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THE INFLUENCE OF GOING CONCERN, COMPANY SIZE, KAP SIZE AND PROFITABILITY ON AUDITOR SWITCHING PROPERTY AND REAL ESTATE 2016 - 2019

Zubir
Dosen STIE Mahaputra Riau

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Abstract

The purpose of this study is to determine the effect of going concerned on auditor switching on the property and real estate in 2016-2019, to determine the effect of company size on auditor switching on the property and real estate in 2016-2019, to determine the effect of KAP size on auditor switching on the property and real estate 2016 - 2019, to determine the effect of profitability on auditor switching on the property and real estate in 2016 - 2019, and to determine the effect of going concerned, company size, KAP size, and profitability on auditor switching on the property and real estate. estate 2016 - 2019. The results of the research show that simultaneously going concerned, company size, KAP size, and profitability do not affect auditor switching, and partially going concerned, company size, KAP size, and profitability have no effect on auditor switching.

INTRODUCTION

A financial report is a tool that is pitch important that indicates the performance or the performance of companies in a given period. Financial statements also have the objective of presenting facts about the financial position of an entity that is useful for interested parties as material for consideration in making a decision. Financial reports must present reasonable and reliable information because the information presented in the financial statements will be used as a consideration by stakeholders in making a decision. For this reason, to ensure the fairness of the information presented in the financial statements, it is necessary to have supervision carried out by an independent auditor in the form of an examination of the financial statements of the company concerned. In examining finances, it is necessary to have an auditor.

Auditors have a claim to be as objective about the information presented by the management. This is intended to increase the reliability and quality of the company's financial reports. Many factors influence auditor switching, including Going Concern Opinion, Public Accounting Firm Size, and Financial Distress. Previous research on auditor switching is still interesting to study because empirical results show different results, such as research conducted by Arsih and Anisykurlillah (2015) using going concern opinion variables, KAP size, and profitability. The results showed that only Going Concern Opinion variables, KAP Size and Profitability had no effect on Auditor switching, Laksmiati and Suci Atiningsih (2018) with the results of their research that auditor switching had no significant effect ongoing concern audit opinion. Meanwhile, the KAP reputation and financial distress variables have a significant effect on ongoing concern audit opinion, and Susilowati (2017) with the results of her research that auditor switching has no significant effect on ongoing concern audit opinion. While the KAP reputation and financial distress variables have a significant effect on the ongoing concern audit opinion

The formulation of the research problem is whether going concerned affects auditor switching on the property and real estate in 2016 - 2019? Does company size affect auditor switching on the property and real estate in 2016 - 2019? Does KAP size affect auditor switching on the property and real estate 2016 - 2019? Does profitability affect auditor switching on the property and real estate in 2016 - 2019? And do going concern, company size, KAP size, and profitability affect auditor switching on the property and real estate in 2016 - 2019 ?, while the purpose of this study is to determine the effect of going concerned on auditor switching on the property and real estate in 2016 - 2019, to determine the effect of company size on auditor switching on the property and real estate in 2016 - 2019, to determine the effect KAP size against and switching items on a property and real estate in 2016 - 2019, to determine the effect of profitability on auditor switching on the property and real estate in 2016 - 2019, and to determine the effect of going concerned, company size, KAP size, and profitability on auditor switching on the property and real estate 2016 - 2019.

METHODS

The object of this research was carried out in property and real estate companies in the 2016 to 2019 research period, totaling 48 companies listed in the study period, while the research sample was drawn using sampling-based on research criteria, including the population at the time of the study 2016 to 2019 did not. experienced a loss, companies that did not replace auditors during the study period, with these criteria the resulting research sample of 20 samples with a research period of 4 years of the study period.

The data analysis technique in this study consisted of two data analyzes including descriptive analysis and statistical analysis. In descriptive statistical analysis techniques. Descriptive statistics is a process of transforming research data in tabulated form so that it is easy to understand and interpret. The descriptive statistical analysis aims to determine the characteristics of the sample used and describe the variables in the study.

