

DETERMINANTS OF GOING CONCERN AUDIT OPINIONS IN REAL ESTATE AND PROPERTY COMPANIES LISTED ON THE IDX

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Abstract

This study aims to determine the effect of Audit Quality, Company Size, KAP Reputation and Audit Tenure on Going Concern Audit Opinions. This research is focused on Real Estate and Property companies listed on the IDX in 2020-2022 with a total of 81 samples. The data analysis technique used is using SPSS software with the aim of obtaining accurate calculation results and facilitating proper data processing. The results of this study are audit quality, KAP reputation, and audit tenure have no effect on going concern audit opinion. Meanwhile, company size has a significant effect on going concern audit opinion.

Keywords: Audit Quality, Company Size, KAP Reputation, Audit Tenure and Going Concern Audit Opinion

1. Introduction

Real Estate and Property is still one of the main choices of investors in investing funds. This is because the shares of companies in the Real Estate and Property sector still offer the potential for an increase. Judging from some companies in the Real Estate and Property sector that have shown maximum prospects for their companies. The development of the Real Estate and Property industry is so rapid at this time and will be even greater in the future. This is due to the increasing population while the supply of land is fixed.

The case that has occurred at PT Truba Alam Manunggal Tbk, which is engaged in the infrastructure sector of the non-building construction sub-sector, which on September 12, 2018 was delisted from the Indonesia Stock Exchange due to not having a going concern. Based on IDX announcement No. Peng- DEL-00001/BEI/PP2/09-2018, the delisting of TRUBA shares refers to two provisions listed in Exchange Regulation Number I-I. First, experiencing conditions or events that significantly negatively affect the continuity of the listed company's business, either financially or in general or the continuity of the listed company's status as a public company and the listed company cannot show adequate indications of recovery. Second, the shares of the listed company which are due to suspension in the regular market and cash market, have only been traded in the negotiation market for at least the last 24 months.

IDX Director of Corporate Valuation I Gede Nyoman Yetna said, one of the reasons why a stock must be delisted is that the company does not show efforts to improve its business. This is indicated by the company not operating and unable to generate revenue. According to the IDX, the IDX has asked for an explanation to the issuer and provided

an opportunity to show plans to maintain its business. However, TRUBA does not have a business plan going forward, so the IDX gave a delisting decision.

The company will receive a going concern audit opinion if there are doubts about the company in maintaining its survival (Minerva, et al., 2020). The auditor issues a going concern audit opinion to ascertain whether the company is able to maintain its business continuity or not. The importance of the audit opinion issued by the auditor; the auditor must be responsible for issuing a going concern audit opinion that is consistent with the actual condition of the company (Effendi, 2019). Going concern can be said to be an opinion or assumption regarding the possibility of the company being able to survive at least 5 years ahead (Hati & Rosini, 2017).

Audit quality, company size, KAP reputation and audit tenure are factors that influence going concern audit opinion. Audit quality as the possibility of auditors finding and reporting deviant actions in the auditee's accounting system, where the possibility of "findings" results from the competence and expertise of auditors (Murti, 2017). Audit quality starts from planning in advance before carrying out the examination and using expertise and accuracy in carrying out the profession (Indra Bastian, 2014). Company size can be seen from the business field being operated, it can be determined based on total sales, total assets and average sales levels (Windi Novianty & Wendy May, 2018).

KAP reputation can be interpreted as a benchmark that shows audit quality. KAPs that have a good reputation and name will tend to maintain their reputation by providing good audit quality (Permatasari & Astuti, 2019). Meanwhile, according to Nurhayati & dwi (2015) KAP's reputation is defined as KAP's experience in carrying out auditing work. And as for the length of the relationship between the auditor and the client, it is called audit tenure, measured by calculating the period of months or years in which the same KAP has performed audit engagements (Andyny, 2017). Audit tenure can have an impact on auditor performance such as the emotional relationship between auditors and clients, thus affecting the results of the audit opinion issued (Yanuariska & Ardiati, 2018). In reality, the going concern problem continues to exist and is complex. So that consistent factors are needed and can be used as a definite benchmark in determining going concern status.

