THE INFLUENCE OF INSTITUTIONAL OWNERSHIP, AUDIT OPINION, SIZE OF KAP USED. AND CLIENT COMPANY GROWTH ON VOLUNTARY AUDITOR SWITCHING

(Empirical Study on Manufacturing Companies Listed in Indonesia Stock Exchange Periode 2015-2019)

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Abstract – *This study aims to determine the influence of institutional ownership, audit opinion, size of KAP used, and client company growth on voluntary auditor switching both partially and simultaneously. This research uses a quantitative associative approach as measured by the logistic regression method with SPSS 25. The population of this research is manufacturing companies listed on the Indonesia Stock Exchange (IDX) period 2015-2019. The sample was determined based on the purposive sampling method, with a total size of 22 manufacturing companies, and the total observations in this research are 110 observations. The data used in this research is secondary data. The data collection technique uses the documentation method through the official IDX website www.idx.co.id and the respective companies' websites.*

The result of this study indicate that institutional ownership and audit opinion partially have no effect on voluntary auditor switching. Size of KAP used and client company growth partially have effect on voluntary auditor switching. Institutional ownership, audit opinion, size of KAP used , and client company growth simultaneously have effect on voluntary auditor switching in manufacturing companies listed on the Indonesia Stock Exchang 2015-2019.

Keywords : Institutional Ownership, Audit Opinion, Size of KAP Used, Client Company Growth, Voluntary Auditor Switching.

I. INTRODUCTION

In an increasingly rapid economic development will cause more companies to go public. Companies that go public are required to issue financial reports prepared based on Financial Accounting Standards (SAK). Such information must be presented fairly and cannot be trusted so that the needs of the parties concerned can be met. Information will be more trusted by the information audited by an independent party. Auditors (Public Accounting Firms) or those known as parties with a strong independent attitude to assess the fairness of the results of the company's financial statements which are a guarantee for the company to publish its financial statements (Kencana, et al, 2018).

To increase auditor independence, the company must make a decision regarding auditor switching. Auditor switching is the replacement of the Public Accounting Firm (KAP) and auditors by a company. Auditor switching can occur mandatory or voluntary. Mondatory Auditor Switching is carried out because it is based on established and applicable regulations. Meanwhile, Voluntary Auditor Switching is carried out because it is not based on applicable regulations. The Indonesian government has issued a regulation in the Minister of Finance Decree Number 423/KMK.06/2002 which was later amended by the Minister of Finance Decree Number 359/KMK.06/2003 concerning "Public Accountant Services" (article 6). This regulation was updated with the Minister of Finance Regulation Number 17/PMK.01/2008 and revised again with the issuance of Government Regulation Number 20/2015, namely article 11 paragraph (1) which explains that the provision of audit services for historical financial information as described in article 10 paragraph (1) letter a for an entity by a public accountant is no longer than 5 consecutive financial years.

The phenomenon of auditor switching can be seen from one of the cases that occurred in 2015 related to the competence of an auditor, namely the case of temporary suspension (suspension) of stock trading by the Indonesia Stock Exchange (IDX) at PT Inovisi Infracom Tbk (INVS). INVS received these sanctions because in the INVS quarter III-2014 financial performance report many errors were found. PT. Inovisi Infracom Tbk (INVS), which was previously audited by KAP Jamaludin, Ardi, Sukimto, and colleagues in 2014 appointed a new KAP, namely Kreston International (Hendrawinata, Eddy Siddharta, Tanzil, and colleagues) to audit its financial performance reports. From this case it can be concluded that after an error occurred in the audited financial statements, PT. Inovisi Infracom Tbk performs auditor switching. The change in KAP occurred not because of the prevailing regulations but because PT INVS wanted to improve the quality of the delivery of financial reports in accordance with applicable regulations and standards. Based on the phenomenon that occurs, it shows that even though there are regulations that regulate the period limit in using audit services, there is a tendency that clients do not follow these regulations and prefer to do auditor switching before the predetermined period limit (voluntary). Therefore, it is important to know what factors cause companies to voluntarily switch auditors.

Institutional ownership is ownership of company shares owned by institutional investors. The large amount of institutional ownership encourages monitoring activities, because of their decisions regarding management policies, including in the selection of a public accounting firm. KAP as an independent auditor has an important role in the monitoring process so that the resulting financial reports are fair and reliable. This is in line with research conducted by (Sari & Astika, 2018) and (Fajrin, 2015) showing the results that institutional ownership has an influence on voluntary auditor switching. The results of this study are different from the results of research (Diana, 2018) which states that institutional ownership has no effect on voluntary auditor switching.

Audit opinion is important information for shareholders and other parties with an interest in the company. In general, management certainly wants its financial statements to receive an unqualified opinion from the auditing Public Accounting Firm (KAP). If the auditor from the Public Accounting Firm (KAP) gives an opinion that is not in accordance with the wishes of the company, the client company will tend to do auditor switching. This is in line with research conducted by (Faradila & Yahya, 2016) and (Djamalilleil, 2015) showing the results that audit opinion affects voluntary auditor switching. However, contrary to research conducted by (Stephanie & Prabowo, 2017) the results show that audit opinion has no effect on voluntary auditor switching.

