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Research Articles

The Effect of Financial Distress, Audit Delay, and Audit Quality on Auditor Switching in Energy Sector Companies in Indonesia

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Abstract: This research is motivated by the Endron scandal that has occurred, which is an energy company based in Houston, Texas, United States. The Endron scandal modified and displayed incorrect financial data which resulted in KAP having to participate in accounting for the company's financial statements. This problem has an impact on Indonesia so that there is a regulation on the replacement of auditors or KAP in auditing the company's financial statements. The purpose of this study is to determine the influence of financial distress, audit delay, and audit quality on auditor switching. This study uses a quantitative method with an associative approach and the characteristics of the problem including comparative causal research. The research population of energy sector companies listed on the IDX for the 2018-2022 period is 75 companies. The sample used was 8 companies, so that the audited financial statement data was used as many as 40 data. However, there are outliers to produce better data, so the sample is processed as many as 38 data. The results stated that financial distress had no effect on switching auditors, audit delay variables had an effect on switching auditors and audit quality had no effect on switching auditors. Meanwhile, tests conducted simultaneously showed that all variables of financial distress, audit delay, and audit quality had a significant effect on auditor switching. Finally, the author suggests that all interested parties can see information through the official website provided, so it is important to publish

Keywords: Financial Distress, Audit Delay, Audit Quality, Auditor Switching.

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1. Pendahuluan

In general, energy sector companies play an important role in a country's economy. The use of energy has a significant impact on economic growth, especially in oil, coal, natural gas, geothermal, solar power and so on. Every energy sector company that goes public on the Indonesia Stock Exchange (IDX) is required to submit financial statements that have been audited by an independent auditor or Public Accounting Firm (KAP). The purpose of the auditor responsible and auditing the issuer's financial statements is to ensure quality reports and ensure that there is an element of consistency or special relationship between the company and the auditor outside of their respective professional duties. In order to avoid this problem, the government has issued a regulation that requires companies to replace their auditors (auditor switching). auditor switching is a replacement of public accountants or KAP carried out by a company to maintain the independence of an auditor (Azlin and Taqwa, 2023).

The voluntary change of auditor occurs outside the regulations set by the government, while the replacement of auditors is mandatory to follow the regulations contained in Government Regulation Number 20 of 2015 concerning "Public Accountant Practices" in article 11 paragraphs 1-3 explaining that the provision of audit services on historical financial information on an entity by a public accountant is limited to a maximum of 5 (five) consecutive financial years. A public accountant can provide audit services again to an entity after 2 (two) consecutive financial years of not providing audit services in the entity (Government Regulation of the Republic of Indonesia, 2015). In the research conducted by (Darmayanti et al., 2021), it was stated that auditor changes were mostly carried out by companies that were experiencing financial difficulties rather than companies that did not experience financial distress. Explanation Financial distress is a stage before bankruptcy which is initially marked by a decline in financial conditions (Hutabarat and Puspita, 2021). Financial distress is a condition of a company's inability to pay its obligations because the company experiences financial difficulties so that it can result in bankruptcy (Putri and Nursiam, 2021).

Factors that also cause auditor switching are audit delays (delays in submitting financial statement information. This is due to the fact that the time required in the audit process is not short and sometimes accompanied by various obstacles that can slow down the audit reporting process. According to (Rimadani, 2018), audit delay is the length of time it takes to complete an audit as seen from the closing date of the financial year to the date of issuance of the audit report. Delays in reporting financial information can cause doubts in decision-making, thus impacting the company's decision to move auditors for future financial statements. The following is data from companies that are late in submitting financial statements:

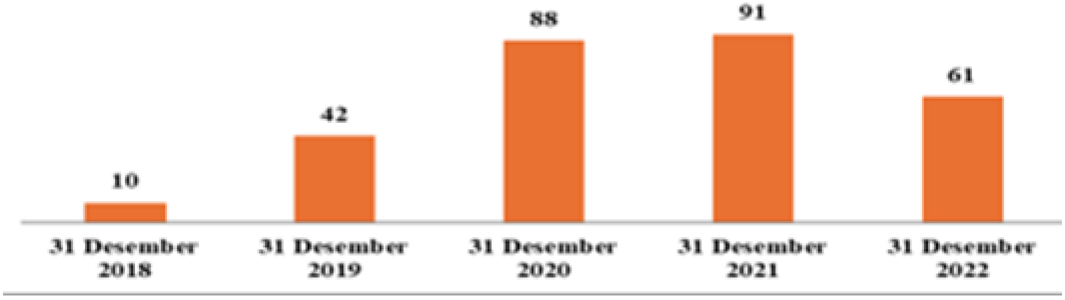

Figure 1. Graph Data of companies that are late in publishing financial statements