2. Theoretical Background

2.1 Theory of the Effect of Audit Quality on Going Concern Audit Opinions

Auditors with good and high quality are always assumed to be able to prevent and reduce questionable accounting practices and report material errors and irregularities rather than low quality auditors (Effendi, 2019). If the client is experiencing problems in maintaining its business life and questionable accounting practices are found, the greater the likelihood of receiving a going concern audit opinion.

2.2 Theory of the Effect of Company Size on Going Concern Audit Opinions

Company size is assessed from total assets, total profits, tax burden and others (Hamdani, 2019). If the company is classified as a small company, however, has good performance management, the company is considered capable of surviving in the long term so that the smaller the potential for getting a going concern audit opinion (Chandra et al., 2019).

2.3 Theory of the Effect of KAP Reputation on Going Concern Audit Opinions

KAPs that have the most experienced auditors or specialist auditors usually have better intuition and understanding of the characteristics of the client's business compared to KAPs that have non-specialist auditors, so the audit results will be better, including in the disclosure of going concern issues (Adib, 2017). the more qualified the auditor, the more likely the company is to get a going concern opinion because the auditor will be more thorough in examining all events in the financial statements (Tandungan & Mertha, 2016).

2.4 Theory of the Effect of Audit Tenure on Going Concern Audit Opinions

The high tenure of auditors with companies is feared to reduce the quality of opinions issued, this is commonly known as audit tenure (Gunawan, 2019). The longer the audit tenure, of course, will provide good benefits for the auditor from a material perspective, but it is feared that it will create an emotional relationship between the auditor and the client company which is indicated to reduce the auditor's independence in providing his opinion (Gunawan, 2019).

3. Methods

The type of method used in this research is quantitative method. Research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion is called quantitative data (Sugiyono, 2018; 13). This research is categorized as explanatory research, a research method that intends to explain the position of the variables studied and the influence between one variable and another Sugiyono (2017: 6).

The population in this study were all Real Estate and Property companies listed on the Indonesia Stock Exchange (IDX). The generalization area consisting of objects / subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions is called the population (Sugiyono, 2015; 117). Part of the population taken in certain ways to measure or observe its characteristics is said to be a sample (Silaen, 2018; 87). The sample of this study is a property and real estate company listed on the IDX that regularly publishes its financial statements.

Table 1. Sampling Criteria

Description	Total
Real Estate and Property companies listed on the Indonesia Stock Exchange in the period 2020-2022.	86
Real Estate and Property companies that do not publish consecutive financial reports during the period 2020-2022.	(20)
Real Estate and Property Companies that experienced losses during the period 2020-2022.	(39)
Total companies that became the research sample	27
Research Period	3
Total Observations During the Research Period x 3	81

The data collection technique in this study is the documentation method, collecting data by re-recording or documenting data that has previously been collected by other people or an agency (Hakim, 2016, p. 82). The type of data used in this study is secondary data, data obtained through other parties or it can be said that it is not directly obtained

by researchers from their research subjects (Sudaryana, 2018, p. 54). The data source used is from the annual financial statements of Real Estate and Property sector companies on the Indonesia Stock Exchange (www.idx.co.id).

Table 2. Identification and Operational Definition

Variable	Variable Definition	Indicators	Scala
Audit Quality (X1)	Auditors find and report deviant actions in the accounting system, where these findings result from the competence and expertise of auditors (Murti, 2017).	0 = KAP non Big Four 1 = KAP Big Four	Nominal (Dummy)
Company Size (X2)	Company size can be seen from the business field being operated, it can be determined based on total sales, total assets and average sales levels (Windi Novianty & Wendy May, 2018).	Company size = Ln (Total Assets)	Rasio
KAP Reputation (X3)	According to Nurhayati & dwi (2015) KAP reputation is defined as KAP's experience in carrying out auditing work.	0 = KAP non Big Four 1 = KAP Big Four	Nominal (Dummy)
Audit Tenure (X4)	The length of the relationship between the auditor and the client is called audit tenure, measured by calculating the period of months or years in which the same KAP has performed the audit engagement (Andyny, 2017).	0 = ≥ 3 years 1 = < 3 years	Nominal (Dummy)
Opini Audit Going Concern (Y)	The auditor issues a going concern audit opinion to ascertain whether the company is able to maintain its business continuity or not. (Effendi, 2019).	0 = non Going Concern 1 = Going Concern	Nominal (Dummy)

Data processing in this study uses Statistical Product and Service Solutions Software or commonly known as SPSS version 25.0 with the aim of obtaining accurate calculation results and facilitating proper data processing.

