

Analysis of the Reputation Factor Auditor, Disclosure, and Audit Client Tenure to Audit Opinion Going Concern on Manufacturing Companies in Indonesia

Widy Hastuty Hs.¹⁾, An Suci Azzahra²⁾

^{1,2)}Accounting Study Program, Politeknik Unggul LP3M

Corresponding Author: An Suci Azzahra

Abstract: Some cases of manipulation of financial data that have occurred in several large companies cause the public accounting profession to be criticized. The role of the auditor in the company is quite large, not only examining the auditee's financial statements or detecting fraud, but also assessing a company's ability to maintain business continuity. If the auditor finds doubts about the continuity of the business of the company being audited, the auditor should provide a going concern opinion (modified opinion). Besides, disclosure of financial statements is also very important for the auditor because it relates to the acceptance of going concern audit opinion on the company. Likewise with the client tenure audit, which is the period of engagement between the KAP and the same auditee, where the anxiety of losing a large amount of fee will cause doubts for the auditor to express his going concern audit opinion. Thus the auditor's independence will be affected by the length of the engagement entered into by the KAP with the same auditee. So, research researched the analysis of auditor reputation, disclosure, and client tenure audit factor ongoing concern audit opinion in manufacturing companies in Indonesia was conducted aimed at analyzing how much influence the auditor, disclosure, and audit client tenure reputation ongoing audit opinion concern. The research sample was conducted on manufacturing companies in Indonesia and listed on the Indonesia Stock Exchange using purposive sampling method. Logistic regression analysis is used as a data analysis and hypothesis testing technique. The results showed evidence that the auditor's reputation had no significant effect ongoing concern audit opinion. Disclosure has a positive and significant effect ongoing concern audit opinion. Client tenure audit has no significant effect on ongoing concern audit opinion. The auditor's reputation, disclosure, and client tenure audit did not significantly influence the going concern audit opinion.

Keywords: Auditor Reputation, Disclosure, Audit Client Tenure, Going Concern Audit Opinion

Date of Submission: 02-12-2019

Date of Acceptance: 18-12-2019

I. Introduction

Many cases of financial data manipulation undertaken by large corporations such as Enron, Worldcom, Xerox, and others were ultimately bankrupt, causing many public accountant professions to gain criticism. Auditors are considered to be involved in providing incorrect information, so many parties feel harmed. Based on the case, the AICPA requires that the auditor must explicitly submit whether the client's company will be able to maintain its survival until a year later after reporting. Although auditors are not responsible for the company's survival in conducting a survival audit, it is necessary to consider the auditor to give the opinion (Januarti, 2015).

Auditors have a very important role in bridging the relationship between investors and corporations. Investors as financial statements, users will be more confident if the financial statements presented by the company have gotten a reasonable statement from the auditor. The financial statements that have been given a reasonable statement are deemed capable of reflecting the actual performance and financial conditions.

Based on audited financial statements, investors can make decisions in terms of investing their funds. The responsibility of auditors is now increasingly widespread, not only examining the audited financial statements or detecting fraud, but also assessing the company's ability to maintain its business continuity.

If the auditor finds doubt on the business continuity of the audited company, then the auditor should give the opinion of going concern (opinion modification). The audit report with modifications to going concern is listed in the explanatory paragraph. Giving the status of going concern is not an easy task because it is closely related to the auditor's reputation. The judgment of public accountants is often done, both by the public and the government, by looking at the bankruptcy condition of the audited company (Ginting and Suryana, 2014).

Auditors' reputation is seen from the KAP, where the auditor works. Well-reputed auditors and big names are considered to have better audit quality, including in revealing the problems of going concern. Disclosure of financial statements is very important information for auditors in conducting audits. The

adequate disclosure of the company's financial information is one of the basic auditors in providing opinions on the fairness of financial statements as well as in the ability of the entity to maintain its business (going concern).

Audit client tenure is the period of an alliance between the KAP and the same auditee (Pratiwi, 2013). Anxiety will lose a considerable amount of fee will cause doubts for the auditor to state the audit opinion going concern. Thus, the auditor's identification will be affected by the length of the KAP's interwoven alliance with the same auditee.

Some research on the influence of the auditor's reputation on the audit opinion of going concern has been conducted, among them by Wahyuningsih (2015) and Ardiani et al. (2012), who found the influence between the auditor's reputation on the audit opinion going concern. But the result is different from Pratiwi (2013) and Werastuti (2013) which shows empirical evidence that the auditor's reputation does not affect the audit opinion of going concern.