Data Source: www.idx.co.id

Data in figure 1. shows that IDX reports are still found by companies that are late in submitting their financial reports. In 2018 there were 10 companies, then in 2019 there was an increase of 32 companies to 42 companies, then in 2020 companies that were late in submitting financial statements increased rapidly by 46 companies to 88 companies and in 2021 increased by 3 companies to 91 companies, then in 2022 there was a decrease of 30 companies so that only 61 companies experienced delays financial reporting. Companies that are late in submitting their financial statements will be subject to written warnings and administrative fines.

Another factor that can affect Auditor switching is audit quality. Auditors have significant obligations to the recipients of audit reports, so they require a high level of integrity in the audit process. Audit quality refers to a systematic process to ensure that the audit standards that have been set are thoroughly followed in each audit process, so as to provide confidence (Rahim et al., 2020). companies assess auditors on the quality of their audits (Nuraini and Icih, 2022). This means that the bigger the company, the greater the desire to consider replacing its auditors, because of course large companies also need auditors with a higher level of expertise and professionalism in large KAP.

The common phenomenon behind switching auditors began with the Enron scandal that occurred in 2001. The Endron Company is an energy entity based in Houston, Texas, United States, where in order to obtain a positive assessment of financial performance, Enron modifies, misrepresents and displays incorrect financial data. This problem resulted in a huge scandal, so that the KAP, which is responsible for the financial statements, was affected. Arthur Anderson, who is included in the ranks of the "Big Five" of public accounting firms along with other public accounting firms, namely Deloitte, PWC, EY, and KPMG, pleaded guilty to the criminal acts they committed, and voluntarily had his license reinstated (Sandria, 2021).

The Enron scandal shows indications of cooperation between the audited party and the auditor to commit fraud, so the independence of the auditor has begun to be doubted since this scandal. In Indonesia, the phenomenon of auditor turnover can be seen in the case of PT Garuda Indonesia Tbk which occurred in 2019. In this case, the auditor who is supposed to be responsible for presenting accurate financial statements instead manipulates the financial statements. As a result, PT Garuda changed its auditor from KAP BDO to KAP Tanudireja, Wibisana, Rintis & Rekan and appointed auditor Daniel Kohar who is a member of KAP PWC. The phenomenon of auditor turnover can also be seen in energy sector companies listed on the Indonesia Stock Exchange. The following is a table of energy sector companies that conduct auditing switching:

Table 1. Energy Sector Companies That Conduct Switching Auditors

Code	Company name	2018	2019	2020	2021	2022
GTBO	Garda Tujuh Buana Tbk.	Dra Suhartati & Rekan	Dra. Ellya Noorlisyanti & Rekan	Anton Silalahi	Anton Silalahi	**Anton Silalahi**
RUIS	Radiant Utama Interisco Tbk.	Amir Abadi Jusuf, Aryanto, Mawar & Rekan	Hendrawinata Hanny Erwin & Sumargo	Hendrawinata Hanny Erwin & Sumargo	Johanes Juara & Rekan	**Johanes Juara & Rekan**
SMRU	SMR Utama Tbk.	Anwar & Rekan	Kokasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan	Kanaka Puradireja, Suhartono	Kanaka Puradireja, Suhartono	Kanaka Puradireja, Suhartono

Data Source:www.idx.co.id

Based on table 1 it is explained that GTBO which within 5 years, changed its auditor several times from 2018 they used the audit services of KAP (Public Accounting Firm) Dra Suhartati & Rekan, in 2019 used the services of KAP Dra. Ellya Noorlisyati & Rekan, then in 2020 GTBO changed its auditor to KAP Anton Silalahi. The same thing also happened to RUIS which changed auditors several times within 5 years, namely in 2018 RUIS used the audit services of KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan, in 2019 used the services of KAP Hendrawinata Hanny Erwin & Sumargo and in 2021 changed auditors to KAP Johanes Juara & Rekan. Then SMRU also changed auditors within 5 years, namely in 2018 using the audit services of KAP Anwar & Rekan, in 2019 using the audit services of KAP Kokasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan and in 2020 changed the auditor to KAP Kanaka Puradireja, Suhartono. Companies that change auditors too often outside of mandatory or voluntary regulations may raise questions. What exactly factors influence the company to conduct auditor replacement auditors.

