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The Influence of Management Change, Audit Opinion, and Audit Fee on Auditor Switching with Financial Distress as a Moderating Variable in Property and Real Estate Companies Listed on the Indonesia Stock Exchange

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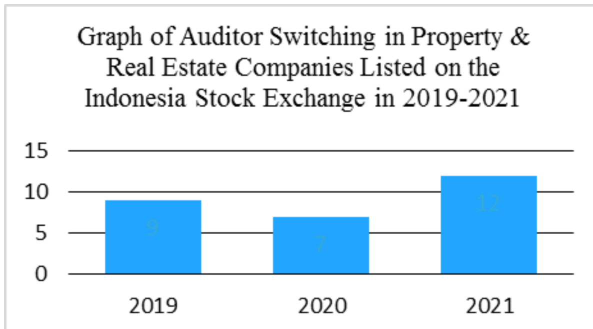
Abstract

Every company, especially those that are growing, needs a lot of support from investors. Investors will think of injecting funds when the company has high profits and low bankruptcy risk. Therefore, large companies choose to use KAP services when auditing financial statements. Auditor Switching is the change of auditors by the company or the auditors themselves, and the purpose is to maintain auditor independence. This study was conducted to determine the influence of Management Change, Audit Opinion, and Audit Fee on Auditor Switching with Financial Distress as a moderating variable in property and real estate companies listed on the Indonesia Stock Exchange from 2019-2021. The sample was taken using purposive sampling, where the population was 62 companies, and after deducting the research criteria, the research sample consisted of 32 companies, so that in 3 years there were 96 companies. Statistical test using Structural Equation Modeling (SEM) with Partial Least Square (PLS) approach. The results of the study simultaneously show that Management Change, Audit Opinion and Audit Fee affect Auditor Switching. Partially, the Path coefficient shows that the Management Change and Audit Opinion has a positive and significant influence on Auditor Switching. Audit Fee has a negative and significant influence on Auditor Switching. While Financial Distress is not able to moderate the influence of Management Change and Audit Opinion on Auditor Switching, Financial Distress can moderate the influence of Audit Fees on Auditor Switching.

Keywords: *Management Change; Audit Opinion; Audit Fee; Auditor Switching; Financial Distress*

Introduction

Financial statements are required to be submitted by all publicly traded companies as a form of control over the company's owners. According to Robbitasari (in Putra and Suryawana: 2016), the company's financial statements are a collection of records of operations and financial conditions that can be used as a basis for decision-making. Chartered Accountants are one of those professions that the general public can trust when voicing criticism of the adequacy and fairness of financial statements using generally accepted accounting principles. Jiwasraya insurance company is considered to indicate a change of mind opinion. In 2014-2015 the auditing company CPA was Djoko, Sidik and Indra. Audited in 2016 by (CPA) The Big Four, specifically Price Waterhouse Coopers (PwC). PwC gives an unqualified audit opinion. Jiwasraya's net profit in 2016 was IDR 1.7 billion. The net profit of Jiwasraya in 2015 was IDR 1.06 billion. On October 10, 2018, Jiwasraya announced that could not afford to cover the JS savings plan, stating that it was due at IDR 802 billion. The phenomenon of auditor switching at companies in Indonesia can be seen in the following graph:



"Graph of the Tendency of Auditor Switching"

The above picture shows that in 2019 nine companies changed auditors. In 2020 there was a decrease so that only seven companies made the change of auditor. There could be another boom in 2021, with up to twelve companies changing auditors.

