

The Effect of Audit Delay, Audit Opinion And Financial Distress On Auditor Switching In Mining Companies Listed On the IDX in 2019-2023

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ABSTRACT

This study aims to examine and analyze audit delay, audit opinion, and financial distress significantly influence the likelihood of auditor switching in mining sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period, both simultaneously and individually. The research adopts a purposive sampling method, selecting samples based on predetermined criteria relevant to the research objectives. The data used are secondary in nature, sourced from audited annual financial statements published on the official IDX website. From a total population of 81 companies, 10 were selected as samples. The analytical methods employed include descriptive statistical analysis, logistic regression analysis, and hypothesis testing, with data processing conducted using the Statistical Product and Service Solution (SPSS) version 27. The results reveal that audit delay and financial distress have a significant and positive effect on auditor switching, while audit opinion is found to have a negative but insignificant effect.

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

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INTRODUCTION

The rapid development of the business world today has made many companies offer their shares to the public or go public. With the stock exchange, both sellers and buyers can conduct stock transactions or other investment instruments with very minimal risk. One of them is that companies that have entered the Indonesia Stock Exchange (IDX) must make the latest information about the financial statements that have gone through the inspection process by the authorities.

Mining is one of the businesses that focuses on extracting minerals and mining materials from nature. Indonesia is known as one of the countries with the largest mining industry in the world, thanks to the abundance of natural resources, especially gold and nickel. On a global market scale, investors have the opportunity to invest in mining companies, especially companies whose shares are officially listed for trading on the Indonesia Stock Exchange (IDX).

The preparation of financial statements is intended as a means of providing information relating to support users in making informed business decisions, financial statements should provide comprehensive details regarding a company's financial performance, current financial standing, and any changes in its financial structure. Therefore, these statements must be prepared with transparency and presented in an honest and reliable manner and in accordance with actual conditions. The auditor as an independent party can also be involved in supporting the company's decision-making process. In presenting financial statements, a company needs an independent third party to review and verify the fairness in a financial report, namely the auditor. Public accountants or auditors play a role in providing assurance to shareholders and interested parties accurately and have been made in accordance with applicable principles in all material respects.

Such delays have the potential to affect stakeholders' perceptions, potentially damaging the company's reputation. The audit period is defined as the interval between the fiscal year-end and the date when the independent auditor's report is issued finalized and formally signed by the auditor, during which time the auditor has the authority to analyze the company's financial statements. The company's ability to obtain investment funds from investors to support the auditor change process is highly dependent on timely completion of the audit. Delays in the audit process can hinder a company's access to funding, which is critical to its financial security and development.

Based on the research conducted by Sujati et al. (2024), audit delays positively influence the likelihood of companies opting to change their auditors. It is also acknowledged that when a company appoints a new auditor, a certain period is required for the auditor to fully understand the company's operational environment situation as well as time to adjust to the company environment. It also does not guarantee that a replacement auditor will be able to complete the audit process faster than the previous auditor, considering that each auditor has different work methods, level of understanding of clients, and efficiency in carrying out financial statement audit tasks.

In addition, the audit opinion given by the auditor can influence company decisions. The continuity of company operations is one of the main objectives of the establishment of a business entity. According to (Anton et al., 2024) the auditor's report provides stakeholders with a reasonable level of confidence regarding the reliability and accuracy of a company's financial statements. To formulate an appropriate audit opinion, the auditor must verify that the financial statements have been prepared in accordance with the applicable financial reporting standards. However, delays in delivering the audit opinion can hinder the timely presentation of audit results, potentially affecting stakeholders' perceptions and decision-making.

Another factor that should be considered is that the company's financial distress it is a situation where a company experiences financial distress that impairs its ability to fulfill its financial commitments or a decline in financial performance that disrupts the company's ability to pay off its debts to lenders. According to (Sari et al., 2020) in (Irijanti et al., 2023) signs of financial distress in a company can be in the form of termination of employment, where the inability to pay dividends and a decrease in cash flow are lower than long-term debt obligations. The financial health of a company can be measured by the relationship between its financial liabilities and assets, if financial liabilities exceed the value of its assets, then the company has the potential to face the risk of bankruptcy, and vice versa.

