THE INFLUENCE OF PUBLIC ACCOUNTING FIRM (KAP) SIZE, AUDIT FEE, AUDIT DELAY, AUDIT OPINION, AND MANAGEMENT TURNOVER ON AUDITOR SWITCHING

(Empirical Study: State-Owned Enterprises Listed on the Indonesian Stock Exchange for the 2017-2021 Period)

A THESIS

Presented as Partial Fulfilment of the Requirements to Obtain the Bachelor Degree in Accounting Study Program

By:

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DECLARATION OF AUTHENTICITY

Herein I declare the originality of the thesis; I have not presented anyone else's work to obtain my university degree, nor have I presented anyone else's words, ideas or expression without acknowledgment. All quotations are cited and listed in the bibliography of the thesis.

If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation or its consequence.

Yogyakarta, March 8th, 2023

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TABLE OF CONTENTS

LIST OF TABLES

ABSTRACT

This study aims to analyze the influence of Public Accounting Firm (KAP) Size, Audit Fee, Audit Delay, Modified Audit Opinion, and Management Turnover on Auditor Switching in State-Owned Companies listed on the Indonesia Stock Exchange for the period 2017 to 2021. Purposive sampling was used to select the research sample; 14 out of a total of 22 companies were selected as the research sample. This study uses quantitative methods with secondary data obtained from the Indonesian Stock Exchange website. Data analysis techniques were performed using SPSS version 22 software and data were analyzed using descriptive statistics and logistic regression methods. Based on the results of the analysis, it shows that Public Accounting Firm Size, Audit Fee, Audit Delay, and Management Turnover have no influence on Auditor Switching, while Modified Audit Opinion has a significant positive influence on Auditor Switching.

Keywords: Auditor Switching, Accounting Firm (KAP) Size, Audit Fee, Audit Delay, Modified Audit Opinion, and Management Turnover.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh dari Ukuran KAP, Biaya Audit, *Audit Delay*, Opini Audit Modifikasi, and Pergantian Manajemen terhadap *Auditor Switching* pada Perusahaan Badan Usaha Milik Negara yang terdaftar di Bursa Efek Indonesia untuk periode tahun 2017 sampai dengan tahun 2021. Pemilihan sampel pada penelitian ini menggunakan *purposive sampling*; sebanyak 14 dari total 22 perusahaan terpilih menjadi sampel pada penelitian ini. Penelitian ini menggunakan metode kuantitatif dengan data sekunder yang diperoleh dari website Bursa Efek Indonesia. Teknik analisis data dilakukan dengan menggunakan software SPSS versi 22 dan data dianalisis dengan metode *descriptive statistics* dan *logistic regression*. Berdasarkan hasil dari analisis menunjukkan bahwa Ukuran KAP, Biaya Audit, *Audit Delay*, dan Pergantian Manajemen tidak berpengaruh terhadap *Auditor Switching*, sedangkan Opini Audit Modifikasi berpengaruh positif signifikan terhadap *Auditor Switching.*

Kata Kunci: *Auditor Switching*, Ukuran KAP, Biaya Audit, *Audit Delay*, Opini Audit Modifikasi, dan Pergantian Manajemen.

CHAPTER I

INTRODUCTION

1.1 Study Background

The growth of the business world in Indonesia is very fast, as evidenced by November 2021, the number of public accounting firms (KAP) registered in OJK is 342 public accounting firm units (ojk.go.id, 2021). Meanwhile, as of September 29, 2022, there were 464 public accounting firms that had obtained permits from the minister of finance (pppk.kemenkeu.go.id, 2022). This is a significant difference, only with an interval of approximately 1 year. And also based on IDX data, there have been 34 new issuers that have entered throughout 2022 so the total number of companies listed on the IDX has reached 800 companies (kompas.com, 2022). The increasing number of companies means that the business competition is getting tougher and they are competing to present good financial statements to attract investors.

Financial statements are very important for a company to publish. As stipulated in the Government Regulation of the Republic of Indonesia (PP) Number 24 of 1988 and then updated with PP Number 64 of 1999 concerning the obligation of a company to publish its financial statements. This financial statement is a form of financial information about reporting substance that is useful for several parties such as current and potential investors, lenders, and other creditors in making decisions about the logistics of resources to entities (DE

KKPK IAI, 2019). Therefore, financial statements are considered very important and must comply with the standards set by SAK because it will become a reference for making the right decisions both for outsiders and for parties from the company itself.

According to PSAK, the requirements for financial statements are understandable, relevant, reliable, and comparable. To fulfill these requirements, an external party is needed who is able to provide an assessment of the financial statements so that can generate trust from investors in the viability of a company. The external party is referred to as public accounting firms, in Minister of Finance Regulation Number: 17/Pmk.01/2008 concerning Public Accountant Services Chapter I Article 1 which states that "Public Accountant Office, hereinafter referred to as public accounting firm, is a business entity that has obtained permission from the Minister as a place for Public Accountants to provide their services". Services here means public accounting firms are required to check whether there are errors in a company's financial statements. Moreover, a public accounting firm is required to provide an audit report on a company in accordance with standards set and approved by the Indonesian Institute of Certified Public Accountants (IAPI) which are divided into 3 groups, namely general standards, field work standards, and reporting standards. This audit report contains the auditor's opinion on the financial statements that a company has prepared.

In preparing the audit report, the auditor is required to always maintain independence and objectivity. Independence is a state of being free from influence, not controlled by other parties, not dependent on other people (Mulyadi, 2013).

The opinion that will be given by the auditor on a company will affect the credibility of the company's financial statements, therefore the auditor's opinion must be impartial and not influenced by personal interests or requests from certain parties. One phenomenal case that hit Garuda Indonesia in 2019 has always reminded us about the bad impacts of the auditor with no independence. Garuda Indonesia managed to record a net profit after losing in the previous quarter. This discrepancy has created a polemic for Garuda Indonesia. In the bookkeeping, Garuda Indonesia stated their net profit was USD 890.85 thousand or equivalent to IDR 11.33 billion assuming an exchange rate of IDR 14,000 per US dollar. This very sharp and significant jump is inversely proportional to the previous bookkeeping which stated a loss of USD 216.5 million (imagama.feb.ugm.ac.id, 2019). Then, Garuda Indonesia's board of directors was summoned by the Indonesia Stock Exchange (IDX). The meeting was held with Garuda Indonesia auditors, Chief Public Accountant (KAP) Tanubrata, Sutanto, Fahmi, Bambang and colleagues (Member of BDO International). Then, the Secretary General of the Ministry of Finance, Hardiyanto conveyed the results of an examination of the public accounting firm, that there were audit results allegedly not in accordance with PSAK (imagama.feb.ugm.ac.id, 2019). The Ministry of Finance announced the sanctions imposed on the Public Accountant Kasner Sirumapea and the Public Accounting Firm (KAP) Tanubrata, Sutanto, Fahmi, Bambang & colleagues for audit errors in PT Garuda Indonesia, Tbk Financial Statements for the 2018 financial year. The Ministry of Finance found that there had been a violation of Audit Standards (SA) - Professional Standards for Public Accountants (SPAP) SA

315, SA 500, and SA 560 carried out by the auditors of the public accounting firm which influenced the opinion of the Independent Auditor's Report (LAI) (pppk.kemenkeu.go.id, 2019).

Therefore, this study aims to examine state-owned enterprises (SOEs). As stated in Law number 19 of 2003 concerning SOEs, in general, the purpose of SOEs is to contribute to the national economy. It is because of the image that SOEs must be able to maintain the feasibility of presenting their financial statements. SOEs listed on the Indonesia Stock Exchange are required to publish their financial reports every year. They have a greater responsibility to the state than private companies. Therefore, it is very important for SOEs to choose auditors who have independence so that their financial statements are trustworthy. In order to maintain the reliability of a financial statement and the independence of an auditor, the Indonesian government requires the implementation of auditor rotation. Procedures regarding audit rotation are listed in the Minister of Finance Decree No. 359/KMK.06/2003, then updated to become Regulation of the Minister of Finance (Permenkeu) of the Republic of Indonesia No.17/PMK.01/2008 article 3 paragraph 1 which states that the provision of audit services on financial statements by the KAP for a maximum of 6 consecutive years and by a public accountant for a maximum of 3 consecutive years. Subsequently, the Minister of Finance was replaced with Government Regulation of the Republic of Indonesia No. 20 year of 2015 article 11 paragraph 1 concerning the practice of public accountants which regulates the provision of audit services on financial information is limited to a maximum of five consecutive financial years. However, the public accounting firm is no longer restricted in auditing a company. Furthermore, the financial services authority or OJK issued regulation no.13/POJK.03/2017 which states that financial services parties are required to limit the use of audit services by public accountants for 3 consecutive years. Meanwhile, the decision for public accounting firms depends on evaluations from the audit committee.

The implementation of auditor rotation is divided into 2 - voluntary and mandatory replacement. The former is carried out because of the factors coming from the client, while the latter is carried out because of restrictions made by the government. Factors that affect voluntary auditor rotation are public accounting firm size, audit fees, audit opinions, and others. Previous research conducted by Cahyono and Sari (2022) which examined the factors influencing auditor switching in financial companies listed on IDX found that public accounting firm size and management change had an influence on auditor switching while audit fees, financial distress, and audit opinions did not influence auditor switching. This is consistent with the findings found by Winata and Anisykurlillah (2017) that public accounting firm size had a positive influence on auditor switching and audit opinions had no influence on auditor switching. However, in contrast to these two studies, research conducted by Wati (2020) revealed that public accounting firm size had a negative influence on auditor switching and audit opinion had a positive influence on auditor switching. Similarly, Ma'summah's research (2022) showed that public accounting firm size had no influence on auditor switching.

Based on the studies above, there are different results for each variable. This shows inconsistencies with various variables. The inconsistent research results between one study and another are interesting to re-examine, so this research study will investigate five variables taken from various previous studies, namely public accounting firm size, audit fee, audit delay, modified audit opinion, and management turnover. The thing that distinguishes this research from previous research is that the object used is SOEs registered at IDX in which research on auditor switching using SOEs as the object is still rare and SOEs also have a greater responsibility to the State in presenting their financial statements. Thus, the purpose of this study is to find out the factors influencing SOEs to conduct auditor switching. Based on the explanation above, the researcher then intends to develop it into a study entitled **"The Influence of Public Accounting Firm (KAP) Size, Audit Fee, Audit Delay, Audit Opinion, and Management Turnover on Auditor Switching (Empirical Study: State-Owned Companies Listed on the Indonesian Stock Exchange for the 2017- 2021 Period).**

1.2 Problem Formulation

1. Does public accounting firm (KAP) size affect auditor switching in state-owned companies in Indonesia?
2. Does the audit fee affect auditor switching in state-owned companies in Indonesia?
3. Does audit delay affect auditor switching in state-owned companies in Indonesia?

4. Does the modified audit opinion affect auditor switching in state-owned companies in Indonesia?
5. Does management turnover affect auditor switching in state-owned companies in Indonesia?

1.3 Study Objectives

Based on the formulation of the problem above, the objectives of this research are as follows:

1. To analyze the influence of the size of the public accounting firm on auditor switching in state-owned enterprises in Indonesia
2. To analyze the influence of audit fee on auditor switching in state-owned enterprises in Indonesia
3. To analyze the influence of audit delay on auditor switching in state-owned enterprises in Indonesia
4. To analyze the influence of modified audit opinion on auditor switching in state-owned enterprises in Indonesia
5. To analyze the influence of management turnover on auditor switching in state-owned enterprises in Indonesia

1.4 Research Contribution

1. Theoretical Contribution:

Theoretically, this research study would make a significant contribution to the field of auditing, especially the factors that influence auditor switching. Furthermore, it can be a reference for other researchers to conduct further research.