Likewise, with the disclosure of audit opinions going concern, from several studies conducted by Pratiwi (2014), Werastuti (2013), and Ardiani et al. (2012) indicates the influence of disclosure on the audit opinion of going concern. However, unlike Wahyuningsi (2015) mentions that the disclosure does not affect the audit opinion of going concern. The audit client tenure also affects the audit opinion of going concern, according to Junaidi and Hartono (2014), but it is not consistent with the research of Werastuti (2013), and Pratiwi (2013) stating that the audit client tenure does not affect Audit opinion going concern.

This research is motivated by several reasons, namely, the first many cases of the company's people because of the failure of auditors in assessing the ability of the firm in its business continuity. Second, the topic about the issue of going concern is still interesting to be researched considering that the audit opinion going concern by the auditor to the business entity is one of the fundamental factors for investors and creditors in investing and lending Fund. Thirdly, previous research provides different results. Based on the explanation above, researchers are interested in conducting research on "reputation factor analysis auditors, Disclosure, and Audit Client Tenure against the opinion of Audit Going Concern on manufacturing companies in Indonesia."

II. Theoretical Review

Auditing

Agoes (2012:4) defines auditing, which is a critical and systematic examination, by an independent party, to financial statements that have been compiled by management, along with bookkeeping records and proofs. To be able to give opinions on the fairness of the financial statements. Meanwhile, according to Mulyadi (2002:9), Auditing is a systematic process for obtaining and managing objective evidence of statements about economic activities and events, to establish the level of conformity The statements with predefined criteria, as well as delivery of results to the interested users.

The purpose of auditing of financial statements by the independent auditor, in general, is to express opinions on fairness, in all material respects, financial position, business results, equity changes, and cash flows in accordance with the standards Financial Accounting in Indonesia (IAPI, PSA No. 2 SA Section 110, 2011:110.1). Meanwhile, according to Henry (2015:30), the general audit purpose of the financial statements by the independent auditor is to express opinions on the fairness, in all material respects, financial position, results of operations, and cash flows by the principles of Generally applied accounting.

Mulyadi (2002:30) classifies auditing into three groups:

- a) The Audit of the financial statements, which is an audit conducted by an independent auditor to the financial statements presented by his client to express opinions on the fairness of the financial statements.
- b) b) The compliance Audit, which is the audit whose purpose is to determine whether it is audited by certain conditions or regulations.
- c) Operational Audit, which is a systematic review of the activities of the Organization, or any part thereof, in conjunction with the purpose. The objective of the operational audit is to: Evaluate performance, identify opportunities for improvement, and make recommendations for further improvements or actions.

Audit Opinion

According to the Indonesian Public Accounting Institute in the professional standard of a public accountant as of 31 March 2011 (PSA 29 SA Section 508), there are five types of accountant opinions, namely:

- a) Reasonable opinion without exception. It is stated that the financial statements present reasonably, in all material respects, financial position, business results, and cash flows of certain entities by the financial accounting standards in Indonesia.
- b) Explanatory language added in the auditor report of the raw form. Certain circumstances may require that auditors add an explanatory paragraph (or another explanatory language) in their audit reports.
- c) Fair income with exceptions. It is stated that the financial statements present reasonably, in all material respects, financial position, business results, and cash flows of certain entities by the financial accounting

standards in Indonesia, except for the impact of matters relating to those excluded.

d) Unreasonable income. It is stated that financial statements do not present reasonably the financial position, business results, and cash flows of certain entities by the financial accounting standards in Indonesia.

e) The statement does not give opinions. It is stated that auditors do not express opinions on financial statements.

Going Concern

PSA No. 30 SA Section 341 (IAPI, 2011:341.1) states that going concern is used as an assumption in financial reporting as long as there is no proven information indicating the opposite. Usually, information that is significantly contrary to the assumption of going concern is the relationship with the inability of the entity in fulfilling its obligations at maturity without making the sale of most assets to outside parties through the business Debt restructuring, forced operation improvements from the outside, and other similar activities.

Responsibility of Auditors over Going Concern

In PSA No. 30 SA Section 341 paragraphs 2 (IAPI, 2011:341.1) Auditors are responsible for evaluating whether there is a substantial chance of the ability of the entity in maintaining its survival within a reasonable period of time, must not be more than one year from the date of the audited financial statement (hereinafter the period will be referred to as the appropriate term).

