THE EFFECTS OF *AUDIT LAG, OPINION SHOPPING, LEVERAGE,* AND PROFITABILITY TO THE *GOING CONCERN* AUDIT OPINION

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Abstract

This study aims to determine the effect of audit lag, opinion shopping, leverage and profitability to the going concern audit opinion. The independent variables used in this study are audit lag, opinion shopping, leverage and profitability. The dependent variable used in this study is the going concern audit opinion. Data were obtained from audited financial statements and annual reports of manufacturing companies listed on the Indonesia Stock Exchange. The samples used were 26 companies during the period 2016-2018 with the total final sample being 78 samples. The sampling method is the purposive sampling method. The type of data used entirely is in the form of quantitative secondary data. This study uses a logistic regression analysis method. The result of this study indicate that leverage has a significant positive effect on going concern audit opinion, audit lag does not have a significant and negative effect on going concern audit opinion, opinion shopping does not have a significant and positive effect on going concern audit opinion, and profitability does not have a significant and negative effect on going concern audit opinion.

Keywords: *Audit Lag, Opinion Shopping, Leverage, Profitability, Going Concern Audit Opinion.*

INTRODUCTION

The going concern audit opinion is issued by the auditor if according to the auditor there are doubts for the company to be able to maintain its survival within the next twelve months. If there are doubts for the company in maintaining its life, the auditor has the right to issue a going concern audit opinion in the audit report that will be stated in the explanatory paragraph or in the opinion paragraph.

One of the most recent bankruptcy cases, PT Sariwangi Agricultural Estate Agency, which is experiencing financial problems with its affiliated company, PT Airlines Perkebunan Indorub Sumber Wadung, began to be smelled since 2015 due to a debt of up to Rp 1.05 trillion to a number of creditors. Bankruptcy cases like this are the basis of the motivation of this study because with the company's condition, signs of bankruptcy have emerged whether the auditor will issue a going-concern audit opinion or not.

There are various opinions regarding the factors that influence the acceptance of the Going Concern audit opinion, such as research conducted by Simamora and Hendarjatno (2019) explaining the factors affecting going concern audit opinion are found in the relationship between the auditor and the client. According to Carson et al. in Simamora and Hendarjatno (2019) the characteristics of the relationship between

auditors and clients include audit client tenure, audit lag and opinion shopping. Going concern audit opinion is also related to a company's financial situation, Simamora and Hendarjatno's research (2019) uses liquidity ratio and leverage.

Leverage according to Susanto, Yulius (2009) in Enggar and Evi Maria (2015) is "a ratio that describes the level of debt compared to company assets". Companies with smaller asset values when compared with their obligations, will face the danger of bankruptcy. In Simamora and Hendarjatno's research (2019) and Nugroho, Nurrohmah, and Anasta (2018), the leverage variable has a significant influence on going concern opinion. So the leverage ratio can be used as a benchmark in receiving going concern audit opinion.

Mc.Keown et.al (1991) in Dura and Nuryatno (2015) states that "going-concern audit opinion is more common when opinion expenditure is late". This can be made possible because the auditor conducts too many tests, so the manager conducts lengthy negotiations when there is a survival uncertainty or the auditor expects to solve the problem at hand to avoid issuing a going concern audit opinion.

Chen et al. (2005) in Nursasi and Evi Maria (2015) stated that "when a company changes its auditor it will reduce the likelihood of getting an unwanted audit opinion, compared to a company that has not replaced its auditor for some period". So a company that succeeds in opinion shopping, it hopes to get an unqualified opinion from the new auditor.

Profitability means the company's ability to generate profits for a certain period. The higher the value of profitability, the greater the company's ability to generate profits. The company's financial condition can be seen through the company's financial statements, if the company with a good level of profitability will be seen better in the eyes of investors. A positive level of profitability indicates that the company made a profit, on the contrary with a negative level of profitability means that the company suffered losses.

The target in this study is manufacturing companies listed on the Indonesia Stock Exchange in 2016 - 2018. Researchers are interested in choosing this target because manufacturing companies often cheat or cooperate with auditors. So the difference between this research and previous research lies in the research variables, the research period and the object of research.

