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The Effect of Liquidity, Leverage, and Company Growth on Going Concern Audit Opinion in Retail Sub-sector Companies

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ABSTRACT

This study aims to provide empirical evidence regarding the factors that can affect going concern audit opinion on retail sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023. The background of this study is the importance of going concern audit opinion which is one of the early warnings for the company's business continuity, especially in the retail sector which is vulnerable to economic fluctuations. A quantitative approach was used with a population of retail sub-sector companies listed on the IDX during the period. With the purposive sampling method, 72 samples were selected. Liquidity is measured by current ratio, leverage by debt-to-equity ratio, and company growth by sales growth. Logistic regression analysis was used to test the proposed hypothesis. The results showed that leverage has a significant effect on going concern audit opinion, while liquidity and company growth have no significant effect. These findings provide new insights into understanding the dynamics of going concern audit opinion in the retail sub-sector, as well as providing a basis for further research in exploring other factors that may affect audit opinion. Future research is recommended to add non-financial variables and expand sector coverage to strengthen the generalizability of the results.

Keywords: Company Growth; Going Concern Audit Opinion; Leverage; Liquidity; Retail Sub-Sector Companies

INTRODUCTION

The business world is currently very competitive, companies are looking for various strategies to secure their markets and positions, some experts even call this situation hypercompetitive (Lestarini, 2024). Therefore, every company must strive to survive and develop in order to be able to face the various challenges that exist. One of the efforts to maintain business continuity is to strengthen the capital sector through raising capital from investors (Meini, 2023). Before investing, investors usually consider various factors that indicate the health and prospects of the company including financial stability, growth potential, and long-term business continuity which are often reflected in the company's financial statements and audits.

In the face of increasing competition, the principle of going concern is the foundation of every business that wants to achieve long-term success. Business continuity ensures that the company is able to face challenges and meet the expectations of stakeholders. Failure to maintain business continuity can have fatal consequences, ranging from financial losses to loss of trust from investors and business partners. In this case, the auditor as an independent party plays a crucial role in maintaining this foundation. According to the Indonesian Institute of Certified Public Accountants (IAPI, 2021), auditors have the responsibility to be able to assess whether the company has a strong foundation in order to assume that a company's business will continue to operate in the future.

The auditor has the right to issue an audit opinion regarding business continuity if there are doubts about the company's ability to survive in the future. This opinion can be included in the audit report either in the explanatory paragraph or in the opinion paragraph (Pradika & Sukirno, 2017). To assess whether there is doubt about the company's ability to continue operating, the auditor expresses an opinion known as a going concern audit opinion. Going concern audit opinion can be an early warning indication that the entity is facing serious problems (Widhiastuti & Kumalasari, 2022).

One of the impacts of a going concern audit opinion is the possibility of the company being delisted from the Indonesia Stock Exchange (IDX). Delisting occurs when a company's shares are removed from the stock exchange listing, which according to (Novelza, 2024), is usually caused by the company's inability to maintain its business continuity. In the last four years, several companies from various sectors have experienced delisting, which is generally triggered by various factors such as poor financial performance, violation of stock exchange regulations, inability to meet stock exchange requirements, to the pressure of external factors such as unstable global economic conditions. Delisting not only reflects a company's failure to maintain sustainable operations but also has a significant impact on shareholders who lose access to the liquidity of their shares on the stock exchange market.

Table 1. Companies That are Delisted by the IDX for the 2020 – 2023 Period

Company Name	Year Delisted	Sector
Borneo Lumbung Energi & Metal Tbk	2020	Mining Sector
Leo Investment Tbk	2020	Financial Sector
Arpeni Pratama Ocean Line Tbk	2020	Transportation & Logistics Sector
Danayasa Arthatama Tbk	2020	Real Estate and Property Sector
Evergreen Invesco Tbk	2020	Non-Primary Consumer Goods Sector
PT Frist Indo American Leasing Tbk	2021	Financial Sector

Tunas Ridean Tbk	2023	Non-Primary Consumer Goods Sector

Source: IDX (n.d.), data processed by researchers (2024)

Based on the data in Table 1, several companies have delisted from the IDX in several sectors, one of which is the non-primary consumer goods sector. This sector includes companies engaged in producing or selling goods and services that are not categorized as basic needs such as automotive, household appliances, retail, fashion, and others. As consumers tend to reduce spending in this category when economic conditions weaken, companies in this sector are often more vulnerable to macroeconomic changes.

