Effect of Financial Distress, Liquidity, and Leverage on the Audit Opinion Going Concern on Companies Listed on IDXESGL During the Pandemic Period (2019-2021)

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Abstract

The Covid-19 pandemic has caused many companies to have significant losses that affect their going concern and opinions from auditors about it, such as the case of KAP Satrio Bing, Eny (SBE) and partners, affiliated Deloitte Indonesia for not providing a audit opinion going concern on SNP's finances, where the condition of the company`s increase debt and repayment failure, so due to financial difficulties they committed fraud by manipulating financial statements. This study aims to examine the effect of financial distress, liquidity, leverage on audit opinion going concern partially on companies listed on IDXESGL during the pandemic (2019-2021). The method used is explanatory with a population of 30 companies listed on the IDX during the period 2019 to 2021 with a sample of 29 companies. The analytical technique used is logistic regression with a significance level of 5%. The results showed that liquidity had an effect on audit opinion going concern, while financial distress and leverage had no effect on audit opinion going concern. This audit opinion going concern can be avoided by managing current assets effectively so that they are able to meet their current liabilities. The results of this study are expected to provide contributions and considerations for auditors in issuing audit opinions going concern and for companies to determine indicators that affect their going concern.

Keywords: Financial Distress, Liquidity, Leverage, Audit Opinion Going Concern.

1. Introduction

The COVID-19 pandemic has a direct impact on the world economy; the pandemic period, which began in 2019, made world economic growth grow negatively. Since then, bankruptcies began to occur in some companies; for example, in March 2020, US business applications fell between 40% and 75% compared to the previous year and were worse than the Great Recession (Sutrisno, 2021).

In 2020, the Indonesia Stock Exchange (IDX) officially launched a new IDX ESG (environmental, social, and governance) leaders index, which is expected to spur practices related to the environment, social, and governance of issuers in the implementation of sustainable investment in Indonesia. IDX has determined 30 stocks that have good environmental, social, and governance (ESG) valuations through the Stock Exchange No. Peng-00363 / IDX. POP/122020 announcement dated December 8, 2020.In addition, the 30 issuers were not involved in significant controversy, had transaction liquidity, and had good financial performance, becoming the initial constituents of IDX ESG Leaders (ESGL) (cnbcindonesia.com).

The vaccination program in Indonesia can control COVID-19 cases so that it can strengthen economic performance. This is indicated by an increase in the Indonesian economy of 5% in the first quarter of 2021 to the first quarter of 2022, followed by the highest increases in production, business fields, transportation, and warehousing of 15.79% and 16.22% in the field of exports of goods and services.

One of the factors that influences an auditor's opinion is financial failure caused by the company's inability to pay its obligations at maturity; this financial failure is often referred to as "financial distress." Financial distress will eventually lead to the bankruptcy of the company, so that the company's future is in doubt (Widhiadnyana & Ratnadi, 2019). The next factor is liquidity, which is the ability of a company to pay off short-term obligations using its current assets. The lower the company's liquidity, the lower the company's ability to pay off its short-term obligations using the company's current assets. On the other hand, if the company's liquidity is greater, the greater the company's ability to pay off its short-term obligations in a timely manner (Nugroho et al., 2021). Leverage is a ratio that measures how

well a company can meet its financial obligations. The leverage ratio can be measured by the debt ratio, which compares total debt with total assets (Nugroho et al., 2021). Leverage can have an impact on going concerns; the greater the leverage, the worse the company's condition.