As of paragraph 3 of the 341 SA section in PSA No. 30, it is stated that auditors should evaluate whether there is a substantial chance of the ability of the entity in maintaining its survival within a reasonable period in the following manner:

a) The Auditor considers whether the results of the procedures carried out in the planning, the collection of proof of audit for various audit objectives, and the completion of their audits may identify the circumstances or events that overall indicate The ability of the entity in maintaining its survival within a reasonable period. It may be necessary to obtain additional information about conditions and events along with evidence supporting information that reduces the validity of auditors.

b) If the auditor believes there is a substantial capacity regarding the ability of the entity to maintain its survival within a reasonable period, it must obtain information about the management plan aimed at reducing the impact of the condition and the event, and determine whether the plan may be effectively implemented.

c) After the auditor evaluates the management plan, he must take the conclusion of whether he still has a big chance on the ability of the entity to maintain his survival within a reasonable period.

Audit Opinion Going Concern

Auditors set an audit opinion of going concern when the discovery of the conditions and events affecting the major viability of the entity's survival in the audit process. The following are examples of conditions and events that indicate a large chance of the ability of the entity in maintaining its survival (SA section 341 paragraphs 6):

a. Negative Trend. Examples: Repeated operating losses, shortage of working capital, negative cash flows from business activities, poor financial ratios.

b. Other instructions on possible financial difficulties. Examples: failure to fulfill obligations of debt or similar agreements, riders paying dividends, refusal by suppliers against the filing of a regular credit purchase request, debt restructuring, the need to find a source or method of Funding or the sale of some assets.

b. Internal problems. Examples: Job strikes or other labor-related difficulties, a major dependency on specific project success, a long-term non-economical commitment, the need to significantly improve operations.

c. D) Outside problems that have occurred. Examples: Court lawsuit complaints, legal departures, or other issues that may compromise the ability of an entity to operate; Loss of franchise, licenses or important patents; Loss of major customers or suppliers; Losses due to major disasters and so on.

If the auditor does not deny the ability of the business unit to maintain its survival within a reasonable period then the Auditor provides a reasonable opinion without exception. However, if the auditor has denied the ability of the business unit to maintain its survival within a reasonable period then the auditor is obliged to evaluate the management plan. Auditors will declare no opinion if the business unit does not have a management plan or auditor concluded that the entity management plan could not effectively reduce the negative impact of such conditions or events. However, if the auditor has concluded that the management plan can be effectively implemented then the auditor should consider the adequacy of disclosure on the nature and impact of conditions and events.

If the auditor concluded that the disclosure is adequate, then the auditor will give a reasonable opinion without exception to the paragraph explanation regarding the ability of the business unit to maintain its survival. If the auditor concluded that the disclosure is inadequate then the auditor will give reasonable opinion with the exception or unreasonable opinion because there is deviation from accounting standards in Indonesia (SA section 341).

Reputation of Auditors

The auditor's reputation is demonstrated by public trust in the auditors' performance. Therefore, auditors are responsible for maintaining the public trust and maintaining the name of the auditor itself and the KAP, where the auditor works by issuing opinions that correspond to the actual state of the company (Verdiana and Utama, 2013).

Auditors are responsible for declaring high-quality information that is beneficial for decision making. Reputable auditors are likely to publish an audit opinion of going concern if the client has problems related to going concern.

Disclosure

Disclosure is the disclosure or provision of information by the company, both positive and negative, that will affect an investment decision. Disclosure is required by users to understand better the information contained in financial statements (Pratiwi, 2013).

Obligation in submission of annual report of issuers or public company has been governed by the Ministry of Finance of the Republic of Indonesia capital Market Supervisory agency and financial institution in the decree of the Chairman of the Capital Market Supervisory board and financial institution number: KEP-431/BL/2012 concerning the submission of the annual issuer or public company report.

Audit Client Tenure

Audit client tenure can be defined as the length of the alliance between the KAP and the client company (Verdiana and Utama, 2013). Meanwhile, according to Werastuti (2013), Audit tenure is the period of alliance between the public accounting firm (KAP) and the same auditee.

The relationship between the auditor and its client for a long time feared will make the auditor lose its independence. Because between auditors with clients already tied to a comfortable and mutually beneficial relationship so that the quality of audits becomes low. The loss of independence of auditors can be seen from the difficulties of auditors in giving opinions going concern for clients. In the second point of view, when the auditor has a long period of relationship with its clients, this will encourage a deeper understanding of the client's financial condition, and therefore they will tend to detect the problem of going concern (Verdiana and Utama, 2013).

Pratiwi (2013) stating that the long-term relationship between auditors with client companies will cause the following problems:

- a) The Auditor has an increasingly close relationship with client management that causes auditors to lose professional skepticism.
- b) The Auditor may consider testing performed as a repetition of the previous alliance so that auditors feel the first to know the results of the test. This leads to fewer auditors being able to evaluate important client condition changes.