The general objective of this research is to analyze the factors that can encourage companies to accept going concern audit opinions, such as audit lag, opinion shopping, leverage, and

profitability. Thus, this research is expected to provide a valuable explanation of the relationship between variables relating to the factors that drive companies to accept going-concern audit opinions.

The theoretical benefits of the results of this study are expected to contribute to adding information and additional knowledge regarding the development of accounting and auditing theory. And also this research is expected to provide information, practical and beneficial contributions to organizations / companies, investors, and academics.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Agency theory according to Jensen and Meckling (1976) in Krissindiastuti and Rasmini (2016) is "a contract involving agents and principals, where the agent carries out some services for the principal in order to meet his needs". According to Astuti (2012) in Simamora and Hendarjatno (2019) agency problems will arise when conflicts of interest occur between principals and agents. Due to different desires, an independent third party is needed as a mediator between the principal and the agent.

Auditors are parties who are considered to be able to bridge the

According to Ryu and Roh (2007) in Simamora and Hendarjatno (2019) interests of principals and agents in managing company finances, so that the auditor has the function of monitoring the work performed by a manager through financial statements and considering the going concern of the company's business in carrying out its business activities (going concern). The auditor's accountability includes the provision of guarantee services in the form of financial statement evaluations made by agents or companies regarding the reasonableness of the financial statements. This evaluation results in an audit opinion. The audit opinion provided by the auditor can be a measure for the principal to assess the performance of agents in managing the company's business activities. According to Mayangsari (2003) in Krissindiastuti and Rasmini (2016) states "problems arise when many audit failures occur made by the auditor regarding going concern opinion". The causes include the problem of self-fulfilling prophecy which results in the auditor being reluctant to disclose the going concern status that arises when the auditor is concerned that the going concern opinion issued can accelerate the failure of the problematic company **(Venuti, 2007 in Krissindiastuti and Rasmini, 2016)**.

"Audit Lag is the number of days between the end date of the financial statements and

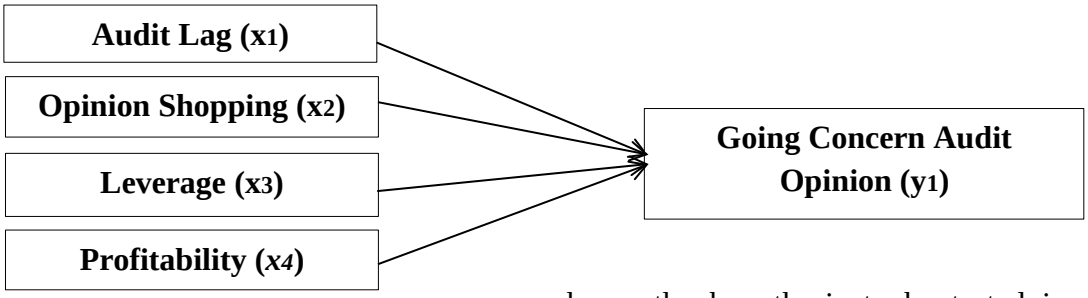
the date of issuance of the audit report". Mc.Keown et.al (1991) in Dura and Nuryatno (2015) states that "going-concern audit opinion is more common when opinion expenditure is late". This can be made possible because the auditor conducts too many tests, so the manager conducts lengthy negotiations when there is a survival uncertainty or the auditor expects to solve the problem at hand to avoid issuing a going concern audit opinion.

According to the SEC in Simamora and Hendarjatno (2019) what is meant by opinion shopping is "An activity looking for auditors who are willing to support the accounting treatment proposed by management to achieve corporate reporting objectives". Companies that succeed in opinion shopping make changes to the auditor in hopes of getting an unqualified opinion from the new auditor because qualified opinions tend to be avoided and less favored by clients. Opinion shopping has a negative impact on users of financial statements.

According to Susanto, Yulius (2009) in Enggar & Evi Maria (2015) "leverage is a ratio that describes the level of debt compared to company assets". Companies with smaller asset values when compared with their obligations, will face the danger of bankruptcy. Leverage can be used to see the company's ability to meet its obligations or debt payments to other parties that can show the company's performance. The greater the company's assets that are borne by the loan, the more the company depends on the loan in carrying out their activities. Furthermore, companies must bear debt and greater interest.

