Factors Affecting Audit Going Concern Opinion and the Role of Supply Chain Strategy: Evidence from Banking Company in Indonesia

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***Abstract*— The purpose of this study was to determine the effect of financial condition, auditor's reputation, disclosure of financial statements, audit opinion of the previous year, supply chain strategy on going concern audit opinion. Sampling in this study was obtained using a purposive sampling method by focusing on banking companies listed on the Indonesia Stock Exchange in the 2015-2018 period, so that a sample of 24 companies was obtained with 96 observations. The data analysis method used in this study was Warp PLS version 5.0. Based on the results of the analysis it is known that the variables of financial condition, auditor's reputation, disclosure of financial statements, and audit opinions of the previous year affect the going concern audit opinion. In addition, the supply chain strategy moderates the auditor's reputation for going concern audit opinion. The implication of this research is that investors are required to pay attention to negative signals when investing related to the sustainability of the company's life or in other words an early warning for investment decisions.**

***Keywords*—** *going concern audit opinion, supply chain strategy, bank industry*

1. Introduction

Financial report is a report that can provide information or a picture of a company's future predictions and risks. Statement of Financial Accounting Concepts (SFAC) No. 1 explains the main objective of financial statements, namely presenting news that functions in the creation of business and economic decisions. The financial statements will be used as a means of accountability and can transmit users of financial statements including investors, creditors, the government or other parties in making investment decisions, credit, and the provisions of the resources section. To be able to convey useful information to its users, financial statements must be weighted. In order to be used as an instrument of quality responsibility, credible and describe the actual conditions and requires a position in the outside group of companies that are professional and independent, namely public accountants.

Based on Auditing Standards (SA) section 710, the procedure for auditing provisions by public accountants is that the auditor should ascertain whether the financial statements contain comparative news descriptions that are required based on the applicable financial reporting context and whether this information fits the classification. The auditor can submit an audit opinion according to the actual state of the company during the audit assignment. This situation can help companies create weighty news.

The Sunprima Nusantara Financing event (SNP Finance) which failed to pay MTN (Mediun Term Notes) interest was indeed surprising. First, the financial statements of the Colombian Group's finance company are audited by a well-known public accounting firm: Deloitte. Secondly, this finance company also got a good rating from PT Pefindo. Third, the victims were not insignificant, in addition to MTN investors more than Rp 1.8 trillion, there were 14 banks that were also listed as SNP Finance creditors. Three large banks, such as independent banks, central Asian banks, and Panin banks also became victims, while 11 other banks were small banks. It is feared that the impact of credit default on the SNP will cut the adequacy ratio of the small banks. This case occurred on May 9 and May 14, 2018 with total debt interest liabilities unpaid of Rp 6.75 billion from two MTN series, first MTN V SNP phase II valued at Rp 5.25 billion, due on May 9, 2018 with a value of Rp 200 billion principal issued February 2018 with pefindo idA / Stable rating with a coupon of 10.5%, the two MTN III series B flowers valued at Rp 1.5 billion issued November 13, 2018 worth Rp 50 billion with a coupon of 12.12% with a rating idA / Stable from pefindo.

The case of manipulation carried out by SNP finance and KAP Deloitte often results in the public accounting profession getting a lot of criticism from various parties. Many parties feel disadvantaged over the information about the financial statements that are not true, with this case the auditor is considered to be involved in providing information about the wrong financial statements [1-5]. The above case is an example that results in the loss of public trust in the public accounting profession and raises many questions by the public including the public doubting the results of the idA / Stable rating, and the KAP audit results, in addition to the loss of trust by the public there is a violation of the code of ethics by the auditor namely the auditing period that should be conducted by an auditor in auditing a company for a maximum of 3 consecutive years (Minister of Finance No. 17 / PMK.01 / 2008 concerning audit services) in the case of SNP Finance audited by Deloitte's Public Accounting Firm, the auditor conducts company audits for 5 consecutive years . If the results of large KAP performance such as Deloitte with the caliber of the world are like this what about other small KAPs, this kind of thing causes audit quality and auditor's reputation to be less good in the eyes of the public as happened on May 9 and May 14 2018.

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Another similar case regarding auditor vigilance when giving opinions is the Lehman Brothers case. The findings of the Lehman Brothers bankruptcy scandal in September 2008 ago. The 2,200-page report is the result of more than a year of research. The goal is to determine who is really guilty behind the collapse of Lehman Brothers [6]. The bankruptcy of a large company in the United States, namely Lehman Brothers, helped drag the KAP Ernst & Young. KAP Ernst & Young allegedly did not carefully examine the financial statements presented by Lehman Brothers and issued the results of a false audit of Lehman Brothers' financial statements. Observation [3] stated that Ernst & Young were careless when giving WTP opinion to Lehman Brothers before the bankruptcy took place. Ernst & Young rightly can deliver an early warning when the opinion is cleared so that the parties concerned in the audited financial statements are not wrong when choosing an investment policy and in the end can harm them.

