audit opinion. This means that the third hypothesis is statistically tested or So partially financial performance as measured by solvency ratio has a significant effect on going concern audit opinion. This means that the third hypothesis is statistically tested or So partially financial performance as measured by solvency ratio has a significant effect on going concern audit opinion. This means that the third hypothesis is statistically tested or H_0 is rejected and H_a is accepted; and (d) Based on the test results in Table 7, the significance level of the profitability ratio is $0.982 > 0.05$. So partially the financial performance as measured by the profitability ratio does not significantly affect the going concern audit opinion. This means that the first hypothesis is not statistically tested or H_0 is accepted and H_a is rejected.

4.7 Discussion

4.7.1 Effect of Financial Performance as measured by Activity Ratio on Going Concern Audit Opinion

Based on the results of the Partial Significant Test, the activity ratio does not have a significant effect on going-concern audit opinion. So the high or low level of activity owned by Pharmaceutical and Food and Beverage companies will not affect the performance or viability of the company so that it does not cause the auditor to give a going concern audit opinion. This proves that in the implementation of the audit process, auditors do not pay much attention to financial performance through activity ratios.

In this study, financial performance is measured in good condition when it is above the minimum standard, namely: 2 times (Kasmir, 2008: 176) There are 7 samples of companies whose asset management level is below the minimum standard, but cannot have an effect on financial performance and acceptance of going concern audit opinions. This is not in accordance with the analysis of previous researchers who concluded that the activity ratio has an effect on the auditor in providing a going concern audit opinion (Wulandari, 2014 : 556)

4.7.2 Effect of Financial Performance as measured by Liquidity Ratio on Going Concern Audit Opinion

Based on the results of the Partial Significant Test, the liquidity ratio does not significantly affect the going concern audit opinion. Although the pharmaceutical companies and food and beverage companies in this study have low liquidity, they will not affect the company's financial performance or infer the uncertainty of the company's survival so that it does not cause the auditor to give a going concern audit opinion. This proves that in the implementation of the audit process, auditors do not pay much attention to financial performance through liquidity ratios.

Good financial performance can be described by the high level of company liquidity with a safe point of 200% (Kasmir, 2008: 135) In this study there were 8 samples of companies that had a current ratio level of less than 200%. However, the 8 sample companies did not have a negative impact on the company's financial performance. This is in accordance with previous research which concluded that liquidity has no effect on going concern audit opinion (Vernando & Yuniarto, 2018 : 146).

4.8. Effect Of Financial Performance As Measured By Solvency Ratio On Going Concern Audit Opinion

Based on the results of the Partial Significant Test, the solvency ratio has a significant effect on going-concern audit opinion. If the pharmaceutical companies and food and beverage companies in this study have a high level of solvency, it will make the company's financial performance worse because it cannot fulfill its long-term obligations, causing uncertainty for the company's survival and causing the auditor to give a going concern audit opinion. This proves that in the implementation of the audit process, the auditor is very concerned about financial performance through solvency ratios.

The high financial performance can be measured by the lower solvency ratio (Aprinia, 2016: 6) Solvency focuses on funding that comes from the company's debt to creditors. In this study there are 9 samples of companies that have a solvency level above the average standard used, which is 35%. The high level of solvency of the 9 sample companies worsens the viability of the company. This is in accordance with previous research which has concluded that solvency ratio has an influence on going concern audit opinion (Listantri & Mudjiyanti, 2016 : 174).

4.9 Effect Of Financial Performance As Measured By Profitability Ratios On Going Concern Audit Opinion

Based on the research results from the Partial Significant Test, the profitability ratio has no significant effect on going-concern audit opinion. Although the pharmaceutical companies and food and beverage companies in this study have high or low profitability, they will not have an impact on the company's financial performance or the company's survival, so it does not make the auditor give a going concern audit opinion. This proves that in the implementation of the audit process, auditors do not pay much attention to financial performance through profitability ratios.

In this study, the minimum standard used to measure the level of profitability is 30%. (Kashmir, 2016:199) There are 14 samples of companies that have a level of profitability below the minimum standard. However, these 14 companies did not have a negative impact on the survival of the company and did not make the auditor issue a going concern audit opinion. This is not in accordance with previous research which stated that profitability ratios have a significant effect on going concern audit opinion (Utami et al. , 2017: 2884).

5. CONCLUSIONS AND SUGGESTIONS

Based on the results of research that has been carried out by researchers, the researchers conclude that financial performance as measured by solvency ratios has a significant effect on going concern audit opinion and financial performance as measured by activity ratios, liquidity ratios, and profitability ratios has no significant effect on opinion going concern audit.

Based on the results of the research that has been obtained, it is better for companies, especially Pharmaceutical and Food and Beverage Companies, to pay more attention to financial performance as measured by financial ratios, because there are financial ratios that have a significant influence on going concern audit opinions. In addition, further researchers can increase the independent variables that can affect going concern audit opinions and expand the object of research so that the variations in the data held, especially on going concern audit opinions, can be more diverse. This study has limitations because it only uses Pharmaceutical and Food and Beverage Companies, so that the data held as testing material is less varied, especially on going concern audit opinion data and only uses financial ratios as a measure of financial performance variables.

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