

## The Effect of Profitability and Liquidity on Going Concern Audit Opinion Acceptance: The Role of Audit Committee

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### ABSTRACT

The purpose of this study was to determine the effect of profitability and liquidity ongoing concern audit opinion acceptance by using the audit committee variable as a moderator. The data in this study uses secondary data in the form of financial reports available on the Indonesia Stock Exchange (IDX) website. The population of this study are customer cyclical companies listed on the IDX for the period 2019 - 2021, with a total sample size of 64 cyclical customer companies. Based on the results of this study, profitability influences the acceptance of going concern audit opinion on companies. Meanwhile, liquidity does not influence going concern audit opinion acceptance. The audit committee is also unable to moderate the effect of profitability and liquidity ongoing concern audit opinion acceptance.

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## INTRODUCTION

The COVID-19 pandemic became a situation that occurred suddenly and has had to be faced by the world since the end of 2019. The World Health Organization (WHO) officially declared the COVID-19 outbreak a global pandemic on March 11, 2022 (WHO, 2020). The COVID pandemic has brought many changes and difficulties to human life and its activities. As a result of this pandemic, many countries have started putting lockdown policies in place to keep their citizens safe. The Indonesian government began implementing the large-scale social restrictions (Indonesian: Pembatasan Sosial Berskala Besar or PSBB) in early March 2020 (Hadiwardoyo, 2020). Even though the lockdown policy protects the public's health, it can also affect the country's economy. The lockdown has significantly impacted almost all business sectors and seriously threatened the industry.

Financial statements are prepared based on assumptions that the entity can continue its business in one forward accounting period and that the entity is assumed to have no intention to liquidate or reduce the business's scale of the business, according to PSAK No. 1 Revision (IAI, 2021). Financial statements can be liquidated if the firm decides to do so, and the management's rationale must be supported by substantial evidence in the financial statements. The company's financial condition is reflected in the company's financial statements because going concerned is an assumption in the company's financial reporting. If these assumptions are not met, the entity can be said to be in trouble (KRISTIANA, 2012).

Once an audit opinion is designated as "going concern", it means the auditor believes that the company lacks the necessary skills to continue functioning within one year from the date of the financial statements reviewed (SPAP, 2011). As per the guidelines set forth by the American Institute of Certified Public Accountants (AICPA), auditors are obligated to explicitly disclose if the client organization possesses the ability to sustain its operations for a whole year after the reporting period. (AICPA, 2012). Companies that have assessed and predicted potential threats to their survival are those that can survive. Initial circumstances about the economic uncertainty of an area or nation will primarily rely on analysts and business analysis techniques. Users of financial statements, particularly investors, use going concern audit opinions as a warning before deciding to invest in a company, helping investors avoid making the wrong choice (Suksesi, Ghea Windy ; Lastanti, 2016).

In providing audit opinions on financial reports, public accountants are regarded as qualified parties. The opinion is that audited financial statements are more neutral, accurate, and reflect reality (Robu & Robu, 2015). The auditor considers several aspects in giving a going concern audit opinion to a company, both due to financial and non-financial factors. Four variables, including significant company losses that reduce working capital, the firm's incapacity to fulfill its obligations, uninsured disasters, and legal or legislative processes that interfere with the company's operations, are what lead companies to issue going-concern audit conclusions (Arens et al., 2014).

The acceptance of a going concern audit opinion might be influenced by a variety of other variables. Profitability was used in this study to assess its impact on the acceptance of the going concern audit opinion. A financial ratio called profitability is used to evaluate a company's capacity to make profits in a specific time frame. The company's capacity to generate profits is positively correlated with its profitability value, while conversely, a decrease in profitability value is associated with a decline in the company's ability to create profits. The receipt of a going concern audit opinion is significantly influenced by profitability. As the company's profitability improves, the likelihood of the auditor harboring uncertainties regarding the company's capacity to continue its operations diminishes. Research conducted by Haryanto & Sudarno (2019), shows that profitability significantly influences giving a going concern audit opinion. However, different results were found by research by Yanti et al. (2021) which did not find the significance of profitability in receiving going-concern audit opinions.

