

EFFECT OF PROFITABILITY, LIQUIDITY AND QUALITY OF AUDITORS AUDIT OPINION GOING CONCERN IN FOOD AND DRINK LISTED IN INDONESIA STOCK EXCHANGE (IDX)

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Abstract

This study aimed to examine the effect of profitability, liquidity and the quality of the auditor's going concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange. This study uses associative approach made by combining two or more variables in order to determine the effect of variables from one another by using a quantitative approach that describes and summarizes the various conditions, circumstances or variables. The study population was food and beverage companies listed on the Indonesian Stock Exchange (BEI) in 2012 s / d in 2015. These samples included eight companies selected by purposive sampling method. Collecting data in this study using documentation technique that is by recording the necessary parts are derived from the financial statements of financial ratios and auditor's opinion on food and beverage companies listed in Indonesia Stock Exchange. Methods of data analysis used in this study using logistic regression analysis. The research proves that profitability, liquidity and quality auditor does not significantly influence the going concern audit opinion.

Keywords : Going Concern Audit Opinion, Profitability, Liquidity, and Quality Auditor

INTRODUCTION

Auditors have an important role in bridging between the interests of investors as users of financial statements and the interests of the company as a provider of financial statements. The company's data will be more easily trusted by investors and other users of financial statements if the financial statements reflect the performance and condition of the company and have got a fair statement of the auditor. The statement expressed through the auditor's audit opinion. By using the audited financial statements, users of financial statements to make decisions correctly in accordance with the actual reality.

Factors - factors that affect the administration of going concern audit opinion based on research done by Widyantari (2011) is liquidity, leverage, profitability, cash flow, company size, growth, quality audit, audit log, the audit opinion the previous year, and the auditor's client tenure. In this study, researchers only use some of the factors in giving opinions going concern, including profitability ratios, liquidity ratios, and audit quality

Profitability ratios are a key ratio in the financial statements because the main goal of the company is operating results/ benefits. The advantage is the end result of the policy and management decisions. The ratio of profits will be used to measure the effectiveness of the company's operations resulting in a profit to the company. profitability in this study using a measuring instrument Return On assets (ROA). ROA can portray a company's ability to generate profits by using total assets or assets owned by the company spotted within a certain period. Companies that have a negative ROA successive time periods will cause problems going concern due to negative ROA means that the company suffered a loss and this will directly interfere with the survival of the company. While the profitability of relationships with the audit opinion is the smaller the value the profitability of the company's difficulties to generate profits. With this, the auditor will provide an opinion based on the results of the value of profitability. If the value of the high profitability of the possibility of the auditor will give a reasonable opinion to be forwarded into a going concern opinion and if the value of low profitability and achieve a negative number then the auditor is likely to give a fair opinion will not be forwarded into an ongoing concern audit opinion.

Liquidity is defined as the company's ability to pay short-term obligations. Definition of liquidity is the ability of the company to get the highest cash in the short term to meet its obligations and relies on cash flow as well as components of assets and current liabilities. In conjunction with the liquidity of going concern audit opinion, the smaller the liquidity of the company is considered less liquid so it can not pay its creditors then the auditor may give a going concern audit opinion (Noverio and Dewayanto 2011). On the research of liquidity as seen from the current ratio.

In this study, the authors use a moving company in the food and beverage industry. In Indonesia food and beverage companies the longer growing in number due to food and beverage consumption of goods is one of the primary needs of human beings in addition to clothing and shelter, then from consumption goods industry company Food and drink is a business opportunity that has good prospects.

One of the food and beverage companies were listed on the Indonesia stock exchange. the value of the ROA shows numbers negative to report in the year 2014 and 2015 and company get a reasonable opinion from Auditors that will audit opinion forward in becoming a going concern. While in (PSA No. 30) company will receive a negative trend in the acceptance of the audit opinion going concern if the value of an important Financial Ratio shows the value of the ugly.

Quality audits on food and beverage companies listed in Indonesia Stock Exchange is generally good because these companies use the services of the Big Four accounting firm in the examination of financial statements. Rezkhy Noverio (2011) in the study stated that the use of the services of the Big Four accounting firm in the examination of the company's financial statements will affect investor interest in investing. There are only two companies that do not use the services of the Big Four accounting firm, a company AISA and ALTO so that both the company's financial statements auditannya assumed unfavorable.