2. Practical Contribution:

   Practically, this research study might be useful for auditors and investors. For auditors, they can take advantage of the research findings as the reference to perform optimally in auditing a company' financial statements. For investors, the research findings might help them understand more auditor switching which probably affects their investment decision-making.

1.5 Systematics of Writing

This research study comprises five chapter with the following description:

Chapter I: Introduction

This section presents study background that explains the background of the research problems, problem formulation, study objectives, research contributions, and systematics of writing.

Chapter II: Theoretical Review

This chapter contains the theoretical basis of each of the variables used in this study, prior studies that form the basis of this research in making research hypotheses, and a hypothetical framework.

Chapter III: Research Methods

This chapter is a research method that describes the population and sample design used, data collection methods, variable definition and measurement, research variables, and analysis methods.

Chapter IV: Data Analysis

In this chapter, there are data analysis, empirical findings, results of hypothesis testing, and a discussion of research results.

Chapter V: Conclusion

This last chapter is the conclusion of the research and discussion that has been done, as well as obstacles and suggestions for further research.

CHAPTER II

THEORETICAL REVIEW

2.1 Theoretical Basis

This theoretical basis contains an explanation of each variable used. This study has dependent variables, namely auditor switching, and independent variables, namely public accounting firm size, audit fees, audit delay, audit opinion, and management turnover

2.1.1 Agency Theory

Agency theory was first coined by Jensen and Meckling (1976) who stated that it is a theory of dissimilar interests between principals (investors) and agents (management of the company). Agency theory bases the contractual relationship between shareholders or owners and management or managers. According to this theory, the relationship between owners and managers is inherently difficult to create because of conflicting interests.

Jensen and Smith (1984) found that agency theory is a concept that explains the contractual relationship between the principal and agent. The principal is the party that authorizes the agent to carry out all activities on behalf of the principal in his capacity as a decision-maker.

Agency theory is a theory that underlies the relationship between principals and agents with the assumption that each is motivated by their own interests, which can lead to conflict between the two (Anthony and Govindarajan, 2005). In detail, there are always conflicts of interest between managers and company owners, managers and their subordinates, and company owners and creditors (Brigham and Gapenski, 1996).

In agency theory, the independent auditor acts as an intermediary between the two parties - agents and principals who have different interests. The auditor is responsible for providing an assessment of the fairness of the company's financial statements. When completing the duties the auditor must be independent in order to maintain audit quality.

The relationship between agency theory and KAP size is that the auditor is an independent third party who assists in resolving conflicts between agents and principals, and if the client prefers KAPs to be included in the big four category, the quality of the audit will be more reliable and the audit results will be of higher quality and trusted in the eyes of outsiders, especially in the eyes of investors who will become shareholders in a company.

2.1.2 Auditor

The auditor is a party that provides opinions on the fairness in various material matters, the financial position, results of operations and cash flows comply with generally accepted accounting principles in Indonesia (Arens & Elder, 2013). Auditor is a profession that requires certain qualifications. Agoes (2012) argued that there are 8 basic ethical principles that an auditor should have:

a Professional responsibility

An auditor must maintain his responsibility and professionalism. Every auditor must always use moral judgments in carrying out his auditing activities.

b Public interest

Every auditor must prioritize the public interest and respect the public's trust.

c Integrity

Integrity is the most important ethics that an auditor should have, integrity means that the auditor must be fair, honest, and comply with applicable law.

d Objectivity

An auditor should be able to assess things objectively and not be influenced by personal problems. The auditor must be able to be neutral in assessing a company.

e Professional competence and prudence

An auditor must ensure that the companies or clients get competent services, an auditor must work diligently in providing professional services.

f Confidentiality

The auditor must respect the information that the client entrusts to him, which means the auditor may not disclose any information about his client to any party unless there is a legal obligation to disclose it.

g Professional conduct

An auditor must comply with applicable laws and regulations.

h Technical Standards

All auditors must carry out their duties in accordance with relevant technical standards. The auditor is obliged to provide his services to clients while complying with the principles of integrity and objectivity.

Furthermore, auditors are also divided into various types. Messier *et al*. (2014) argued that there are several types of auditors that can be distinguished as follows:

a External auditors

This external auditor is referred to as an independent auditor or a certified public accountant. Moreover, external auditor can work independently by opening his own practice or can join a public accounting firm. External auditor is not in a company, that's why his job is to examine the financial statements of a company to provide information to the public or investors.

b Internal auditors

Internal auditor is an auditor who worked for a company. This auditor's duties are more internal in nature by controlling and checking whether their company complies with applicable policies and regulations.

c Government auditors

This auditor is employed by the government, usually examining the finances of government offices.

d Forensic auditors

These forensic auditors can be employed by companies, governments, public accounting firms to investigate fraud, bribery, extortion, or other financial-related crimes. Their investigations are usually more specific to detect and investigate fraud.

2.1.3 Auditor Switching

Auditor switching is a change of auditor or public accounting firm carried out by a client company in accordance with a company management decision. There are two factors that affect the switching of accounting firms within a company, client factor, and auditor factor. The client factors are in the form of financial difficulties, failed management, changes in ownership, and Initial Public Offering (IPO). Then the auditor factors are such as audit fees and audit quality (Mardiyah, 2002).

From this explanation, auditor switching can be caused by a discontinuity between the auditor and what the client wants. Auditor switching occurs as the auditor resigns or is dismissed by the client, therefore the auditor replacement is divided into two, namely mandatory and voluntary. It is the voluntary change of auditors that raises many questions about the reasons behind it.

Indonesia itself has regulated auditor switching, as in Article 2 of 359/KMK.06/2003 concerning "Public Accountant Services" (amendment to the Decree of the Minister of Finance Number 423/KMK.06/2002). this regulation states "that the provision of services a general audit of the financial statements of an entity can be carried out by a Public Accounting Firm (KAP) for a maximum of 5 (five) consecutive financial years and by a public accountant for a maximum of 3 (three) consecutive financial years". This regulation was later updated with the issuance of Regulation of the Minister of Finance of the Republic of Indonesia Number 17/PMK.01/2008 concerning "Public Accountant Services", namely "Providing general audit services for 6 (six) consecutive years by accounting firms and 3 (three) consecutive years successively by a public accountant to the same client (article 3 paragraph 1), the public accountant and the accounting firm may accept the re-assignment after one financial year of not providing audit services to the client (article 3 paragraphs 2 and 3)". But after that, there is Government Regulation of the Republic of Indonesia No. 20 year of 2015 article 11 paragraph 1 concerning the practice of public accountants which regulates the provision of audit services on financial information is limited to a maximum of 5 consecutive financial years. Meanwhile, a public accounting firm is no longer restricted in auditing the company. Then, to perfect the existing regulations, the Minister of Finance issued Minister of Finance Regulation Number 154/PMK.01/2017 concerning the Development and Supervision of Public Accountants which was later refined and replaced with Minister of Finance Regulation Number 186/PMK.01/2021 concerning Professional Development and Supervision Public Accountants.

2.1.4 Public Accounting Firm (KAP) Size

KAP size is a measure of the size of a Public Accounting Firm. It can be seen from several factors such as being affiliated with the Big 4, having branches and clients from large companies and having a professional staff of more than 25 people. Meanwhile, a public accounting firm can be said to have a small size if it is not affiliated with the Big 4, does not have a branch office and its clients are small companies and the number of professional staff is less than 25 people (Firyana & Septiani, 2014).

From the explanation above it can be concluded that the size of a public accounting firm is seen or measured from the number of clients and the number of professional members it has. The size is divided into 2 groups, namely public accounting firm affiliated with the big 4 and public accounting firm that are not affiliated with the big 4. Public accounting firms that have a large size will have more guaranteed audit quality and image in society. Companies that choose to be audited by a large public accounting firm are more secure in their financial statements and it is easier to gain the trust of investors.

It is possible for a company to change the size of its public accounting firm, from a small public accounting firm to a large one so that the reputation of its financial reports is more reliable in the eyes of external parties. That is why the higher the public accounting firm size, the better the quality of the audit provided. In Indonesia, the big public accounting firms affiliated with the big 4 are foreign public accounting firm, namely Ernst & Young (EY), Deloitte, PricewaterhouseCoopers (PWC), and KPMG.

2.1.5 Audit Fee

Audit fee is an honorarium received by the auditor for the services of implementing audit results that have been carried out on one of the companies. The amount of fees received and obtained by the auditor is based on several factors such as the risk of responsibility in the assignment, the complexity of the services provided by the client, the level of expertise required in carrying out the audit, and fees the public accounting firm has charged (Andriani & Nursiam, 2018).

From the opinion above, it can be concluded that the audit fee is a fee provided by a client or company for services performed by the auditor as a support for the quality of the company's financial statements. The Indonesian Institute of Certified Public Accountants (IAPI) issued Regulation Number 2 of 2016 concerning Determination of Fees for Financial Statement Audit Services. The regulation states if the fees for audited financial statement is too low, it will pose a threat in the form of personal interest which has the potential to cause non-compliance with the code of ethics for the Public Accountant profession.

Furthermore, Abdul Halim (2008) argues that there are three determining factors of the size of the audit fee, these factors are as follows:

1. Financial Characteristics, such as level of income, profits, assets, capital, and others.
2. Environment, such as competition, professional labor market, and others.
3. Activities of the External Auditor, such as experience, level of coordination with the internal auditor and others.

2.1.6 Audit Delay

The implementation of the annual financial report audit has a time span measured by days to obtain an independent auditor's report on an audit of a company's annual financial statements, starting from the closing date of the book, namely December 31 to the date stated in the independent auditor's report as an audit report lag (Aryati and Theresia, 2005).

Therefore, audit delay is the length of time to complete an audit of a company's or client's financial statements. This audit delay is a factor that can affect the public's view of a company because if an audit delay occurs, there will be uncertainty about information regarding the company's financial statements which will be able to influence the process of its presentation to the public. And the client definitely wants the audit of his financial statements to be completed no later than 3 months.

Moreover, the Capital Market Supervisory Agency (BAPEPAM) issued regulation Number: KEP-346/BL/2011 regarding the obligation to submit periodic financial reports and the deadline for submission which reads "annual financial reports must be accompanied by an accountant's report with a common opinion and submitted to BAPEPAM no later than the end of the third month after the date of the annual reports (90 days)". Then, delays in submitting financial reports to the public will raise questions and negative reactions from investors so that this audit delay can be a factor in auditor switching if the client experiences delay in obtaining audit results.

2.1.7 Audit Opinion

An audit opinion is an opinion issued by the auditor that describes the obligations of an audited financial statement, in various material respects, based on the suitability between the preparation of financial statements and the existing accounting principles (Mulyadi, 2013).

An auditor is the party responsible for examining the financial statements of a company, and the auditor is required to provide his opinion on the financial statements. The opinion of the auditor will become a medium for providing information about a company to the public and investors.

According to SPAP (Public Accountant Professional Standards) there are various kinds of audit opinions which are divided into the following:

1. Unqualified Opinion

   An unqualified opinion states that the financial statements are presented fairly, in all material respects, the financial position, results of operations and cash flows of certain entities in accordance with generally accepted accounting principles in Indonesia. So, it can be concluded that this opinion indicates that the financial report presented by a company is real and fair.

2. Unqualified Opinion with Explanatory Paragraph

   Certain circumstances may require the auditor to add an explanatory paragraph in the audit report. It can be concluded that this opinion occurs if the auditor has to add certain explanations in the audit report or the auditor wants to emphasize several points.

3. Qualified Opinions

   Generally accepted accounting principles used in the preparation of financial statements are not applied consistently, except for the impact of matters relating to exceptions.

4. Adverse Opinions

   Adverse opinion means that the financial statements do not fairly present the financial position, results of operations, and cash flows of certain entities in accordance with accepted accounting principles in Indonesia. It can be concluded that this adverse opinion means that a company does not present its financial statements in accordance with applicable accounting principles.