Figure 1. GDP Growth of Several Businesses (y-on-y) (percent)

During the COVID-19 pandemic, the company tried to maintain its business continuity (going concern). The audit opinion issued by the public accountant is a statement regarding the impact of the company's doubts about being able to carry out its business. Audit opinions issued by auditors are widely used as a reference for investors in predicting the bankruptcy of companies. The auditor is responsible for evaluating whether there is a major doubt about the entity's ability to maintain its viability (going concern) for at least one period after the financial reporting date. The auditor must provide an unqualified opinion with an explanatory paragraph if concludes there is a substantial doubt as to the company's ability to continue its business (Arens et.al., 2015). Cases related to going concern include PT. Anugrah Kagum Karya Tbk (AKKU), where the COVID-19 pandemic made the company suffer a significant loss from the previous year. The 2020 audited financial statements of PT Anugrah Kagum Karya Tbk listed a loss of Rp. 8.72 billion with accumulated losses of Rp. 102.68 billion, and auditors expressed doubts about the continuity of the company's business because the company experienced a decline in revenue due to the COVID-19 pandemic.

The audit opinion going concern will be given by the auditor as an explanatory paragraph expressing doubts about the survival of the auditee, but in some cases, such as KAP Satrio Bing, Eny (SBE), and Deloitte Indonesia affiliated partners who do not provide audit opinions going concern to SNP Finance, the condition of the company experiences an increase in debt resulting in debt repayment failure and financial difficulties so as to commit fraud by manipulating financial statements.

This research cannot be separated from previous studies related to audit opinion going concern, as conducted by Ali, et al. (2019), whose research concluded that liquidity affects audit opinion going concern. According to Hay, et al., (2021), the number of audit opinions going concern increased in 2021, during the COVID-19 pandemic, due to the number of companies that experienced economic failures.

2. Literature Review And Theoretical Framework

2.1. Literature Review

2.1.1. Audit Opinion Going Concern

An "audit opinion" is an opinion given by a public accountant about the reasonableness of the presentation of financial statements prepared by the company. Auditors are responsible for expressing opinions on financial statements through audit reports (Kalbers, et al., 2007). With this understanding, it is possible to conclude that the audit opinion is the end result of the audit implementation in stating reasonableness in the financial statements, and that it is an inseparable part of the auditor's report.

According to Chen & Church, (1992) "Going Concern" states the company's ability to maintain its viability for a certain period, i.e., no more than one year from the time the financial statements are published. Going concern is the postulate that an entity will continue to operate for a long period of time to realize its projects, responsibilities, and

activities that are endless. This argument implies that an entity will be expected to operate indefinitely or will not be liquidated (Kuruppu et al., 2003). From the above understanding, it can be concluded that an "audit opinion going concern" is an audit opinion issued by the auditor as an auditor's consideration of the continuity of a company in carrying out its business where there is significant incompetence or uncertainty.

2.1.2. Financial Distress

Financial distress is a condition when the company's finances are in an unhealthy or critical state. The level of health of an enterprise can be seen from the financial condition of the company. Companies that have a good financial condition will not issue a going concern opinion. Financial distress or financial difficulties faced by a company are an indicator that the company will experience bankruptcy, because financial distress is the stage where the company experiences a decrease in sales turnover and experiences losses over a long period of time and continuously before bankruptcy occurs (Nugroho et al., 2021). According to Kisman & Krisandi, (2019), "financial distress" is "the stage of decline in financial condition that occurs before bankruptcy or liquidation." Financial distress will eventually lead to the bankruptcy of the company, so that the company's future is in doubt (Kuruppu et al., 2003).

Financial distress occurs before bankruptcy, which is defined as a situation where the company experiences failure or inability to fulfill its obligations. It is caused because the company experiences a lack of funds to run or continue its business with the aim of being able to obtain profits or profits that are expected to be used to repay loans and other obligations that must be fulfilled.

Financial distress is defined as a company that has negative Earnings Before Interest and Taxes (EBIT). In this study, the dependent variable was presented in the form of a dummy variable with a binomial size, namely the value of one (1) if the company has a negative EBIT and zero (0) if the company has a positive EBIT. A company is said to be in financial distress if it experiences losses before tax for two consecutive years (Nugroho et al., 2021).