Previous studies have resulted in differences of opinion regarding the factors that affect switching auditors. In the study conducted by (Elisabeth, 2021) it was stated that financial distress had a positive and significant effect on auditor switching while in the study conducted by (Muaqilah et al., 2021) it was stated that financial distress had a negative and insignificant effect on auditor switching. In the delay audit variable conducted by (Dwiphayana and Suputra, 2019) delay audit had a positive and significant effect on switching auditors while in the study (Zikra and Syofyan, 2019) delay audit had a negative and insignificant effect on switching auditors. In the audit quality variable of the research results conducted by (Nuraini and Icih, 2022), audit quality had a positive and significant effect on switching auditors.

Based on the above phenomenon explanation, there are no consistent with previous research, and there are still many changes auditor voluntarily, the author is interested in conducting research with about: "The Effect Of Financial Distress, Audit Delay, And Audit Quality On Auditor Switching In Energy Sector Companies In Indonesia"

2. Theoritical review

Auditor Switching according to (Triharyanto and Siahaan, 2021) is an auditor replacement carried out to maintain auditor independence. Auditor switching is an action taken by a company that replaces its public accountant on the basis of existing regulations or voluntarily. So it can be concluded that auditor switching occurs when the company changes auditors in accordance with the decision of the company's management to choose a new auditor who audits the company's financial statements.

Financial distress refers to a company that has problems with its financial situation. Financial distress, according to (Arifin, 2018), can be defined as the inability of an entity to fulfill its obligations and the inability of the entity to obtain the required cash flow. So it can be concluded that financial distress is a condition where a company experiences a decline in financial performance and is unable to fulfill its obligations.

According to (Handoyo and Oktafiani, 2019), audit delay is the range or length of time required to complete an audit calculated from the closing date of the financial year to the date of issuance of the audit report. Based on the Financial Services Authority Regulation of the Republic of Indonesia in 2022 Number 14/POJK.04/2022, it states that the annual financial statements as referred to in article 2 paragraph (3) are required to submit annual financial statements to the Financial Services Authority and be announced to the public no later than the end of the third month after the date of the annual financial statement.

Audit quality is a concept that describes that auditors professionally carry out their duties in accordance with professional ethics, independence and competence (Junaidi and Nurdiono, 2016). So it can be concluded that audit quality is the auditor's ability to find fraud in financial statements and professionally carry out their duties in accordance with professional ethics.

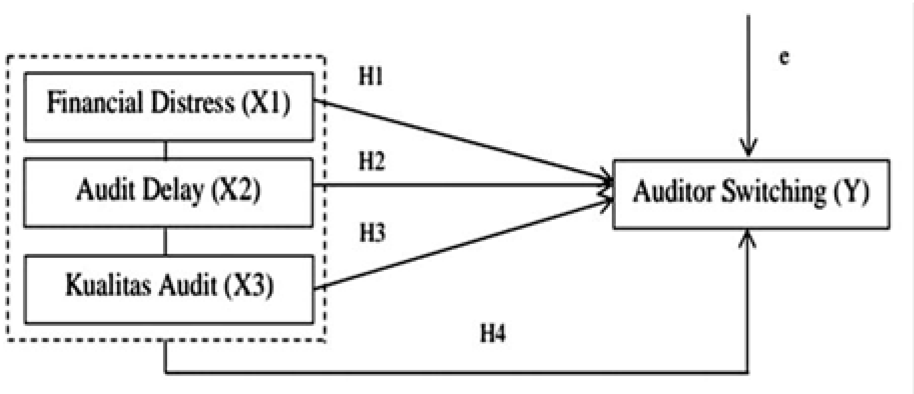

Figure 2

A hypothesis is a conjecture or temporary answer based on theories or the results of research that has been conducted (Wibowo, 2021), Based on the explanation above, the hypotheses that can be formulated are as follows:

H1: Financial distress has a positive and significant effect on auditor switching.

