

ABSTRACT

An auditor should always maintain their independence. To keep it independent it is necessary to have auditor switching. Auditor switching could happen mandatorily (because of the rules which persistent it) and also voluntarily. Some former research show different research each other. This research aims to analyze concerning factors that might influence auditor switching in Indonesia. Those factors are management changes, accountant opinion, financial distress, public accountant firm's size, percentage of the change of Return on Assets and client size.

Population of this research are manufacturing companies which are listed in "Bursa Efek Indonesia" (BEI) in the year 2006-2009. Data collecting method which used in this research is method purposive sampling and obtained 139 companies as research sample. The type of the data used is published audited yearly financial statement. Hypothesis in this research are tested by logistics regression analytical method.

Result of this research is that management changes, public accountant firm's size, financial distress, and percentage of the change of Return on Assets have significant effect on auditor switching in Indonesia. While other variables in this research like accountant opinion and client size, do not have significant effect to auditor switching in Indonesia.

Keyword : independence, auditor switching, audit rotation, mandatory, voluntary.