2.1.3. Liquidity

Liquidity is the ability of a company to pay off short-term obligations using its current assets. The lower the company's liquidity, the lower the company's ability to pay off its short-term obligations using the company's current assets. On the other hand, if the company's liquidity is greater, the greater the company's ability to pay off its short-term obligations in a timely manner (Nugroho et al., 2021). "The liquidity ratio serves to show or measure the company's ability to meet its maturing obligations, both obligations to relationships with companies such as creditors and distributors or suppliers,

Fajaria, et al., (2018). The types of liquidity ratios, according to Fajaria, et al., (2018), that companies can use to measure their capabilities are:
1. Current Ratio
2. Quick Ratio
3. Cash Ratio
4. Cash turnover ratio
5. Inventory to net working capital

In this study, researchers used the current ratio, which is a ratio to measure the company's ability to pay short-term obligations or debt that matures immediately at the time it is billed as a whole.

2.1.4. Leverage

According to Fajaria, et al., (2018), the leverage ratio is "a ratio used to measure the extent to which a company's assets are financed with debt, meaning how much debt burden a company bears compared to its assets." The leverage ratio is a ratio used to measure a company's ability to meet its long-term obligations, where if the amount of equity owned by the company is less than the amount owed by the company, it is possible that the company will receive an audit opinion going concern (Tarigan, et al., 2021). The existence of the company's leverage ratio will allow you to find out several things related to the use of its own and borrowed capital and the company's ability to fulfill its obligations. According to Atidhira & Yustina, (2017), "the type of leverage ratio that companies often use to measure the ratio between total debt and total assets can be the debt-to-asset ratio (debt ratio). From the measurement results, if the ratio is high, it means that funding with more debt will be more difficult; the more difficult it is for the company to obtain additional loans, the more likely it is that the company will not be able to cover its debts with its assets.

2.2. Theoretical Framework

2.2.1. The Impact Of Financial Distress On An Audit Opinion Going Concern

Financial distress is a condition that shows a decline in the company's financial performance so that the company's finances become unfavorable and unhealthy. This condition can cause auditors to give audit opinions that are concerning (Firth, 2002). This opinion is also in line with Darmayanti, (2017) that financial distress affects the audit opinion going concern, as well as according to Habib & Bhuiyan, (2011) and Cade & Hodge, (2014) stated that

financial distress affects the audit opinion going concern. Meanwhile, financial distress has no effect on the audit opinion going concern, according to Yuliyani et al and Jamaluddin 2018.

2.2.2. The Impact Of Liquidity On An Audit Opinion Going Concern

Liquidity is the ability of a company to pay off short-term obligations using its current assets. The higher the level of liquidity of the company, the greater the success of management in managing its resources level of liquidity of the company, the greater the success of management in managing its resources. (Firth, 2002). A high level of liquidity indicates good conditions, so the auditor will not give the company an unfavorable audit opinion. According to Habib & Bhuiyan, (2011) liquidity affects the auditor's opinion of a going concern. The same thing was also conveyed by Nababan et al., 2022, who stated that the size of the company, liquidity, profitability, and solvency affect the audit opinion going concern. Likewise, according to etyarini Santosa & Untari, (2018), Himam & Masitoh, (2020). stated liquidity has a significant effect on audit opinions. Meanwhile, Winarta & Kuntadi, (2022) stated that liquidity has a negative influence on the audit opinion going concern.

2.2.3. The Impact Of Leverage On An Audit Opinion Going Concern

Leverage is used to measure a company's ability to meet its long-term obligations, where the higher the company's leverage level, the smaller the amount of equity compared to the amount owed by the company. Fajaria, et al., (2018) A high level of leverage will cause the auditor to issue a favorable audit opinion to the company. According to Firth (2002) and Atidhira & Yustina, (2017) leverage has a positive influence on audit opinions going concern. According to Acharsyah, 2020 states that leverage has a positive influence on audit opinions going concern. Another opinion, according to Ginting et al., 2020, also states that leverage has a positive influence on an audit's going concern. However, a different point was conveyed by etyarini Santosa & Untari, (2018), Tarigan, et al., (2021) and Winarta & Kuntadi, (2022) who stated that leverage negatively affects audit opinions.

