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The Effect of Financial Distress, Company Size, and Previous Year's Audit Opinion on Going Concern Audit Opinion of Textile and Garment Sub Sector Companies

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ABSTRACT

Going concern audit opinion is an audit opinion that given by the auditors when they have doubts about the company's ability to sustain its business. The purpose of this study is to determine the influence of financial distress, company size, and the previous year's audit opinion on going concern audit opinion. The data used is secondary data of textile and garment sub-sector companies listed on the Indonesia Stock Exchange. The sampling method used was purposive sampling method. The samples used were 15 companies in the textile and garment sub-sector with the 2016-2019 research period. The analysis technique used was the modified Altman method and logistic regression analysis with the help of SPSS version 26. The results of the analysis show that financial distress and the previous year's audit opinion have an effect on going-concern audit opinion. Meanwhile, company size has no effect on going concern audit opinion. And the overall results show that financial distress, company size, and previous year's affect on going concern audit opinion.

Keywords: Financial Distress, Company Size, Previous Year's Audit Opinion, Going Concern Audit Opinion

INTRODUCTION

In recent years, Indonesia has shown a positive progress in economic growth in the industrial sector. This also shows that the development of the business world in Indonesia has consistently progressed from year to year since the monetary crisis in 1997. One of the main commodities driving Indonesia's economy in recent years comes from the manufacturing industry. The manufacturing industry itself consists of 3 sectors, namely: the basic industrial sector and chemicals, various industrial sectors, and the goods and consumption industry sector. The various industrial sectors consist of several sub-sectors, one of which is the textile and garment sub-sector.

The textile and garment sub-sector is a large-scale industrial sector that focuses on the manufacture of clothing. The textile and garment sub-sector is a large-scale industrial sector that focuses on the manufacture of clothing. Reporting from the website of the Ministry of Industry of the Republic of Indonesia (kemenperin.go.id), this sector is the 3rd largest contributor to foreign exchange in Indonesia after the palm oil industry and the tourism sector. As one of the labor-intensive sectors, this sector is considered to be able to boost the country's

economy in facing industry 4.0. The government itself is trying to reform the textile and garment sub-sector because it is considered that in recent years it has weak competitiveness. The textile and garment sector tends to have a weak financial condition, seen from the number of companies that do not experience consistent profit increases. Therefore, it is likely that many companies in this sector will get a going concern audit opinion.

The going concern of a business entity is very important for both company management and investors. This is an assessment factor for investors to see the company's ability to maintain its business before investing in the company concerned. These investors will usually see the company's performance by analyzing and evaluating the company's financial statements before deciding to invest. In presenting this financial report, an independent third party is needed whose role is to bridge the main interests between the company and the investor, in this case an expert, namely an auditor or public accountant. There are several things that become the basis for an auditor before giving a going concern audit opinion. As for the main element of auditors in assuming the ability of a company to maintain its business continuity is the company's bad financial ratio (SPAP, 2011). This condition is usually triggered by financial distress at the company. According to Hofer (1980:20) quoted by Lestari and Prayogi (2017) states that financial distress is a condition in which a company experiences negative net profit for several years, which is an indication that the company is leading to bankruptcy. Auditors usually tend to provide a going concern audit opinion when they see that the company is experiencing a higher probability of bankruptcy. This will continue until the financial condition and performance of the company are better than the previous years and have a positive impact on the company's survival (Listantri and Mudjiyanti, 2016). Apart from financial distress, the size of the company is also considered to be a determining factor for a company to accept going concern audit opinion. The size of the company itself can be shown in various ways, such as from the total asset value, sales, market capitalization, the number of workers, and so on. According to Alichia (2013), company size has a significant effect on going-concern audit opinion. The previous year's audit opinion is also one of the main factors for an auditor in providing a going concern audit opinion. According to Wibisono (2013) and Fahmi (2015), the previous year's audit opinion has a significant effect on going concern audit opinion. It is probable that a business entity will receive a going concern audit opinion again if in the previous year it also received a going concern audit opinion. This is based on the decline in the level of confidence of investors and creditors in the company's ability to sustain its business.

