***Going Concern* Audit of Manufacturing Companies: A Study Before and During the Covid-19 Pandemic**

**Muhammad Fadila Laitupa1\* , Elna Marsye Pattinaja2, Sukma Rahmi Ayu Patty3**

1,2,3Department of Accounting, Faculty of Economics and Business, Pattimura University

\*Corresponding Author E-mail: mflaitupa@gmail.com

**Abstract**

This study aimed to determine the effect of Profitability, Leverage and Company growth on the acceptance of Going Concern audit opinion before and during the Covid-19 pandemic. The research objective used was an exploratory study. The type of data used is quantitative data. The data source used was secondary data. The population in this study is a manufacturing company listed on the Indonesia Stock Exchange (BEI) in 2019-2020. The sampling technique used purposive sampling technique. The sample amounted to 119 companies from 218 manufacturing companies listed on the Indonesia Stock Exchange in 2019-2020, so the research data analyzed amounted to 238. The data analysis technique used was descriptive statistics and logistic regression. This study shows that (1) Profitability before the Covid-19 pandemic has no effect on the acceptance of Going Concern Audit Opinions. It is indicated by the regression coefficient value of -0.027 and a significant value greater than 0.05, namely 0.374. (2) Profitability during the Covid-19 pandemic affects the acceptance of Going Concern Audit Opinions. It is indicated by a regression coefficient value of -440 and a significant value smaller than 0.05, namely 0.000. (3) Leverage before the COVID-19 pandemic has no effect on Going Concern Audit Opinions. It is indicated by a regression coefficient value of -0.027 and a significant value greater than 0,05, namely 0.810. (4) Leverage during the COVID-19 pandemic has an effect on Going Concern Audit Opinions. It is indicated by a regression coefficient value of 0.08 and a significant value smaller than 0.05, namely 0.044. (5) Company growth before the COVID-19 pandemic has no effect on Going Concern Audit Opinions. It is indicated by a regression coefficient value of 0,034 and a significant value greater than 0.05, namely 0.60. (6) Company growth during the COVID-19 pandemic has no effect on Going Concern Audit Opinions. It is indicated by the regression coefficient value of -0.020 and a significant value greater than 0.05, namely 0.244.

Keywords: Going Concern Audit Opinion, Covid-19 Pandemic, Profitability, Leverage, Company Growth

**Abstract**

Penelitian ini bertujuan untuk mengetahui pengaruh Profitabilitas, Leverage dan Pertumbuhan perusahaan terhadap penerimaan Opini audit Going Concern sebelum dan pada masa pandemi Covid-19. Tujuan penelitian yang digunakan adalah studi eksplorasi. Jenis data yang digunakan adalah data kuantitatif. Sumber data yang digunakan adalah data sekunder. Populasi dalampenelitian ini adalah perusahaaan Manufaktur yang terdaftar di Bursa Efek Indonesai (BEI) tahun 2019-2020. Teknik pengambilan sampel menggunakan Teknik purposive sampling. Sampel berjumlah 119 perusahaan dari 218 perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2019-2020, sehingga data penelitian yang dianalisis berjumlah 238. Teknik analisis data yang digunakan adalah statistic deskriptif dan regresi logistik. Berdasarkan hasil penelitian ini menunjukkan bahwa (1) Profitabilitas Sebelum pandemi Covid-19 tidak berpengaruh terhadap penerimaan Opini Audit Going Concern, hal ini ditunjukkan dengan nilai koefisien regresi sebesar -0,027 dan nilai signifikanis lebih besar dari 0,05 yaitu 0,374, (2) Profitabilitas ketika pandemi Covid-19 berpengaruh terhadap penerimaan Opini Audit Going Concern, hal ini ditunjukkan dengan nilai koefisien regresi sebesar -440 dan nilai signifikanis lebih kecil dari 0,05 yaitu 0,000, (3) Leverage sebelum pandemi COVID-19 tidak berpengaruh terhadap Opini Audit Going Concern hal ini ditunjukkan dengan nilai koefisien regresi sebesar -0,027 dan nilai signifikanis lebih besar dari 0,05 yaitu 0,810, (4) Leverage ketika pandemi COVID-19 berpengaruh terhadap Opini Audit Going Concern hal ini ditunjukkan dengan nilai koefisien regresi sebesar 0,08 dan nilai signifikanis lebih kecil dari 0,05 yaitu 0,044, (5) Pertumbuhan perusahaan sebelum pandemi COVID-19 tidak berpengaruh terhadap Opini Audit Going Concern hal ini ditunjukkan dengan nilai koefisien regresi sebesar 0,034 dan nilai signifikanis lebih besar dari 0,05 yaitu 0,60, (6) Pertumbuhan perusahaan ketika pandemi COVID-19 tidak berpengaruh terhadap Opini Audit Going Concern hal ini ditunjukkan dengan nilai koefisien regresi sebesar -0,020 dan nilai signifikanis lebih besar dari 0,05 yaitu 0,244.