Management changes are characterized by the ousting of administrators or CEO (General Manager) by a general meeting of shareholders or the termination of their contract. Changes in an agency's management enable the introduction of new policies. Certainly one of them is the conversion of a public accounting authority to regulate its agency reports (Wea and Murdiati, 2015). An agency's top management are executives at the top of the agency's employer who are responsible for the agency's survival and compliance (Kurniaty, 2014). The new administration will adopt a particular accounting policy, one of which is to select a new major chartered accountant that is consistent with the agency's accounting policies (Salim and Rahayu, 2014). Therefore, if the auditor is concerned about an opinion that satisfies the new management, the agency will no longer switch to another CPA, Saputra (2017). Studies by Saputra (2017) show that management change has an effective impact on auditor switching. The studies by Astuty et al. (2021) confirmed the other results.

An audit opinion is an audit report issued by a chartered accountant following the completion of an audit of the employer's financial statements. Holowczak et al., (2019) state that an auditor who produces an audit report that does not always meet the expectations of the employer's management, particularly an unqualified audit opinion, is likely to change auditors. The employer is not always expected to inform the auditor when a qualified opinion is obtained. This demonstrates that there are no structural flaws within the financial statements or inconsistencies in accounting policies (Harnanto, et al. 2019). An employer's dissatisfaction with the audit opinion issued prompts the employer to inform the auditor that the intended audit opinion is "unqualified", increasing investors' interest in investing in their capital (Wea and Murdiawati, 2015). If the report provided is not the desired one, the auditor tends to be dismissed (Putra and Suryanawa, 2016). The results of Yusriwarti's (2019) research show that audit opinion has an impact on auditor switching, even if Tisna and Suputra's (2017) research indicates that audit opinion has a negative impact on auditor switching.

The audit fee is the remuneration that the auditor receives for the service provided by the auditor. The audit fee paid is too high and the inability to pay the fee causes the firm to look for a lower audit fee than other CPA firms (Udayani and Badera, 2017). CPA movers generally account for audit fees based on the services used, the level of experience or skill of the auditors, and the length of the audit period. Pasaribu, (2017) in Andini (2020). Determining the fee or service fee is very important for any job, as a high fee or service fee may cause the company to change an auditor (Dwiyanti and Sabeni, 2014 in (Nainggolan et al. 2022)). For their part, Amalia (2015) in Adli and Suryani (2019) notes that when the audit fee exceeds the limit set by the company, the company prefers to seek an auditor with a lower audit fee. Research by Adli and Suryani (2019) shows that the Audit Fee variable affects Auditor Switching, while the results of this study contradict those of Ikmala (2018).

The condition of a company experiencing financial difficulties is known as financial distress. Companies become more confident when audited by auditors who have better audit quality (Yusriwati, 2019). Companies that encounter financial difficulties will tend to change management, hoping that the new management can take better measures to overcome the financial difficulties, so that the company's situation can stabilize again and expect a great impact on the achievement of corporate goals and the wishes of interested parties. (Nasir, 2018). Kaamilah et al. (2020) state that companies experiencing financial distress have management replace the auditor to obtain an audit opinion by management's wishes. Financial distress requires companies to obtain better opinions in order not to avoid unconditional opinions. Suilowati (2014) in Nasir (2018). Companies experiencing financial difficulties will keep audit fees as low as possible, but will still seek quality auditors who can meet the needs of the company (Kaamilah et al., 2020). The change of auditor is because the company can no longer pay the company audit fee due to financial distress (Diandika and Badera, 2017). Research by Kaamilah et al., (2020) shows that financial distress can mitigate the impact of management change on auditor switching, but not the impact of an audit opinion on auditor switching. Meanwhile, Nasir (2018) shows that financial distress can mitigate the impact of audit fees on auditor switching, but not the impact of audit opinion and management change on auditor switching.

Against this background, the researcher is interested in conducting a study entitled "The Influence of Management Change, Audit Opinion and Audit Fee on Auditor Switching with Financial Distress as a Moderating Variable in Property & Real Estate Companies Listed on the Indonesia Stock Exchange".