Evergreen Invesco Tbk (GREN) is one of the companies in the non-primary consumer goods sector that was delisted by the IDX on November 23, 2020. Prior to the delisting announcement, GREN's stock trading had been suspended for the past two years. According to IDX management, GREN's business recovery efforts in the last three years have been considered inadequate. The company's condition has been exacerbated by the losses it has continued to experience since 2017, until the delisting announcement, GREN still had not released its financial statements for the 2019 fiscal year (IDN Financials, 2020).

Tunas Ridean Tbk (TURI) is also one of the companies in the non-primary consumer goods sector that experienced delisting. However, unlike GREN, which was forcibly delisted by the IDX, TURI was delisted voluntarily. This submission was made by the issuer itself for certain reasons and officially took effect on April 6, 2023. The first reason submitted was the low trading activity of TURI shares on the IDX. Second, management considers that the company does not have an urgent need for public fundraising. Lastly, the very small number of public shareholders was also taken into consideration. Due to the relatively illiquid nature of the shares, shareholders find it difficult to conduct transactions in the IDX market, according to TURI's Board of Directors (Maghisza, 2023).

The delisting phenomenon in the non-primary consumer goods sector, as experienced by TURI and GREN, shows that this sector is vulnerable to various challenges that can threaten business continuity. In this sector, especially the retail sub-sector, apart from TURI which is delisted, there are several other companies that get a going concern audit opinion even though they have not experienced delisting. One of them is PT Trikomsel OKE Tbk (TRIO), which received a going concern audit opinion consecutively from 2020 to 2023 because it was unable to pay off the maturing loans and had proposed a bank debt restructuring, although until now it has not received approval from the bank.

The retail sub-sector has unique characteristics that make it interesting to study in more depth than other sectors. In this sector, consumption patterns are highly influenced by macroeconomic conditions and consumer purchasing power, making it more vulnerable to economic fluctuations than other sectors. In addition, intense competition and thin profit margins often make it more difficult for retail companies to maintain financial and operational stability. This condition creates its own challenges for auditors in assessing business continuity, so research on this sub-sector can provide insight into the views of other sectors.

Understanding the factors that influence going concern audit opinion is important to identify business continuity risks. Various studies have identified several factors that influence going concern audit opinion, one of which is liquidity. Liquidity refers to the company's ability to meet its short-term obligations using available assets in a timely manner. Auditing Standard 570 in IAPI (2021) also emphasizes that one of the signs of a loss of going concern is the company's inability to meet financial obligations in a timely manner. According to Utama et al. (2021), companies with low liquidity tend to be more at risk of receiving a going concern audit opinion due to their unstable financial condition. Several studies, such as research by Larassari & Triyanto (2022) and Sitanggang & Parasetya (2023), found that liquidity has a significant negative effect on going concern audit opinion. This means that the lower the liquidity of the company, the more likely the auditor will give a going concern opinion. On the other hand, research by Dharma (2020) shows different results, where liquidity has no significant effect on going concern audit opinion.

The second factor that affects going concern audit opinion is leverage, in contrast to liquidity which focuses on the short term of the company, leverage is longer in relation to the time period. Companies with a high level of leverage tend to rely more on debt to run their operations. This dependence increases the risk of the company's inability to meet its financial obligations, so auditors are more likely to provide a going concern opinion. Meini (2023) explains that companies with high leverage often face greater financial challenges, which ultimately reduce the auditor's confidence in business continuity. In addition, research by Banias & Kuntadi (2022) and Meini (2023) found that leverage has a significant effect on going concern audit opinion, indicating that an increase in leverage tends to increase the likelihood that the auditor will provide this opinion. However, not all studies are in line with these findings. A study conducted by Pertiwi and Nustini (2023) concluded that leverage has no significant effect on going concern audit opinion. The difference in results can be caused by variations in the capital structure and industry of the companies studied, where companies with high leverage may have sufficient other resources to cover their obligations.

The third factor that affects going concern audit opinion is company growth, which is usually measured through increased profits or sales. Positive growth reflects the company's good performance and ability to operate effectively, thereby reducing the risk of the auditor giving a going concern opinion. According to Widhiastuti and Kumalasari (2022), companies with good growth rates are considered more stable and able to face financial challenges, so auditors tend to be more optimistic about the continuity of their business. Research conducted by Halim (2021) supports this view, finding that company growth has a significant effect on going concern audit opinion. However, not all studies support the effect of growth on going concern audit opinion. Some studies, such as those conducted by Setiawan et al. (2021), concluded that company growth does not have a significant effect on going concern audit opinion acceptance. This difference may be influenced by other financial conditions, where even though the company is growing, auditors may consider other risk factors such as liquidity and leverage before giving a going concern opinion.

