International Journal of Research and Review
Vol. 10; Issue: 2; February 2023
Website: www.ijrrjournal.com
Research Paper *E-ISSN: 2349-9788; P-ISSN: 2454-2237*

The Effect of Debt Default, Audit Lag, Profitability, and Financial Distress on Going Concern Audit Opinion with Firm Size as a Moderating Variable in Mining Companies Listed on the Indonesia Stock Exchange 2016-2020

Hanifah Hasna Ritonga[1], Erlina[2], Yeni Absah[3]

[1,2,3]Department of Accounting, Faculty of Economics and Business Universitas Sumatera Utara, Indonesia

Corresponding Author: Hanifah Hasna Ritonga

DOI: https://doi.org/10.52403/ijrr.20230255

ABSTRACT

This study aims to determine whether debt default, audit lag, profitability, and financial distress affect going concern audit opinion. In addition, this study also aims to determine whether firm size can moderate the effect of debt default, audit lag, profitability, and financial distress ongoing concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.

The type of research carried out is causal associative research which is carried out using a quantitative approach. The population in this study are mining companies listed on the Indonesia Stock Exchange (IDX) during the 2016-2020 period. Ninety-five observational data were obtained in this study using the purposive sampling technique. The data analysis technique used is logistic regression analysis and interaction test carried out with the help of SPSS software.

The results found in this study indicate that partially debt default, audit lag, and financial distress have a positive and significant effect on going concern audit opinion. Profitability has no significant effect on going concern audit opinion. In contrast, the results of the interaction test on the moderating variable show that firm size cannot moderate the effect of debt default, audit lag, profitability, and financial distress ongoing concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.

Keywords: debt default, audit lag, profitability, financial distress, going concern audit opinion, and firm size.

INTRODUCTION

The development of the business world that is increasing rapidly and increasingly fierce competition between companies encourages company management to work more effectively and efficiently so that the company can maintain its operational activities while achieving success. The company was founded to maintain its survival. A company's survival is always associated with management's ability to manage the company and maintain its business activities in the long term. Investors are one of the parties who play an essential role in maintaining a company's viability by funding its operations through their investments. One of the investors' considerations in making their investments is the auditor's audit opinion on the company's financial statements (Akbar and Ridwan, 2019).

Financial reports are a form of management accountability to investors for their performance in managing the company and serve as a medium for communicating the company's performance to outside parties. Financial statements will be helpful as essential information to see how the company is doing, so it must present information that can help investors make decisions (Yunus et al., 2019). For this reason, the auditor's role is needed to prevent the issuance of financial statements that can mislead stakeholders in making decisions (Anggraini et al., 2021). Many parties assume that when the auditor gives a fair opinion, this is a guarantor so that the company does not go bankrupt in the near future.

As a result, many auditors are accused of being guilty of bankruptcy experienced by the company. Even though, as is known, the auditor has no responsibility to estimate bankruptcy. However, investors hope that the auditor can provide an early warning signal to investors regarding the company's going concern (Akbar and Ridwan, 2019). Going concerned is a business entity's survival (Yunus et al., 2020). Going concern audit opinion is bad news for the company because it can eliminate investor confidence and the use of other financial statements (Fortuna et al., 2021).

For public companies, corporate bankruptcy is marked by delisting, which begins with the termination of trading on the company's shares. Companies that are delisted from the Indonesia Stock Exchange (IDX) are companies that are deleted or removed from the list of companies whose shares are traded on the IDX.

Table 1. Companies that are Delisted from the IDX in 2019-2020

No	Code	Company	Delisting Date
1	NAGA	PT Bank Mitraniaga Tbk.	23-Sep-19
2	SIAP	Sekawan Intipratama Tbk.	17-Jun-19
3	ATPK	Bara Jaya Internasional Tbk.	30-Sep-19
4	BBNP	Bank Nusantara Parahyangan Tbk.	02-Mei-19
5	GMCW	Grahamas Citrawisata Tbk.	13-Agu-19
6	TMPI	PT Sigmagold Inti Perkasa Tbk.	11-Nov-19
7	BORN	Borneo Lumbung Energi & Metal Tbk.	20-Jan-20
8	GREN	Evergreen Invesco Tbk.	23-Nov-20
9	APOL	Arpeni Pratama Ocean Line Tbk.	06-Apr-20
10	SCBD	Danayasa Arthatama Tbk.	20-Apr-20
11	ITTG	Leo Investments Tbk.	23-Jan-20
12	CKRA	Cakra Mineral Tbk.	28-Agu-20

Source: IDX (2022)

The table above shows that many companies still have been excluded from the IDX (delisting) for t. Moreover, of the 12 companies, 4 are Mining Sector companies. These companies are Sekawan Intipratama Tbk, Bara Jaya Internasional Tbk, Borneo Lumbung Energi & Metal Tbk and Cakra Mineral Tbk. The phenomenon of many delistings illustrates that many companies still cannot maintain their business continuity, thus causing much concern among users of financial statements in all company sectors, including the mining sector. The mining sector is one of the most influential sectors for developing the country's economy due to its contribution to providing energy resources needed for the country's needs in exploring natural resources.