5. Disclaimer of Opinion

   This opinion can occur if the auditor feels that the scope of the audit is inadequate to express an opinion. This opinion is issued when the auditor is dissatisfied with all the financial statements presented.

It can be concluded that the audit opinion obtained by a company regarding the presentation of its financial statements greatly influences the opinion of the public or external parties regarding the company's image.

2.1.8 Management Turnover

Management turnover is a change in the composition or structure of the board of directors of a company. This management change has an impact on the company with the possibility of changes or updates regarding accounting rules. Then, there is also the possibility that the new management will make a new policy in appointing auditors to be in line with the policies made (Pawitri & Yadyana, 2015). Because of this, the company may conduct auditor switching to adapt to the wishes of the new management.

If there is a change in management, either directly or indirectly it will encourage the auditor to be aligned in reporting and accounting policies (Pratini & Astika, 2013). This factor might trigger auditor switching before the maximum year of auditing the same company. This is due to the fact that the company certainly wants to be audited by an auditor who is in accordance with their new policy and can work together well hence greater audit quality.

2.2 Previous Research

The following are prior studies regarding auditor switching and can be used as a reference in carrying out this research. The previous research table will be along with the author's name, research title, research objectives, the variables used, and the results of the study:

Table 2.1

Previous Research

Authors	Title of the Research	Purpose of the Research	Variables Used	Results of the Research
Winata & Anisykurlillah, 2017	Analysis of Factors Affecting Manufacturing Companies in Indonesia Performing a Switching Auditor	To analyze the influence of the public accountant firms size, size of company, financial distress, audit opinion and management turnover toward auditor switching.	Dependent variable: Auditor switching Independent variable: Public accountant firms size, size of company, financial distress, audit opinion and management turnover	The author shows that the public accountant firms size and management turnover have significant impact toward auditor switching, size of company have influence auditor switching. Financial distress and audit opinion did not affect

				auditor switching significantly.
Manto & Manda, 2018	Effects of Financial Distress, Management Turnover, and Size of Auditors Switching	To examine the effect of financial distress, management turnover and public accountant firm (KAP) size on switching auditors of service companies real estate and property sub-sectors listed on the Indonesia Stock Exchange in 2011-2016.	Dependent Variable: Auditor Switching Independent Variable: Financial distress, management turnover and public accountant firm (KAP) size	Financial distress, management turnover, and KAP size have a positive influence on auditor switching.
Widnyani & Muliartha, 2018	Influence of Audit Opinion, Audit Fee, KAP Reputation and Client Company Size on Auditor Switching	To determine the effect of audit opinions, audit fees, KAP reputation and client company size on auditor switching.	Dependent variable: Auditor switching Independent variable: Audit opinions, audit fees, KAP reputation and client company size	Audit opinion, KAP reputation, and client company size have no effect on auditor switching, while audit fees have an effect on auditor switching.
Safriliana & Muawanah,	Factors Influencing	To examine the effect of	Dependent variable:	This study found that

2019	Auditor Switching in Indonesia	audit opinion, public accounting firm size, financial distress and audit committee on auditor switching.	Auditor switching Independent variable: Audit opinion, KAP size, financial distress, and committee audit	audit opinion has no effect on auditor switching, KAP size has an effect on auditor switching, financial distress cannot influence companies to change auditors, and audit committees have a significant effect on auditor switching.
Rahmi, Stefano, Junaidi, Silfenni, & Saragih, 2019	The Effect of Audit Opinion, Financial Distress and Company Size On Auditor Switching In Consuming Companies On The Indonesia Stock Exchange	Aims to analyze how the influence of audit opinion, financial distress, and company size on auditor switching in consumer companies on the Indonesia Stock Exchange in 2013-2016	Dependent variable: Auditor Switching Independent variable: Audit opinion, financial distress and company size	Audit opinion had a positive influence on auditor switching, while financial distress and company size had a negative influence on auditor switching
Wati, 2020	Auditor Switching:	The purpose of this research is	Dependent variable:	The results show that

	New Evidence from Indonesia	to determine the direct influence of KAP size, company size, audit delay, audit tenure, previous year's audit opinion, opinion shopping, financial distress, audit fee, company growth on auditor switching as well as through going concern audit opinion as a mediating variable.	Auditor switching Independent variable: KAP size, company size, audit delay, audit tenure, previous year's audit opinion, opinion shopping, financial distress, audit fee, company growth on auditor switching, and going concern audit opinion	KAP size, company size, audit delay, audit tenure, financial distress has a negative effect on auditor switching. Previous year's audit opinion, opinion shopping, audit fee, company growth, going concern audit opinion has a positive effect on auditor switching.
Umdiana & Siska, 2021	Auditor Switching Determinants by Voluntary	This research aims to analyze the effect of management change, Qualified opinion (Qualified Opinion) and Company size which influence voluntary	Dependent variable: Auditor switching Independent variable: Management changes, audit opinion, and company size	In this research, the authors found that management change, qualified opinion, and company size had no effect on voluntary auditor switching.

		Auditor Switching in Mining companies listed on the Indonesia Stock Exchange in the 2015-2018 period.		
Tjahjono & Khairunissa, 2021	Audit Opinion, Financial Distress, Client Company Growth and Management Change of Auditor Switching	This study aims to determine the effect of audit opinion, financial distress, client company growth, and management changes on auditor switching.	Dependent variable: Auditor switching Independent variable: Audit opinion, financial distress, client company growth, and management changes	Audit opinion had a positive influence on auditor switching, meanwhile financial distress, client company growth, and management changes had a negative influence on auditor switching.
Cahyono & Sari, 2022	Analysis Of Influence Factors Switching Auditors (Empirical Study of Financial Companies Listed On The Indonesian Stock	This research aims to analyze the effect of audit fees, KAP size, management change, financial distress, and audit opinions on auditor	Dependent variable: Auditor switching Independent variable: audit fees, KAP size, management change, financial	The results of this research indicate that: (1) audit fees have no effect on auditor switching, (2) KAP size has an effect on auditor

	Exchange)	switching in financial companies listed on the IDX in 2017-2020.	distress, and audit opinions	switching, (3) management change has an effect on auditor switching, (4) financial distress has no effect on auditor switching, and (5) audit opinion has no effect on auditor switching.
Ma'summah, 2022	Factors Influencing Auditor Switching (Study of BUMN Listed on IDX 2018-2020)	To examine the effect of financial distress, management turnover, KAP size, partial audit opinion on auditor switching.	Dependent variable: Auditor switching Independent variable: Audit opinion, KAP size, management change, financial distress.	The author found that audit opinion, KAP size, and management turnover have no effect on auditor switching. While financial distress has an effect on auditor switching.
Anggadi & Triyanto, 2022	The Effect of Company Size, Audit Delay, Profitability,	This study aims to identify and obtain empirical	Dependent variable: Auditor switching	Audit delay has a positive effect on auditor

	And Audit Fee on Auditor Switching (Study on Infrastructure, Utilities and Transportation (Sector Companies Listed on The Indonesia Stock Exchange 2016-2020)	evidence simultaneously or partially regarding firm size, audit delay, profitability and audit fees for auditor switching.	Independent variable: Company size, audit delay, profitability, and audit fee	switching, while audit fees, firm size, and profitability have no effect on auditor switching.

Auditing switching is conducted based on various factors – by the client's company or the public accounting firm itself. Previous studies have presented various variables and also different results. This present study makes use of factors such as public accounting firm (KAP) size, audit fee, audit delay, audit opinion, and management turnover. According to research by Safriliana & Muawanah (2019) public accounting firm (KAP) size had a positive effect on auditor switching, in line with research by Manto & Manda (2018) and Cahyono & Sari (2022). In contrast, Widnyani & Muliartha (2018), Wati (2020), and Ma'summah (2022) revealed that public accounting firm (KAP) size had no influence on auditors switching within a company.

As for the audit fee itself, Cahyono & Sari (2022) and Anggadi & Triyanto (2022) revealed that audit fee had a negative influence on auditor switching. In contrast, Widnyani & Muliartha (2018) and Wati (2020) stated that audit fee had a positive influence on auditor switching.

Furthermore, Wati (2020) suggested that audit delay had negative influence on the occurrence of auditor switching, different from Anggadi & Triyanto (2022) who found that audit delay had a positive influence on auditor switching. For audit opinions, some researchers have found that audit opinions had no influence on auditor switching, as found by Widnyani & Muliartha (2018), Safriliana & Muawanah (2019), Umdiana & Siska (2021), Cahyono & Sari (2022), Winata & Anisykurlillah (2017), and Ma'summah (2022). Meanwhile, other researchers such as Rahmi, Stefano, Junaidi, Silfenni, & Saragih (2019), Wati (2020), and Tjahjono & Khairunissa (2021) found that audit opinion had a positive influence on auditor switching.

Finally, for management turnover, Umdiana & Siska (2021), Ma'summah (2022), and Tjahjono & Khairunissa (2021) showed that management turnover had no influence on auditor switching. In contrast, Cahyono & Sari (2022), Winata & Anisykurlilah (2017), Manto & Manda (2018) revealed that management turnover had a positive influence on the occurrence of auditor switching.

2.3 Hypotheses

2.3.1 The Influence of Public Accounting Firm (KAP) Size on Auditor Switching

A public accounting firm is a business entity established as a forum for public accountants and has obtained permission from the government to provide services to companies. A public accounting firm itself is divided into 2 types of size, namely the large type of KAP affiliated with the big 4 and the small type of KAP that is not affiliated with the big 4. The large public accounting firms affiliated with the big 4 are as follows: Deloitte is affiliated with KAP Osman Bing Satrio & Eny, Ernst & Young are affiliated with KAP Purwanto, Suherman & Surja, KPMG is affiliated with KAP Siddharta Widjaja & partners, and finally PwC is affiliated with KAP Tanudireja, Wibisana & partners.

Public accounting firms affiliated with big 4 certainly have better audit quality compared to those that are not affiliated with the big 4. Financial statements audited by public accounting firms affiliated with the big 4 will be likely to raise trust of public and interested parties. Therefore, outsiders will assume that the company's financial statements have good quality.

Choosing a large or small size of public accounting firm depends on how the company wants to get a good image and increase the trust of the public and interested parties for its financial statement. In making this decision, companies will consider what response they want to get from the public, so if they want to improve their reputation, they will prefer to use the services of a large public accounting firm (affiliated with the big 4). Furthermore, companies that have used the services of KAPs affiliated with the big 4 are unlikely to switch to KAPs that are not affiliated with the big 4 because this will reduce the trust external parties have in them. Meanwhile, if a company has used the services of a small public accounting firm, it is very likely that they will change it to a large public accounting firm in order to further enhance the company's reputation and also trust in its financial statements. Research conducted by Manto & Manda (2018), Safriliana & Muawanah (2019), and Cahyono & Sari (2022) found that the size of the public accounting firm had significant positive influence on auditor switching by stating that Companies that have the goal of improving the quality of their financial statement and want to have a positive impact from external parties and users of financial statements will try to use KAPs affiliated with the big 4. Seeing from the results of this study, hypothesis 1 is proposed as follows:

H1: Public Accounting Firm (KAP) size has a significant positive influence on Auditor Switching

2.3.2 The Influence of Audit Fee on Auditor Switching

An audit fee is the level of fee offered by a public accounting firm to the client or company that wants to be audited in accordance with the risk of the work to be carried out. This fee is measured using a natural logarithmic proxy for professional fees or expert fees paid by clients (Wijaya & Rasmini, 2015).