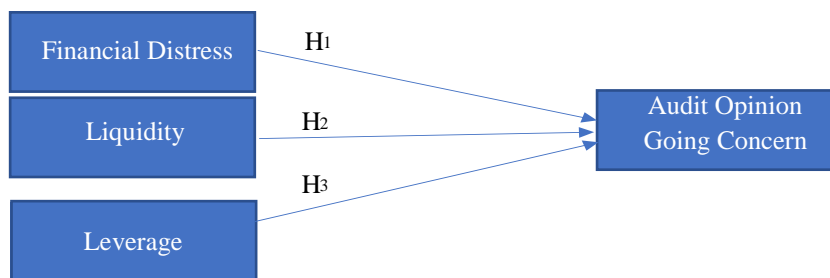Based on the above framework, a frame of thought can be described as Figure 2.

Figure 2. Theoritical Framework

2.3. Hypothesis

Based on the description of the framework above, the hypotheses in this study are as follows:
H1: There is an effect of financial distress on the audit opinion of a going concern.
H2: Liquidity effect to the audit opinion going concern.
H3: Leverage effect to the audit opinion going concern.

3. Research Methods

This study focused on companies listed on the IDXESGL on the Indonesia Stock Exchange (IDX) between 2019 and 2021.This research method is quantitative research with causal associative relationships that explain the influence of financial distress, liquidity, and leverage on an audit opinion of a going concern. This study uses an explanatory method to examine the effect of financial distress, liquidity, and leverage to audit opinion going concern

The data in this study is documentation data in the form of financial statements and annual reports of manufacturing sector companies presented by the Indonesia Stock Exchange, so it can be concluded that the types and sources of data in this study are secondary data.

The population used in this study was 30 companies listed on IDXESGL listed on the Indonesia Stock Exchange (IDX) during the period 2019 to 2021. The samples selected in this study used purposive sampling techniques with the following sample determination criteria:
1. Companies listed on the IDXESGL Indonesia Stock Exchange consecutively during the 2019–2021 period.
2. Companies listed on the IDXESGL Indonesia Stock Exchange that do not issue annual reports and financial statements that have been audited by independent auditors during 2019–2021.
3. Companies that do not report currency in Rupiah (Rp)

Based on these criteria, after the sample selection process was completed, 29 companies were identified that met these criteria. Here are the criteria for the study sample are given in Table 1, Table 2 and Table 3.

Table 1. Sample Criteria

No	Description	Amount
1	Companies listed on the IDXESGL Indonesia Stock Exchange consecutively during the 2019-2021 period	30
2	Consumer goods manufacturing companies that do not publish annual reports and financial statements that have been audited by independent auditors during 2018–2021	0
3	The company does not report in Rupiah (Rp).	1
	Number of sample companies	29
	number of data points (N (x 3 years)	87

