

ABSTRACT

Issue about independence is the main cause of the auditor switching existence in Indonesia. Auditor switching could happen mandatorily (because of the rules which persistent it) and also voluntarily. Many question rise when a company voluntarily switches its auditor because happen outside rules which has been specified. This research aim to know the factors that influence companies in Indonesia to do such auditor switching. Variables that used in this research are management changes, audit opinion, financial distress, change percentage of Return on Assets, public accountant firm's size, client size, and auditor switching.

This research uses financial statements data of non-financial company listed in Bursa Efek Indonesia (BEI) from year 2003-2009. Data collecting method which used in this research is method purposive sampling, that based on criterion which has been determined before. Based on method purposive sampling, research sample total is 912 companies. Hypothesis in this research are tested by logistics regression analytical method.

Result of this research indicates that variables having which significantly effect the auditor switching are management changes and public accountant firm's size. On the other hand, other variables in this research like audit opinion, financial distress, change percentage of Return on Assets, and client size do not have significant effect on company decision to do auditor switching.

Keyword : independence, auditor switching, mandatory, voluntary.