



The Effect of Financial Distress, Audit Fee, and Management Change on Auditor Switching

Deliana Deliana¹, Rizal Ikromi Lubis², Abdul Rahman^{3}, Meily Surianti⁴, Maheran Zakaria⁵*
^{1,2,3,4}Public Financial Accounting Study Program, Politeknik Negeri Medan, Medan, Indonesia.

⁵Faculty of Accountancy, Universiti Teknologi MARA, Kelantan, Malaysia.

*Correspondence: E-mail: abdulrahman@polmed.ac.id

ABSTRACT

The main purpose of this research is to examine the influence of financial distress, audit fees, and management changes on auditor switching among consumer non-cyclical corporations registered on the IDX over the years 2020–2024. The research method employs secondary data obtained from the Indonesia Stock Exchange, with a sample of 46 companies over five years (230 observations). Data were collected using documentation techniques and analyzed using logistic regression with SPSS version 29. The findings reveal that financial distress does not influence auditor switching, while audit fee and management turnover significantly affect auditor switching. These indicates suggest cost considerations and leadership dynamics play a stronger role than financial conditions in driving companies to switch auditors. The results highlight the importance of governance and contractual factors over financial pressure in auditor-client relationships. The theoretical implication of this study contributes to agency theory by emphasizing the role of audit fees and management changes in auditor switching behavior. Practically, the findings provide insights for auditors and regulators to strengthen audit quality and anticipate factors influencing auditor changes. The novelty of this work is reflected in the emphasis focus on consumer non-cyclical companies in Indonesia with an extended observation period of 2020–2024, providing a broader understanding of auditor switching in the Indonesian business context.

ARTICLE INFO

Article History:

Submitted/Received 10 Jul 2025

First Revised 18 Aug 2025

Accepted 19 Oct 2025

First Available online 16 Nov 2025

Publication Date 01 Dec 2025

Keyword:

Financial Distress,

Audit Fee,

Management Change,

Auditor Switching.

1. INTRODUCTION

Companies listed on the IDX are obliged to maintain transparency in financial reporting since financial statements are the main reference for stakeholders in evaluating corporate performance (Castellani et al., 2023; Nur, 2020). These reports not only represent management's accountability but also provide valuable information for both internal and external users in making financial decisions. In this regard, auditors play an essential role by verifying that financial statements are prepared properly and comply with applicable standards. Independence is one of the core principles of the auditing profession; however, prolonged engagements between a public accounting firm (KAP) and its clients may reduce objectivity (Azlin and Taqwa, 2023; Nanda, 2022). To safeguard independence, auditor rotation or auditor switching is often applied as a mechanism to limit the duration of auditor client relationships. The urgency of studying auditor switching becomes increasingly relevant in the scientific domain of accounting particularly within the scope of financial accounting and auditing because the decision to replace auditors directly affects assurance quality, investor confidence, and governance effectiveness. As auditor independence is a fundamental pillar in safeguarding the credibility of financial reporting, identifying the triggers and dynamics surrounding auditor switching contributes to strengthening the reliability of the broader financial reporting ecosystem.

Auditor switching generally takes two forms: mandatory and voluntary. Mandatory switching occurs due to regulatory requirements, particularly to avoid quality degradation in long-term audit relationships (Deliana et al., 2021). On the other hand, voluntary switching is initiated by management decisions, often influenced by financial conditions, changes in leadership, going-public activities such as Initial Public Offerings (IPO), audit fee negotiations, or dissatisfaction with service quality (Pratama and Ardiati, 2022; Ghina and Syafitri, 2024). For example, PT Jaya Agra Wattie Tbk (JAWA) has changed auditors several times within a short period, with evidence pointing to increasing liabilities and cost efficiency as driving factors. Such corporate practices illustrate the significance of exploring the determinants of auditor switching in the Indonesian setting. The phenomenon is closely intertwined with agency theory, as proposed by Jensen and Meckling, which posits that conflicts arise between principals and agents due to information asymmetry and divergent incentives. Auditor switching may act as a mechanism for principals to reassert control or reduce monitoring inefficiencies. However, agency theory alone may not fully capture the complexity of switching behavior, as decisions may also reflect strategic signaling, market pressures, or managerial preferences beyond pure agency conflicts. Therefore, applying agency theory while acknowledging its limitations allows for a more comprehensive interpretation of auditor switching in modern corporate environments.