Audit fees for large companies will certainly be high compared to small companies due to the complexity of their work and the high risk borne by the auditor, so companies need auditors who are trustworthy. Then if the company does auditor switching, there will be indirect costs incurred when fostering cooperation with the new auditor so this will further reduce the company's costs. This means that companies have a lower tendency to do auditor switching, even though the fee offered by the same auditor or KAP from the previous period will increase every year. To put it another way, if the company does auditor switching, the company will still incur the same costs or it could be more because of the initial costs to cooperate with the new auditor. Research conducted by Adli & Suryani (2019), Anggadi & Triyanto (2022) found that audit fee had a significant negative influence on auditor switching. Thus, the hypothesis proposed is:

H2: Audit Fee has a significant negative influence on Auditor Switching

2.3.3 The Influence of Audit Delay on Auditor Switching

Audit delay is the time span required by the auditor to provide services in examining the company's or client's financial statements. The time needed by the auditor to complete the work varies depending on the level of difficulty, but the audited financial statements must be published no later than the end of the third month after the date of the annual financial statements (Capital Market Supervisory Agency (BAPEPAM) regulation Number: KEP-346/BL/2011).

A delay in publishing audited financial reports will have a negative impact on the company. External parties including investors will question this and assume that the company is experiencing difficulties or problems. This delay is certainly not the company wants because this will make investors delay purchasing the company's shares. PSAK 2012 in the framework for the preparation and presentation of financial statements paragraph 43 states that delays that occur in reporting, the information contained therein will lose its relevance.

Fenadi (2019), Stevani & Siagian (2020) and Anggadi & Triyanto (2022) found that audit delay had a significant positive influence on auditor switching;

the researchers explained that the delays in the publication of financial reports will be questioned by investors. If that happens to a company, they will fix it by replacing a more competent auditor so that the publication of financial reports can be done on time. From these results, hypothesis 3 is proposed as follows:

H3: Audit Delay has a significant positive influence on Auditor Switching

2.3.4 The Influence of Modified Audit Opinion on Auditor Switching

An audit opinion is an opinion given by an auditor as a report on the results of his assessment of the fairness of a financial report presented by a company (Ardiyos, 2007). All companies certainly expect to get the best opinion from the auditor because this will benefit the company by getting a good image in the eyes of the public and investors. A company that gets an Unqualified Opinion will most likely continue to work with the auditor until the time limit that has been set by government policy.

Meanwhile, if the company gets an opinion which is not as expected (other than an unqualified opinion), the company will probably change the auditor for the next year. In this case, the company wants to get results in accordance with what they want because the auditor's opinion concerns the fairness in presentation of financial statements regarding matters material, financial position, results of operations, and cash flows. If companies do not get opinions as intended, this will certainly have an impact on their image in front of investors. Investors will certainly prefer to invest in companies that have reliable audited financial statements.

Therefore, an audit opinion other than an unqualified opinion will influence the client to perform auditor switching because external parties will indicate there is a problem in the company's financial statements. This is in line with research by Rahmi, Stefano et al. (2019), Muaqilah et al. (2021), and Tjahjono & Khairunissa (2021) revealing that audit opinion had a significant positive influence on auditor switching. The Researchers argued that the audit opinion can determine whether the company will perform auditor switching or not, if the company gets other than unqualified opinion then the possibility of doing auditor switching is higher. Thus, hypothesis 4 is proposed as follows:

H4: Modified Audit Opinion has a significant positive influence on Auditor Switching

2.3.5 The Influence of Management Turnover on Auditor Switching

Management turnover is usually carried out for the company's progress and updating business strategy. Management turnover can be caused by a decision of the meeting of shareholders or an independent dismissal. The management in this company will then manage the company as a whole.

The occurrence of a change in the management of a company will lead to the creation of new policies in accounting methods with the aim of developing the company so that it can be even more advanced. The new policies may spur the management to conduct auditor switching in the purpose of aligning with the new regulations in its accounting section.

Winata & Anisykurlilah (2017), Wulandari & Suputra (2018), and Pratama & Ardiati (2022) found that management turnover had a significant positive influence on auditor switching. They revealed that if there is a change in management, new policies will be likely be including in the selection of a public accounting firm. If the new public accounting firm is more in line with the new policy, then auditor switching may occur. Thus, hypothesis 5 is proposed as follows:

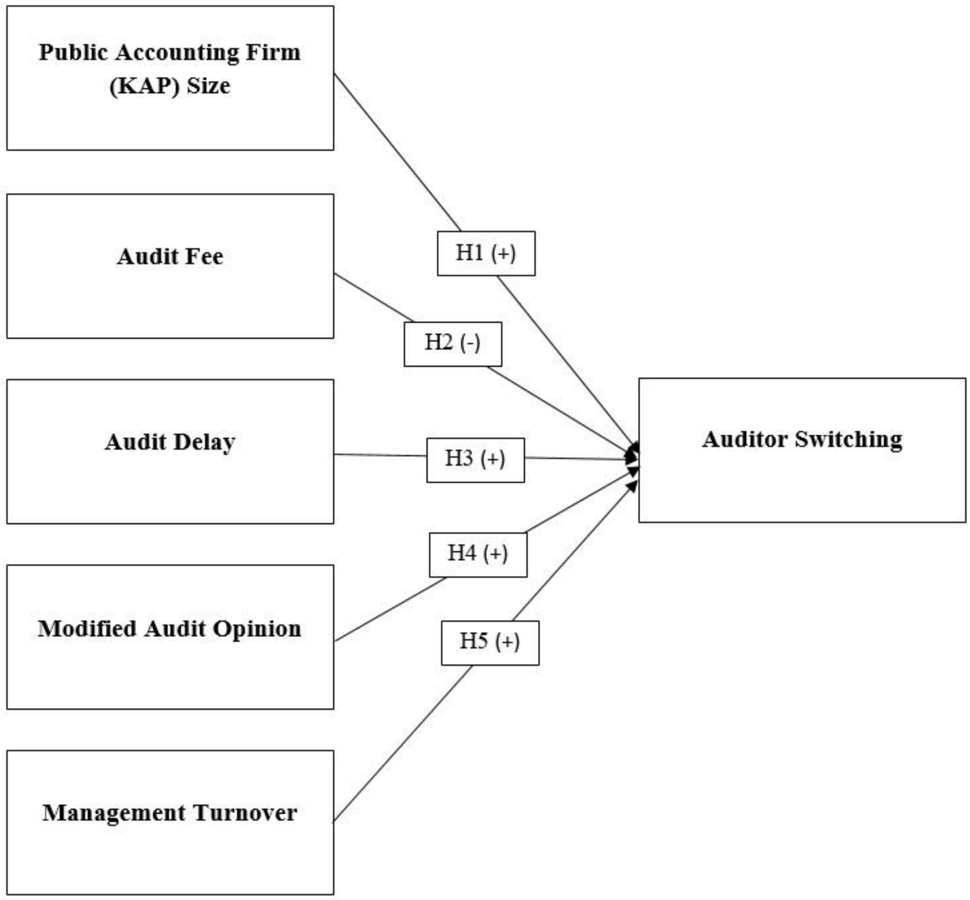
H5: Management Turnover has a significant positive influence on Auditor Switching

2.4 Hypothesis Framework

Hypothesis framework is a conceptual model of how theory relates to various factors that have been identified as important issues (Sugiyono, 2019). In this research, the framework is formulated as follows:

Figure 2.1

Hypothesis Framework



CHAPTER III

RESEARCH METHODS

3.1 Population and Sample Design

Population is an area consisting of objects or subjects that have certain quantities and characteristics determined by researchers so that they can be studied and conclusions drawn (Sugiyono, 2019). In general, this population is an object that has the same classification. The population used in this study are state-owned enterprises listed on the Indonesian Stock Exchange (IDX) in 2017-2021, the data used is 5 consecutive years. The reason the state-owned enterprises have been chosen as a sample is that they are the companies whose shares are mostly owned by the government. Therefore they certainly expect to maintain their good image. Then auditor switching is conducted if the audited financial statements earn unexpected opinions from the auditor.

Furthermore, the sample is part of the characteristics that the population have (Sugiyono, 2019). A sample is representative of the population that will be used as data in research. The method used in selecting the sample is *purposive sampling*. Purposive sampling is a sampling method that uses certain considerations to match the criteria desired by the researcher hence determining the number of samples to be studied (Sugiyono, 2019). Several criteria used to determine the sample in this study are as follows:

1. State-owned enterprises listed on the Indonesian stock exchange for 2017-2021.
2. State-owned enterprises that publish financial reports and independent auditor reports from 2017-2021, and these reports can be accessed publicly.
3. State-owned enterprises that provide professional fees account in the annual financial statements.
4. State-owned enterprises that have conducted auditor switching (the displacement of a certified public accountant firm or public accountant) during 2017-2021.

The following are 22 state-owned enterprises along with their 2 subsidiaries which are used as the population in this study.

Table 3.1 List of State-Owned Enterprises in Indonesia Stock Exchange

No.	Code	Company's Name
1.	ANTM	PT Aneka Tambang, Tbk.
2.	TINS	PT Timah, Tbk.
3.	PTBA	PT Bukit Asam (Persero), Tbk.
4.	GIAA	PT Garuda Indonesia (Persero), Tbk.
5.	JSMR	PT Jasa Marga (Persero), Tbk.
6.	INAF	PT Indofarma (Persero), Tbk.
7.	KAEF	PT Kimia Farma (Persero), Tbk.
8.	PGAS	PT Perusahaan Gas Negara (Persero), Tbk.
9.	KRAS	PT Krakatau Steel (Persero), Tbk.
10.	ADHI	PT Adhi Karya (Persero), Tbk.
11.	PTPP	PT Pembangunan Perumahan (Persero), Tbk.
12.	WIKA	PT Wijaya Karya (Persero), Tbk.
13.	WSKT	PT Waskita Karya (Persero), Tbk.
14.	SMBR	PT Semen Baturaja (Persero), Tbk.
15.	SMGR	PT Semen Indonesia (Persero), Tbk.
16.	TLKM	PT Telekomunikasi Indonesia, Tbk.
17.	BBTN	PT Bank Tabungan Negara (Persero), Tbk.
18.	BBNI	PT Bank Negara Indonesia (Persero), Tbk.
19.	BMRI	PT Bank Mandiri (Persero), Tbk.
20.	BBRI	PT Bank Rakyat Indonesia (Persero), Tbk.
Subsidiaries Companies		
21.	AGRO	PT Bank Raya Indonesia Tbk.
22.	WTON	PT Wijaya Beton Tbk.

3.2 Data Collection Method

This research study uses secondary data. The secondary data used are the financial reports and reports of the companies' independent auditors which can be accessed through the official website of the Indonesia Stock Exchange, namely www.idx.co.id and the official website of each company.

3.3 Variable Definition and Measurement

3.3.1 Dependent Variable

The dependent variable is the variable that is affected or which is the result because of the independent variable (Sugiyono, 2019).

3.3.1.1 Auditor Switching

The dependent variable used in this study is auditor switching. Auditor switching measurement uses a *dummy variable*. Companies that do not perform voluntary auditor switching will be given a value of 0, while companies that do voluntary auditor switching will be given a value of 1 (Umdiana & Siska, 2021).

Dummy variable, whereas:

Code 1: Companies that perform voluntary auditor switching

Code 0: Companies that do not perform voluntary auditor switching

3.3.2 Independent Variables

Independent variables are various variables that are the cause of changes or the emergence of dependent variables (Sugiyono, 2019).

3.3.2.1 Public Accounting Firm (KAP) Size

The first independent variable used is public accounting firm size. The size here is the same as the reputation of a public accounting firm. It is divided into 2 parts, namely public accounting firms affiliated with the big 4 and public accounting firms that are not affiliated with the big 4. This variable will be measured using a *dummy variable*, code 1 will be given to companies audited by a big-four affiliated firm, while code 0 will be given to those that use the public accounting firms not affiliated with the big 4.