Kata kunci: Opini Audit Going Conncern, Pandemi Covid-19, Profitabilitas, Leverage, Pertumbuhan Perusahaan

INTRODUCTION

Financial statements are designed to provide reliable information about changes in a company's net worth due to its operating activities. (Osadchy et al., 2018; Alsmady, 2022). Financial statements are the most important part used by companies to communicate the company's financial situation to users of financial statements. (Ortiz-Martínez et al., 2023). Information presented correctly will give investors confidence in investing in the company (Aydin et al., 2022). However, because there are several factors of company interests, management does not report the entire company's performance in the financial statements. Therefore, the auditor's role is very important as a liaison between users of financial statements and company management (Sun et al., 2023). (Sun et al., 2023).

The auditor is responsible for expressing an opinion following the company's condition (Economics et al., 2022). One of the responsibilities is to describe the company's condition through a going concern audit opinion. (Kim, 2021). The company is declared a going concern if there is conflicting evidence regarding the company's inability to continue. Suppose there is a material uncertainty that raises significant doubts about the continuity of the business, and the management plan needs to be improved. In that case, the auditor may include a paragraph emphasizing a matter with a written representation in the independent auditor's report. (Bierstaker & Todd DeZoort, 2019). After getting a going concern opinion, there are two possibilities. Namely, the company can improve its financial position and continue its business or go bankrupt (Fidiana et al., 2023).

The Covid-19 pandemic that has emerged since 2019 has had an impact on worsening economic conditions around the world, including in Indonesia (Prabheesh et al., 2023). Data on the movement of the Composite Stock Price Index from December 30, 2019, to December 30, 2020, shows negative movements in almost all economic sectors in Indonesia except for the mining sector (BEI, 2020). The Covid-19 pandemic caused a negative movement. One of the industries affected by Covid-19 is manufacturing. According to data from the Central Bureau of Statistics (BPS, 2021), economic growth in the first quarter of 2020 was 2.97%. This figure was much corrected compared to the same quarter in 2019 of 5.02%, even in the second quarter of 2020 to minus 5.32% and 3.49% in Q3. Manufacturing performance also declined significantly, with a decrease in capacity of up to 50%, except for medical devices and the medical industry. In the current economic environment affected by the Covid-19 pandemic, many businesses are experiencing significant revenue, profitability and leverage declines, which may raise questions about the company's ability to continue operating. One of the companies affected by Covid that received a going concern audit opinion was PT Langgeng Makmur Industri Tbk. Independent auditors who have audited the financial statements of PT Langgeng Makmur Industri Tbk provide a going concern audit opinion on the entity because the company's financial statements show that the company has a net loss of Rp 41,331,000,000. The company has posted a deficit of Rp 254,831,000,000, thus raising serious doubts about its ability to run its business sustainably. The company affected by Covid-19 and received another going concern audit opinion was PT Prima Alloy Tbk. The company, engaged in the automotive parts industry, is facing uncertainties due to Covid-19, including distribution disruptions due to the implementation of lockdowns in export destination countries, so total sales in 2019 decreased by 40% compared to the previous year. In 2019, there was a significant disruption in production factors, which greatly affected the smooth running of production and sales, so the company suffered losses in 2019.

Companies with relatively low profits can cause financial limitations (Stice et al., 2017). Profitability is the company's ability to generate profits. The profitability ratio describes the company's ability to earn profits through all existing capabilities and sources, such as sales activities, cash, capital, and the number of employees or branches (Brulhart et al., 2019). Profit is a company's financial success, so a company that shows high profitability shows that it can maintain its business survival. (Abdellatif & Elsayed, 2023).