Prior research has not reached a consistent conclusion regarding the variables that influence auditor switching. Some studies confirm that financial distress significantly contributes to switching decisions (Nainggolan et al., 2022; Afidah and Candrawati, 2023; Apriliani and Nurkholis, 2024; Sujiati et al., 2024). In contrast, other scholars argue that financial difficulties do not play a role (Deliana et al., 2021; and Khairunissa, 2021, Silalahi and Siagian, 2022, Azlin and Taqwa, 2023). Similar contradictions appear in the literature on audit fees, where evidence shows a significant effect of audit fees on auditor switching (Subiyanto et al., 2022), while other findings do not (Pratama and Ardiati, 2022). Similar inconsistencies are also observed regarding leadership transitions, where evidence shows a significant influence of managerial replacement on the decision to switch auditors (Darmayanti et al., 2021; Pratama and Ardiati, 2022; Liliana and Karina, 2024), while other findings do not (Fathonah et al., 2022; Permana and Setiawan,

2023; Afidah and Candrawati, 2023; Apriliani and Nurkholis, 2024). This inconsistency indicates a research gap that requires further empirical investigation.

The novelty of this study is reflected in its concentration on consumer non-cyclical firms listed on the IDX, which have been less frequently studied compared to other sectors. Furthermore, the study covers the recent period from 2020 to 2024, offering updated insights beyond previous studies with earlier observation windows. By examining financial distress, audit fees, and management changes simultaneously, this research provides a more holistic perspective on the determinants of auditor switching in the Indonesian business environment.

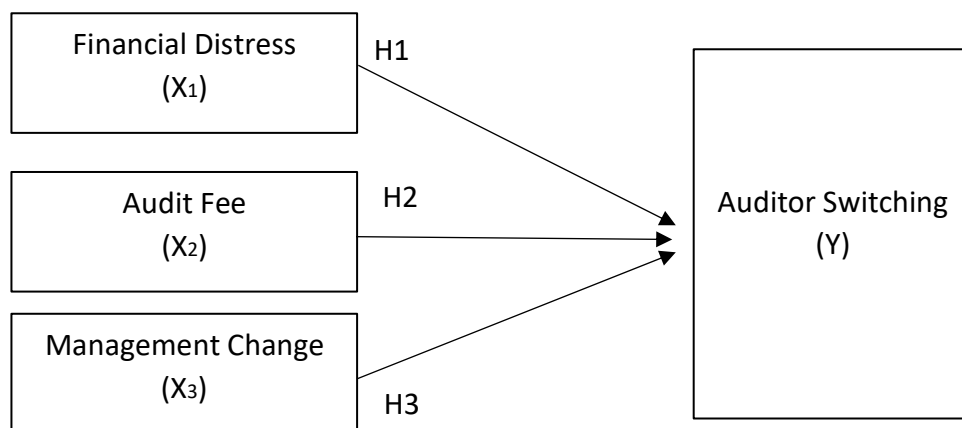
Accordingly, the present research aims to assess and substantiate with empirical evidence the impacts of financial distress, audit fee, and management change on auditor switching among consumer non-cyclical companies in Indonesia for the 2020–2024 period. The findings are expected to expand the body of knowledge in auditing and financial accounting, inform practitioners in the public accounting profession regarding factors driving auditor changes, and assist regulators in evaluating and strengthening audit-related policies.

2. METHODS

The analytical procedures applied in this research consist of descriptive statistical analysis, logistic regression, tests of overall model fit, assessments of regression model feasibility, examination of the coefficient of determination, multicollinearity diagnostics, and hypothesis testing. Statistical techniques were employed to evaluate the relationships among the research variables and to formulate conclusions from the computed results. The study population consists of annual reports from consumer non-cyclical firms registered on the IDX throughout 2020–2024, with a total of 132 firms. The research employed a purposive sampling technique, whereby firms were chosen based on predetermined criteria consistent with the study objectives (Akbar and Wijayanti, 2020). Through this process, 46 companies qualified as the final sample. Logistic regression was utilized as the primary analytical method, and the equation employed within this research is outlined below:

$$\text{Ln} \frac{p}{1-p} = \alpha + \beta_1 \text{FD} + \beta_2 \text{AF} + \beta_3 \text{PG} + e$$

The conceptual framework of this study is presented in **Figure 1**, which provides a visual depiction of the relationships among the variables:



Source: Processed by Author (2025)

Figure 1. Conceptual Framework.