Dummy variable, whereas:

Code 1: Companies audited by a public accounting firm affiliated with the big 4

Code 0: Companies audited by a public accounting firm non-affiliated with the big 4

3.3.2.2 Audit Fee

The second independent variable is the audit fee. This audit fee is measured using the *natural logarithm* of professional fees. This professional fee can be seen from the notes on the company's financial statements in the administrative and general expense accounts. However, not every company in Indonesia includes the data regarding audit fees in the annual report.

Natural Logarithm, whereas:

=LN(ProfessionalFee)

3.3.2.3 Aud

Furthermore, the variable used is audit delay. Audit delay is measured by counting the number of days from the closing date of the financial year, namely December 31 until the date of signing the audit report by the auditor in the company's annual report. According to Bapepam regulations, a company that publishes financial statements for more than *90 days* mean that the company experiences audit delay. It will use *dummy variable* where code 1 will be given to the company that experienced an audit delay and code 0 will be given to the company with no audit delay experience.

Dummy Variable, whereas:

Code 1: Company experienced audit delay

Code 0: Company that does not experienced audit delay

3.3.2.4 Modified Audit Opinion

The fourth variable used in this study is a modified audit opinion. Audit opinion is an opinion given by the external auditor on the fairness of the company's financial statements. The way to calculate this variable is to use a *dummy variable*; the company will be given a code 1 if it obtains other than an unqualified opinion, while the company will be given a code 0 if it obtains an unqualified opinion.

Dummy variable, whereas:
Code 1: Companies obtain other than unqualified opinion
Code 0: Companies obtain unqualified opinion

3.3.2.5 Turnover Management

The last variable is management turnover. Management turnover is the replacement of the board of directors who will manage all company activities. Management turnover will be measured using a *dummy variable*, the code 1 will represent companies that experienced management turnover, while the code 0 will represent companies that have not experienced management turnover.

Dummy variable, whereas:
Code 1: Companies experienced management turnover
Code 0: Companies not experienced management turnover

3.4 Analysis Method

All research data that has been collected will then be processed and analyzed until it can provide answers to the problems presented in this research. The tool to process and analyze the data is SPSS software version 22. First step, the analysis method using descriptive statistics is used to interpret a number of data from the population so that it can be easily understood. After that Logistic regression analysis is used to test whether there is a probability that the dependent variable can be predicted by the independent variable (Ghozali, 2013). The methods and techniques of analysis are carried out in the following stages:

3.4.1 Descriptive Statistic

Descriptive statistics are data analysis techniques by explaining data in general or generalization, by calculating the minimum, maximum, mean, median, and standard deviation values (Sugiyono, 2019). Therefore, descriptive statistics are used to provide a description of the data from the dependent variable, namely auditor switching and the independent variables namely public accounting firm size, audit fees, audit delay, modified audit opinion, and management turnover which are then presented with descriptive statistical tables in minimum value, maximum value, mean, and standard deviation.

3.4.2 Statistic Test

After that, a statistical test will be carried out using Logistic Regression Analysis. It is an analysis that tests whether there is a likelihood of the dependent variable can be predicted by the independent variable. There is a four-stage test in the logistic regression analysis, namely overall model fit, Hosmer and Lemeshow's goodness of fit test, coefficient of determination (Nagelkerke's R Square), and classification matrix (Ghozali, 2013).

3.4.2.1 Overall Model Fit

The first step is to use the overall model fit analysis. The hypothesis used is as follows:

H0: The hypothesized model fit the data.

H1: The hypothesized model does not fit the data.

The statistics used are based on likelihood. Likelihood L is the probability that the hypothesized model describes the input data. To test the hypothesis, L is transformed into -2log, from this test it will be seen the difference between the initial and final -2log. The decrease from -2LogL will later prove a better regression model (Ghozali, 2013).

3.4.2.2 Hosmer and Lemeshow's Goodness of Fit Test

Next is goodness of fit test which is assessed using Hosmer and Lemeshow's, and is measured using the chi square value. The hypothesis of the goodness of fit test are as follows:

- If the probability value (P-Value) ≤ 0.05, then H0 is rejected, because it means that there is a significant difference between the model and the observed value. This indicates that the goodness of fit test cannot predict the observed value.

- If the probability value (P-Value) ≥ 0.05 then H0 is accepted, which means that the model is in accordance with the observed value. It indicates the goodness of fit test can predict the observed value.

The function of this model is to find out that there is no difference between the model and the data so that the model can be said to fit (Ghozali, 2013).

3.4.2.3 Nagelkerke's R Square

The Nagelkerke R Square is a modification of the Cox and Snell coefficient to ensure that the value will vary from 0 (zero) to 1 (one).

- If the Nagelkerke R Square value is close to 0, it means the variable's ability to explain the dependent variable is very limited.
- If the Nagelkerke R Square value is close to 1, it means that the independent variable is able to provide all the information needed to predict the variability of the dependent variable (Ghozali, 2013).

3.4.2.4 Classification Matrix

The classification matrix is used to explain the strength of the regression model in predicting the possibility of performing auditor switching by a company. Classification table 2 x 2, is used to measure correct and incorrect estimated values (Ghozali, 2013).

3.4.2.5 Formed Logistic Regression Model

The variables of this study will be measured using logistic regression analysis. The aim is to see the effect of one variable on another. From this analysis,

$$\text{ASwitch} = \beta_0 + \beta_1\text{KAP} + \beta_2\text{AF} + \beta_3\text{AD} + \beta_4\text{MAO} + \beta_5\text{MT} +$$

it will be seen the influence of Public Accounting Firm (KAP) Size, Audit Fee, Audit Delay, Modified Audit Opinion, and Management Turnover on Auditor Switching. The model for this analysis is as follows (Umdiana and Siska, 2021):

Explanation:

ASwitch: Auditor switching

β_0: Constant

β_1KAP: Public accounting firm (KAP) size

β_2AF: Audit fee

β_3AD: Audit delay

β_4MAO: Modified Audit opinion

β_5MT: Management turnover

e: Residual error

3.4.3 Hypothesis Testing

The last is hypothesis testing. Hypothesis testing aims to determine whether the independent variables used in this study, namely Public Accounting Firm (KAP) Size, Audit Fee, Audit Delay, Modified Audit Opinion, and Management Turnover each have an influence on the dependent variable, namely

Auditor Switching. This hypothesis test is carried out by comparing the significance level (sig) with the error rate (α) = 0.05 (5%).

- If the sig value < 0.05, then the first hypothesis is accepted. This means that the independent variable has an effect on the dependent variable.
- If the sig value > 0.05, then the first hypothesis is rejected. This means that the independent variable has no effect on the dependent variable.

CHAPTER IV

RESEARCH RESULT AND DISCUSSION

This chapter presents the analysis data which in turn explain the results of each variable to find out the influence of Public Accounting Firm (KAP) Size, Audit Fee, Audit Delay, Modified Audit Opinion, and Management Turnover on Auditor Switching of state-owned enterprises listed on the Indonesian Stock Exchange for the 2017-2021 period.

4.1 Research Object Description

The objects of this research are state-owned companies listed on the Indonesian stock exchange from 2017-2021. The selection of this sample was carried out using a purposive sampling technique in which the sample were selected based on the criteria set by the author. Based on the criteria, the selected companies are as follows:

Table 4.1

Sample Selection Result

No.	Criteria	Total
1.	State-owned enterprises listed on the Indonesian stock exchange for 2017-2021	22 Companies
2.	State-owned enterprises that not publish financial reports from 2017-2021 publicly	(0) Companies
3.	State-owned enterprises that not provide professional fees account in the annual financial statements	(8) Companies
4.	State-owned enterprises that have not conducted auditor switching (the displacement of certified public accountant firm or public accountant) during 2017-2021	(0) Companies
Total Companies		**14 Companies**
Years of Observation		**5 Years**
Total Sample of Research		**70**

After collecting the research sample, data analysis was then carried out which included descriptive analysis and logistic regression analysis.

4.2 Descriptive Statistics

This analysis is used to explain the sample used in the study. In this analysis there are minimum, maximum, mean, and standard deviation value. Descriptive statistics of each variable are as follows:

Table 4.2

Descriptive Statistics Result

	N	Minimum	Maximum	Mean	Std. Deviation
ASWITCH	70	0	1	0.54	0.502
KAP	70	0	1	0.84	0.367
AF	70	15.56	27.61	19.7909	3.27776
AD	70	0	1	0.17	0.380
MAO	70	0	1	0.44	0.500
MT	70	0	1	0.43	0.498
Valid N (listwise)	70				

Source: *SPSS output data, 2023*

Based on the results of the descriptive analysis in the table above, several conclusions can be drawn as follows:

1. The ASWITCH (Auditor Switching) variable uses a dummy variable where code 1 is given to companies that do auditor switching and code 0 is given to companies that do not do auditor switching. The maximum number is 1 and the minimum number is 0. The mean of this variable is 0.54 which indicates that 54% of BUMN companies carry out auditor switching. Then the standard deviation is 0.502.
2. The KAP variable that implies the size of the KAP used by the company has a minimum value of 0 and maximum value of 1 where 0 is given to companies that do not use KAP affiliated with big 4 and code 1 is given to companies that use KAP affiliated with big 4, this variable uses the

variable dummy. The mean value obtained is 0.84 and the standard deviation is 0.367.

3. Next is the variable AF (Audit Fee), this variable is calculated using natural logarithm which produces a minimum value of 15.56 and a maximum value of 27.61. Then this variable produces a mean of 19.7909 and a standard deviation of 3.27776.
4. The fourth variable is AD (Audit Delay), the lowest value is 0 which means the company does not experience audit delay and the highest value is 1 which means the company experiences audit delay. The mean of this variable is 0.17 and the standard deviation obtained is 0.380.
5. Variable MAO (Modified Audit Opinion) uses the dummy variable method where code 0 is used for companies that get unqualified opinions while code 1 is used for companies that get audit results other than unqualified opinions. The resulting mean is 0.44 while the standard deviation is 0.500.
6. Last variable, the MT (Management Turnover) variable uses a dummy variable. The minimum value is 0, which means the company has not experienced management turnover during the specified period, then the maximum value is 1, which means the company has experienced management turnover. Meanwhile, the mean value is 0.43 and the standard deviation is 0.498.

4.3 Logistic Regression Analysis

Because the dependent variable is dichotomous (perform auditor switching and not perform auditor switching), the hypothesis testing is carried out using a logistic regression test. This analysis is used to prove hypotheses one to five, the stages of the logistic regression test are as follows:

4.3.1 Overall Model Fit

The overall fit of this model aims to test whether the hypothesized model fits the data. This test is carried out by comparing the initial value at -2 log likelihood (block number = 0) when the independent variables have not been included, and the final value (block number = 1) when all independent variables have been included.

Table 4.3

Block Number = 0

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	96.526	0.171
	2	96.526	0.172

Source: SPSS output data, 2023

Table 4.4

Block Number = 1

Iteration		-2 Log likelihood	Coefficients					
			Constant	KAP	AF	AD	AO	MT
Step 1	1	91.057	-1.216	-0.424	0.070	-0.278	1.016	-0.120
	2	91.023	-1.330	-0.488	0.079	-0.313	1.078	-0.115
	3	91.023	-1.333	-0.490	0.079	-0.314	1.079	-0.114
	4	91.023	-1.333	-0.490	0.079	-0.314	1.079	-0.114

Source: SPSS output data, 2023

From the results above, it can be seen that the initial -2 log likelihood value when block number = 0 gets a value of 96.526 then when -2 log likelihood block number = 1 decreases to 91.023. This decrease shows that the model hypothesis is fit with the data.

4.3.2 Hosmer and Lemeshow's Goodness of Fit Test

In the Hosmer and Lemeshow goodness of fit test, if a value equal to or <0.05 is obtained, the hypothesis indicates that there is a significant difference between the model and the observed value. Meanwhile, if the value obtained is >

0.05, the hypothesis cannot be rejected, which means the model can predict the observed value.

