

ABSTRACT

Auditor rotation on the company needed to maintain the auditor independency and objectivity of influence from the other sides. Several previous studies on the turnover of CPA firm showed different results. This study aims to determine the factors that affect likely to turnover of CPA firm in manufacturing companies. The factors used in this study are public ownership, change management, auditor reputation, going concern audit opinion, and financial distress.

The research sample of this study are companies listed on the Indonesia Stock Exchange (BEI) in the year 2008 to 2011. Data collection methods used in this study is using purposive sampling method and obtained a total sample of 136 companies. This hypothesis was tested using logistic regression analysis and using SPSS program.

The results of this study showed that the factors that significantly influence the firm are auditor reputation and financial distress. However, the other factors were examined in this study, such as public ownership, management turnover and going concern audit opinion are not proven affect on the company's decision to make the turnover of CPA firm.

Keywords: CPA firm turnover, mandatory, voluntary, public stock ownership, change management, auditor reputation, going concern opinion, financial distress.