The size of the Public Accounting Firm (KAP) is a reflection of the size of the KAP. KAP is said to be a big KAP if it is affiliated with the big four and it is said to be small if it is not affiliated with the big four. A company will choose a public accounting firm that has a reputation to increase the credibility of its financial statements in the eyes of users of financial statements. This is in line with research conducted by (Luthfiyati, 2016) and (Mulyadi & Walidi, 2019) showing the results that KAP size has a positive effect on voluntary auditor switching. However, these results contradict the results of research conducted by (Wijaya & Rasmini, 2015) showing that the size of KAP has no effect on voluntary auditor switching.

The more complex operational activities of a company that is experiencing growth can be an influence for the company to conduct voluntary auditor switching. The company's growth rate is the company's ability to maintain the quality of its industry and its overall economic activity. The company will perform auditor switching if the previous KAP cannot meet the needs of a growing company. This is in line with research conducted by (Mahindrayogi & Suputra, 2016) and (Alansari & Badera, 2016) showing the results that the growth of client companies has a positive effect on voluntary auditor switching. However, the results of this study are different from the results of research (Wijanarko & Sari, 2018) which show that company growth has no effect on voluntary auditor switching.

Based on previous studies, it can be seen that there are still many differences in the results obtained from the research that has been done. Given the differences in opinion and based on the above background, researchers are interested in conducting research on the factors that influence voluntary auditor switching. This research was conducted with the title: ***"The Influence of Institutional Ownership, Audit Opinion, Size of KAP Used, and Client Company Growth on Voluntary Auditor Switching on Manufacturing Companies listed in the Indonesia Stock Exchange for the period 2015-2019."***

II. LITERATURE STUDY

1. Theoritical Basis

Agency Theory

Agency theory is a theory that explains the relationship between shareholders (principal) and management (agent). Jansen and Meckling (1976) state that an agency relationship is a contract in which one or more people (principal) involve other people (agent) to perform services on behalf of the principal and give part of the authority to the agent for the best decision making for the principal. The separation of ownership between the principal and the agent creates differences in interests which can trigger a problem known as agency conflict. This agency conflict can be minimized by exercising control or supervision that can reconcile the differences in interests between the principal and agent, but this can cause costs. The cost incurred by the principal to *carry out this supervision is called the agency cost. Wallace (1985) states that auditing is a way that can reduce agency costs due to managerial selfish behavior and information asymmetry. If the audit is carried out by an independent auditor, the agent can prove that the trust of the principal has not been misused for the agent's personal gain. Therefore, it is necessary to have an engagement with an independent third party, namely the auditor. Independent auditors can reduce the occurrence of conflicts of violence arising from selfish behavior by the agent. The independent auditor acts as an intermediary between the two parties (agent and principal) who have different interests in managing company finances.*

Audit

According to Arens, et al., (2015:2) auditing is the collection and evaluation of evidence regarding information to determine and report the degree of conformity between information and predetermined criteria. According to Arens, et al., (2015: 168) the objective of the audit is to provide an opinion for the users of the financial statements provided by the auditor regarding whether the financial statements are presented fairly in all material respects, in accordance with the applicable financial accounting framework. Therefore, the objective of the audit requires accountants to provide an opinion on the feasibility of presenting financial reporting in accordance with auditing standards.

Auditor

According to Mulyadi (2013:1) auditors are public accountants who provide services to auditors to check financial statements to be free from misstatements. The examination of the financial statements is carried out by a third party between management and shareholders, who are considered to have an independent attitude, namely the auditor. Independence is a mental attitude that is free from influence, is not controlled by other parties and is not dependent on others. This independence absolutely must be in the auditor when carrying out the task of auditing financial statements which requires to provide fairness in the financial statements of his clients. The auditor is expected to be able to carry out an examination of the financial statements objectively. This indicates that the auditors must be honest in disclosing facts that occur in the company being audited, including fraudulent acts that may be committed by their clients.

Institutional Ownership

According to Sutedi (2012:21), institutional ownership is defined as the percentage of shares owned by institutions such as insurance companies, banks, pension funds, and investment banking. The existence of institutional ownership can encourage an increase in more optimal supervision so that its existence has an important meaning in the management monitoring process effectively. Institutional shareholders who have large shareholdings have the authority to supervise company decision making related to company performance. The existence of large share ownership by institutional investors will encourage an increase in more optimal supervision of management performance so as to minimize the opportunistic behavior of managers, namely prioritizing their own interests which can harm institutional shareholders.

Audit Opinion

According to Mulyadi (2014: 19), an audit opinion is an audit statement in the form of an opinion regarding the fairness of the audited financial report, in all material matters and is based on the suitability of the preparation of financial statements with Generally Accepted Accounting

Principles. Giving an audit opinion based on the content of the financial statements whether it is in accordance with the applicable Financial Accounting Standards (SAK). According to SPAP section 508 which is sourced from PSA Number 29 concerning Auditor's Report on Audited Financial Statements, there are five types of auditor opinion, namely unqualified opinion, unqualified opinion with explanatory language, unqualified opinion, unreasonable opinion, and unqualified opinion give an opinion.