Liquidity is another independent variable that was included in this research. A company's liquidity is an indicator of its capacity to pay off its current obligations. It can be stated that a company is liquid and in excellent health if it can fulfill its obligations before its maturity. The condition of a liquid company like this will reduce the indication of doubts in maintaining its continuity by the auditor. A separate study conducted by Bahtiar et al. (2021), examines the liquidity influence going concern audit opinion. However, the results are not in line with the study by Zaelani & Amrulloh (2021) which shows no relationship between liquidity and acceptance of going concern audit opinions.

The study also uses the audit committee as the moderating variable because management also has a role and responsibility for the achievement and performance of the company. However, disputes often occur between management as agents and shareholders as principals due to different interests. Therefore, it is necessary to apply corporate governance to protect the interests of shareholders and optimize company performance so that the goals set by the company can be achieved through supervision. One of the parties that supervises this is the audit committee. A corporation may assist auditors in lowering their concerns about the ongoing existence of the business by having in place appropriate monitoring structures (such as an audit committee) and obtaining an opinion without a "going concern" issue (Fidiana et al., 2023).

## **THEORETICAL REVIEW**

### ***Agency Theory***

According to Jensen & Meckling (1976), agency theory is a contractual structure in which one or more people (principals) appoint other people (agents) to carry out their operational business obligations on their behalf as principals with agent authority. The management (agent) is the party responsible for maintaining the business they lead. The owner (principal) gives authority to management to manage the company's operations, so that management (agent) knows more information. Agency theory tries to explain

the difficulties that arise when one person, the agent, acts on behalf of another principle. When acting for the principal, the agent faces a series of problems, and the principal faces various difficulties in ensuring that the agent's activities conform to the wishes of the principal.

Because the capital owner does not run the company directly operationally, agents are required to report information relating to the company, one of which is through financial reports. Therefore, an independent third party is needed to prevent the tendency to manipulate company information in financial reports. This third party is the Auditor. According to agency theory, the auditor is part of an effective mechanism for reducing conflicts of interest between managers and outside (Elfouzi and Zarai.,2009) in (Fauzalina Triani Fauzi, 2021)(Salehi et al., 2019).

### ***Going Concern Audit Opinion***

A going concern audit opinion is an opinion that the auditor issues in order to determine if the company can continue to be sustainable, according to SPAP (2011: 341) (IAI, 2011). Going concern opinion is also interpreted as an opinion with paragraphs emphasizing a matter given by the auditor on doubts about the entity in maintaining its going concern within a period of one year since the financial statements were issued. According to GAAP, a company will keep operating unless special conditions arise. When an entity experiences significant operational and/or financial problems, there are concerns about its capacity to continue as a going concern; in extreme cases, the entity may be liquidated (Wahyuningsih & Mahdar, 2018).

### ***Profitability***

Profitability can be interpreted as the company's ability to generate profit or profit in an effort to increase shareholder value (Wahyuningsih & Mahdar, 2018). The better the value of the profitability ratio, the better the company's ability to survive in the long term. Companies that, even though they are in a condition of great uncertainty in the future but still generate profits, can be said that the company is efficient in managing its production activities. If the profitability of a company is good or makes a profit, then there is no doubt that the auditor is going concern so that it has a low probability of obtaining a going-concern audit opinion (Fauzy & Kusumadewi, 2022).

Profitability has a negative effect on the acceptance of going concern audit opinions, according to research by Budiantoro et al (2022), Bahtiar et al (2021) and Haryanto & Sudarno, (2019). The company will have difficulty controlling its capacity to run and pay dividends to investors if it experiences losses or generates no profit. The findings of this study are inconsistent with studies by Yanti et al (2021), Zaelani & Amrulloh, (2021), and Yanthi et al (2020) which found no relationship between profitability and the going concern audit opinion.

H1 : Profitability has a negative effect on the acceptance of the going concern audit opinion.