4. Results And Discussion

4.1 Classical Assumption Test

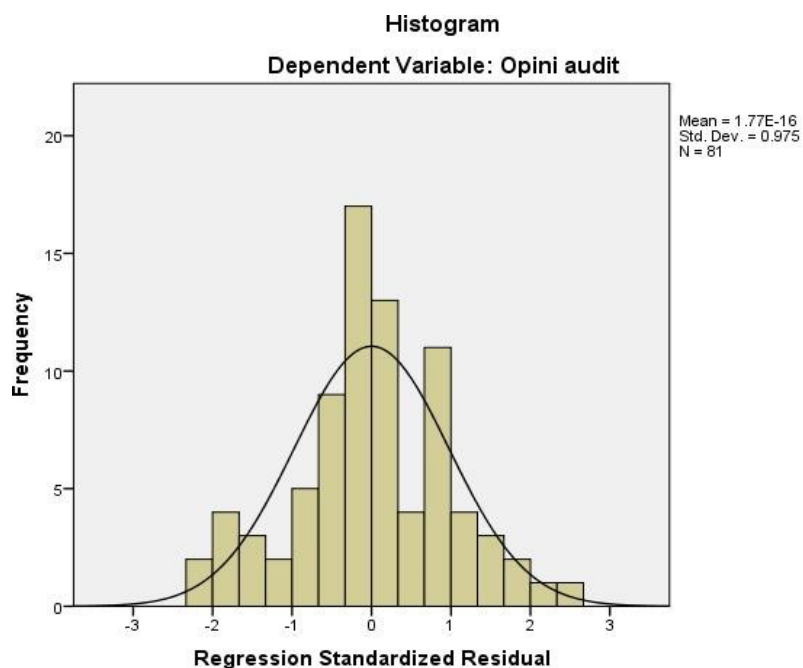


Figure 1. Histogram Graph normality test

In the picture above, it tells us that the data conclusion is normally distributed where the graph shown tends to be symmetrical and does not lean to the left or right.

4.1.1 Multicollinearity Test

Unlike the normality test, this test is said to pass if the VIF value <10 and tolerance >0.1 .

Table 3. Multicollinearity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.608	.132		4.596	.000		
Audit quality	-.029	.181	-.052	-.157	.875	.545	1.395
Company size	-.021	.005	-.435	-4.244	.000	.412	1.209
KAP Reputation	-.009	.176	-.016	-.050	.961	.807	1.673
Audit tenure	-.053	.051	-.109	-1.044	.300	.923	1.451

The test results above for each variable have a Tolerance value >0.1 and a VIF value <10 , so it can be concluded that each variable passes the test and there are no symptoms of multicollinearity.