According to Sutrisno (2009) in Purba and Nazir (2019) "profitability ratios are ratios used to measure the level of profit of the company which shows better management in managing the company". Profitability is able to measure the company's ability in overall management effectiveness as indicated by the size of the level of profits obtained. Companies with good profitability will be seen better in the eyes of investors. A positive level of profitability indicates that the company made a profit, on the contrary with a negative level of profitability means that the company suffered losses.

Figure 1
Conceptual Framework



Audit Lag To The Going Concern Audit Opinion

Audit lag is the number of days between the end date of the financial statements and the date of issuance of the audit report (Ryu and Roh, 2007 in Simamora and Hendarjatno, 2019). The auditor delays issuing an opinion in the hope that management can solve the problem, so they can avoid going-concern audit opinions. The longer the auditor issues his opinion, the possibility that the company accepts the Going Concern audit opinion will be smaller and vice versa.

The results of Simamora and Hendarjatno's research (2019), Dura and Nuryatno (2015), and Mariana, Kuncoro, and Ryando (2018) prove that the audit lag variable does not significantly influence the going concern audit opinion. In a previous study that produced audit lag did not affect the acceptance of going concern audit opinion, the researcher was interested in examining whether audit lag had no influence with going concern audit opinion. From the various explanations above, the hypothesis to be tested is as follows:

H1: Audit Lag negatively affects the Going Concern Audit Opinion

Opinion Shopping To The Going Concern Audit Opinion

Opinion shopping is defined by the SEC in Simamora and Hendarjatno (2019) as "an activity to find auditors who are willing to support the accounting treatment proposed by management to achieve corporate reporting objectives". Companies usually change auditors to avoid receiving Going Concern audit opinions. Some factors that motivate managers to do opinion shopping include willingness to meet targets and the need to maintain business sustainability (Praptitorini and Januarti, 2011 in Simamora and Hendarjatno, 2019). The more often companies do opinion shopping, then the possibility of companies accepting Going Concern audit opinions will be smaller and vice versa.

The results of the study by Enggar and Evi Maria (2015) and Krissindiastuti and Rasmini (2016) prove that opinion

shopping variables have a significant positive effect on going concern audit opinion. And in Simamora and Hendarjatno's research (2019), opinion shopping has a significant influence on going concern opinion. But this is not in line with research conducted by Nurhayati, Astuti, and Harimurti (2015). The results of opinion shopping research do not significantly influence the going concern audit opinion. Based on the description above, then the hypothesis can be formulated as follows:

H2 : Opinion Shopping negatively affects the Going Concern Audit Opinion

Leverage To The Going Concern Audit Opinion

The leverage ratio aims to measure how far the financial needs of the company include loans (Weston and Brigham, 2001; Riyanto, 2001). The increasing obligations show the failure of companies to repay loans which is getting higher. Consequently, the auditor may give a going concern audit opinion. The higher the leverage ratio, the more likely the company will receive going-concern audit opinion will be even greater and vice versa.

Priyono's research results (2019) prove the leverage variable has a significant positive effect on going concern opinion. And in Simamora and Hendarjatno's research (2019) and Nugroho, Nurrohmah, and Anasta (2018), the leverage variable has a significant influence on going concern opinion. So the leverage ratio can be used as a benchmark in receiving going concern audit opinion. But this is not in line with research conducted by Enggar and Evi Maria (2015). The results of research on leverage have no significant effect on going concern audit opinion. Based on the description above, then the hypothesis can be formulated as follows:

H3 : Leverage has a positive effect on Going Concern Audit Opinion

Profitability To The Going Concern Audit Opinion

Profitability shows how the company generates profits from its operational activities. Companies with high profitability illustrate that the company is running well and can maintain its survival. With the high profitability of the company, the lower the possibility of the auditor to give a going concern audit opinion, in contrast to the low profitability of the company, it allows the auditor to give a going concern audit opinion.