Table 2. Company Samples

No	Emitten Code	Company Name
1	ACES	Ace Hardware Indonesia Tbk
2	AKRA	AKR Corporindo
3	ASRI	Alam Sutera Realty
4	ASSA	Adi Sarana Armada Tbk
5	BBCA	Bank Central Asia Tbk
6	BBNI	Bank Negara Indonesia Tbk
7	BBRI	Bank Rakyat Indonesia Tbk
8	BFIN	BFI Finance Indonesia Tbk
9	BMRI	Bank Mandiri (Persero) Tbk
10	BMTR	Global Mediacom Tbk
11	BRPT	Barito Pacifik Tbk
12	BSDE	Bumi Serpong Damai Tbk
13	CTRA	Ciputra Development Tbk
14	DMAS	Puradelta Lestari Tbk
15	ERAA	Erajaya Swasembada Tbk
16	EXCL	XL Axiata Tbk
17	HMSP	HM Sampoerna Tbk
18	JSMR	Jasa Marga (Persero) Tbk
19	LPPF	Matahari Department Store Tbk
20	MAPI	Mitra Adi Perkasa Tbk
21	MIKA	Mitra Keluarga Karya Sehat
22	MNCN	Media Nusantara Citra Tbk
23	PWON	Pakuwon Jati Tbk
24	SCMA	Surya Citra Media Tbk.
25	SIDO	Industri Jamu dan Farmasi Sido Muncul
26	TBIG	Tbk.Tower Bersama Infrastructure Tbk.
27	TLKM	Telkom Indonesia (Persero) Tbk.
28	TOWR	Sarana Menara Nusantara Tbk.
29	UNVR	Unilever Indonesia Tbk

Table 3. Operationalization Variable

Variable	Definition	Indicator	Scale
Audit Opinion Going Concern (Y)	Going Concern states the company's ability to maintain its viability for a certain period of time, not more than one year from the time the financial statements are published (Chen & Church, 1992)	The dummy variable will be worth 1 if the company receives a "going concern" audit opinion (GCAO) and a value of 0 if it receives a "non-going concern" audit opinion (NGCAO).	Nominal

Variable	Definition	Indicator	Scale
Financial Distress (X_1)	The stage where the company experiences a decrease in sales turnover and experiences losses over a long period of time and continuously before bankruptcy occurs (Nugroho et al., 2021)	A value of one (1) if the company has a positive EBIT and zero (0) if the company has a negative EBIT	Nominal
Liquidity (X_2)	The liquidity ratio is used to demonstrate or measure a company's ability to fulfill past-due obligations, including obligations to other companies such as creditors and distributors or suppliers. (Fajaria, et al., 2018).	$Current\ Ratio = \dfrac{Current\ Assets}{Current\ Debt}$	Ratio
Leverage (X_3)	The ratio is used to measure the extent to which the company's assets are financed with debt, meaning how much debt burden the company bears compared to its assets (Fajaria, et al., 2018).	$Debt\ Ratio = \dfrac{Total\ Debt}{Total\ Asset}$	Ratio

The data collection techniques used documentation with SPSS 26 software. Hypotheses test used logistic regression methods with a significance level of 5%. The stages of logistic regression analysis include Hosmer and Lemeshow's goodness of fit test, assessing the fit model (overall model fit), Nagelkerke's R2 coefficient of determination, and a regression test. The logistic regression models used are:

$$Ln\ \frac{OAGC}{1 - OAGC} = \alpha\ +\ \beta_1 FD\ +\ \beta_2 LK\ +\ \beta_3\ LV\ +\ e$$

Information:
OAGC : Audit Going Concern Opinion
α : Constanta
$\beta_1 - \beta_3$: Regretion Coofisien
FD : Financial Distress
LK : Liquidity
LV : Leverage
e : error

According to Williams, R. (2006) the Wald (t) test basically shows how far the influence of independent variables partially explains dependent variables. To determine the value of the Wald test (t test), the significance level is 5%. As for the decision-making criteria:

1. If $t_{calculation} < t_{table}$ and *p-value* > 0.05 are both greater than 0.05, H_0 is accepted, indicating that one of the independent variables has no effect on the dependent variable.
2. If $t_{calculation} > t_{table}$ and *p-value* < 0.05 Then H_0 is rejected, meaning that one of the independent variables affects the dependent variable.

4. Results And Discussion

4.1. Research Results

4.1.1. Descriptive Statistical Analysis Descriptive

Statistical analysis provides an overview or description of the data by looking at the minimum value, maximum value, average (mean), and standard deviation. The results of the descriptive statistical analysis can be seen in the Table 4.