Based on this phenomenon, researchers are increasingly interested in discussing these three variables simultaneously. The principal distinction of this study compared to prior research is found in its element of novelty aspect, especially in terms of the time span during 2019-2023 and focusing on the mining companies studied and based on their unique characteristics and different risk profiles compared to other sectors, such as dependence on global commodity prices, strict regulations, and environmental risks. This research is empirical in nature. Based on this, this research will be related to the factors that influence auditor switching with the title "The Effect of Audit Delay, Audit Opinion, and Financial Distress on Auditor Switching (Empirical Study of Mining Companies Listed on the Stock Exchange in 2019-2023)".

THEORETICAL BASIS AND HYPOTHESIS DEVELOPMENT

AGENCY THEORY

The principal agent relationship or contract is the subject of agency theory, according to Jensen and Meckling (1976) in (Azlin & Taqwa, 2023). The principal and the agent, as both parties often pursue differing objectives because each person is only driven by his own interests. Managers and authorized parties (agents) tend to prioritize personal interests rather than maximizing company value. This happens because their share ownership in the company is often small, so their control is limited. This condition is the root of the problem of agency costs. In this case, minimizing the divergence of interests between the principal and the agent requires a third party, namely the auditor. Auditor changes can be made voluntarily or compulsorily. According to agency theory, auditor switching can occur in response to management or shareholder dissatisfaction with the performance of the previous auditor (Berliana et al., 2023).

SCOPE OF ACCOUNTING AND FINANCIAL STATEMENTS

Accounting is part of the information system that presents reports on the economic activities and financial condition of the company to external stakeholders such as investors, creditors, consumers and the government. The information generated by accounting is used for economic decision-making purposes, because stakeholders are not directly involved in the management of the company and depend on this information. With the financial statements, information is compiled in a relevant and reliable manner to various external parties, according to their decision-making needs (Sukanta, 2022) in (Lina et al., 2025).

A manager who does not understand financial statements will find it difficult to evaluate the consequences of decisions taken, potentially hindering business success. Similarly, investors will be reluctant to invest in companies with non-transparent financial conditions. Even with financial statements, investors will not have a solid basis for deciding to purchase shares. A similar situation also applies to creditors, tax officials, and other interested parties. Financial statements mean a lot to anyone with an interest as owners, lenders, managers, and employees need this information directly. However, financial reports are also indirectly an important reference for various professionals, such as financial analysts, consultants, lawyers, and tax officers (Tanjung & Sihite, 2024).

AUDIT DELAY

Delays in the audit process can provide benefits to financial report users, provided that the audit is completed on time so that it still supports the decision-making process. However, if the completion takes too long, the quality of the relevance of the information in the financial statements may decrease. This can affect shareholders' decisions, as the delay is often associated with potential problems or bad conditions faced by the company. (Swandewi & Badera, 2021) in (Sujiati et al., 2024).

In research conducted by (Fadhila & Surjandari, 2023), audit delay is defined as a delay in reporting audit results on financial statements. This delay is influenced by various aspects, including the complexity of operational activities, the company's financial condition, and the audit opinion given. Related to this, audit delay can reduce the level of information reliability because information that is published too late will increase uncertainty in decision making. Information that should be valuable loses its relevance if it is not available at the time needed. Therefore, the timeliness of information delivery is crucial so that the information can still have a real influence on the economic decision-making process. Presentation of information must be done as soon as possible so that it remains useful and does not hinder the process of making the right decisions.

AUDIT OPINION

. Independent auditors are responsible for reports on the financial reports of public companies. This report is very important to create effective communication between auditors and users of the company's financial statements. So that users of financial statements can ensure that the information in the company's reports is correct and reliable and reflects the actual conditions, so that they can make the right decisions. The auditor's report not only acts as a medium of communication, but as a guarantee of the quality contained in the financial statements as well as further information about the company.