The hypotheses of this study are:

1. H1: Management Change has an influence on Auditor Switching in property & real estate companies listed on the Indonesia Stock Exchange from 2019 – 2021.
2. H2: Audit opinion has an influence on Auditor Switching in property & real estate companies listed on the Indonesia Stock Exchange from 2019 – 2021.
3. H3: Audit Fee has an influence on Auditor Switching in property & real estate companies listed on the Indonesia Stock Exchange from 2019 – 2021.
4. H4: Financial Distress is able to moderate the influence of Management Change on Auditor Switching in property & real estate companies listed on the Indonesia Stock Exchange from 2019 – 2021.
5. H5: Financial Distress is able to moderate the influence of Audit Opinion on Auditor Switching in property & real estate companies listed on the Indonesia Stock Exchange from 2019 – 2021.
6. H6: Financial Distress is able to moderate the influence of Audit Fee on Auditor Switching in property & real estate companies listed on the Indonesia Stock Exchange from 2019 – 2021.

Method

This research approach uses a quantitative research approach. The purpose of quantitative research is to test established hypotheses. (Sugiyono, 2016: 11). The type of research used in this study is descriptive statistics. The object of this study is management change, audit opinion, audit fee, financial distress, and auditor switching. Although the subjects of this study include property and real estate companies listed on the Indonesian Stock Exchange from 2019-2021. Descriptive statistics are performed with the disclosutoin order to draw conclusions that are not of a general nature (Sugiyono, 2014: 147). The data collection techniques used by the researchers in this study are documentation and library techniques while the type of data used is secondary data. Secondary data are data obtained indirectly through intermediaries such as books, articles, documents, etc. (Sugiyono, 2014). The research data was obtained from the Indonesian Stock Exchange in the form of annual reports of property and real estate companies in 2019-2021 through the official websites www.IDX.co.id and www.sahamok.com.

The population is a collection of objects/subjects that meet certain characteristics according to the criteria established by the research, to then conclude (Sugiyono, 2014: 80). The population of this study is all property and real estate companies listed on the Indonesian Stock Exchange, with a total of 62 companies. This study uses a purposive sampling method to determine the characteristics of the population. The purposive sampling technique is the determination of the sample based on certain considerations or criteria. Some of the criteria established by the researcher include:

No	Criteria	Total
1	Property & real estate company listed on the Indonesia Stock Exchange from 2019 -2021.	**62**
2	Property & real estate companies that do not publish their full financial statements from 2019-2021.	**(17)**
3	Property & real estate companies that do not present the full data required by the 2019-2021 survey.	**(13)**
	Number of company survey samples	**32**
	Observational data from the survey (32 x 3)	**96**

The management change indicator is that companies that change management receive a score of 1 and companies that do not change management receive a score of 0 (Kaamilah et al., 2020). An audit opinion is measured by a client entity receiving other than an unqualified audit opinion and is assigned a value of 1, while a client entity receiving an unqualified audit opinion is assigned a value of 0 (Faradhillah and Abbas, 2022). The audit fee variable is measured using the natural logarithm (Ln) of the professional fees. (Widnyani, 2018). Financial Distress is measured using the ratio DAR = Total Assets/Total Debt. The safe level of the DAR ratio is 50%, with a DAR ratio above 50% being an indicator of deteriorating financial performance such that the company will face financial distress. (Manto and Manda, 2018) The change of auditor is in turn measured by giving the company that changes the CPA a score of 1, while the company that does not change the CPA gets a score of 0. (Udayani and Badera, 2017).

The test in this study uses Partial Least Squares (PLS) structural equation modeling (SEM), which consists of a measurement model test (outer model) and a structural model test (inner model). Husein (2015) describes several indicators to analyze the outer model: (1) Convergent validity, is an indicator measured by the relationship between the component scores and the construct scores, which can be seen from the standardized loading factor for each indicator > 0.70. (2) Discriminant Validity, aims to test the extent to which the latent construct differs from other constructs. Another method to assess discriminant validity is to look at the average variance extracted (AVE) > 0.5. (3) Composite reliability, is an indicator measuring a construct seen in the latent variable coefficients view. If the value achieved is > 0.70, the high reliability of the construct can be concluded. (4) Cronbach's Alpha, is a test performed to support the composite reliability results. A variable can be declared reliable if it has a Cronbach's alpha value > 0.70. Meanwhile, the inner model test can be evaluated using R-square to assess the effect of the independent variables on the dependent variable, the StoneGeisser Q-square test for predictive relevance and the t-test, and the significance of the parameter coefficients way. The hypothesis test was accepted if the t-statistical value >1.66.and a p-value of <0.05.

