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## The Effect of Financial Distress, Profitability, Leverage, and Previous Year Audit Opinion on Going Concern Audit Opinion

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**Abstract**

**Purpose** – This study aims to empirically test the effect of financial distress, profitability, leverage, and the previous year audit opinion on the going concern audit opinion.

**Design/methodology/approach** – The population for this study includes all non-primary consumer goods sector companies listed on the Indonesian Sharia Stock Index (ISSI) for the period 2021-2023. Financial distress is measured using a dummy variable, profitability is measured using return on asset (ROA), leverage is measured using debt to asset ratio (DAR), and previous year audit opinion is proxied using dummy variables.

**Findings** – The results of this study found that financial distress and previous year audit opinion have a positive effect on the going concern audit opinion. Whereas, profitability has a negative effect on going concern audit opinion. Meanwhile, leverage has no effect on the going concern audit opinion.

**Originality/value** – This study provides a new contribution to the literature on the influence of financial distress, profitability, leverage, and the previous year audit opinion on going concern audit opinions, particularly in non-primary consumer goods companies listed on the Indonesia Sharia Stock Index (ISSI).

**Research limitations/implications** – This research only examines non-primary consumer companies, so the results of the study cannot yet represent all companies listed on the Indonesia Sharia Stock Index. Therefore, future researchers are advised to try using a more comprehensive object. In addition, a suggestion for future researchers is that in assessing leverage, it is recommended to use the calculation with debt to equity ratio (DER) formula. This ratio provides a different perspective by comparing total debt to shareholders' equity.

**Keywords:** Going concern audit opinion, financial distress, profitability, leverage, and previous year audit opinion.

**Article Type:** Research paper



## Introduction

Financial statements represent the primary output of the accounting process and are utilized by external stakeholders, such as investors and creditors, in making economic decisions. The credibility of financial statements largely depends on the audit conducted by independent auditors, including the issuance of a going concern (GC) audit opinion, which reflects an entity's ability to continue its operations for at least 12 months after the reporting date ([Angelina & Rohman, 2022](#)). International and national auditing standards, such as SA 570, emphasize that auditors are responsible for evaluating material uncertainties related to going concern and obtaining sufficient appropriate audit evidence before expressing an opinion ([IAPI, 2021](#)). Furthermore, auditors are required to gather adequate evidence to assess whether a company can maintain its going concern status for a minimum of one year after the financial statement date ([Ray & Wulandari, 2024](#)). This ensures that auditors perform their duties with professionalism and objectivity while providing accurate information to stakeholders.

In the accounting and auditing literature, going concern audit opinions have long been a focal point due to their significant implications for capital markets. Several studies indicate that GC opinions function not only as early warning signals of potential bankruptcy but also directly influence investment decisions, cost of capital, and firms' access to external financing ([Carson et al., 2013](#); [Gutierrez et al., 2018](#)). However, the effectiveness of GC opinions in reflecting a firm's actual condition remains debatable, particularly following cases of auditor failure in anticipating the collapse of large corporations, such as Enron and Lehman Brothers ([Vito et al., 2024](#)). These cases highlight that, despite the evolution of auditing standards, auditors' assessments of going concern continue to face challenges related to complexity and uncertainty ([Anggraini et al., 2021](#)).

Prior studies generally identify financial factors such as profitability, leverage, and liquidity as the primary determinants of GC audit opinions. In addition, non-financial characteristics, including firm size, audit quality, and auditor characteristics, have also been shown to influence auditors' decisions ([Lennox et al., 2023](#); [Xu et al., 2013](#)). Nevertheless, empirical findings remain inconsistent, particularly in emerging market contexts. This inconsistency suggests that the relationship between these factors and GC audit opinions is context-dependent, thereby requiring further examination in different institutional environments.

One context that remains relatively underexplored is firms included in Sharia-based stock indices. In Indonesia, the Indonesia Sharia Stock Index (ISSI) comprises companies that comply with Sharia principles, including restrictions on interest-based financing structures and business activities that align with Islamic law ([IDX, 2024](#)). These characteristics may influence firms' risk profiles, particularly in terms of financial structure and risk management, which in turn may affect auditors' judgments in evaluating going concern.