Based on the background described above, the problem formulated in this study are:

- a. Is there any influence Profitability ratios (ROA) to the going-concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange?
- b. Is there any influence liquidity ratio (CR) of the going concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange?
- c. Is there any effect of audit quality on a going concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange?

The purpose of this study is as follows:

- a. To determine the effect of Profitability ratios (ROA) to the going-concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange.
- b. To determine the effect of liquidity ratio (CR) of the going concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange.

- c. To determine the effect of audit quality on a going concern audit opinion on food and beverage companies listed in Indonesia Stock Exchange.

LITERATURE REVIEW

Profitability Ratios

Profitability is the company's ability to generate profits. Profitability in this study is proxied by Return on Assets (ROA). ROA illustrates the company's ability to generate profits by using total assets or total assets owned by the company within a certain period. Companies that have a negative ROA successive time periods will cause problems going concern due to negative ROA means that the company suffered a loss and this will interfere with the survival of the company.

Liquidity Ratio

The company's liquidity is the company's ability to settle its current liabilities or analyzing and interpreting short-term financial position of the company (Munawir, 2002). The level of liquidity of the company can be measured by the current ratio. Current ratio is calculated as current assets divided by current liabilities. This ratio shows the extent of current assets to current liabilities cover current obligations. The greater the ratio of assets to current liabilities lancer the higher the company's ability to cover short-term obligations. This ratio can be made in the form of how many times or in the form of a percentage. If the current ratio is 1: 1 or 100% means that current assets can cover all current liabilities. The current ratio is safer if it is above 1 or above 100%.

Quality Audit

Auditor reputation is often used as a proxy of audit quality, however in many research competence and independence are still rarely used to see how big the actual audit quality (Ruiz Barbadillo et al, 2004). Auditor reputation is based on the confidence of service users auditor that the auditor has the power monitoring can not generally be observed. Auditor large scale are also more likely to express - Problem existing problems because they are stronger to face the risk of litigation. The argument means that large-scale auditors have more incentive to detect and report problems going concern clients.

The fourth public accounting firm is conducting audits for manufacturers giant in the United States and around the world and other smaller companies. Accordance with prevailing regulations in Indonesia, the interests represented by the Big Four public accounting firm in Indonesia, are as follows:

Table 1. Large-Scale Public Accounting Firm

The Big Four	Partners in Indonesia
Price Waterhouse Coopers	Haryanto Sahari & Partners
Ernest & Young	Purwantono, Sarwoko & Sandjaja
Deloitte	Osman Bing Satrio and Partners
KPMG	Sidharta Sidharta & Widjaja

One of the factors relating to premises reputation of public accounting firm is the auditor's quality and prestige. By improving the quality of the audit so that the roles and responsibilities of auditors is already set in the professional standards of Certified Public Accountants (SPAP) issued by the Auditing Standards Board (ABS).

Going Concern Audit Opinion

Going Concern according to Suwardjono (2008:234) is a postulate stating that the unity effort will continue to run its operations within the period long enough to realize the projects, responsibilities, and activities that do not stop. Going Concern is one of the most important concepts underlying the financial reporting.

Factors – Factors That Affect The Going Concern Audit Opinion

There are several factors - factors that affect the going concern audit opinion by Widyantari (2011) :

a. The liquidity ratio

Liquidity refers to the availability of resources (ability) of the company to meet its short-term liabilities maturing in a timely manner. Liquidity of a company is often indicated by comparing the current ratio of current assets to current liabilities.

b. The leverage ratio

Leverage indicates the proportion of the use of debt to finance investment (Sartono, 2001: 120). Leverage can be proxied by comparing the debt ratio between total liabilities and total assets. The ratio measures the percentage of the company's debt to total assets owned or the extent of the percentage of total assets financed with debt.