Companies that have a relatively high portion of debt can result in financial limitations (Ilyukhin Evgeny, 2010). Leverage can assess management performance (Iqbal & Usman, 2018). Leverage is the company's ability to pay its short-term and long-term obligations. (Harrison et al., 2014). The higher the leverage ratio, the more it shows the company's poor financial performance and can create uncertainty about its survival. (Akhtar et al., 2022).

Good company growth can be judged by the increase in sales each year. (Guluma, 2021). A company is experiencing growth in a better direction if there is a consistent increase in its main operating activities. Companies with high-profit growth tend to present financial reports fairly so that the potential for the company to get an unqualified opinion is greater. (Brakus, 2014). Vice versa, if a company has negative profit growth, it will potentially experience bankruptcy, and the ability to maintain its survival is doubtful, so the auditor tends to issue a going concern audit opinion (Omer et al., 2018)*.*

Research on ongoing concern audit opinion that has been done before is by Halim (2021) with the results that leverage and the previous year's audit opinion have a positive influence on ongoing concern audit opinion, company growth and company size have no effect on going concern audit opinion. Research by Putra & Purnamawati (2021)concluded that profitability, leverage and company growth significantly affect going concern audit opinion. It is inversely proportional to research from Yanti et al. (2021)with the results that profitability has no effect on going concern audit opinion acceptance, company size has no effect on going concerned audit opinion acceptance, company growth has a negative effect on going concern audit opinion acceptance, and leverage has a positive effect on going concern audit opinion acceptance.

In this study, researchers used manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2020 as research objects. Manufacturing companies are a sector that is important for a country's economic and industrial development. In Indonesia, there are more manufacturing companies listed on the IDX than companies in other sectors, and it is one of the sectors affected by uncertainty due to Covid-19. Therefore, information about manufacturing companies will be very useful for users of financial statements. Therefore, this study aimed to determine the effect of profitability, leverage and company growth ongoing concern audit opinion acceptance before and during the Covid-19 pandemic.

RESEARCH METHOD

The type of data used is quantitative data. The data used in this study include annual reports, audited financial statements, and independent auditor reports of manufacturing companies listed on the Indonesia Stock Exchange (IDX). The data source used was secondary data. Secondary data has been collected by data collection agencies and published to the user community. ("Secondary Analysis Research," 2019). Data sources were obtained from the official website of the Indonesia Stock Exchange (Idx.co.id, 2021). The data collection method used in this research was the documentation method. With this method, researchers collected secondary data from printed sources, whereas other parties had previously collected the data through Internet intermediaries. With this method, researchers could determine the return on asset ratio, debt to equity ratio, and sales increase ratio.

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2019-2020. The samples taken were Manufacturing companies listed on the Indonesia Stock Exchange which were selected using purposive sampling, a sampling technique with certain criteria. Sample selection using purposive sampling with the following criteria: a) Manufacturing companies not listed on the Indonesia Stock Exchange (IDX) during the study year. b) The company presents complete data, where the company publishes annual reports, audited financial reports and independent auditor reports during the study period. c) The company publishes financial reports ending December 31 and uses rupiah currency.

Based on the above criteria, 119 manufacturing companies listed on the Indonesia Stock Exchange meet the requirements in the study for 2 years of financial report publication (2019-2020), so the total data used is 238 research data.

**Table 1. Sample Selection Process Based on Criteria**

|  |  |  |
| --- | --- | --- |
| **Criteria** |  **Does not meet the criteria** | **Total** |
| Population: Manufacturing companies listed on the IDX |  | 218 |
| Sampling-based on criteria (*purposive sampling*) |  |  |
| Companies that are not listed during the study year | (41) | 177 |
| Companies that did not report financial statements during the study period | (23) | 155 |
| The company publishes financial statements that end on December 31 and uses the rupiah currency. | (36) | 119 |
| Sample Company |  |  |
| Number of observations (119×2 years) |  | 238 |

In this study, model and hypothesis testing were carried out using *logistic regression.* Logistic regression is used to test whether the probability of the occurrence of the dependent variable can be predicted by the independent variable (Ghozali, 2006, p. 225). This study used logistic regression to test the effect of profitability, *leverage,* and company growth on*going concern* audit opinion*.*

Logistic regression is generally used if a *multivariate normal distribution assumption is* unmet. The logistic regression model in this research is as follows.