This research incorporates several independent variables that are examined for their impact on auditor switching. A detailed description of each variable is provided in **Table 1**.

Table 1. Definitions of operational variables

No.	Variable	Formula	Measurement Scale
1	Auditor Switching (Y)	Variable dummy. If the client company changes its external auditors, the variable is coded as 1, whereas in cases where no change occurs, the variable is coded as 0. (Deliana et al., 2021)	Nominal
2	Financial Distress (X1)	$\frac{DAR = Total\ Debt}{Total\ Asset}$ (Tjahjono and Khairunissa, 2021)	Ratio
3	Audit Fee (X2)	Audit Fee = Ln Audit Fee (Pratama and Ardiati, 2022)	Ratio
4	Management Change (X3)	Variabel dummy. A value of 1 is assigned when a firm alters its executive board, while 0 is recorded if no alteration occurs. (Deliana et al., 2021)	Nominal

In conducting this inquiry, the methodological architecture was deliberately constructed to accommodate the empirical nature of the phenomena under examination. The reliance on secondary data was not merely a matter of convenience but stemmed from the intention to capture corporate behaviors as they unfold in formal disclosures, thereby minimizing subjective interference. Purposive sampling was adopted as an intentional filtering mechanism, ensuring that only firms aligning with the conceptual boundaries of the study were retained, thus safeguarding analytical relevance.

The employment of logistic regression was driven by its aptitude for disentangling probabilistic tendencies embedded within dichotomous outcomes, such as the occurrence or absence of auditor switching (Lee, 2025). This statistical apparatus enables the modeling of nuanced shifts in likelihood that cannot be sufficiently articulated through linear estimation. Complementary diagnostic procedures—including assessments of model fit, multicollinearity screening, and pseudo-R² evaluation—were invoked to fortify the robustness of the analytical framework. Collectively, these methods were orchestrated to yield an inferential structure capable of revealing subtle relational patterns among financial distress, audit fees, and managerial turnover, relationships that may otherwise remain concealed without a rigorously calibrated methodological design (Deliana et al., 2021).

3. RESULTS AND DISCUSSION

Table 2 displays the summary statistics of the variables examined. The dependent variable, auditor switching, was assessed through a dummy indicator, with firms coded 1 when they replaced their auditors, and 0 for those that did not.

The results show a mean value of 0.08, indicating that 8% of non-cyclical consumer companies experienced auditor switching, while the remaining 92% did not. Financial distress is proxied by the Debt-to-Asset Ratio (DAR), with values ranging from 0.11 to 240.04 and an average of 1.63, reflecting the general level of financial pressure among the sample firms. Audit fee had a

minimum score of 17.66, recorded by PT Wahana Pronatural Tbk, and a maximum of 23.71, observed at PT Dharma Satya Nusantara Tbk, with a mean value of 20.51 during the 2020–2024 period. Managerial change, also measured using a dummy, was coded 1 for companies that replaced directors and 0 otherwise. An average of 0.13 indicates that 13% of firms experienced a change in management, while 87% retained the same directors.

Table 2. Descriptive statistics

Descriptive Statistics				
	N	Minimum	Maximum	Mean
Financial Distress	230	,11	240,04	1,6305
Audit Fee	230	17,66	23,71	20,5143
Pergantian Manajemen	230	0	1	,13
Auditor Switching	230	0	1	,08
Valid N (listwise)	230			

Table 3 and table 4, The overall model fit test used to determine whether the proposed framework aligns with the dataset. The assessment of logistic regression model suitability is carried out using the value of -2 Log Likelihood. A decrease in the -2 Log Likelihood score at stage 1 compared with block number 0 indicates that the logistic regression model in block number 1 provides a better fit.

Table 3. Overall model fit 0

Iteration History^{a,b,c}

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	142,816	-1,670
	2	131,665	-2,238
	3	131,146	-2,396
	4	131,144	-2,407
	5	131,144	-2,407

- a. Constant is included in the model.
- b. Initial -2 Log Likelihood: 131,144
- c. Estimation terminated at iteration number 5 because parameter estimates changed by less than ,001.