Size of KAP Used

According to the Minister of Finance Regulation Number 17 / PMK.01 / 2008 concerning Public Accountant Services, the Public Accounting Firm (KAP) is an organization / business entity that has obtained a license from the Ministry of Finance as a place for public accountants to provide professional accounting services to companies or Public. One of the services provided by KAP is general audit services for the company's financial statements. Many KAP sizes in Indonesia classify them by using KAP affiliates with the Big four and Non-Big four. The size of the KAP is said to be large if the KAP is affiliated with the Big Four, has branches and has large corporate clients and has a professional staff of more than 25 people. Meanwhile, the size of the Public Accounting Firm is said to be small if it is not affiliated with the Big Four, does not have branch offices and clients are small companies and the number of professionals is less than 25 people (Arens, et al., 2012).

Client Company Growth

Company growth is a measure of how well a company maintains its economic position, both in its industry and in overall economic activity (Aprianti & Hartaty, 2016). A company that is growing indicates that there is a change (increase or decrease) in sales made by the company. This also shows that the company does not experience stagnancy in its operational activities. The company's growth rate is important for the company because it is one of the things that investors need to consider in making decisions about their investment. An increase in company growth indicates that its operational activities are also increasingly complex.

Voluntary Auditor Switching

Auditor Switching is the replacement of the auditor or Public Accounting Firm (KAP) by the client company. Auditor switching in this study is the change of KAP by the company. Auditor switching is voluntary (voluntary) carried out when the public accounting firm is replaced by a company even though it has not exceeded the audit tenure limit set by the KMK. Voluntary auditor switching is the behavior of a company in replacing its public accountants and public accounting firm (KAP) at the company's own wishes and is not based on applicable regulatory provisions. There are two possibilities that occur in voluntary replacement, namely the public accountant who resigns from the assignment he has received or the company that wants to replace the public accountant for the services provided.

2. Hypothesis Development

The Influence of Institutional Ownership On Voluntary Auditor Switching

According to (Sari & Astika, 2018) it proves that institutional ownership has an effect on voluntary auditor switching. This is because companies with concentrated institutional ownership will have their ownership rights protected, so that they have the authority to determine company policies, one of which is whether or not it is necessary to undertake voluntary auditor switching. In general, *institutional ownership as the majority shareholder tends to take advantage of its authority for personal or group interests, so that when shareholders have conflicts with auditors and the Public Accounting Firm (KAP) that audit the company, they will perform auditor switching. This research is in line with research conducted by (Fajrin, 2015) which states that there is a significant effect of institutional ownership on voluntary auditor switching. Based on this analysis, the first hypothesis in this study is:*

H1 : Institutional ownership affects voluntary auditor switching.

The Influence of Audit Opinion On Voluntary Auditor Switching

According to (Faradila & Yahya, 2016) which proves that the audit opinion affects voluntary auditor switching, stating that if the auditor cannot provide a qualified opinion, the company will switch KAP which may provide an opinion as expected by the company. This is in line with research conducted by (Djamalilleil, 2015) showing that audit opinion has a positive influence on voluntary auditor switching so that audit opinion is sufficient to determine companies to undertake voluntary auditor switching. Based on this analysis, the second hypothesis in this study is:

H2 : Audit Opinion affects voluntary auditor switching.

The Influence of Size of KAP Used On Voluntary Auditor Switching

According to (Luthfiyati, 2016) proves that the size of the KAP used has an effect on voluntary auditor switching, stating that companies that use KAP affiliated with KAP are not big 4 tend to replace their Public Accounting Firm more often than companies that use KAP affiliated with big KAP four, so that companies that have used the services of big four KAP have a small tendency to change to a public accounting firm (KAP). Therefore, companies that use KAP non big four tend to do voluntary auditor switching. This is in line with research conducted by (Mulyadi & Walidi, 2019) that the size of KAP has a significant positive effect on voluntary auditor switching. Based on this analysis, the third hypothesis in this study is:

H3 : Size of KAP Used affects voluntary auditor switching

The Influence of Client Company Growth On Voluntary Auditor Switching

According to (Mahindrayogi & Suputra, 2016), which proves that the growth of client companies affects voluntary auditor switching, states that the higher the company's growth, this will be directly proportional to the demand for higher quality audit results. Therefore, auditor switching in companies that are experiencing growth is considered very necessary because it can improve the quality of financial reports, as well as to increase investor confidence in the company. So that the higher the growth of client companies, the more companies do voluntary auditor switching. This is in line with research conducted by (Alansari & Badera, 2016) which states that the client companies growth has a significant positive effect on voluntary auditor switching. This is because when a business entity experiences increasing sales growth, the company tends to change KAP. Based on this analysis, the fourth hypothesis in this study is:

H4 : Client Company Growth affects voluntary auditor switching.

III. RESEARCH METHOD

1. Research Strategy

This research strategy uses this type of research in the form of associative research with causal relationships. With this strategy, it can be seen how much influence the independent variable has, namely institutional ownership, audit opinion, the size of the KAP used, and the growth of the client company on voluntary auditor switching as the dependent variable. This research uses a quantitative approach, which is a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative or statistical data analysis with the aim of testing predetermined hypotheses (Sugiyono, 2017:8). The data used is secondary data obtained from annual reports of manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period. The data is processed, analyzed, and processed by the research method in the form of logistic regression analysis.