Ln $\left(\frac{p}{1-p}\right)=β\_{0}+β\_{1}x\_{1}+β\_{2}x\_{2}+β\_{3}x\_{3}+ε$

The statistics used are based on the *Likelihood* function*. The likelihood* (L) of the model is the probability that the hypothesized model describes the *input* data*. The* hypothesis used to assess model *fit* is:

H0 = The hypothesized model fits the data

Ha = The hypothesized model does not fit the data

Then H0 should be accepted, and Ha rejected. To test the null hypothesis and alternative hypothesis, L is transformed into -2LogL. A reduction in the value between the initial -2LogL (initial -2LL *function*) and the -2LogL value in the next step indicates that the hypothesized model *fits* the data (Ghozali, 2006). Log*-likelihood* in logistic regression is similar to the notion of "*Sum of Square Error*" in regression models, so a decrease in *Log Likelihood* indicates a better regression model.

The feasibility of the regression model was assessed using *Hosmer and Lemeshow's Goodness of Fit Test.* The hypothesis to assess the feasibility of this model is as follows:

H0: No difference between the model and data

Ha: There is a difference between the model and the data

Suppose the statistical value of the *Hosmer and Lemeshow Goodness of Fit Test is* greater than 0.05. In that case, H0 cannot be rejected, which means that the model can predict the value of the observation, or it can be said that the model is accepted because it fits the observation data. (Fagerland & Hosmer, 2012). The coefficient of determination is used to determine how much variability the independent variables can clarify the variability of the dependent variable. The coefficient of determination modifies the *Nagelkerke coefficient* to ensure that its value varies from 0 to 1. The closer to the value of 1, the better the model is considered, while the closer to 0, the worse the model.

RESULTS AND DISCUSSION

Descriptive statistical analysis is useful for identifying the characteristics of the sample to be used in research. This study used three independent variables to determine the effect of profitability*, leverage* and company growth on *going concern* audit opinion. The total descriptive variables on the data used for 2 years and observed data was 238, and the sample used was 119 companies. The data used in the study were taken from the independent auditor's report and the company's financial statements. Descriptive statistical analysis in this study included *mean, median, mode* and standard deviation. Data processing for this descriptive analysis uses IBM *SPSS Statistics* 26. The detailed data description of each variable can be seen in the following table:

**Table 2. Descriptive Statistics Analysis**

|  |
| --- |
| **Descriptive Statistics** |
|  | **N** | **Minimum** | **Maximum** | **Mean** | **Std. Deviation** |
| Profitability | 238 | -105% | 65% | 4.29% | 13.749% |
| Leverage | 238 | -1083% | 11429% | 165.90% | 770.802% |
| Company Growth | 238 | -96% | 57% | -4.96% | 22.422% |
| Going Concerned | 238 | 0 | 1 | .16 | .371 |
| Valid N (Listwise) | 238 |  |  |  |  |

Based on Table 2, it can be explained that the number of analysis units in this study (N) is 238 companies. An explanation of the descriptive statistical analysis is as follows:

1. Variable profitability is one of the ratios used to measure the company's success in generating profits, where the minimum value of -105% is found in the company Trita Mahakam Resources Tbk for the 2020 period, while the maximum value of 65% is found in PT Darya Varia Laboratoria Tbk for the 2019 period. The average profitability value is 4.29%, with a standard deviation value of 13.749%. The standard deviation value is greater than the average value. Thus. It indicates that the amount of profitability in manufacturing companies listed on the Indonesia stock exchange varies greatly.
2. Variable *leverage* is a ratio that measures how far the company is financed by debt or creditors with the company's ability described by capital. From the test results, the minimum value of -1083% is obtained at PT Waskita Karya (Persero) Tbk for the 2020 period. It shows that companies with a negative value (minimum) have a small amount of liability or little debt. In contrast, the maximum value obtained is 11429% at PT Asia Pacific Investama Tbk for 2020. It shows that companies with a positive value (maximum) show large liabilities or large debts. The average *leverage* value is 165.90%, with a standard deviation of 770.802%. The standard deviation value is greater than the average value. Thus, it indicates that the amount of *leverage* in manufacturing companies listed on the Indonesia stock exchange varies greatly.
3. The company growth variable is proxied by sales growth, where the test results obtained a minimum value of -96% contained in PT Buana Artha Anugerah Tbk for the 2020 period. It illustrates that the company's growth has decreased, while the maximum value obtained was 57% at PT Organon Pharma Indonesia Tbk for 2020. It illustrates increasing sales growth. Then, the average value of company growth is -4.96%, with a standard deviation of 22.422%. It shows that the amount of company growth in manufacturing companies listed on the Indonesia stock exchange varies greatly.