Meanwhile, in the statistical analysis, the researcher used logistic regression statistical analysis. There are several stages in the implementation of logistic regression, including:

Menguji Kelayakan Model Regresi

The feasibility of the regression model was assessed using the Hosmer and Lemeshow's Goodness of Fit Test. Hosmer and Lemeshow's Goodness of Fit Test tests the null hypothesis that the empirical data fit or fits the model (there is no difference between the model and the data so that the model can be said to be fit). If the statistical value of Hosmer and Lemeshow's Goodness of Fit Test is equal to or less than 0.05, then the null hypothesis is rejected, which means that there is a significant difference between the models and their observation values so that the Goodness fit of the model is not good because the model cannot predict the value of the observation (Arsih, 2015).

If the statistical value of Hosmer and Lemeshow's Goodness of Fit Test is greater than 0.05, then the null hypothesis is accepted and it means that the model can predict its observation value or it can be said that the model is acceptable because it is under the observation data (Arsih, 2015).

Menilai Keseluruhan Model (Overall Model Fit)

The first step is to assess the overall fit of the model against the data. Several statistical tests were given to assess this. The hypothesis for assessing the fit model is:

H0: The hypothesized model is fitted with the data

HA: The hypothesized model does not fit the data

From this hypothesis, it is clear that we will not reject hypothesis 0 so that the model fits the data. The statistics used are based on the likelihood function. Likelohood's L of the model is the probability that the hypothesized model describes the input data. To test the null and alternative hypotheses, L is transformed into -2LogL. The decrease in likelihood (-2LL) shows a better regression model or in other words, the hypothesized model is fit with the data (Hasan, 2016).

Koefisien Determinasi (*Negelkerke's R Square*)

According to Ghozali (2006) states that " cox and Snell's R Square are measures that try to mimic the size of R 2 in multiple regression which is based on the likelihood estimation technique with a maximum value of less than 1 (one) so it is difficult to interpret. Negelkerke's R Square is easier to interpret than Cox and Snell to ensure that the value of the dependent variable varies from 0 (zero) to 1 (one) which can be explained by the independent variable, it can be seen from the value of Negelkerke's R Square.

Matriks Klasifikasi

The classification matrix shows the predictive power of the regression model to predict the probability of KAP displacement by the company.

Hypothesis test

To test the hypothesis proposed in this study, the logistic regression analysis method was used. This analysis method is used to determine how the dependent variable (*auditor switching*) can be predicted by the independent variable (*financial distress*, audit opinion, *audit delay*, *and audit* fees). The reason for using this logistic regression analysis method is because the dependent variable used is dichromic (doing *auditor switching* or not doing *auditor switching*) (Hasan, 2016).

Simultaneous Test (*Likelihood*)

This test is carried out to see the effect of financial ratios on *financial distress* simultaneously as the F test in linear regression. This test is based on a statistical value of -2LL. A simultaneous test of the logistic model regression coefficients is calculated from the -2LL difference between

models consisting only of constants and the estimated model consisting of constants and independent variables (Widarjono, 2010). The difference between *block* 0 and *block* 1 in -2LL is a *Chi-Square* model that is used to test significance simultaneously. A significant value <0.05, indicating that the independent variable has a simultaneous effect on the dependent variable.

Partial Test (Wald Test)

Wald test is conducted to see the effect of financial ratios on partial *financial distress* predictions. Following are the conditions (Widarjono, 2010: 123):

a) If the significant value <0.05, then Ha is accepted, then the independent variable has a significant effect on the dependent variable.

b) If the significant value is ≥ n 0.05, then Ha is rejected, then the independent variable has no significant effect on the dependent variable.

RESULTS AND DISCUSSION

Tabel 1
Hosmer and Lemeshow Test

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	6.246	8	.620

Based on Table 1, it can be seen that the value of the chi-square is 6,246 and the significance value of 0.620 can be stated as greater than 0.05, so the logistic regression model can be analyzed further.

