

ABSTRACT

The financial report is an important tool for mediating relationships between users and providers of the report. Level of reliability and relevance of a report need to be tested so that the information contained can be used as a basis for decision making. Opinion given by the auditor is an assessment of the audited financial statements. Going concern audit opinion is regarded as a negative trend over the sustainability of a company maintaining its business.

This study aimed to examine the effect of the financial and non-financial factors to the going concern audit opinion. The financial factors in question are the size of company and debt default, while the non-financial factors are audit opinion of the previous year and the reputation of the audit firm. The sample used in this study are manufacturing companies listed in Indonesian Stock Exchange (BEI) 2010-2013. Purposive sampling method is used to determine the number of population. The study population comprised 96 of 24 samples of the company with observation period of 4 (four) years. Data analysis using logistic regression analysis model.

The results showed that the debt default and the previous year's audit opinion significantly influence the going concern audit opinion. The size of the company and the reputation of the audit firm has no significantly effect on the going concern audit opinion.

Keywords: going concern audit opinion, company size, debt default, previous year's audit opinion, audit firms reputation