

CHAPTER V

CONCLUSION & SUGGESTION

5.1 Conclusion

This research was conducted to determine the influence of modified audit opinion, ownership concentration, management change, financial distress on auditor switching as well as the influence of Covid-19 on financial distress and auditor switching in Badan Usaha Milik Negara (BUMN) companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2022 period. Based on the research conducted, the following conclusions were obtained:

1. In this study, the modified audit opinion is quantified using a dummy variable. The qualified audit opinion is assigned a value of "0," while the modified audit opinion—which includes qualified, adverse, and disclaimer audit opinions—is assigned a value of "1." According to the study's findings, for the years 2015–2022, updated audit views have no appreciable impact on Badan Usaha Milik Negara (BUMN) enterprises. This is due to the fact that, according to the sample company data, the company's financial reports were generally given an unqualified opinion, meaning they do not fall within the modified audit opinion group.
2. According to this study, for the years 2015–2022, ownership concentration had no discernible impact on auditor switching in Badan Usaha Milik Negara (BUMN) companies listed on the Indonesia Stock Exchange (IDX). BUMN are typically controlled by the state or other public bodies, and ownership of shares isn't necessarily centralized around a single party or organization. It's possible that no private majority owner in this research

sample has the ability to significantly influence Badan Usaha Milik Negara (BUMN) companies' decisions to transfer auditors.

3. For Badan Usaha Milik Negara (BUMN) companies listed on the Indonesia Stock Exchange (IDX), auditor switching is significantly impacted by management changes, as assessed by the resignation of one or more board members. This effect lasts from 2015 to 2022. Policy, strategy, and operational emphasis changes at a corporation frequently follow changes in management. A chance to revitalize corporate governance, including reestablishing ties with auditors, may present itself when management changes.
4. The Altman Z Scores approach was used in this study to quantify financial distress. The study's findings indicate that, for the years 2015–2022, auditor switching in Badan Usaha Milik Negara (BUMN) businesses listed on the Indonesia Stock Exchange (IDX) is significantly harmed by financial distress. These findings demonstrate that financially troubled businesses typically do not engage in auditor flipping since they indicate that all is okay within the organization. Understanding the business environment and audit risks of the client is one of the key components of auditor startup charges that would increase if Kantor Akuntan Publik (KAP) is changed too frequently.
5. The findings of this study indicate that, for the years 2015–2022, Badan Usaha Milik Negara (BUMN) businesses listed on the Indonesia Stock Exchange (IDX) cannot use Covid-19 to mitigate the association between financial difficulty and auditor switching. Government assistance during

emergencies such as COVID-19 affects BUMN's choice of auditors. Assessments relating to the epidemic are overshadowed by BUMN's reliance and worries about government stability. New auditors are not preferred over seasoned auditors with BUMN expertise.

5.2 Limitation and Suggestion

In this study there are several limitations that need to be considered for future research. The limitations of this research and suggestions for future research are as follows:

1. This research is only limited to Badan Usaha Milik Negara (BUMN) companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2022 period. For further research, it is hoped that we can consider taking samples from other sectors or different research periods.
2. This research uses four independent variables without considering other factors that can influence auditor switching. It is recommended that in future research use or add other variables because there are still other factors that can influence auditor switching.
3. The use of the Covid-19 moderating variable in this study was only used to determine the relationship between financial distress and auditor switching. It is recommended that in future research use Covid-19 as a moderating variable to determine the relationship between factors that influence other auditor switching on auditor switching.
4. The measurement of the financial distress variable in this study uses the Altman z scores method, while the measurement of Covid-19 only uses

going concern opinion. Future research is expected to use other, more precise measurements.