Auditors may wish to resolve client issues to maintain good relations with clients, fulfilling clients' wishes may be the Auditor's priority as opposed to adhering to professional standards.

III. Methodology

1. Types of research

This research is a quantitative research study that reveals the large or small influence or relationship between independent variables, namely the reputation of auditors, disclosure, and audit client tenure with dependent variables. The audit opinion of going concern is expressed in the numbers, by collecting data on supporting factors against the influence between variables that are then analyzed by the analysis tools that correspond to the variables in the study.

2. Population and Research samples

This research is a quantitative research study that reveals large or small influences or the relationship between variables. The population in this research is a manufacturing company listed on the Indonesia Stock Exchange (IDX) during the period 2017-2018. The number of population in the research is all manufacturing companies in Indonesia. Sampling in this study using the purposive sampling method, i.e., samples taken with subjective considerations based on the researchers.

3. Research Data Retrieval Techniques

The process of data retrieval in this research is a documentation technique that is to collect, record, and review secondary data in the form of the annual report and Audit financial report manufacturing company year 2017-2018 that has been documented by the company both quantitative and qualitative.

4. Research Data Analysis Methods

The method used in analyzing this research data is to use qualitative analysis techniques. Qualitative analysis is done by analyzing a problem that is realized with quantitative. In this study, quantitative analysis was conducted by quantifying the research data resulting in the information needed in the analysis. The analysis tool used in this research is logistic regression analysis with the help of SPSS Ver. 15. The reason for using the logistic regression analysis tool is because the dependent variable is a dummy. The independent variables in this study are mixed variables between the continuous variables and the categorial, so it is not necessary to assume the normality of the data in its independent variable.

5. Variable Operational Research

In this research, the research variables are divided into two groups, namely dependent variables, i.e. audit opinions going concern (Y) and independent variables, namely the reputation of Auditors (X1), Disclosure (X2), and audit client tenure (X3).

IV. Result And Discussion

1. Description of Object Research

The population in this research is a manufacturing company listed on the Indonesia Stock Exchange in 2017-2018. The focus of this research is to analyze the reputation influence of auditors, disclosure, and audit client tenure on the audit opinion of going concern. Data in this study for two years, from the year 2017-2018. The number of companies on the Indonesia Stock Exchange amounted to 142 companies. Of the 142 manufacturing companies are seven companies, including delisting, ten companies that do not publish financial statements and reports of independent auditors, and as many as 83 companies have not suffered losses in 2017 or 2018 and 2017 and 2018 periods. So the sample company amounted to 42 companies with a 2-year observation period so that the research samples amounted to 84 companies.

2. Description of Sample Research

The samples in this study were selected using the Purposive sampling method with pre-defined criteria. The company presenting the data needed in this study will be selected into the research samples. Through the expected Purposive sampling method, The sample can represent its population so as not to cause bias for research purposes.

3. Research Data Analysis Test results

Hypotheses in this study were tested using a method of logistic regression with the intention of obtaining an idea of the influence of independent variables (the reputation of auditors, disclosure, and client tenure audits) on variables Audit going concern.

5. Descriptive statistical test results

Based on the results of the descriptive statistical test obtained as many as 84 research data derived from the multiplication between the number of companies with the research period.

Tabel 1.Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
GC	84	0	1	0,25	0,436
REP	84	0	1	0,38	0,489
DISC	84	0,26	0,89	0,6523	0,12364
TENURE	84	1	2	1,43	0,498
Valid N (listwise)	84				

Source: output SPSS

Based on table 1 The results of the analysis using the descriptive statistics described below:

a. The results of descriptive statistical analysis of the acceptance of the audit opinions going concern show a minimum value of 0, maximum value of 1 with an average of 0.25, and a standard deviation 0.436. An average rating of 0.25 indicates that the audit opinion of going concern with code 1 indicates that fewer research samples received an audit opinion going concern of the 84 samples studied. From 84 companies there are only 21 companies that accept opinions of audit going concern and 63 companies that got the opinion of non going concern audit.

b. The results of the analysis by using a descriptive statistic to the auditor's reputation (REP) shows a minimum value of 0, a maximum value of 1, with an average of 0.38 and a standard deviation of 0.489. An

average value of 0.38 indicates that the company that uses a big four KAP with code one as much as 31.92 companies only, while the companies that use the KAP non Big Four are 52.08 companies.

c. The results of a descriptive analysis of the disclosure (DISC) shows a minimum value of 0.26, a maximum value of 0.89, with an average of 0.6523, and a standard deviation of 0.12364. The minimum and maximum value below 1 indicate that no research sample presents the disclosure perfectly by the closure of the item.

d. The results of the analysis with the descriptive statistics against the Audit client tenure (TENURE) show a minimum value of 1, a maximum value of 2, with an average of 1.43, and a standard deviation of 0.498. An average value of 1.43 indicates that the average alliance relationship with the client in this study was 1.43 years.