LITERATURE REVIEW AND HYPOTHESES

Going Concern Audit Opinion

Going concern or business continuity is a condition that guarantees the company in the future can continue to operate and maintain itself as a business entity. Going concern problems are divided into two, namely financial problems which include liquidity deficiency, equity deficiency, debt arrears, difficulty obtaining funds, and operational problems which include continuous operating losses, dubious income prospects, threatened operating capabilities and weak control. over operations (Altman McGough, 1974 in Kristiana, 2012). In auditing, an auditor has the responsibility to submit an assessment of the company's ability to sustain its business. Going concern audit opinion is a modified audit opinion that given by the auditor if he has doubts about the ability of the company's going concern to carry out its activities within an appropriate period, not more than one year from the date of the audited financial report. An

audit opinion that is included in a going concern audit opinion is an unqualified opinion with explanatory language, a fair opinion with exceptions, an unfair opinion, and no opinion (SPAP, 2011).

Financial Distress

Financial distress or financial difficulties is describing of the true health of a company on its financial performance in one work period. Companies will usually experience financial distress before going bankrupt. Hofer (1980:20) in Lestari and Prayogi (2017) likens financial distress as a condition of a company that has experienced negative net profit in recent years which can indicate the company is heading for bankruptcy. Bankruptcy itself is one of the company's failures in maintaining its business to generate profits.

Predicting financial distress or bankruptcy in a company will have a positive impact on users of these financial statements. The parties with an interest in the financial statements will have more awareness of the business continuity of the company concerned. One of the financial distress prediction models that is often used by manufacturing companies, both private and public, is the Altman model (Lestari and Prayogi, 2017).

Altman Model

One of the most famous models for predicting financial distress is the Altman Z-score model. Edward Altman is an economist and professor at New York's Stern School of Business and developed the Altman model in 1968. This model uses several ratios to create a predictor of financial distress. With statistical techniques (multiple discriminant analysis) which is a linear function of several explanatory variables, this tool is able to classify or predict the possibility of company bankruptcy or not.

In Edi and Tania (2018) there are three versions of the Z-score analysis, namely: the first version is for analysis on manufacturing companies that have gone public; this version of the analysis is not only applicable to publicly traded manufacturing companies but also applies to companies in the private sector; and the last is a modified version that can be applied to all companies, such as manufacturers, non-manufacturers, and bond issuing companies in developing countries (emerging market). In this study the author will use the modified Altman model to determine the financial distress that will predict the bankruptcy of the textile and garment manufacturing companies listed on the Indonesia Stock Exchange. This method is considered effective because it is the result of an update from the previous Altman method and can be applied to all industrial sectors.

The equation of the modified Altman method is:

$$Z'' = 6{,}56X_1 + 3{,}26X_2 + 6{,}72X_3 + 1{,}05X_4$$

Company Size

Company size in general can be interpreted as a comparison of the size or size of a company as an object. Company size can be expressed in terms of total assets, sales and market capitalization. According to Kristiana (2012), of the three variables, asset value is relatively more stable than the market capitalized value and sales in measuring the company, so this study will use the amount of assets owned by the company as a proxy for company size.

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Here is the formula for calculating the size of a company:

Size = Ln (Total Assets)

Previous Year's Audit Opinion

The previous year's audit opinion is the audit opinion received by the company in the previous year or one year prior to the research year. Therefore, giving a going concern audit opinion cannot be separated from the previous year's audit opinion, because the business activities of a company for a certain year cannot be separated from the circumstances that occurred in the previous year. The previous year's audit opinion was grouped into two groups, namely auditees with going concern audit opinion and auditee without going concern audit opinion (Solikah, 2007 in Wibisono 2013). Companies that receive a going concern audit opinion in the previous year are considered to have problems in maintaining their survival, so it is likely for the auditor to issue a going concern audit opinion.

