

ABSTRACT

This research aims to know empirical evidence as for factors influencing auditor switching on the manufacture firm listed in Indonesia Stock Exchange. The factors to be analysed in this research is firm size (KAP), client size (LnTA), share growth (SH_GR), Management Turnover (CEO), financial distress (DER), the previous year's audit opinion (OPINI), and return on equity (ROE).

The data being used is from manufacturing company which is listed in "Bursa Efek Indonesia" (BEI) in 2004-2009 period. By using logistic regression in SPSS 16 software, this research tried to test effect of Accounting Firm Size, Client Size, share growth, Management Turnover, financial distress, the previous year's audit opinion, and return on equity towards Auditor Switching.

The result of this research shown below: (1) Accounting Firm Size does not have significant effect on Auditor Switching, (2) Client Size does not have significant effect towards Auditor Switching, (3) Share Growth has significant effect towards Auditor Switching, (4) Management Turnover has significant effect towards Auditor Switching, (5) Financial Distress has significant effect towards Auditor Switching, (6) The Previous Year's Audit Opinion does not have significant effect towards Auditor Switching and finally (7) Return On Equity has significant effect on Auditor Switching.

Keywords: auditor switching, auditor-client relationship, auditor rotation, independency.