Table 4. Overall model fit 1

Iteration History^{a,b,c,d}

Iteration		-2 Log likelihood	Constant	Coefficients		
				Financial Distress	Audit Fee	Pergantian Manajemen
Step 1	1	135,557	,556	,014	-,113	,485
	2	120,550	2,967	,020	-,265	1,000
	3	118,919	5,233	,024	-,390	1,304
	4	118,863	5,802	,027	-,421	1,358
	5	118,861	5,822	,029	-,422	1,360
	6	118,861	5,822	,029	-,422	1,360

- a. Method: Enter
- b. Constant is included in the model.
- c. Initial -2 Log Likelihood: 131,144
- d. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Based on **Tables 3** and **4**, the initial -2 Log Likelihood value in block 0 was recorded at 131.144. Table 4 then shows the final -2 Log Likelihood in block 1, which decreased to 118.861. The reduction from the initial to the final value suggests that the proposed model fits the data. This decline also implies that adding factors such as financial distress, audit fee, and management change enhances the overall model suitability in this study.

The next stage involves testing the feasibility of the regression model through the Goodness of Fit Test. If the significance value of this test is below 0.05, the null hypothesis (H_0) is rejected, indicating that the model does not adequately estimate the observed data. Conversely, when the significance value exceeds 0.05, the alternative hypothesis is accepted, suggesting that the model is appropriate and capable of predicting the observations.

Table 5. Hosmer and Lemeshow’s test

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	11,325	8	,184

Based on **Table 5**, Hosmer–Lemeshow output showed 11.325 and a Sig. of 0.184. Since this value is greater than 0.05, the null hypothesis is accepted, indicating that the regression model fits the data and can reliably predict the observed values. Therefore, the model is considered appropriate for use in the subsequent stages of analysis.

The next stage of the analysis involves conducting the coefficient of determination test using Nagelkerke’s R^2 . This test aims to evaluate the extent to which the independent variables financial distress, audit fee, and management change can explain the dependent variable, namely auditor switching.

Table 6. Nagelkerke R-square

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	118,861 ^a	,052	,120

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than ,001.

Referring to **Table 6**, Nagelkerke R Square was recorded as 0.120, equivalent to 12%. This indicates that financial distress, audit fee, and management change explain merely 12% of the fluctuations in the auditor switching. The remaining 88% is explained by other factors not included in this study.

According to the results shown in **Table 7**, multicollinearity assessment was performed to identify if a notable relationship exists among independent variables within the regression framework.

Table 7 reports tolerance values of 0.986 for Financial Distress, 0.953 for Audit Fee, and 0.966 for Management Change, all exceeding the 0.10 threshold, confirming the absence of correlations among the independent variables. Similarly, the VIF results—1.014, 1.049, and 1.035, respectively—are well below 10, indicating the regression framework does not suffer from multicollinearity issues.

Table 7. Multicollinearity test

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	,639	,281		2,272	,024		
	Financial Distress	,004	,001	,207	3,222	,001	,986	1,014
	Audit Fee	-,028	,014	-,134	-2,053	,041	,953	1,049
	Pergantian Manajemen	,121	,053	,148	2,286	,023	,966	1,035

a. Dependent Variable: Auditor Switching

Table 8 reports the Wald Test results, which evaluate the significance of each independent variable in explaining the dependent variable through its p-value. A significance level below 0.05 indicates a partial effect of the independent variable, whereas a value above 0.05 suggests the variable is not statistically significant.

Table 8. Wald test**Variables in the Equation**

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	Financial Distress	,029	,054	,288	1	,592	1,029
	Audit Fee	-,422	,210	4,042	1	,044	,656
	Pergantian Manajemen	1,360	,599	5,151	1	,023	3,896
	Constant	5,822	4,185	1,935	1	,164	337,498

a. Variable(s) entered on step 1: Financial Distress, Audit Fee, Pergantian Manajemen.

The results show that financial distress does not significantly influence auditor switching, as indicated by its Sig. value of 0.592, surpassing the 5% level of significance. In contrast, both audit fee (Sig. = 0.044) and management turnover (Sig. = 0.023) demonstrate significant effects on auditor switching, resulting in the confirmation of the second and third hypotheses.