Results and Discussion

Results of Data Analysis

A. Evaluation of the Measurement Model (Outer Model)

A1. Convergent Validity

Outer Loading	
Variable	**Score**
Management Change (X1)	1.000
Audit Opinion(X2)	1.000
Audit Fee (X3)	1.000
Financial Distress (Z)	1.000
Auditor Switching (Y)	1.000
Management Change* Financial Distress (X1*Z)	0.836
Audit Opinion*Financial Distress (X2*Z)	0.992
Audit Fee*Financial Distress (X3*Z)	0.782

Source: Processed secondary data, 2022

From the data presented above, it can be seen that each research variable indicator has an outer loading value > 0.70. Therefore, all indicators are declared feasible or valid to be used in research and can be carried out for further analysis.

A2. Discriminant Validity

Cross Loading								
	PM	**OA**	**AF**	**FD**	**AS**	**PM*FD**	**OA*FD**	**AF*FD**
PM	**1.000**	-0.017	-0.141	-0.054	0.328	-0.063	0.085	-0.240
OA	-0.017	**1.000**	0.026	0.028	0.282	0.101	0.005	0.161
AF	-0.141	0.026	**1.000**	0.303	-0.126	-0.225	0.127	0.382
FD	-0.054	0.028	0.303	**1.000**	-0.006	-0.367	-0.088	0.100
AS	0.328	0.282	-0.126	-0.006	**1.000**	-0.075	0.071	0.112
PM*FD	-0.063	0.101	-0.225	-0.367	-0.075	**1.000**	-0.014	-0.197
OA*FD	0.085	0.005	0.127	-0.088	0.071	-0.014	**1.000**	0.113
AF*FD	-0.240	0.161	0.382	0.100	0.112	-0.197	0.113	**1.000**

Source: Processed secondary data, 2022

Based on the data presented, each indicator in the research variable has the highest cross-load value in the variables it constitutes, it is concluded that the indicators in this study have good discriminant validity. Besides cross-loading, discriminant validity can also be determined by other methods, namely by looking at the average variance extracted (AVE) value for each indicator. (Ghozali, 2014:40)

Average Variance Extracted (AVE)	
Variable	**Score**
Management Change (X1)	1.000
Audit Opinion(X2)	1.000
Audit Fee (X3)	1.000
Financial Distress (Z)	1.000
Auditor Switching (Y)	1.000
Management Change* Financial Distress (X1*Z)	1.000
Audit Opinion*Financial Distress (X2*Z)	1.000
Audit Fee*Financial Distress (X3*Z)	1.000

Source: Processed secondary data, 2022

Based on the above data, it can be seen that the AVE value of Variable Management Change, Audit Opinion, Audit Fee, Financial Distress, and Auditor switching are > 0.5. Therefore, each variable can be said to have good discriminant validity.

A3. Composite Reliability

Composite Reliability	
Variable	**Score**
Management Change (X1)	1.000
Audit Opinion(X2)	1.000
Audit Fee (X3)	1.000
Financial Distress (Z)	1.000
Auditor Switching (Y)	1.000
Management Change* Financial Distress (X1*Z)	1.000
Audit Opinion*Financial Distress (X2*Z)	1.000
Audit Fee*Financial Distress (X3*Z)	1.000

Source: Processed secondary data, 2022

Based on the above table, it is known that the composite reliability score of all research variables is > 0.70. The results of this study show that each variable met the composite reliability, so it can be concluded that all variables have a high level of reliability.