Pradika research results (2017) prove the profitability variable significantly influence the going concern audit opinion. But this is not in line with research conducted by Purba and Nazir (2019) and Nugroho et al., (2018) to obtain the results of profitability research that does not significantly influence going concern audit

opinion. Based on the description above, then the hypothesis can be formulated as follows :

H4 : Profitability negatively affects the Going Concern Audit Opinion

RESEARCH METHODS

Research Approach

This study aims to test the hypothesis of the influence of the significance of the independent variables on the dependent variable. The independent variables that were approved were (1) Lag Audit; (2) Opinion Shopping; (3) Leverage; (4) Profitability, while the dependent variable issued is the Going Concern Audit Opinion. This research was conducted in its realization with an analysis of manufacturing company units listed on the Indonesia Stock Exchange. The time horizon used in this research is to collect data so that it will use the SPSS data tool.

Population and Sample

The data used for this study are secondary data obtained from the publication of the Indonesia Stock Exchange website (idx.co.id). The population that will be used in this study are manufacturing companies from all sectors listed on the Indonesia Stock Exchange for the period of 2016 to 2018. The sampling technique used is using pooling data, namely by combining purposive sampling and cross-sectional. There are several criteria in company sampling, including:

1. Companies that issue financial statements in the period 2016-2018
2. Manufacturing companies that have not delisting for the period of 2016-2018
3. Companies that have suffered losses for at least 2 years or negative equity for one year of financial statements during the study period (2016-2018)
4. Presentation of financial statements using the rupiah exchange rate

Variables and Measurements

This study uses the dependent variable going concern audit opinion. Based on Simamora and Hendarjatno's research (2019) going concern audit opinion is measured using a dummy variable, which is code 1 given to companies that receive going concern audit opinion and code 0 is given to companies that receive non going concern audit opinion, in this case going concern audit opinion is a modified unqualified opinion, a qualified opinion, an adverse opinion, and disclaimer of opinion.

Variabel Independen

Audit Lag

Audit lag is measured by calculating the time period of the KAP in conducting an audit from the end date of the financial

statements to the date of issuance of the audit report. With the formula:

Audit Lag = audit report date – closing date of the financial year

Opinion Shopping

Opinion shopping is measured using a dummy variable, namely: code 1 for companies audited by different auditors for the following year after the company gets a going concern audit opinion, and code 0 for companies audited by the same auditor for the following year after the company gets going audit opinion concern.

Leverage

The measurement used for leverage in this study is to divide the company's total liabilities with the company's total assets.

Debt to Total Asset Ratio= $\frac{Total\ Liability}{Total\ Asset}$

Profitability

Company profitability can be measured by calculating return on assets (ROA) by dividing company profits by the company's total assets.

Profitabilitas (ROA) = $\frac{Net\ Income}{Total\ Asset}$

Data analysis method

To test the research sample data, researchers used several tests, namely descriptive statistical analysis, data feasibility test, and hypothesis testing. The data suitability test consists of the goodness of fit test and the overall fit model test. Hypothesis testing is in the form of coefficient of determination test (nagelkerke r square), simultaneous f test, and partial t test.

The data testing method used in this study is the logistic regression model. Logistic regression model (regression logistic) is hypothesis testing conducted with dummy variables by giving codes / numbers "1" and "0" to the two variables that are used as a comparison. The logistic regression model that will be used in this study is as follows:

$$Ln\frac{GCAO}{1-NGCAO} = \alpha + \beta_1.\ ALAG + \beta_2.\ OS + \beta_3.\ LEV + \beta_4.\ PROF + e$$

Explanation:

$Ln\frac{GCAO}{1-NGCAO}$ = Dummy variable, code 1 for the receiving company going concern audit

Opinion, code 0 for those not.

