

CHAPTER V

CONCLUSION

5.1 Conclusion

The conclusions of research on this study are :

- a) This research is conducted for financial company listed in Indonesia Stock Exchange (IDX) within a period of five consecutive years (2010-2014). The amount of the companies that do the auditor switching was 56 companies. The author used purposive sampling method with total samples of 280 annual reports.
- b) The dependent variable in this research was auditor switching, that represented by companies that voluntarily switching. The independent variable that influenced to determine its affect on the dependent variable was only one variable. The variable is audit tenure that represented by adding the total length of the engagements audit before and auditor switching. In the otherside, there were variables that did not influence the auditor switching such as CPA firm type represented by big 4 and non big 4, company size represented by lnasset, audit opinion represented by unqualified and qualified opinion, and changing on management represented by changing and not changing on commissioner. Based on the analysis of the data and discussion of the results of the test that has been done, it can be concluded as follows:

Table 5.1

Result of Hypothesis Testing

Hypothesis	Result of Hypothesis Testing
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CPA firm type has significant influence towards the auditor switching	Unsupported
Company size has significant influence towards auditor switching	Unsupported
Audit tenure has significant influence towards auditor switching	Supported
Audit opinion has significant influence towards auditor switching	Unsupported
Changing of management has significant influence towards auditor switching	Unsupported

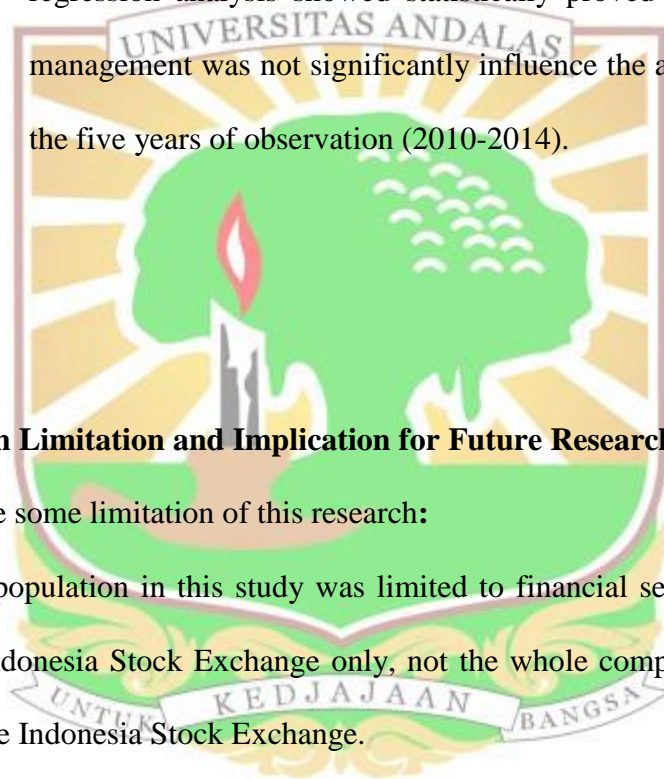
c) Based on the analysis and discussion of the data undertaken on previous chapters, the author concluded as follows:

- i. Nagelkerke R square value was equal to 0.481, which means that the variability of the dependent variable explained the variability of the independent variables of 48.1%, while 51.9% was explained by other variables outside the research model for example financial distress, audit fee and etc.
- ii. According to table 5.1 in the first hypothesis, the test result of logistic regression analysis showed that was not statistically proven the CPA firm type significantly influence the auditor switching over the five years of observation (2010-2014).
- iii. According to table 5.1 in the second hypothesis, the test result of logistic regression analysis showed that company size was not significantly influence the auditor switching over the five years of observation (2010-2014).
- iv. According to table 5.1 in the third hypothesis, the test result of logistic regression analysis statistically proved that the audit tenure

significantly influenced the auditor switching over the five years of observation (2010-2014).

v. According to table 5.1 in the fourth hypothesis, the test result of logistic regression analysis statistically proved that the audit opinion was not significantly influence the auditor switching over the five years of observation (2010-2014).

vi. According to table 5.1 in the fifth hypothesis, the test result of logistic regression analysis showed statistically proved that the changing of management was not significantly influence the auditor switching over the five years of observation (2010-2014).



1.2 Research Limitation and Implication for Future Research

There are some limitation of this research:

1. The population in this study was limited to financial sector companies listed on Indonesia Stock Exchange only, not the whole company listed companies on the Indonesia Stock Exchange.
2. This study only observed the period 2010-2014 (5 years) as samples in this study. Thus, it can not describe the long-term condition of the company observed.
3. This study only tested the effect of CPA firm, Company size, audit tenure, audit opinion and changing management to the auditor switching. Meanwhile the other variable that might also affect the auditor switching was not tested in

this study such as financial distress, audit fee, characteristics of corporate governance and other new variable that never been conducted before.

Implication for the future research:

4. The researcher recommend to expand the study samples, not only observe financial companies but also other sectors in the IDX. So, future researchers can conduct the research in another sector rather than focusing in the same sector
5. The observation period should be extended at least 6 years, because that was the period of rotation regarded to CPA firm rotation regulation in year 2008.