The case of SNP Finance and Lehman Brothers shows the failure of an auditor to give warnings to investors because opinions issued before bankruptcy and MTN interest failures are reasonable without exception, an auditor should be able to give an appropriate opinion because if it is not suitable it can harm the users of financial statements. The existence of the case above can result in loss of public trust in the public accounting profession so that the auditor's reputation and credibility for the Public Accounting Firm are determined when the auditor submits his opinion in the actual financial situation. Auditors must be responsible for their work so that the arguments expressed by auditors are real and have strong credibility.

The auditor must convey and express his interpretation of his doubts about the sustainability of the company's business. The explanation is in accordance with the provision of going-concern audit opinion for companies that are not trusted by the auditor for the sustainability of his life after conducting the audit. The existence of phenomena such as SNP Finance and Lehman Brothers, auditors must be more careful in submitting a going concern opinion to the auditee because estimating business continuity is difficult [7]. The auditor's reputation and credibility by the PAF are determined when the auditor submits an opinion on the actual financial situation. The auditor should be responsible for his work so that the arguments presented by the auditor are objective and have credibility.

Going concern opinion is an explanation conveyed by the auditor to ensure whether the company can maintain the continuity of its life. Audit reports through going concern statements are one of the ways that in the auditor's assessment there is a continuing business [1]. Investors who will invest their capital in a company will certainly expect the auditor to deliver an early warning if there are signs of the company's failure in maintaining the sustainability of its business. This issue was linked to the investment decision [8]. Research from [9] states that going concern opinion is classified as bad news for users of financial statements. Bad news in question is a negative signal regarding the sustainability of the company's life. While non-going concern opinion is interpreted as a positive signal to users of financial statements and a sign that the company is in good condition [10]. Both of these signals will be used as an early warning for investment decisions.

Bapepam Regulation No. IX.I.5 of 2012 explains that the role of the supply chain strategy is to submit an independent argument regarding the dissimilarity of the argument between management and accountants regarding the services they provide. This situation explains the role of the supply chain strategy is to align the function of internal and external audit. The more members of the supply chain strategy, the company can improve the quality of financial reports and internal and external audit functions [11]. The matter supports operational activities which can eventually be involved in maintaining corporate going concern.

The auditor sometimes when conducting an audit, accepts demands from management to provide a WTP opinion. This situation will interfere with independence and opinion. Therefore, the role of the supply chain strategy is important in order to reduce pressure on the auditor in order to obtain an appropriate opinion, namely the PAP, because the supply chain strategy is a supervisor from the management side as well as the company's external auditor. The supply chain strategy asserts that the financial statements are displayed fairly and in accordance with generally accepted accounting principles. The establishment of the supply chain strategy is expected to oversee the auditor's relationship with the company's management, so that the auditor exercises his independence [12].

The company's financial condition is a situation that occurs in the company's finances within a certain period of time, with the presence of an supply chain strategy, the observation becomes more competent so that the financial condition of the audit is presented as it should, the worse the company's condition can be, the higher the possibility of the company getting a going-concern audit opinion. The auditor's reputation is determined at the time of giving an opinion, if an auditor fails to provide an opinion, then the public accountant profession is not trusted by the public. The role of the supply chain strategy is to oversee an auditor whether the auditor has provided an appropriate opinion with the proper conditions of the company.

Disclosure of financial statements is a way to deliver news that is on the company's financial statements, the role of the supply chain strategy here is to ensure whether the news reported presents a complete understanding or not about the financial position and results of the company's operations, the material must be disclosed including qualitative and quantitative news in order to help users of financial statements (Siegel & Shim, 1994). The audit opinion of the previous year is the opinion of the audit results issued by the auditor in the previous period, the audit opinion of the previous year is very helpful in the audit process of the current year to consider the opinion that will be issued by the auditor. The role of the supply chain strategy here is to oversee the auditor whether the auditor has performed his duties properly or not, if The auditor gives the going-concern audit opinion in the previous period, the higher the chance for the company to get more going-concern audit opinion in the current period [13].

There are several reasons for the emergence of going concern audit opinion, the first cause is an internal factor where the business activities of a company suffers from loss, lack of working capital, and negative cash flow, called the negative trend. Another internal factor is the state of a company's operating cash flow is not enough in carrying out its work and the company is forced to take steps to improve the company or called financial distress. Other internal problems are labor-related issues such as lack of long-term commitment of employees and employee strikes. While the second cause is external factors, or more to problems from outside the company concerned with the sustainability of the life of a business entity.

In addition to being influenced by the company's financial factors, in giving its opinion an auditor also needs to consider the auditor's reputation, disclosure of financial statements, and previous year's audit opinion. In research [11] analyzes the factors that influence the auditor when giving a going concern audit opinion, the results of his research prove that the financial condition, auditor's reputation, disclosure of financial statements, and previous year's audit opinion have an effect on the auditor's going concern audit opinion.

