ABSTRACT

Auditor Switching is defined as a change of auditors made by clients that aims to strengthen the surveillance system. Limitation of the term of the engagement is deemed necessary, because the length of the engagement period can cause the auditor to undergo more familial relations and can reduce the independence of the auditor.

This study uses two types of variables, namely the independent variable (financial distress, audit opinion, and audit delay) and the dependent variable (Auditor Switching). The purpose of this study is to determine the effect of financial distress, audit opinion, and audit delay on Auditor Switching on banking companies listed on the Indonesia Stock Exchange (IDX) either partially or simultaneously.

Banking companies listed on the Indonesia Stock Exchange in 2016-2019 were selected as research polls. Purposive sampling technique was used for sampling and 39 companies were obtained over a period of 3mpat years to obtain 156 observable data. The data analysis model in this study is logistik regression using SPSS 25 software.

The results showed that financial distress, audit opinion, and audit delay simultaneously affected Auditor Switching. Partially, financial distress and audit opinion have no effect on Auditor Switching, while audit delay has a significant effect on Auditor Switching.

The results of this study can contribute to the development of the science of auditing in particular which discusses the development of corporate behavior in changing auditors. And provide additional information about the factors that can affect the company in conducting Auditor Switching.

Keywords: Financial distress, audit opinion, audit delay, Auditor Switching.