### *Liquidity*

The acceptance of a going concern opinion for a company is supported by several crucial factors, including financial performance, according to Giri et al. (2022). The liquidity ratio is one of the ratios used to measure company performance. According to (Sukamulja, 2019) in (Chynthiawati & Jonnardi, 2022), the liquidity ratio measures a company's ability to pay off its short-term obligations or how quickly it can convert its assets into cash

The condition where a firm is unable to fulfill its short-term obligations when they become due is one of the reasons for providing a going concern audit opinion, according to Arens et al. (2014). Based on empirical evidence, it may be inferred that enterprises that obtain a going concern audit opinion typically do so due to their inability to fulfill their financial obligations. The presence of liquidity exerts a detrimental impact on the level of acceptability accorded to going concern audit opinions, according to research (Bahtiar et al., 2021), (Haryanto & Sudarno, 2019) and (Giri et al., 2022). The findings of this study contradict the results from studies by Zaelani & Amrulloh (2021), Purnadewi et al. (2022), and Yanthi et al. (2020), which found no relationship between liquidity and going concern audit opinions.

H2 : Liquidity has a negative effect on the acceptance of the going concern audit opinion.

### *Audit Committee*

The board of commissioners of the corporation creates the audit committee, which has the responsibility to carrying out the supervisory role and preserve the management team's and internal audit accountant's independence in accordance with GCG principles (Syofyan, 2021). The supervisory regarding the audit committee are regulated in POJK (Financial Services Authority Regulation) Number 55/POJK.04/2015 concerning Formation and implementation of Audit Committee Work. It is required by these regulations that the audit committee hold at least once every three months. The effectiveness of the audit committee's supervision of the company's internal controls and financial reporting process can be improved with regular meetings (Vafeas, 1999).

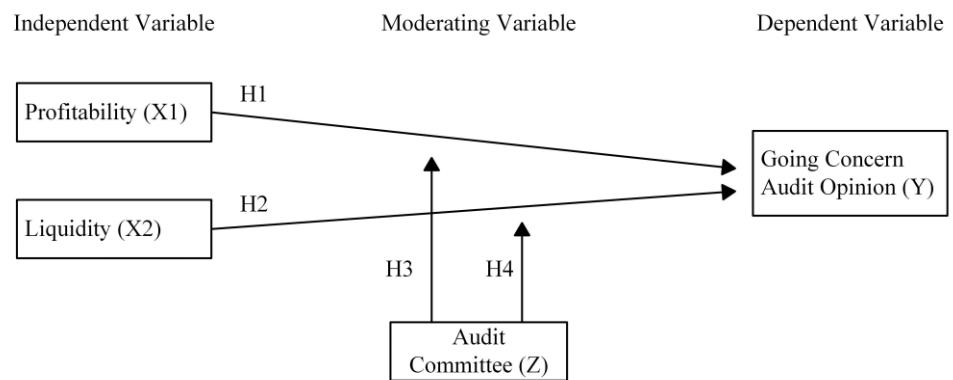
If the audit committee effectively carries out supervision under supervision, it will impact increasingly optimal company performance that will affect company profitability. The existence of an Audit Committee has beneficial effects on corporate profitability, according to research done by Lumbanraja (2021). When a firm has an audit committee, its performance is better, its financial statements reflect its profitability better, and its future opportunities are even greater (Noviani et al., 2019). This has relevance to the entity's continuing business. It will reduce the probability of getting a going concern audit opinion.

H3: The Audit Committee strengthen the negative effect of Profitability on the acceptance of Going Concern Audit Opinion

The audit committee's supervision, which is one component of good corporate governance (GCG), will influence the business' performance, which will become increasingly optimal. Good firm liquidity correlates with optimal company performance. Higher liquidity makes a company a greater probability to be capable to pay off its short-term debts, which reduces the consideration by the auditor to give a going concern audit opinion.