Several studies suggest that Sharia-based governance mechanisms may contribute to improved financial reporting quality and risk control ([Faroq et al., 2022](#); [Safiullah & Shamsuddin, 2018](#)). However, empirical evidence regarding the impact of these characteristics on GC audit opinions remains limited and inconclusive, thereby providing an avenue for further research. Meanwhile, the dynamics of the Indonesian capital market indicate an increasing risk of business failure, as reflected in the growing number of firms potentially facing delisting. This phenomenon underscores the importance of GC audit opinions as an early warning mechanism for investors. Nevertheless, questions remain regarding the extent to which previously identified determinants continue to be relevant in explaining auditors' decisions, particularly within the context of Sharia-compliant firms.

## Literature Review

### *Agency Theory*

The theory employed in this study is agency theory, which describes the relationship between two parties with differing interests, namely shareholders as principals and management as agents. According to Jensen and Meckling, an agency relationship arises from a contract in which one party

(the principal) engages another party (the agent) to perform tasks on behalf of the principal and delegates decision-making authority to the agent ([Jensen & Meckling, 1976](#)). Agency theory is based on three fundamental assumptions regarding human behavior: individuals are self-interested, have bounded rationality in anticipating the future, and tend to be risk-averse ([Ayu Saraswati & Tresna Parasetya, 2022](#)). Based on these assumptions, managers are inclined to prioritize their personal interests over those of the shareholders. Since managers have greater access to internal information compared to owners, an imbalance of information—referred to as information asymmetry—arises. In such situations, managers may conceal unfavorable information from the principals, potentially harming the company as the financial statements presented may not reflect the firm's actual condition. To mitigate this issue, external auditors are required as independent parties responsible for examining, evaluating, and auditing the company's financial statements to ensure transparency and reliability of information.

### **Going Concern Audit Opinion**

A going concern audit opinion is a crucial aspect of a company's financial reporting. This opinion indicates whether the auditor believes that the company is able to continue operating as a going concern for a reasonable period, typically 12 months after the financial statement date ([Naziah & Nyale, 2022](#)). The going concern audit opinion provides important information to stakeholders, including investors, creditors, and other related parties.

This opinion offers insight into the company's ability to sustain its operations in the long term, enabling stakeholders to make informed decisions regarding investments, credit provision, and business relationships with the company. Furthermore, the going concern audit opinion reflects the auditor's responsibility in identifying risks that may affect the company's continuity. If the auditor has doubts about the company's ability to continue as a going concern, they are required to issue an opinion that reflects such concerns. This ensures that auditors perform their duties with professionalism and objectivity while providing accurate and reliable information to stakeholders.

### **Financial Distress**

Financial distress refers to a condition in which a company experiences financial difficulties that are unavoidable and may lead to potential bankruptcy due to its inability to overcome such problems ([Aysah et al., 2023](#)). Financial difficulties faced by a company may vary, ranging from liquidity problems—where the company is temporarily unable to meet its financial obligations—to solvency problems (bankruptcy), where the company's liabilities exceed its assets.

Financial distress serves as an important indicator that a company is experiencing financial difficulties, which may signal a threat to its going concern status. When a company is considered to be in financial distress, this condition may act as a signal for auditors to issue a going concern audit opinion, as the company is perceived to have difficulty sustaining its operations in the future.

The results of the study conducted by Purnamasari et al. ([2023](#)) indicate that financial distress has a significant effect on going concern audit opinions. These findings are consistent with those of Ray and Wulandari ([2024](#)) who also found that financial distress significantly influences going concern audit opinions. Based on the above explanation, the hypothesis proposed in this study is as follows:

*H<sub>1</sub>: Financial distress has a positive effect on going concern audit opinion*

### **Profitability**

Profitability is generally defined as a ratio that compares the profit generated by a company to its total revenue. It reflects the company's ability to generate earnings from its overall income. One of the commonly used measures of profitability is Return on Assets (ROA). The ROA ratio is used to indicate a company's performance in generating profit from its total assets. An increase in the return on assets indicates higher profitability and greater efficiency in utilizing total assets to generate earnings. This implies that the higher the ROA, the better the company's performance, and consequently, there is less doubt about its ability to continue its operations. In other words, a higher ROA reduces the likelihood of a company receiving a going concern audit opinion.

