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The Influence of Financial Distress, Debt, And Profitability on the Audit Opinions of Going Concerned with Industry-Specialist Auditors as Moderating Variables

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ABSTRACT: This study aims to examine the effect of financial distress, debt, and profitability on the acceptance of going concern audit opinions with the industry-specialist auditors variable as the moderating variable, this research was conducted on the manufacturing industry listed on the Indonesia Stock Exchange for the 2018-2020 period. The data used is secondary data obtained from the Indonesia Stock Exchange website and the company's official website. The theory used is agency theory and signal theory. These two theories can provide an overview of the correlation between the variables in the study. The analytical method used is logistic regression analysis and moderated regression analysis with an absolute difference value approach. The results showed that the financial distress variable proxied by the Altman z-score, and the profitability variable proxied by Return on Assets had a positive and significant effect on the acceptance of going concern audit opinion. In addition, the industry-specialist auditors variable as a moderating variable can strengthen the negative effect of profitability on going-concern audit opinion. Meanwhile, the debt variable as proxied by the Debt to Equity Ratio does not have a positive effect on the acceptance of going concern audit opinions, as well as the industry-specialist auditors variable which is expected to strengthen the positive influence of financial distress, and debt is not supported.

KEYWORDS: Financial Distress, Debt, Profitability, going concern audit opinion, and industry-specialist auditors

1. INTRODUCTION

Financial statements are a source of information that can be used by internal and external parties in a business entity. The available information can enable investors to make the right decisions. Every investment decision made, investors expect high and sustainable returns. Information in the financial statements may contain the entity's financial position, the performance of the entity, and changes in financial position.

Investors will protect their interests by assessing the company's performance based on the financial condition that can be seen in cash flow from operating activities, equity value, changes in company assets, company profits, and total liabilities owned by the company. The financial statements presented by management are also a form of management's accountability to the principal. However, to ensure that what is presented is in accordance with the actual situation, the principle requires the services of an auditor who will carry out auditing activities. An auditor is only able to predict the viability of one accounting period in the future, starting from the date the audit report is issued.

SA Statement No.30 Section 341 (2011) defines if a going concern audit opinion is a statement by the auditor after the audit activity of a business entity has been completed, and the auditor has doubts about the ability of the business entity to maintain its viability.

There are 738 business entities listed on the Indonesia Stock Exchange as of July 23, 2021. The Indonesia Stock Exchange in carrying out its activities has rules that must be obeyed by the entities that are in it. Entities listed on the Indonesia Stock Exchange may not obtain a going concern audit opinion so that they are not delisted. However, not all entities can maintain their business continuity, thus making them obtain a going concern opinion and must be delisted from the IDX.

In 2018 several entities were unable to maintain their viability, so they were delisted from the IDX. PT. Taisho Pharmaceutical is an entity engaged in the consumer goods sector which was delisted on the IDX on March 21, 2018, due to administrative problems. PT. Dwi Aneka Jaya or DAJK is an entity engaged in the basic and chemical industry sector which in the end had to be delisted on 18 May 2018 due to its failure to pay its obligations. PT. Jaya Pari Steel Tbk. or JPRS is an entity engaged in the basic and chemical industry sector which must also be delisted from the IDX on October 08, 2018 because it is unable to fulfill the work agreement.

In 2019 there were also several business entities that were delisted from the stock exchange for various reasons. Sekawan of Intipratama. Tbk. is an entity engaged in the mining sector which had to be delisted from the stock exchange on June 17, 2019 due to administrative problems and poor performance. Grahamas Citrawisata Tbk. is an entity engaged in trade in services and investment which was delisted from the IDX on August 13 on the grounds that it has administrative problems and poor performance so that it is unable to maintain its business continuity (going concern).

The phenomenon that occurred in several entities from 2018 and 2019 should be a motivation for other entities to continue to improve financial performance and strive to continue to maintain business continuity. The deteriorating image of a business entity makes the entity lose the trust of its financiers, and will later have an impact on difficulties in obtaining funds as additional capital to carry out operational activities. Ginting & Suryana (2014) states that if the audit opinion about the fairness in the financial statements of a business entity is not sufficient to provide a description of the condition of the entity, so that a going concern audit opinion becomes very important to be expressed, this expression is expected so that the entity can immediately make efforts to save the entity.

According to research Koh & Tan (1999) concluded that it is not easy for an auditor to decide whether the entity is appropriate or not to be given a going concern opinion because there are no consistent research results that can be used as a reference in providing the opinion. In these conditions the auditor is faced with two choices, namely, 1) if the auditor provides an audit opinion in the form of going concern for an entity, the entity will experience bankruptcy more quickly. This is because there will be many users of financial statements who cancel investments and cancel providing capital loans to the entity concerned; and 2) if the auditor does not immediately give the opinion, the users of the financial statements will not know the worst thing that could happen to the entity.