2. Population and Samples

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019 which have been published as the general population in this study. Meanwhile, the target population is all manufacturing companies, namely 142 manufacturing companies. In this study, the criteria determined for selecting samples are as follows:

1. *Manufacturing companies listed on the IDX consecutively during the 2015-2019 period.*
2. *Manufacturing companies that conducted voluntary auditor switching during the 2015-2019 period.*
3. *Manufacturing companies that publish complete financial reports and annual reports from the 2015-2019 period.*
4. *Manufacturing companies that present financial reports in rupiah.*
5. *Manufacturing companies that have and publish data related to research variables during the 2015-2019 period.*

The sampling technique in this study was to use purposive sampling method, namely company sampling based on certain criteria with the aim of obtaining a sample that was in accordance with what the researcher needed. Based on the criteria above, the manufacturing companies listed on the Indonesia Stock Exchange that met the requirements in the study were 22 companies for five years, namely 2015-2019, so the total data used was 110 research data.

3. Data and Data Collection

The type of data used in this study is secondary data. Secondary data sources are obtained from the Indonesia Stock Exchange (IDX) or can be accessed at (www.idx.co.id). Secondary data in this study are in the form of annual financial statements of manufacturing companies for the 2015-2019 period. The data collection method used in this research is the documentation method. Researchers used the documentation method by looking at the annual financial statements of manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period that had met the purposive sampling criteria. The data has been documented on the official website of the Indonesia Stock Exchange (www.idx.co.id).

4. Operasionalization of Variables

Institutional Ownership

In this study, institutional ownership is measured using the percentage of share ownership, namely the ratio between the number of shares owned by the institution to the total number of shares of the company in circulation. According to (Sari & Astika, 2018) the percentage of institutional ownership can be formulated as follows:

$$KI = \frac{\text{Shares Owned by the Institution}}{\text{The Number of Shares Outstanding}} \quad X \quad 100\%$$

Audit Opinion

Audit opinion variables are measured using dummy variables. According to (Faradila & Yahya, 2016) if the client company receives a qualified opinion, then it will be given a value of 1. Whereas client companies that do not receive an opinion other than an unqualified opinion will be given a value of 0.

Size of KAP Used

The size of KAP in this study is the size of KAP which is divided into two groups, namely large KAP (KAP affiliated with the Big Four) and small KAP (KAP affiliated with the Non Big Four). Measurement of KAP size variables uses dummy variables. According to (Luthfiyati, 2016) if a company is audited by a Big Four KAP then it is given a value of 1, whereas if a company is audited by a non-Big Four KAP then it will be given a value of 0.

Client Company Growth

In this study, the measurement of company growth is proxied by the ratio of sales growth, because sales are the main operational activity of an entity. According to (Mahindrayogi & Suputra, 2016) the growth ratio of client companies can be formulated as follows:

$$\Delta s = \frac{St - St_{-1}}{St_{-1}}$$

Information :

ΔS = *Client Company Growth Ratio*
St = *Net sales in year t (certain year)*
St_{-1} = *Net sales in year t-1 (the previous year)*

Voluntary Auditor Switching

This research follows research conducted by Nugroho & Ghozali (2015). In this study, the company has conducted voluntary auditor switching if the company changes KAP outside of government regulations. This variable is measured using a dummy variable, because there are only two possibilities, namely auditor switching or not. The dummy variable is measured using a nominal scale, that is, if a company changes KAP, then it is given a value of 1 and if the company does not change KAP compared to the previous year, then it is given a value of 0.

4. Data Analysis Method

The analytical method used in this research is descriptive analysis. The descriptive analysis in this study used logistic regression analysis. To determine the calculation and reduce human error, this research was not done manually, but used a computer program (software) for statistical data processing. Data processing tools in this study used Microsoft Excel 2010 software and SPSS (Statistical Package for Social Science) software version 25.0.

IV. RESULTS AND DISCUSSION

1. Research Result

Deskriptive Statistics Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
KI	110	0.18	1.00	0.7083	0.20295
OA	110	0.00	1.00	0.1000	0.30137
SIZE KAP	110	0.00	1.00	0.5727	0.49695
PP	110	-0.39	0.86	0.0737	0.18627
VAS	110	0.00	1.00	0.3182	0.46790
Valid N	110				

Source : The Result of Data Processing with SPSS 25.0

The first independent variable, namely Institutional Ownership (KI), shows that the minimum value of 0.18 is found at PT. Bumi Teknokultura Unggul Tbk. (BTEK) in 2015 and a maximum value of 1.00 found in Kimia Farma (Persero) Tbk. (KAEF) in 2015-2019. The average (mean) value of the institutional ownership variable is 0.7083, which means that institutional ownership in manufacturing companies has an average share ownership of 70.83%. Meanwhile, the standard deviation value in the institutional ownership variable is 0.20295.