Especially for 2021, IDX has issued PT. First Indo American Leasing Tbk. (FINN) from the Indonesia Stock Exchange. But apart from PT. First Indo American Leasing Tbk. Many other companies have the potential to be delisted from the IDX in the future because trading in the company's shares has been suspended (suspended by the stock exchange) for 24 months or more. The following is a list of companies whose stock trading has been suspended for 24 months or more.

Table 2. Potentially Delisting Companies from the IDX

No	Code	Company	Length of Suspension Period	Suspension Date
1	ARMY	PT Armidian Karyatama Tbk.	24 Months	02-Des-19
2	CMPP	PT AirAsia Indonesia Tbk.	28 Months	05-Agu-19
3	TRIO	PT Trikomsel Oke Tbk.	29 Months	17-Jul-19
4	SUGI	PT Sugih Energy Tbk.	30 Months	01-Jul-19
5	NIPS	PT Nipress Tbk.	30 Months	01-Jul-19
6	HDTX	PT Panasia Indo Resources Tbk.	31 Months	29-Mei-19
7	BTEL	PT Bakrie Telecom Tbk.	31 Months	27-Mei-19
8	JKSW	PT Jakarta Kyoei Steel Works Tbk.	31 Months	02-Mei-19
9	LCGP	PT Eureka Prima Jakarta Tbk.	31 Months	02-Mei-19
10	TRIL	PT Triwira Insanlestari Tbk.	31 Months	02-Mei-19
11	KBRI	PT Kertas Basuki Rachmat Indonesia Tbk.	32 Months	23-Apr-19
12	GOLL	PT Golden Plantation Tbk.	35 Months	30-Jan-19
13	PLAS	PT Polaris Investama Tbk.	36 Months	28-Des-18

Source: IDX (2022)

LITERATURE REVIEW

Going Concern Audit Opinion

Going concern audit opinion is a modified audit opinion given by the auditor if there is doubt about the company is going concern ability, or there is significant uncertainty over the company's survival in carrying out its operations within a reasonable time, not more than one year after the date of the financial statements being audited (Xu et al., 2018). This assumption requires that the company operationally can maintain its viability (going concern) and will continue its business in the future.

Going concern audit opinion is bad news for the company because it can eliminate investor confidence and the use of other financial statements (Fortuna et al., 2021). Acceptance of going concern audit opinions can affect the company's stock market assessment (Putri, 2020). It proves that the going concern audit opinion provides additional specific information about the company beyond the information already available. Going concern audit opinion can be given to the company when the auditor sees the company's hesitation to continue his life. In addition to the data in the company's financial statements, the auditor must evaluate management plans before auditor issues a going concern audit opinion (Widoretno, 2019).

The issuance of a going concern audit opinion is very useful for users of financial statements to make the right decisions in investing because when an investor is going to invest, it is necessary to know the company's financial condition, especially regarding the viability of the company. This situation makes the auditor have a great responsibility to issue a going concern audit opinion consistent with the actual situation (Maffei et al., 2020).

This study uses a nominal scale to measure the going concern audit opinion variable. Measurement of the going concern audit opinion variable is carried out by providing a code (dummy), namely:

1. Code 1 = Given to a company that obtains a going concern audit opinion (GCAO) in its audit report.
2. Code 0 = Given to a company that obtains a non-going concern audit opinion (NGCAO) on its audit report.

Debt Default

One of the factors that can influence the going concern audit opinion that comes from the company's financial ratios is debt default. Debt default is the failure of the debtor (company) to pay the principal and or interest debt at maturity. The company's debt status is the main factor that the auditor will examine to measure the company's financial health. When the company has difficulty meeting its debts, the auditor will give the company a default status (Yulyvia and Nurbaiti, 2021). This default status can increase the possibility of the auditor issuing a going concern opinion.

A company can be categorized in a state of a debt default if one of the following conditions is met:

1. The company is unable or negligent in paying its principal or interest debt.
2. The debt agreement is violated if the violation of the agreement is not prosecuted or has been sued by the creditor for less than one year.
3. The company is in the process of negotiating overdue debt restructuring.

This study uses a nominal scale to measure the debt default status. Debt default is intended to determine liquidity, calculated using the current ratio, coded into the dummy variable. The measurement is done by giving a code (dummy) from numbers 1 and 0.

1. Code 1 = Given that the company's liquidity (current ratio) is less than number 1, it indicates default status.
2. Code 0 = Given that if the company's liquidity value (current ratio) is greater than or equal to 1, it indicates non-default status.

The results of previous research by Putri and Helmayunita (2021) found empirical evidence that the existence of a debt default status would cause the company to receive a going concern audit opinion. Likewise, the research results by Huda et al. (2020) found that debt default significantly affects the acceptance of going concern audit opinions. In contrast to previous results, research by Sohibujanar et al. (2021); and Yulyvia and Nurbaiti (2021) found that debt default did not significantly affect the acceptance of going concern audit opinions.

Audit Lag

The next factor that is thought to affect the acceptance of going concern audit opinions is audit lag. Audit lag is the days calculated from the financial statements to the date the independent auditor's report is issued, which indicates the time an auditor has completed the audit (Sari, 2020). The difference or the length of the number of days allows for the existence of problems in the company's survival. At that time, the auditor gives management time to overcome the survival problem so that the issuance of the audit opinion report is late.

