

ABSTRACT

The manufacturing company has a characteristic that is managing the raw material itself up into finished goods through the manufacturing process. The manufacturing industry is the sectors which have a high sensitivity to changes in macroeconomic conditions and have different stock return volatility. In the event of subprime mortgage crisis of 2008, the manufacturing industry is the first industry most affected, this is because the manufacturing industry accounted for 24.5% to the government funds and is the most major industries that contribute funds to the government. As the independent auditor is expected to assess the fairness of the financial statements of the company and the survival of the company, in the future.

This study is based on Generally Accepted Accounting Standard (2011) which states that the auditor evaluate whether there is substantial doubt about the entity's ability to survive in a reasonable period of time. This study aimed to analyze the effect of financial distress, debt default, the auditor's reputation and corporate social responsibility to the audit opinion going concern modification. The data used is secondary data. After purposive sampling at manufacturing companies listed in Indonesia Stock Exchange, selected 66 samples. The technique used to test the hypothesis in this research is the logistic regression analysis.

These results indicate that the debt default, auditor reputation and corporate social responsibility does not affect the audit opinion going concern modification. While financial distress negative effect on audit opinion going concern modification.

Keywords: going concern, financial distress, debt default, the reputation of auditors, and corporate social responsibility