Variable Disclosure and audit client tenure that uses scale and interval measurement scales have an average value greater than the standard deviation value. This indicates that the quality of the data of that variable is good enough since the average value greater than the standard deviation indicates that the default error of the variable is small. As for the audit opinion variable going concern and the reputation of the auditor using a nominal measurement scale, has average values and improper deviation standards used for data analysis tools, because the number code used in the scale Nominal measurements serve as a categorical label solely without Intrinsic value and do not have any meaning (Ghozali, 2011:4).

6. Research hypotheses test results

Since the independent variables are dummy (received the audit opinion going concern or do not receive the audit opinion going concern), then testing against the hypothesis is done by using a logistic regression test. Logistic regression is a regression that is used to test whether the probability of the occurrence of a bound variable can be explained by its free variable. This analysis technique does not require any further test of data normality in its free variables (Ghozali, 2011:333).

The stages in testing using a logistic regression test can be explained as follows:

a) Results of the overall conformity test Model (*Overall Model Fit*)

Testing the overall compatibility of the model is done by comparing the value between -2 Log-Likelihood (-2LL) at the beginning (Block Number = 0) with the value of -2 Log Likelihood at the end (Block Number = 1).

Based on this hypothesis, H_0 must be accepted, and H_a must be rejected to fit the model with the data. Statistics are used based on the likelihood function. The likelihood L of the model is the probability that the model is hypothesized to describe the input data. Table 2 is Iteration History 0 which is the -2 Log-Likelihood early. This table will be compared to table 3, Iteration History 1 table, which is -2 Log-Likelihood end. The existence of the difference between the -2 Log-Likelihood beginning with the -2 Log-Likelihood The end indicates that the zero hypotheses (H_0) can not be rejected, and the model fit with the data.

Table 2. Iteration History 0

Iteration	-2 Log likelihood		Coefficients
	Constant		Constant
Step 0	1	94,628	-1,000
	2	94,472	-1,096
	3	94,472	-1,099
	4	94,472	-1,099

Source: output SPSS

Based on the results of processing SPSS 15.0 on table 2 indicates that the value -2 of the initial Likelihood Log (table Iteration History 0) is 94.472. Mathematically, the number is significant at Alpha 5% and means that the zero hypotheses (H_0) are rejected. This means that only constants are not fit with the data (before the free variables are entered into regression models).

The next step is to compare between the 2-Likelihood initial Log value (Iteration History table 0) with the -2 final Likelihood Log (table Iteration History 1). In the table Iteration History 0, the initial value of -2 Log-Likelihood shows 94.472. Once the free variables are inserted in the regression model, then the value -2 Log-Likelihood on table 3 Iteration History 1 is 87.522.

Tabel 3. Iteration History 1

Iteration		-2 Log likelihood	Coefficients			
			Constant	REP	DISC	TENURE
Step 1	1	88,542	,640	,602	-3,130	,052
	2	87,539	,982	,884	-4,240	,079
	3	87,522	1,019	,934	-4,391	,085
	4	87,522	1,019	,935	-4,394	,085
	5	87,522	1,019	,935	-4,394	,085

Source: output SPSS

Based on the output, there is a decrease in the value between -2 Log-Likelihood beginning and end of 6.95. Decreasing value -2 Log-Likelihood This can be interpreted that adding a free variable into the model can improve fit models as well as demonstrate better regression models.

b) Results of the coefficient of determination test

The magnitude of the value of Koefisian determination on the logistics regression model is demonstrated by the value of Cox & Snell R Square and Nagelkerke R Square. The value of Cox & Snell R Square is 0.079, which means that the dependencies variable can be explained by an independent variable of 7.9%. Cox & Snell R Square is a measure that tries to emulate the size of R² on multiple regression, so it is difficult to interpret.

The fundamental drawback that it has is biased towards the number of independent variables inserted into the model. Each additional one independent variable, both the R² and Cox values & Snell R Square, will be increased regardless of whether or not the variable is impactful effect on its dependencies.

Therefore, Nagelkerke R Square is used to evaluate which model of regression is best because the resulting value can rise or fall if one independent variable is added to the model.