Table 4. Results of Descriptive Statistical Analysis Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Distress	87	0	1	0.02	0.151
Liquidity	87	0.009	7.186	1.83422	1.650443
Leverage	87	0.125	0.908	0.53247	0.230789
Going Concern	87	0	1	0.08	0.274
Valid N (listwise)	87				

The results of the descriptive analysis in the table above can be summarized as follows:

1. The minimum value of financial distress is 0, which means that the company does not have negative earnings before interest and taxes (EBIT), while the maximum value of financial distress is 1, which means that the company has negative EBIT. The average value of financial distress for 2019–2021 is 0.02 with a standard deviation of 0.151. The average value can be interpreted to mean that the number of sample data points that have a negative EBIT is 2%. The standard deviance value is 0.151, which means that the size of the financial distress variable data spread is 0.151.

2. The minimum liquidity value of 0.009 means that the company has the lowest liquidity, while the maximum liquidity value of 7.186 obtained by Ace Hardware Indonesia Tbk means that the company has the highest liquidity among the sample companies. The average value of liquidity for 2019–2021 is 1.83422 with a standard deviation of 1.65044. The average value of the company's ability to fulfill its maturing obligations is $1,834 (rounded up 1.9 times), which means that the company's current assets are 1.9 times its current debt. The standard deviation value of 1.65044 is smaller than the average value, so it can be concluded that the liquidity variable data is homogeneous.

3. The minimum leverage value of 0.125 obtained by Puradelta Lestari Tbk means that the company has the lowest leverage, while the maximum leverage value of 0.908 obtained by Matahari Department Store Tbk means that the company has the highest leverage among the sample companies. The average value of leverage for 2019-2021 is 0.53247 with a standard deviation of 0.230769. The average value of how much the company's assets are financed by the debt is 0.53247 (rounded up to 53%), which means that 53% of the company's funding is financed by debt. The standard deviation value of 0.230769 is smaller than the average value, so it can be concluded that the leverage variable data is homogeneous.

4. The minimum value of an audit opinion going concern is 0, which means that a company that does not have an audit opinion is going concern, while the maximum value of an audit opinion going concern is 1, which means that the company has an audit opinion going concern. The average value of Going Concern for 2019–2021 is 0.08 with a standard deviation of 0.274. The average value means that the number of companies that have an audit opinion going concern is 8% of the total research sample data. The standard deviation is 0.274. If the results of the descriptive analysis show a standard deviation value that is greater than the average value (mean), then the data is heterogeneous, which means that the average variable in the Audit Opinion Going Concern has a low level of deviation.

4.1.2. Overall Model Fit

Table 5. Test Results *Overall Mode Fit (Block 0)* Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	53.281	-1.678
	2	48.916	-2.258
	3	48.702	-2.424
	4	48.701	-2.436
	5	48.701	-2.436

a. Constant is included in the model.
b. Initial -2 Log Likelihood: 48.701
c. Estimation terminated at iteration number 5 because parameter estimates changed by less than 0.001.

Table 6. Test Result Overall Model Fit (Block 1) Iteration History[a,b,c,d]

Iteration		-2 Log likelihood	Coefficients			
			Constant	Financial Distress	Liquidity	Leverage
Step 1	1	47.100	-3.631	1.636	0.427	2.126
	2	39.175	-6.136	2.294	0.802	4.118
	3	38.049	-7.617	2.627	1.020	5.369
	4	38.001	-8.015	2.710	1.078	5.717
	5	38.001	-8.038	2.714	1.081	5.738
	6	38.001	-8.038	2.715	1.081	5.738

a. Method: Enter
b. Constant is included in the model.
c. Initial -2 Log Likelihood: 48.701
d. Estimation terminated at iteration number 6 because parameter estimates changed by less than 0.001.

In Table 5, it can be seen that the initial number -2 loglikelihood block number = 0 is 53.281, while the number -2 loglikelihood block number = 1 in table 6 is 47.100. The test results turned out to be that the overall fit model at -2 Log Likelihood Block Number = 0 showed a decrease in -2 Log Likelihood Block Number = 1. This decrease in likelihood showed a better regression model, or in other words, the hypothesized model fit with the data.