The results of previous research on the relationship between liquidity, leverage, and company growth with going concern audit opinion show a significant variation in results. Therefore, this study aims to re-examine the relationship between the three variables, especially in retail companies listed on the IDX. Through this research, it is hoped that it can contribute to the literature which is still limited to retail sub-sector companies. In addition, the results of this study are also expected to provide practical insights for stakeholders such as company managers and investors, in making more informed decisions. By covering the period 2020 to 2023, this research is expected to provide a current picture of the company's condition.

LITERATURE REVIEW

Signal Theory

Signal Theory was proposed by Spence (1978), explaining how information senders can send signals to information receivers in the form of information that is useful to information owners. High-quality companies deliberately communicate with the market through published information, in accordance with signal theory, which allows investors to distinguish between high and low-standard companies when making investment decisions (Purba, 2023). The purpose of signal theory is to minimize information asymmetry that can jeopardize decision-making by shareholders. Therefore, an audit of financial statements is needed so that the information submitted is valid and reflects the actual condition of the company (Endiana & Suryandari, 2021).

The way companies communicate to the market about their financial situation is the link between signaling theory and going concern audit opinion. A going concern audit opinion can serve as an early notification to stakeholders, including investors and creditors, of potential financial problems facing the company. If the auditor issues such an opinion, it indicates serious doubts about the company's sustainability, which can affect investment decisions and market confidence.

In addition, signaling theory is also relevant in looking at the relationship between liquidity, leverage, and company growth with going concern audit opinion. A company that has sufficient current assets to cover its short-term liabilities is said to have good liquidity, which lowers the danger of bankruptcy and increases investor confidence. High leverage, on the other hand, can send a double signal: on the one hand, high leverage indicates the use of debt for growth, but it can also raise concerns over financial risk if the company is unable to fulfill its obligations. Positive corporate growth is also perceived as a signal of success in business expansion and increased revenue, attracting more investors. These three factors provide important information for auditors in evaluating the company's condition, and through financial statements and audit opinions, the company conveys signals about its financial condition to the market, which ultimately impacts investor confidence and other economic decisions.

Agency Theory

According to the agency theory by Jensen and Meckling (1976), the owner (shareholders or investors) hires agents (management) to run services and delegate decision-making authority (Purba, 2023). Agency theory assumes that each individual acts in accordance with their personal interests, which can trigger differences in interests (agency problems) between owners and management (Wardani & Satyawan, 2022). As long as managers make funding decisions that are in line with shareholders' interests, their agency relationship will function properly (Lumapow, 2018).

Based on its relation to going concern audit opinion, agency theory plays an important role, especially in explaining the tension between the interests of the principal and the agent. Management, as agents, may have an incentive to hide unfavorable financial conditions in order to maintain the company's image and obtain personal benefits, such as bonuses or other incentives. Meanwhile, capital owners and investors rely on independent audit reports as a tool to check the financial health of the business, including a going concern audit opinion that provides an overview of the company's ability to continue in the long term. When the auditor provides a going concern opinion, it informs investors if there are risks that may affect the continuity of the business. Thus, the principal can make better investment decisions.

Liquidity, leverage, and company growth also have significant relevance in the context of agency theory. Low liquidity can raise concerns for the principal as the company may not be able to fulfill its short-term responsibilities, which could lead to the auditor issuing a going concern opinion. High leverage increases the financial risk of the company, because the greater the proportion of debt, the heavier the payment burden that must be met by management, which can reduce investor confidence in the sustainability of the company. Meanwhile, stagnant or declining company growth can be a sign that management has not managed the company effectively, which also has the potential to trigger the auditor to provide an opinion on its going concern.