The second independent variable, namely Audit Opinion (OA), shows the result that a minimum value of 0.00 is found in manufacturing companies that receive unqualified opinion and a maximum value of 1.00, that is, with an opinion other than an unqualified opinion is found at PT. Bumi Teknokultura Unggul Tbk. (BTEK) in 2015, PT Langgeng Makmur Industri Tbk. (LMPI) in 2017 and 2018, PT Asia Pacific Investama Tbk. (MYTX) in 2015, 2016, and 2017, PT Bentoel Internasional Investama Tbk (RMBA) in 2019, and PT. Sunson Textile Manufacture Tbk. (SSTM) in 2015, 2016, 2018, and 2019. The average (mean) value of the audit opinion variable is 0.1000. While the standard deviation value in the audit opinion variable is 0.30137.

The third independent variable, namely Size of KAP Used (SIZE KAP) shows that the minimum value of 0.00 is found in manufacturing companies that use big four KAP audit services and a maximum value of 1.00 is found in manufacturing companies that use KAP non big four audit services. The average (mean) value for this variable is 0.5727 and the standard deviation value for this variable is 0.49695.

The fourth independent variable, namely Client Company Growth (PP) shows the result that a minimum value of -0.39 is found at PT. Alakasa Industrindo Tbk. (ALKA) in 2015 and a maximum value of 0.86 is found in PT Alakasa Industrindo Tbk in 2018. The average (mean) value of this variable is 0.0737, which means that the manufacturing company's ability to experience very *good profits at certain sales levels Meanwhile, the standard deviation value in this variable is 0.18627.*

The dependent variable, namely Voluntary Auditor Switching (VAS), shows that the minimum value of 0.00 is found in manufacturing companies that change KAP and the maximum value of 1.00 is found in manufacturing companies that do not change KAP. The average value (mean) on the dependent variable is 0.3182 and the standard deviation value is 0.46790.

Overall Model Fit

Overall Model fit

-2Log likelihood awal (block number = 0)	*137.608*
-2Log likelihood akhir (block number = 1)	*117.159*

Source : The Result of Data Processing with SPSS 25.0

Based on the table above, which is obtained from the results of the regression analysis, it shows that the initial -2Log likelihood value (block number = 0) before being included in the independent variable is 137,608. After the four independent variables were entered, the final -2Log likelihood value (block number = 1) decreased to 117,159. The difference between the initial -2Log likelihood and the final -2Log likelihood shows a decrease of 20,449. It can be concluded that the initial -2Log likelihood value (block number = 0) is greater than the final -2Log likelihood value (block number = 1), so there is a decrease. This indicates that the hypothesized model fits the data, so that the addition of the independent variable to the model shows that the regression model is getting better or in other words, H0 is accepted.

Goodness of Fit Test

Hosmer and Lemeshow Test

Chi-square	*Df*	*Sig.*
9.056	*8*	*0.338*

Source : The Result of Data Processing with SPSS 25.0

Based on the table above, which is obtained from the results of the regression analysis, it shows that the results of the Hosmer and Lemeshow Goodness of Fit Test obtained a chi-square value of 9,056 with a significance level of 0.338. The test results show that the probability value (P-value) ≥ 0.05 (significant value) is 0.338 ≥ 0.05, so H_0 is accepted. This shows that there is no significant difference between the model and the data so that the regression model in this study is feasible and able to predict the value of the observation.

The Coefficient of Determination

Model Summary

-2Log likelihood	Cox & Snell R Square	Nagelkerke R Square
117.159	0.170	0.238

Source : The Result of Data Processing with SPSS 25.0

Based on the table above, which is obtained from the results of the regression analysis, it shows that the coefficient of determination seen from the Nagelkerke R Square value is 0.238. This indicates that the ability of the independent variables, namely institutional ownership, audit opinion, the size of the hood used, and company growth in explaining the dependent variable, namely voluntary auditor switching, is only 23.8%. While the rest is explained by other variables outside of this research model, which is 76.2%.

Classification Matrix

Classification Table

Observed		Predicted VAS		Percentage Correct
		Tidak Melakukan Pergantian KAP (0.00)	Melakukan Pergantian KAP (1.00)	
VAS	Tidak Melakukan Pergantian KAP	66	9	88.0
	Melakukan Pergantian KAP	24	11	31.4
Overall Percentage				70.0

Source : The Result of Data Processing with SPSS 25.0

Based on the table above, which is obtained from the results of the regression analysis, it shows that the ability of the model in predicting the occurrence of KAP change or not voluntary auditor switching is 70%. From the table above, the possibility of companies making a voluntary change of KAP (voluntary auditor switching) is 31.4% of the total sample of 110 data. Meanwhile, companies that did not change KAP voluntarily (voluntary auditor switching) were 88.0% of the total sample of 110 data.

