

ABSTRACT

This study aims to analyze the factors that influence manufacturing companies in Indonesia choosing to do auditor switching. The factors used to test auditor switching decisions are financial distress, company size, audit firm size, and concentration of ownership. This research is motivated by the stipulation of Government Regulation No.20 of 2015 as a basis for regulation of the treatment of audit firms.

The population in this study is manufacturing companies listed on the Indonesia Stock Exchange (IDX) with an observation period of 2016-2018. The research sample collection method used is the purposive sampling method. The samples used in this study were 120 samples. The analytical method used to test the hypothesis of this study is logistic regression in SPSS 23.

The study conducted obtained that the variable audit firm size and concentration of ownership significantly influence the decision of manufacturing companies in conducting auditor switching. While financial distress and firm size variables significantly cannot influence manufacturing companies' decisions to conduct auditor switching.

Keywords: Auditor Switching, Financial Distress, Company Size, audit firm size, Ownership Concentration.