c. Profitability ratios

Profitability is one indicator of the success of the company to generate profits so that the higher profitability, the higher the company's ability to generate profits for the company. Profitability in this study was measured by the ratio of net profit before tax divided by net sales

d. Cash flow statement

Mills and Yamamura (1998) states that to understand the overall ability of the company to continue its efforts, the auditor must take into account some simple ratio of the cash flow statement data client.

e. Size of company

Suwito and Herawaty (2005) states that the size of the company is a scale that can classify the company into large and small companies in a variety of ways, including: total assets or total assets of the company, the value of the stock market, the average level of sales, and sales amount.

f. Growth companies

This ratio measures how well a company maintain its economic position, both in industry and in the overall economic activity (Setyarno et al., 2006)

g. Quality audits

audit quality measures up to now not yet clear, but usually the quality of audits is the measurement scale of the Big Four accounting firm.

h. Audit lag

Audit lag or in several studies referred to as the audit delay is defined as the time range the completion of the audit of annual financial statements are measured based on the length of days required to obtain an independent auditor's report on audit of the annual financial statements of the company since the date of the closing, which as of December 31 until the date listed on the report of independent auditors (Rachmawati, 2008)

i. The previous year's audit opinion

Opinion prior year's audit is an audit opinion received by the company in the previous year or the year before the study.

j. Auditor tenure client

Auditor tenure client is a period of engagement that exists between the public accounting firm (KAP) with the same auditee. Anxiety about losing a sizeable fee would raise doubts for the auditor to express concern audit opinion.

Framework Concept

Effect Of Profitability (Roa) Against Acceptance Going Concern Audit Opinion

Return on assets (ROA) is a ratio obtained by dividing the net income / loss by total assets. This ratio is used to describe the ability of the management company in profit and overall managerial efficiency. The higher the ROA value the more effective the asset management company. Thus the greater the profitability ratio indicates that the company's performance is getting better, so that the auditor will give a reasonable opinion to be forwarded into a going concern audit opinion.

Effect Of Liquidity (Cr) Against Acceptance Going Concern Audit Opinion

Research conducted by Rezkhy Noverio (2011) on the analysis of the influence of the quality of auditors, liquidity, profitability and solvency of the going concern audit opinion on the companies listed on the stock exchanges Indonesia found the result that liquidity and no significant negative effect on the going concern opinion

Current ratio (CR) is the company's ability memenuhi short-term liabilities with the rest of the current assets of the company. The higher the current ratio means the greater the company's ability to meet short-term financial obligations. Conversely, the lower current ratio means the lower the company's ability to meet short-term financial obligations.

Effect Of Audit Quality Of Going Concern Audit Opinion

Quality audits by Komalasari (2004) defined as the probability of errors and irregularities that can be detected and reported. The probability of detection is affected by the issues that refer to the audit conducted by the auditor to generate opinion. Issues relating to the issue of the audit is the competence of auditors, requirements relating to audit and reporting requirements. The experience, knowledge and academic possessed great influence on the amount of auditor Public Accounting Firm. Where is the improvement of the quality of the audited will take effect from the client to select a public accounting firm that can be trusted in its performance capabilities.

Research Hypothesis

Hypothesis is a provisional explanation of behavior or specific circumstances that have occurred or will occur. Hypotheses a statement on the concept that can be true or false if it refers to a phenomenon observed in test empirically to achieve the objectives of this study refers to the company and literature that have been mentioned in the description as follows:

1. Profitability (ROA) affect the going concern audit opinion
1. Liquidity (CR) affect the going concern audit opinion.
2. Quality audits affect the going concern audit opinion.

METHODOLOGY

Research Approach

This research uses associative research, associative research as for the variables used in this study is:

1. Profitability Ratio = ROA (X1)

Return on assets is the ratio used to measure a company's ability to generate profits in comparison with the use of total assets.