H4: The Audit Committee strengthen the negative effect of liquidity on the acceptance of Going Concern Audit Opinion

The following can be made as the framework for this study based on the previously mentioned



hypothesis:

Figure 1. Conceptual Framework

**METHODOLOGY**

This study is an explanatory study, in accordance with the study's purpose. A research that uses a theoretical framework to emphasize the link between variables and then forms a hypothesis is known as an explanatory study. For determining the cause-and-effect relationship between the dependent and independent variables, this study applies a quantitative approach. Using the existence of an audit committee as a moderating variable, this study investigates the effect of profitability and liquidity on going concern opinion.

The population of this study are consumer cyclical companies listed on the Indonesia Stock Exchange (IDX) for 2019-2021. The selection of the customer cyclical sector is because this sector is the sector with the largest number of issuers when compared to other sectors based on the IDX Industrial Classification or IDX-IC (Idx.co.id, 2022). In addition, the customer cyclical sector is a sector that produces and distributes non-primary and cyclical goods or services, where economic conditions greatly affect the demand for goods and services. Because the research period used is 2019-2021 where there is a pandemic in the world, when the economic situation decreases, consumers tend to spend their money on non-essential items, resulting in a decrease in sales. Purposive sampling with judgement was used in selecting the sample, with the

goal of obtaining a representative sample that meets the given criteria. Data data obtained were 64 companies.

Table 1. Sample Criteria

No	Criteria	Total
1	Customer Cyclical companies that constantly listed on the Stock Exchange Indonesia (IDX) during the 2019-2021 period.	126
2	Customer Cyclical companies that did not report periodically during the period 2019-2021 financial reports to the Indonesia Stock Exchange (IDX).	(29)
3	Customer Cyclical companies that did not complete the data related to the variables used in the study	(23)
4	Customer Cyclical companies that do not use the rupiah (Rp) currency in their financial statements for the 2019-2021 period.	(10)
Total Company Samples		64
Period of study (2019-2021)		3
Total Observation (64 x 3 years)		192

Secondary data was the kind of data used in this study. Companies in the consumer cyclical sector that were listed on the Indonesia Stock Exchange from 2019 to 2021 provided annual audited financial reports, which were used as secondary data in this study. The Indonesian Stock Exchange website, [www.idx.co.id](http://www.idx.co.id), was the source of the data used in this study. This study used a quantitative methodology, where data are presented in numerical form and processed using statistics. The measures of the variables used in this research are shown in Table 2:

Table 2. Operational Variables

No	Variables	Proxy Measurement
1	Going Concern Audit Opinion (Y)	Dummy variables are used to measure going concern opinion. Companies with a going concern audit opinion accepted were coded 1, while those without one were labeled 0. (Nugroho et al., 2018)
2	Profitability (X1)	A return on assets (ROA) ratio was applied in this study as a measure of profitability. The ability of a business to generate a net profit from a specific amount of assets is measured by the ROA ratio (Bahtiar et al., 2021).

$$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$$

- 3 Liquidity (X2) The current ratio is the liquidity ratio that was used in this study to assess the company's liquidity. The company's current assets are compared to its short-term liabilities to determine its current ratio (Setiawan et al., 2021)

$$CR = \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

- 4 Audit Committee (Z) The number of audit committee meetings was used as a proxy in this study to estimate the audit committee's size. The frequency of audit committee meetings is a key indicator of how well the committee performs financially.

$$AC = \frac{\text{Number of Audit Committee Meetings}}{\text{Total Current Liabilities}}$$

In this study, the hypothesis is tested using multivariate analysis and logistic regression. A logistic regression analysis is looking to determine whether the independent variable can predict the probability that the dependent variable will occur. The going concern audit opinion, which is qualitative data that uses dummy variables, is logistic regression's dependent variable and is another reason for its use. Because logistic regression does not require normality assumptions for the independent variables, this analysis technique does not perform data normality tests (Ghozali., 2018). As a result, normality checks, heteroscedasticity tests, and traditional assumption tests on the independent variables are not necessary for logistic regression analysis.