Previous research by Ni Luh Putu Widhiastuti (2022) also reported that profitability has a negative effect on going concern audit opinions. Based on the above explanation, the second hypothesis proposed in this study is as follows:

*H<sub>2</sub>: Profitability has a negative effect on going concern audit opinion*

### **Leverage**

Leverage is generally defined as a company's ability to utilize funds derived from debt. A high level of leverage indicates that a company has a high proportion of debt or liabilities. Leverage can be measured using the debt-to-asset ratio (DAR), which is calculated by comparing total liabilities to total assets. If a company's total liabilities exceed its total assets, this reflects an unfavorable financial condition, as it raises concerns about the company's ability to meet its debt obligations. A higher debt-to-asset ratio (DAR) indicates poorer company performance, which may lead to uncertainty regarding its going concern status and increase the likelihood of receiving a going concern audit opinion (Halim, 2021).

The study conducted by Juanda and Lamury (2021) found that leverage has a positive effect on going concern audit opinions. Similarly, Vito et al. (2024) also reported that leverage positively influences going concern audit opinions. Based on the above explanation, the third hypothesis proposed in this study is as follows:

*H<sub>3</sub>: Leverage has a positive effect on going concern audit opinion*

### **Previous Year Audit Opinion**

The previous year audit opinion refers to the audit opinion received by the auditee (client) in the previous year. Companies that received a going concern audit opinion in the prior year are more likely to receive the same opinion in the current year. The previous year audit opinion serves as an important consideration for auditors when issuing audit opinions, particularly in relation to going concern assessments. The company's current operations are closely related to its past performance. A going concern audit opinion received in the previous year may also influence investor confidence in the company (Mutsanna & Sukirno, 2020).

Research conducted by Kartikasari (2022) indicates that auditees receiving a going concern audit opinion in the prior period are perceived to have issues related to their ability to continue operations, thereby increasing the likelihood that auditors will issue a similar opinion. Furthermore, Ray and Wulandari (2024) found that the previous year audit opinion has a significant positive effect on going concern audit opinions. These findings are consistent with Herawati et al. (2023), who also reported a significant positive relationship between the previous year audit opinion and going concern audit opinion. Based on the above discussion, the fourth hypothesis proposed in this study is as follows:

*H<sub>4</sub>: Previous year audit opinion has a positive effect on going concern audit opinion*

## **Methods**

This study employs a quantitative research method using secondary data in the form of financial statements of non-primary consumer goods sector companies listed on the Indonesia Sharia Stock Index (ISSI) for the period 2021–2023, obtained from the official website of the Indonesia Stock Exchange (IDX). The population of this study consists of all non-primary consumer goods sector companies listed on the Indonesia Sharia Stock Index (ISSI) during 2021–2023. The sampling technique used is purposive sampling, with the following criteria:

1. Companies in the non-primary consumer goods sector listed on the Indonesia Sharia Stock Index (ISSI);
2. Companies in the non-primary consumer goods sector that were consistently listed on the Indonesia Sharia Stock Index (ISSI) during the 2021–2023 period;
3. Companies in the non-primary consumer goods sector that published their annual reports on the Indonesia Stock Exchange (IDX) website during 2021–2023;

4. Companies in the non-primary consumer goods sector that present their financial statements in Indonesian Rupiah.

Based on these criteria, the total population in this study comprises 93 companies, of which 53 companies meet the sampling criteria and are selected as the research sample. The conceptual definitions and operationalization of variables are presented in Table 1.

**Table 1.** Operational definition of variables

No	Variable	Conceptual Definition	Measurement
1.	Going Concern Audit Opinion	An audit opinion that includes an explanatory paragraph regarding the auditor's consideration of the company's inability or uncertainty to continue its operations in the future (Naziah & Nyale, 2022)	Dummy variable 0 = if the company does not receive a going concern audit opinion 1 = if the company receives a going concern audit opinion
2	Financial Distress	Financial distress reflects the actual financial health of a company's performance within a certain period (Dawamuz Z et al., 2023)	Dummy variable 0 = if the company is not experiencing bankruptcy 1 = if the company is experiencing bankruptcy
3	Profitability (ROA)	ROA represents the company's overall ability to generate profit from its total assets (Akhmadi & Januarsi, 2021)	Return On Asset = $\frac{\text{Net income after tax}}{\text{Total Assets}}$
4	Leverage (DAR)	DAR is a ratio that measures a company's ability to pay all its liabilities using its total assets (Tang et al., 2026)	Debt to Asset Ratio = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$
5	Previous year audit opinion	Previous year audit opinion refers to the audit opinion received by the auditee in the previous year (Ramadhan & Sumardjo, 2021)	Dummy Variable 0 = if the company did not receive a going concern audit opinion 1 = if the company received a going concern audit opinion

## Results

The study uses as its research objects companies in the non-primary consumer goods sector listed on the Indonesia Sharia Stock Index (ISSI) for the period 2021–2023. The total number of companies included in the study is 53. These companies have met the predetermined sampling criteria.