In this study, financial distress or financial difficulties is associated with how the company manages its business activities. Debt is associated with an entity's ability to pay off its obligations and clearly state to shareholders how much debt it has and whether the entity is able to pay its obligations and the entity's ability to manage its debt. Profitability is associated with how business entities are able to earn profits in an accounting period by using the assets they have, interestingly this ability to earn profits can also attract the attention of users of financial statements.

This study chose entities engaged in manufacturing because in manufacturing there are three sub-sectors, namely basic and chemical industries, miscellaneous industries, and the consumer goods industry with many sub-sub-sectors in it, so that it is expected to provide an overview of the capital market as a whole. Manufacturing companies also have the largest number of companies on the Indonesia Stock Exchange (IDX). In addition, the selection of manufacturing companies as the object of research is due to the fact that according to the facts previously described, cases involving manufacturing companies are more or dominate when compared to companies in other sectors.

Some research related to auditing industry-specialist auditors is related to audit quality. Ishak, Perdana, dan Widjajanto (2015) in his research revealed that audit quality and industry-specialist auditors have a positive correlation, meaning that auditors who have a high level of specialization can make high audit quality. Fitriyani, Utama, Martani dan Rosietta (2015) states that when a business entity is audited by an auditor who has specialist capabilities, a business entity that has the risk of not being able to maintain its continuity will be easily detected by the auditor.

2. LITERATURE REVIEW AND HYPOTHEISIS DEVELOPMENT

Agency Theory, Jensen & Meckling (1976) states that if agency theory describes the contractual relationship that occurs between the owner of capital (principal) and manager (agent), in the principal contract gives the manager the authority to manage and make decisions related to the company's business activities. Therefore, the manager is considered to have a lot of information compared to the principal.

Brigham dan Houston (2006) states that the percentage of share ownership that is not fully will make managers work not wholeheartedly to maximize the welfare of the owners of capital. In a contract that occurs between the principal and the manager will cause a conflict of interest. Conflicts that occur between principals and agents can be minimized by paying agency costs. The use of public accounting services can minimize conflicts, and this will also lead to agency costs for the principal. The auditor supervises the manager through the financial statements and will communicate the results of the examination to interested parties.

Signaling theory explains if a company has a motivation that encourages them to submit information in financial statements, namely accounting information to parties outside the company. The accounting information presented can be in the form of information related to financial statements or information that is not related to financial statements. Information asymmetry is a driving factor for companies to convey information to external parties.

Taufik (2016) dalam Anita (2017) stated that the lack of information obtained by external parties made them carry out self-protection by valuing the company low, and basically each party would have a different perception after they received the signal given by the company. The signal given by the company can be in the form of good news or bad news. In delivering information to external parties, companies are generally very open when providing promotional information or other information that is able to give a signal to external parties that the entity is in a better phase than other entities (good news).

Audit Opinion

The auditor's opinion is part of the report on the audit results, the auditor's opinion is the main information in the independent audit report. Opinions are given after the auditor has completed the stages in the auditing process. According to Jusup (2014) the opinion that can be given by the auditor is divided into five, namely:

1. Unqualified Opinion
2. Unqualified Opinion with Explanatory Language
3. Qualified Opinion
4. Adverse Opinion
5. Disclaimer of Opinion

Going Concern Audit Opinion

Auditing Standard 570 (2013) states that the auditor's responsibility is to obtain sufficient audit evidence and appropriate audit evidence relating to the appropriateness of the use of going concern opinions by the company's management regarding the preparation, presentation of financial statements and providing conclusions on the presence or absence of material uncertainties. about the entity's ability to maintain business continuity. A going concern statement is used as an estimate in a financial report, as long as there is no conflicting information found in the reporting.

Industry-specialist auditors

Industry Specialization Auditors are auditors who are knowledgeable, competent and also have experience in certain industry fields. An auditor who is knowledgeable, competent and has experience in a certain industry has more ability to audit (certain industry) when compared to those who do not have specific audit capabilities (Panjaitan & Chairiri, 2014). A Public Accounting Firm that functions as a provider of audit services in the financial and non-financial fields, will complete the audit process faster if it has specialist staff. Fitriany, Utama, Martani, & Rosietta (2015) stated that industry specialization auditors are able to improve audit quality and provide better information than non-industrial specialization auditors.

Effect of Financial Distress on Going Concern Audit

Erica (2018) states that if an entity's financial statements are very important in the capital market, the report can provide an overview for each user to be able to see how the performance of a company. Financial distress in this study is proxied using the Altmant Z-Score method, this is done to detect indications of bankruptcy in a business entity.

Several research results prove that financial distress has a positive effect on going concern audit opinions, namely research conducted by Izazi & Arfianti (2019) and Damanhuri & Putra (2020) While the research conducted by Listantri & Mudjiyanti (2016), dan Yuliani & Erawati (2017) found that financial distress had no significant and positive effect on going concern audit opinion. Based on the description above, a hypothesis can be formulated, namely:

H_1: Financial Distress has a positive effect on Going Concern Audit Opinion.