A4. Cronbach's Alpha

Cronbach's Alpha	
Variable	**Score**
Management Change (X1)	1.000
Audit Opinion(X2)	1.000
Audit Fee (X3)	1.000
Financial Distress (Z)	1.000
Auditor Switching (Y)	1.000
Management Change* Financial Distress (X1*Z)	1.000
Audit Opinion*Financial Distress (X2*Z)	1.000
Audit Fee*Financial Distress (X3*Z)	1.000

Source: Processed secondary data, 2022

The above table shows the Cronbach's alpha value of each research variable > 0.70. The results of this study describe that each research variable has met the requirements of the Cronbach alpha value so that high reliability of all variables can be concluded.

B. Evaluation of the Structural Model (Inner Model)

B1. R-Square

R-Square	
Variable	**Score**
Auditor Switching (Y)	0.244

Source: Processed secondary data, 2022

The table above shows that the R-Square value for the variable Auditor Switching (Y) in this study is 0.244. This figure explains that the percentage of auditor switching can be explained by the independent research variable of 24.4%.

B2. Q-Square

$$\text{Q-Square} = 1 – [(1 – R^2)]$$
$$= 1 – [(1 – 0{,}244)]$$
$$= 1 – 0{,}756$$
$$= 0{,}244$$

Based on the results of the above calculations, the value of Q-square is 0.244. This shows that the magnitude of the diversity of research data that can be explained by the research model is 24.4%. While the remaining 75.6% is explained by other factors unrelated to the research model.

B3. Path Coefficient Test

Path Coefficient					
	Original Sample	**Sample Mean**	**Standard Deviation**	**T Statistics**	**P-Value**
PM -> AS	0.348	0.355	0.107	3.238	0.001
OA -> AS	0.267	0.262	0.093	2.861	0.004
AF -> AS	-0.189	-0.182	0.089	2.127	0.034
PM*FD -> AS	-0.090	-0.070	0.146	0.616	0.538
OA*FD -> AS	0.042	0.050	0.105	0.396	0.692
AF*FD -> AS	0.260	0.272	0.117	2.229	0.026

Source: Processed secondary data, 2022

Table Description:

- PM : Management Change (X1)
- OA : Audit Opinion (X2)
- AF : Audit Fee (X3)
- FD : Financial Distress (Z)
- AS : Auditor Switching (Y)
- PM*FD : Management Change* Financial Distress (X1*Z)
- OA*FD : Audit Opinion* Financial Distress (X2*Z)
- AF*FD : Audit Fee* Financial Distress (X3*Z)

Through the path coefficient data, the PLS equation model is formulated as follows:

SWITCH = 0,348 PM + 0,267 OA – 0,189 AF – 0,090 PM*FD +0,042 OA*FD + 0,260 AF*FD + e

C. Hypothesis Test

The research hypothesis can be declared accepted if the value of T-Statistics> 1.66 (t-table) and P-Values <0.05. The following are the results of the hypothesis tests obtained by the inner model in this study:

Hypothesis	Influence	Original Sample	T-Statistics	P-Values	Result
H1	PM -> AS	0.348	3.238	0.001	Accepted
H2	OA -> AS	0.267	2.861	0.004	Accepted
H3	AF -> AS	-0.189	2.127	0.034	Accepted
H4	PM*FD -> AS	-0.090	0.616	0.538	Rejected
H5	OA*FD -> AS	0.042	0.396	0.692	Rejected
H6	AF*FD -> AS	0.260	2.229	0.026	Accepted

Source: Processed secondary data, 2022

Hypothesis test:

H1 Hypothesis test
The original sample value is 0.348 with less than 5% significance as indicated by a t-statistic value of 3.238, indicating that management change has a positive and significant influence on auditor switching. The first hypothesis is accepted.