H2: Audit delay has a positive and significant effect on switching auditors.

H3: Audit quality has a negative and significant effect on switching auditors.

H4: Financial distress, audit delay and audit quality together have a positive and significant effect on auditor switching.

3. Methodology

This study uses an associative research approach and based on the characteristics of the problem including comparative causal research. The data used by the author is secondary data sourced from annual reports which include financial statements and independent auditor reports of energy sector companies listed on the Indonesia Stock Exchange.

The population in this study is 75 companies. While the sample is part of the number and characteristics possessed by the population. The sample collection method in this study was carried out based on the criteria set by the researcher, including the following:

Energy sector companies listed on the Indonesia Stock Exchange in 2018-2022.

Companies that publish annual reports and financial statements that have been fully audited with successive independent auditor reports 2018-2022 research period.

Companies that have experienced financial distress.

Companies that have experienced switching auditors

Thus, the energy sector companies sampled in this study are 8 companies with a research period from 2018-2022. Here are the companies sampled in this study:

Table 2. List of research samples

No	Kode	Nama Perusahaan	Tanggal Pencatatan
1	APEX	Apexindo Pratama Duta Tbk	05 Jun 2013
2	GTBO	Garda Tujuh Buana Tbk	09 Jul 2009
3	MBSS	Mitrabahtera Segara Sejati Tbk	06 Apr 2011
4	PGAS	Perusahaan Gas Negara Tbk	15 Des 2003
5	PTRO	Petrosea Tbk	21 Mei 1990
6	RAJA	Rukun Raharja Tbk	19 Apr 2006
7	RUIS	Radiant Utama Interinsco Tbk	12 Jul 2006
8	**SMRU**	**SMR Utama Tbk**	**10 Okt 2011**

Data Source: www.idx.co.id

From the sample, there are 8 energy sector companies with a period of 5 years so that they produce 40 financial statement data or (sample = 8x5 = 40 financial statement data). The data analysis techniques used in processing the research data are descriptive statistic, logistic regression analysis (feasibility of regression model, Overall Model Fit, Nagelkerke Determination coefficient) and hypothesis test both partially and simultaneously.

4. Results And Discussion

Research Result Data

Descriptive statistics in this study provide an overview of variables which include mean values, minimum values, maximums and standard deviations. In this study, an outlier test was carried out where the outlier itself is an extreme value or data that deviates from other data. The data before the outlier was carried out amounting to 40 data obtained from the results of multiplication between sample companies totaling 8 companies multiplied by the research period of 5 years from 2018-2022. After an outlier test is carried out to remove extreme data, the results of the descriptive test are as follows:

Table 3. Descriptive Statistical Test Results

Descriptive Statistics					
	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
Financial Distress	38	0	1	.84	.370
Audit Delay	38	0	1	.37	.489
Audit Quality	38	0	1	.34	.481
Auditor Switching	38	0	1	.26	.446
Valid N (listwise)	38				

Data Source: SPSS V.25 Data Processing Output (2025)

Based on table 3 of the results of the descriptive statistical test after the outlier test was carried out, where there were 2 extreme data and 38 observation data were obtained, the conclusions that can be drawn are:

a. The results of the descriptive statistical test for the financial distress variable were measured by the altman z-score and using a dummy variable, where the value was 1 if the company was experiencing financial difficulties and the value was 0 if the company was not experiencing financial difficulties, so that a minimum value of 0 and a maximum value of 1 were obtained. The mean value is 0.84 and the standard deviation value is 0.370.

b. The results of the descriptive statistical test for the delay audit variable were measured using dummy variables, where the value was 1 if the company experienced a delay audit and a value of 0 if the company did not experience a delay audit, resulting in a minimum value of 0 and a maximum value of 1. The audit delay variable obtained a mean value of 0.37 and a standard deviation of 0.489.

c. The results of the descriptive statistical test for the audit quality variable were measured using dummy variables, where the value was 1 if the company used a big four auditor and a value of 0 if the company used a non-big four auditor, resulting in a minimum value of 0 and a maximum value of 1. The mean value of the audit quality variable was 0.34 and the standard deviation value was 0.481.

d. The results of the descriptive statistical test for the variable auditor switching were measured using dummy variables, where the value was 1 if the company was auditing switching and the value was 0 if the company did not auditing switching, resulting in a minimum value of 0 and a maximum value of 1. The mean value of the switching auditor variable is 0.26 and the standard deviation value is 0.446.