Based on the test results, the resulting logistic regression equation is presented as follows.

$$Y = 5,822 + 0,029X_1 - 0,422X_2 + 1,360X_3$$

The regression results reveal that financial distress exhibits a positive association with the tendency to replace auditors, though the effect is insignificant. Conversely, audit fee shows a significant negative influence, suggesting that higher fees reduce the likelihood of switching. In addition, management change exerts a significant positive effect, meaning that changes in management increase the probability of auditor switching.

3.1. The Impact of Financial Distress on Auditor Switching

Financial distress denotes a circumstance in which a firm encounters acute financial strain an unhealthy or near-crisis condition indicating its inability to meet existing obligations (Latief and Rachman, 2024). One manifestation of this inability is the failure to settle audit fees charged by Public Accounting Firms (Setyoastuti et al., 2020). In line with this view, (Tjahjono and Khairunissa, 2021) assert that companies facing the prospect of bankruptcy tend to engage in auditor switching more frequently, as operational instability often culminates in audit opinions that reflect the firm's deteriorating financial condition.

To sustain their activities, companies typically rely on debt as one of their funding sources. When the volume of debt surpasses equity, the firm's exposure to liquidity risk increases markedly, prompting management to seek cost-reducing measures (Zahra et al., 2025). Firms undergoing financial distress therefore often resort to switching auditors as a strategy to

suppress expenses associated with external audit services (Tjahjono and Khairunissa, 2021). Various ratios may be employed to gauge the degree of financial distress, one of which is solvency measurement (Klarasati et al., 2021). In this study, the Debt to Asset Ratio (DAR) is utilized because it offers a direct depiction of the extent to which a company's assets are financed through debt, thereby providing a more comprehensive reflection of financial pressure and the firm's potential inability to fulfill both short-term and long-term obligations.

Based on the Wald test results, financial distress obtained a positive coefficient of 0.029 with a significance value of 0.592, which is above the 0.05 threshold. This indicates that financial distress exhibits no meaningful impact on the decision to replace auditors, leading to the rejection of hypothesis 1 (H1). The result suggests that companies experiencing financial distress may be less inclined to replace their auditors because switching would require additional costs, and in such conditions, firms generally prefer to focus on stabilizing their financial position rather than bearing the expenses of appointing a new auditor (Deliana et al., 2021). However, descriptive data reveal that PT Leyand International Tbk. (LAPD) in 2022, which recorded the highest level of financial distress in the sample, actually engaged in auditor switching. This finding highlights that in extreme cases, distressed firms may be compelled to switch auditors, possibly to seek lower fees or as part of broader restructuring and reputation recovery efforts. These outcomes align with earlier scholarly works conducted by (Deliana et al., 2021; Tjahjono and Khairunissa, 2021; Silalahi and Siagian, 2022; Azlin and Taqwa, 2023; Liliana and Karina, 2024), which also determined that financial distress bears no substantial influence on shifts in auditor. Nevertheless, the result contrasts with the evidence provided by (Nainggolan et al., 2022; Afidah and Candrawati, 2023; Apriliani and Nurkholis, 2024; Sujiati et al., 2024), who reported that financial distress does influence auditor switching.

3.2. The Impact of Audit Fee on Auditor Switching

Audit fees constitute the compensation granted by a company to its auditor or Public Accounting Firm in exchange for the audit services performed. According to the Regulation of the Board of the Indonesian Institute of Public Accountants No. 2 of 2016, the determination of audit remuneration must consider several dimensions, including client needs, the scope of the engagement, the time required at each audit stage, statutory duties, the levels of expertise and responsibility inherent in the work, the complexity of the audit, the number of personnel involved, the effective hours expended, the quality-control system of the audit firm, and the agreed-upon basis for fee determination. Consequently, audit fees are established through mutual agreement between the KAP and the client, taking into account the scope of work, audit type, time requirements, and staffing needs. A KAP will typically propose an honorarium to the client; however, if the proposed amount is perceived as excessive, the firm may be unable to continue the engagement, and such disagreement can ultimately lead the client to pursue auditor switching (Nainggolan et al., 2022).