H2 Hypothesis Test
The original sample value is 0.267 with less than 5% significance, indicated by a t-statistic value of 2.861, indicating that the audit opinion has a positive and significant influence on auditor switching. The second hypothesis is accepted.

H3 Hypothesis Test
The original sample value is -0.189 with less than 5% significance indicated by a t-statistic value of 2.127 indicating that the audit fee has a negative and significant influence on auditor switching. The third hypothesis is accepted.

H4 Hypothesis Test
The original sample value is -0.090 with greater than 5% significance indicated by a t-statistic value of 0.616 indicating that financial distress is unable to moderate the influence of management change on auditor switching. The fourth hypothesis is rejected.

H5 Hypothesis Test
The original sample value is 0.042 with greater than 5% significance indicated by a t-statistic value of 0.396 indicating that financial distress is unable to moderate the influence of audit opinion on auditor switching. The fifth hypothesis is rejected.

H6 Hypothesis Test
The original sample value is 0.260 with less than 5% significance as indicated by the t-statistic value of 2.229, indicating that financial distress is able to moderate the influence of audit fee on auditor switching. The sixth hypothesis is accepted.

Discussion of Research Results

The Influence of Management Changes on Auditor Switching

The results of this study accept the first hypothesis (H1), which states that management change influences auditor switching. This shows that companies changing management will bring about changes in company policies, including CPA selection policies. The results of this study are consistent with Efendi (2013) in Kusuma and Farida (2019) showing that companies change management to survive in a competitive business environment to improve company performance. Saputra (2017), confirmed that the change of directors (CEO) made by the company was sufficient to determine the company to make the change of auditor. Diana (2018), where management changes within the company are usually always followed by changes in company policy, including the selection of CPA.

The results of this study are inconsistent with those reported by Astuty et al. (2021), note that the auditor's report and the old policies could still be brought into line with the new management policies through negotiation between the two parties. On the other hand, Wasito et al., (2019) explained that the selection of directors was carried out in the company to renegotiate with the auditors when previously accounting standards or accounting reports were not appropriate. The decision of the General Meeting of Shareholders when choosing the auditors does not always follow the wishes of the management. (Aprilia and Effendi, 2019). The conclusion from the previous discussion is that management change influences auditor switching. If there is a change in management, it will encourage the change of auditor as the management of the company tends to look for a CPA consistent with accounting policies and reporting.

The Influence of Audit Opinion on Auditor Switching

The results of this study accept the second hypothesis (H2), which states that audit opinion influences auditor switching. This demonstrates that an audit opinion can be considered by the company to change or retain the auditor. This can be seen from PT. Natura City Developments Tbk., which has received an unqualified audit opinion for 3 consecutive years, retains its auditors. While PT. Metropolitan Land Tbk. obtaining an opinion other than an unqualified opinion makes a change of auditor. This study supports the results of Fauziyyah et al. (2019), who find that the audit opinion has implications for auditor switching. The reason for the change of auditor is that the company does not recognize the audit opinion of the auditor for the audited company. Palupi and Primasari (2019) show that a company that receives an unqualified audit opinion chooses not to do auditor switching. For its part, Yusriwati (2019) states that management avoids issuing a qualified opinion because it creates the impression that management's performance is declining, so the company replaces its auditor, who can issue an unqualified opinion.

These results contradict the studies by Harnanto et al. (2019) show that audit opinion does not affect auditor switching. An opinion other than an unqualified opinion indicates that there are issues in the financial statements that affect the views of investors and creditors o the company. Setyoastuti et al., (2020), the opinion issued by CPA Big Four and NonBig Four will be similar to the company's actual situation. Almunawaroh and Yanto (2019) show that all auditors apply the same standard, if the entity does not obtain an unqualified opinion according to the auditing standards, then the auditor will not give an unqualified opinion. The conclusion from the above is that audit opinion influences auditor switching. Companies that receive unqualified audit opinions tend to retain their auditors compared to companies that receive certifications other than unqualified opinions.