4.1.3. Goodness Of Fit Test

Table 7. Regression Model Feasibility Test Results Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	9.859	8	0.275

In Table 7, it can be seen that the magnitude of the Hosmer and Lemeshow goodness of fit test chi square value is 9.859 with a probability of significance of 0.275, whose value is above 0.05, so it can be concluded that if the probability value (P-Value) is less than 0.05 (significance value), then H0 is accepted, meaning that the model is able to predict its observation value or the model is acceptable because it matches the observation data.

4.1.4. Nagelkerke R Square

Table 8. Nagelkerke R Square Result Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	38.001[a]	0.116	0.270

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than 0.001.

The summary model results in Table 8 give a Nagelkerke R-squared value of 0.270. This means that the variability of dependent variables can be explained by the variability of independent variables by 27%, while the remaining 63% is explained by other variables that were not used in this study.

4.1.5. Classification Matrix

Table 9. Classification Matrix Classification Table[a]

			Predicted		
			Going	Concern	Percentage Correct
	Observed		0	1	
Step 1	Going Concern	0	80	0	100.0
		1	4	3	42.9
	Overall Percentage				95.4

a.   The cut value is 0.500

Based on the Table 9, the probability of a company receiving a negative audit opinion is 42.9%. The results showed that as many as 3 companies out of a total of 7 companies had sample data that was predicted to receive a "going concern" audit opinion, while the power to predict the probability of the company receiving a "non-going concern" audit opinion was 100%. This suggests that 80 out of 80 samples of data are expected to receive "non going concern" audit opinions. Overall, the predictive power of the sample tested was 95.4%, whose value was more than 50%, so it can be concluded that the predictive validity of the model is quite good.

4.1.6. Logistic Regression Analysis

Table 10 Logistic Regression Test Results (*Binary Logistic*) Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Financial Distress	2.715	1.644	2.726	1	0.099	15.097
	Liquidity	1.081	0.443	5.943	1	0.015	2.947
	Leverage	5.738	3.872	2.196	1	0.138	310.321
	Constant	-8.038	3.024	7.067	1	0.008	0.000

a. Variable(s) entered on step 1: Financial Distress, Liquidity, Leverage.

Based on Table 10 above, the logistic regression model obtained is as follows:

$$Ln\ \frac{OAGC}{1-OAGC} = -8.038\ +\ 2.715FD\ +\ 1.081LK\ +\ 5.738LV\ +\ e$$

The measurement of the logistic regression coefficient uses a measure known as the odds ratio, or Exp(B). From the results of the regression analysis calculation, the inter performance of the regression coefficient can be explained as follows:

1. The constant variable of the logistic regression model has a negative coefficient of -8.038, which indicates that if the independent variable (X) is considered zero, then the audit opinion is -8.038.
2. The financial distress variable has a value of 2.715 with an odds ratio value of 15.097, which indicates that if the financial distress increases by one unit, the chances of the company getting an audit going concern (AGC) opinion will increase by 15.097, assuming other independent variables are considered constant.
3. The liquidity variable has a value of 1.081 with an odds ratio of 2.947, which indicates that if liquidity increases by one unit, the chances of the company getting an audit going concern (AGC) opinion will increase by 2.947, assuming other independent variables are considered constant
4. The leverage variable has a value of 5.378 with an odds ratio value of 310.327, which indicates that if the leverage increases by one unit, the chances of the company getting an audit opinion going concern (OAGC) will increase by 310.327, assuming other independent variables are considered constant.

