ABSTRACT

Quality audit results produced by auditors are needed by stakeholders. Issues relating to the audit quality if auditors are related to the company's behavior in auditor switching. Auditor switching are often caused by audit results that are not in line with client expectations even the result has quality. Previous research related to auditor switching has different results. Based on this, repeated research needs to be done to prove the factor that affect auditor switching. This study aims to examine the relation between auditor and client: factors that influencing auditor switching based on empirical studies on trade, service and investment companies listed on Indonesia Stock Exchange in 2015-2018.

The dependent variable in this research is auditor switching. The independent variables in this research are change in management, audit tenure, financial distress, growth and auditor opinion. This study uses secondary data from financial statements of trade, service, and investment companies listed on Indonesia Stock Exchange in 2015-2018 taken from the Indonesia Stock Exchange website, bloomberg data terminal, and trade, service, investment companies websites. The sampling method used is purposive sampling. The sample consists of 220 financial reports from 55 companies that listed in Indonesia Stock Exchange period 2015-2018. This research used the classical assumptions of multicollinearity testing and logistic regression methods.

The result of this research shows that the independent variables, audit tenure have negative significant influence to auditor switching.

Keywords : auditor switching, change in management, audit tenure, financial distress, growth and auditor opinion.

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