**Logistic Regression Analysis**

***Assessing the Appropriateness of the Regression Model***

The first step is determining whether a logistic regression model is appropriate. The overall fit or feasibility of the regression model will be reviewed. The feasibility test of the regression model in this study looked at the *Hosmer and Lameshow Test* output. The output of regression feasibility can be assessed by the *goodness of fit test,* which is measured using the *Chi-Square* value at the bottom of the Hosmer *and Lameshow Test* must show a probability number greater than 0.05, which means that there is no significant difference between the predicted classification and the observed classification. The output of the *Hosmer and Lameshow Test* can be seen in the following table:

**Table 3. The Fit or Feasibility test of the Regression Model**

|  |
| --- |
| **Hosmer and Lemeshow Test** |
| Step | Chi-square | Df | Sig. |
| 1 | 12.327 | 8 | .137 |

Based on Table 3 of the *Hosmer and Lameshow Test* above, it can be seen that the magnitude of the *Hosmer and Lameshow Test* statistical value is 12.327 with a significance value of 0.137 where the value is greater than 0.05, so hypothesis 0 is accepted. The regression model is suitable for further analysis because there is no real difference between the observed classifications. The model is acceptable because it fits the observation data.

***Assessing Overall Model Fit***

Assessing the overall *model* in this study was carried out with the *likelihood* ratio test *Log Likelihood Value* will be shown in the following tables: Initial *Output beginning initial -2Log Likelihood* (*Block Number* 0).

**Table 4. Overall Model Fit (Block Number 0)**

|  |
| --- |
| **Iteration Historya,b,c** |
| Iteration | -2 Log likelihood | Coefficients |
| Constant |
| Step 0 | 1 | 215.132 | -1.345 |
| 2 | 212.326 | -1.606 |
| 3 | 212.308 | -1.630 |
| 4 | 212.308 | -1.630 |
| a. Constant is included in the model. |
| b. Initial -2 Log-Likelihood: 212.308 |
| c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001. |

*Output beginning -2Log Likehood* end (*Block Number* 1)

**Table 5. Overall Model Fit (Block Number 1)**

|  |
| --- |
| **Iteration History a,b,c,d** |
| Iteration | -2 Log likelihood | Coefficients |
| Constant | Profitability | leverage | company growth |
| Step 1 | 1 | 179.929 | -1.335 | -.030 | .000 | -.016 |
| 2 | 161.644 | -1.693 | -.070 | .000 | -.023 |
| 3 | 156.897 | -1.761 | -.116 | .000 | -.023 |
| 4 | 156.391 | -1.766 | -.139 | .000 | -.022 |
| 5 | 156.385 | -1.769 |  -.142 | .000 | -.022 |
| 6 | 156.385 | -1.769 | -.142 | .000 | -.022 |
| a. Method: Enter |
| b. Constant is included in the model. |
| c. Initial -2 Log-Likelihood: 212.308 |
| d. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001. |

Table 4 shows that the initial *-2Log Likelihood (Block Number* 0) has a value of 215.132, and in Table 5, the final -2 Log likelihood value (*Block Number* 1) has a value of 179.929. From these two results, it can be concluded that there is a decrease in the -2 *Log likelihood* value. The reduction in the value between the initial *-2Log likelihood* and the final -2 Log *Likelihood* shows that this study has a good regression model. Thus, H0 is accepted, so the hypothesized model fits the data.

**Coefficient of Determination**

The coefficient of determination (Nagelkereke R Square) determines how much the independent variable contributes to the dependent variable. The coefficient of determination in logistic regression can be seen in the Nagelkereke R Square value.

**Table 6. The Coefficient of Determination**

|  |
| --- |
| **Model Summary** |
| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
| 1 | 156.385a | .209 | .355 |
| a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001. |

The output results in Table 6 show that the Nagelkereke R Square value is 0.355, which means that the independent variables can explain the dependent variables by 35.5%. Other variables outside the research model explain the remaining 64.5%.