Going Concern Audit Opinion
The going concern audit opinion, as defined by Auditing Standard 570 (IAPI, 2021) is the auditor's evaluation of the entity's ability to continue operations for a specified period, usually less than one year from the date of the financial statements. In addition to verifying the accuracy of the financial statements, the auditor's duties during the audit process include determining whether the business can sustain itself (Binus University School of Accounting, n.d.). The auditor's duties include gathering sufficient relevant audit evidence as well as assessing whether the entity's business continuity is in serious doubt (IAPI, 2021)

Liquidity
The liquidity ratio is a ratio that describes the company's ability to meet its short-term obligations that are due immediately (Hery, 2016). The ability to obtain or convert assets into cash is known as liquidity (Abas et al., 2020).The company's inability to pay off these obligations often raises concerns about its business continuity, companies with low liquidity tend to be more at risk of receiving a going concern audit opinion due to their unstable financial condition.

According to Dharma (2020), the current ratio is a tool used in assessing liquidity by paying attention to current assets and current liabilities. The entity's ability to meet its short-term obligations is negatively correlated with the current ratio. Based on previous research studies by Larassari & Triyanto (2022) and Sitanggang & Parasetya (2023), liquidity has a significant impact on going concern audit opinion. This means that the lower the liquidity of the company, the more likely the auditor will give a going concern opinion. However, liquidity does not affect going concern audit opinion according to Dharma (2020). So, the following hypothesis can be developed:

H1: Liquidity affects the going concern audit opinion.

Leverage
The leverage ratio is a ratio that describes the company's ability to fulfill all its obligations (Hery, 2016). According to Kepramareni et al. (2023), Leverage is an important indicator used to predict how a business can utilize capital derived from debt or loans to generate profits and meet short-term and long-term obligations. Based on this research, leverage is measured using the Debt-to-Equity-Ratio (DER), the higher it shows that the company uses more debt to support its operations (Endiana & Suryandari, 2021)

Opinions that question the viability of a business in the future are more likely to be received by companies with large debts. Based on research by Banias & Kuntadi (2022) and Meini (2023), it shows that leverage has a significant effect on going concern audit opinion. On the other hand, research from Pertiwi and Nustini (2023) found that leverage has no influence on auditors determining going concern audit opinion. The second hypothesis is formulated as follows:

H2: Leverage has an effect on the going concern audit opinion

Company Growth

Suharsono (2018) states that the growth of a company as measured by the sales growth ratio as an operational focus, results in the company's capacity to maintain operations and improve profit prospects every year. There is a negative correlation between the company's growth rate and the entity's chances of receiving a going concern audit opinion. According to Widhiastuti and Kumalasari (2022), companies with good growth rates are considered more stable and able to face financial challenges, so auditors tend to be more optimistic about the continuity of their business.

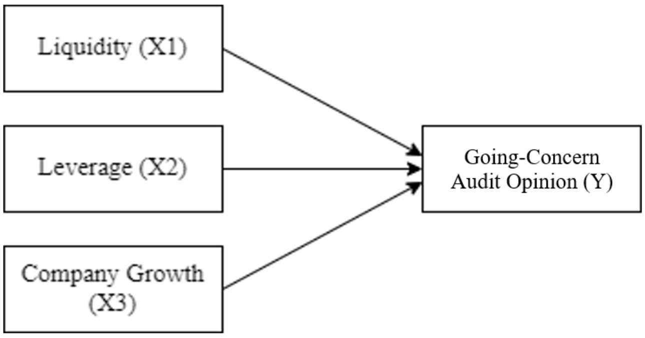
Pratiwi and Lim (2018) found that going concern audit opinion is influenced by company growth. However, the results of this study differ from the research of Setiawan et al. (2021) which shows no effect or the opposite result. Thus, the hypothesis formulation is as follows:

H3: Company growth has an influence on the going concern audit opinion.

Conceptual Framework

A conceptual framework is a description of the relationship between interrelated concepts or variables in a study. In research, the conceptual framework serves to identify and explain how the variables under study affect each other. This study focuses on the effect of independent variables, namely liquidity, leverage, and company growth, on the dependent variable, namely going concern audit opinion. Thus, the conceptual framework of this study is as follows in Figure 1.

Figure 1. Conceptual Framework



RESEARCH METHOD

A quantitative approach was used in this study, with secondary data derived from financial statements and independent auditor reports from the official website of the Indonesia Stock Exchange (IDX, n.d.). The research population consists of companies included in the retail sub-sector listed on the IDX during the period 2020 to 2023. To determine the sample, this study used the purposive sampling method, which is a sampling process that is selected based on specific objectives for sampling (Sekaran & Bougie, 2016). Using this method resulted in 72 samples. The criteria for this study are presented in Table 2.

