

ABSTRACT

The rise of bankruptcies that occurred in Indonesia is the result of the failure of the auditor to assess and examine objectively the ability of the company in maintaining the viability of its business. Investors hope that auditors are better able to provide an early warning of a company's prospects, so investors can make the right investment decisions. This study aims to examine the effect of audit quality, financial condition, and previous audit report on the acceptance of audit opinion with going concern modification either simultaneously or partially.

This research is descriptive verification research that is causality. The population in this research is the company in textile and garment sub-sector that listed in Indonesia Stock Exchange periods 2012-2016.

By using purposive sampling, the sample used in this study amounted to 8 companies. The method of analysis in this study is logistic regression method with SPSS 25 statistical software.

The results shows that the combination of audit quality, financial condition, and previous audit report is able to explain the variation of audit opinion with going concern modification is 89,2% and the rest 10,8% is explained by others factors that are not involved in this model.

The results of this study provide empirical evidence that simultaneously, audit quality, financial condition, and previous audit report on the acceptance of audit opinion with going concern modification. In partial variable of audit quality, financial condition has no significant effect on the acceptance of audit opinion with going concern modification, previous audit report with negative direction has significant effect to acceptance of going concern audit opinion.

Keywords : Audit Quality, Financial Condition, Previous Audit Report, and Audit Opinion with Going Concern Modification