The results obtained through research (Dewi et al., 2024) that the opinion given is unqualified is the desire of every company, because getting this opinion will avoid the company from a bad image in the eyes of the public. Upon conclusion of the full audit procedure, the auditor issues a single, definitive opinion rather than a series of interim judgments. Throughout each phase of the audit, evidence is collected and evaluated, and the overall findings inform the development of the final opinion. This opinion is then communicated in a formal written report, wherein the auditor presents the rationale and supporting explanations for the conclusions reached.

FINANCIAL DISTRESS

Financial difficulties can lead to unstable cash flow, a decrease in poor financial ratios, and failure to comply with the terms of the debt agreement which will eventually lead the client company to bankruptcy, so that its business continuity becomes doubtful. Altman (1968) in (Alshahrani et al., 2023) introduced the Z-score model, which will be used to estimate the likelihood of bankruptcy by analyzing financial ratios. This model is the basis for various studies in identifying potential financial distress. The contributing factors include declining profits, negative cash flow, high debt, and operational inefficiency.

According to (Alshahrani et al., 2023) in (Alisha Putri & Heriningsih, 2023), financial failure usually occurs when the company's revenue and profits are unable to cover all operational costs that must be incurred. A persistent decline in company performance is evident when the organization is no longer capable of fulfilling its financial obligations, in the near and long term according to a predetermined deadline. The company's limitations in paying off financial obligations in a timely manner can lead to company bankruptcy. From the various definitions that have been explained, the decline in financial performance is characterized by its inability to meet various obligations, such as bond repayments, loans, and interest payments, so that improvement efforts are needed. Therefore, companies need to regularly review their financial condition and take quick steps to prevent a crisis. The discovery of analytical models such as the Z-score can help detect potential crises early and support strategic decision-making.

AUDITOR SWITCHING

According to Schwartz and Soo (1995) in (Sima & Badera, 2018), said that it is a common practice for companies that go bankrupt to find different auditors when compared to companies that are still financially healthy. This change is usually done by using auditors who are known to have a better image, with the hope of improving the company's image to investors. This change can be mandatory, usually due to rules set in regulations, such as those that apply in Indonesia. On the other hand, auditor switching can also be done voluntarily, for certain reasons from the company and from the KAP itself. From the company side, these reasons can be financial problems, management failure, or other factors.

In accordance with Article 11 of Government Regulation of the Republic of Indonesia, No. 20 of 2015 which discusses auditors providing general audit services of company the presentation of financial statements is restricted to a maximum period of five years. (Sujiati et al., 2024). From the information above, it can be concluded that changing auditors is a step that must be taken by the company due to legal requirements and strategic reasons. Auditor changes often aim to maintain independence, improve audit quality, and improve public perceptions of company conditions. Factors such as financial difficulties, auditor reputation, and long-term relationships between clients and auditors are the main reasons behind this decision. Therefore, companies need to consider carefully before changing auditors so that their goals can be achieved effectively.

FRAME OF MIND

In the framework of thought there are variables that explain the problem being studied so that it is useful to answer the problem being discussed as follows:

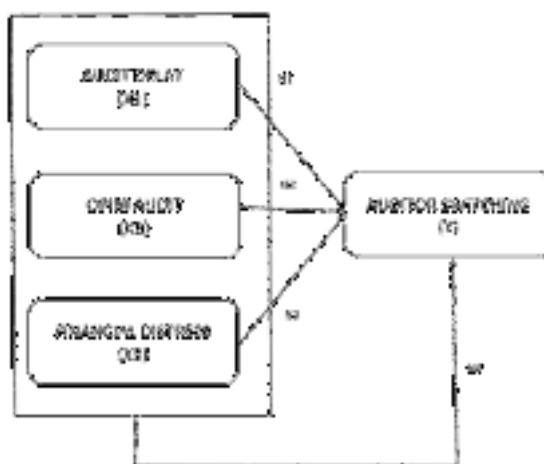


Figure 1 Framework of Thought

Effect of Audit Delay on Auditor Switching

Audit delay may impact the reliability and timeliness of the financial information provided which will have an impact on uncertainty in the decision-making process based on published information. To avoid delays, companies will usually change auditors. In the study conducted by Sujati et al. (2024), it was revealed that audit delay positively influences a company's decision to change its auditor. Referring to the results of this previous study, the hypotheses to be tested are:

H1: Audit delay has a positive effect on auditor switching.