Table 2. Research Sample Criteria

No.	Description	Total
1	Number of retail companies on IDX from 2020 to 2023	31
2	Companies that do not consistently publish their audit reports and financial statements	12

3	Retail companies that were delisted by the IDX in 2020 - 2023	1
Total company sample		18
Total observation time in the study		4
Total observation data		72

Source: IDX (n.d.), data processed by researchers (2024)

In this study, data analysis was carried out using the IBM Statistic 29 statistical tool with the logistic regression method. Logistic regression was chosen as the analysis model to test the relationship between the independent variable and the dependent variable which is categorical. The following research model was used to investigate the research hypothesis:

$$OAGC = \alpha + \beta 1\ LIKUI + \beta 2\ LEV + \beta 3\ PERPU + \varepsilon$$

Description:
OAGC : Going concern audit opinion
α : Constant
β1, β2, β3 : Regression coefficient
LIKUI : Liquidity
LEV : Leverage
PERPU : Company Growth
ε : Error

Going Concern Audit Opinion
When an entity obtains a going concern audit opinion, it indicates that the company has some doubts and uncertainties about the company's ability to continue its operations in the long term. In this research, going concern audit opinion is determined using a nominal scale with a dummy variable that only has two categories: 1 for companies that receive a going concern audit opinion and 0 for those that do not receive a going concern audit opinion. The use of this dummy variable aims to indicate the presence or absence of categorical effects that affect the analyzed variables, as explained (Hartono, 2018). Therefore, companies that get a going concern audit opinion get a value of 1, otherwise if they do not get it, they are given a value of 0 (Meini, 2023).

Liquidity
The ability of a business to pay short-term debts with its current assets is known as liquidity (Subramanyam, 2014). This study will use the current ratio, also known as the current ratio, which is commonly used to measure liquidity. This ratio shows how many times current assets can cover current liabilities. The higher this ratio, the better the company's ability to meet its short-term obligations. To assess this ratio, the formula is (Subramanyam, 2014):

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities}$$

Leverage
The leverage ratio serves to determine how much debt plays a role in spending company money (Siswanto, 2021). This study uses the DER to describe the leverage ratio to guarantee overall debt. This ratio shows the proportion of debt to equity, where the higher this ratio, the greater the company's dependence on debt funding compared to owner capital or equity. The formula for calculating DER is (Siswanto, 2021):

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Debt}{Total\ Equity}$$

Company Growth

The company's ability to stay in its economic position during economic growth is called company growth, and its efforts can be seen in increasing sales because sales are the main way for businesses to survive (Widhiastuti & Kumalasari, 2022). This calculation will provide a percentage increase or decrease in sales from one period to the next, which reflects the company's growth rate in terms of sales. Measurement of company growth can be done using the following formula (Widhiastuti & Kumalasari, 2022):

$$Company\ Growth = \frac{Sales\ Net\ t - Sales\ Net\ (t-1)}{Sales\ Net\ (t-1)}$$

RESULTS

Descriptive Statistics

Descriptive statistics is a form of analysis used to describe the data that has been obtained from a study (Paramita et al., 2021). This analysis aims to provide an initial or summary description of the characteristics of the data obtained from the research. In this study, the data will be explained through the minimum value, maximum value, average (mean), and standard deviation.

Table 3. Descriptive Statistics Results (N =72)

Construct	Min.	Max.	M	SD
Liquidity	0.01	113.91	4.9849	14.04836
Leverage	-64.63	190.31	2.7267	23.77917
Company Growth	-0.89	469.89	6.734	55.35713
Going concern Audit Opinion	0	1	0.21	0.409

Note. M = Mean, SD = Standard Deviation.
Source: SPSS data processing results (2024)

Based on Table 3, there are 72 valid data (N). Details of descriptive statistics for each variable, namely, liquidity have a value ranging from 0.01 to 113.91, with an average of 4.98849 and a standard deviation of 14.04836, showing considerable variation in liquidity between companies. Leverage has an average of 2.7267 and a standard deviation of 23.77917, with a minimum value of -64.63 and a maximum value of 190.31. Company growth shows an average of 6.73 and a standard deviation of 55.35713 with a minimum value of -0.89 and a maximum of 469.89. Going concern audit opinion has an average of 0.21 and a standard deviation of 0.409, with a minimum value of 0 and a maximum value of 1.