The test results indicate that the total number of research observations is 159, representing companies in the non-primary consumer goods sector listed on the Indonesia Sharia Stock Index (ISSI) during the 2021–2023 period that meet the predetermined sampling criteria. The descriptive statistics are presented in Table 2.

Financial distress (X1), proxied by the Z-score, shows a mean value of 0.3774, indicating the average level of financial distress experienced by the firms, with a standard deviation of 0.486. The minimum value of financial distress is 0.00, while the maximum value is 1.00. Profitability (X2), proxied by Return on Assets (ROA), has a mean value of 1.826, reflecting the average ability of firms to generate

profits from their assets, with a standard deviation of 11.528. The minimum profitability value is -113.37, and the maximum value is 24.06.

**Tabel 2.** Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Z SCORE	159	0.00	1.00	0.3774	0.48626
PROFIT	159	-113.27	24.06	1.8265	11.52886
LEV	159	0.67	99.48	40.3607	19.19742
OATS	159	0.00	1.00	0.1069	0.30999
OAGG	159	0.00	1.00	0.1006	0.30179
Valid N (listwise)	159				

Leverage (X3), proxied by the Debt-to-Asset Ratio (DAR), shows a mean value of 40.36, indicating the average proportion of total liabilities relative to total assets, with a standard deviation of 19.197. The minimum leverage value is 0.67, while the maximum value is 99.48. Previous year audit opinion (X4), measured using a dummy variable, has a mean value of 0.1069, indicating the proportion of firms that received a going concern audit opinion in the previous year, with a standard deviation of 0.3099. The minimum value is 0.00, and the maximum value is 1.00. Going concern audit opinion (Y), also measured using a dummy variable, has a mean value of 0.1069, indicating the proportion of firms receiving a going concern audit opinion, with a standard deviation of 0.30179. The minimum value is 0.00, and the maximum value is 1.00.

**Table 3.** Baseline Results

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 <sup>a</sup>						
Z SCORE	3.337	1.206	7.657	1	0.00	28.132
PROFIT	-0.05	0.02	4.251	1	0.04	0.95
LEV	-0.04	0.02	3.110	1	0.08	0.96
OATS	4.326	0.93	21.733	1	0.00	75.670
Constant	-3.851	1.064	13.104	1	0.00	0.02

Table 3 show the baseline results based on the selected estimation model. The logistic regression equation for panel data is obtained as follows:

$$\ln \frac{OAGC}{1-OAGC} = -3,851 + 3,337X_1 - 0,048X_2 - 0,043X_3 + 4,326X_4 + e$$

1. Based on the results of the logistic regression analysis presented in the table above, it can be observed that the constant value ( $\alpha$ ) is -3.851. This indicates that when the variables of financial distress, profitability, leverage, and previous year audit opinion are equal to zero, the going concern audit opinion is equal to the constant value of -3.851.
2. The coefficient value of  $\beta_1$  (financial distress) is 3.337, which implies that a 1 percent increase in financial distress, assuming profitability, leverage, and previous year audit opinion remain constant at zero, will increase the likelihood of receiving a going concern audit opinion by 3.337.
3. The coefficient value of  $\beta_2$  (profitability) is -0.048, indicating that a 1 percent increase in profitability, assuming financial distress, leverage, and previous year audit opinion remain constant at zero, will decrease the likelihood of receiving a going concern audit opinion by 0.048.
4. The coefficient value of  $\beta_3$  (leverage) is -0.043, which implies that a 1 percent increase in leverage, assuming financial distress, profitability, and previous year audit opinion remain constant at zero, will decrease the likelihood of receiving a going concern audit opinion by 0.043.

5. The coefficient value of  $\beta_4$  (previous year audit opinion) is 4.326, indicating that a 1 percent increase in previous year audit opinion, assuming financial distress, profitability, and leverage remain constant at zero, will increase the likelihood of receiving a going concern audit opinion by 4.326.