Effect of Audit Opinion on Auditor Switching

Companies that get an unqualified opinion from the auditor will feel satisfied and tend not to do auditor switching. Conversely, if the company gets an opinion other than unqualified, the company is not satisfied and tends to do auditor switching. Based on the findings of previous research, audit opinions are shown to have a positive but statistically insignificant effect on auditor turnover (Elisabeth, 2021). In light of these findings, the following hypothesis is:

H2: Audit opinion has a positive effect on auditor switching.

Effect of Financial Distress on Auditor Switching

Financial decline refers to the state of a company that faces the risk of bankruptcy. To address financial difficulties, companies may consider several strategic options, including increasing capital through equity financing, obtaining loans to support cash flow, or, in more severe cases, deciding to cease business operations. Companies experiencing financial difficulties will generally change auditors compared to companies with good financial conditions. According to research conducted by (Mubarrok & Islam, 2020) revealed that financial distress is found to have an impact on auditor turnover. Referring to the findings of previous research, this condition suggests that companies experiencing financial difficulties are more likely to change their auditors, possibly as a strategic response to their deteriorating financial position or to obtain a more favorable audit opinion, the hypotheses to be tested are:

H3: Financial distress has a positive effect on auditor switching.

Auditor Switching The Effect of Audit Delay, Audit Opinion and Financial Distress on Auditor Switching

Audit delay is a condition when the process of completing the audit report exceeds the predetermined time limit, which is a maximum of 90 days after the end of the financial year. This delay can lead to distrust from investors, because timely financial reports are very important in assessing the company's performance and credibility in the market. On the other hand, a negative audit opinion such as an unqualified or unfair opinion can damage the company's reputation from the perspective of stakeholders. To avoid a similar assessment in the following year, companies often decide to change auditors with parties that are considered more flexible or have a more suitable approach. In addition, financial distress, which is characterized by a high debt burden and sustained losses, reflects the financial instability of the company which if not addressed immediately can lead to bankruptcy. Referring to the results of this previous research, the hypotheses to be tested are:

H4: Audit Delay, Audit Opinion and Financial distress affect auditor switching.

RESEARCH METHODS

This research uses a quantitative approach by relying on secondary data as its basis. The principal source of this secondary data was the annual financial statements published by the companies that served as the focus of the study. As stated (Sugiyono, 2017), population in the context of research refers to the entire generalization area consisting of objects or subjects with certain characteristics set by researchers to investigate and draw generalizations. On the other hand, the sample is a representation or part of the population that has similar characteristics and is considered capable of reflecting the overall nature of the population under study.

Table 1 List of Mining Company Samples

No	Kode	Emiten	IPO
1.	GEMS	Golden Energy Mines Tbk.	17 Nov 2011
2.	GTBO	Garda Tujuh Buana Tbk.	9 Jul 2009
3.	IATA	MNC Energy Investments Tbk.	13 Sep 2006
4.	MBAP	Mitrabara Adiperdana Tbk.	10 Jul 2014
5.	MBSS	Mitrabahtera Segara Sejati Tbk.	6 Apr 2011
6.	PGAS	Perusahaan Gas Negara Tbk.	15 Des 2003
7.	PSSI	Pelita Samudera Shipping Tbk.	05 Des 2017
8.	RAJA	Rukun Raharja Tbk.	19 Apr 2006
9.	SHIP	Sillo Maritime Perdana Tbk.	16 Jun 2016
10.	SOCI	Soechi Lines Tbk.	03 Des 2014