Research conducted by [14] analyzed the existence of an supply chain strategy as a moderating company size, audit opinion of the previous year, and the reputation of the KAP on giving going concern opinion, the results of this research prove that the audit opinion of the previous year influenced the going concern audit opinion by the auditor. While other variables such as KAP reputation and company size are not related to the auditor in providing going concern audit opinion. And the existence of the supply chain strategy did not moderate the previous year's audit opinion, company size, and KAP's reputation for going concern audit opinion.

Research conducted by [3] observes the influence of financial and non-financial factors on the provision of going concern audit opinions by the auditor, the results of his research prove the profitability ratios and audit opinions of the previous year influence in giving going concern audit opinion by the auditor. While other variables such as leverage ratio, company size, company growth, and KAP's reputation do not affect the going concern audit opinion. In [14] analyzes the factors that influence the auditor in giving going concern audit opinion, the results of the study prove that the previous year's audit opinion has an influence in providing going concern audit opinion. While profitability ratios, leverage ratios, KAP reputation, company size, company financial condition, activity ratios, liquidity ratios, and growth ratios have no effect on going concern audit opinion.

In [7] showed that simultaneously or overall, variable size of KAP, profitability, leverage, audit opinion of the previous year, and company growth influenced the possibility of receiving going-concern audit opinion. In [6] analyzed that company growth had an effect on going concern audit opinion, company size and previous audit opinion had no effect on going concern audit opinion, KAP reputation had an effect on going concern audit opinion.

Based on the results of previous studies it has been seen that there are gaps in research results, there are variables that have a significant effect and do not affect the likelihood of going concern audit opinion acceptance, in accordance with the data used from each study. The importance of news about going concern audit opinion supports researchers to re-identify factors that might influence the issuance of going concern audit opinion by auditors.

2. Theoretical Framework

2.1 Agency Theory

Agency theory is used to estimate and explain how the parties are related to the existence of a business. Agency problems arise because of the problem of interests between principle and agent. In [7] state that the principle lies in a situation where there is less news about the company than the agent, therefore the relationship between the principal and the agent shows the state of the news gap (asymmetrical information). To minimize news imbalances, a third party responsible for monitoring the relationship between principals and agents is needed. Auditors are parties who can be used as an intermediary for the principal (shareholder) with the agent (manager) to process company finances. The relationship of agency theory in this study is the task of the auditor as an intermediary between the principal and the agent. The auditor is considered to be able to associate the needs of the owner (the principal) and the management (agent) and carry out observations to the management regarding the authority given. The role of the auditor is to provide services to view the financial statements used by the agent, regarding the reasonableness of the financial statements. In addition to ensuring the fairness of the financial statements, the auditor needs to think about the sustainability of the company's life at the opinion setting stage.

2.2 Signaling Theory

Signaling theory can be used to reveal news about the company, this theory also emphasizes the importance of news that companies release on investment decision making as a signal. Financial statements are often used to give signals about the company, external parties or investors will analyze the published information as a good news or bad news. If an external party considers the announcement to be good news then they will be interested in investing in the company. Quality companies that have going concern will be able to convince investors to invest in the company. Signals given by companies to stakeholders can be in the form of disclosure of accounting information such as financial statements. This signaling theory explains when companies provide financial reports to outsiders due to the news gap. There are two types of news gaps are adverse selection and moral hazard. Adverse selection is a situation where managers and other internal people know more about the company's conditions and future predictions of the company. While moral hazard is that all activities that are treated by a manager are not fully notified by the shareholders, so that managers can take action outside the knowledge of investors [5].

3. Hypotheses Development

3.1 The Effect of Financial Conditions on Going Concern Audit Opinions

The company's financial condition explains the company's financial situation for a certain period of time. Financial conditions give a signal to stakeholders about the company's performance picture with the aim of making decisions. The company's financial condition which is hampered might allow the company to get a going concern audit opinion. In relation to the theory agency, the principle is in a position that has less news about the company than the agent, therefore the relationship between the principal and the agent can lead to an asymmetrical information. Research by [11], proves that the better the company's financial condition, the lower the possibility of the company to get going concern opinion. Based on the explanation above, the hypothesis is as follows:

H_1: Financial conditions affect the going concern audit opinion.

3.2 The Effect of Auditor's Reputation on Going Concern Audit Opinions

The auditor's reputation is the good name of an auditor who bears greater resources about auditing companies by having good audit quality from the past to the present [11]. The auditor's good name greatly influences the credibility of the company's financial statements, because users of financial services believe that the auditor has the power to monitor that cannot be observed. To minimize information gaps requires an independent third party as an intermediary between the principal and the agent. Auditors are parties who are considered to be an intermediary for the principal (shareholder) with the agent (manager) to manage the company's finances. The auditor's reputation shares signals to the company about the performance picture that has been carried out during the period. If the auditor's reputation is good, the results of the audit process are also good, so the company can consider services in the selection of audits by monitoring auditor reputation [11]. An auditor's reputation can be seen when giving an opinion whether or not when the auditor gives an opinion in accordance with the state of the company or not if the auditor fails or incorrectly gives an opinion, the auditor's reputation is not good and it becomes a bad value to the public's views. Based on previous studies conducted by [3, 6, 8], concluded that the auditor's reputation influences the going concern audit opinion. Based on the description, the hypothesis can be formulated as follows:

H_2: The auditor's reputation influences the going concern audit opinion.