Logistic Regression Model

Logistic Regression Analysis Results

	B	S.E.	Wald	Df	Sig.
KI	-0.702	1.177	0.356	1	0.551
OA	1.106	0.842	1.726	1	0.189
SIZE KAP	1.131	0.521	4.717	1	0.030
PP	5.485	1.554	12.456	1	0.000
Constant	-1.590	0.942	2.852	1	0.091

Source : The Result of Data Processing with SPSS 25.0

Based on the table above which is the result of the analysis of logistic regression, the logistic regression equation can be formulated as follows:

$$VAS = -1.590 - 0.702KI + 1.106OA + 1.131SIZEKAP + 5.485PP + e$$

Based on the logistic regression equation above, it can be analyzed the effect of the independent variable on the dependent variable, including:

1. *The constant value (α) is -1.590, meaning that if the independent variable is constant, the Voluntary Auditor Switching (VAS) value is -1.590.*
2. *Institutional ownership variable (KI) has a negative coefficient value of 0.702, meaning that if each one-unit increase in institutional ownership assumes the value of other variables is constant, it will decrease the Voluntary Auditor Switching (VAS) value by 0.702.*
3. *The audit opinion variable (OA) has a positive coefficient value of 1.106, meaning that if each one-unit increase in the audit opinion assumes the value of other variables is constant, it will increase the Voluntary Auditor Switching (VAS) value by 1.106.*
4. *The variable size of the KAP used (SIZE KAP) has a positive coefficient value of 1,131, meaning that if every one-unit increase in the size of the KAP is used assuming the value of other variables is constant, it will increase the value of Voluntary Auditor Switching (VAS). amounting to 1,131.*
5. *The company growth variable (PP) has a positive coefficient value of 5,485, meaning that if each one-unit increase in company growth assumes the value of other variables is constant, it will increase the value of Voluntary Auditor Switching (VAS) by 5,485.*

Wald Test (Partial Test t)

Wald Test (t)

	B	S.E.	Wald	Df	Sig.
KI	-0.702	1.177	0.356	1	0.551
OA	1.106	0.842	1.726	1	0.189
SIZE KAP	1.131	0.521	4.717	1	0.030
PP	5.485	1.554	12.456	1	0.000
Constant	-1.590	0.942	2.852	1	0.091

Source : The Result of Data Processing with SPSS 25.0

With the number of observations (n = 110) and the number of independent and dependent variables (k = 5), the degree of freedom (df) = n-k = 110-5 = 105, where the significant level is α = 0.05. Then the table can be calculated using the Ms Excel formula with the insert function formula as follows:

t_{table} = *TINV (Probability,deg_freedom)*

t_{table} = *TINV (0,05,105)*

t_{table} = *1.982815*

Based on the table above, the results of hypothesis testing can be obtained using logistic regression analysis, as follows:

The first hypothesis (H_1) is that institutional ownership has a positive effect on voluntary auditor switching. The results of the Wald (t) test show that the t_{hitung} value is smaller than the t_{table} (0.356 < 1.982815) and the probability value is greater than the significant level (0.551 > 0.05).

*Based on the test results, it can be concluded that H_1 which states that institutional ownership has an effect on voluntary auditor switching is **rejected**. It can be interpreted that institutional ownership **has no effect** on voluntary auditor switching.*

*The second hypothesis (H_2) is that audit opinion has a positive effect on voluntary auditor switching. The results of the Wald (t) test show that the t_{hitung} value is smaller than the t_{table} (1.726 < 1.982815) and the probability value is greater than the significant level (0.189 > 0.05). Based on the test results, it can be concluded that H_2 which states that audit opinion affects voluntary auditor switching is **rejected**. It can be interpreted that audit opinion **has no effect** on voluntary auditor switching.*

*The third hypothesis (H_3) is the size of KAP that is used to affect voluntary auditor switching. Wald (t) test results show that the t_{hitung} value is greater than t_{table} (4.717 > 1.982815) and the probability value is smaller than the significant level (0.030 < 0.05). Based on the test results, it can be concluded that H_3 which states that the size of the KAP used affects the voluntary auditor switching is **accepted**. It can be interpreted that there is a **significant influence** between the size of the KAP used on voluntary auditor switching.*

*The fourth hypothesis (H_4) is that company growth has an effect on voluntary auditor switching. Wald (t) test results show that the t_{hitung} value is greater than t_{table} (12.456> 1.982815) and the probability value is smaller than the significant level (0.000 <0.05). Based on the test results, it can be concluded that H_4 which states that company growth affects the voluntary auditor switching is **accepted**. It can be interpreted that there is a **significant influence** between company growth and voluntary auditor switching.*

Omnibus Test Of Model (Simultan Test f)

Omnibus Tests of Model Coefficients (f)

Chi-square	*Df*	*Sig.*
20.449	*4*	*0.000*
20.449	*4*	*0.000*
20.449	*4*	*0.000*

Source : The Result of Data Processing with SPSS 25.0

With the number of observations (n = 110) and the number of independent and dependent variables (k = 5), the degree of freedom (df1) = k-1 = 5-1 = 4 and (df2) = nk = 110-5 = 105, where the significant level is α = 0.05. Then the table can be calculated using the Ms Excel formula with the insert function formula as follows:

f_{table} = *FINV (Probability,deg_freedom1,deg_freedom2)*

f_{table} = *FINV (0,05,4,105)*

f_{table} = *2.45821*

*Based on the table above, it can be obtained that the value of f_{hitung} is greater than the f_{table} (20.449 > 2.45821) with a significance level (0.000 < 0.05), then H_5 is **accepted**. So it can be concluded that institutional ownership, audit opinion, the size of the KAP used, and company growth **simultaneously affect** voluntary auditor switching.*