**Regression Model Analysis Before the Covid-19 Pandemic**

Logistic regression was used to test whether the independent variables could predict the probability of the occurrence of the dependent variable (Ghozali, 2006, p. 225). Logistic regression analysis can be seen in the *Variables in* the *Equation* table*,* in the sig column, compared to alpha 0.05 (5%). If the significance level is < 0.05, then Ha is accepted, and Ho is rejected. The logistic regression analysis results before the pandemic can be seen in Table 7.

**Table 7. Logistic Regression Analysis Before Covid-19 Pandemic**

|  |
| --- |
| **Variables in the Equation Before the Covid-19 Pandemic** |
|  | B | S.E. | Wald | Df | Sig. | Exp(B) |
| Step 1a | Profitability | -.027 | .030 | .792 | 1 | .374 | .973 |
| Leverage | .000 | .001 | .058 | 1 | .810 | 1.000 |
| company growth | -.034 | .018 | 3.546 | 1 | .060 | .967 |
| Constant | -2.063 | .368 | 31.403 | 1 | .000 | .127 |
| a. variable (s) entered on step 1: profitability, leverage, company growth. |

Based on the test results in Table 7, the regression model equation is obtained as follows:

GC = -2.063- 0.027PROF + 0.000LEV- 0.034KP

The profitability variable before the Covid-19 pandemic has a Wald statistic of 0.792 while the profitability coefficient result is -0.027, which means that every 1% increase in profitability will decrease the *Going Concern* Audit Opinion by 0.027 units assuming the other coefficient values remain. *Return on assets* (ROA) is used to measure the profitability variable with a significant result of 0.374, higher than 0.05. It means the profitability variable before the Covid-19 pandemic did not significantly affect the *going concern* audit opinion.

*The Leverage* variable has a Wald statistic of 0.058 and a coefficient value of 0.000, which means that every 1% increase in *leverage* will decrease the *Going Concern* Audit Opinion by 0.000 units with the assumption that the coefficient value of other variables is constant. *Debt to total assets* in this study was used to measure the leverage variable with a significant result of 0.810, higher than 0.05. It means the leverage variable before the Covid-19 pandemic did not significantly affect the *going concern* audit opinion.

The company growth variable has a Wald statistic of 3.546 and a coefficient value of -0.034, which means that every 1% increase in company growth will decrease the *Going Concern* Audit Opinion by 0.034 units with the assumption that the coefficient value of other variables is constant. The company growth variable has a significant result of 0.060, greater than 0.05. It means that the company growth variable before the Covid-19 pandemic did not significantly affect the acceptance of going concern audit opinion.

**Regression Model Analysis During Covid-19 Pandemic**

The logistic regression analysis results during the Covid-19 pandemic are described in Table 8.

**Table 8. Logistic Regression Analysis During Covid-19 Pandemic**

|  |
| --- |
| **Variables in the Equation When Covid-19 Pandemic** |
|  | B | S.E. | Wald | Df | Sig. | Exp(B) |
| Step 1a | Profitability | -.440 | .115 | 14.674 | 1 | .000 | .644 |
| Leverage | .008 | .004 | 4.058 | 1 | .044 | 1.008 |
| company growth | -.020 | .017 | 1.356 | 1 | .244 | .980 |
| Constant | -2.990 | .841 | 12.648 | 1 | .000 | .050 |
| a. variable (s) entered on step 1: profitability, leverage, company growth. |

Based on the results of the logistic regression test above, the logistic equation is obtained as follows:

GC = -2990-440POF+0.08LEV-0.020KP

The profitability variable during the Covid-19 pandemic has a Wald statistic of 14.674 and a coefficient value of -0.440, which means that every 1% increase in profitability will decrease the *Going Concern* Audit Opinion by 0.440 units. It assumes that the coefficient value of other variables is constant. The variable profitability during a pandemic shows a significant value of 0.00 which is lower than 0.05 and has. It means that the profitability variable during the Covid-19 pandemic has an effect on *going concern* audit opinion.

*The leverage* variable during the Covid-19 pandemic has a Wald statistic of 4.058 and a coefficient value of 0.008, which means that every 1% increase in *leverage* will decrease the *Going Concern* Audit Opinion by 0.008 units, assuming the coefficient value of other variables remains constant. *The debt to equity* (DER) variable was used to measure the *leverage* variable with a significance result of 0.044, which is lower than 0.05 and has a positive coefficient value. This means that the *leverage* variable during the Covid-19 pandemic has an effect on *going concern* audit opinion.