3.3 The Effects of Financial Statement Disclosures on Going Concern Audit Opinions

Disclosure of financial statements is the provision of corporate news, both negative and positive, which can affect investment considerations, it is a signal given by the company to the stakeholders of financial statements. The higher the level of disclosure the company does, the more news it gets. FASB (Financial Accounting Standard Board) No. 1 states that the financial statements must be useful for parties concerned with the company, the financial statements must help investors and creditors to know the condition of the company, because the bond between principals and agents can lead to a state of asymmetrical information. In order not to form an imbalance of information, an auditor must disclose everything that happens in accordance with the facts in the company and the auditor must apply the independent nature of the company's audit process so as to produce an opinion in accordance with the company's own circumstances. In [9, 11], prove that the disclosure of financial statements affect the acceptance of going concern opinion. Then the third hypothesis can be stated as follows:

H_3: Disclosure of financial statements affects the going concern audit opinion.

3.4 The Effect of Previous Year's Audit Opinion on Going Concern Audit Opinion

The previous year's audit opinion is the opinion obtained by the company in the previous period. The more likely the auditor will give a going-concern audit opinion in the current period if the auditee gets a going-concern audit opinion in the previous period because the company will be considered to have problems in maintaining the continuity of his life [12]. Based on agency theory, the principle is in a position that has less news about the company than the agent, therefore the principal and agent's relationship can lead to an asymmetric state of information. So, if in the previous period the auditor did not issue going concern audit opinion, he would get good news information (signal) for investors because this condition could help convince investors to invest in the company. Studies conducted by [13, 14] found evidence that the previous year's audit opinion had an effect on going concern audit opinion. So that the audit opinion of the previous period can be an important consideration for the auditor to give the going concern audit opinion again in the following year. Based on the description above, then the hypothesis can be formulated as follows:

H_4: Previous year's audit opinion influences the going concern audit opinion.

3.5 The Supply chain strategy Moderates the Effect of the Auditor's Reputation on Going Concern Audit Opinions

Supply chain strategy's are committees that are grouped by the Board of Commissioners in order to assist supervision when carrying out their duties. The task of the supply chain strategy is to express an independent opinion if there is a different argument between management and accountants regarding the services they provide. The matter explains that the task of the supply chain strategy is to align the functions of internal and external audit. So the relation between the auditor's reputation and the committee's role is to supervise whether the auditor has carried out his independence as an auditor or not, because the supply chain strategy's task is to conduct audits and observations at the financial reporting stage and internal review so that it is expected to answer concerns on observations and good governance for the company in Indonesia.

Based on the theory of the principal agency located in a section that has less news about the company compared to the agent, therefore the principal and agent relations can lead to asymmetrical information). Based on the theory of signaling in this study because the role of the supply chain strategy can give signals about the state or condition of the company. Research conducted by Lestari (2018) found evidence that supply chain strategy interactions affect the auditor's reputation for going concern audit opinion. From this explanation, the following hypothesis is proposed:

H_5: The existence of a supply chain strategy moderates the effect of the auditor's reputation on going concern audit opinion.

3.6 The Supply chain strategy Moderates the Effect of the Previous Year's Audit Opinion on the Going Concern Audit Opinion

The role of the supply chain strategy based on Bapepam Regulation No. IX.I.5 of 2012 is to submit an independent argument regarding the dissimilarity of arguments between management and accountants regarding the services they provide. This situation explains the role of the supply chain strategy is to align the function of internal and external audit. The matter supports operational activities which can eventually be involved in maintaining corporate going concern. Previous year's audit opinion is the opinion obtained from the auditor in the previous period. So the existence of the supply chain strategy here only provides advice to the board of commissioners and cannot interfere with the differences of opinion between the board of commissioners and public accountants. Because this situation indicates that the provision of going-concern audit opinion is not based on the audit period of the previous period received by the company, because the loss experienced by the company in one period has not strengthened the auditor to provide going-concern audit opinion, if during the company showed the characteristics of improvement in its business circumstances The auditor will not give a going-concern audit opinion on the company. This is consistent with the theory of signaling because oversight by the supply chain strategy can give a signal to the company against the granting of the previous year's audit opinion. If the auditor gives a going-concern audit opinion the previous year, the more likely the company will receive going-concern audit opinion again in the current period. Based on the theory of the principal agency located in a position that has less news about the company compared to the agent, therefore the relationship between the principal and the agent can lead to asymmetrical information. The role of the supply chain strategy is to increase the function of internal and external audits and increase the quality of financial reports so that there is supervision so that the financial reports produced are of high quality. The study conducted by Lestari (2018) found evidence that the supply chain strategy's interaction affected the previous year's audit opinion on the going concern audit opinion. Based on the explanation above, the following hypothesis will be proposed:

