

ABSTRACT

Auditor switching occurs because of a change of auditors that can occur in a mandatory (mandatory) and voluntary (voluntary) manner. Mandatory auditor switching occurs because there are rules or regulations that require companies to conduct auditor switching, such as those in Government Regulation No. 20 of 2015 article 11 which regulates auditor switching. Companies that do auditor switching without any regulations that require it are called voluntary auditor switching. Auditor switching can be caused by various factors and these factors can come from auditors and auditees.

The purpose of this study was to determine how the effect of management turnover and financial difficulties on voluntary auditor switching simultaneously and partially in service companies in the property & real estate sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2017-2022. The independent variables in this study are management turnover and financial difficulties and the dependent variable in this study is voluntary auditor switching.

The method used in this research is a quantitative approach. The population in this study were property & real estate sub-sector companies listed on the Indonesia Stock Exchange in 2017-2022. This study consisted of 22 samples with a research period of 5 years so that the number of sample units was 132 data. The sample was determined by purposive sampling and the analysis technique in this study was logistic regression analysis using spss 25 software.

Based on the results of the study, the variables of financial difficulties and management turnover simultaneously affect auditor switching. Partially, the variable management turnover has a positive effect on voluntary auditor switching. While financial difficulties have no effect on voluntary auditor switching.

This research is expected to be used as a reference in the future after the completion of the covid 19 era and for further researchers it is recommended to add periods, sub-sectors and even other research variables. For companies, the results of this study can be used as material for the company's consideration to replace its auditors. For investors, the results of this study can be used as information for decision making in investing.

Keywords: Auditor Switching, Financial Distress and Management Change.