Multicollinearity Test

The multicollinearity test, according to Ghozali (2021), is carried out to determine whether there is a relationship between the independent variables in the regression model. To detect multicollinearity, two main indicators are used, namely the tolerance value and the Variance Inflation Factor (VIF). Multicollinearity is considered absent if the tolerance value is greater than 0.10 or the VF value is less than 10.

Table 4. Results of the Multicollinearity Test

Coefficients[a]					
Model	Unstandardized Coefficients	Unstandardized Coefficients	t	Sig.	Collinearity Statistics

		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.208	0.051		4.076	<0.001		
	Liquidity	-0.001	0.003	-0.028	-0.238	0.813	0.998	1.002
	Leverage	-0.003	0.002	-0.152	-1.302	0.197	0.998	1.002
	Company Growth	0.002	0.001	0.235	2.016	0.048	0.998	1.002

Source: SPSS data processing results (2024)

The multicollinearity test findings, as displayed in Table 4 above, show that each independent variable has a Tolerance value greater than 0.10. In addition, all independent variables have VIF values less than 10, corresponding to the VIF values obtained from the above calculations. Therefore, for each independent variable used, there are no signs of multicollinearity.

Logistic Regression Analysis

This study uses binary logistic regression to test the impact of independent variables consisting of quantitative data measured in ratio form on the dependent variable which is categorical (Sujarweni, 2021). The dependent variable in this study is going concern audit opinion, with a value of 1 for companies that get going concern audit opinion and 0 for those that do not. This analysis involves several tests, namely the overall model test, coefficient of determination, classification matrix, simultaneous test, and partial test.

Assessing Overall Model Fit

According to Sujarweni (2021), a decrease in the -2 Log Likelihood (-2LL) value from the initial stage to the next stage in logistic regression analysis indicates that the hypothesis model is increasingly in accordance with the data used. This means that the model built is able to explain the data better than the previous model. The decrease in the -2 Log Likelihood value reflects an increase in the quality of the model in predicting the relationship between the independent variable and the dependent variable, thus indicating that the model used is suitable for interpretation and further analysis.

Table 5. Results of the Overall Model Test (Block 0)

Iteration History[a,b,c]			
Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	74.038	-1.167
	2	73.691	-1.328
	3	73.691	-1.335
	4	73.691	-1.335

Source: SPSS data processing results (2024)

Table 6. Results of the Overall Model Test (Block 1)

		-2 Log likelihood	Coefficients			
			Constant	Liquidity	Leverage	Sales Growth
Step 1	1	69.555	-1.169	-0.003	-0.01	0.007
	2	66.492	-1.354	-0.005	-0.037	0.01
	3	64.883	-1.398	-0.004	-0.074	0.013
	4	62.39	-1.315	-0.005	-0.172	0.017
	5	48.974	-0.642	-0.014	-1.058	0.036
	6	42.497	-0.461	-0.012	-2.036	0.057
	7	41.22	-0.314	-0.014	-2.699	0.071

	8	41.106	-0.211	-0.015	-2.98	0.077
	9	41.104	-0.191	-0.016	-3.026	0.078
	10	41.104	-0.191	-0.016	-3.027	0.078
	11	41.104	-0.191	-0.016	-3.027	0.078

Source: SPSS data processing results (2024)

The Initial -2 Log Likelihood value (Block Number = 0 in Table 5) is 73.691, while the Final -2 Log Likelihood (Block Number = 1 in Table 6) is 41.104. This shows that the significant -2 Log Likelihood has decreased, namely 73.691 - 41.104 = 32.587. Reflecting these results, the regression model used has been improved, or the expected model is in accordance with the current data.

Coefficient of Determination

The model summary table is used to determine the contribution of the independent variables, namely Liquidity, Leverage, and Company Growth in determining changes in the dependent variable, namely going concern audit opinion (Roflin et al., 2023). The higher this value, the greater the contribution of the independent variables to changes in the dependent variable, which indicates the strength of the model in predicting the results.

Table 7. Results of the Coefficient of Determination Test Model Summary

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	41.104[a]	0.364	0.568

Source: SPSS data processing results (2024)

With a Nagelkerke R Square value of 0.568, Table 7 shows that the independent factors in this regression model can explain about 56.8% of the variability in the dependent variable. This means that the model used has moderate explanatory power for the dependent variable. Meanwhile, the remaining 43.2% is caused by other factors that are not included in this model. This shows that although the model used is able to explain more than half of the variables, there are still other factors that have the potential to affect the dependent variable that are not explained by the independent factors studied.