H_6: The existence of the supply chain strategy moderates the influence of the previous year's audit opinion on the going concern audit opinion

4. Research Method

The population used in this study is all financial statements of banking companies in the Indonesia Stock Exchange during 2015-2018. This study uses a purposive sampling method to determine the number of samples used with certain criteria, including 1) the company issued audited financial statements by independent auditors during the 2015-2018 period in a row, 2) companies that suffered losses, at least once in the study period, 3) complete data required. The dependent variable in this study is going concern audit opinion. Audit opinions are calculated using a dummy variable. The going concern audit opinion will be given a value of 1, while the non going concern audit opinion will be given a value of 0. The independent variables in this study are the financial condition, auditor's reputation, disclosure of financial statements, and the previous year's audit opinion. The moderating variable in this study is the existence of the supply chain strategy.

Going concern opinion is a statement given by the auditor to ensure whether the company can maintain its sustainability. An audit report with a going concern statement is a way that for the auditor's assessment there is a risk that the company cannot stay in business. Going concern audit opinion is proxied using dummy variables. For companies that are included in the going concern audit opinion are given a value of 1, while those included in the non going concern audit opinion are given a value of 0.

The company's financial condition is the state of the company's finances for a certain period. According to [2], the worse the condition of the company, the more likely the company will get a going concern audit opinion. Financial conditions are proxied using the Altman Z score bankruptcy prediction model. The Altman Z-score formula is as follows:

$$\boxed{\text{Z-score} = 1{,}2T1 + 1{,}4T2 + 3{,}3T3 + 0{,}6T4 + 0{,}999T5}$$

Information:
T1= Working capital / total assets
T2= Retained earnings / total assets
T3= Profit before interest and taxes (EBIT) / total assets
T4= Market value of equity / total debt
T5= Total Sales / assets reputation auditor

The auditor's reputation is the image possessed by an auditor in his ability to audit a financial statement and usually shows the quality of the auditor [11]. Audit quality is the probability that the auditor can find and report violations in the client's accounting system. The reputation of the auditor will determine the credibility of the financial statements, because the user of the auditor's services believes that the auditor has a monitoring ability that is generally not observable [13]. KAP is divided into two, namely KAP affiliated to the big four and KAP non big four. In this study the reputation of KAP is proxied by the size of the KAP which is measured using a dummy variable. Code 1 is given for companies that use big four KAP services or affiliated with big four KAP services, while code 0 is for companies that use non big four KAP services.

In [12] disclosure of financial statements is a rule to explain the news on the company's financial statements. Disclosures as attachments to financial statements can be viewed in the form of footnotes or additions, using the content analysis method by reviewing the suitability of the items contained in the circular indicators from the FSA and then scoring for each item. The scoring is done by using a dummy variable, where a score of 1 is for the company that discloses the information of the item in question, and a score of 0 if the company does not disclose the information of the item in question. After scoring, it is done by dividing the number of dummy variable scores by the number of items that should be disclosed. The auditee will be recognized as having problems in the continuity of his life, if the auditee receives a going-concern audit opinion in the previous period. This results in higher predictions that auditors can provide going concern audit opinions again in the current period. In [9] stated that the audit opinion of the previous period was measured using a dummy variable, if the company received a going-concern audit opinion in the previous period by the auditor, it was given a value of 1, and if the company received a non-going-concern opinion the previous year by the auditor was given a value of 0.

Bapepam Regulation No. IX.I.5 of 2012 the role of the supply chain strategy is to submit an independent argument regarding the dissimilarity of the argument between management and accountants regarding the services they provide. The supply chain strategy is proxied by the number of members of the supply chain strategy divided by the number of the board of commissioners multiplied by 100%.

5. Result and Discussion

This observation was carried out on banking companies listed on the Indonesia Stock Exchange and published financial reports in a row from the 2015-2018 period with data obtained from the Indonesia Stock Exchange website (www.idx.co.id). The sample classification process was sourced from predetermined criteria selected as many as 24 banking companies that were sampled with a 4-year review period, and obtained a total sample of 96 banking companies.

