CHAPTER V

CONCLUSIONS AND IMPLICATION

A. Conclusions

Based on the results of the test and discussion as presented, several conclusions can be drawn as follows:

1. Financial distress does not affect auditor switching
2. Audit Opinion does not affect auditor switching
3. Auditor reputation weakens the effect of financial distress on auditor switching
4. Audit Opinion weakens the effect of financial distress on auditor switching

B. Implications of Research

1. Theoritical Implications
   a. Agency theory and signaling theory in this study, which are proxied by several variables, can explain the influence of audit opinions in switching auditors. The results of this study can also strengthen previous research on auditor switching. Agency theory assumes that each individual is interested in maintaining the company's performance in good condition so that outsiders of management conclude that the quality of management work is good. The performance of the company will be reflected in the financial statements. Thus, based on these assumptions, third parties are needed so that the financial statements prepared and presented by management are neutral. Therefore, agency theory strengthens the results of this study. Signaling theory also

strengthens the results of this study because there will be signals for company investors when the company experiences financial difficulties. Financial distress will also have an impact on the issuance of audit opinions.

b. This research can be used as a reference for subsequent research that discusses auditor switching or similar topics.

2. Practical Implications

The study used infrastructure, utilities, and transport sector companies and produced audit opinions affecting switching auditors. Financial distress and audit opinion are ratios that can measure auditor switching. Companies must always try to minimize financial distress because the higher the financial distress, the worse the opinion will be issued. This can give a bad image in the eyes of investors and shareholders. Therefore, every company must pay more attention to the level of financial distress by making a good strategy. The opinions that will be issued are better and will minimize the change of auditors.

By understanding several factors, such as financial distress and audit opinions, that can influence switching auditors, KAP is expected to maximize the audit process in order to minimize switching auditors. Both experienced and inexperienced public accounting firms are expected to work professionally according to applicable standards.

C. Limitation of Research

This research also has some limitations, which researchers hope can improve as the following research develops. This research needs to be further developed so that the results are more detailed and precise. The use of the SPSS 21 test to process the data in this study is still not optimal. This study only uses two independent variables with one moderating variable, while many other variables can affect auditor switching in companies. Further researchers should add other variables such as audit delay, company reputation, company size, auditor specialization, and industry sector to enrich the discussion regarding auditor switching.