

CHAPTER V

CONCLUSION

5.1 Conclusion

Based on the research about the effect of audit tenure and prior year audit opinion on going concern audit opinion. Analyses were performed using logistic regression analysis with the program Statistical Package for Social Science (SPSS) Ver. 20. The sample data are 245 manufacturing companies listed in Indonesia Stock Exchange (IDX) in the period 2010 to 2014.

Based on the hypothesis results, this research is corroborated the previous finding of Haron et al (2007) indicate that audit tenure were not significantly effect on going concern audit opinion for 5 years of observation (2010 – 2014), no evidence indicate that audit tenure has positive relationship in going concern audit opinion.

The hypothesis result of prior year audit opinion corroborates with the finding of Arga et al (2009) indicate there is a strong evidence which is a positive relation between the previous year opinion and giving audit opinion going concern, if at the previous year a company has accepted audit opinion going concern, so company's possibility will bigger to accept the same opinion at the next year of work.

5.2 Limitation and Suggestion

Since this research use the manufacturing companies listed, not the company that have three or six years of audit tenure, it's basically tend to be a shorter period, while long-term auditors tend to be better than new auditors and hence they provide no support for rotation because of the conclusion that auditor

rotation will lead to lower audit quality as the indicator for going concern audit opinion.

The independent variables only focus in two variables, from non-financial aspect which are audit tenure and prior year audit tenure, it's better for the next research to use the independent variables from the financial aspect such as debt ratio, leverage, company's growth, etc.