In relation to agency theory, audit fees operate as a mechanism to mitigate agency conflicts by involving an independent intermediary namely, the external auditor who provides an impartial assessment of the fairness of management-prepared financial statements (Subiyanto et al., 2022). The external auditor is tasked with overseeing managerial conduct and ensuring adherence to applicable regulations (Setyoastuti et al., 2020). This monitoring function generates agency costs, which (Jensen and Meckling, 1976) categorize into bonding costs, monitoring costs, and residual loss. Audit fees represent a form of monitoring cost, serving to observe and evaluate managerial behavior. To fulfill this role effectively, auditors must first attain a sound understanding of the client's business environment and the risks inherent in the engagement;

failure to do so may prolong audit completion time and escalate total audit fees (Tjahjono and Khairunissa, 2021).

Based on the results of the Wald test, the audit fee variable obtained a negative coefficient of -0.422 with a significance value of 0.044 (<0.05), indicating that H2 is accepted and confirming that audit fees significantly influence auditor switching. Interestingly, the relationship is negative, meaning that higher audit fees are associated with a lower likelihood of switching auditors, as companies tend to retain auditors who are already familiar with their operations and have demonstrated competence and satisfactory performance. Although high audit fees could be perceived as a burden, firms may consider them justified relative to the quality of services provided, as reflected in the case of Dharma Satya Nusantara Tbk. in 2024, which paid the highest audit fee in the sample yet did not switch auditors. The present outcomes are in harmony with (Subiyanto et al., 2022), who reported a negative effect of audit fees on auditor switching, but contrast with (Pratama and Ardiati, 2022), who found no significant relationship.

3.3. The Impact of Management Change on Auditor Switching

According to (Pratama and Ardiati, 2022) management change refers to the replacement of a company's board of directors, particularly the chief executive officer, which may occur either through resolutions made in the General Meeting of Shareholders (GMS) or through the voluntary resignation of the CEO. Such changes become evident when a firm appoints a new member to the board—especially to the CEO position that directs the organization's strategic course (Setyoastuti et al., 2020). The arrival of a new CEO often triggers revisions in accounting policies, financial decision-making, and even the selection of the Public Accounting Firm. Newly installed management may deem the audit fees or service quality of the incumbent auditor misaligned with their preferred practices. If the incoming leadership believes that the previous auditor does not correspond to their policy orientation or holds personal preferences for another auditor, the likelihood of auditor switching increases.

Transitions in leadership frequently bring about shifts in organizational direction and policy, as each executive carries distinct philosophies, leadership styles, operational methods, and strategic objectives. These shifts may necessitate the appointment of a new KAP, given that trust and alignment are essential for supporting the implementation of new managerial agendas. A newly selected auditor is expected to deliver opinions that resonate with the expectations of the new leadership. As noted by (Nainggolan et al., 2022), auditor replacement is a recurring phenomenon across many firms. Furthermore, management turnover provides an opening for companies to appoint auditors perceived as more competent, collaborative, and aligned with the firm's desired accounting and reporting approaches (Azlin and Taqwa, 2023). Another consideration is that a long-standing KAP may possess extensive familiarity with the client, which can potentially diminish auditor independence (Setyoastuti et al., 2020).

With reference to the Wald test outcomes, the management change variable produced a positive regression coefficient of 1.360 with a significance value of 0.023 (<0.05), leading to the acceptance of H3 and confirming that management turnover exert a notable influence on auditor replacement. This suggests that changes in top management, particularly the CEO, may trigger shifts in company policies, including decisions regarding the appointment of external auditors. Such changes are often linked to agency problems, where divergent interests arising between equity holders and corporate administrators arise, prompting owners to replace executives and, consequently, influencing auditor selection (Jensen and Meckling, 1976). Evidence from Dua Putra Utama Makmur Tbk. supports this, as the company experienced CEO changes in 2023 and 2024, coinciding with auditor switching in the same years. These findings align with prior studies

by (Darmayanti et al., 2021; Pratama and Ardiati, 2022; Liliana and Karina, 2024), which found a significant relationship between management changes and auditor switching, but differ from research (Fathonah et al., 2022; Permana and Setiawan, 2023; Afidah and Candrawati, 2023; Apriliani and Nurkholis, 2024), which reported no such influence.