The company growth variable during the Covid-19 pandemic has a wald statistic of 1.356 and a coefficient value of -0.020, which means that every 1% increase in company growth will decrease the *Going Concern* Audit Opinion by -0.020 units, assuming the coefficient value of other variables is constant. The variable company growth during the Covid-19 pandemic has a significance value of 0.244, greater than 0.05. It means that company growth during the Covid-19 pandemic has no effect on *going concern* audit opinion.

This study aimed to determine the effect of profitability, *leverage*, and company growth on*going concern* audit opinion before and during the Covid-19 pandemic in manufacturing companies in 2019-2020. The following is an explanation of the results of the research that has been conducted.

1. **The Effect of Profitability on *Going Concern* Audit Opinions Before the Covid-19 Pandemic**

The results of testing the profitability variable before the Coivd-19 pandemic showed no effect on profitability on*going concern* audit opinion in manufacturing companies in 2019. This result is indicated by a negative regression coefficient value of -0.27 with a significance level of 0.374, greater than the significance level α = 0.05. A significance value greater than α = 0.05 shows that the profitability variable before the Covid-19 pandemic has no effect on *going concern* opinion. It explains that manufacturing companies in Indonesia before the Covid-19 pandemic could maintain the continuity of the company's business in carrying out company operations to earn profits.

The profitability variable in this study was measured using *return on assets* (ROA)*.* A higher ROA value indicates better management of the company's assets. It shows that the company's performance before Covid-19 was in good condition, so profitability before the Covid-19 pandemic did not affect *going concern* audit opinion. Profitability has no effect on *going concerned about* audit opinion acceptance (Suroto & Kusuma, 2017). The company will provide information related to the company's state for investors in making decisions. In this case, the company provides positive signals to investors or creditors. (Averio, 2020).

1. **The Effect of Profitability on Receiving *Going Concern* Audit Opinions during the Covid-19 Pandemic**

The test results of the profitability variable during the Covid-19 pandemic show that profitability during the Covid-19 pandemic affects the *going concern* audit opinion. This result is indicated by a negative regression coefficient value of -440 with a significance level of 0.000 which is smaller than the significance level α = 0.05. With a significance value smaller than α = 0.05, it shows that the profitability variable during the Covid-19 pandemic has an effect on *going concern* opinion. It is because, during the Covid-19 pandemic, many companies were required to reduce working hours or even temporarily close due to government policies to carry out social distancing, resulting in the company experiencing losses reflected in the number of companies that have negative net income. Negative net income is an indicator that illustrates a decrease in company performance in terms of the ability to earn profits, which means that the Covid-19 pandemic has an impact on the business continuity of manufacturing companies. Therefore, it gives a negative signal to external parties, especially investors and creditors, to make decisions. Profitability affects *going* concern audit opinion (Ryu et al., 2019).

1. **The Effect of *Leverage* on *Going Concern* Audit Opinion acceptance before the Covid-19 pandemic**

The results of testing the *leverage* variable before the Covid-19 pandemic show that the *leverage* variable has no effect on *going concern* audit opinion. This result is indicated by a positive regression coefficient value of 0.000 with a significant value of 0.810. These results explain that manufacturing companies before the Covid-19 pandemic could still fulfill their obligations using the capital owned by the company, so before the Covid-19 pandemic, manufacturing companies could maintain their business continuity. Therefore, the company provides a positive signal that before the Covid-19 pandemic, manufacturing companies had a low *leverage* ratio, so it was a good signal from the company to investors. Thus, *leverage has* no effect on *going* concern audit opinion (Simamora & Hendarjatno, 2019).

1. **The Effect of *Leverage* on *Going Concern* Audit Opinion Acceptance during the Covid-19 Pandemic**

The results of hypothesis research in this study indicate that the *leverage* variable during the Covid-19 pandemic affects the company's business continuity. The company experienced a significant decrease in revenue during the Covid-19 pandemic, so it needed more funds to finance its operational activities and fulfill its short-term and long-term obligations. Many companies increased the value of debt, which caused higher *leverage*. High leverage shows that the company's performance has decreased. It causes uncertainty about the company's survival. It has resulted in the company providing a negative signal conveyed by the independent auditor in the published financial statements. This study's results align with research conducted by (Puspaningsih, 2021), which explains that *leverage* affects the acceptance of *going concern* audit opinion.