Table 4.5

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	7.291	8	0.506

Source: SPSS output data, 2023

From the table above, the chi-square result is 7.291 and the significant result is 0.506. It can be concluded that the significant value obtained is greater than 0.05, meaning that this regression model is suitable for use in this study because there is no difference between the model and the observed value.

4.3.3 Nagelkerke's R Square

The value in Nagelkerke's R Square varies greatly from 0 to 1. The results of this test are used to see whether the independent variables used in this study are sufficient to explain the dependent variable. The results obtained are as follows:

Table 4.6

Nagelkerke's R Square Test Result

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	91.023	0.076	0.101

Source: SPSS output data, 2023

Table 4.6 shows that Nagelkerke's R Square gets a value of 0.101, which means that the independent variables used in this study (public accounting firm (KAP) size, audit fee, audit delay, modified audit opinion, and management turnover) can explain the dependent variable (auditor switching) of 10.1% while 89.9% is explained by other variables excluded in this study.

4.3.4 Classification Matrix

This classification table will show the predictive power of the regression model for the possibility of the enterprises conducting auditor switching.

Table 4.7

Classification Matrix Test Result

	Observed		Predicted		
			ASWITCH		Percentage Correct
			0	1	
Step 1	ASWITCH	**0**	19	13	59.4
		1	12	26	68.4
	Overall Percentage				**64.3**

Source: SPSS output data, 2023

The table demonstrates that the prediction of the regression model to predict the possibility of SOEs conducting auditor switching is 68.4%. Meanwhile, the prediction of the regression model for the possibility of SOEs not switching auditors is 59.4%. Then from these results, it can also be seen that the predictive power of the regression model is 64.3%.

4.3.5 Formed Logistic Regression Model

This analysis aims to determine the effect of the independent variable on the dependent variable by testing the level of the regression coefficient on each independent variable. The following is the results of the regression analysis:

Table 4.8

Results of the Logistic Regression Coefficient Test

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	**KAP**	-0.490	0.726	0.456	1	0.500	0.613
	AF	0.079	0.086	0.838	1	0.360	1.082
	AD	-0.314	0.780	0.162	1	0.687	0.730

	MAO	1.079	0.529	4.158	1	0.041	2.941
	MT	-0.114	0.524	0.048	1	0.827	0.892
	Constant	-1.333	1.805	0.546	1	0.460	0.264

Source: SPSS output data, 2023

Based on the test results above, a logistic regression equation model is formed as follows:

ASwitch =-1.333 - 0.490KAP + 0.079AF – 0.314AD + 1.079MAO – 0.114MT + e

From the model above, the following is an explanation of the interpretation of each regression coefficient value:

1. The table above shows the constant of the regression model is -1.333. This negative result indicates the possibility of not performing auditor switching assuming all independent variables are constant.
2. The variable public accounting firm (KAP) size has a regression coefficient value of -0.490. These results indicate that if a company uses the big-four firms, the chances for the company to perform auditor switching decrease by 0.490 times compared to those that do not use the big four firms assuming other independent variables are constant.
3. The audit fee variable has a regression coefficient value of 0.079. This shows that the higher the increase in the audit fee, the company's decision to conduct auditor switching will increase by 0.079 times compared if there is no increase in audit fee, assuming other independent variables are constant.

4. The audit delay variable has a coefficient value of -0.314. This means that if a company does not experience audit delay, the opportunity to perform auditor switching decreases by 0.314 times compared to those that experience audit delay, assuming the other independent variables are constant.
5. The modified audit opinion variable has a coefficient value of 1.079. This means that if a company gets other than unqualified opinion, then the company's chances to perform auditor switching will increase by 1.079 times compared to those that get an unqualified opinion, assuming the other independent variables are constant.
6. The management turnover variable gets a coefficient value of -0.114. This result indicates that if the companies do not do management turnover then the opportunity to perform auditor switching will decrease by 0.114 times compared to those that do management turnover, assuming other independent variables are constant.

4.4 Discussion of Research Results

The following is a summary table of the results of hypothesis testing:

Table 4.9

Hypothesis Testing Result

	Hypothesis	Sig Value	Result
H1	Public Accounting Firm (KAP) size has a significant positive influence on Auditor Switching	0.500	Rejected

H2	Audit Fee has a significant negative influence on Auditor Switching	0.360	Rejected
H3	Audit Delay has a significant positive influence on Auditor Switching	0.687	Rejected
H4	Modified Audit Opinion has a significant positive influence on Auditor Switching	0.041	Accepted
H5	Management Turnover has a significant positive influence on Auditor Switching	0.827	Rejected

4.4.1 Influence of Public Accounting Firm (KAP) on Auditor Switching

In Indonesia, KAP size is divided into 2, namely big four KAP and non-big four KAP. In general, the big four KAPs are considered to have higher audit quality and can increase the public's trust in the company's financial statements. But it turns out that the KAP size has no effect on auditor turnover.

The test on the first hypothesis has yielded a sig value of 0.500. Such a sig value is greater than 0.05 which means 0.500 > 0.05. This indicates that public accounting firm (KAP) size has no influence on auditor switching. This result indicates that the first hypothesis "Public Accounting Firm (KAP) has a significant positive influence on Auditor Switching" is rejected.

This research finding does not support the finding by Manto & Manda (2018), Safriliana & Muawanah (2019), Cahyono & Sari (2022). However, it is in line with the research conducted by Widnyani & Muliartha (2018), Ma'summah (2022) which found that public accounting firm had no influence on auditor switching. These results prove that the size or reputation of the KAP has no influence on the company's decision to perform auditor switching. To put it simply, if the companies have worked with KAP affiliated with the big 4, and they decided to do auditor switching, they will still use KAP affiliated with the big 4. The same case in companies that have collaborated and used the services of KAP not affiliated with the big 4, then when they have to perform auditor switching, they will also choose KAP that is not affiliated with the big 4. To conclude, if the company decides to do auditor switching, the company will choose KAP with the same reputation as the KAP was used before. Thus, the size of the KAP does not affect the company to do auditor switching. From the explanation above, it means that the public accounting firm (KAP) size is not one of the reasons for state-owned enterprises to perform auditor switching.

4.4.2 Influence of Audit Fee on Auditor Switching

An audit fee is the level of fee offered by public accounting firms to clients. It is a fee that has been approved and agreed upon by both parties. Audit fee also varies depending on the difficulty level of the auditor's work when auditing a company.

Testing the second hypothesis has yielded a sig value of 0.360 where the sig value is greater than 0.05. It means the first hypothesis "Audit Fee has a significant negative influence on Auditor Switching" is rejected. It indicates that there is no influence from the audit fee towards auditor switching.

This research finding differs from research conducted by Adli & Suryani (2019), Anggadi & Triyanto (2022), but it is similar and supports the research conducted by Cahyono & Sari (2022), Pratama & Ardiati (2022) which found that audit fee has no influence on auditor switching. This is because the companies sampled in this study are large companies that have large amounts of finance, so audit fee is not a problem for them or does not cause them to do auditor switching. It could also be due to good management's financial arrangements so that they can manage expenses and not make fees for the auditor a burden, as long as the selected auditor understands company policy and can provide benefits for the company. From the explanation above, it can be concluded that the audit fee is not one of the reasons for state-owned enterprises to perform auditor switching.

4.4.3 Influence of Audit Delay on Auditor Switching

Audit delay is the length of time for audit completion, calculated from the closing date of the financial year until the audit report is signed by the auditor. According to the Regulation of the Capital Market Supervisory Agency (BAPEPAM) Number: KEP-346/BL/2011, the maximum limit for submitting audited financial reports is 90 days. If it is more than 90 days then it will be a question of the company's financial statements, investors and the public will assume that the company is experiencing a problem.

The third hypothesis has a sig value of 0.687 which is greater than 0.05 $0.687 > 0.05$ indicating that the independent variable has no effect on the dependent variable. So the third hypothesis "Audit Delay has a significant positive influence on Auditor Switching" is rejected.

This research finding is not in line with research conducted by Fenadi (2019), Stevani & Siagian (2020), Anggadi & Triyanto (2022). But it supports the research conducted by Widajantie & Dewi (2020) who also found that the audit delay variable had no influence on auditor switching. This is because the companies used as the research sample on average receive audit reports within 65 days. Out of 70 data in the research sample, only 12 experienced delays in publishing their audited financial statements. The 12 data that experienced audit delay, in the following year, did not immediately perform auditor switching. In fact, several companies that did not experience audit delay at all instead did auditor switching in the following year. Therefore, experiencing or not experiencing audit delay would not influence the company's decision to conduct auditor switching. From the explanation above, it can be concluded that audit delay is not one of the reasons for state-owned enterprises to conduct auditor switching.

4.4.4 Influence of Modified Audit Opinion on Auditor Switching

Audit opinion is the opinion given by the auditor on the fairness of the company's financial statements. The auditor's opinion is divided into unqualified opinion, unqualified opinion with explanatory paragraph, qualified opinion, adverse opinion, and disclaimer of opinion. In SA 705, the auditor is required to modify the opinion in the auditor's report. When the auditor concludes that based on the audit evidence obtained, the financial statements as a whole are not free of material misstatement, the auditor must provide an explanation in the audit report. The company certainly wants to get an unqualified opinion from the auditor hence raising the credibility of its financial statements.

This research finding shows that modified audit opinion has a significant positive influence on auditor switching because the sig value obtained is 0.041 which is smaller than 0.05. It means that there is a positive effect of the modified audit opinion variable on the auditor switching variable. So hypothesis 4 stating that "Modified Audit Opinion has a significant positive influence on Auditor Switching" is accepted.

This finding supports the research conducted by Rahmi, Stefano et al. (2019), Muaqilah et al. (2021), Tjahjono & Khairunissa (2021) which found that modified audit opinion had a significant positive influence on auditor switching. The results of this study prove that the quality of the opinion issued by the auditor can be a reason for companies to conduct auditor switching. If the auditor cannot provide an unqualified opinion, the company will tend to make a decision to switch auditors so that the company can get an opinion as expected as the opinion generated by an auditor can greatly influence the credibility of the company, especially as an attraction for investors. Therefore, the company will continue to look for auditors and public accounting firms (KAP) who can provide opinions aligned with the company's wants. Thus, modified audit opinion is one of the reasons for state-owned enterprises to conduct auditor switching.

4.4.5 Influence of Management Turnover on Auditor Switching

Management turnover is a change in manager's position for a certain period. This position change is usually done in order that the company is able to update performance and also business strategy. By doing management turnover, there will likely be a change in the manager's view of regulations on their accounting method; this is expected to be one of the causes for companies to perform auditor switching.

This research finding reveals that management turnover has no effect on auditor switching. This variable gets a sig value of 0.827 which is greater than 0.05. This means that the independent variable – management turnover does not have an effect on the dependent variable - auditor switching. So hypothesis five "Management Turnover has a significant positive influence on Auditor Switching" is rejected.

This research finding is not in line with research conducted by Winata & Anisykurlilah (2017), Wulandari & Suputra (2018), Pratama & Ardiati (2022). However, it is in line with the research conducted by Umdiana & Siska (2021), Tjahjono & Khairunissa (2021), Ma'summah (2022) who also found that management turnover had no influence on auditor switching. This can happen because by performing management turnover, it is not certain that the new manager will immediately change the company policy or accounting policies used before. Even if the new manager changes the accounting policy, the new manager can still use the services of the last auditor or public accounting firm by negotiating the new policy. Therefore, every time a company experiences management turnover, it is not certain that the company will also change the auditor or change the public accounting firm. Thus, management turnover is not one of the reasons for state-owned enterprises to conduct auditor switching.