The results obtained in previous studies as conducted by Haalisa & Inayati (2021) found that audit lag significantly affected going concern audit opinions. Likewise, the results of research conducted by Minerva et al. (2020) conclude that audit lag significantly affects going concern audit opinions. In contrast to previous results, research by Sohibujanar et al. (2021); and Syofyan & Vianti (2021) found that audit lag had no significant effect on the acceptance of going concern audit opinions.

The possibility of delays in the opinion issued is caused by the auditor doing more testing, and management may negotiate with the auditor. The auditor slows down the issuance of an opinion in to hope that management can solve the problems encountered, thus avoiding going concern audit opinions (Minerva et al., 2020). One of the causes of audit lag is the standard of fieldwork which states that audits must be carried out based on careful planning.

Adequate audit planning will affect the performance of the auditor. Compliance with audit standards can result in the time the audit report is completed, but it can also improve the quality of the audit results. Audit lag will significantly affect the timeliness of financial reporting. Audit lag results in a reduction in the quality of the information contained in the financial statements, thereby affecting the level of uncertainty in decisions based on published information (Haalisa & Inayati, 2021).

This variable is measured by calculating the number of days between the expiration date of the company's financial statements (December 31) and the date of issuance of the audit report by the auditor.

Profitability

Profitability is a ratio to assess the company's ability to seek profit. The higher the level of profitability, the lower the possibility of the company receiving a going concern audit opinion from the auditor. Conversely, companies with low profitability levels will tend to be more likely to accept going concern audit opinions. A low level of profitability will cause the company to be doubtful of being able to maintain its business viability.

For the company itself, profitability can be used as an evaluation of the effectiveness of the management of the business entity. Anggraini et al. (2021) further stated that company profitability is one of the basics for assessing the condition of a company. For that, we need an analytical tool to assess it. Thus, every business entity will always try to increase its profitability because the higher the level of profitability of a business entity, the survival of the business entity will be more guaranteed.

According to Subramanyam (2017) in Shalini et al. (2022), profitability measures have several advantages over other long-term financial strength measures that only rely on balance sheet items. This figure can effectively reveal the return on capital investment from the perspectives of different funding contributors (creditors and shareholders).

The investor's point of view is that one of the essential indicators to assess the company's prospects in the future is to see the extent to which the company's profitability is growing. This indicator is crucial to determine how much return investors can receive on their investments.

The signaling theory states that high profitability is a good signal for potential investors related to good company prospects, thus triggering investors to increase share demand.

The measurement of profitability variables in this study was carried out using ROA (Return On Assets). ROA is a tool used to assess the extent to which the ability of various assets owned by the company to generate profits. The formula used to measure profitability based on ROA is as follows:

$$\textit{Return On Asset} = \frac{\textit{Net Profit}}{\textit{Total Asset}}$$

The results of previous research by Ramadhan & Sumardjo (2021) found a significant effect between profitability and going concern audit opinion. Likewise, the research results of Betterment et al. (2021) also conclude that profitability significantly influences the acceptance of going concern audit opinions. In contrast to previous results, Anggraini et al. (2021); Lisnawati & Syafril (2021) found that profitability had no significant effect on the acceptance of going concern audit opinions.

Financial Distress

Financial distress is an event of a continuous decline in the company's financial performance within a particular time (Brunelli et al., 2021). For companies, financial distress is one of the conditions that cause bankruptcy. Financial distress will cause the company to experience financial disturbances such as negative cash flow, poor financial ratios, and default on debt agreements. The high level of financial distress owned by the company will cause the company to obtain a greater possibility of receiving a going concern audit opinion.

Financial distress can be described from two extreme points: short-term to insolvable liquidity difficulties. Short-term financial difficulties are usually short-term but can develop to be severe. Financial distress indicators can be seen in cash flow, company strategy, and financial statements (Chamboko & Chamboko, 2020). Therefore, every company must predict financial distress because this financial distress condition may help the company know the company's health condition, namely the company's bankruptcy condition.

Using earnings per share as a proxy for financial distress illustrates how much the company can generate per share that will be distributed to shareholders (Sunarwijaya, 2017), where the profits are obtained from its operating activities. Suppose the earnings per share of a company is known to be negative. In that case, it means that the company is experiencing an operating loss (Yasmin & Muharam, 2021), which is due to the income received by the company in that period being smaller than the costs incurred. Therefore, it can be concluded that such a situation indicates that the company is in the category of financial distress (Fitria & Syahrenny, 2022). The formula used to measure financial distress is:

$$\textit{Financial Distress} = \frac{\textit{Earnings}}{\textit{Total Share}}$$

The results of previous research by Damanhuri & Putra (2020) found a significant effect between financial distress and going concern audit opinion. Likewise, the results of other previous studies conducted by Tridevy (2021) concluded that financial distress significantly affects the acceptance of going concern audit opinions. In contrast to the previous results, research by Melinda & Wijaya (2021); and Rizky & Triyanto (2021) found that financial distress had no significant effect on the going concern audit opinion received by the company.

Firm Size

Firm size is one indicator that shows the financial strength of a company. The relatively large size of the company can indicate that the company is experiencing development so that investors will respond positively. In addition, large companies are usually stronger in the face of economic shocks and vice versa. So investors tend to like large companies over small companies.