Analysis of the Logistic Regression Model by testing the feasibility of the Logistic Regression Model using the Hosmer and Lemeshow's Goodness of Fit test with a significance value greater than 0.05, the model is considered to be able to predict the observation data. The results of the regression model feasibility test are as follows:

Table 4. Regression Model Feasibility Test Results

Hosmer and Lemeshow Test			
Step	*Chi-square*	*Df*	*Sig.*
1	1.028	4	.905

Source: SPSS V.25 Data Processing Output (2025)

Based on table 4, it shows that the significance value is 0.905 and the value is greater than 0.05 and has been qualified, so that the regression model after the outlier will be continued to the next stage of the exam.

Analysis of the Logistic Regression Model with Overall Model Fit which is intended to assess the overall model that matches the data. The number -2 log likelihood block number = 0 and -2 log likelihood block number = 1. If the value of -2 log likelihood decreases, then the model matches the data.

Table 5. Overall Model Fit Test Initial

Block 0: Beginning Block			
Iteration History[a,b,c]			
Iteration		*-2 Log likelihood*	*Coefficients*
			Constant
Step 0	1	43.852	-.947
	2	43.801	-1.028
	3	43.801	-1.030
	4	43.801	-1.030

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 43.801

c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Source: SPSS V.25 Data Processing Output (2025)

Based on table 5, the first -2Log likelihood value of 43,852 was obtained. The next step is to test the model (overall model fit). The test was performed by comparing the value between -2loglikehood (-2LL) at the beginning (Block Number = 0) and the value of -2Log likelihood (-2LL) at the end (Block Number = 1). When there is a reduction in the value between the initial -2LL and the

-2LL in the next step (-2LL final) indicates the hypothesized model fits with the data.

Table 6. Overall Model Fit Final Test

Block 1: Method = Enter						
Iteration History[a,b,c,d]						
Iteration		*-2 Log likelihood*	*Coefficients*			
			Constant	*Financial Distress*	*Audit Delay*	*Kualitas Audit*
Step 1	1	35.090	-1.465	.410	1.400	-1.006
	2	33.564	-1.887	.559	1.856	-1.661
	3	33.451	-1.986	.584	1.983	-1.941
	4	33.450	-1.993	.585	1.993	-1.976
	5	33.450	-1.993	.585	1.993	-1.977

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 43.801

d. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Data Source: SPSS V.25 Data Processing Output (2025)

Based on table 6 above, it can be seen that there is a decrease in -2 log likelihood block number = 0 or -2 log initial likelihood of 43,852 to 35,090 at -2 log likelihood block number = 1 or -2 log likelihood of the end. The existence of this decrease indicates that the addition of 3 independent variables (financial distress, audit delay, and audit quality) can improve the model or fit with the data. Analysis of the Logistic Regression Model seen from the determination coefficient test of Nagelkerke's R Square aims to find out how much influence the independent variable has on the bound variable.

Table 7. Results of the Nagelkerke R Square Determination Coefficient Test

Model Summary			
Step	***-2 Log likelihood***	***Cox & Snell R Square***	***Nagelkerke R Square***
1	33.450[a]	.238	.349
a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.			

Data Source: SPSS V.25 Data Processing Output (2025)

Based on table 7, the value of Cox & Snell R Square is 0.238 (23.8%) while the value of Nagelkerke R Square shows a value of 0.349 (34.9%). It can be concluded that the dependent variables that can be explained by the variability of independent variables are 34.9% and the rest are explained by other variables outside this research model. The data analysis technique used in this study is logistic regression which aims to determine the partial influence of each dependent variable. The following are the results of the t-test which can be seen in the table below:

Table 8. T Test Results (Partial Test)

Variables in the Equation							
		B	*S.E.*	*Wald*	*df*	*Sig.*	*Exp(B)*
Step 1[a]	*Financial Distress*	.585	1.289	.206	1	.650	1.796
	Audit Delay	1.993	.871	5.231	1	.022	7.388
	Kualitas Audit	-1.977	1.188	2.771	1	.096	.139
	Constant	-1.993	1.292	2.379	1	.123	.136

Variable(s) entered on step 1: Financial Distress, Audit Delay, Kualitas Audit.