4.2. Hypothesis Testing Results

4.2.1. Wald Test

Based on the logistic regression test results in Table 10, the wald test values for each independent variable yielded the following results:

1. The wald test value for financial distress is 2.726, with a signification value of 0.099. The first hypothesis (H1) fails to prove the influence of financial distress (FD) on the audit opinion going concern based on the decisionmaking criteria, namely that the financial distress variable has a significance value greater than = 0.05. This shows that the variable financial distress has no influence on the audit opinion going concern.
2. The wald test value for the liquidity variable is 5.943 with a signification value of 0.015. The second hypothesis (H2) is successfully supported and demonstrates the influence of liquidity (LK) on the audit opinion going concern based on the decision-making criteria, namely that the liquidity variable has a significance value less than = 0.05. This suggests that the liquidity variable has an influence on the audit opinion going concern.
3. The wald test value for leverage is 2.196, with a signification value of 0.138. The third hypothesis (H3) fails to prove the influence of leverage (LV) on the audit opinion going concern based on the decision-making criteria, namely that the leverage variable has a significance value greater than = 0.05. This indicates that the leverage variable has no influence on the audit opinion of a going concern.

4.2.2. Discussion

4.2.2.1. The Impact Of Financial Distress On Audit Opinions Going Concern Listed On Idxesgl

The results showed that financial distress did not have a significant effect on the audit opinion going concern for companies listed on IDXESGL, because companies listed on IDXESGL are generally established and stable issuers that are attractive to institutional investors, and IDXESGL measures the price performance of stocks that have good ESG valuations, are not involved in significant controversy, and have good transaction liquidity and financial performance. This result is consistent with the research of Widhiadnyana & Ratnadi, (2019), which shows that financial distress has no effect on audit opinion going concern, but different with Fajaria, et al., (2018) The and Nugroho et al. (2021), which show that financial distress affect to audit opinion going concern.

4.2.2.2 The Impact Of Liquidity On The Audit Opinion Going Concern For Idxesgl Listed Companies

The results showed that liquidity has a significant effect on the audit opinion of companies listed on IDXESGL.
Companies listed on IDXESGL have good liquidity and good financial performance, during the pandemic period from 2019 to 2021, the company is still able to maintain its business continuity.
This result is in accordance with Simamora & Hendarjatno, (2019), which proves that liquidity affects audit opinion going concern, but according with Nugroho et al. (2021) and Abdi, et al., (2019), which liquidity does not affect audit opinion going concern.

4.2.2.3 The Impact Of Leverage On Audit Opinion Going Concern On Idxesgl Listed Companies

The findings revealed that leverage had no effect on the audit opinion of going concern in companies listed on IDXESGL, accordance with etyarini Santosa & Untari, (2018) and Himam & Masitoh, (2020) that leverage does not

effect to audit opinion going concern, but different with Nugroho et al. (2021) and Winarta & Kuntadi, (2022), which concludes that leverage has a significant effect on audit opinion going concern.

5. Conclusions And Suggestions

5.1. Conclusion

This study aims to determine the effect of financial distress, liquidity, and leverage on the audit opinions of going concerns listed on the IDXESGL Indonesia Stock Exchange during the COVID-19 pandemic period of 2019–2021 and comes to the following conclusions: 1) Financial distress has no significant impact on the audit opinion going concern in companies listed on IDXESGL; this is due to the fact that companies listed on IDXESGL are generally established and stable issuers that are appealing to institutional investors. 2) Liquidity has a significant effect on the audit opinion going concern in companies listed on IDXESGL. The companies that have good liquidity and good financial performance during pandemic period from 2019 to 2021, and company is still able to maintain its business continuity. 3) There is no effect of leverage on the audit opinion going concern in companies listed on IDXESGL. This shows that when the company's leverage value is high, it is unlikely to get an audit opinion going concern from the auditor.

5.2. Suggestion

Going concern if adequate disclosure is made in the financial statements about material events or uncertainties that would cause doubt about the entity`s ability to continue as a going concern. The company must be able to manage its liquidity ratio related to fulfill its short-term obligations which will show good company performance, so the auditor has confidence regarding the company's going concern

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