

ABSTRACT

Economic recession threatens the survival of companies so that investors increasingly rely on financial information provided by auditors. The auditor is responsible for disclosing the viability of the company in accordance with its circumstances. Based on the type 1 going concern opinion reporting error, the authors conducted a study that aims to provide empirical evidence of the effect of auditor quality and auditor specialization on the accuracy of going concern audit opinion in service companies listed on the IDX in 2017 - 2021.

The population in this study are service companies listed on the Indonesia Stock Exchange in 2017 - 2021. By using purposive sampling, it resulted in 58 companies that could be observed, so that the total for 5 years amounted to 280 samples. The variables used in this study include the dependent variable (accuracy of going concern audit opinion), the independent variable (auditor quality and specialization), and the control variable (size, debt default, report lag, cost reduction, and Big 10 Public Accounting Firm). These variables will be tested with descriptive statistical analysis and logistic regression tests.

The findings of this study reveal that there is a significant positive relationship between auditor quality and the accuracy of going concern audit opinion. Companies audited by big four KAP produce more accurate going concern opinions than non-big four KAP. Meanwhile, auditor specialization has no effect on the accuracy of going concern audit opinion.

Keywords: auditor quality, auditor specialization, going concern audit opinion accuracy.