Source: BEI 2019-2023

In research, selecting the right sample is very important so that the research results can be accurately generalized to the population used. The population in this study comprised 81 companies engaged in the mining industry. In the process of determining the sample, the purposive sampling technique method was used. This choice is based on the fact that there are specific criteria that must be met by the sample to be relevant to the research objectives. The specific criteria employed for selecting the sample in this study are outlined as follows:

- 1) Mining sector companies and officially listed on the Indonesia Stock Exchange (IDX) during the observation period 2019 to 2023.
- 2) Companies consistently published audited annual financial statements throughout the period from 2019 to 2023.
- 3) Companies that present financial statements in the Rupiah (IDR) currency. This criterion is set to maintain consistency of reporting currency in data analysis.
- 4) Companies that are identified as doing auditor switching (auditor change) at least once during the observation period 2019 to 2023.

Based on the application of these criteria, a total of 10 companies were identified as eligible samples for this study. With an observation period of 5 years (2019-2023), the total number of observations to be analyzed is 50 company data.

Audit delay refers to the time interval between the company's fiscal year-end closing date and the completion date of the audit report. Audit delays can also have an impact on the accuracy of publicly published information. As a result, this can reduce the accuracy of information available to the public and increase uncertainty in decision making (Wulandari, 2021). To measure audit delay, the following formula is used:

$$\text{Audit Delay} = \text{Audit Report Date} - \text{Financial Report Date}$$

Audit opinion is an official statement confirming the reliability of a company's financial data. Obtaining an unqualified opinion is highly prioritized in order to safeguard the company's reputation, and failure in this case can trigger a change of auditors (Dewi et al., 2024). The company will be given a value of 1 if it receives an unqualified opinion. Conversely, if the company receives an audit opinion other than an unqualified opinion, it is assigned a value of 0.

The level of financial difficulty or financial distress is an indication of a decline in financial performance that causes the entity to have difficulty in fulfilling its financial bonds and requires recovery steps (Mubarrok & Islam, 2020). The measurements taken in this study using the Altman Z-core analysis used the formula:

$$Z = 1,2X_1 + 1,4X_2 + 3,3X_3 + 0,6X_4 + 1X_5$$

According to (Sugiyono, 2017), the dependent variable is the variable that is influenced by the independent variable. In this study, auditor switching is the dependent variable (Sumardi & Sujiman, 2022), which the equation is specified using a dummy variable: given a value of 1 is assigned if the company undergoes an auditor change, whereas a value of 0 is given if no such change occurs.

According to (Sugiyono, 2017) analyzing quantitative data through the process of compiling, studying, and interpreting to answer research questions. Data processing was carried out with SPSS 27 using descriptive statistical analysis, logistic regression, and hypothesis testing. This study applies analysis to determine how the independent variable affects the dependent variable. The regression model used:

$$Y = \alpha_0 + \beta_1 \text{OPINI} + \beta_2 \text{DELAY} + \beta_3 \text{FINANCIAL}$$

Keterangan:

Y = Auditor switching

α_0 = Constant

β_1 - β_3 = Regression coefficient

OPINI = Audit opinion

DELAY = Audit delay

FINANCIAL = Financial distress

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

The objective of this test is to obtain a more comprehensive insight into the characteristics of the sample under investigation and gain a more comprehensive insight into the key attributes of the research sample, including the number of observations, value limits (lowest and highest), center value (mean), and measures of data variability (standard deviation).