Based on the output results of table 8, the regression model formed is as follows: Probability = exp(-1.993 + 0.585 FD + 1.993 AD – 1.977 KA) / 1 + exp(-1.993 + 0.585 FD + 1.993 AD – 1.977 KA).

Information:\

- Probability : Odds
- exp : Exponents
- FD : Financial Distress
- AD : Audit Delay
- TRAIN : Quality Audit

From the regression equation formed if the sample financial distress = 1, audit delay = 1, and audit quality = 1, if included in the above equation model, then as follows:

- Probability or Predicted = (exp(-1.993 + (0.585 x 1) + (1.993 x 1) + (1.977 x 1)) / (1 + exp(-1.993 + (0.585 x 1) + (1.993 x 1) + (1.977 x 1))).

- Probability or Predicted = (exp(-1.993 + (0.585) + (1.993) + (1.977)) / (1 + exp((1.993 + (0.585) + (1.993) + (1.977))).

- Probability or Predicted = 0.92838.

Predicted obtained is 0.92838 > 0.05, then the Predicted Group Membership value from the sample above is 1. Where 1 is the code undergoes auditor switching. If the sample is financial distress (code 1), audit delay (code 1) and audit quality (code 1), then the prediction is to experience auditor switching (code 1). If the sample in question does not experience auditor switching (code 0), then the sample is out of the prediction value. It can be concluded that companies that experience financial distress, audit delays and there is audit quality but do not experience auditor switching, then Residual = 0 – 0.92838 = -0.92838. The magnitude of the difference or what is called Residual = Predicted Group Membership – Predicted. Based on table 8, the results of the partial test can be interpreted as follows:

1. The effect of financial distress on auditor switching has a positive regression coefficient of 0.585 with a significance level of 0.650 which is greater than 0.05. This means that financial distress is of positive value and does not have a significant influence on auditor switching. Thus the first hypothesis that "Financial distress has a positive and significant effect on auditor switching" is not supported by the data (H1 rejected). This means that financial distress (X1) has no effect on the switching auditor (Y).

2. The effect of audit delay on auditor switching has a positive regression coefficient of 1.993 and the significance level of 0.022 is smaller than 0.05. This means that the delay audit has a positive value and has a significant influence on the switching auditor. Thus the second hypothesis that "Audit delay has a positive and significant effect on auditor switching" is supported by data (H2 accepted). This means that the audit delay (X2) affects the auditor switching (Y).

3. The effect of audit quality on switching auditors has a negative regression coefficient of -1.977 with a significance level of 0.096 greater than 0.05. This means that audit quality is of negative value and does not have a significant influence on switching auditors. Thus the third hypothesis that "Audit quality has a negative and significant effect on auditor switching" is not supported by data (H3 is rejected). This means that the audit quality (X3) has no effect on the switching auditor (Y).

Simultaneous hypothesis testing was carried out to test whether the variables of financial distress, audit delay, and audit quality together had an effect on auditor switching. The results of simultaneous testing or the F test on logistic regression were obtained from the Omnibus Tests of Model Coefficient table. The following are the results of the simultaneous test (Omnibus Tests Of Model Coefficient):

Table 9. Simultaneous Test Results

Omnibus Tests of Model Coefficients				
		Chi-square	*Df*	*Sig.*
Step 1	*Step*	10.352	3	.016
	Block	10.352	3	.016
	Model	10.352	3	.016

Based on table 9, the results of the simultaneous test showed that the variables of financial distress, audit delay, and audit quality obtained a chi-square of 10.352 and a significance of 0.016 which is less than 0.05. This shows that financial distress, audit delay, and audit quality together have a positive value and have a significant influence on auditor switching. So the fourth hypothesis that "Financial distress, audit delay, and audit quality together have a positive and significant effect on auditor switching" is supported by data (H4 accepted). This means that financial distress (X1), audit delay (X2), and audit quality (X3) simultaneously affect auditor switching (Y).

5. Discussion

The discussion of the results of the research conducted can provide an explanation of the first hypothesis that can prove that financial distress has a positive value and does not have a significant influence, meaning that X1 has no effect on Y. The results of this study show that financial distress is not the cause of the company conducting auditor switching. One of the considerations for companies not to do auditor switching is if the company conducts auditing switching when the company is experiencing financial difficulties, it can cause concern for various parties, especially creditors and shareholders, because auditing switching can indicate serious problems in the company or instability in the company's management due to management's dissatisfaction with the previous auditor's performance.

