

## CHAPTER V

### CONCLUSION

#### 5.1 Research Conclusion

This paper investigates the relationship between auditor switching with audit opinion, audit tenure and CPA type. The samples consist of 78 manufacturing companies listed in IDX during 2010-2014. The stepwise logistic regression model is used for determining the factors that have positive relationship with auditor switching. These studies demonstrate that, unqualified audit opinion tend to have a higher probability of auditor switching. The result also shows that the longer tenure of the auditor leads to a tendency for the client to switch auditors because the longer relationship between auditor and client will suggest to the users of financial statements that the auditor is not independent. Hence, companies with CPA firm affiliated with non-Big 4 groups tend to switch auditor.

#### 5.2 Research Limitations and Suggestions

Here is some limitation in this research:

1. This research is limited in terms of its population which just covered all the companies listed in manufacturing sector.
2. This research only observes the financial statement of sampled companies from 2010-2014 due to the lack of availability of financial statements. Thus, it cannot describe the long term condition of the company observed.

3. This research only focused on three independent variables, which are audit opinion, audit tenure and CPA type. While, there are still some other factors that could influence the auditor switching.
4. The data and information used in this research is obtained from Indonesian Stock Exchange website. Although Indonesian Stock Exchange website is a reliable source of information, it provides incomplete resources such as missing financial statements in particular year. This lead to a smaller size of sample due to the incomplete financial statements for certain companies.

### **5.3 Suggestion**

Further research may try to cover the other factors that could affect the auditor switching, or expand the sample of the research, not only focusing in one sector, but also observing all of the company listed in IDX. Missing financial statements limitation may be smoothen over by requesting the missing financial statements by writing an email to the management of the companies.