Table 2 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AUDIT DELAY (X1)	50	57.00	417.00	104.6000	57.81003
OPINI AUDIT (X2)	50	.00	1.00	.6800	.47121
FINANCIAL DISTRESS (X3)	50	-2.35	13.57	2.7030	2.58083
AUDITOR SWITCHING	50	.00	1.00	.5400	.50346
Valid N (listwise)	50				

Source: Data Processed SPSS Version 27

The results of this descriptive analysis are summarized in the following table:

1. The duration required to complete the audit of financial statements varies significantly, ranging from a minimum of 57 days to a maximum of 417 days. The average audit completion time is approximately 104 days, with a standard deviation of 57.81 days. This suggests that, for most cases within the sample, the audit process experiences considerable delay.
2. The audit opinion variable is binary, with values ranging from 0 to 1, where 0 represents an adverse audit opinion and 1 indicates a favorable opinion. The mean value of 0.68 alongside a standard deviation of 0.47 implies that the majority of the sampled companies tend to receive positive audit opinions.
3. Regarding financial distress is assessed using the Altman Z-score, values span from -2.35 to 13.57, covering a spectrum from potential bankruptcy to financial health. The mean score of 2.70 places the companies in a gray zone, making it difficult to definitively categorize their solvency status. The standard deviation of 2.58 reflects moderate variability around the mean, suggesting a reasonably representative distribution of financial conditions within the sample.
4. The auditor switching variable is also binary, with 0 indicating companies that did not change their auditors, and 1 indicating those that did. The mean value of 0.54 and a standard deviation exceeding 0.50 reveal that a slight majority of the sample companies opted to switch auditors during the observed period.

Testing the Feasibility of the Regression Model

The main purpose of This test aims to confirm that there are no significant discrepancies between the model's predictions and the actual field data, thereby validating the model's suitability and accuracy.

**Table 3 Testing Hosmer dan Lemeshow
Hosmer and Lemeshow Test**

Step	Chi-square	df	Sig.
1	2.852	8	.943

Source: Data Processed SPSS Version 27

This test was conducted using Hosmer and Lemeshow's Goodness off Fit Test. As a result, the Chi-Square value is 2.852 and the significance value is 0.943. Given that this value exceeds 0.05, the null hypothesis (H0) is accepted. This indicates that the model is sufficiently accurate in predicting the observed data, indicating that it is suitable for further investigation.

Assessing the Overall Model Fit

This test uses the Log Likelihood Value calculated based on the comparison of the -2 Log Likelihood value generated when the model only contains constants (Block 0) and after the independent variables are entered (Block 1).

**Table 4 Log Likelihood Block 0
 Iteration History^{a, b, c}**

		Coefficients	
Iteration		-2 Log likelihood	Constant
Step 0	1	68.994	.160
	2	68.994	.160

Source: Data Processed SPSS Version 27

**Table 5 Log Likelihood Block 1
 Iteration History^{a, b, c, d}**

		Coefficients				
Iteration		-2 Log likelihood	Constant	AUDIT DELAY (X1)	OPINI AUDIT (X2)	FINANCIAL DISTRESS (X3)
Step 1	1	54.232	-2.423	.012	.506	.347
	2	51.104	-3.753	.022	.412	.573
	3	50.706	-4.466	.027	.408	.677
	4	50.699	-4.583	.028	.416	.692
	5	50.699	-4.586	.028	.416	.693
	6	50.699	-4.586	.028	.416	.693

Source: Data Processed SPSS Version 27

Tables 6 and 7 above show a comparison between the -2 Log Likelihood Block 0 value and -2 Log Likelihood Block 1. In the table that shows the -2 Log Likelihood Block 0 value shows 68.994 and the -2 Log Likelihood Block 1 value shows 50.699. The output shows a decrease in value of 18.295. This decrease in value provides evidence that the logistic regression model has improved in terms of fit with the data used after the independent variables are included in the analysis, which indicates a better model.

Coefficient of Determination (Nagelkerke's R Square)

**Table 6 Coefficient of Determination
 Model Summary**

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	50.699 ^a	.306	.409

Source: Data Processed SPSS Version 27

The Cox & Snell R value used for the logistic regression model, this figure shows the size of the determining force (coefficient of determination) of 0.306 or Nagelkerke R Square of 0.409, this indicates that 40.9% of the variation in auditor switching (dependent variable) can be explained by independent variables such as audit delay, audit opinion, financial distress. The remaining 59.1% is affected by factors beyond the scope of the model applied in this study.