Effect of Debt on Going Concern Audit Opinion

Debt is an indicator that can see and assess the ability of a business entity to pay off its obligations. Debt can be proxied by the Debt to Equity Ratio which makes a comparison between total debt divided by total equity. Chen and Church (1992) states that if a business entity has fewer assets than its liabilities, then the company faces the threat of bankruptcy. Signaling theory is used as a means to explain the correlation between debt and going concern audit opinion. The business entity must clearly state to shareholders how much debt it has and whether the entity is able to pay the debt.

Rakatenda & Putra (2016), and Ginting (2018) revealed that debt has no effect on the acceptance of going-concern audit opinion. While the research conducted by Aryantika & Rasmini (2015), Anita (2017), Amami & Triani (2021) and Halim (2021) revealed that debt has a positive effect on the acceptance of going-concern audit opinion. Based on the description above, a hypothesis can be formulated, namely:

H_2: Debt has a positive effect on Going Concern Audit Opinion.

Effect of Profitability on Going Concern Audit Opinion

Profitability can be defined as the ability of a business entity to obtain a net profit from business activities in an accounting period. Profitability can be proxied by Return On Assets. This profitability ratio can show the success obtained by an entity in obtaining profits. High profitability in a business entity indicates that the entity is successful and earns a profit by conducting business activities and illustrates if the entity's performance is good (Sumanti & Mangantar, 2015).

Signaling theory in this study is used to explain the relationship between profitability and going concern audit opinion. Ball & Brown (1968) argues that business entities with high profits have a high probability of conveying information to the public more quickly than entities with low profits. Rahman & Ahmad (2018), Kusumawardhani (2018), and Sukesi & Lastanti (2016) revealed that profitability has a positive and significant effect on the acceptance of going-concern audit opinion. While the research conducted by Anita (2017), and Indriastuti (2016) revealed that profitability has a negative and significant effect on the acceptance of going-concern audit opinion. Based on the description above, a hypothesis can be formulated, namely:

H_3: Profitability has a negative effect on Going Concern Audit Opinion

Influence of industry-specialist auditors in Moderating Financial Distress on Going Concern Audit Opinion

Financial distress is one of the important indicators related to the provision of a going concern audit opinion, because the financial difficulties experienced by a business entity will hinder the operation of the business. The use of industry specialization auditor services is expected to be able to easily identify each component that is able to influence the provision of a going concern audit opinion to a business entity.

Public Accounting Firm (KAP) is a provider of various services to business entities, one of which is auditing services for financial statements. Shareholders need information on a business entity quickly. The need for a long audit time will make the information available on the business entity no longer relevant to the actual conditions. So that auditors with special specializations are considered easier to carry out auditing activities, and are able to provide information in a faster time because they have more knowledge in certain industries. Based on the description above, a hypothesis can be formulated, namely:

H_4: industry-specialist auditors strengthens the positive influence of Financial Distress on Audit Opinion Going Concern

Influence of industry-specialist auditors in Moderating Debt on Going Concern Audit Audit Opinion

The high debt ratio of a business entity indicates that most of the business operating activities are funded by loansThe higher the debt ratio of a business entity, the more fearful its sustainability will be, because when making loans to third parties, the business entity has an obligation to pay the principal and interest on the loan. Debt on industry specialization auditors leads to an increase in supervisory costs. Independent auditors who do not have special expertise will experience difficulties in auditing when the debt condition of an entity is low, because the auditor must really make sure this is true and must have certain ways to see the irregularities that exist. Based on the description above, a hypothesis can be formulated, namely:

H_5: industry-specialist auditors strengthens the positive influence of Debt on Going Concern Audit Opinion

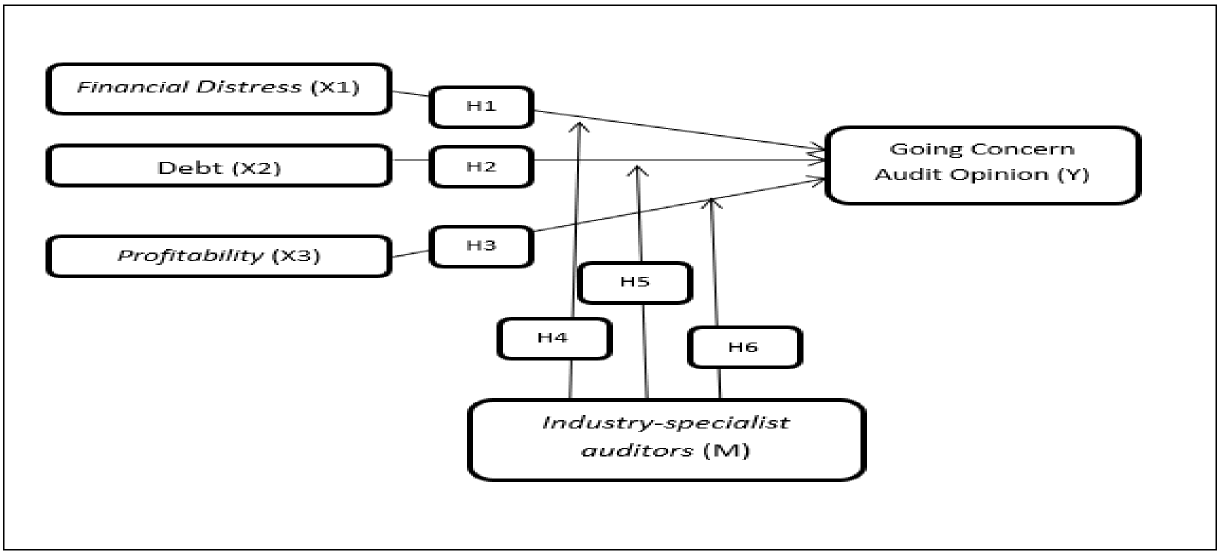
Influence of industry-specialist auditors in Moderating Profitability on Going Concern Audit Opinion

