

ABSTRACT

Regulations that limit the audit tenure in Indonesia aims to maintain the independence of auditors. But after the stipulated regulations, many companies in Indonesia do auditor switching in outside rules that limit the audit tenure. The purpose of this research is to find empirical proof concerning factors that might influence auditor switching in Indonesia.

The data being used is from manufacturing company which is listed in “Bursa Efek Indonesia” (BEI) in 2003-2010 period. A total of 53 manufacturing firm are used as sample firms. Research variable being used are Going Concern Opinion (OGC) ,The KAP size (KAP) , Size of Client Companies (LnTA), Financial Distress(DISTRESS), Management Turnover (CEO) and auditor switching (SWITCH). By using logistic regression in SPSS 16 software, this research tried to test effect of Opini going Concern, The KAP Size, Client Size, Financial Distress, and Management Turnover, towards Auditor Switching.

The result of this research shown below: (1) Going Concern Opinion has significant effect on Auditor Switching, (2) The KAP Firm Size does not significant effect on Auditor Switching, (3) Client Size does not have significant effect towards Auditor Switching, (4) Financial Distress does not have significant effect towards Auditor Switching, (5) Management Turnover has significant effect on Auditor Switching.

Keywords: Auditor Rotation, Auditor Switching, Going Concern Opinion ,the KAP size, size of client companies, financial distress.