α = Constants

$\beta_{1,2,3,4}$ = Regression coefficient

ALAG = *Audit lag*

OS = *Opinion Shopping*

LEV = *Leverage*

PROF = Profitabilitas

e = Standard Error

RESULTS AND DISCUSSION

The data used in this study are secondary data obtained from the publication of the Indonesia Stock Exchange website (idx.co.id). The

population that will be used in this study are manufacturing companies from all sectors listed on the Indonesia Stock Exchange for the period of 2016 to 2018. There are several criteria for company sampling, including:

Table 1
Sampling Criteria

No	Sample criteria	Total
1.	Manufacturing companies from all sectors listed on the Indonesia Stock Exchange for the period of 2016 to 2018	177
2.	Companies that do not publish financial statements in the 2016-2018 period	(30)
3.	Manufacturing companies delisting for 2016-2018	(0)
4.	Companies that have not suffered losses for at least 2 years or negative equity for one year of financial statements during the study period (2016-2018)	(114)
5.	Presentation of financial statements that do not use rupiah exchange rates	(7)
	Number of Final Samples	**26**
	Observation Year (2016-2018)	**3**
	Number of observations	**78**

The results of the descriptive statistical analysis of this study are as follows:

Table 2
Deskriptif Test

	N	Minimum	Maximum	Mean	Std. Deviation
opiniY	78	0	1	.19	.397
alagX1	78	41	2148	117.85	234.436
osX2	78	0	1	.06	.247
levX3	78	.035	2763.721	36.117	3.128
profX4	78	-16.144	.348	-.258	1.825
Valid N (listwise)	78				

Source: Data processed

In the Going Concern Audit Opinion (OAGC) variable the minimum value of the data is 0 and the maximum value of the data is 1. With an average (mean) of data 0.19 and a standard deviation of 0.397. Audit Lag Variable (ALAG) the minimum value of data is 41 and the maximum value of data is 2148. With an average (mean) of data 117.85 and a standard deviation of 234.437. Variable Opinion Shopping (OS) minimum value of data is 0 and maximum value of data is 1. With a mean of 0.06 data and a standard deviation value of 0.247. Leverage Variable (LEV) minimum data value of 0.035 and maximum data value of 2763,721. With an average (mean) of 36,117 data and a standard deviation of 3,128. Profitability variable (PROF) the minimum value of data is -

16,144 and the maximum value of data is 0,348. With a mean (mean) of data -0.258 and a standard deviation of 1.825.

The results of goodness of fit test of this study are as follows:

Table 3
Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	5.211	8	.735

Source: Data processed

Based on test results *Hosmer and Lemeshow's Goodness of Fit Test*, shows that the statistical value of Hosmer and Lemeshow's Goodness of Fit Test is 5,211 with a significance probability of 0.735 whose value is above 0.05. Then the null hypothesis is accepted and the alternative hypothesis is rejected, this means that the model can be accepted because it matches the observational data, so it is able to predict the value of observation from going concern audit opinion.

Model fit test results for Block Number = 0 can be seen in the following table:

Table 4
Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	76.897	-1.231
	2	76.372	-1.424
	3	76.370	-1.435
	4	76.370	-1.435

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 76.370

c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Source: Data processed

The results of the fit test model Block Number = 1 can be seen in the following table:

Table 5

Iteration History[a,b,c,d]

Iteration		-2 Log likelihood	Coefficients Constant	alagX1	osX2	levX3	profX4
Step 1	1	54.453	-1.645	.000	3.337	-.017	-3.218
	2	49.870	-2.266	.000	4.842	-.035	-6.366
	3	49.270	-2.471	.000	6.024	-.042	-7.549
	4	49.145	-2.485	.000	7.056	-.042	-7.658
	5	49.099	-2.485	.000	8.063	-.041	-7.659

6	49.079	-2.485	.000	9.065	-.041	-7.658
7	49.059	-2.486	.000	10.066	-.039	-7.655
8	45.414	-2.818	.000	11.073	.606	-6.666
9	41.134	-3.958	-.002	12.579	2.449	-4.509
10	41.028	-4.103	-.003	13.746	2.605	-4.714
11	41.009	-4.038	-.004	14.774	2.671	-4.754
12	41.007	-4.015	-.004	15.781	2.690	-4.761
13	41.007	-4.014	-.004	16.781	2.691	-4.761
14	41.007	-4.014	-.004	17.781	2.691	-4.761
15	41.007	-4.014	-.004	18.781	2.691	-4.761
16	41.007	-4.014	-.004	19.781	2.691	-4.761
17	41.007	-4.014	-.004	20.781	2.691	-4.761
18	41.007	-4.014	-.004	21.781	2.691	-4.761
19	41.007	-4.014	-.004	22.781	2.691	-4.761
20	41.007	-4.014	-.004	23.781	2.691	-4.761

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 76.370

d. Estimation terminated at iteration number 20 because maximum iterations has been reached. Final solution cannot be found.