The Influence of Audit Fee on Auditor Switching

The results of this study accept the third hypothesis (H3), which states that audit fees that exceed the firm's capacity lead firms to seek other CPA with lower fees, although the firm must stop working with CPA that generally audit services provide their annual financial statements. When the auditor is auditing 1 client for the first time, the auditor must first understand the company's audit risks and the company's business environment. For accountants who do not understand these two issues, start-up costs will be higher, resulting in increased audit fees. (Najwa and Sofian, 2020). If the company and CPA cannot agree on the amount of the fee, the company switches to a KAP with a lower fee so that the company does not feel obliged to pay high fees. (Nainggolan et al., 2022). The results of this study are also consistent with Widnyani (2018) according to which if the fee is set too high, the company's tolerance limit is the company's tendency to change auditors even higher.

This research is inversely proportional to the results of the research by Pratama and Ardiati (2022). A company's management has authority, even if management believes that the auditor selected has met the requirements of the audit services and agrees with management's opinion, the high fee increase is not a problem. Wulandari and Suputra (2018), the level of the fee paid does not affect the rotation of the auditor as long as it is consistent and meets the qualifications required by the company. The management of the company tends to use CPA services, which already have a good reputation, it is an image for the company (Handini, 2017). The conclusion from the above discussion is those audit fee influences auditor switching. If the manager feels they are not satisfied with the requested audit fee, the manager will substitute the KAP in hopes of obtaining an auditor according to the offered audit fee.

The Influence of Management Change on Auditor Switching with Financial Distress as a moderating variable

The results of this study reject the fourth hypothesis (H4), which states that financial distress as a moderating variable is unable to moderate the influence of management change on auditor switching. This means that the company's financial difficulties will force the company's management to retain the old auditor, who is expected to uncover negligence in the company's performance through audited financial statements to return the company's finances to normal to promote stability. PT. Goa Makassar Tourism Development Tbk. (GMTD) had financial difficulties for three consecutive years and changed management once in 2021. There did a management change at PT. GMTD does not encourage the implementation of auditor switching. This research is supported by the findings of Nasir (2018), when a company does management change, the company fears that the new management will take a long time to adapt to the company's conditions, so the company tends to stay to improve the old management when the company's position in a situation of financial distress. Aziza and Herawaty (2020) also explain that the financial condition of the client company can have an important impact on the decision to keep or replace the CPA. In addition, Klarasti et al., (2021) found in their study that management changes do not always follow the corporate policy of changing the auditor according to the wishes of the new management.

This study is not consistent with researchers Rosita (2019) and Saputra et al. (2022) where companies experiencing financial distress will demand a new management change in the RUPS, because the former manager could not cope with the financial distress that led to a decline in the share price. Selinvia and Sugiyanto (2020) explained that financial distress was one of the reasons companies changed management. The reason for the change of accountant follows changes in the company's policy on hiring the services of an accountancy firm. With the new management or CEO, company policies will also change, such as the accounting guidelines and the selection of auditors who comply with the new management guidelines. (Kaamilah et al., 2020). The conclusion from the above discussion is that financial distress is unable to moderate the influence of management change on auditor switching. This is because companies facing financial distress tend to hire auditors so changes in auditing policy don't put the company out of business.