In this study, Firm size is proxied by the total assets owned by the company. Total assets were chosen because they describe Firm Size more than revenue. Total assets show the wealth managed by the company since it was first established, while income is only the result obtained by the company in one period. A large company is generally considered to have sufficient assets in that period to guarantee its business continuity. The formula used to measure total assets is as follows:

$$Size = LN\ (Total\ Aset)$$

The results of the research conducted by Wasita (2019) showed empirical evidence regarding the ability of firm size to moderate the influence of independent variables ongoing concern audit opinions. Wasita (2019) explained that Firm size is considered to have a good influence on the company by providing the financial capability to the management in managing the capital given by investors and making the right decisions to get greater profits. Because the larger the size of the company, the easier it will be for the company to get funds. These results are also corroborated by the results of research conducted by Karjono & Sumadiya (2021); and Nurhayati et al. (2019), who also found that firm size was able to moderate the effect of independent variables ongoing concern audit opinions.

Framework

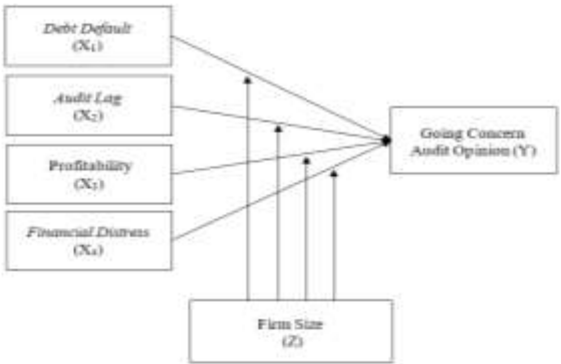

Figure 1. Framework

H1: Debt default has a positive effect ongoing concern audit opinion.
H2: Audit lag has a positive effect ongoing concern audit opinion.
H3: Profitability has a negative effect ongoing concern audit opinion.
H4: Financial distress has a positive effect ongoing concern audit opinion.
H5: Firm size can moderate the effect of debt default ongoing concern audit opinion.
H6: Firm size can moderate the effect of audit lag ongoing-concern audit opinion.
H7: Firm size can moderate the effect of profitability ongoing concern audit opinion.
H8: Firm size can moderate the effect of financial distress ongoing concern audit opinion.

MATERIALS & METHODS

The research design in this study is causal associative, namely research that aims to determine the causal relationship between various variables (Erlina, 2011). This study uses independent variables, namely debt default (X1), audit lag (X2), profitability (X3), and financial distress (X4). The moderating variable used is the firm size (Z), and going concern audit opinion as the dependent variable (Y).

The population is the totality of a certain characteristic determined by the author to be studied and concluded (Erlina, 2011). The population in this study are mining companies listed on the Indonesia Stock Exchange (IDX) during the 2016-2020 period.

While the sample is part of the population that is used to estimate the characteristics of the population (Erlina, 2011), samples taken from the population must be truly representative or representative. The sampling technique used in this research is the purposive sampling technique. Purposive sampling is a technique of taking samples from the population based on specific criteria. The sample criteria in this study include:

1. Mining companies listed on the IDX during the 2016-2020 period did not

experience delisting.
2. Mining companies include independent auditor reports and audited financial statements for the 2016-2020 period.
3. There are notes on the financial statements.
4. They are experiencing a loss in the financial reporting period, at least in one of the observation years. The auditor will tend to give a concerned audit opinion if the company experiences unfavorable financial conditions and is considered unable to maintain its business.
5. Based on the sample criteria, 19 samples of mining companies were obtained. So the number of observations used in this study was 19 x 5 years = 95 data.

The analytical tool used in this study is logistic regression analysis (logistic regression) with the help of SPSS Ver. 25. The reason for using logistic regression analysis tools is because the dependent variable is dummy (accepts or does not accept going concern audit opinion). The assumption of the normal distribution cannot be fulfilled because the independent variable is a mixture of continuous (metric) and categorical (non-metric) variables. In this case, it can be analyzed by logistic regression because there is no need to assume the normality of the data on the independent variables.

RESULT

A. Descriptive statistics

Descriptive statistics describe or describe data into information that is easier to understand. Descriptive statistics describe the data in terms of the average (mean), standard deviation (standard deviation), and maximum-minimum. The following are the results of descriptive statistical analysis in this study.

Table 3. Descriptive Statistics Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Debt Default	95	,00	1,00	,4316	,49792
Audit Lag	95	3,43	5,32	4,4631	,32547
Profitability	95	-1,54	,42	-,0405	,22563
Financial Distress	95	-562,33	832,14	8,1274	156,37066
Going Concern Audit Opinion	95	,00	1,00	,6105	,49022
Firm Size	95	10,23	20,67	15,5352	2,21198
Valid N (listwise)	95				

Source: Data processed by researchers, 2022

The table above shows the following conclusions:

1. The debt default variable for mining companies listed on the IDX during the 2016-2020 period has an average value of 0.4316. This debt default variable is measured by calculating the liquidity ratio, namely the current ratio, which is coded into the dummy variable. Code 1 is given if the current ratio is less than 1. It indicates the default status, while code 0 is given if the current ratio is greater than or equal to 1, then it indicates a non-default status.
2. The audit lag of mining companies listed on the IDX during the 2016-2020 period has a minimum value of 3.43 obtained by INCO companies in 2018. The maximum value of 5.32 was obtained by APEX companies in 2017.
3. The profitability variable for mining companies listed on the IDX during the 2016-2020 period has a minimum value of -1.54, obtained by the MITI company in 2019. The ENRG company obtained the maximum value of 0.42 in 2016.
4. The financial distress variable in mining companies listed on the IDX during the 2016-2020 period has a minimum value of -562.33 obtained by the DFKT company in 2019. The maximum value is 832.14, obtained by the INDY company in 2017.
5. The variable firm size in mining companies listed on the IDX during the 2016-2020 period has a minimum value of 10.23 obtained by the MITI company in 2020. The MDKA company obtained the maximum value of 20.67 in 2019.