4.1.2 Autocorrelation Test

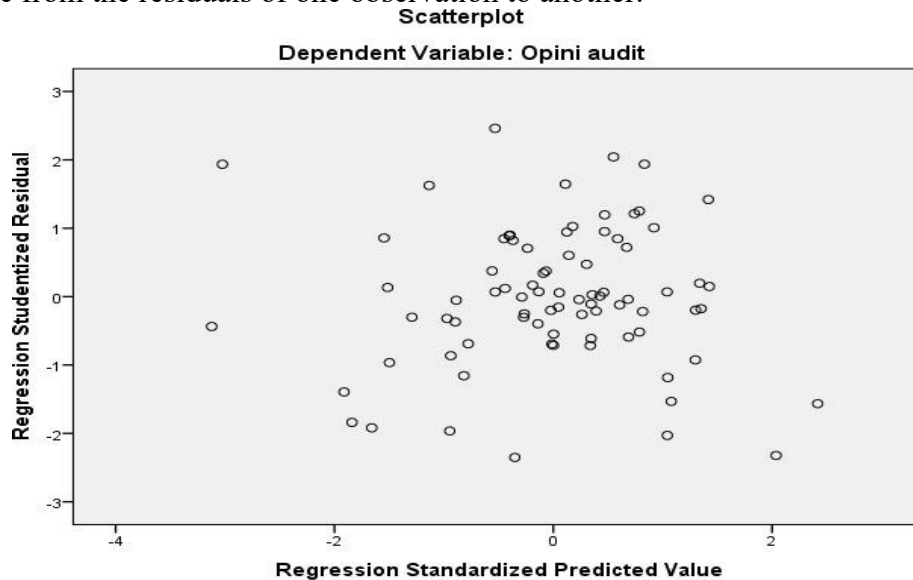
Table 4. Autocorrelation Test Result

	Unstandardized Residual
Test Value ^a	-.00843
Cases < Test Value	41
Cases >= Test Value	40
Total Cases	100
Number of Runs	44
Z	-1.312
Asymp. Sig. (2-tailed)	.925

From the test results it can be concluded that H0 is accepted and there are no symptoms of autocorrelation with a significant value of research that must be greater than 0.05, namely (0.925 > 0.05).

4.1.3 Heteroscedasticity Test

This test is used to test whether in the regression model there is an inequality of variance from the residuals of one observation to another.

**Figure 2.** Scatterplot Test

In the test above, it can be seen that the dots are spread all over and do not form a certain pattern or clumped, so it is concluded that there are no symptoms of heteroscedity.

4.2 Multiple Linear Regression Analysis Results

Table 5. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.608	.132		4.596	.000
Audit quality	-.029	.181	-.052	-.157	.875
Company size	-.021	.005	-.435	-4.244	.000
KAP Reputation	-.009	.176	-.016	-.050	.961
Audit tenure	-.053	.051	-.109	-1.044	.300

The results of multiple linear regression analysis in the table above are $Y = 0.608 - 0.029X_1 - 0.021X_2 - 0.009X_3 - 0.053X_4$. Based on the above equation, it can be seen: the constant value of 0.608 means that if X_1 , X_2 , X_3 , X_4 are considered 0, then Y is 0.608.

1. The regression coefficient of X_1 is -0.029, which means that each reduction of one unit of audit quality (X_1) will reduce audit opinion by 0.029.
2. The regression coefficient X_2 is -0.021, which means that each reduction of one unit of company size (X_2) will result in a decrease in audit opinion by 0.021.
3. The regression coefficient of X_3 is -0.009, which means that each reduction of one unit of KAP Reputation (X_3) will result in a decrease in audit opinion by 0.009.
4. The regression coefficient of X_4 is -0.053, which means that each reduction of one unit of audit tenure (X_4) will result in a decrease in audit opinion by 0.053.

4.3 Determination Coefficient Test

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.455 ^a	.207	.165	.174

The SPSS results obtained an adjusted R Square value of 0.165, so the effect of the independent variable on the dependent variable is 16.5%.

4.4 T-Test

Table 7. Results of t-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.608	.132		4.596	.000
Audit quality	-.029	.181	-.052	-.157	.875
Company size	-.021	.005	-.435	-4.244	.000
KAP Reputation	-.009	.176	-.016	-.050	.961
Audit tenure	-.053	.051	-.109	-1.044	.300

Produces a t table value: 1.665 with free degrees = $81 - 4 - 1 = 76$ Through testing the SPSS results it can be concluded that:

1. Audit quality has a t value of -0.157, t table 1.665 and a sig value of $0.875 > 0.05$ with the conclusion that audit quality has no effect on audit opinion.
2. Company size has a t value of -4.244, t table 1.665 and a sig value of $0.000 < 0.05$ with the conclusion that company size has an effect on audit opinion.
3. KAP Reputation has a t value of -0.050, t table 1.665 and a sig value of $0.961 > 0.05$ with the conclusion that KAP Reputation has no effect on audit opinion.
4. Audit tenure has a t value of -1.044, t table 1.665 and a sig value of $0.300 > 0.05$ with the conclusion that audit tenure has no effect on audit opinion.

4.5 Test f

Table 7. ANOVA Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.598	4	.150	4.963	.001 ^b
Residual	2.291	76	.030		
Total	2.889	80			

With $N(1) = K(\text{variable}) - 1 = 4$ and $N(2) = N(\text{sample}) - K = 76$, the value of f table (2.49) $< f$ count (4.963) with a significant probability is $0.001 < 0.05$. This means that H_0 is rejected and H_a is accepted, namely simultaneously Audit quality, Company size, KAP Reputation, audit tenure affects audit opinion in real estate and property companies listed on the IDX in 2020-2022.