Return on Assets (ROA) has the formula as follows:

$$\text{Return On Asset (ROA)} = \frac{\text{laba bersih setelah pajak}}{\text{total asset}} = 100\%$$

2. Liquidity Ratio = CR (X2)

Current Ratio is the ratio used to measure a company's ability to pay the debt in the short term.

$$\text{Current Ratio (CR)} = \frac{\text{aktiva lancar}}{\text{hutang lancar}} = 100\%$$

3. Quality Audit (X3)

Audit quality is a good name or the image obtained on the good work, the trust of its clients in its responsibility as auditor. In this study audit quality proxies using the size or scale of the firm. Dummy variable in this study is KAP KAP Big Four and Non Big Four. This variable was measured by using a dummy variable for auditors included in the group given the Big

Four accounting firm emblem 1 and KAP non Big Four given the symbol 0 corresponds to Komalasari research (2004).

Table 2. KAP BIG FOUR IN INDONESIA

The Big Four	Partners in Indonesia
Price Weterhous Cooperrrs	Haryanto Sahari & Partners
Ernest & Young	Purwantono, Sarwoko & Sandjada
Deloitte	Osman Bing Satrio and Partners
KPMG	Sidharta Sidharta & Widjaja

4. Going Concern Audit Opinion (Y)

Going concern audit opinion was given the auditor's opinion after carrying out checks on the company's financial statements are identified well in all respects. If the company gets going concern audit opinion will be given a code 1 and if the company receives non-going concern audit opinion, it will be given a code 0. This is in accordance with the provisions of the use of dummy variables.

Population And Sample

The population in this research is the entire food and beverage companies that are listed on the Indonesia stock exchange (BEI) in the period 2012 to 2015. The total number of food and beverage companies were listed on the Indonesia stock exchange was the 14 company. In determining the sample using a purposive sampling method, and retrieved the sample amounted to 8 companies during the years 2012 to 2015 so that the retrieved data 32. Here's a sample of companies Food and Beverage listed on the Indonesia Stock Exchange (BEI).

**Table 3. data sample food and beverage company
listed in indonesia stock exchange (idx)**

NO	STOCK CODE	ISSUER NAME
1	AISA	Tiga Pilar Sejahtera Tbk, PT
2	ALTO	Tri Banyan Tirta Tbk, PT

3	CEKA	Light Wilmar Indonesia Tbk, PT
4	DLTA	Delta Djakarta Tbk, PT
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5	ICBP	Indofood CBP Sukses Makmur Tbk, PT
6	INDF	Indofood Sukses Makmur Tbk, PT
7	BREAD	Nippon Indosari Corporindo Tbk, PT
8	SKLT	Sekar Laut Tbk, PT
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Data Analysis Technique

Here is a data analysis technique that is used to answer the problem formulations in the study:

Descriptive Statistics

Research using descriptive statistics consisting of the maximum value, minimum value, the average (mean) and standard deviation of each variable used. The data examined are grouped based on the audit opinion received in two categories, namely auditee receive unqualified audit opinion going concern or audit receives unqualified audit opinion non-going concern.

Logistic Regression

Data analysis techniques used in this research is logistic regression. Logistic regression is used as the dependent variable in this study dichotomous. If the dependent variable sized categories or dichotomies, then the regression model variables must be declared as a dummy variable to give the code 0 (zero) and 1 (one), each dummy variables declared a category dependent variable non-metric or category (Imam Ghozali 2005 , p. 178).

Logistic regression is used if the assumption of multivariate normal distribution can not be fulfilled because the independent variable is a mix between a continuous variable (metric) and categorical (non-metric). In this case can be analyzed with logistic regression because it does not need the assumption of normality of data on independent variables. logistic regression equations as follows:

$$Ln = \frac{Prob(audit)}{1 - Prob(audit)} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Information :

prob audit :

1 - Prob audit :

X1 : ROA

X2 : CR

X3 : Quality Audit

X4 : Going Concern Audit Opinion

β : Coefficient parameter logistic regression

Test Multicoloniarity

Multicoloniarity test aims to test whether the regression model found a correlation between independent variables (independent). A good regression model should not occur in the correlation between the independent variables. If the independent variables are correlated, then these variables are not orthogonal. Orthogonal variable is the independent variable correlation values between the members of a variable equal to zero.