The results of this study are in line with the research (Tjahjono and Khairunissa, 2021) revealed that financial distress has a positive and insignificant influence on auditor switching because when a company experiences financial distress, the company will not replace its auditor to show that everything that happens in the company is going well. On the other hand, changing auditors too often can also increase auditor costs.

The second hypothesis in this case proves that audit delay has a positive and significant effect on auditor switching, meaning that X2 has an effect on Y. Audit delay is often interpreted as a sign of problems in the audit process or the quality of the audit provided by the auditor. When the audit report is delayed, it indicates that the auditor has difficulties in completing the audit, or the complexity in the company's financial records, so that it becomes one of the triggers for the company to replace a more efficient and reliable auditor.

The results of this study are in line with the research (Anggadi and Triyanto, 2022) showing that audit delay has a positive and significant influence on auditor switching. The auditor only has a maximum of 90 days before the audit report is finally submitted. If in the performance of their duties the auditor takes too long to complete the audit, this can cause the company to submit financial statements to the capital market late which can affect the replacement of auditors.

The third hypothesis found that audit quality has a negative and significant effect on switching auditors. So, it can be concluded that X3 has no effect on Y. Audit quality is very important in the company, so in Indonesia a large public accounting firm is known as The Big Four which has a good reputation and high audit quality. Issuers that have used this generally do not conduct auditing switching. This is because the auditor is considered to have a global reputation and is very strong to maintain the quality of audits and professional standards. The results of this study are in line with the research (Lusman and Pangaribuan, 2019) which states that audit quality has a negative and insignificant effect on auditor switching. This means that the quality of the KAP is good and the possibility of replacing the KAP also has low potential.

The fourth hypothesis produces financial distress, audit delays, and audit quality simultaneously have a positive and significant effect on auditor switching. This means that simultaneously X1, X2, X3 affect Y. The interaction between the variables X and Y is very complex. Because these vriabels influence and strengthen each other. If a company experiences financial distress, audit delays, and audit quality, the company feels that auditing switching can help produce more accurate and timely financial reports and improve audit quality. This is in line with research conducted by (Kuzaemah et al., 2023) which states that the variables of financial distress, KAP reputation, and audit delay together have a significant effect on auditor switching. It further explains that the higher the distress value, the reputation of the KAP or audit quality, and the audit delay combined, the more likely the company is to change auditors.

6. Conclusion

The conclusion of this study is according to the results of research and discussions that have been conducted on energy sector companies listed on the Indonesia Stock Exchange in 2018-2022, so that the conclusion can be drawn that: 1) although the relationship between financial distress and auditor switching is very complex, it is not always linear. While there is a tendency that companies experiencing financial difficulties change their auditors more frequently, this influence is not always significant. 2) Audit delay has an effect with auditor switching. This means that the nature of the audit delay results in the company's condition experiencing delays in completing the audit process of its financial statements and this is the cause of auditor switching. 3) The audit quality has no significant effect on the switching auditor. The quality of audits is directly related to the level of trust of the users of financial statements. This means that companies that use professional audit quality auditors are not inclined to do auditor switching. 4) In general, financial distress, audit delay, and audit quality have an effect on auditor switching. A company's decision to conduct an auditor switch is not only influenced by a single factor but by a combination of several interrelated factors. So in these conditions, the decision to conduct auditor switching is based on efforts to improve the financial situation, improve the quality of financial statements and ensure compliance with regulations.

7. Suggestion

Based on the results of the research that has been conducted, the researcher tries to provide advice to related parties: 1) For issuers and the Indonesia Stock Exchange. It is always better to report financial statements according to the specified schedule and every company's financial statements that go public should always be updated on the website so that investors and researchers who need the data can easily access it without information constraints. 2) For investors and the general public as potential investors. It is hoped that in addition to the company's website, it can also use other websites to obtain financial information that describes the issuer's financial performance. 3) Further Researcher. It is expected to expand the object of the research so that more company data is used and the researcher is further expected to add some variables that are suspected to influence the switching auditor.

Referensi

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