B. Assessing the Overall Model (Overall Model Fit)

The first step in logistic regression analysis is assessing the data's overall model fit (Ghozali, 2016). This test aims to see whether the hypothesized model fits the data. The test is done by comparing the value of -2 log-likelihood at the beginning (block number=0) with a value of -2 log-likelihood at the end (block number=1).

Reducing the value between the initial -2 log likelihood (initial -2LL function) with the value of -2 log-likelihood in the next step indicates that the hypothesized variable fits the data. The log-likelihood in the logistic regression is similar to the "sum of square error" in the regression model. Hence, the decrease in the log-likelihood indicates a better regression model.

Table 4. Beginning Block O Table

Block 0: Beginning Block

Iteration History[a,b,c]

Iteration		-2 Log likelihood
Step 0	1	127,019
	2	127,017
	3	127,017

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 127,017

c. Estimation terminated at iteration number 3 because parameter estimates changed by less than ,001.

Source: Data processed by researchers, 2022

Table 5. Beginning Block 1 Table

Block 1: Method = Enter

Iteration History[a,b,c,d]

Iteration		-2 Log likelihood
Step 1	1	84,830
	2	78,216
	3	77,374
	4	77,244
	5	77,244
	6	77,244

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 127,017

d. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Source: Data processed by researchers, 2022

Iteration History table in block 0 or when the independent variable is not included in the model: N=95 gets a Value of -2 Log-Likelihood: 127.017. Whereas in the Iteration History table in block one or when the independent variable is entered into the model: N=95 gets a Value of -2 Log-Likelihood: 77,244. So if the value is -2 Log Likelihood Block 0 minus the value -2 Log Likelihood Block 1, which is 127,017 – 77,244 = 49,773.

Reducing the value between the initial -2 log-likelihood and the -2 log-likelihood value in the next step has a difference of 49,773. So these results indicate that the hypothesized variables fit with the data.

C. Regression Model Feasibility Test

The feasibility test of the regression model (goodness of fit test) can be done by paying attention to Hosmer and Lemeshow's output. If the statistical value of Hosmer and Lemeshow is equal to or less than 0.05, then the null hypothesis (H0) is rejected. It means that there is a significant difference between the model and the observation value, so the Goodness of Fit Test Model is not good because the model cannot predict the observation value. On the other hand, if the statistical value of Hosmer and Lemeshow is more than 0.05, then the null hypothesis (H0) cannot be rejected, which means that the model can predict the value of the observations.

Table 6. Regression Model Feasibility Test Results

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	4,899	8	,768

Source: Data processed by researchers, 2022

The results of the Hosmer and Lemeshow test above show that the significant value of the Hosmer and Lemeshow Test output is 0.768. The significant value in the Hosmer and Lemeshow table is greater than the 5% probability, which is 0.05. So with these results, it can be concluded that the model used in this study can predict the value of the observations.

D. Coefficient of Determination Test (R^2)

The summary model in logistic regression is the same as the R^2 test in the linear regression equation. The purpose of the summary model is to determine how much the combination of independent variables can explain the variation of the dependent variable. The coefficient of determination in this study can be seen based on the value of Nagelkerke's R square. The results of this study's coefficient of determination test are as follows.

Table 7. Coefficient of Determination Test Results(R^2)

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	77,244a	,408	,553

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Source: Data processed by researchers, 2022

In the Model Summary table above, the Nagelkerke R Square value is used to see the independent variable's ability to explain the dependent variable. This value is also called Pseudo R-Square, or if in multiple linear regression, it is better known as R-Square. It is known that the value of Nagelkerke R Square is 0.553, which indicates that the ability of the independent variable to explain the dependent variable is 0.553 or 55.3%. In contrast, the remaining 44.7% is explained by other variables not included in this research model.

E. Logistics Regression Analysis

This study's dependent variable (the dependent variable) is a dummy variable with a nominal scale, namely going concern audit opinion. Then the analytical method used to test the hypothesis in this study is logistic regression analysis (logistic regression). Logistic regression does not require a normal distribution of the independent variables (independent variables). In addition, this analysis technique also does not require normality tests, heteroscedasticity tests, and other classical assumption tests on the independent variables (Ghozali, 2016).

In logistic regression, the Wald test is used to test the significance of the constants of each independent variable included in the model. Therefore, if the Wald test shows a significance value less than 0.05, the regression coefficient is significant at the 5% confidence level. Determination of whether or not H0 is accepted is based on the significance level of (5%) with the following criteria:

1. H0 in this study is accepted if the probability value (sig) wald > the significance level (α) 5%. It means that HA is rejected, or the hypothesis that the independent variable has a significant effect on the dependent variable is rejected.
2. H0 is rejected if the probability value (sig) wald < significance level (α) 5%. It means that HA is accepted, or the hypothesis that the independent variable has a significant effect on the dependent variable is acceptable.