4. CONCLUSION

The present analysis shows that financial distress bears no substantive influence on auditor switching among consumer non-cyclical firms listed on the Indonesia Stock Exchange during 2020–2024, echoing the conclusions of (Deliana et al., 2021) and (Liliana and Karina, 2024). This absence of effect is plausibly tied to the substantial initiation costs associated with engaging a new auditor, especially during financially strained periods when firms seek to minimize additional burdens. In contrast, audit fees emerge as a decisive catalyst reinforcing the findings of (Afidah and Candrawati, 2023) and (Fenny et al., 2022) because elevated fees may compel firms to reassess the durability of their engagement with incumbent auditors. Management turnover likewise imprints a notable influence, consistent with (Najwa and Syofyan, 2020) and (Liliana and Karina, 2024), as newly appointed executives possess the prerogative to select auditors and may gravitate toward firms they perceive as more capable or philosophically aligned. Collectively, these patterns reveal that cost structures and leadership transitions outweigh financial distress as the principal drivers of auditor-switching decisions.

From a remedial standpoint, organizations may strengthen governance procedures related to audit engagement by formulating clearer directives on auditor selection during periods of managerial reshuffling. Establishing more structured fee assessment and negotiation frameworks may help safeguard auditor continuity while managing cost pressures. Regulators could refine oversight by enhancing transparency in fee disclosures and monitoring the implications of recurrent leadership turnover for audit stability. audit firms, for their part, may bolster client retention by improving communication practices, highlighting value-added services, and facilitating smoother interaction with incoming executives. Nevertheless, this study is limited by its focus on a single sector and reliance on secondary quantitative data. Future research may expand the analysis across different industries, integrate qualitative insights, or examine additional determinants such as governance quality or audit firm specialization.

5. REFERENCES

- Afidah, I. F., and Candrawati, T. (2023). Pengaruh ukuran perusahaan, pergantian manajemen, financial distress, dan fee audit terhadap auditor switching. *Jurnal Kajian Akuntansi Dan Auditing*, 19(2), 135–149.
- Akbar, S., and Wijayanti, A. (2020). Pengaruh audit fee dan financial distress terhadap auditor switching dengan manajemen laba akrual sebagai variabel intervening. *Jurnal Akuntansi Manajerial*, 5(2), 1–9.
- Apriliani, R., and Nurkholis. (2024). Pengaruh financial distress, opini audit, pergantian manajemen, dan profitabilitas terhadap pergantian auditor. *Jasa (Jurnal Akuntansi, Audit Dan Sistem Informasi Akuntansi)*, 8(1), 1–22.

- Azlin, R., and Taqwa, S. (2023). Pengaruh opini audit, pergantian manajemen dan financial distress terhadap auditor switching. *Jurnal Eksplorasi Akuntansi*, 5(2), 758–770.
- Castellani, J., Ridwan, M., S. Suratman, S., Adha Minaryanti, A., and Aulia, S. (2023). Pengaruh pergantian manajemen, kesulitan keuangan, ukuran kap, dan audit delay terhadap auditor switching. *Coopetition : Jurnal Ilmiah Manajemen*, 14(1), 151–168.
- Darmayanti, N., Africa, L. A., and Mildawati, T. (2021). The effect of audit opinion, financial distress, audit delay, change of management on auditor switching. *International Journal Of Economics And Finance Studies*, 13(1), 173–193.
- Deliana, D., Rahman, A., and Monica, L. (2021). Faktor-faktor yang mempengaruhi auditor switching. *Reviu Akuntansi Dan Bisnis Indonesia*, 5(1), 1–12.
- Fathonah, A. D., Djuhari, D., and Sonhaji, S. (2022). Pergantian auditor sebagai upaya menjaga independensi. *Jurnal Akuntansi Kontemporer*, 14(2), 94–103.
- Fenny, F., Ginting, R. R., and Simorangkir, E. N. (2022). International journal of social science research and review. *International Journal Of Social Science Research And Review*, 5(1), 113–128.
- Ghina, A., and Syafitri, L. (2024). Pengaruh auditor switching, financial condition, dan audit complexity terhadap audit report lag pada perusahaan sektor manufaktur yang terdaftar di BEI periode 2020 S.D 2023. *Journal Of Economic, Business And Accounting*, 7(6), 6395–6402.
- Jensen, M. C., and Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure michael. *Journal Of Financial Economics* 3, 3, 305–360.
- Klarasati, T., Inayati, N. I., Hariyanto, E., and Setyadi, E. J. (2021). The effect of change management, kap size, public ownership, and financial distress on auditor switching (case study on mining companies listed on the Indonesia Stock Exchange period 2015-2019). *International Journal Of Economics, Business And Accounting Research (Ijebar)*, 5(1), 116–127.
- Latief, B. P., and Rachman, H. A. (2024). Pengaruh audit delay dan pergantian manajemen terhadap voluntary auditor switching dengan financial distress sebagai variabel moderasi. *International Journal Of Research On Financial and Business (Ijrfb)*, 3(1), 1–18.
- Lee, E. (2025). An investigation into the determinants of auditor switching in accounting firms. *International Journal Of Management And Business Development (Ijmbd)*, 02(04), 01–06.
- Liliana, V., and Karina, A. (2024). The effect of financial distress, audit opinion and management change on auditor switching in industrial and chemical companies on the. *Costing: Journal Of Economic, Business And Accounting*, 7(3), 5062–5073.
- Nainggolan, A., Sidauruk, T. D., and Cahyani, E. F. (2022). Pengaruh pergantian manajemen, financial distress, ukuran kap, audit fee, dan opini audit terhadap auditor switching. *Liabilitas: Jurnal Ilmiah Akuntansi Dan Ekonomi*, 7(1), 1–11.
- Najwa, V. A., and Syofyan, E. (2020). Pengaruh management change, ukuran perusahaan klien,