Source: Data processed

Tables 4 and 5 show a comparison between the value of the first block Log Likelihood (0) and the second block Log Likelihood (1). From the calculation results of the Iteration History block table 0 or when the independent variable is not included in the model: N = 78 gets the value of -2 Log Likelihood: 76.370. Whereas in the Iteration History block 1 table or when the independent variable is included in the model: N = 78 value -2 Log Likelihood: 41.007 With these results it can be concluded that the second regression model is better, because there is a decrease in value from the first block to the second block or the value Iteration History block 0 is greater than Iteration History block 1, so h0 is accepted, meaning that the overall model is hypothesized to fit with the data.

The results of the coefficient of determination (nagelkerke r square) test of this study are as follows:

Table 6
Determination Coefficient Test

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	41.007[a]	.365	.584

Source: Data processed

Nagelkerke R Square value is 0.584 and Cox & Snell R Square is 0.365, which shows that the ability of independent variables in explaining the dependent variable is 0.584 or 58.4% and there are 100% - 58.4% = 41.6% other factors in outside the model that explains the dependent variable.

The simultaneous test results (F) of this study are as follows:

Table 7
Omnibus Tests of Model Coefficients

		Chi-square	Df	Sig.
Step 1	Step	35.363	4	.000
	Block	35.363	4	.000
	Model	35.363	4	.000

Source: Data processed

Value of X^2 35,363> X^2 table on df 4 (number of independent variables 4) is 9.49 or with a significance of 0,000 (<0.05) so that it rejects H0, which indicates that the addition of independent variables can have a significant effect on the model and at least one Independent variables that significantly affect the dependent variable.

The statistical test results (t) of this study are as follows:

Table 8
Variables in the Equation

		B	df	Sig	Sig One Tailed
Step 1[a]	alagX1	-.004	1	.735	0.3675
	osX2	23.781	1	.999	0.4995
	levX3	2.691	1	.046	0.023
	profX4	-4.761	1	.209	0.1045
	Constant	-4.014	1	.001	0.0005

Source: Data processed

The regression model that is formed based on the estimated value of the parameters in table of Variables in The Equation is as follows:

$$Ln\frac{GCAO}{1-NGCAO} = \mathbf{-4,014 - 0,04ALAG + 23,781OS + 2,691LEV - 4,014PROF + e}$$

Based on the hypothesis test presented in table 8 above, the interpretation of the results entered into the regression model obtained test results:

Effect of Audit Lag to the Going Concern Audit Opinion

Based on the results of hypothesis testing shows that Audit Lag has a sig value. of 0.735 / 2 = 0.3675 (> 0.05) so that the hypothesis (H1) is rejected, and it can be interpreted that Audit Lag has no significant and negative effect on Going Concern Audit Opinion. Hypothesis test results show a B value of -0.004 which

means that if the audit lag has increased by 1 unit, the acceptance of the Going Concern audit opinion will decrease by 0.004 units. These results support the statements of Simamora and Hendarjatno (2019), Dura and Nuryatno (2015), as well as Mariana, Kuncoro, and Ryando (2018) stating that audit lag has no significant effect on going concern audit opinion.

This study does not prove that the longer the audit opinion is issued, the lower possibility that companies accept going concern audit opinions, and vice versa. The results of this study indicate that a long audit lag does not necessarily indicate a going concern problem at the auditee. and guarantee that companies that have a long audit lag or not audit lag will still get a going concern audit opinion.

Effect of Opinion Shopping to the Going Concern Audit Opinion

Based on the results of hypothesis testing shows Opinion Shopping has a value of sig. equal to 0.999 / 2 = 0.4995 (> 0.05) so that the hypothesis (H1) is rejected and it can be interpreted that Opinion Shopping has no significant and positive effect on Going Concern Audit Opinions. Hypothesis test results show a B value of 23.781 which means that if opinion shopping has increased by 1 unit then the acceptance of the Going Concern audit opinion will increase by 23,781 units.