Table 8. Regression Coefficient Test Results

Variables in the Equation

		B	S.E.	Sig.
Step 1a	Debt Default	3,318	,762	,000
	Audit Lag	3,626	1,298	,005
	Profitability	-1,175	1,367	,390
	Financial Distress	,008	,003	,016
	Constant	-16,740	5,779	,004

Source: Data processed by researchers, 2022

The table above shows the equations of the logistic regression analysis model in this study are as follows:

$$Ln\frac{P}{1-P} = -16.740 - 3.318 + 3.626 - 1.175 + 0.008 + e$$

The equation above shows that the coefficients of the debt default, audit lag, and financial distress variables are positive. At the same time, the regression coefficient of the debt profitability variable is negative. If the coefficient is positive, the odds for "There is" (code 1) in the dependent variable will increase. If the coefficient is negative, the odds for "There is" (code 1) in the dependent variable will decrease. If the coefficient is zero, the odds for "There is" (code 1) in the dependent variable will remain.

When the independent variable has been entered into the research model (block number = 1), Wald's statistical test yielded:

1. The debt default variable has a significant value of 0.000 at a

significance of 5%. Because of the value of sig. $0.000 < 0.05$, then Ha is accepted while H0 is rejected. It means that the hypothesis that debt default significantly affects going-concern audit opinion is acceptable.

2. The audit lag variable has a significant value of 0.005 because of the value of sig. $0.005 < 0.05$, then Ha is accepted while H0 is rejected. It means that the hypothesis states that audit lag has a significant effect on going-concern audit opinion can be accepted.
3. The profitability variable has a significant value of 0.346 because of the value of sig. $0.390 > 0.05$, then Ha is rejected while H0 is accepted, which means that the hypothesis that profitability significantly affects going concern audit opinion is rejected.
4. The financial distress variable has a significant value of 0.016 because of the value of sig. $0.016 < 0.05$, then Ha is accepted while H0 is rejected. It means that the hypothesis that financial distress significantly affects going-concern audit opinion can be accepted.

F. Omnibus Tests of Model Coefficients

It should be remembered that in multiple linear regression analysis to test simultaneous significance using the F test, while in logistic regression using the Chi-Square value of the difference between -2 Log likelihood before the independent variable entered the model and -2 Log likelihood after the independent variable entered the model. This test is also known as Maximum likelihood testing, namely through Omnibus Tests.

Table 9. Omnibus Test Results

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	49,773	4	,000
	Block	49,773	4	,000
	Model	49,773	4	,000

Source: Data processed by researchers, 2022

The table above shows that debt default, audit lag, profitability, and financial distress have a significant effect on going concern audit opinion.

G. Moderating Regression Analysis

Table 10. Interaction Test Results (Moderating)

Variables in the Equation

		B	S.E.	Sig.
Step 1ª	Ukuran Perusahaan	-2,909	2,998	,332
	X1_Z	,505	,402	,209
	X2_Z	,666	,674	,323
	X3_Z	-,650	1,814	,720
	X4_Z	-,001	,003	,725
	Constant	27,355	45,094	,544

Source: Data processed by researchers, 2022

The table above shows that firm size cannot partially moderate the effect of debt default, audit lag, profitability, and financial distress ongoing concern audit opinion.

CONCLUSION

The results of this study provide several conclusions that can be drawn based on the discussion of the problems that have been carried out. The following are the conclusions that the author has summarized in this study:

1. Debt default has a positive and significant effect on the audit opinions of mining companies listed on the Indonesia Stock Exchange 2016-2020.
2. Audit lag has a positive and significant effect on going concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.
3. Profitability does not significantly affect going concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.
4. Financial distress has a positive and significant effect on the audit opinions of mining companies listed on the Indonesia Stock Exchange 2016-2020.
5. Firm size cannot moderate the effect of debt default ongoing concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.
6. Firm size cannot moderate the effect of

audit lag ongoing concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.

7. Firm size cannot moderate the effect of profitability ongoing concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.
8. Firm size cannot moderate the effect of financial distress ongoing concern audit opinions on mining companies listed on the Indonesia Stock Exchange 2016-2020.

SUGGESTION

The suggestions that can be recommended based on the results of research and discussion that have been described previously include the following:

1. For mining sector companies listed on the Indonesia Stock Exchange, the results of this study indicate that debt default, audit lag, and financial distress are empirically proven to have a positive and significant effect on going concern audit opinion. Therefore, it is suggested that mining sector companies can fulfill their obligations in paying debts to avoid default status, keep the audit lag level trim (short) by compiling financial reports on time, and keep the company's financial level maintained so that companies can avoid financial distress. Because of the increase in debt default, audit lag, and financial distress, the possibility of the company getting a going concern audit opinion will also increase.
2. For further researchers, it is recommended to examine similar topics by revealing other variables that have not been revealed in this study or by using different variables that have not been studied in this research. The variables that can be tested include company growth, previous year's audit opinion, audit quality, and audit tenure.

Declaration by Authors

Acknowledgement: None

Source of Funding: None

Conflict of Interest: The authors declare no conflict of interest.