Assess Feasibility Regression Model (Goodness Of Fit Test)

According to Imam Ghozali (2005, p 341) in assessing the feasibility of logistic regression can be seen from the chi-square value. In the chi-square test can see a determinant coefficient value of logistics is R² logit models. R² logit can be seen from the results of statistical program SPSS output, namely Hommer and lemshow test. Hommer and lemshow measure the conformity of the actual value to the predicted value of the dependent variable. Hommer and lemshow test is indicated by the chi-square value. In taking the decision on the good of fit measured value of chi-square is chi-square <chi-square table or if significant asymptotic> α means H₀. That is worth a logistic regression model was used for further analysis. Because there is no real difference between the predicted classification by classification were observed.

Hypothesis testing

Tests using a logistic regression coefficient Wald statistic and probability value (sig). Wald statistic provides a significant level statistics for each coefficient. Value Wald statistic X^2 table dibandingkan with being a probability value (sig) compared to the value of α (5%). Logistics analysis performed using SPSS to determine the rejection and acceptance didasakana H_0 at significance level α (5%). H_0 when Wald count $> X^2$ table and asymptotic significant $< \alpha$. Meanwhile, when Wald count $< X^2$ table and significant asymptotic $> \alpha$ then H_0 is rejected . In estimating the parameters and interpret logistics coefficient using odds ratios.

RESULTS AND DISCUSSION

Influence Return on Assets (ROA) Against Acceptance Going Concern Audit Opinion

Influence Return on Assets of the going concern audit opinion on the company's food and beverage listed on the Indonesia Stock Exchange (IDX), which states that the value probability (sig) 0.438 and 0.602 Wald Statistic value. Because the value probability (sig) is greater than α (0.05) and wald statistic value is smaller than X^2 table with df 1 at 3,841, this means that the ROA does not significantly influence the acceptance Going Concern Audit Opinion on Food And Beverage companies listed The Indonesia Stock Exchange (IDX), thus this hypothesis is rejected.

The results showed that the return on assets did not significantly affect going concern audit opinion. The results of this study differ from research Damayanti (2011) Return on Assets have a significant effect on the going-concern audit opinion.

Effect of Current Ratio (CR) Against Acceptance Going Concern Audit Opinion

Based on the above research on the influence of Current Ratio of going concern audit opinion on the company's food and beverage listed on the Indonesia Stock Exchange (IDX), which states that the value probability (sig) statistical wald value 0.362 and 0.831. Because the value probability (sig) is greater than α (0.05) and wald statistic value is smaller than X^2 table with df 1 at 3,841, this means that the CR does not significantly influence the acceptance Going Concern Audit Opinion on Food And Beverage companies listed The Indonesia Stock Exchange (IDX), thus this hypothesis is rejected.

Results from this study is in line with the results of research done by Aquariza (2011) that the current ratio does not significantly influence the acceptance of going concern audit opinion. Rezkhy Noverio (2011) in his research that the Current Ratio get results no significant effect on the going-concern audit opinion.

Auditor Quality Impact Against Acceptance Going Concern Audit Opinion

Auditor Quality Impact on going concern audit opinion on the company's food and beverage listed on the Indonesia Stock Exchange (IDX), which states that the value probability (sig) 0.438 and 0.995 Wald Statistic value. Because the value probability (sig) is greater than α (0.05) and wald statistic value is smaller than X2 table with df 1 at 3,841, this means that audit quality is not significantly influence the acceptance Going Concern Audit Opinion on food and beverage companies that listed on the Indonesia Stock Exchange (IDX), thus this hypothesis is rejected.

The results of this study in accordance with the distance Viki Ajikusuma (2016) also get the result that audit quality is not significantly influence the going-concern audit opinion.

CONCLUSION

Based on the analysis that has been done, it is known the answer from the formulation of the problem. From the analysis that has been described previously, it can be concluded as follows:

1. There is no influence Profitability ratios (ROA) to the acceptance of Going Concern Audit Opinion on Food and Beverage companies listed in Indonesia Stock Exchange (BEI).
2. There is no influence Liquidity Ratio (CR) on the acceptance of Going Concern Audit Opinion on Food and Beverage companies listed in Indonesia Stock Exchange (BEI).
3. There is no influence on the acceptance of Quality Audit Going Concern Audit Opinion on Food and Beverage companies listed in Indonesia Stock Exchange (BEI).

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