Classification Matrix

The classification table is used to evaluate the predictive power of the regression model on the dependent variable, specifically in measuring the extent to which the model is able to classify or predict the correct category of the dependent variable. This table presents the number of correct and incorrect predictions made by the model. The accuracy of the model is shown through the percentage of total correct predictions, which is calculated from the ratio of the number of correct predictions to the overall data.

Table 8. Results of the Classification Myth Test

Classification Table[a]					
	Observed		Predicted		Correct (%)
			Going Concern Audit Opinion		
			Not Receiving	Receiving	
Step 1	Going Concern Audit Opinion	Not Receiving	57	0	100
		Receiving	7	8	53.3
	Overall Percentage				90.3

Source: SPSS data processing results (2024)

Table 8 shows an accuracy of 90.3% in predicting which companies will get a going concern audit opinion. Classification accuracy of 53.3%, from the entire sample, 57 companies did not receive a going concern audit opinion, while 8 companies were expected to receive a going concern audit opinion.

Simultaneous Test (F Test)

The Omnibus Model Coefficient test is used to measure the significance of the effect of independent variables on the dependent variable simultaneously in logistic regression analysis. This test is similar to the F test in linear regression analysis, which is contained in the ANOVA table (Roflin et al., 2023). The results of this test indicate whether the regression model as a whole, including all independent variables, has a significant effect on the dependent variable. If the significance value (p-value) of this test is smaller than 0.05, it can be concluded that the regression model as a whole is significant and the independent variables contribute to changes in the dependent variable.

Table 9. Results of the Simultaneous Test (F)

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	32.587	3	<0.001
	Block	32.587	3	<0.001
	Model	32.587	3	<0.001

Source: SPSS data processing results (2024)

The test criteria used state that if the Sig value <0.05, it can be concluded that the independent variables tested have a significant impact on the dependent variable together. In Table 9, the Sig value obtained is 0.001 which is smaller than 0.05, which means that there is a significant effect together from the variables of liquidity, leverage, and company growth on going concern audit opinion.

Partial Test (T-Test)

Table 10. Results of Partial Test (T)

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Liquidity	-0.016	0.025	0.381	1	0.537	0.985
	Leverage	-3.027	1.016	8.885	1	0.003	0.048
	Company Growth	0.078	0.06	1.672	1	0.196	1.081
	Constant	-0.191	0.596	0.102	1	0.749	0.826

Source: SPSS data processing results (2024)

The data in Table 10 shows that there is no effect of liquidity on going concern opinion, with a significance value of 0.537> 5% and a negative coefficient of -0.016. Leverage has a significant negative effect on going concern opinion, as indicated by a coefficient value of -3.027 and a significance value of 0.003 < 5% (0.05). There is no relationship between company growth and going concern audit opinion, as indicated by a significance value of 0.196 which is greater than 0.05 and has a positive coefficient of 0.078.

DISCUSSION

The Effect of Liquidity on Going Concern Audit Opinions

The results of each variable in Table 10 show that the significance value of liquidity obtained is 0.537. Since this figure exceeds the probability of 0.05, this finding indicates that liquidity does not affect the conclusion of the going concern opinion. The liquidity coefficient of -0.016 is quite small and negative to describe the relationship between the variables used, although it is not significant, it can be said that liquidity has a weak relationship to influence going concern audit opinion. Based on the theory used, companies with low liquidity levels have the potential to get concerns about their business continuity, but the results of this study do not support this.

This finding is consistent with Dharma's (2020) research, which similarly uses the current ratio to assess it and has the conclusion that liquidity has no effect on going concern audit opinion. According to this finding, there are other indicators of the company's ability to maintain operations beyond its ability to pay short-term liabilities with the assets it currently has. However, this is contrary to research by Utama et al. (2021) which found that liquidity has a negative effect on going concern audit opinion acceptance and explains that the less liquidity, the fewer current asset resources, which makes it possible not to be able to meet debts that will be due in less than 12 months. As a result, fixed assets will be written off and business operations will be affected.

The characteristics of retail companies that have a fast operating cycle allow them to convert current assets into cash quickly, thus maintaining liquidity even though the liquidity ratio is not high. This suggests that low liquidity does not necessarily raise going concern concerns for companies with fast and efficient cash turnover. Therefore, potential going concern risk measured by liquidity is less relevant in the context of this industry, as liquidity alone does not reflect overall financial resilience. This finding supports the rejection of hypothesis H1, which assumes that liquidity will significantly affect going concern audit opinion.