The results indicate that financial distress has a positive and significant effect on going concern audit opinion (coefficient = 3.337; p-value = 0.006 < 0.05). Therefore,  $H_1$  is accepted. This finding is consistent with agency theory, which suggests that financial distress increases the risk of conflicts of interest and information asymmetry, prompting auditors to issue a going concern opinion as a warning signal to stakeholders. Empirically, this result aligns with prior studies indicating that financial distress is a key determinant in issuing going concern opinions ([Carson et al., 2013](#); [Gutierrez et al., 2018](#)). This implies that the higher the level of financial distress, the greater the likelihood that auditors will express doubt about the company's ability to continue as a going concern.

Profitability shows a negative and significant effect on going concern audit opinion (coefficient = -0.048; p-value = 0.039 < 0.05). Therefore,  $H_2$  is accepted. This result supports signaling theory, where higher profitability provides a positive signal regarding firm performance, thereby reducing auditors' concerns about the company's ability to sustain its operations. This finding is consistent with prior literature suggesting that firms with higher profitability are less likely to receive a going concern opinion ([Lennox et al., 2023](#); [Tang et al., 2026](#)). Thus, higher profitability decreases the probability of a company receiving a going concern audit opinion.

Leverage shows a negative and insignificant effect on going concern audit opinion (coefficient = -0.043; p-value = 0.078 > 0.05). Therefore,  $H_3$  is rejected. Theoretically, higher leverage should increase financial risk and the likelihood of bankruptcy. However, the findings indicate that leverage is not a primary factor in auditors' considerations. This may be because auditors adopt a more comprehensive approach by evaluating multiple indicators, such as cash flow, profitability, and business prospects ([DeFond & Zhang, 2014](#)). Additionally, within the ISSI context, Sharia-based financial restrictions may limit leverage variability, making it less influential in explaining auditors' decisions regarding going concern opinions.

Previous year audit opinion has a positive and significant effect on going concern audit opinion (coefficient = 4.326; p-value = 0.000 < 0.05). Therefore,  $H_4$  is accepted. This finding indicates a persistence effect, where auditors tend to maintain the same opinion as in the previous year, particularly when the underlying conditions have not significantly improved. This result is consistent with prior studies suggesting that going concern opinions are persistent over time and influenced by historical information ([Lennox et al., 2023](#); [Lennox & Kausar, 2015](#)). It also reflects auditors' prudence in avoiding litigation risk and maintaining professional reputation, making prior audit opinions an important consideration in current audit decisions.

## Discussion

### *Financial Distress as the Dominant Risk Signal*

The results show that financial distress has a strong positive effect on going concern audit opinions, confirming that auditors rely heavily on financial distress indicators when assessing business continuity. This finding is consistent with prior literature emphasizing that financial distress is the most direct and observable signal of a firm's inability to sustain operations ([Carson et al., 2013](#); [Gutierrez et al., 2018](#)).

From an audit judgment perspective, financial distress increases both audit risk and litigation risk, prompting auditors to issue a going concern opinion as a protective and precautionary response ([DeFond & Zhang, 2014](#)). This behavior reflects auditors' role as risk assessors, where financial distress serves as a critical trigger in the evaluation process.

Importantly, this finding also suggests that, even within a Sharia-compliant context, auditors prioritize economic fundamentals over governance or ethical considerations. This indicates that

financial distress remains a universal determinant of going concern opinions, regardless of institutional or religious settings.

### ***Profitability as a Credible Positive Signal***

Profitability is found to have a significant negative effect on going concern audit opinions, indicating that firms with stronger financial performance are less likely to receive GC opinions. This supports signaling theory, where profitability conveys positive information about a firm's financial health and prospects.

Consistent with prior studies ([Lennox et al., 2023](#)), auditors interpret profitability as evidence of operational viability and cash-generating ability, thereby reducing concerns about business continuity. In this sense, profitability functions as a counterbalance to financial distress, providing reassurance to both auditors and stakeholders.

This finding also highlights that auditors do not rely solely on negative signals (e.g., distress), but also incorporate positive indicators when forming judgments. Such behavior reflects a holistic assessment approach, where auditors weigh multiple financial indicators rather than relying on a single metric.