2. Discussion of Research Results

The Influence of Institutional Ownership On Voluntary Auditor Switching

The first hypothesis (H_1) which states that institutional ownership has an effect on voluntary auditor switching in the analysis cannot be supported or rejected. This is shown in Table 4.7 with the t_{hitung} value smaller than t_{table} (0.356 < 1.982815) and the probability value greater than the significance level (0.551 > 0.05). So based on the results of the study, the variable institutional ownership does not partially affect voluntary auditor switching, which shows insignificant results with negative correlation. This indicates that the involvement of institutional parties in manufacturing companies has no effect on the policy of changing KAP. Table 4.1 shows that the average institutional ownership is 70%, meaning that the high proportion of institutional parties in manufacturing companies can increase optimal supervision of management performance which can minimize the occurrence of errors arising from management and auditors so that they can reduce the occurrence of voluntary auditor switching. Based on agency theory which states that increasing institutional ownership as a function of monitoring agents, it means that the existence of institutional shareholders in a company only has an important meaning in the management monitoring process. Institutional shareholders only have an interest in overseeing the performance of the company and do not use their authority in company policies regarding KAP selection or KAP change. Institutional shareholders tend to put pressure on management to oversee the company's performance, so that the company's policies are decided by management, including the policy on conducting auditor switching and institutional parties tend not to participate in deciding to do voluntary auditor switching.

The results of this study support the results of previous research conducted by Diana (2018) which states that institutional ownership has no effect on voluntary auditor switching. However, the results of this study contradict research conducted by Sari & Astika (2018) which states that institutional ownership has an influence on voluntary auditor switching.

The Influence of Audit Opinion On Voluntary Auditor Switching

The second hypothesis (H_2)) which states that audit opinion has an effect on voluntary auditor switching in the analysis cannot be supported or rejected. This is shown in table 4.7 with the t_{hitung} value smaller than t_{table} (1.726 < 1.982815) and the probability value greater than the significance level (0.189 > 0.05). So based on the results of the study, the audit opinion variable does not partially affect voluntary auditor switching which shows insignificant results with positive correlation. This also happens because the manufacturing companies that are the research sample almost all get an opinion from the auditor in the form of an unqualified opinion, while those who get an opinion other than an unqualified opinion are only a few. Manufacturing companies that are research samples generally get unqualified opinion and continue to change KAP, meaning that the type of opinion given by the auditor does not affect a company's decision to do voluntary auditor switching.

The results of this study support the results of previous research conducted by Stephanie & Prabowo (2017) and which examines the factors that influence auditor switching, which states that audit opinion has no effect on voluntary auditor switching. However, the results of this study contradict research conducted by Faradila & Yahya (2016) which states that audit opinion has an influence on voluntary auditor switching.

The Influence of Size of KAP Used On Voluntary Auditor Switching

The third hypothesis (H_3) which states that the KAP measure used has a positive effect on voluntary auditor switching in the analysis can be supported or accepted. This can be shown in table 4.7 with the t_{hitung} value greater than t_{table} (4.717 > 1.982815) and the probability value smaller than the significance level (0.030 < 0.05). So based on the results of the study, the KAP size variable used has a partial effect on voluntary auditor switching, which shows significant results with positive correlation. This indicates that the size of the KAP can affect the voluntary auditor switching carried out by the company. This happened because many samples of manufacturing companies made changes from small or affiliated KAP with non big four to big KAP or affiliated with big four to increase their credibility. The company will choose a reputable KAP to increase the credibility of its financial statements in the eyes of users of financial statements so that when the company has used the big four KAP, it tends to maintain its use of the KAP services. Conversely, if a company uses a non-bigfour KAP, it will tend to move to a big four KAP. The results of this study indicate that if the size of the KAP is small, the possibility of voluntary auditor switching is greater.

The results of this study support the results of previous studies conducted by Luthfiyati (2016) and Mulyadi & Walidi (2019) which state that the size of KAP has a significant positive effect on voluntary auditor switching. However, the results of this study contradict the results of research conducted by Wijaya & Rasmini (2015) which states that the size of KAP has no effect on voluntary auditor switching.

The Influence of Client Company Growth On Voluntary Auditor Switching

The fourth hypothesis (H_4) which states that company growth affects voluntary auditor switching in the analysis can be supported or accepted. This can be shown in Table 4.7 with the t_{hitung} value greater than t_{table} (12.456 > 1.982815) and the probability value smaller than the significance level (0.000 < 0.05). So that based on the research results, the variable company growth partially affects the voluntary auditor switching which shows significant results with positive correlation. This indicates that there is an increase in sales growth in an entity that is experiencing growth, so that companies will tend to do voluntary auditor switching by making changes to larger accounting firms that can keep up with the company's growth. This happens because a company that is growing will certainly attract attention from the public so that every decision taken will get more attention from the public, besides that companies that are experiencing growth also want to have a good reputation in the eyes of their stakeholders and shareholders so that the decision to make changes KAP that is carried out by the company by switching to Big Four KAP, the reputation of the company will tend to increase and will be able to attract investors to invest their shares.