Tabel 2
LikeliHood L Block Nol
Interaction History *

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	96.038	-.850
	2	95.984	-.907
	3	95.984	-.908

a. Constant is included in the model.

b. Initial -2 Log-Likelihood: 95,984

c. Estimation terminated at iteration number 3 because parameter estimates changed by less than,001.

Tabel 3
LikeliHood L Pertama

Iteration History[a,b,c,d]

Iteration		-2 Log likelihood	Coefficients Constant	X1	X2	X3	X4
Step 1	1	93.080	-1.163	-.271	.000	.822	5.684
	2	92.942	-1.273	-.362	.000	.894	6.319
	3	92.942	-1.275	-.369	.000	.895	6.335
	4	92.942	-1.275	-.369	.000	.895	6.335

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 95,984

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

Based on Table 2 and Table 3, logistic regression can predict the probability of a company implementing auditor switching.

In logistic regression, the value of Nagelkerke R Square can be interpreted as a value data in

seeing the ability of the independent variable to explain the dependent variable. The results of the coefficient test can be seen as follows:

Tabel 4
Determination Coefficient

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	92.942[a]	.037	.053

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

Simultaneous Testing

In simultaneous testing to see the effect of all independent variables on the dependent variable, the following results from simultaneous testing are:

Tabel 5
Simultaneous Testing

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	3.041	4	.551
	Block	3.041	4	.551
	Model	3.041	4	.551

In the simultaneous test table, it can be seen that the significance value is 0.551, which means it is greater than 0.05, indicating that *going concern*, company size, KAP size, and profitability have no simultaneous effect on auditor *switching*.

Partial Testing

In the logistic regression used with the Wald test to see the effect of independent variables on the dependent variable which is carried out individually:

Table 6
Partial Testing

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95,0% C.I.for EXP(B) Lower	Upper
Step 1[a]	X1	-.369	1.181	.098	1	.755	.691	.068	7.000
	X2	.000	.000	.028	1	.866	1.000	1.000	1.000
	X3	.895	1.440	.386	1	.534	2.447	.146	41.152
	X4	6.335	4.256	2.216	1	.137	564.078	.134	2.367E6
	Constant	-1.275	.372	11.733	1	.001	.279		

a. Variable(s) entered on step 1: X1, X2, X3, X4.

a. Going concern opinion does not affect auditor *switching*, this is in line with the results of research conducted by Arsih (2015) which states that if a company gets a *going concern* opinion, the company will get a negative response to stock prices, allowing the client company to do *auditor switching* to overcome this. . This is because a *going concern* opinion is an opinion issued by the auditor when the company is experiencing financial difficulties to ascertain whether the company can survive.
b. Firm size does not affect auditor *switching*.
c. KAP size does not affect *auditor switching*. This does not support the results of research by Immanuel and Yuyetta (2015) which state that the big four KAP is seen as an auditor who will produce a level of audit quality that exceeds the minimum professional requirements compared to that given by the non-big four KAP. Big four KAP will also produce quality financial reports. However, this is in line with the higher audit fees incurred by the company for the audit service. KAP *big four* or KAP *non-big four* are used by the company in previous years

did not specify the company will perform *the auditor switching* by moving to KAP *big four*. KAP *big four* and KAP *non-big four* still provide audit quality by the established audit standards so that the size of the KAP does not determine the change of auditors by the company on the grounds of getting better audit quality.

d. Profitability does not affect *auditor switching.* This is in line with Arsih's (2015) research which states that if the amount of profitability does not affect *auditor switching, it is* explained that company profitability is the company's ability to generate profits, the level of profit is not related to *auditor switching*, but an indication of company performance.

CONCLUSIONS

Then the conclusions obtained in this study consist of:

a. Based on the results of *going concerned* simultaneously, company size, KAP size, and profitability do not affect auditor *switching*.
b. Based on the partial *going concern results*, company size, KAP size, and profitability do not affect auditor *switching*.

Suggestion

So the suggestion that can be made by researchers is that the next research object is expected to add objects not only to the property sector but to all sectors on the stock market to get significant results.

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