Testing the Classification Matrix

Obtained sample results that have auditor switching by not changing auditors are 18 and 5 samples. The number 18 indicates that there are 18 or 78.3% of the 50 samples did not make a change of auditors. While 5 out of 50 samples indicate that the company should not make a change of auditors

Table 7 Classification Matrix

Classification Table^a

Observed		Predicted			
		AUDITOR SWITCHING (Y)			
		Tidak auditor switching	Auditor switching	Percentage Correct	
Step 1	AUDITOR SWITCHING (Y)	Tidak auditor switching	18	5	78.3
		Auditor switching	7	20	74.1
Overall Percentage				76.0	

Source: Data Processed SPSS Version 27

The number of auditor switching samples is 20 and 7 samples. The number 20 indicates that there are 20 or 74.1% of the 50 samples that make auditor changes. While 7 out of 50 samples indicate that the company should make a change of auditors, but choose to keep the same auditor.

Logistic Regression Analysis Results

Table 8 Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	AUDIT DELAY (X1)	.028	.014	4.320	1	.038	1.029
	OPINI AUDIT (X2)	.416	.962	.187	1	.665	1.516
	FINANCIAL DISTRESS (X3)	.693	.251	7.601	1	.006	1.999
	Constant	-4.586	1.885	5.915	1	.015	.010

Source: Data Processed SPSS Version 27

From the logistic regression results presented in Table 10, the following equation is derived:

$$Y = -4,586 + 0,028X_1 + 0,416X_2 - 0,693X_3$$

The results of the logistic regression equation can be explained as follows:

1. The constant of -4.586 states that all independent variables (audit delay, audit opinion and financial distress) are considered constant or unchanged, then the amount of auditor switching is -4.586.
2. The regression coefficient of the audit delay variable of 0.028 indicates that each additional one day in the audit delay will increase the possibility of the company changing auditors by 0.028.
3. Regression coefficient for audit opinion variable, which is 0.416, signifies that a one-unit increase in this variable corresponds to a 0.416 increase in the likelihood of the company switching auditors.
4. The regression coefficient of the financial distress variable which amounts to 0.693 means that each increase of one unit in this variable will increase the possibility of the company changing auditors by 0.693.

Hypothesis Test

T Test (Partial)

The t test aims to test the effect of the independent variable on the dependent variable partially. If the sig value <0.05, it can be concluded that the independent variable partially impacts the independent variable does not partially affect the dependent variable if the significance value (sig) is higher than 0.05. Conversely, a sig value less than or equal to 0.05 suggests that the independent variable has a significant partial effect on the dependent variable.

Table 9 T Test

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a	AUDIT DELAY (X1)	.028	.014	4.320	1	.038	1.029
	OPINI AUDIT (X2)	.416	.962	.187	1	.665	1.516
	FINANCIAL DISTRESS (X3)	.693	.251	7.601	1	.006	1.999
	Constant	-4.586	1.885	5.915	1	.015	.010

Source: Data Processed SPSS Version 27

Berdasarkan tabel dapat disimpulkan sebagai berikut:

1. Pengaruh *Audit Delay* terhadap *Auditor Switching*
 Hasil perhitungan uji t untuk *audit delay* menghasilkan koefisien 0,028 dan menunjukkan tingkat signifikan sebesar 0,038 kurang dari 0,05. Maka hipotesis berpengaruh positif dan signifikan terhadap *Auditor Switching*.
2. Pengaruh *Opini Audit* terhadap *Auditor Switching*
 Hasil perhitungan uji t untuk *opini audit* menghasilkan koefisien 0,416 dan menunjukkan tingkat signifikan sebesar 0,665 lebih dari 0,05. Maka hipotesis berpengaruh negatif dan tidak signifikan terhadap *Auditor Switching*.
3. Pengaruh *Financial Distress* terhadap *Auditor Switching*
 Hasil perhitungan uji t untuk *opini audit* menghasilkan koefisien 0,693 dan menunjukkan tingkat signifikan sebesar 0,006 kurang dari 0,05. Maka hipotesis berpengaruh positif dan signifikan terhadap *Auditor Switching*.