The ability of a business entity to earn a profit is measured by using the profitability ratio. In this study, researchers used signaling theory to explain the effect of industry-specialist auditors (ISA) being able to moderate the relationship between profitability and going concern audit opinion. An increase or decrease in profit in an entity can provide various perceptions from users of financial statements, and will cause various impacts (negative or positive) from the economic decisions taken. So that the use of auditors with special expertise in a business entity can also be an added value to the information presented.

Panjaitan (2014) explains that an auditor with expertise in a particular industry has a greater understanding of the characteristics of the client's business than an auditor with no expertise. Industry specialization auditors (ISA) also have a greater possibility of detecting errors and irregularities in the presentation of financial statements, this is able to make business entities to present better information about earnings. The use of audit services with public accountants who have expertise in certain industries is expected to improve the quality of the information presented, especially information on business operating profits. Based on the description above, a hypothesis can be formulated, namely:

H_6: industry-specialist auditors strengthens the negative effect of Profitability on Going Concern Audit Opinion

Figure 1
Research Framework



3. RESEARCH METHOD

Population and Research

The research population uses all companies in the manufacturing industry listed on the Indonesia Stock Exchange (IDX) in 2018-2020. The sample selection used purposive sampling method with the following criteria:

1. Business entities that have been listed on the Indonesia Stock Exchange in the manufacturing sector during the 2018-2020 period which can be accessed through the IDX's official website, namely www.idx.co.id.
2. The entity has an annual report and publishes financial statements audited by an independent auditor for the period 2018-2020.
3. The business entity did not experience delisting during the 2018-2020 period.
4. The entity to be audited uses the rupiah currency as the reporting currency.

Moderating Variables

Knechel dan Vanstraelen (2007) industry-specialist auditors is an auditor with a proportion of more than the cut off point of 15%.

$$ISA = \frac{Number\ of\ KAP\ Clients\ in\ Industry}{Number\ of\ companies\ in\ Industry}\ x\ 100\%$$

Dependent Variable

Going concern audit opinion is an opinion given by the auditor regarding the ability of a business entity to maintain its viability. This variable is measured using a dummy variable, code 0 is given to entities that do not receive and code 1 is given to entities that receive a going concern audit opinion.

Independent Variable

a. Financial Distress

Z = 0,717 T1 + 0,847 T2 + 3,107 T3 + 0,420 T4 + 0,998 T5

Keterangan:

1. Net working capital / total asset (T1)
2. Earning per share / total asset (T2)
3. Earnings Before Interest Tax / total asset (T3)
4. Equity market value / Total liablities (T4)
5. Sales / total asset (T5)

Based on this analysis, if:

1) Strong or safe when $Z > 2,9$
2) Moderate or moderate when $1,23 < Z < 2,9$
3) Distress or weak when $Z < 1,23$

Financial distress is categorized as a dummy variable, namely, 1 for business entities that are in the financial distress phase with the z-score results being in moderate and weak conditions, and 0 for business entities that are not in the strong phase.

b. Debt

$$\text{DER} = \frac{\text{Total Liability}}{\text{Equity}}$$

c. Profitability

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

Logistics Regression Analysis

A logistic regression serves to test whether the probability of the occurrence of the dependent variable in the study can be estimated by the independent variable (Ghozali, 2013). The regression model can be shown by the following equation:

$$Ln = \frac{OGC}{1 - OGC} = \alpha + \beta 1\,\text{X1} + \beta 2\,\text{X2} + \beta 3\,\text{X3} + \text{€}$$

Testing with regression has stages, namely:

a. Assesing the Feasibility of the Regression Model

Hosmer and Lemeshow's Test table is able to measure the feasibility of the regression model. The model is said to be right if there is no significant difference between the model used and the observation data. If Hosmer and Lemeshow's Test has a sig value > 5%, it can be concluded if the model is accepted because it has a match with the observed data, and vice versa.