The first model is logistic regression which is used to test the direct relationship between profitability and liquidity on going concern audit opinion acceptance. The second model is the model used to examine the relationship between profitability and liquidity with going concern opinion with the moderating effect of the existence of an audit committee. This model uses the MRA approach. In this study, moderated regression analysis (MRA) was used since it can explain how moderating variables affect how strongly or weakly the independent variable and dependent variable are correlated.

Model 1:

$$Y = \beta_0 + \beta_1PF1 + \beta_2LQ2 + \beta_3AC3 + e \dots\dots\dots(1)$$

Model 2:

$$Y = \beta_0 + \beta_1PF1 + \beta_2LQ2 + \beta_3PF3*AC3 + \beta_4LQ4*AC4 + e \dots\dots\dots(2)$$

Description:

- Y = Going Concern Audit Opinion
- β0 = Constant
- β1-4 = Regression Coefficient
- PF1 = Profitability
- LQ2 = Liquidity
- AC = Audit Committee

PF3\*AC3 = Interaction (multiplication) of PF and AC  
LQ4\*AC4 = Interaction (multiplication) of LQ and AC  
e = Error Item

## RESEARCH RESULT

### *Descriptive Statistics*

Table 3. The result of descriptive statistics

	N	Statistic	Minimum	Maximum	Mean	Std. Deviation
PF	192		-4.7987000	0.3100700	0.4227084	0.5857219
LQ	192		0.0004800	16.930350	0.2158348	2.9906953
AC	192		0	47	0.398	5.516
Valid N (listwise)	192					

The mean, median, maximum, minimum, and standard deviation values of each variable are displayed in the table above. The profitability and liquidity indicators have mean values of 0.4227 and 0.2158 with standard deviations of 0.5857 and 2.9906 respectively. The two variables are heterogeneous and highly changeable as shown by the standard deviation, which has a smaller value than the mean value.

### *Variables in the Equation*

This study's logistic regression model analysis is looking to determine the significance of each logistic regression coefficient. All the independent variables listed in the following table are included in an equation model:

Table 4. Variables in the Equation for Model 1

		B	S.E	Wald	df	Sig.	Exp(B)	95% C.I for EXP (B)	
								Lower	Upper
Step 1a	PF	-19.336	3.723	26.969	1	0.000	0.000	0.000	0.000
	LQ	-0.174	0.105	2.765	1	0.096	0.840	0.684	1.032
	AC	0.041	0.033	1.534	1	0.215	1.041	0.977	1.110
	Constant	-1.490	0.401	13.840	1	0.000	0.225		

a. Variable(s) entered on step 1: PF, LQ, AC

Based on the regression analysis results in Table 4., the regression equation can be obtained as follows:

$$Y = \beta_0 + \beta_1PF1 + \beta_2LQ2 + \beta_3AC3 + e \dots (1)$$

$$Y = -1.490 -19.342PF1 -0,175LQ2 + 0041AC3 + e$$

The profitability variable, which is represented by the Return on Assets (ROA) value, shows a negative coefficient of 19.336 with a significance level of 0.000, less than = 0.05 (5%), and a lower level of significance than 0.000. Therefore, it can be said that H1 has been successfully accepted. This leads to

the conclusion that profitability affects the audit opinion for a going concern negatively.

The current ratio (CR) value, which serves as a proxy for the liquidity variable, has a negative coefficient of 0.174 and a significance level of 0.096, which is greater than 0.05 (5%). This indicates that H2 was not properly accepted. Thus, it can be said that the acceptance of the going concern audit opinion is not influenced by liquidity.