CHAPTER V

CONCLUSIONS

5.1 Conclusions

From the research conducted, a few conclusions are drawn as follows:

1. Public accounting firm (KAP) size has no influence on auditor switching. This shows that if the company is required to perform auditor switching, the company will choose to replace it with public accounting firm (KAP) that has the same reputation as the previous one.
2. Audit fee has no influence on auditor switching. This indicates that for large companies, offering a relatively high audit fee will not becoming a problem if the auditor chosen is in accordance with what the manager needs.
3. Audit delay has no influence on auditor switching. This means that experiencing or not experiencing audit delay, it will not affect a company to conduct auditor switching.
4. Modified audit opinion has a significant positive influence on auditor switching. This indicates that the opinion given by the auditor is a reason for the company to perform auditor switching because the opinion obtained will greatly affect public' and investors' trusts on the company.
5. Management turnover has no influence on auditor switching. This means that if the company experiences management turnover, the new management policy does not necessarily require auditor switching because this can be negotiated with the previous auditor/KAP.

5.2 Limitations

There are several limitations in this study such as:

1. This study only examines the variables of public accounting firm (KAP) size, audit fee, audit delay, modified audit opinion, and management turnover. Meanwhile, other independent variables that might also be the cause of state-owned enterprises conducting auditor switching are not tested in this study.
2. There are several state-owned enterprises that do not include audit fee in their financial reports, only 14 out of 22 total state-owned enterprises which can be used as the research sample. Hence, the research findings are perceived to inadequately represent the phenomenon of auditor switching in state-owned enterprises listed on IDX.

5.3 Suggestions

By considering the results and limitations of this study, the researcher has the following suggestions:

1. For Future Researchers:
   a It is recommended that future research add more variables that might cause auditor switching such as financial distress, company size, profitability, audit tenure, and other variables so that the research model will be improved.
   b It is recommended that further studies investigate other sectors as well such as companies in the finance, mining, property, and real estate sectors which are listed on the IDX.

2. <u>For Companies:</u>

   a This research is expected to make companies conducting auditor switching more carefully. If the company gets an unwanted results, the company is expected to evaluate so that the companies does not immediately carry out auditor switching.

   b With this research, it is hoped that companies can further improve their financial statements and present them in accordance with existing accounting principles so that companies will not experience problems that can hinder the audit process.

3. <u>For Investors:</u>

   a This research findings might help the investors to pay more attention to the audited financial statements published by the company before making a decision to invest in the company in order to prevent the mistakes in decision making.

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APPENDICES

Appendix 1 (Companies Sample)

No.	Code	Company's Name
1.	ANTM	PT Aneka Tambang, Tbk.
2.	TINS	PT Timah, Tbk.
3.	GIAA	PT Garuda Indonesia (Persero), Tbk.
4.	JSMR	PT Jasa Marga (Persero), Tbk.
5.	KAEF	PT Kimia Farma (Persero), Tbk.
6.	KRAS	PT Krakatau Steel (Persero), Tbk.
7.	SMBR	PT Semen Baturaja (Persero), Tbk.
8.	SMGR	PT Semen Indonesia (Persero), Tbk.
9.	TLKM	PT Telekomunikasi Indonesia, Tbk.
10.	BBTN	PT Bank Tabungan Negara (Persero), Tbk.
11.	BBNI	PT Bank Negara Indonesia (Persero), Tbk.
12.	BMRI	PT Bank Mandiri (Persero), Tbk.
13.	BBRI	PT Bank Rakyat Indonesia (Persero), Tbk.
14.	AGRO	PT Bank Raya Indonesia Tbk.

Appendix 2 (Auditor Switching Data of SOEs 2017-2021)

No.	Code	Year	Code	How Many Switching
1.	ANTM	2017	1	2
		2018	0	
		2019	1	
		2020	0	
		2021	0	
2.	TINS	2017	0	1
		2018	0	
		2019	1	
		2020	0	
		2021	0	
3.	GIAA	2017	1	4
		2018	1	
		2019	1	
		2020	0	
		2021	1	
4.	JSMR	2017	1	3
		2018	1	
		2019	0	
		2020	1	
		2021	0	
5.	KAEF	2017	0	4
		2018	1	
		2019	1	
		2020	1	
		2021	1	
6.	KRAS	2017	0	2
		2018	1	
		2019	1	
		2020	0	
		2021	0	
7.	SMBR	2017	0	2
		2018	0	
		2019	1	
		2020	1	
		2021	0	
8.	SMGR	2017	0	2
		2018	0	
		2019	1	
		2020	1	
		2021	0	
9.	TLKM	2017	1	3
		2018	0	
		2019	1	
		2020	0	
		2021	1	
10.	BBTN	2017	1	4
		2018	0	
		2019	1	
		2020	1	
		2021	1	
11.	BBNI	2017	0	3
		2018	1	
		2019	0	
		2020	1	
		2021	1	
12.	BMRI	2017	0	2
		2018	1	
		2019	0	
		2020	0	
		2021	1	
13.	BBRI	2017	1	2
		2018	0	
		2019	0	
		2020	1	
		2021	1	
14.	AGRO	2017	1	3
		2018	0	
		2019	1	
		2020	1	
		2021	0	

Appendix 3 (KAP Size Data of SOEs 2017-2021)

No.	Code	Year of Annnual Report	Code
1.	ANTM	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
2.	TINS	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
3.	GIAA	2017	1
		2018	0
		2019	1
		2020	1
		2021	1
4.	JSMR	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
5.	KAEF	2017	0
		2018	0
		2019	0
		2020	0
		2021	0
6.	KRAS	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
7.	SMBR	2017	0
		2018	0
		2019	0
		2020	0
		2021	0
8.	SMGR	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
9.	TLKM	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
10.	BBTN	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
11.	BBNI	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
12.	BMRI	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
13.	BBRI	2017	1
		2018	1
		2019	1
		2020	1
		2021	1
14.	AGRO	2017	1
		2018	1
		2019	1
		2020	1
		2021	1

Appendix 4 (Audit Fee Data of SOEs 2017-2021)

No.	Code	Year	Professional Fee (Rp)	Natural Logarithm
1.	ANTM	2017	30.023.544	17,22
		2018	68.879.696	18,05
		2019	111.310.197	18,53
		2020	130.162.852	18,68
		2021	332.714.000	19,62
2.	TINS	2017	75.490.000	18,14
		2018	91.861.000	18,34
		2019	114.218.000	18,55
		2020	95.772.000	18,38
		2021	105.711.000	18,48
3.	GIAA	2017	170.952.132.288	25,86
		2018	153.990.881.595	25,76
		2019	120.747.602.953	25,52
		2020	103.780.019.980	25,37
		2021	273.172.984.652	26,33
4.	JSMR	2017	48.819.165	17,70
		2018	84.369.537	18,25
		2019	102.914.000	18,45
		2020	72.455.000	18,10
		2021	69.688.000	18,06
5.	KAEF	2017	20.625.852.383	23,75
		2018	42.313.011.958	24,47
		2019	108.034.329	18,50
		2020	61.225.866	17,93
		2021	85.500.550	18,26
6.	KRAS	2017	33.775.164	17,34
		2018	45.759.960	17,64
		2019	185.522.746	19,04
		2020	201.433.505	19,12
		2021	173.610.923	18,97
7.	SMBR	2017	7.393.649	15,82
		2018	8.500.031	15,96
		2019	15.999.985	16,59
		2020	31.749.745	17,27
		2021	30.123.885	17,22
8.	SMGR	2017	96.903.822	18,39
		2018	254.157.062	19,35
		2019	198.766.000	19,11
		2020	183.588.000	19,03
		2021	181.596.000	19,02
9.	TLKM	2017	498.000.000.000	26,93
		2018	823.000.000.000	27,44
		2019	793.000.000.000	27,40
		2020	981.000.000.000	27,61
		2021	789.000.000.000	27,39
10.	BBTN	2017	92.021.000	18,34
		2018	100.811.000	18,43
		2019	113.041.000	18,54
		2020	109.071.000	18,51
		2021	160.933.000	18,90
11.	BBNI	2017	50.868.000	17,74
		2018	62.364.000	17,95
		2019	73.272.000	18,11
		2020	51.062.000	17,75
		2021	290.921.000	19,49
12.	BMRI	2017	3.728.299.000	22,04
		2018	4.123.776.000	22,14
		2019	4.220.894.000	22,16
		2020	4.173.171.000	22,15
		2021	4.469.373.000	22,22
13.	BBRI	2017	161.233.000	18,90
		2018	267.230.000	19,40
		2019	291.150.000	19,49
		2020	387.818.000	19,78
		2021	693.611.000	20,36
14.	AGRO	2017	6.028.391	15,61
		2018	5.726.499	15,56
		2019	9.000.008	16,01
		2020	11.507.319	16,26
		2021	15.866.410	16,58

Appendix 5 (Audit Delay Data of SOEs 2017-2021)

No.	Code	Year	Approval Audit Date	Audit Delay	Dummy Variabel
1.	ANTM	2017	March 09, 2018	68	0
		2018	March 05, 2019	64	0
		2019	April 13, 2020	104	1
		2020	March 12, 2021	71	0
		2021	March 15, 2022	74	0
2.	TINS	2017	February 28, 2018	59	0
		2018	March 6, 2019	65	0
		2019	April 14, 2020	105	1
		2020	March 12, 2021	71	0
		2021	March 11, 2022	70	0
3.	GIAA	2017	February 21, 2018	52	0
		2018	March 28, 2019	87	0
		2019	March 27, 2020	87	0
		2020	July 15, 2021	196	1
		2021	July 11, 2022	192	1
4.	JSMR	2017	January 31, 2018	31	0
		2018	March 8, 2019	67	0
		2019	April 17, 2020	108	1
		2020	March 26, 2021	85	0
		2021	March 18, 2022	77	0
5.	KAEF	2017	February 19, 2018	50	0
		2018	February 22, 2019	53	0
		2019	March 13, 2020	73	0
		2020	March 22, 2021	81	0
		2021	March 21, 2022	80	0
6.	KRAS	2017	March 9, 2018	68	0
		2018	March 29, 2019	88	0
		2019	April 03, 2020	94	1
		2020	May 24, 2021	144	1
		2021	March 31, 2022	90	0
7.	SMBR	2017	January 22, 2018	22	0
		2018	February 14, 2019	45	0
		2019	February 14, 2020	45	0
		2020	February 22, 2021	53	0
		2021	February 15, 2022	46	0
8.	SMGR	2017	February 23, 2018	54	0
		2018	March 30, 2019	89	0
		2019	March 12, 2020	72	0
		2020	February 26, 2021	57	0
		2021	February 25, 2022	56	0
9.	TLKM	2017	March 12, 2018	71	0
		2018	April 29, 2019	119	1
		2019	May 25, 2020	146	1
		2020	April 29, 2021	119	1
		2021	April 18, 2022	108	1
10.	BBTN	2017	February 14, 2018	45	0
		2018	March 28, 2019	87	0
		2019	February 14, 2020	45	0
		2020	February 10, 2021	41	0
		2021	February 7, 2022	38	0
11.	BBNI	2017	January 15, 2018	15	0
		2018	January 16, 2019	16	0
		2019	January 20, 2020	20	0
		2020	January 22, 2021	22	0
		2021	January 21, 2022	21	0
12.	BMRI	2017	January 31, 2018	31	0
		2018	January 28, 2019	28	0
		2019	January 23, 2020	23	0
		2020	January 21, 2021	21	0
		2021	January 27, 2022	27	0
13.	BBRI	2017	January 24, 2018	24	0
		2018	January 30, 2019	30	0
		2019	January 24, 2020	24	0
		2020	January 29, 2021	29	0
		2021	February 3, 2022	34	0
14.	AGRO	2017	February 6, 2018	37	0
		2018	March 5, 2019	64	0
		2019	January 28, 2020	28	0
		2020	April 5, 2021	95	1
		2021	March 28, 2022	87	0