b. Overall Model Fit

The overall feasibility test of the model serves to determine the feasibility of a model that has been hypothesized by the researcher, thus it can be tested by comparing the value of -2LogL likelihood block 1 and -2LogL likelihood block 0. It is useful to determine whether the model is fit or not after the independent variables are included. The model is categorized as fit if the value of -2 Log likelihood block 0 (beginning) to a value of -2LogL likelihood block 1 (end) decreases.

c. Nagelkerke R square

Nagelkerke R Square shows the ability of an independent variable in explaining the dependent variable. Nagelkerke R Square has various values, namely 0 and 1.

d. Classification Table

The classification table can display the percentage results of predictions with observations. The better a dependent variable in predicting the model can be seen with the higher the value of the prediction column.

e. Multicollinearity Test

Algifari (2016) states that the requirements that must be met in a regression model are that it must be free from multicollinearity problems. To determine multicollinearity, by determining the value of Variance Inflation Factor (VIF) and Tolerance (TOL). Algifari (2016) also states that the estimated regression equation is free from multicollinearity problems if the TOL is close to zero and the VIF is close to one.

f. Logistic Regression Model Formed and Hypothesis Testing

Output variables in the equation can be estimated parameters of the model. The results of the variables in the equation describe the value of a regression coefficient and describe the level of significance. The coefficient of each variable that has been tested displays the form of correlation between variables.

Moderating Regression Analysis with Absolute Difference Value Approach

The absolute difference value test equation is:

$$Y = \alpha + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 + \beta 5\ [X1 - X4] + \beta 6\ [X2 - X4] + \beta 7\ [X1 - X4] + \text{€}$$

a. Coefficient of Determination Test or R^2

This test measures the power of the model to explain the variance of the dependent variable. The range of values owned by the coefficient of determination is zero and one. If R^2 is small, it indicates that the ability to explain the independent variable to the dependent variation is limited, and vice versa.

b. Goodnes of Fit

If F count > F table and significant level < 0.05, then all independent variables simultaneously have no effect on the dependent variable (H_0) is rejected. The conclusion is that all independent variables have an effect on the dependent variable, and vice versa.

c. Partial Test or T Test

This test can determine the effect of the independent variable in explaining the variation of the dependent variable. If the significance of t < 0.05 means that Ha can be accepted, so it can be concluded if there is an effect of the independent variable on the dependent, and vice versa.

4. RESEARCH RESULTS AND DISCUSSION

The research was conducted using secondary data in the form of audited financial reports and annual and quantitative reports. The object of this observation is all entities engaged in manufacturing that are listed on the IDX. The research population is 173 entities. Based on the purposive sampling technique, only 86 entities met the specified criteria.

Table 1. Sampel Criteria

Description	Total Amount
Business entities engaged in manufacturing listed on the Indonesia Stock Exchange for the period 2018-2020	173
Business entities engaged in manufacturing that experienced delisting during the 2018-2020 period	(4)
Business entities engaged in manufacturing whose financial reports and audit reports are incomplete	(65)
Business entity engaged in manufacturing with a currency other than Rupiah as the reporting currency	(18)
Number of samples in the study	86
Total sample = 86 x 3 years (number of periods in the study)	258

Descriptive Statistics

Provide information about the description of the data in the study, such as the amount of data, minimum, maximum, average, and standard deviation values.

Table 2 . Descriptive Statistics Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Financial Distress	258	0.00	1.00	0.5930	0.49223
Debt	258	-5.21	23.92	1.0949	2.32614
Profitability	258	-1.05	2.23	0.0564	0.18706
Opini Audit Going Concern	258	0.00	1.00	0.1783	0.38350
Industry-Specialist Auditors	258	0.01	0.53	0.2121	0.16342
Valid N (listwise)	258				

Analisis Regresi Logistik

The purpose of logistic regression analysis is to test whether the independent variable can predict the probability of occurrence of a dependent variable.

Table 3. Hosmer & Lemeshow Test

Step	Chi-Square	Df	Signifikan
1	5.644	8	0.687

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Based on the results, it is known that the chi-square value is 5,644 with a df of 8 and a significance value of 0,687 The significance value is 0.687 > 0.05, so the results accept H0, it can be concluded if the hypothesis model fits the data.

Table 4. Overall Regression Model Feasibility Test Results

-2Log Likehood		Selisih Nilai
Step 0	Step 1	
241.900	212.412	29.488

The results show that this research model is feasible, because the value of -2 Log likelihood decreased by 29.488 from step 0 (241.900) to step 1 (212.412).

Table 5. Coefficient of Determination Results (R^2)

Step	*-2 Log Likelihood*	*Cox & Snell R Square*	*Nagelkerke R Squre*
1	212.412	0.108	0.178

The value of Nagelkerke R Square shows the value of the coefficient of determination contained in a logistic regression model. The value of 0.178 means that 17.8% of going concern opinion can be explained by financial distress, debt, and profitability while 82.2% is explained by other variables outside of this study.