This supports the statement of Nurhayati, Astuti, and Harimurti (2015) which states that opinion shopping has no significant effect on going concern audit opinion. But these results are not in line with research by Enggar and Evi Maria, (2015) and Krissindiastuti and Rasmini (2016) prove that opinion shopping variables have a significant positive effect on going concern audit opinion. This research does not prove that replacing the auditor will affect the acceptance of going concern audit opinion. The results of this study are not in line with Agency Theory, where management who replaces the auditor when he gets a going concern audit opinion will not influence the next auditor to give a going concern audit opinion to a company whose business survival is doubtful.

Effect of Leverage to the Going Concern Audit Opinion

Based on the results of hypothesis testing shows Leverage has a sig value of 0.046 / 2 = 0.023 (<0.05) so that the hypothesis (H3) is accepted and can be interpreted that Leverage has a significant positive effect on Going Concern Audit Opinion. Hypothesis test results show a value of B of 2.691 which means that if the leverage has increased by 1 unit, the acceptance of going concern audit opinion will increase by 2.691 units.

These results support the statement of Priyono (2019) which states that the variable leverage has a significant positive effect on going concern opinion. But this is not in line with research conducted by Enggar and Evi Maria (2015). The results of research on leverage have no significant effect on going concern audit opinion. Leverage can be used to see the company's ability to meet its obligations which can show the company's performance, so that if the company's debt ratio is greater the risk of failure of a company to pay obligations or debt is higher and the company does not focus on funding the company's operations that can threaten the company's survival. The higher the leverage ratio, the more likely the company will receive a Going Concern audit opinion will be even greater and vice versa.

Effect of Profitability to the Going Concern Audit Opinion

Based on the results of hypothesis testing shows profitability has a sig. of 0.209 / 2 = 0.1045 (>0.05) so that the hypothesis (H4) is rejected and can be interpreted that Profitability has no significant and negative effect on Going Concern Audit Opinion. Hypothesis test results show a B value of -4.761 which means that if profitability has increased by 1 unit, the acceptance of going concern audit opinion will decrease by 4.761 units.

These results support the statement of Purba and Nazir (2019) and Nugroho et al., (2018) which states that profitability has no significant effect on going concern audit opinion. However, contrary to research conducted by Pradika (2017) proves that the profitability variable has a significant effect on going concern audit opinion. In relation to agency theory with the acceptance of going concern audit opinion, the agent is responsible for running the company and producing financial reports as a form of management accountability.

Companies with high profitability illustrate that the company is running well and can maintain its survival. If the company's profitability ratio is low in a row, it will raise the auditor's doubts about the company's survival. Associated with agency theory, the results of this study do not prove that the higher the profitability of the company, the better the agent in fulfilling his responsibilities to the principal, the lower the likelihood of the auditor to provide going-concern audit opinion, and vice versa.

CONCLUSIONS AND SUGGESTIONS

Based on the analysis and discussion, it can be concluded that: 1) Lag Audit does not have a significant and negative effect on Going Concern Audit Opinions, 2) Opinion Shopping does not

have a significant and positive effect on Going Concern Audit Opinions, 3) Leverage has a significant positive effect on Audit Opinions Going Concern, and 4) Profitability has no significant and negative effect on Going Concern Audit Opinion.

Limitations and Recommendations

Limitations in this study include the following: 1) This study has a limited time period of 3 years between 2016-2018, 2) The companies sampled in this study only numbered 26 companies, out of a total of 177 companies and 3) Findings from the results of this study prove that in addition to Audit Lag, Opinion Shopping, Leverage, and Profitability there are other factors that can influence the Going Concern Audit Opinion.

Based on the conclusions and results of the research, the following suggestions are proposed: 1) Further research is expected to increase the period of research in order to obtain maximum results and more samples related to going concern audit opinion, 2) Further research is expected to add the number of sample categories of companies in order to predict the acceptance of going concern audit opinion, and 3) The next researcher can expand the research object used.

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