The Influence of Audit Opinion on Auditor Switching with Financial Distress as a moderating variable

The results of this study reject the fifth hypothesis (H5), which states that financial distress acts as a moderating variable on audit opinion with auditor switching. This means that companies in financial difficulties tend not to change their auditors to improve the quality of their auditors and to make the company more committed to the old auditors to maintain the trust of shareholders, creditors, and the public. PT. Duta Anggada Realty Tbk. (DART) for three years with financial difficulties with a DAR score greater than 50% received a fair opinion in the submitted financial statements. This does not cause the company to do auditor switching as the company is confident in the quality of the audit provided by the CPA firm in question. This research is supported by the findings of Tisna and Suputra (2017), if the opinion issued by the company is other than an unqualified opinion, the company will change auditors, but the existence of financial problems in the company will cause the auditor switching decrease. Huda et al., (2021) also show that companies tend not to change their auditor even if they do not receive an unqualified audit opinion. For companies that are experiencing financial difficulties, the auditor will most likely provide a going concern statement, so this may affect a negative view for users of the financial statements in determining which decisions to make. Kaamilah et al. (2020) state that management needs an experienced auditor, aware of the state of the company, to solicit suggestions for improvement to get out of financial difficulties. Because if the company did auditor switching, this means that the value of the company decreases from the point of view of outsiders of the company.

The study results are not consistent with Astria and Wenny (2018) and Pratiwi et al. (2022), where it is explained that with the emergence of financial distress, financial restructuring of the industry is carried out for the new auditor to check and report the weakening of financial information. Trisanti et al (2022), auditor switching may occur as a result of a dispute between the client and the auditor, where the client chooses an auditor that is consistent with their accounting practices. If an accountant is willing to accept a new client, it may be for specific financial reasons. Ikmala (2018) explains that a good audit report can reduce the number of auditors switching companies, but if the company faces financial difficulties, it will switch auditors. The conclusion from the above discussion is that financial distress is unable to moderate the influence of the audit opinion on auditor switching. The company considers the former auditors to be capable and worthy of auditing the company despite financial difficulties.

The Influence of Audit Fee on Auditor Switching with Financial Distress as a Moderating Variable

The results of this study accept the sixth hypothesis (H6), which states that financial distress can moderate the influence of audit fee on auditor switching. This means that the higher the audit fee offered, the more likely the company will replace its CPA if the company runs into financial distress. This research is supported by the findings of Nasir (2018), who explains that managers of rational firms choose to switch to high-quality CPA and tend to pay higher audit fees when the firm is in poor health or has financial difficulties. Diandika and Badera (2017) have shown that the level of the established audit fee can describe the image of the CPA firm in the community and whether the auditor is a professional in their field. Matozza et al., (2020) explain that newly appointed auditors burden healthy companies with high audit fees to achieve an effective audit effort.

However, this study is inversely proportional to the results of Aziza and Herawaty (2020). Companies experiencing financial difficulties cannot overpay audit fees and companies prefer to pay audit fees that are commensurate with the company's financial situation, the company retains its auditor. Ikmala (2018), The level of the statutory audit fee cannot influence a company to switch auditors, regardless of whether the company is experiencing financial distress or not. Giordani et al., (2020) show that firms experiencing financial difficulties tend to retain their auditors by paying higher fees as auditors spend more time conducting tests related to financial difficulties. The above discussion implies that financial distress is able to moderate the influence of audit fees on auditor switching. This is because companies that get into trouble tend to switch auditors. After all, the company is unable to pay the high fees.

Conclusion

From this research, it can be concluded that: (1) Management Change has a positive and significant influence on Auditor Switching, because the change of management is always followed by a policy in the selection of auditors. (2) Audit opinion has a positive and significant influence on Auditor Switching, because the management will look for an auditor who provides an opinion according to the company's expectations. (3) Audit Fee has a negative and significant influence on Auditor Switching, because the fee offered is too high, which will make the company look for a new auditor. (4) Financial Distress is unable to moderate the influence of Management Change on Auditor Switching, because companies experiencing financial difficulties will tend to retain the old auditors to detect negligence in the company's performance. (5) Financial Distress is unable to moderate the influence of Audit Opinion on Auditor Switching, because companies experiencing financial difficulties tend not to change their auditors to maintain shareholder confidence. (6) Financial Distress is able to moderate the influence of Audit Fee on Auditor Switching, because the company cannot pay high audit fees.

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