Table 6. Classification Table

Classification Table					
	Observed		Predicted: Going Concern Audit Opinion: Not Accepting Going Concern Audit Opinions	Predicted: Going Concern Audit Opinion: Receiving Going Concern Audit Opinions	Predicted: Percentage Correct
Step 1	Going Concern Audit Opinion	Not Accepting Going Concern Audit Opinions	212	0	100.0
		Receiving Going Concern Audit Opinions	42	4	8.7
	Overall Percentage				83.3

The results show that from 212 samples of observational data that are not proven to get a going concern opinion, it can be predicted as much as 100% correct using a logistic regression model. In addition, of the 46 total samples of observations, there are 42 samples or about 8.7% that it is not appropriate to get a going concern audit opinion predicted by the logistic regression model, and the rest can be predicted by data. This means that 216 data can be obtained from a total of 258 observation samples or as much as 83.3% are able to be accurately predicted using the regression model.

Table 7. Multicollinearity Test Results

Model		Collinearity Statistics: Tolerance	Collinearity Statistics: VIF
1	Financial Distress	.859	1.164
	Debt	.968	1.033
	Profitability	.930	1.075
	Industry- Specialist Auditors	.906	1.104

The test results above show that there is no multicollinearity problem in this study, because the TOL value is greater than 0.01 and the VIF value is less than 10.

Table 8. Variables in The Equation

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Financial Distress	0.836	0.421	3.950	1	0.047	2.307
	Debt	-0.117	0.093	1.608	1	0.205	0.889
	Profitability	-4.015	1.992	4.063	1	0.044	0.018
	Industry-Specialist Auditors	-3.761	1.562	5.796	1	0.016	0.23
	Constant	-1.206	0.455	7.033	1	0.008	0.299

Based on table 8, the equations of the logistic regression model obtained are as follows:

Audit Opinion GC = -1,206 + 0,836 FDS – 0,117 UTG – 4,015 PRO – 3,761 ISA + e

Moderation Regression Test Results Using Absolute Difference Value Approach

1. Testing the Value of Absolute Difference in the Fourth Hypothesis

Table 9. Test results R^2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.277[a]	0.077	0.066	0.37062
a. Predictors: (Constant), Mode1, Zscore: Financial Distress, Zscore: Industry-Specialist Auditors				

Adjusted R-Square is 0.045 or 4.5%. This means that the variables Zscore: Financial Distress, Zscore: Industry-specialist auditors and Mode1 are able to predict the Going Concern Opinion variable by 4.5% and the remaining 95.5% is influenced by aspects other than this study.

Table 10. F Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.909	3	0.970	7.059	.000[b]
	Residual	34.890	254	0.137		
	Total	37.798	257			
a. Dependent Variable :Opini Audit Going Concern						
b. Predictors: (Constant), Mode1, Zscore: Financial Distress, Zscore: Industry-Specialist Auditors						

The calculated F value is 7.059 and the significance level is 0.000 <0.05. This means that the independent variables Zscore: Financial distress, Zscore: Industry-specialist auditors, and Mode1 simultaneously affect going concern opinion.

Table 11. t Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.107	0.052		2.062	0.040
	Zscore: Financial Distress	0.059	0.024	0.153	2.424	0.016
	Zscore: Industry-Specialist Auditors	-0.088	0.028	-0.230	-3.182	0.002
	Mode1	0.051	0.034	0.107	1.525	0.129
a. Dependent Variable: Opini Audit Going Concern						

The table results show that the Zscore: Financial Distress variable has a coefficient value of 0.059 with a significant probability of 0.016. Variable Zscore: Industry-Specialist Auditors has a coefficient value of -0.088 with a significant probability of 0.002. The moderating variable is mode1 which has a sig value of 0.129 > 0.05, meaning that H4 is rejected.

2. Testing the Value of Absolute Difference in the Fifth Hypothesis

Table 12. Test results R^2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.257[a]	0.066	0.055	0.37278
a. Predictors: (Constant), Mode2, Zscore(M) Industry-Specialist Auditors, Zscore: Debt				

The Adjusted R-Square value is 0.055 or 5.5%. This means that the variable Zscore: Debt, Zscore (M) industry-specialist auditors and Mode2 are able to predict the Going Concern Opinion variable by 5.5% and the remaining 94.5% is influenced by factors other than this study.

Table 13. F Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.502	3	0.834	6.002	.001[b]
	Residual	35.296	254	0.139		
	Total	37.798	257			
a. Dependent Variable: Opini Audit Going Concern						
b. Predictors: (Constant), Mode2, Zscore(M) Industry-Specialist Auditors, Zscore: Debt						

The calculated F value is 6.002 and the significance level is 0.001 <0.05. This means that the independent variables Zscore: debt, Zscore(M) Industry-specialist auditors, and Mode2 simultaneously affect going concern opinion.