Table 1. Hypotheses Test Result

Path	Direct Effect		Indirect Effect		Result
	Coefficient	p-value	Coefficient	p-value	
BoC→ GoingCon	0.126	0,010*			H_1 accepted
RepAudit→ GoingCon	-0.174	0,038**			H_2 accepted
FRDisc → GoingCon	0.241	0,007*			H_3 accepted
OpinionB → GoingCon	0.533	< 0,001***			H_4 accepted
ComDit→RepAudit → GoingCon			0.148	0,067*	H_5 accepted
ComDit →OpinionB → GoingCon			0.044	0,331	H_6 rejected
Model Fit Indicators					
Average Path Coefficient (APC)	0,211	0,008*			
Average R-square (ARS)	0,428	< 0,001***			
Average Variance Inflation Factor (AVIF)	1,585				

Source: PLS test results, 2019

Note: *, **, and *** indicate significance (one-tailed) at the 0,10; 0,05; and 0,01 levels, respectively.

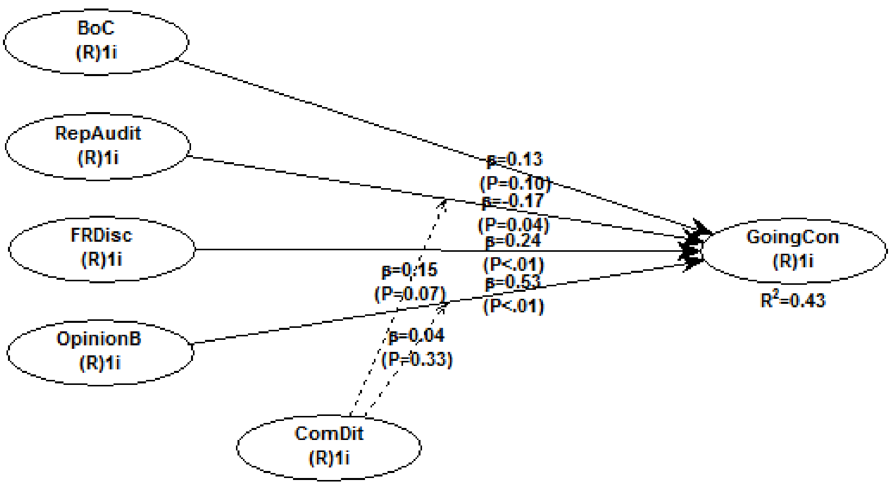

Figure 1. Result Research

5.1. The Effect of Financial Conditions on Going Concern Audit Opinions

The results of hypothesis testing indicate that the financial condition has a statistically significant effect (P = 0.10) on going concern audit opinion so that these results are in accordance with the hypothesis proposed in this study. That means the pressure on the higher financial conditions experienced by the company will make the company in a state that is unable to finance the company, the greater the auditor's prediction will give an opinion if the company has pressure and question the company's sustainable life capabilities.

Agency theory explains the contractual relationship between two or more parties, where one party is called the owner (principal) who hires the other party called the manager (agent) in performing some services on behalf of the owner which includes the delegation of authority. The principal will determine the delegation of responsibility for decision making to the agent [6]. Based on agency theory, the relationship of financial condition to going concern audit opinion can be explained that the agent manages the company to have a good financial condition so that the principal feels safe of the invested capital and the company will get a non going concern audit opinion.

Signal theory explains why companies have the drive to provide financial statement information to external parties. The impetus of the company to provide information because there is information asymmetry between the company and outsiders because the company knows more about the company and prospects to come than outside parties, namely investors and creditors (Henny, 2016). Based on signal theory, the relationship of financial condition to going concern audit opinion can be explained that the company will give signals in the form of information to outside parties about better financial condition and better audit opinion obtained or non going concern.

The results of this study are the same as the research conducted by [11], which stated that the company failed, in an unhealthy condition and experienced a continuing crisis, thus showing the company's bankruptcy. This situation can be seen in the company's financial condition. The influence of the company's financial condition on going concern audit opinion is caused because the auditor almost never issues a going concern audit opinion on a company that is not experiencing financial difficulties, the better the company's financial condition, the less likely it is for the auditor to give a going concern opinion if the company is said to be bankrupt.

The higher the Zscore value, which means the company's financial condition is getting better, the greater the potential for the company to get a non-going concern audit opinion, which means the company has good business sustainability. Therefore, the descriptive sample of the company can strengthen the results that the influence of financial conditions on going concern audit opinion.

5.2 The Effect of Auditor's Reputation on Going Concern Audit Opinions

Hypothesis testing results indicate that the auditor's reputation has a statistically significant effect (P = 0.04) on going concern audit opinion so that this result matches the hypothesis put forward in this research. This situation means that the better the name owned by the auditor in his ability to audit a financial statement that usually shows the quality of the auditor, the tendency of the auditor to issue a non-going-concern audit opinion will be lower because a company that uses a good auditor is a large and good company.

Agency theory explains the contractual relationship between two or more parties, where one party is called the owner (principal) who hires the other party called the manager (agent) in performing some services on behalf of the owner which includes the delegation of authority. The principal will determine the delegation of responsibility for decision making to the agent [6]. Based on agency theory, the auditor's reputation relationship with going concern audit opinion can be explained that the agent will use the auditor's reputation better or in this case affiliated with The Big Four so that the principal feels safe about the invested capital and the company will get a non going concern audit opinion.