Leverage Effect on Going Concern Audit Opinion

It is known that the significance of leverage is 0.003> 0.05, leverage has a significant effect on going concern audit opinion, according to the partial test in Table 10. This finding shows that leverage, as seen from the DER, is taken into consideration when the auditor decides to issue a going concern opinion. The leverage regression coefficient (B) value of -3.027 indicates that the possibility of receiving an opinion from the auditor regarding business continuity increases along with the level of company leverage. The coefficient is negative which means it has an inverse relationship, indicating that increased financial risk (due to high leverage) triggers auditor concerns about the company's going concern.

This finding is consistent with Banias and Kuntadi (2022), which also shows leverage affects going concern audit opinion. Companies with high leverage values usually pay higher interest costs, which can negatively impact their ability to continue operating. However, this research is different from Pertiwi and Nustini (2023) which concluded that leverage has no effect on going concern audit opinion.

This study uses a sample of retail companies that often rely on debt to expand store networks, increase inventory, or invest in technology to improve the customer experience. However, if the leverage is too high, financial burdens such as interest payments and debt obligations will jeopardize long-term operations. Where auditors can see high leverage as a risk signal for business sustainability because large debt can be a heavy burden when economic conditions weaken or when sales decline. Thus, the second hypothesis is accepted.

The Effect of Company Growth on Going Concern Audit Opinions

Based on Table 10, the significance value of company growth is 0.196> 0.05 from the probability determination. This result means that company growth does not affect the auditor when determining a going concern audit opinion. The coefficient result is 0.078, a positive number can indicate that the company's chances of receiving a going concern audit opinion decrease along with its growth rate. Although there is a positive trend, auditors may not make growth the main indicator. Based on the theory used, positive company growth can be a factor in maintaining business continuity.

The discussion is in accordance with research by Kurnia and Mella (2018) and the results that going concern audit opinion is not influenced by company growth due to increased net sales but increased profits do not follow, thus closing the possibility of the company receiving a going concern audit opinion However, according to Pratiwi and Lim (2018) company growth has an impact on the provision of going concern audit opinion because the company can show how well the company is carrying out its operational activities.

The retail sector often faces seasonal fluctuations in sales and revenue, which can create uncertainty about the company's projected growth over the long term. For example, retail companies may experience a spike in sales during certain seasons such as holidays or year-end, but a significant decline in other periods. Such fluctuations can make it difficult for auditors to properly assess whether the growth that occurs is an indicator of sustainable business continuity or is only temporary. In this case, auditors tend not to make company growth by giving a going concern opinion, so the third hypothesis is rejected.

CONCLUSION

In this research, it can be concluded that liquidity does not significantly affect going concern opinion, especially the IDX sub-retail 2022-2023, although there is a tendency for a negative relationship. Conversely, leverage has a significant relationship to going concern opinion in the retail sub-sector listed on the IDX 2022-2023, where high leverage, the possibility of the auditor giving a going concern opinion will be large, due to an increase in financial ratios due to debt burden. Company growth, although showing a positive trend, has no significant effect on going concern opinion in the retail sub-sector on the IDX 2022-2023.

Future research is recommended to expand the sample coverage to other sectors so that the results can be generalized to many sectors, add other variables such as non-financial factors, namely audit quality and corporate governance quality, and combine qualitative aspects such as interviews with auditors to gain a deeper understanding of the provision of going concern audit opinions.

The implications of this study theoretically will contribute to understanding the fields of accounting and auditing, especially regarding going concern audit opinion by analyzing the effect of liquidity, leverage, and company growth specifically on retail sub-sector companies. The practical implications will provide information for investors to support investment decision-making, especially in evaluating the company's business continuity, and help management understand the factors that influence going concern audit opinion which is useful in taking strategic steps to strengthen their business continuity.

LIMITATION

After completing this research, there are certain limitations. This research only focuses on the retail sub-sector, so the results are less able to be generalized to other industrial sectors that have different characteristics. In addition, the limitations also lie in the variables used, which only include liquidity, leverage, and company growth. These variables are limited to financial ratio analysis, while in practice, auditors often consider various other aspects such as management quality, external conditions, or other external factors in providing audit opinions related to the continuity of a company's business. This limitation is expected to be a concern for future research in order to expand the scope of variables and sectors studied.

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DECLARATION OF CONFLICTING INTERESTS
The authors declare no potential conflicts of interest.

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