According to table 4 below, the Nagelkerke R Square value is 0.118, which means the Dependanya variable can be described by an independent variable of 11.8%. The remaining 88.2% is explained by other variables outside of the study, such as the client's company size, previous audit opinion, audit quality, default debt, opinion shopping, and financial conditions.

c) Results of the feasibility test Model regression

The subsequent analysis is to assess the feasibility of a binary logistic regression model. This is done by noticing the goodness of fit model measured by the Chi-Square model in the Hosmer and Lemeshow's columns.

Tabel 4. Coefficient of determination

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	87,522(a)	0,079	0,118

Source: output SPSS

Tabel 5. Results of the feasibility Model Regresi Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	10,038	8	0,262

Source: output SPSS

Table 5 shows the Hosmer and Lemeshow's Test results. Based on the table, it can be noted that the significant value is 0.262; the significant value gained is above 0.05, which means that the zero hypotheses (H₀) cannot be rejected (Received). This means the model is capable of predicting its observable value or the model acceptable as it matches its observable data so that this model can be used for subsequent analysis.

a) Results of multicollinearity test

A good regression model is that there is no strong correlation between its free variables. This test uses a matrix correlation between the free variables to see the magnitude of correlation between free variables. To view the magnitude of correlation between auditor reputation (REP), Disclosure (DISC), and audit client tenure (TENURE). Table 4.4 indicates that there is no value in the correlation coefficient greater than 0.118, then there is no symptom of serious multicollinearity occurring between its free variables.

b) Results of the Classification matrix

The classification matrix shows the prediction power of the regression model to predict the likelihood of the company receiving the opinion going concern.

The power prediction of the regression model to predict the likelihood of the company receiving the audit opinion going concern is 4.8%. This indicates that using the regression model used, there is one company (4.8%) Predicted to receive audit opinions going concern of a total of 21 companies that received an audit opinion going concern.

Tabel 6. Multicollinearity Test Results

	Constant	REP	DISC	TENURE
Constant	1,000	-0,177	-0,917	-0,290
REP	-0,177	1,000	-0,109	-0,071
DISC	-0,917	-0,109	1,000	0,094
TENURE	-0,290	-0,071	0,094	1,000

Source: output SPSS

Tabel 7. Classification Matrix

Observed		Predicted		Percentage Correct
		NGCAO	GCAO	
GC	NGCAO	62	1	98,4
	GCAO	20	1	4,8
Overall Percentage				75,0

Source: output SPSS

The power prediction of the regression model to predict the likelihood of the company receiving the audit opinion ongoing concern is 98.4%. This means that the regression model predicts there are 62 companies (98.4%) Who received an audit opinion ongoing concern of a total of 63 companies that received an audit opinion ongoing concern.

a) Results of logistics regression test

The formed logistic regression Model is presented in table 8. The test results against the regression coefficient produce the following models:

$$GC = 1,019 + 0,935 REP - 4,394 DISC + 0,085 TENURE$$

Based on the Logistics regression test (logistic regression) as described in the previous section, the interpretation of the results is presented in four parts. The first section discusses the reputation influence of the auditor (REP) on the Going Concern (GC) audit opinion (H1).

The second section discusses the influence of Disclosure (DISC) on the audit opinion of going Concern (GC) (H2). The third section discusses the influence of client tenure audit (TENURE) on the audit of going Concern (GC) (H3). Part four discusses the reputation influence of Auditors (REP), Disclosure (DISC), and audit client tenure (TENURE) to the opinion of the audit going Concern (GC) (H3).

Tabel 8. Logistic Regression Coefficient Test Result

	B	S.E.	Wald	Df	Sig.	Description
REP	0,935	0,593	2,483	1	0,115	Not Significant
DISC	-4,394	2,177	4,076	1	0,043	Significant
TENURE	0,085	0,541	0,025	1	0,875	Not Significant
Constant	1,019	1,461	0,487	1	0,485	-

Source: output SPSS

The explanation is as follows:

1) Influence of Reputation of Auditors (REP) against Audit opinions Going Concern

The REP variable shows the Coefisian positive regression of 0.935 with a significant rate of 0.115 greater than $\alpha = 5\%$. Since the significance level is greater than $\alpha = 5\%$, the 1st hypothesis is not successfully supported (rejected). This research has not succeeded in proving that the reputation of auditors affected the audit opinion acceptance going concern. The results of the study were inconsistent with the research of Junaidi and Hartono (2010), Ardiani, Emrinaldi and Nur Azlina (2012), and Wahyuningsih (2015) stating that the auditor's reputation

affected the audit opinion of going concern. However, the results of this research in line with the research conducted by Pratiwi (2013),

Verdiana and Utama (2013), and Werastuti (2013) who showed empirical evidence that the auditor's reputation had no significant effect on the audit opinion acceptance going concern. The results of this research provide empirical evidence that the audit opinion of going concern by the auditor is not based on the large size of the HOOD where auditors work. Big Four HOOD or KAP non-Big Four have the same standard in conducting audits on financial statements.