Signal theory explains why companies have the drive to provide financial statement information to external parties. The impetus of the company to provide information because there is information asymmetry between the company and outsiders because the company knows more about the company and prospects to come than outside parties, namely investors and creditors. Based on signal theory, the relationship of the auditor's reputation with going concern audit opinion can be explained that the company will provide signals in the form of information to outsiders about the auditor's reputation used to audit the company and the audit opinion obtained is getting better or non going concern.

The results of this study are in line with the results of a study conducted by [11], which states that the Big Four KAP in giving going concern opinion is more vigilant because the Big Four KAP wants to give results good for the company. KAP The Big Four is believed to have good experience and knowledge to provide opinions regarding the sustainability of the company's life. This situation is believed because the KAP affiliated with The Big Four audit quality has been trusted by experience in auditing that is worldwide. Auditors who work for The Big Four KAP affiliates have better judgment, which is used by the auditor's consideration that he does not provide going concern audit opinion is the effect of giving opinion. KAP Non The Big Four is also as good as KAP The Big Four, the difference from the number of auditors in KAP The Big Four is more, the audit experience has been worldwide and international recognition.

The better the reputation of the company's auditor, the higher the potential for the company to get a non-going concern audit opinion, which means the company has good business sustainability. Therefore, the descriptive sample of the company can strengthen the results that there is a significant influence on the reputation of the auditor on going concern audit opinion.

5.3 The Effects of Financial Statement Disclosures on Going Concern Audit Opinions

Hypothesis testing results explain if the disclosure of financial statements has a statistically significant effect ($P < 0.01$) on going concern audit opinion so that these results match the hypotheses proposed in this research. This situation means that more news is delivered to provide a more complete explanation of the company's financial position and results of operations, so the potential for a company to get a going concern opinion will be smaller because of the assumption that the company delivering the complete information means that it is in good condition.

Agency theory explains the contractual relationship between two or more parties, where one party is called the owner (principal) who hires the other party called the manager (agent) in performing some services on behalf of the owner which includes the delegation of authority. The principal will determine the delegation of responsibility for decision making to the agent [7]. Based on agency theory, the relationship of financial statement disclosure to going concern audit opinion can be explained that the agent is trying to make disclosure of financial statements that are getting higher so that the principal feels safe of the invested capital and the company has a great chance of getting a non going concern audit opinion.

Signal theory explains why companies have the drive to provide financial statement information to external parties. The impetus of the company to provide information because there is information asymmetry between the company and outsiders because the company knows more about the company and prospects to come than outside parties, namely investors and creditors (Henny, 2016). Based on signal theory, the relationship of financial statement disclosures to going concern audit opinions can be explained that the company will give signals in the form of information to outside parties regarding disclosure of financial statements that are getting higher so that the audit opinion obtained is better or non going concern.

The results of this study are in line with the results of research conducted by [9] which explains that the complete disclosure of company financial news is one of the bases for auditors when giving an opinion on the fairness of a company's financial statements. Everything and accounting news in the financial statements are often used for consideration by certain parties connected to the contract. The level of information disclosure (disclosure) disclosed by the company through the financial statements is expected to provide news to the auditor to predict the provision of opinions, especially going concern audit opinion.

The higher the level of disclosure of the company's financial statements, the higher the potential for the company to get a non-going concern audit opinion, which means the company has good business sustainability. Therefore, the descriptive sample of the company can strengthen the results that the influence of financial statement disclosure on going concern audit opinion.

5.4 The Influence of the Previous Year Audit on the Going Concern Audit Opinion

The results of hypothesis testing explained that the previous year's audit opinion had a statistically significant effect ($P < 0.01$) on going concern audit opinion so that these results were consistent with the hypothesis proposed in this study. This means that if the auditor issues a going-concern audit opinion in the previous year, the more likely the company will get more going-concern audit opinion in the current year because it will be a material consideration for the auditor to provide more going-concern audit opinion in the coming year.

Agency theory explains the contractual relationship between two or more parties, where one party is called the owner (principal) who hires the other party called the manager (agent) in performing some services on behalf of the owner which includes the delegation of authority. The principal will determine the delegation of responsibility for decision making to the agent [10]. Based on agency theory, the relationship of the previous year's audit opinion to the going concern audit opinion can be explained that the agent will try to get a better previous audit opinion or non going concerns so that the principal feels safe about the invested capital and the company will get a non going concern audit opinion the following year.