Research Framework and Research Hypotheses

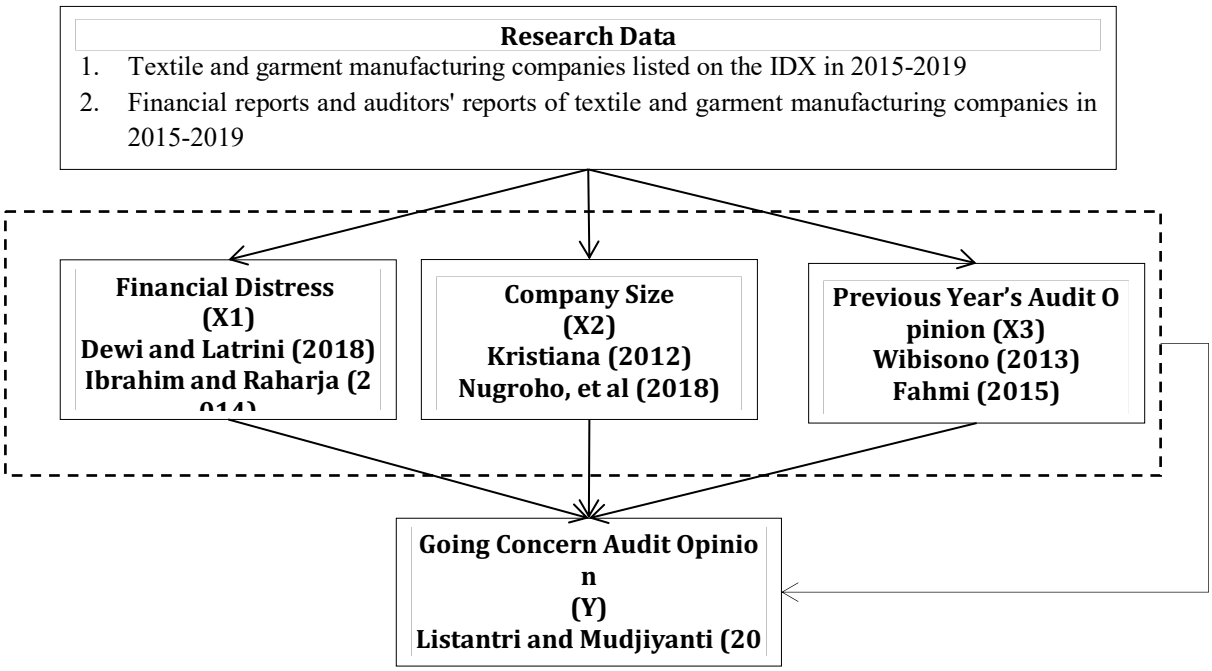


Figure 1: Research Framework

Based on a research framework in Figure 1, the hypothesis in this research is:

H_1: Financial distress has an effect on going concern audit opinion

H_2: Company size has an effect on going concern audit opinion

H_3: Previous year's audit opinion has an effect on going concern audit opinion

H_4: Financial distress, company size, and the previous year's audit opinion affect on going concern audit opinion

RESEARCH METHOD

Research Object

The research object used in this study is a manufacturing company engaged in the textile and garment sub-sector which is listed on the Indonesia Stock Exchange. This textile and garment sub-sector company is one of the manufacturing sectors which has an unstable financial condition due to weak competitiveness. In recent years, several companies have consistently tended not to experience an increase in profit. Therefore, it is likely that the textile and garment sub-sector companies will receive a going concern audit opinion.

Population and Research Sample

The population used in this study were all textile and garment companies listed on the Indonesia Stock Exchange with the 2016-2019 research period. As of December 2020, it is known that there are 21 textile and garment companies listed on the Indonesia Stock Exchange. From this population, the authors selects the sample using purposive sampling method by setting certain criteria. This means that not all textile and garment company populations will be the research samples. The sample in this study were companies that met the following criteria:

1. Companies engaged in the textile and garment sub-sector were listed on the Indonesia Stock Exchange in 2015-2019 and were not in the delisting process during that period.
2. Companies that publish annual financial reports and independent auditors' reports from 2015-2019.