The results of this study support previous research conducted by Mahindrayogi & Suputra (2016) and Alansari & Badera (2016) which stated that company growth has a positive effect on voluntary auditor switching. However, this result contradicts research conducted by (Wijanarko & Sari, 2018) which states that the client company growth has no effect on voluntary auditor switching.

The Influence of Institutional Ownership, Audit Opinion, Size of KAP Used, and Client Company Growth On Voluntary Auditor Switching

The fifth hypothesis (H_5) which states that institutional ownership, audit opinion, the size of the KAP used, and company growth have a simultaneous effect on voluntary auditor switching can be supported or accepted. This is shown in Table 4.8 with the value of f_{hitung} greater than the f_{table} (20.449 > 2.45821) with a significance level (0.000 < 0.05). So that based on the results of the study, institutional ownership, audit opinion, the size of the KAP used, and company growth simultaneously affect voluntary auditor switching. This indicates that the occurrence of voluntary auditor switching in manufacturing companies is due to the large or small proportion of institutional ownership in manufacturing companies that will affect the request for audit opinion, the greater the proportion of institutional ownership, the greater the demand for obtaining an unqualified opinion, because this opinion reflects the state of the company. good. To obtain an opinion that can convince shareholders, a reputable KAP is needed because a KAP with a large reputation tends to give more trust to stakeholders so that an audit opinion issued by a large KAP is required. The size of KAP will be a consideration for companies that are experiencing growth, because companies that are growing will need a KAP that has the appropriate ability to meet the criteria of the company during growth. The greater the growth of the company, the bigger the company requires a larger KAP than the previous one. So that institutional ownership, audit opinion, the size of KAP used, and client company growth together can influence voluntary auditor switching.

V. CONCLUTIONS AND SUGGESTIONS

Conclutions

Based on the analysis that has been carried out in this study, it can be concluded that the following matters:

1. *The results of this study indicate that Institutional Ownership does not partially affect Voluntary Auditor Switching. This occurs because the high proportion of institutional shareholders in a company only has an interest in and plays a role in overseeing the performance of company management and policies related to decision making regarding KAP selection and KAP replacement are still decided by management.*
2. *The results of this study indicate that the Audit Opinion partially has no effect on Voluntary Auditor Switching. This happens because only a few companies that receive unqualified opinions other than fair, and companies that receive unqualified opinions continue to do voluntary auditor switching. So that the type of opinion given by the auditor does not affect the company to conduct voluntary auditor switching.*
3. *The results of this study indicate that the Size of KAP used partially has a positive effect on Voluntary Auditor Switching. This happens because many manufacturing companies that are the sample of the research have made changes to small KAP affiliated with big four that already have a reputation for increasing the credibility of their financial statements so that they can attract investors and other stakeholders to invest. at the company.*
4. *The results of this study indicate that Client Company Growth partially has a positive effect on Voluntary Auditor Switching. This is due to the increasingly complex operational activities of the company due to an increase in sales growth in manufacturing companies, so that companies will need a KAP that has more competence and expertise on financial reporting issues compared to previous KAP to increase the trust of shareholders and other outside parties.*

5. *The results of this study indicate that Institutional Ownership, Audit Opinion, Size of KAP used, and Client Company Growth simultaneously have a significant effect on Voluntary Auditor Switching. This is due to the large involvement of institutional parties that will affect the size of the request for an unqualified opinion, because it can reflect a good company condition. Audit opinion issued by KAP with a large size tends to give more trust to stakeholders, because large KAP tends to have a large reputation. Large KAP tends to be needed for companies that are experiencing growth, because companies that are growing will need a KAP that has the appropriate ability to meet the company's criteria during growth. So that the bigger the company is in need of a KAP that is bigger than the previous one.*

Suggestions

From the results of the research that has been done, the suggestions that can be given by researchers are as follows:

1. *For future researchers, it is expected to add other variables which are expected to affect voluntary auditor switching, both from internal and external factors.*
2. *For further researchers, it is hoped that they can expand the object of research and look for new references to obtain complete financial reports, thereby increasing the variety of types of companies other than manufacturing companies.*
3. *Companies are expected to be more careful in making decisions to conduct Voluntary Auditor Switching so that the decision does not harm the parties who have an interest in the company.*
4. *Investors are expected to pay attention to the audited financial statements issued by the company before investing in the company, so that there are no mistakes in making decisions to invest in the company.*

Research Limitations

This study has limitations and is expected to be a concern for future researchers. Some of the limitations of writing are:

1. *The research period is limited to only five years of research, namely 2015 to 2019, so it cannot predict long-term research results.*
2. *This study only examines four independent variables on the dependent variable, namely Institutional Ownership, Audit Opinion, Size of KAP used, and Company Growth. For further researchers, it is hoped that they can add other research variables such as company size, change of management, going concern opinion and so on. So that the factors that affect Voluntary Auditor Switching can be identified more clearly.*
3. *Voluntary auditor switching in this study only pays attention to changes at the KAP level, but does not pay attention to changes at the public accountant level.*
4. *For researchers who want to continue this research, if they can add additional variables that are not yet in this study, such as moderating or intervening variables.*

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