1. **The Effect of Company Growth on *Going Concern* Audit Opinion acceptance before the Covid-19 pandemic**

Company growth, as proxied by the sales *growth ratio*, namely this year's sales minus last year's sales divided by last year's sales, shows that the significance value of 0.60 is greater than 0.05 with a negative coefficient value of -0.034. The results of testing the third variable hypothesis of this study indicate that company growth before the Covid-19 pandemic has no effect on *going concern* audit opinion. It shows that the high and low value of company growth has no impact on the *going concern* audit opinion received by the company. In addition, growth or increased sales also does not guarantee better company performance. If an increase follows sales growth in operating expenses that are higher than sales, the company will experience losses. On the other hand, a decrease in sales in the company also cannot guarantee that the company will receive a *going concern* audit opinion*.* Therefore, the company provides positive signals to investors and creditors. Company growth has no effect on *Going* Concern Audit Opinions (Suryani et al., 2023).

1. **The Effect of Company Growth on the Acceptance of *Going Concern* Audit Opinions During the Covid-19 Pandemic**

Company growth is used to measure the company's ability to increase assets through sales. Companies with increasing sales growth are less likely to receive a *going concern* audit opinion. Conversely, companies with negative sales growth will likely get a *going concern* audit opinion. However, based on the results found during the Covid-19 pandemic, the value of company growth in the logistic regression test is 0.244, greater than 0.05. It shows that company growth during the Covid-19 pandemic has no effect on *going concern* audit opinion*,* even though, according to the data obtained, it shows that in 2020 most manufacturing companies experienced a decline in sales. These results indicate that high or low company growth has no effect on *going concern* audit opinion acceptance. Therefore, it gives a positive signal to investors and creditors. This study's results align with research conducted by Winarta & Kuntadi (2022), which states that company growth has no effect on *Going Concern* Audit Opinions.

CONCLUSION

Based on the data analysis and discussion that has been carried out, the following conclusions can be drawn: 1) Profitability before the Covid-19 pandemic had no effect on *going concern* audit opinion acceptance. It is because manufacturing companies before the Covid-19 pandemic could maintain the continuity of the company's business in carrying out company operations to earn profits. 2) When the Covid-19 pandemic occurred, the profitability variable had an effect on *going concern* audit opinion. During the Covid-19 pandemic, many companies were required to reduce working hours or even temporarily close due to government policies to carry out social distancing, lockdown and other policies resulting in the company experiencing losses reflected in the number of companies that had negative net income. Negative net income is an indicator that illustrates a decline in a company's performance. 3) *Leverage* before the Covid-19 pandemic had no effect on *going concern* audit opinion acceptance*.* It is because, before the Covid-19 pandemic, the company could still fulfill its obligations using the capital owned by the company, so before the Covid-19 pandemic, manufacturing companies could maintain their business continuity. 4) During the Covid-19 pandemic*, the leverage* variable affects the *going concern* audit opinion*.* It is because, during the Covid-19 pandemic, the company experienced a significant decrease in revenue. The company needed more funds to finance its operational activities and fulfill its short-term and long-term obligations, so many companies increase the value of debt, which causes higher *leverage.* High leverage shows that the company's performance has decreased, causing uncertainty about the company's survival. 5) Company growth before and during the Covid-19 pandemic has no effect on *going concern* audit opinion. It shows that the high and low value of company growth has no impact on the *going concern* audit opinion received by the company. When viewed from the data of manufacturing companies in 2020, most companies experienced decreased sales. However, the decline in sales had no effect on the company's survival.

Based on the conclusions and results of the study, some suggestions can be given as follows: 1) The findings of the results of this study prove that in addition to Profitability, *Leverage*, and company growth, there are other factors used in the study of *Going Concern* Audit Opinions in manufacturing companies listed on the Indonesia Stock Exchange. Profitability, *leverage* and company growth have an effect of 35.5% on *Going Concern* audit opinion, while the remaining 64.5% is explained by other factors outside this study. For further researchers, adding other variables that affect the acceptance of *Going Concern* Audit Opinions outside of this study, such as Company Size, Previous Year's Audit Opinion, Liquidity, or Auditor Reputation, is recommended. 2) It is suggested that future researchers can expand the research objects used because during the Covid-19 pandemic, not only manufacturing companies were affected, but several other companies were affected, such as real estate companies and transportation.

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