Based on the above criteria, a summary of the results of the sample selection is presented in Table 1.

Table 1: Summary of Research Sample Selection Results

No.	Criteria	Number of companies that match the criteria
1	Companies engaged in the textile and garment sub-sector listed on the Indonesia Stock Exchange in 2015-2019.	21
2	Companies that publish annual financial reports and independent auditors' reports from 2015-2019. (Not according to the criteria = 6 companies)	15
The number of companies that fit the criteria as samples = 15 companies		
Research period = 4 years		
Total research data = 60 research data		

Source: www.idx.co.id, 2020

Table 1 refers to the textile and garment sub-sector companies listed on the Indonesia Stock Exchange during the 2015-2019 period were 21 companies. Based on this data, these 21 companies were then selected by companies that have published annual financial reports and independent auditors' reports for the 2015-2019 period. From the selection process, it is known that there were 6 companies that did not publish annual financial reports and independent auditors' reports during that period, so that the total number of companies that

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met the criteria was 15 companies. Thus, the number of companies that became samples in this study were 15 companies. The research period is 2016-2019, so the amount of research data is adjusted to the research period. So that the data used in this study were 60 research data, consisting of 15 companies with a research period of 4 years (2016-2019).

Type and Data Source

The type of data used in this study is secondary data. Secondary data is a data source that indirectly provides data to data collectors. In this study, the author used secondary data in the form of yearly financial reports and independent auditor reports from textile and garment sub-sector companies listed on the Indonesia Stock Exchange for the period 2015-2019. The data was obtained from the official website of the Indonesia Stock Exchange, namely www.idx.co.id and personal websites belonging to textile and garment companies. In addition, the author also collect information that is used as a theoretical basis from various literatures related to this research.

Data Collection Procedure

The data collection procedures used to obtain the desired data in this study are documentation technique by searching for research data from the internet through the official website of the Indonesia Stock Exchange and personal websites belonging to textile and garment companies, and literature study by examining various literatures such as books, journals, and other sources related to research.

Variable Identification

In this study, there are two types of variables, namely (Sugiyono, 2019):

1. ***Dependent Variable (Y)***

The dependent variable or dependent variable is a variable that is influenced or becomes the result of the independent variable. The dependent variable in this study is a going concern audit opinion.

2. ***Independent Variable (X)***

The independent variable or independent variable is a variable that affects the dependent variable. The independent variables in this study are financial distress, company size, and previous year's audit opinion.

Analysis Tecnique

The analysis technique used in this study is logistic regression analysis. Logistic regression analysis is a multivariate analysis using logistic regression where the independent variable is a combination of continuous (metric) and categorical (non-metric) or nominal. Logistic regression is a regression used to test the extent to which the probability of the dependent variable occurring can be predicted by the independent variable (Ghozali, 2018).

Testing on logistic regression is divided into two, namely partial testing and simultaneous testing. Partial (individual) testing is done using the Wald test, while simultaneous testing is carried out using the Omnibus test. The following is the logistic regression equation used in this study (Harlan, 2018):

$$\text{Ln}\frac{P}{1-P} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

P	=	Opportunity to receive a going concern audit opinion
1-P	=	Opportunity to receive a non going concern audit opinion
β_0	=	Constant
β_1	=	Financial distress regression coefficient
X_1	=	Financial distress
β_2	=	Company Size regression coefficient
X_2	=	Company Size
β_3	=	Previous year's audit opinion regression coefficient
X_3	=	Previous year's audit opinion
e	=	Error

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics in this study are used to provide an overview of the sample data profile. Descriptive statistics are also used to describe the variables in this study by providing an overview of each research variable.

Table 2: Descriptive Statistics Analysis Result

	N	Minimum	Maximum	Mean	Std. Deviation
FD	60	-56,387	14,259	-2,87238	13,965277
CS	60	26,697	30,707	28,13887	1,185333
PYAO	60	0	1	,27	,446
GCAO	60	0	1	,28	,454

Source: Processed Data, 2020

Table 2 presents the distribution of data on 60 research data, consisting of 15 textile and garment companies as a sample with a research period of 4 years (2016-2019).