The interpretation results of the second regression model, which are displayed in the following table, are used to determine if the Audit Committee has a moderating influence on the link between profitability and liquidity on the acceptance of the audit opinion for a going concern:

Table 5. Variables in the Equation for Model 2

		B	S.E	Wald	df	Sig.	Exp(B)	95% C.I for EXP (B)	
								Lower	Upper
Step 1a	PF	-20.533	4.736	18.799	1	0.000	0.000	0.000	0.000
	LQ	-0.210	.0153	1.891	1	0.169	0.810	0.601	1.093
	PF*AC	0.178	0.430	0.172	1	0.678	1.195	0.515	2.776
	LQ*AC	0.004	0.022	0.025	1	0.874	1.004	0.961	1.048
	Constant	-1.183	0.314	14.167	1	0.000	0.307		

a. Variable(s) entered on step 1: PF, LQ, PF\*AC, LQ\*AC

Based on the regression analysis results in Table 5, the regression equation can be obtained as follows:

$$Y = \beta_0 + \beta_1PF_1 + \beta_2LQ_2 + \beta_3PF_3*AC_3 + \beta_4LQ_4*AC_4 \dots (2)$$

$$Y = - 1.716 - 23.307PF_1 + 0.030LQ_2 + 0,699PF_3*AC_3 - 0.051LQ_4*AC_4$$

According to the results of the multiplication of profitability and audit committee shown in the table above, a positive coefficient value of 0.178 is obtained, and when the significance value of 0.678 exceeds the significant level of = 5% or (0.678>0.05), then H3 is rejected, meaning that the number of audit committee meetings cannot moderate the relationship between profitability and the acceptance of a going concern audit opinion..

Meanwhile, from the results of the regression calculation for the multiplication of liquidity and audit committee, a positive coefficient value of 0.004 and a significance value of 0.874 is greater than the significant level  $\alpha = 5\%$  or (0.262>0.05), then H4 is rejected; it indicates the relationship between liquidity and the adoption of the going concern audit opinion cannot be moderated by the number of audit committee meetings.

**DISCUSSION**

**The effect of the profitability on the acceptance of the going concern audit opinion.**

The Return on Assets (ROA) proxy for the Profitability variable displays a negative regression coefficient of 19,353 with a significance level of 0.000, or a significance value less than = 5%. The test results support (accept) the first hypothesis, "Profitability has a negative effect on going concern audit opinion

acceptance". The smaller the profitability value, the greater the auditor's doubts about business continuity, which causes the auditor to provide a going concern audit opinion. The results of this study are in line with several previous studies (see, for example: Purnadewi et al. (2022); Purnadewi et al. (2022); Anggraeni & Nugroho (2021); Bahtiar et al. (2021); Budiantoro et al. (2022) ; Oktaviana & Karnawati (2020); Suryani (2020); Khamsiyahni & Amin (2023); Yulianti & Muhyarsyah (2021)).

The ability of a business to make profit is determined by its profitability. High-profit margin businesses may obtain funds from investors. Investors consider that if a business generates a significant profit, it will also generate a significant return, indicating that it can sustain itself (Suryani, 2020). Auditors also employ profitability assessments to demonstrate the company's sound financial condition and long-term survival (Budiantoro et al., 2022). A low profitability rating thus indicates the company's limited capacity to produce profits. This is why the auditor expresses a going concern audit opinion despite concerns about the viability of the company's operations.

#### **The effect of the liquidity on the acceptance of the going concern audit opinion.**

Based on the the results of the logistic regression test, the current ratio (CR) proxy for the liquidity variable indicates a negative regression coefficient of 0.189 with a significance level of 0.073 or a significance value larger than = 5%. The second hypothesis, "Liquidity has a negative effect on going concern audit opinion acceptance," was not successfully supported (rejected), according to the test results. The results of this study are consistent with previous research conducted by Zaelani & Amrulloh (2021); Purnadewi et al., (2022); Sari, (2020) ; Regina & Paramitadewi, (2021); Anggraini et al., (2022); (Kimberli & Kurniawan, (2021) which also states that liquidity has no effect on going concern audit opinion acceptance in companies.

According to Anggraini et al., (2022), the assessment of liquidity, namely through the use of the current ratio, cannot be deemed as the sole foundation for issuing a going concern audit opinion. This is due to the fact that the current ratio just evaluates the company's ability to meet its short-term obligations, often those with a maturity of less than one year. In contrast, the going concern audit opinion considers the company's financial condition analysis over one year of financial statements or for a relatively long period. Because the auditor evaluates the company's total performance in paying off all debts, both short-term and long-term, in they assessment when provide the opinion (Kristiani & Lusmeida, 2018).