Signal theory explains why companies have the drive to provide financial statement information to external parties. The impetus of the company to provide information because there is information asymmetry between the company and outsiders because the company knows more about the company and prospects to come than outside parties, namely investors and creditors. Based on signal theory, the relationship of the previous year's audit opinion to the going concern audit opinion can be explained that the company will give signals in the form of information to outside parties regarding the audit of the previous year's audit opinion obtained and the audit opinion obtained is getting better or non going concern the following year.
The results of this study are the same as the results of a study conducted by [2], who stated that giving a going-concern audit opinion in the previous year affected the loss of public trust in the sustainability of the company's life, which would make it difficult for company management to improve the company's financial condition. In addition, the auditor's advice given in the independent auditor's report in the previous year as an alternative to improving the condition of the company, may not have been well realized by the company's management, so that this condition will encourage the auditor to give a going-concern audit opinion again in the current year. In addition, the auditor will consider it unlikely that companies that received going-concern opinion in the previous period could recover in a short time, given the problems faced by the company are large enough to threaten the company's existence. This thinking makes auditors tend to give the same opinion or not much different from the audit opinion of the previous year.

The higher the potential for a company to get a non going concern audit opinion in the previous period, the higher the potential for a company to get a non going concern audit opinion in the current year which means the company has good business sustainability. Therefore, the descriptive sample of the company can strengthen the results that there is a significant influence of the previous year's audit opinion on going concern audit opinion.

5.5 The Supply chain strategy Moderates the Effect of the Auditor's Reputation on Going

Concern Audit Opinions

The results of the fifth hypothesis states that the supply chain strategy moderates the auditor's reputation for going concern audit opinion shows a level of significance (P = 0.07) which means that the significance is less than 0.10, the results of hypothesis testing explain that the supply chain strategy statistically has a significant effect in moderating the influence of reputation the auditor of going concern audit opinion so that these results match the hypotheses raised in this study. This situation means that the higher proportion of supply chain strategy's owned by the company can strengthen the influence of the auditor's reputation used by the company in relation to giving a going concern opinion in the results of audit activities carried out.

The results of this study are consistent with agency theory that explains the contractual relationship between two or more parties, where one party is called the owner (principal) who hires another party called the manager (agent) in performing some services on behalf of the owner which includes the delegation of authority. The principal will determine the delegation of responsibility for decision making to the agent.

The results of this study are in line with the results of research conducted by Lestari (2018) which explains if auditors who work in large-scale KAPs or small-scale KAPs will continue to express going-concern audit opinion if the auditor has doubts about the sustainability of the entity's future life or believes that the company cannot carry out its operational activities in the long run. So the relation between the auditor's reputation and the committee's role is to supervise whether the auditor has carried out his independence as an auditor or not, because the supply chain strategy's task is to conduct audits and observations at the financial reporting stage and internal review so that it is expected to answer concerns on observations and good governance for the company in Indonesia.

5.6 The Supply chain strategy Moderates the Effect of the Previous Year Audit on the Going Concern Audit Opinion

The results of the sixth hypothesis of the supply chain strategy moderate the previous year's audit opinion on the going concern audit opinion showed significance (P = 0.33) which means that the significance was greater than 0.10, the hypothesis testing results explained that the supply chain strategy had no statistically significant effect in moderating the influence of opinion previous year's audit of going concern audit opinion, so that these results do not match the hypothesis proposed in this study. This situation means that the higher or lower proportion of the supply chain strategy owned by the company cannot strengthen or weaken the influence of the previous year's audit opinion obtained by the company in relation to the results of auditing the company's financial statements, namely the provision of going concern opinion.

The results of this study are not in accordance with the signal theory that explains the company has the urge to provide financial statement information to external parties. The impetus of the company to provide information because there is information asymmetry between the company and outsiders because the company knows more about the company and prospects to come than outside parties, namely investors and creditors [6].

The results of this study are consistent with the results of the Sustainable Research [8] which states that the provision of going concern audit opinion is not based on the previous year's audit opinion received by the company, because the losses suffered by the company in one period have not strengthened the auditor to provide going concern audit opinion, because during the company shows signs of improvement in its business circumstances the auditor will not issue a going concern audit opinion on the company. So the role of the supply chain strategy only provides recommendations to the board of commissioners and cannot bridge the difference of opinion between the board of commissioners and the public accountant so that the supply chain strategy cannot moderate the relationship between the previous year's audit opinion on the going concern audit opinion.

6. Conclusion

This study intends to obtain empirical evidence of the influence of financial condition, auditor's reputation, disclosure of financial statements, and the previous year's audit opinion with the supply chain strategy as a moderating variable on the auditor's reputation and the previous year's audit opinion on going concern audit opinion. Based on data analysis and previous discussions, the following conclusions are obtained: the results of testing the hypothesis indicate the financial condition, auditor's reputation, disclosure of financial statements, and the audit opinion of the previous year statistically significant effect on going concern audit opinion. In addition, the results of hypothesis testing also explain if the supply chain strategy statistically moderates the effect of the auditor's reputation on going concern audit opinion, however the supply chain strategy is not able to moderate the influence of the previous year's audit opinion on going concern audit opinion.

The research that has been carried out basically has limitations and weaknesses that need improvement in the future, namely an R2 value of 0.43, meaning this value is still small. So the suggestion for future research is to add or use other variables that greatly affect the going concern audit opinion.

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