### ***The Limited Role of Leverage in Auditor Judgment***

Contrary to theoretical expectations, leverage does not have a significant effect on going concern audit opinions. While leverage is traditionally associated with financial risk, this finding suggests that auditors do not treat leverage as a primary determinant in isolation.

One possible explanation is that auditors evaluate leverage in conjunction with other factors, such as profitability, cash flow, and financial distress ([DeFond & Zhang, 2014](#)). High leverage may not necessarily indicate financial instability if the firm maintains strong earnings or stable cash flows.

Additionally, within the ISSI context, Sharia principles restrict excessive reliance on interest-based debt, which may reduce variability in leverage across firms ([Safiullah & Shamsuddin, 2018](#)). As a result, leverage may provide limited discriminatory power in explaining going concern opinions.

This finding contributes to the literature by suggesting that the relevance of leverage as a predictor of going concern opinions is context-dependent, particularly in environments with financial structure constraints.

### ***Persistence of Audit Opinions and Auditor Conservatism***

The results indicate that previous year audit opinion has a strong positive effect on current going concern opinions, demonstrating a persistence effect. This finding is consistent with prior research showing that auditors tend to maintain consistency in their judgments over time ([Lennox & Kausar, 2015](#)).

This persistence can be explained by two key factors. First, it reflects the continuity of underlying firm conditions, where companies experiencing financial difficulties are likely to remain distressed in subsequent periods. Second, it reflects auditor conservatism and risk aversion, as auditors may be reluctant to reverse prior opinions without strong evidence of improvement.

From a professional perspective, maintaining consistency in audit opinions helps auditors mitigate reputational and litigation risks, particularly in uncertain environments. This reinforces the view that audit opinions are not only influenced by firm characteristics but also shaped by auditors' strategic considerations.

### ***Implications for Audit Judgment in Sharia Context***

Overall, the findings suggest that auditors' going concern judgments in Sharia-compliant firms are primarily driven by financial indicators rather than institutional or religious factors. While Sharia governance may influence corporate behavior, it does not appear to significantly alter auditors' evaluation criteria.

This highlights an important implication that auditing practices remain largely standardized and economically driven, even in alternative financial systems.

This finding contributes to the broader literature by showing that audit decision-making exhibits a high degree of consistency across institutional contexts, supporting the idea that auditing standards and professional norms dominate local variations (Xu et al., 2013).

## Conclusion

This study investigates the determinants of going concern audit opinions among non-primary consumer goods companies listed on the Indonesia Sharia Stock Index (ISSI) during the period 2021–2023. The findings provide strong evidence that financial distress and previous year audit opinion significantly increase the likelihood of receiving a going concern opinion, while profitability reduces such likelihood. In contrast, leverage does not have a significant effect.

From a theoretical perspective, this study contributes to the auditing literature by reinforcing the importance of audit judgment under uncertainty, where auditors rely on a combination of financial signals and prior information when assessing business continuity. The findings support the view that going concern opinions are not purely mechanical outcomes, but are shaped by risk assessment, professional skepticism, and auditor conservatism (DeFond & Zhang, 2014; Lennox et al., 2023).

From a contextual perspective, this study extends prior research by providing evidence from a Sharia-compliant environment, which remains relatively underexplored. The results indicate that, despite differences in governance structures, auditors' decision-making processes remain largely consistent with global practices, emphasizing financial fundamentals over institutional variations.

From a practical perspective, the findings offer important implications for auditors, investors, and regulators. For auditors, the results highlight the importance of integrating multiple financial indicators in assessing going concern uncertainty. For investors, the findings confirm that financial distress and audit history are critical signals in evaluating firm risk. For regulators, the study underscores the need to enhance disclosure quality and strengthen early warning mechanisms in capital markets.

However, this study has several limitations. First, it focuses on a specific sector and index (ISSI), which may limit the generalizability of the findings. Second, the study relies on quantitative measures and does not capture qualitative factors such as management intentions or auditor judgment processes. Future research is encouraged to incorporate additional variables, such as cash flow, audit quality, and corporate governance, as well as to explore qualitative approaches to better understand auditor decision-making.

In conclusion, this study demonstrates that going concern audit opinions are primarily driven by financial condition and historical audit signals, reaffirming the central role of economic fundamentals in audit judgment, even within alternative institutional contexts.

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