dan audit fee terhadap auditor switching. *Jurnal Eksplorasi Akuntansi*, 2(2), 2726–2739.

- Nanda, P. (2022). Pengaruh audit delay, opini going concern dan kepemilikan publik terhadap voluntary auditor switching (studi empiris pada perusahaan perbankan yang terdaftar di Bursa Efek Indonesia tahun 2017-2020). *Journal Of Physics A: Mathematical And Theoretical*.
- Nur, S. W. (2020). *Akuntansi Dasar: Teori Dan Teknik Penyusunan Laporan Keuangan*.
- Permana, K., and Setiawan, M. A. (2023). Pengaruh management change, pertumbuhan perusahaan, dan reputasi auditor terhadap auditor switching. *Jurnal Eksplorasi Akuntansi*, 5(4), 1718–1731.
- Pratama, A. A., and Ardiati, A. Y. (2022). Pengaruh pergantian manajemen, ukuran perusahaan dan audit fee terhadap auditor switching pada perusahaan manufaktur yang terdaftar di BEI tahun 2015-2019. *Modus*, 34(1), 85–99.
- Setyoastuti, N. D., Murtanto, M., and Nilawati, Y. J. (2020). Pengaruh pergantian manajemen, financial distress, ukuran kap, dan opini audit terhadap auditor switching pada perusahaan property dan real estate yang terdaftar di Bursa Efek Indonesia pada tahun 2012-2016. *Jurnal Akuntansi Trisakti*, 7(1), 89–110.
- Silalahi, R. C., and Siagian, V. (2022). The factors affecting auditor switching in trade and services companies listed in Indonesia Stock Exchange in 2017- 2021. *Costing: Journal Of Economic, Business And Accounting*, 6(1), 137–149.
- Subiyanto, B., Digdowiseiso, K., and Debora, G. A. (2022). Pengaruh fee audit, opini audit dan audit delay terhadap auditor switching pada perusahaan sektor industri barang dan konsumsi yang terdaftar di BEI periode 2015-2020. *Syntax Literate: Jurnal Ilmiah Indonesia*, 7(3), 2845–2855.
- Sujiati, A. I., Mukti, A. H., and Sianipar, P. B. H. (2024). Pengaruh audit delay, opini audit, dan financial distress terhadap auditor switching (studi empiris pada perusahaan sektor consumer non-cyclicals subsektor food and beverage yang terdaftar di Bursa Efek Indonesia tahun 2020-2022). *Sentri: Jurnal Riset Ilmiah*, 3(2), 1054–1074.
- Tjahjono, M., and Khairunissa, S. (2021). Opini audit, financial distress, pertumbuhan perusahaan klien dan pergantian manajemen terhadap auditor switching. *Jak (Jurnal Akuntansi) Kajian Ilmiah Akuntansi*, 8(2), 180–198.
- Zahra, F. A., Nopiana, P. R., and Sari, A. P. (2025). The effect of financial distress, audit delay, and audit quality on auditor switching in energy sector companies in Indonesia. *International Journal Of Economics And Management Research*, 4(2), 241–253.