Therefore, the assumption that assumes that bog four KAP has better quality than the KAP on big Four cannot be justified. Proven by the phenomenon that researchers found that many companies receive audit opinions going concern from KAP nobig Four as its auditors. The big small KAP can not guarantee the auditor will issue the audit opinion going concern because in conducting audits of Big four HOOD or KAP no Big Four conduct audits with the same standards.

2) Influence of Disclosure (DISC) to Audit opinion of Going Concern (GC)

The DISC variable shows a negative regression coefficient of -4.394, with a significance rate of 0.043, lower than $\alpha = 5\%$. Since the significance rate is smaller than $\alpha = 5\%$, then the 2nd hypothesis is successfully supported (acceptable).

This research successfully provides evidence that the disclosure affects the audit opinion of going concern. The results of this study supported the results of previous research conducted by Pratiwi (2013), Junaidi and Hartono (2010), Werastuti (2013), and Adiani, Emrinaldi and Nur Azlina (2012) which provide evidence that the disclosure affects the audit opinion of Going concern. However, this research is not in line with the research conducted by Wahyuningsih (2015), which gives evidence that the disclosure has no significant effect on the audit opinion of going concern.

Companies that do not reveal good financial ratios and reveal the impact of economic conditions or doubts on the survival of his business will increase the likelihood of receiving an audit opinion going concern.

With negative beta, coefficients indicate the company that reveals the state of its company more likely not to receive audit opinions going concern. The more disclosure is done by the client, the better the financial condition that avoids the audit opinion acceptance going concern. The use of the variable disclosure in the study of the audit opinion going concern is effective enough to predict the acceptance of Opin audit going concern proven of 3 independent variables used (reputation auditor, disclosure, and audit client tenure) Only variable disclosure that significantly affects the audit opinion of going concern.

3) Influence of Audit Client Tenure (TENURE) to the opinion of Audit Going Concern (GC)

The TENURE variable shows a positive regression coefficient of 0.085, with a significance rate of 0.875 greater than $\alpha = 5\%$. Since the significance level is greater than $\alpha = 5\%$ then the 3rd hypothesis is not successfully supported (rejected). This research has not succeeded in proving that the audit client tenure affects the audit opinion of going concern. The results of this study were inconsistent with the research of Junaidi and Hartono (2010) which gave empirical evidence that the audit client tenure influential against the audit opinion of going concern. However, this research is consistent with research conducted by Werastuti (2013), Verdiana and Utama (2013), and Pratiwi (2013), stating that the audit client tenure has no significant effect on the audit opinion of going concern.

The results of the study provided empirical evidence that the independence of the auditor was not disturbed by the length of the alliance between the auditors and its clients. Auditors will still issue an audit opinion of going concern on companies that are doubtful of their ability to maintain their business continuity without doubting the audit fee that will be received in the future due to the loss of clients. Auditors will tend to keep his name and the HOOD where the auditor works without seeing that the auditor has audited the client company about the company's survival audited, then the auditor will disclose the opinion Audit going concern.

4) Influence of reputation of Auditors (REP), Disclosure (DISC), and Audit Client Tenure (TENURE) to the opinion of Audit Going Concern (GC)

The Auditor's reputation (REP), Disclosure (DISC), and client tenure Audit (TENURE) indicate a Chi-Square value of 6.951, i.e. a difference from -2 the initial Likelihood Log and -2 Log of the final Likelihood. Column DF of 3 indicates the number of independent variables as much as three namely the reputation of auditors, disclosure, and the audit Client tenure with a significant rate of 0.073 greater at $\alpha = 5\%$. Since the significance is greater than $\alpha = 5\%$ then the 4th hypothesis is not successfully supported (rejected).

