

ABSTRACT

The purpose of this research is to find determinant factors influencing auditor switching on company listed in Indonesia Stock Exchange. Variables that is used in this study are qualified audit opinion, change in audit fee, auditor size, change in management, client size, financial distress, firm's growth, and auditor switching.

The population on this research consist of all listed companies in Indonesia Stock Exchange in year 2003-2007. Selection sample used purposive sampling method. The sample consist of 80 companies that listed on Indonesia Stock Exchange (BEI). From these 80 companies, 40 companies had auditor switch during 2003 till 2007 and 40 companies without auditor switch. Total sample in this research are 400 companies. Hypothesis in this research are tested by using logistics regression.

The empirical result of this research show that auditor size and client size have negatively significant effect on auditor switching. Change in management has positively significant effect on auditor switching. On the other hand, qualified audit opinion, change in audit fee, financial distress, and firm's growth do not have significant effect on auditor switching.

Keyword: Auditor switching, Indonesia Stock Exchange, logistics regression, determinant factors.