REFERENCES

1. Akbar, R., & Ridwan, R. (2019). Pengaruh Kondisi Keuangan Perusahaan, Ukuran Perusahaan, Pertumbuhan Perusahaan dan Reputasi KAP Terhadap Penerimaan Opini Audit Going Concern Pada Perusahaan Pertambangan Yang Terdaftar di Bursa Efek Indonesia Tahun 2015-2017. Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi, 4(2), 286-303.
2. Anggraini, N., Pusparini, H., & Hudaya, R. (2021). Pengaruh Profitabilitas, Likuiditas dan Solvabilitas Terhadap Opini Audit Going Concern. Jurnal Aplikasi Akuntansi, 6(1), 24–55.Ghozali, Imam. 2013. Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi. Semarang: Badan Penerbit Universitas Diponegoro.
3. Betterment, W. R., Irene, M., & Jessy, J. (2021). Effect of Profitability, Audit Quality, and Firm size on Audit Opinion Going Concerned With Audit Lag as Intervening Variable. Mantik: Institute of Computer Science (IOCS), 5(2), 506-511.
4. Brunelli, S., Carlino, C., Castellano, R., & Giosi, A. (2021). Going Concern Modifications and Related Disclosures In The Italian Stock Market: Do Regulatory Improvements Help Investors In Capturing Financial Distress? Journal of Management and Governance, 25(2), 433-473.
5. Bursa Efek Indonesia. (2011). Surat Keputusan Direksi PT Bursa Efek Indonesia Nomor Kep-00086/BEI/10-2011. Peraturan Nomor III-G tentang Suspensi dan Pencabutan Persetujuan Keanggotaan Bursa. PT Bursa Efek Indonesia, Jakarta.
6. Chamboko, R., & Chamboko, R. K. (2020). Consumer Financial Distress During Economic Downturn: Evidence from Five Provinces of Zimbabwe. International Journal of Social Economics. 47 (9). 1123-1142.
7. Damanhuri, A. G., & Putra, I. M. P. D. (2020). Pengaruh Financial Distress, Total Asset Turnover, dan Audit Tenure pada

Pemberian Opini Going Concern. E-Jurnal Akuntansi, 30(9), 2392-2402.
8. Erlina. (2011). Metodologi Penelitian, USU Press, Medan.
9. Fitria, A., & Syahrenny, N. (2022). Pengaruh Profitabilitas, Likuiditas, Leverage Dan Ukuran Perusahaan Terhadap Financial Distress. PRIVE: Jurnal Riset Akuntansi dan Keuangan, 5(1), 45-60.
10. Fortuna, J., Silviana, S., Jerriko, C., & Sipahutar, T. T. U. (2021). Faktor-faktor yang Mempengaruhi Opini Audit Going Concern terhadap Nilai Keuangan Perusahaan Manufaktur Consumer Goods Industry. Owner: Riset Dan Jurnal Akuntansi, 5(2), 266–278.
11. Ghozali, I. (2016). Aplikasi Analisis Multiviate Dengan Program IBM SPSS 20. Edisi 8. Semarang: Badan Penerbit Universitas Diponegoro.
12. Haalisa, S. N., & Inayati, N. I. (2021). Pengaruh Ukuran Perusahaan, Audit Tenure, Kualitas Audit dan Audit Report Lag Terhadap Opini Audit Going. Raar: Review of Applied Accounting Research, 1(1), 29–42.
13. Huda, I., Subakti, A., & Rito, R. (2020). Analisis Pengaruh Opini Audit Tahun Sebelumnya, Debt Default, Dan Opinion Shopping Terhadap Penerimaan Opini Audit Going Concern Pada Perusahaan Manufaktur Tahun 2015-2019. Fair Value : Jurnal Ilmiah Akuntansi Dan Keuangan, 2(2), 146–164.
14. Karjono, A., & Sumadiya, T. A. (2021). Pengaruh Audit Tenure, Pertumbuhan Perusahaan, Komisaris Independen Dan Komite Audit Terhadap Opini Audit Going Concern Dengan Ukuran Perusahaan Sebagai Variabel Pemoderasi (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Pada Bursa Efek Indonesia Periode 2014-2018). ESENSI: Jurnal Manajemen Bisnis. 24(1). 139-163.
15. Lisnawati, L., & Syafril, A. S. (2021). Pengaruh Likuiditas, Profitabilitas Dan Solvabilitas Terhadap Opini Audit Going Concern (Studi Pada Perusahaan Retail Trade Yang Terdaftar Di Bursa Efek Indonesia). Land Journal, 2(2), 1-14.
16. Maffei, M., Fiondella, C., Zagaria, C., & Zampella, A. (2020). A Multiple Discriminant Analysis of The Auditor's Going Concern Opinion: The Case of Audit Opinions in Italy. Meditari Accountancy Research. 28(6). 1179-1208.
17. Melinda, M., & Wijaya, T. (2021). Pengaruh Financial Distress Dan Reputasi Kap Terhadap Opini Audit Going Concern Dengan Audit Report Lag Sebagai Variabel Intervening (Studi Empiris Pada Perusahaan Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Periode 2017-2019). Publikasi Riset Mahasiswa Akuntansi, 2(2), 135-154.
18. Minerva, L., Sumeisey, V. S., Stefani, S., Wijaya, S., & Lim, C. A. (2020). Pengaruh Kualitas Audit, Debt Ratio, Ukuran Perusahaan dan Audit Lag terhadap Opini Audit Going Concern. Owner: Riset Dan Jurnal Akuntansi, 4(1), 254–266.
19. Nurhayati, F., Astuti, D. S. P., & Harimurti, F. (2019). Pengaruh Opinion Shopping dan Audit Tenure Terhadap Opini Audit Going Concern dengan Ukuran Perusahaan sebagai Variabel Moderasi. Jurnal Akuntansi dan Sistem Teknologi Informasi, 14(1).
20. Putri, R. P. E., & Helmayunita, N. (2021). Pengaruh Debt Default, Financial Distress dan Ukuran Perusahaan Terhadap Penerimaan Opini Audit Modifikasi Going Concern. Jurnal Eksplorasi Akuntansi, 3(1), 50–66.
21. Putri, S. (2020). Factors Affecting Going Concern Audit Opinions. American International Journal of Business Management, 3(12), 27-35.
22. Ramadhan, A. P., & Sumardjo, M. (2021). Previous Years Audit Opinions, Profitability, Audit Tenure and Quality Control System on Going Concern Audit Opinion. European Journal of Business and Management Research, 6(2), 140-145.
23. Rizky, M. Y., & Triyanto, D. N. (2021). Pengaruh Kualitas Audit, Financial Distress Dan Debt Default Terhadap Penerimaan Opini Audit Going Concern (studi Empiris Perusahaan Industri Jasa Sub Sektor Transportasi Yang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2019). eProceedings of Management, 8(5).
24. Sari, P. C. (2020). Pengaruh Audit Lag, Profitabilitas dan Likuiditas Terhadap Opini Audit Going Concern Pada Perusahaan Manufaktur Yang Terdaftar di Bursa Efek Indonesia. Jurnal Riset Akuntansi Warmadewa, 1(1), 1–7.