Tabel 4.9. Omnibus Tests of Model Coefficients

Step	Chi-square	Df	Sig.	Description
Step	6,951	3	,073	
Block	6,951	3	,073	Not significant
Model	6,951	3	,073	

Source: output SPSS

V. Conclusion

This research examines the influence of the reputation of auditors, disclosure, and audit client tenure on the audit opinion of going concern. The analysis is conducted using a logistic regression analysis tool with SPSS Ver. 15 program. Sample Data of 84 companies observed in manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2017-2018. The results of research and discussion in the previous section can be summarized as follows:

- a. Based on the results of the logistic regression test shows that the reputation of the auditor statistically does not affect Significant on the audit opinion of going concern during the 2017-2018 observation year. The results of this study were not in line with the research of Junaidi and Hartono (2010), Wahyuningsih (2015), as well as Ardiani, Emrinaldi and Nur Azlina (2012). However, this research was in line with the research results conducted by PRATIWI (2013), Verdiana and Utama (2013), and Werastuti (2013).
- b. Based on the results of the logistics regression test shows the results that the disclosure statistically does not affect the audit opinion of going concern during the 2017-2018 observation year. The results of this study were not in line with previous research conducted by Junaidi and Hartono (2010), Pratiwi (2013), and Werastuti (2013). The results of this study were in line with the research conducted by Wahyuningsih (2015).
- c. Based on the results of the logistic regression test showed the results that the client tenure audit statistically no effect Significant on the audit opinion of going concern during the 2017-2018 observation year. The results of this study were not in line with the research of Junaidi and Hartono (2010). But the results of this study in line with the results of research conducted by Werastuti (2015), Verdiana and Utama (2013), and Pratiwi (2013).
- d. Based on the results of the logistic regression test showed the results that the auditor, disclosure, and client audit tenure statistically no effect Significant on the audit opinion of going concern during the 2017-2018 observation year.

References

- [1] Agoes, Sukrisno. 2012. *Auditing "Petunjuk Praktis Pemeriksaan Akuntan oleh Aukuntan Publik"*. Edisi 4 Buku 1. Salemba Empat: Jakarta Selatan.
- [2] Ardiani, N., Emrinaldi Nur DP., dan Nur Azlina. 2012. *Pengaruh Audit Tenure, Disclosure, Ukuran Kap, Debt Default, Opinion Shopping, dan Kondisi Keuangan Terhadap Penerimaan Opini Audit Going Concern Pada Perusahaan Real Estate dan Property di Bursa Efek Indonesia*. JurnalEkonomi Volume 20. Universitas Riau.
- [3] Ghozali, Imam. 2011. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 19*. Edisi 5 Cetakan V. Badan Penerbit Universitas Diponegoro: Semarang.
- [4] Ginting, Suriani dan Linda Suryana. 2014. *Analisis Faktor-faktor yang Mempengaruhi Opini Audit Going Concern Pada Perusahaan Manufaktur di Bursa Efek Indonesia*. Jurnal Wira Ekonomi Mikroskil. Volume 4, Nomor 02, Oktober 2014.
- [5] Hery. 2015. *Auditing 1: Dasar-dasar Pemeriksaan Akuntansi*. PrenadamediaGroup: Jakarta.
- [6] Institut Akuntan Publik Indonesia. 2011. *Standar Profesional Akuntan Publik*. Salemba Empat: Jakarta Selatan.
- [7] Januarti, Indira. 2009. *Analisi Pengaruh Faktor Perusahaan, Kualitas Auditor, Kepemilikan Perusahaan Terhadap Opini Audit Going Concern (Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia)*. Universitas Diponegoro.
- [8] Junaidi, dan Jogiyanto Hartono. 2010. *Faktor Non Keuangan pada Opini Going Concern*. Simposium Nasional Akuntansi XIII Purwokerto.
- [9] Keputusan Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan Nomor:Kep-431/BI/2012 Tentang Penyampaian Laporan Tahunan Emiten AtauPerusahaan Publik. Diakses pada tanggal 07 Desember 2015.
- [10] Mulyadi, 2002. *Auditing*. Edisi 6 Buku 1. Salemba Empat: Jakarta.
- [11] Peraturan Menteri Keuangan Nomor: 17/Pmk.01/2008 Tentang Jasa AkuntanPublik. Diakses pada tanggal 07 Desember 2015.
- [12] Pratiwi, Karina Aningdita. 2013. *Pengaruh Audit Tenure, Reputasi KAP, Disclosure, Ukuran Perusahaan Klien, dan Opini Audit Sebelumnya Terhadap Opini Audit Going Cocnern (Studi Empiris pada Perusahaan Manufaktur yang Listing di BEI Tahun 2007-20011)*. Skripsi. UniversitasIslam Negeri Syarif Hidayatullah: Jakarta.

An Suci Azzahra." Analysis of the Reputation Factor Auditor, Disclosure, and Audit Client Tenure to Audit Opinion Going Concern on Manufacturing Companies in Indonesia." IOSR Journal of Business and Management (IOSR-JBM), Vol. 21, No. 12, 2019, pp 80-89.