In the financial distress variable, it can be seen that the lowest value of the 60 research data is -56,387 which is owned by PT. Asia Pacific Fibers Tbk. This shows that the financial condition of PT. Asia Pacific Fibers Tbk is the worst out of 60 research data. While the highest value of the 60 research data is 14,259 owned by PT. Star Petrochem Tbk. This shows that the financial condition of PT. Star Petrochem Tbk is the healthiest of the 60 research data. In addition, from 60 research data, it is known that the average value of the financial distress variable is -2,87238. This average value is smaller than the standard deviation value which has a value of 13,956277. This shows that the data has a relatively large difference in value between each research sample or the data has a high degree of variation.

In the company size variable, it can be seen that the lowest value of the 60 research data is 26,697 owned by PT. Eratex Djaya Tbk. This shows that PT. Eratex Djaya Tbk has the smallest total assets of the 60 research data. While the highest value of the 60 research data is 30,707 owned by PT. Sri Rejeki Isman Tbk. This shows that PT. Sri Rejeki Isman Tbk has the largest total assets of 60 research data. In addition, from 60 research data, it is known that the average

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value of the company size variable is 28,13887. This average value is greater than the standard deviation value which has a value of 1,185333. This shows that the data has a relatively small difference in value between each study sample or the data has a low level of variation.

In the previous year's audit opinion variable, it can be seen that the lowest value is 0 and the highest value is 1, which means that in this variable there are only two categories, namely the category of non-going concern audit opinion with code 0 and going concern audit opinion with code 1. In addition From 60 research data, it is known that the average value of the audit opinion variable in the previous year was 0,27. This average value is smaller than the standard deviation value which has a value of 0,446. This shows that the data has a relatively large difference in value between each research sample or the data has a high degree of variation.

In the going concern audit opinion variable, it can be seen that the lowest value is 0 and the highest value is 1, which means that in this variable there are only two categories, namely the non-going concern audit opinion category with code 0 and the going concern audit opinion with code 1. In addition From 60 research data, it is known that the average value of the going concern audit opinion variable is 0,28. This average value is smaller than the standard deviation value which has a value of 0,454. This shows that the data has a relatively large difference in value between each research sample or the data has a high degree of variation.

Feasibility Testing of Regression Models

This study assesses the feasibility of the regression model using the Hosmer and Lemeshow's Goodness of Fit Test. This model is used to test the null hypothesis that the empirical data fits into the model. This means that there is no difference between the model and the data so that the model can be said to be fit. The probability of significance obtained is then compared with a significance level of 5% (α = 0.05).

Table 3: Test Results Hosmer and Lemeshow's Goodness of Fit Test

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	7,850	8	,448

Source: Processed Data, 2020

Table 3 presents the results of the Hosmer and Lemeshow's Goodness of Fit Test on 60 research data. Based on the table above, it can be seen that the significance value of 0,448 is greater than 0,05, so the null hypothesis is accepted, which means that the model is able to predict its observation value or it can be said that the model is acceptable because it is in accordance with the observation data. This shows that the regression model is suitable for use in further analysis because there is no significant difference between the predicted classification and the observed classification so that the model is able to predict the effect of the independent variables on the dependent variable.

Overall Model Testing

This study assesses the overall model (overall fit) using the Likelihood function. The likelihood model is the probability that the hypothesized model describes the input data. If the value of -

2 Log Likelihood when the block number = 0 is greater than -2 Log Likelihood when the block number = 1, then the regression model can be said to be good. (Ghozali, 2018).

