

## **ABSTRACT**

*Auditor independence issue often triggers debate regarding auditor rotation. This auditor rotation is related with company action to do auditor switching. This research aims to know empirical evidence as for factors influencing auditor switching on the financial firm listed in Indonesia Stock Exchange. The factors to be analysed in this research are management change, financial distress, client size, firm size, and percentage of ROA changes.*

*The data being used is from financial company which is listed in “Bursa Efek Indonesia” (BEI) in 2007-2012 period. Data collecting method which used in this research is method purposive sampling, that based on criteria which has been determined before. Based on the method purposive sampling, research sample total is 115 companies. By using logistic regression, this research tried to test effect of management changes, financial distress, client size, firm size, and percentage of ROA changes towards Auditor Switching.*

*Result of this research indicates that variable having which significantly effect the voluntary auditor switching are management change, firm size, and percentage of ROA changes. On the other hand, other variables like financial distress and client size do not have significant effect on company decision to do voluntary auditor switching.*

*Keywords: auditor switching, management change, financial distress, client size, firm size, percentage of ROA changes*