25. Shalini, Witya., Christianty, Restia., Pattinaja, Elna M. (2020). Pengaruh Manajemen Modal Kerja, Likuiditas, dan Leverage Terhadap Profitabilitas Pada Perusahaan Consumer Goods di BEI Periode 2017-2020. Owner Riset & Jurnal Akuntansi. 6(2).
26. Sunarwijaya, I. K. (2017). Pengaruh Likuiditas, Leverage, Kepemilikan Manajerial, dan Kepemilikan Institusional terhadap Kemungkinan Terjadinya Financial Distress. Jurnal Ilmu Manajemen Mahasaraswati, 7(7), 100943.
27. Syofyan, E., & Vianti, K. O. (2021). Going Concern Audit Opinion: The Role of Audit Delay, Opinion Shopping, Financial Distress, Leverage and Size of Company. Jurnal Akuntansi, 11(3), 235–246.
28. Tridevy, B. N. (2021). Pengaruh Financial Distress, Rasio Leverage, Dan Rasio Arus Kas Terhadap Pemberian Opini Audit Going Concern (Studi Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2017-2019). Jurnal Ilmiah Mahasiswa FEB, 9(2).
29. Wasita, P. A. A. (2019). Ukuran Perusahaan Sebagai Variabel Pemoderasi Pengaruh Kinerja Keuangan Terhadap Penerimaan Opini Audit Going Concern. *Jurnal Ekonomi dan Pariwisata*, *14*(1).
30. Widoretno, A. A. (2019). Factors That Influence The Acceptance of Going Concern Audit Opinion on Manufacture Companies. Journal of Economics, Business, and Government Challenges, 2(1), 49-57.
31. Xu, H., Dao, M., & Wu, J. (2018). The Effect of Real Activities Manipulation on Going Concern Audit Opinions For Financially Distressed Companies. Review of Accounting and Finance. 17(4). 514-539.
32. Yasmin, A. R., & Muharam, H. (2021). Analisis Pengaruh Corporate Governance, Financial Indicators dan Faktor Makro-Ekonomi terhadap Financial Distress. Syntax Literate; Jurnal Ilmiah Indonesia, 6(12), 6031-6050.
33. Yulyvia, Y., & Nurbaiti, A. (2021). Pengaruh Debt Default, Disclosure dan Opini Audit Tahun Sebelumnya Terhadap Penerimaan Opini Audit Going Concern (Studi Pada Perusahaan Manufaktur Subsektor Tekstil dan Garmen Yang Terdaftar di Bursa Efek Indonesia Periode 2015-2019). E-Proceeding of Management, 8(5), 4898–4905.
34. Yunus, M., Sianipar, O. L., Saragih, K. Y., & Amelia, A. (2019). Deteksi Financial Statement Fraud Berdasarkan Perspektif Pressure dalam Fraud Triangle. Owner: Riset Dan Jurnal Akuntansi, 3(2), 350–360.

How to cite this article: Hanifah Hasna Ritonga, Erlina, Yeni Absah. The effect of debt default, audit lag, profitability, and financial distress on going concern audit opinion with firm size as a moderating variable in mining companies listed on the Indonesia Stock Exchange 2016-2020. *International Journal of Research and Review*. 2023; 10(2): 461-473.
DOI: *https://doi.org/10.52403/ijrr.20230255*

******