Table 4: Comparison of -2 Initial Log Likelihood and -2 Final Log Likelihood

Test	Value
-2 Initial Log Likelihood (Block Number = 0)	71,529
-2 Final Log Likelihood (Block Number = 1)	15,657

Table 4 presents a comparison between the initial -2 Log Likelihood values (block number = 0), where the model only includes constants and the final -2 Log Likelihood values (when block number = 1), where the model includes constants and independent variables. From the table above it can be seen that the initial -2 Log Likelihood value (block number = 0) is 71,529 and the final -2 Log Likelihood value (block number = 1) is 15,657, so there is a decrease of 55,872 between the two test scores of -2 Log Likelihood the. This decrease in value indicates that the null hypothesis is accepted, which means that the hypothesized model is fit with the data. The decrease in the value of -2 Log Likelihood indicates that the addition of independent variables consisting of financial distress, company size, and previous year's audit opinion into the research model will improve the fit model of this study.

Hypothesis Test

1. Partial Hypothesis Testing

Hypothesis testing in this study is to examine the effect of the independent variables, namely financial distress, company size, and the previous year's audit opinion on going concern audit opinion.

Table 5: Hypothesis Test Results Partially

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	FD	-,398	,191	4,350	1	,037	,672
	CS	,060	,878	,005	1	,945	1,062
	PYAO	5,639	1,671	11,393	1	,001	281,268
	Constant	-5,203	24,319	,046	1	,831	,006

Source: Processed Data, 2020

Based on the regression equation in Chapter 3, the results of hypothesis testing in Table 5 can be formulated as follows:

$Y = -5,203 - 0,398X_1 + 0,060X_2 + 5,639X_3 + e$

Y= Opportunity to receive a going concern audit opinion

X_1= Financial distress

X_2= Company size

X_3= Previous year's audit opinion

e= Error

Based on the results of partial hypothesis testing and regression equation, the three hypotheses that have been previously proposed can be interpreted as follows:

a. The effect of financial distress on going concern audit opinion

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The significance value of 0,037 < α (0,05) indicates that H1 is accepted, which means that financial distress has an effect on going-concern audit opinion. The negative relationship between these two variables is shown by the coefficient β value which is negative at -0,398 means that if financial distress is proxied by using the Altman Z-score, results in a lower value, the higher the probability that a company will receive a going concern audit opinion. This is because companies experiencing financial distress or financial difficulties will have many obstacles in carrying out operational activities and maintaining the continuity of their business, so that it will influence the auditor to issue a going concern audit opinion.

The results of this study are in line with the results of research conducted by Dewi and Latrini (2018) which show that financial distress has a negative influence on going concern audit opinion. These results are also in line with research conducted by Ibrahim and Raharja (2014) which states that the lower the Altman Z-score is, the higher the probability of going concern audit opinion acceptance for a company.

b. The effect of company size on going concern audit opinion

The significance value of 0,945 > α (0,05) indicates that H1 is rejected, which means that company size has no effect on going concern audit opinion. The positive relationship between these two variables is shown by the value of the coefficient β which is positive at 0,060, which means that the relationship between the two is not in opposite directions. This means that company size is not a basis and consideration for an auditor in issuing a going concern audit opinion on a company. Praptitorini and Januarti (2007) in Kristiana (2012) state that business survival is always associated with management's ability to manage the company in order to survive. Even though a company is classified as a small company but has good management and performance in managing the company and optimally utilizing its resources so that it can survive in the long term, it will be less likely to get a going concern audit opinion.

The results of this study are in line with the results of research conducted by Kristiana (2012) and Nugroho, et al (2018) which state that company size has no influence on going concern audit opinion. This means that the size of the company is not the basis for the auditor's going concern audit opinion.

c. The effect of previous year's audit opinion on going concern audit opinion

The significance value of 0,001 < α (0,05) indicates that H1 is accepted, which means that the previous year's audit opinion has an effect on going-concern audit opinion. The positive relationship between these two variables is shown by the coefficient value nilai which is positive at 5,639, meaning that if the company gets a going concern audit opinion in the previous year, the more likely the company will receive a going concern audit opinion again in the current year. Companies that receive a going concern audit opinion in the previous year will be considered to have problems in maintaining their survival, so the more likely it is for the auditor to issue a going concern audit opinion in the current year. Companies that get a going concern audit opinion in the previous year will have an impact on the decline in stock prices, difficulties in increasing loan capital, distrust of investors, creditors, customers, and employees in the company's survival.

