

ABSTRACT

Auditor switching is a change of auditors made by the company to an independent auditor who audits its financial statements. Auditor switching by its nature can be divided into two, namely mandatory and voluntary. Mandatory auditor changes based on rules or regulations that have been made and agreed upon, while voluntary auditor changes can occur due to various underlying factors, these factors can be from the company or the auditor.

This study aims to determine the effect of financial distress, audit tenure and KAP size on auditor switching, either simultaneously or partially, in the manufacturing sector of the consumer goods industry subsector which is listed on the Indonesia Stock Exchange (IDX) for the 2014-2018 period. The population in this study were all manufacturing companies in the consumer goods industry subsector which were listed on the Indonesia Stock Exchange in the 2014-2018 period. Determination of the sample in this study using purposive sampling and obtained 145 samples. Data analysis in using descriptive statistical analysis and logistic regression analysis.

The results showed that financial distress, audit tenure and KAP size had a simultaneous effect on auditor switching. Partially, financial distress, audit tenure and KAP size have no effect on auditor switching.

Keywords: Audit tenure, auditor switching, financial distress and KAP size