Appendix 6 (Modified Audit Opinion Data of SOEs 2017-2021)

No.	Code	Year	Code
1.	ANTM	2017	1
		2018	0
		2019	1
		2020	1
		2021	0
2.	TINS	2017	0
		2018	1
		2019	1
		2020	0
		2021	0
3.	GIAA	2017	0
		2018	1
		2019	1
		2020	1
		2021	1
4.	JSMR	2017	1
		2018	0
		2019	1
		2020	0
		2021	0
5.	KAEF	2017	1
		2018	0
		2019	1
		2020	1
		2021	0
6.	KRAS	2017	0
		2018	0
		2019	1
		2020	1
		2021	1
7.	SMBR	2017	0
		2018	0
		2019	0
		2020	1
		2021	0
8.	SMGR	2017	0
		2018	1
		2019	1
		2020	0
		2021	0
9.	TLKM	2017	0
		2018	0
		2019	1
		2020	0
		2021	0
10.	BBTN	2017	1
		2018	0
		2019	0
		2020	1
		2021	0
11.	BBNI	2017	0
		2018	1
		2019	0
		2020	1
		2021	0
12.	BMRI	2017	1
		2018	0
		2019	0
		2020	0
		2021	0
13.	BBRI	2017	1
		2018	0
		2019	0
		2020	1
		2021	0
14.	AGRO	2017	1
		2018	0
		2019	1
		2020	0
		2021	1

Appendix 7 (Management Turnover Data of SOEs 2017-2021)

No.	Code	Year	Code	How many Management Turnover
1.	ANTM	2017	1	3
		2018	0	
		2019	1	
		2020	0	
		2021	1	
2.	TINS	2017	0	1
		2018	0	
		2019	0	
		2020	0	
		2021	1	
3.	GIAA	2017	1	3
		2018	1	
		2019	1	
		2020	0	
		2021	0	
4.	JSMR	2017	0	1
		2018	0	
		2019	0	
		2020	1	
		2021	0	
5.	KAEF	2017	1	2
		2018	0	
		2019	1	
		2020	0	
		2021	0	
6.	KRAS	2017	1	2
		2018	1	
		2019	0	
		2020	0	
		2021	0	
7.	SMBR	2017	1	2
		2018	1	
		2019	0	
		2020	0	
		2021	0	
8.	SMGR	2017	1	3
		2018	1	
		2019	0	
		2020	0	
		2021	1	
9.	TLKM	2017	0	1
		2018	0	
		2019	1	
		2020	0	
		2021	0	
10.	BBTN	2017	0	3
		2018	0	
		2019	1	
		2020	1	
		2021	1	
11.	BBNI	2017	0	1
		2018	0	
		2019	0	
		2020	1	
		2021	0	
12.	BMRI	2017	0	2
		2018	0	
		2019	1	
		2020	1	
		2021	0	
13.	BBRI	2017	1	2
		2018	0	
		2019	1	
		2020	0	
		2021	0	
14.	AGRO	2017	1	4
		2018	1	
		2019	1	
		2020	0	
		2021	1	

Appendix 8 (Processing Data with SPSS 22 Version)

1. Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
ASWITCH	70	0	1	0.54	0.502
KAP	70	0	1	0.84	0.367
AF	70	15.56	27.61	19.7909	3.27776
AD	70	0	1	0.17	0.380
MAO	70	0	1	0.44	0.500
MT	70	0	1	0.43	0.498
Valid N (listwise)	70				

2. Logistic Regression

Unweighted Cases		**N**	**Percent**
Selected Cases	Included in Analysis	70	100.0
	Missing Cases	0	0.0
	Total	70	100.0
Unselected Cases		0	0.0
Total		**70**	**100.0**

Dependent Variable Encoding	
Original Value	Internal Value
0	0
1	1

Block 0: Beginning Block

Iteration History			
Iteration		**-2 Log likelihood**	**Coefficients**
			Constant
Step 0	1	96.526	0.171
	2	96.526	0.172

Classification Table

	Observed		Predicted		
			ASWITCH		Percentage Correct
			0	1	
Step 0	ASWITCH	0	0	32	0.0
		1	0	38	100.0
	Overall Percentage				**54.3**

Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	0.172	0.240	0.513	1	0.474	1.187

Variables not in the Equation					
			Score	df	Sig.
Step 0	Variables	KAP	0.460	1	0.498
		AF	0.553	1	0.457
		AD	0.096	1	0.757
		MAO	4.060	1	0.044
		MT	0.019	1	0.890
	Overall Statistics		5.322	5	0.378

Block 1: Method = Enter

Iteration		-2 Log likelihood	Coefficients					
			Constant	KAP	AF	AD	AO	MT
Step 1	1	91.057	-1.216	-0.424	0.070	-0.278	1.016	-0.120
	2	91.023	-1.330	-0.488	0.079	-0.313	1.078	-0.115
	3	91.023	-1.333	-0.490	0.079	-0.314	1.079	-0.114
	4	91.023	-1.333	-0.490	0.079	-0.314	1.079	-0.114

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	5.503	5	0.358
	Block	5.503	5	0.358
	Model	5.503	5	0.358

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	91.023[a]	0.076	0.101

Hosmer and Lemeshow Test			
Step	**Chi-square**	**df**	**Sig.**
1	7.291	8	0.506

Contingency Table for Hosmer and Lemeshow Test						
		ASWITCH = 0		**ASWITCH = 1**		**Total**
		Observed	**Expected**	**Observed**	**Expected**	
Step 1	1	4	4.503	3	2.497	7
	2	5	4.231	2	2.769	7
	3	5	4.145	2	2.855	7
	4	5	3.886	2	3.114	7
	5	3	3.510	4	3.490	7
	6	1	3.008	6	3.992	7
	7	2	2.667	5	4.333	7
	8	2	2.380	5	4.620	7
	9	4	2.089	3	4.911	7
	10	1	1.582	6	5.418	7

Classification Table					
	Observed		**Predicted**		
			ASWITCH		**Percentage Correct**
			0	**1**	
Step 1	ASWITCH	**0**	19	13	59.4
		1	12	26	68.4
	Overall Percentage				**64.3**

Variables in the Equation							
		B	**S.E.**	**Wald**	**df**	**Sig.**	**Exp(B)**
Step 1	**KAP**	-0.490	0.726	0.456	1	0.500	0.613
	AF	0.079	0.086	0.838	1	0.360	1.082
	AD	-0.314	0.780	0.162	1	0.687	0.730
	MAO	1.079	0.529	4.158	1	0.041	2.941
	MT	-0.114	0.524	0.048	1	0.827	0.892
	Constant	-1.333	1.805	0.546	1	0.460	0.264

Correlation Matrix							
		Constant	KAP	AF	AD	AO	MT
Step 1	**Constant**	1.000	-0.277	-0.919	0.359	-0.240	-0.141
	KAP	-0.277	1.000	-0.052	-0.153	-0.005	-0.053
	AF	-0.919	-0.052	1.000	-0.398	0.161	0.033
	AD	0.359	-0.153	-0.398	1.000	-0.276	0.227
	MAO	-0.240	-0.005	0.161	-0.276	1.000	-0.091
	MT	-0.141	-0.053	0.033	0.227	-0.091	1.000

Appendix 9 (Government Regulation of the Republic of Indonesia No. 20 year of 2015 article 11 paragraph 1)

(4) Dalam penyusunan dan penetapan SPAP sebagaimana dimaksud pada ayat (2), Asosiasi Profesi dapat membentuk organ Asosiasi Profesi yang bertugas sebagai pelaksana teknis.

(5) Keanggotaan organ Asosiasi Profesi sebagaimana dimaksud pada ayat (4) paling sedikit terdiri dari unsur Asosiasi Profesi dan akademisi di bidang akuntansi.

Pasal 9

(1) SPAP yang telah ditetapkan harus disosialisasikan kepada para pemangku kepentingan oleh Asosiasi Profesi.

(2) Sosialisasi sebagaimana dimaksud pada ayat (1) dapat dilaksanakan bersama-sama dengan Menteri.

BAB V
PEMBATASAN JASA AUDIT

Pasal 10

(1) Akuntan Publik memberikan jasa asurans, yang meliputi:
   a. audit atas informasi keuangan historis;
   b. jasa reviu atas informasi keuangan historis; dan
   c. jasa asurans lainnya.

(2) Selain jasa asurans sebagaimana dimaksud pada ayat (1), Akuntan Publik dapat memberikan jasa lainnya yang berkaitan dengan akuntansi, keuangan, dan manajemen.

(3) Pemberian jasa sebagaimana dimaksud pada ayat (1) dan ayat (2) dilakukan sesuai dengan ketentuan Peraturan Perundang-undangan.

Pasal 11

(1) Pemberian jasa audit atas informasi keuangan historis sebagaimana dimaksud dalam Pasal 10 ayat (1) huruf a terhadap suatu entitas oleh seorang Akuntan Publik dibatasi paling lama untuk 5 (lima) tahun buku berturut-turut.

(2) Entitas . . .

Appendix 10 (Bapepam Regulations Number: KEP-346/BL/2011)

LAMPIRAN
Keputusan Ketua Bapepam dan LK
Nomor : Kep-346/BL/2011
Tanggal : 5 Juli 2011

PERATURAN NOMOR X.K.2 : PENYAMPAIAN LAPORAN KEUANGAN BERKALA EMITEN ATAU PERUSAHAAN PUBLIK

1. KETENTUAN UMUM
   a. Laporan Keuangan Berkala yang dimaksud dalam peraturan ini adalah laporan keuangan tahunan dan laporan keuangan tengah tahunan Emiten atau Perusahaan Publik.
   b. Emiten atau Perusahaan Publik yang pernyataan pendaftarannya telah menjadi efektif wajib menyampaikan Laporan Keuangan Berkala kepada Bapepam dan LK paling sedikit 2 (dua) eksemplar, satu diantaranya dalam bentuk asli, dan disertai dengan laporan dalam salinan elektronik *(soft copy)*.
   c. Laporan Keuangan Berkala sebagaimana dimaksud dalam huruf b merupakan laporan keuangan lengkap yang terdiri dari:
      1) laporan posisi keuangan (neraca);
      2) laporan laba rugi komprehensif;
      3) laporan perubahan ekuitas;
      4) laporan arus kas;
      5) laporan posisi keuangan pada awal periode komparatif, jika Emiten atau Perusahaan Publik menerapkan suatu kebijakan akuntansi secara retrospektif, membuat penyajian kembali pos-pos laporan keuangan, atau mereklasifikasi pos-pos dalam laporan keuangannya; dan
      6) catatan atas laporan keuangan.
   d. Bagi Emiten atau Perusahaan Publik yang Efeknya tercatat di Bursa Efek di Indonesia dan Bursa Efek di negara lain, maka Laporan Keuangan Berkala yang disampaikan kepada Bapepam dan LK wajib memuat informasi yang sama dengan Laporan Keuangan Berkala yang disampaikan kepada otoritas pasar modal di negara lain tersebut, dan paling sedikit memenuhi ketentuan sebagaimana diatur dalam Peraturan Bapepam dan LK yang terkait dengan penyajian dan pengungkapan laporan keuangan.
2. LAPORAN KEUANGAN TAHUNAN.
   a. Laporan keuangan tahunan wajib disajikan secara perbandingan dengan periode yang sama tahun sebelumnya.
   b. Laporan keuangan tahunan wajib disertai dengan laporan Akuntan dalam rangka audit atas laporan keuangan.
   c. Laporan keuangan tahunan wajib disampaikan kepada Bapepam dan LK dan diumumkan kepada masyarakat paling lambat pada akhir bulan ketiga setelah tanggal laporan keuangan tahunan.