The results of this study are in line with the results of research conducted by Wibisono (2013) and Fahmi (2015) which show that the positive regression value of previous year's audit opinion has an influence on going concern audit opinion.

1. Simultaneous Hypothesis Testing

Simultaneous hypothesis testing in this study was conducted to test the independent variables jointly affecting the dependent variable. The results of this test can be seen in the results of the Omnibus Test of Model Coefficient, where the independent variable is said to have an effect on the dependent variable if the significance value is < α (0,05). Chi-square value is used to show how likely it is that the model can predict its observation value.

Table 6: Simultaneous Hypothesis Test Results

		Chi-square	df	Sig.
Step 1	Step	55,871	3	,000
	Block	55,871	3	,000
	Model	55,871	3	,000

Source: Processed Data, 2020

Table 6 presents the results of the Omnibus Test of Model Coefficient on the research variables. The results of the logistic regression test showed that the Chi-square value was 55,871 with a degree of freedom = 3. This means that the model was able to significantly predict the observation value of 55,871. In addition, the significance value of 0.000 < α (0.05) indicates that H1 is accepted, which means that financial distress, company size, and the previous year's audit opinion simultaneously affect the going concern audit opinion.

Classification Matrix Testing

The classification matrix shows the predictive power of the regression model used in predicting the likelihood of going-concern audit opinion acceptance. In the logistic regression output, the numbers from this classification matrix can be seen in the Classification Table.

Table 7: Classification Matrix Test Results

Observed		Predicted		
		GCAO		Percentage Correct
		NON GC	GC	
GCAO	NON GC	42	1	97,7
	GC	1	16	94,1
Overall Percentage				96,7

Source: Processed Data, 2020

Table 7 presents the results of the classification matrix test on the research data. Based on the table above, it is known that the companies that received going concern audit opinion were 16 companies, with actual observations being 17 companies so that the accuracy of the model was 94,1%. Meanwhile, companies that received non-going concern audit opinion were 42 companies with actual observations of 43 companies, so that the accuracy of the model was 97,7%. The overall percentage in this study was 96,7%. This shows that the accuracy of the predicted value of the logistic regression model to the actual observed value is 96,7%.

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Determination Coefficient Testing

The coefficient of determination is the square of the correlation coefficient as a measure to determine the ability of each variable used. In this study, the test to be used is Nagelker's R Square because the resulting value can be interpreted as the R2 value in multiple regression.

Table 8: Determination Coefficient Test Results

-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
15,657[a]	,606	,870

Source: Processed Data, 2020

Table 8 presents the results of the coefficient of determination on the research data. Based on the table above, it is known that the Nagelkerke R Square value is 0,870. This means that the variability of going concern audit opinion that can be explained by financial distress, company size, and previous year's audit opinion is 87% and the remaining 13% is explained by other variables outside of this study. The factors that influence going concern audit opinion or variables outside the intended research are financial ratios consisting of profitability ratios, liquidity ratios, solvency ratios and activity ratios. This is because financial ratios can describe and assess company performance by comparing the financial data contained in a company's financial statements.

CONCLUSIONS

Based on the results of the research and discussion that has been done, the following conclusions can be drawn:

1. Financial distress has an effect on going concern audit opinion. This means that companies experiencing financial distress or financial difficulties will have many obstacles in carrying out operational activities and maintaining the continuity of their business, so that it will influence the auditor to issue a going concern audit opinion.
2. Company size has no effect on going concern audit opinion. This means that the size or size of a company is not a basis and consideration for an auditor in issuing a going concern audit opinion on a company. Even though a company is classified as a small company but has good management and performance in managing the company and optimally utilizing its resources so that it can survive in the long term, it will be less likely to get a going concern audit opinion.
3. The previous year's audit opinion has an effect on going concern audit opinion. This means that a company that received a going concern audit opinion in the previous year will be considered to have problems in maintaining their survival, so the more likely it is for the auditor to issue a going concern audit opinion in the current year.
4. Financial distress, company size, and previous year's audit opinion affect on going concern audit opinion.

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