

**THE EFFECT OF PUBLIC ACCOUNTING FIRM ROTATION AND
AUDITOR PARTNER ROTATION ON AUDIT QUALITY**

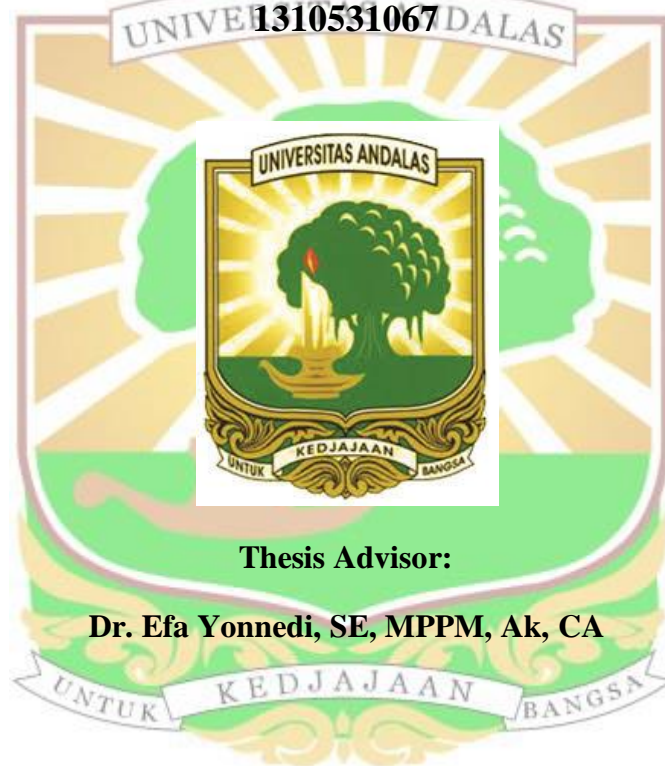
(Empirical Study on Listed Banking Companies on the Indonesia Stock Exchange in 2015)

THESIS

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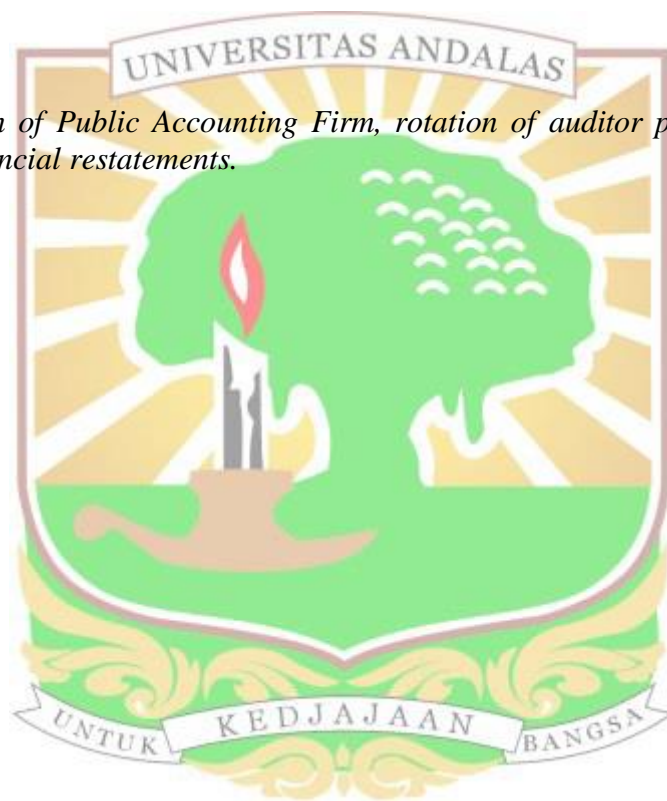
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ABSTRACT

This research is aimed to analyze and obtain empirical evidence on the effect of Public Accounting Firm rotation and auditor partner rotation on audit quality. Audit quality was measured by using the incident of financial restatements. The sample of this research was listed banking companies on the Indonesia Stock Exchange (IDX) in 2015. The data were collected by using purposive sampling method and 35 observation data were analyzed. This research utilized logistic regression as a main analysis tool. The results of logistic regression analysis show that the rotation of Public Accounting Firm has no significant effect on audit quality. While, the rotation of auditor partner has significant positive effect on audit quality.

Keywords: Rotation of Public Accounting Firm, rotation of auditor partner, audit quality, and financial restatements.



ABSTRAK

Penelitian ini bertujuan untuk menganalisis dan memperoleh bukti empiris mengenai pengaruh rotasi Kantor Akuntan Publik (KAP) dan rotasi partner auditor terhadap kualitas audit. Kualitas audit diukur menggunakan insiden *financial restatements*. Sampel penelitian ini adalah perusahaan perbankan yang terdaftar di Bursa Efek Indonesia (BEI) pada tahun 2015. Metode pengumpulan data yang digunakan dalam penelitian ini adalah metode *purposive sampling* dan diperoleh 35 data observasi untuk diteliti. Penelitian ini menggunakan regresi logistik sebagai alat analisis utama. Hasil analisis regresi logistik menunjukkan bahwa rotasi Kantor Akuntan Publik (KAP) tidak berpengaruh signifikan terhadap kualitas audit. Sedangkan rotasi partner auditor berpengaruh signifikan positif terhadap kualitas audit.

Kata Kunci: Rotasi Kantor Akuntan Publik, rotasi partner auditor, kualitas audit, dan *financial restatements*.