#### **The moderating effect of the audit committee on the influence of profitability on the acceptance of going concern audit opinion**

Based on the results of the logistic regression test, the results of multiplying profitability, as measured by ROA, with the audit committee moderation variable, as measured by the number of audit committee meetings

per year, show a positive regression coefficient of 0.178 with a significance level of 0.678, or a significance value greater than = 5%. Therefore, the Audit Committee cannot moderate the negative effect of profitability on the acceptance of going concern audit opinion H3 was not supported (rejected).

The absence of a moderating effect of the audit committee with the effect of company profitability on the acceptance of the going concern opinion can be caused by the absence of a significant difference in the number of audit committee meetings in both companies with good and poor profitability. Based on the results of the data observations in this study, overall, the number of audit committee meetings is the same and not significantly different. According to other study, it can be said that the audit committee's meetings are only held as a formality and to comply with Bapepam laws (Merawati et al., 2013). Other study also state that the number of audit committee meetings is typically restricted to a few times in order to accomplish regulatory objectives due to collective culture, much like in Indonesia (Fidiana et al., 2023). In addition, Nurpratiwi & Rahardjo (2014) state that even though audit committees hold meetings regularly, this only indicates that their performance improves if conducted efficiently.

This study hypothesizes that company profitability will increase along with the frequency of audit committee meetings and reduce the likelihood of going concern audit opinion acceptance. However, according to Gunawijaya (2015), the frequency of audit committee meetings is precisely to discuss problematic business situations or financial problems in the company. Therefore, increasing the frequency of audit committee meetings does not always result in better financial performance or reduce the probability that the auditor will give a going concern audit opinion. Audit committees are thought to be not effective and helpless, acting passively rather than having active dialogues with auditors (Stewart & Munro, 2007).

### **The moderating effect of the audit committee on the influence of liquidity on the acceptance of going concern audit opinion**

Based on the results of the logistic regression test, the results of multiplying liquidity, as measured by the current ratio (CR), with the number of audit committee meetings in a year, result in a positive regression coefficient of 0.004, with a significance level of 0.874, or a significance value greater than = 5%. Therefore, the Audit Committee cannot moderate the negative effect of liquidity on the acceptance of going concern audit opinion or H4 was not supported (rejected).

The influence of liquidity on the acceptance of a going concern audit opinion remains uncertain. The auditors assess the whole financial state of the firm, including the liquidity ratios, with the aim of delivering an audit opinion regarding the company's ability to continue its operations. (Pakpahan, 2020). Likewise, the audit committee studies conducted by Dewi & Wiyono (2023), Kurniawan (2021), and Katrian & Nurbaiti (2021) state that the audit committee does not influence going concern opinions. The audit committee's role is considered not optimal in implementing good corporate governance. The audit committee has not been able to moderate because it does not have a direct

contribution to solving problems that exist in company management because the audit committee must be independent and responsible to the board of commissioners and is limited to providing recommendations to the board of commissioners (Devi & Badera, 2016)

## CONCLUSIONS AND RECOMMENDATIONS

This study uses the audit committee as a moderator to explore the effects of firm profitability and liquidity on the acceptance of a going concern audit opinion. Based on the findings of the analysis that has been conducted, the conclusion of this study indicates that profitability affects going concern audit opinion acceptance. Liquidity has no influence on the going concern audit opinion acceptance. The audit committee is also unable to moderate the effect of profitability and liquidity on going concern audit opinion acceptance.

## ADVANCED RESEARCH

It is recommended for future researchers to consider including more independent variables both internal and external to the company that can affect whether or not a going concern audit opinion is received. Future researchers can also extend the research period, so that the research has a broader scope and provides more accurate and in-depth conclusions. Finally, future research is expected to expand the company area or choose other more varied company sectors so that it can provide more generalizable results.

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