4.6 Discussion

4.6.1 The Effect of Audit quality on Audit Opinion

Based on the results of partial hypothesis testing with SPSS, a significant value of $0.875 > 0.05$ is obtained, which means that audit quality has no significant effect on audit opinion. The results of this study are in accordance with research (Aria Masdiana 2015) concluded that audit quality has no effect on audit opinion. KAP with Big 4 affiliation or not are equally independent in issuing going concern audit opinions, they will be objective about the opinion they will give (Desak Nyoman 2013). Meanwhile, the results of this observation are not in line with the results of research by (Shulasi Nur Haalisa 2021) which states that audit quality affects audit opinion.

4.6.2 The Effect of Company size on Audit Opinion

Based on the results of partial hypothesis testing with SPSS, a significant value of $0.000 < 0.05$ is obtained, which means that company size has a significant effect on audit opinion. The results of this study are in accordance with research conducted by (Shulasi Nur Haalisa 2021) which concluded that company size has an effect on audit opinion. The larger the company, the auditor will avoid giving a going concern audit opinion because large companies are considered capable of overcoming their bad conditions compared to small companies (Asiah, 2015). Meanwhile, the results of this observation are not in accordance with the results of research conducted (Debby tandungan 2016) which concluded that Company size has no effect on audit opinion.

4.6.3 The Effect of KAP Reputation on Audit Opinion

Based on the results of partial hypothesis testing with SPSS, a significant value of $0.961 > 0.05$ is obtained, which means that KAP Reputation has no effect on audit opinion. KAP Big 4 or not, they are not afraid to disclose the real state of the client related to its survival, so they both provide good audit quality (Desak Nyoman, 2013). Meanwhile, the results of this study contradict the results of research conducted by (Debby Tandungan 2016) which concluded that KAP Reputation has an effect on audit opinion.

4.6.4 The Effect of Audit Tenure on Audit Opinion

Based on the results of partial hypothesis testing with SPSS, a significant value of $0.300 > 0.05$ is obtained, which can be interpreted that Audit Tenure has no effect on audit opinion. The results of this study are in accordance with the results of research conducted by (Debby Tandungan 2016) which concluded that audit tenure has no effect on audit opinion. Auditors should not be influenced by anyone in taking a stand and in providing

opinions, auditors must be able to maintain their independence and work professionally (Arsianto & Rahardjo, 2013). This is also not supported by (Fauzan Syahputra 2017) which states that audit tenure has an effect on audit opinion.

4.6.5 The Effect of Audit quality, Company size, KAP Reputation, and Audit Tenure on Audit Opinions

Based on the test results in SPSS, the value of f count (4.963) > f table (2.49) with a significant probability of $0.001 < 0.05$. This means that H_0 is rejected and H_a is accepted, namely simultaneously Audit quality, Company size, KAP Reputation, audit tenure affects audit opinion in real estate and property companies listed on the IDX in 2020-2022.

5. Conclusion

Based on the results obtained through SPSS software, the following conclusions can be drawn:

1. Audit quality has no influence on audit opinion on real estate and property companies listed on the IDX in 2020-2022.
2. Company size has an influence on audit opinion on real estate and property companies listed on the IDX in 2020-2022.
3. KAP Reputation has no influence on audit opinion on real estate and property companies listed on the IDX in 2020-2022.
4. Audit tenure has no influence on audit opinion on real estate and property companies listed on the IDX in 2020-2022.
5. From the research conducted, it is concluded that simultaneously Audit quality, Company size, KAP Reputation, audit tenure affects audit opinion in real estate and property companies listed on the IDX in 2020-2022.

The following is a description of suggestions based on the research that has been researched:

1. For future researchers, it can increase knowledge related to real estate and property companies.
2. For UNPRI students, it is useful as a reference to help further research related to this.
3. For future researchers to look for other variables related to audit opinion because the adjusted R Square value is still too low and there are still many other variables that can be studied outside of the 4 x variables of the researcher.

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