Table 14. t Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.120	0.039		3.118	0.002
	Zscore: Debt	-0.081	0.037	-0.211	-2.213	0.028
	Zscore(M) Industry-Specialist Auditors	-0.112	0.027	-0.293	-4.160	0.000
	Mode2	-0.062	0.033	-0.187	-1.893	0.060
a. Dependent Variable: Opinion Audit Going Concern						

The table results show that the variable Zscore: Debt has a coefficient value of -0.081 with a significant probability of 0.028. The variable Zscore(M) industry-specialist auditors has a coefficient value of -0.112 with a significant probability of 0.000. The moderating variable, namely mode2, has a sig value of 0.060 > 0.05, meaning that H5 is rejected.

3. Testing the Value of Absolute Difference in the Sixth Hypothesis

Table 15. Test results R^2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.295[a]	0.087	0.077	0.36854
a. Predictors: (Constant), Mode3, Zscore(M) Industry-Specialist Auditors, Zscore: Profitability				

The Adjusted R-Square value is 0.077 or 7.7%. This means that the variable Zscore: profitability, Zscore (M) industry-specialist auditors and Mode3 are able to predict the Going concern Opinion variable by 7.7% and the remaining 92.3% is influenced by factors other than this study.

Table 16. F Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.300	3	1.100	8.100	.000[b]
	Residual	34.498	254	0.136		
	Total	37.798	257			
a. Dependent Variable: Opini Audit Going Concern						
b. Predictors: (Constant), Mode3, Zscore(M) Industry-Specialist Auditors, Zscore: Profitability						

The calculated F value is 8.100 and the significance level is 0.00 < 0.05. This means that the independent variables Zscore: Profitability, Zscore(M) Industry-specialist auditors, and Mode3 simultaneously affect going concern opinion.

Table 17. T Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.124	0.033		3.744	0.000
	Zscore: Profitability	-0.090	0.028	-0.234	-3.256	0.001
	Zscore(M) Industry-Specialist Auditors	-0.092	0.025	-0.240	-3.751	0.000
	Mode3	0.066	0.029	0.170	-2.258	0.025
a. Dependent Variable: Opini Audit Going Concern						

The table results show that the Zscore: Profitability variable has a coefficient value of -0.090 with a significant probability of 0.001. The variable Zscore(M) industry-specialist auditors has a coefficient value of -0.092 with a significant probability of 0.000. The moderating variable, namely mode3 has a sig value of 0.025 <0.05, meaning that H6 is accepted.

5. DISCUSSION

a. Financial Distress has a positive effect on going concern audit opinion.

Based on the results of testing the first hypothesis, with a regression coefficient of 0.836 with a significance level of 0.047 <0.05, these results provide evidence that financial distress proxied by the Altman Z-Score method has a significant and positive effect on the acceptance of going-concern audit opinions. This shows that the lower z-score value indicates that the entity is experiencing financial difficulties which will also have an impact on the acceptance of the audit opinion. This means that the higher the entity is experiencing financial difficulties, the higher the possibility of the entity getting a going concern audit opinion

This research is in line with Damanhuri & Putra (2020), and Dewi & Latrini (2018) revealed that financial distress significantly and positively affected the going concern audit opinion acceptance. In addition, there are several studies that have results that are not in line with this research, namely research conducted by Nugroho,dkk (2018), Kusumawardhani (2018) and Saputra & Kustina (2018) revealed that going concern opinion is negatively affected by financial distress.

b. Debt has a positive effect on going concern audit opinion.

Based on the results of testing the second hypothesis, with a regression coefficient of -0.117 with sig 0.205 > 0.05. This indicates that debt has no effect on going concern audit opinion. This condition illustrates that the ability of a business entity to pay off its obligations is not able to influence the acceptance of going concern audit opinions that occur in this study. If this condition occurs, the researcher argues that by maximizing asset management in order to earn a profit, the business entity is able to pay its obligations, thus debt has no effect on the acceptance of going concern audit opinions.

Debt proxied by DER can measure the extent to which a business entity has the ability to fund its business activities, which is done by comparing the total debt owned by the entity with total equity. Harahap (2015) in his book entitled Critical

Analysis of Financial Statements states if an entity can be categorized as good if the entity has capital that is greater than its debt. The smaller the DER value of the entity, the more it will attract the attention of users of financial statements. This research is in line with Yuliyani & Erawati (2017) and Putranto (2018) revealed that debt has no effect on going concern audit opinion.

c. Profitability has a negative on going concern audit opinion.

The test of profitability on the acceptance of opinion has a regression coefficient of -4.015 with sig 0.044 <0.05. The results of this test indicate that profitability has a negative and significant effect on going-concern audit opinion. The profitability ratio has a minimum value of -1.05 and a maximum value of 2.23 with an average value of 0.056. This shows that the average entity in this study has a fairly good condition in generating profits. The maximum value can describe if there are entities that are in good condition but if viewed based on this small average value, this will be a negative signal to users of financial statements if the average entity on the IDX that is the sample in this study is not able to earn a profit.

The condition of a business entity that is not able to generate large profits can be a concern for the auditor to see the entity's ability to maintain its business continuity. Harahap (2015) also expressed an opinion that if the profitability ratio of the entity is small, the entity's ability to earn profits is also small. This means that the entity's ability to earn profits can be considered in granting a going concern audit opinion. The results of this study indicate that if profitability has a negative effect on going concern opinions, this means that the higher the entity's profit ratio, the smaller the probability of receiving the opinion, and the lower the entity's profit ratio, the higher the probability of the entity receiving the opinion.

The results of this study are in line with Listantri & Mudjiyanti (2016), Indriastuti (2016) and Putranto (2018) states that profitability has a negative effect on going-concern audit opinion. This means that the company's profitability is high, the possibility of the entity receiving a going concern opinion will be low, and vice versa. This result is not in line with Lie,dkk (2016) disclose if profitability does not have a positive influence on the acceptance of going-concern audit opinion.

d. The influence of industry-specialist auditors in moderating the positive influence of financial distress in going concern audit opinion.

Research related to the fourth hypothesis has test results which show that the moderating variable1 has a significance of 0.129 > 0.05. The results of the analysis shown illustrate that the moderating variable in this study is not able to influence financial distress on the acceptance of going-concern opinions, in other words, the fourth hypothesis in this study is rejected.

The results of the research on the fourth hypothesis are not able to align with the first hypothesis in this study. This means that the presence or absence of the industry-specialist auditors variable in moderating financial distress and going concern opinion is not important. This is shown by the test results that are not able to provide evidence if the existence of a moderating variable can have a different impact specifically in this study.

e. The influence of industry-specialist auditors in moderating the positive influence of Debt on going concern audit opinions.

The results of the tests carried out show that the mode2 variable has a significance of 0.060 > 0.05. The analysis conducted based on the results of the study concluded that the interaction between the moderating variables and debt has no effect on the acceptance of going-concern opinions. This indicates that the fifth hypothesis in this study is not supported or rejected.

This condition can also be caused by testing carried out on the second hypothesis where the results also show that debt has no influence on the acceptance of the opinion, so that when the moderation test is carried out, it still has no relationship or has no effect. This can happen because the auditor when giving an opinion does not see the extent to which the entity's capital (internal funding) is able to cover the entity's debts to external parties, but the auditor will tend to pay attention to the overall condition of the entity. Not only that, conditions like this can occur if an entity with a high debt ratio calculation but has management that manages its finances well so that it is able to present financial statements fairly, can be an influence in giving the opinion.

f. The influence of industry-specialist auditors in moderating the negative effect of probability on going concern audit opinion.

The sixth hypothesis is that industry-specialist auditors strengthen the positive effect of profitability on going-concern audit opinions. The results of the tests carried out show that the mode3 variable has a significance of 0.025 <0.05. Based on the results of data processing, it is indicated that the moderating variable can strengthen the negative influence of profitability on the acceptance of going-concern opinions, which means that the last research hypothesis is supported or accepted. This means that the existence of the industry-specialist auditors variable in this study is able to have a negative influence (strengthen) profitability in the acceptance of opinions, so that this is in line with testing the third hypothesis.

Generally, operational activities in a business entity have a large role in describing the performance of an entity, not infrequently this condition can also be a reflection of its survival. So, things like this become a consideration for an auditor in giving an opinion. Signal theory states that management in a business entity will convey information about its entity in order to attract the attention of investors which is the most important thing for an entity. Statements provided by the auditor are more reliable by users of financial statements, because the auditor is considered an independent party and has no interest in the entity.

6. CONCLUSIONS AND SUGGESTIONS

The purpose of this study is to obtain information about the effect of Financial Distress, Debt, and Profitability as independent variables, on going concern audit opinion as the dependent variable, with industry-specialist auditors as moderating. This study uses logistic regression analysis with a total of 258 observations obtained from 86 business entities with a research period of 3 years. The conclusion of this study is that three hypotheses have been proven as predicted, namely the first hypothesis, the third hypothesis, and the sixth hypothesis. The remaining three hypotheses did not support the researcher's estimates, namely the second hypothesis, the fourth hypothesis, and the fifth hypothesis.

The research that has been carried out has several limitations, namely this research only examines three variables, namely financial distress, debt, and profitability, while the provision of going concern audit opinions can be influenced by other variables. The industry-specialist auditors indicator which is the moderating variable in the study is measured by calculating based on KAP, not personal auditors. This is because it is difficult to obtain data related to personal auditors.

In an effort to improve further research, suggestions that can be put forward are that further research can also apply the methods in this research to different research objects, for example for entities in the mining sector, banking, and others.

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