F Test (Simultaneous)

The F test in this study was conducted to assess whether audit delay, audit opinion and financial distress were able to simultaneously influence auditor switching or not. The following table results from the F test:

**Table 10 Uji Signifikansi Simultan
Omnibus Tests of Model Coefficients**

		Chi-square	Df	Sig.
Step 1	Step	18.295	3	.000
	Block	18.295	3	.000
	Model	18.295	3	.000

Source: Data Processed SPSS Version 27

The results presented in Table 12 indicate a chi-squared value of 18.295 with a degree of freedom (df) of 3 and a significance level of 0.000, which is below the threshold of 0.05. This finding indicates that the variables of audit delay, audit opinion, and financial distress collectively have a statistically significant effect on auditor switching.

DISCUSSION

The Effect of Audit Delay on Auditor Switching

The results of this study indicate that during the period 2019–2023, audit delay has a significant and positive effect on auditor turnover in mining companies listed on the Indonesia Stock Exchange (IDX). Audit delay refers to the duration required to complete the audit of annual financial statements, measured from the closing date of the company's financial year to the date stated in the independent auditor's report. Audit delays can affect the accuracy of published information, so that it will affect investor reactions, where investor confidence in the company will decrease because the delay is considered a bad sign for the company's health condition. In accordance with agency theory, it can be a work contract that regulates the proportion of rights and obligations of each party by maximizing utility, so that it is expected that agents are expected to act in accordance with the best interests of the principal. As part of fulfilling this responsibility, the company appoints an auditor to conduct an independent audit. However, when audit delays occur, the company may opt to replace the auditor to protect its reputation and maintain stakeholder trust. The results of this study align with those of Dewi et al. (2024), Darmayanti et al. (2021), and Sasmita et al. (2024), all of which indicate that audit delays have a significant and positive impact on the decision to auditor switching.

Effect of Audit Opinion on Auditor Switching

Based on the findings of this study, it can be concluded that the audit opinion exerts a negative and statistically insignificant influence on auditor switching among mining companies listed on the IDX for the 2019-2023 period. Audit opinion is a question or auditor's opinion on a financial report after the auditor has examined the fairness of the company's financial statements concerned. So that the good and bad audit opinion obtained by a company to do auditor switching. This shows that the type of opinion received, either unqualified or modified opinion, is not the main consideration in changing auditors. Companies may consider other factors such as auditor rotation policies, cost efficiency, or long-standing professional relationships with previous auditors. This insignificance indicates that although audit opinion can give a summary of the business's financial situation it is not strong enough to encourage companies to change their existing auditors. Based on prior studies conducted by Marisa et al. (2022) and Silitonga & Hutapea (2022), audit opinions were found to have a negative and statistically

insignificant effect on auditor turnover. The results of the current study are consistent with these earlier findings, suggesting that the type of audit opinion received by a company does not substantially influence its decision to switch auditors.

Effect of Financial Distress on Auditor Switching

According to the study, auditor switching in mining businesses was positively and significantly impacted by financial difficulties listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Financial distress refers to a condition in which a company experiences severe financial strain, often to the point of being at risk of bankruptcy. This situation typically arises when a company is no longer able to fulfill its financial obligations or sustain its operational activities, indicating a worsening financial condition that can prompt the company to change auditors in an effort to manage perceptions and restore stakeholder confidence. Profit shows negative for two consecutive years. Companies experiencing financial difficulties tend to get a negative response from investors so that they have less confidence in the company's profitability and increase subjective judgment by disclosing the actual financial condition to interested parties carefully. Under these conditions, the change of auditors made by the company will be higher to avoid audit opinions that describe the actual condition of the company. The results of this study are in line with previous research, namely (Sujiati et al., 2024), (Elisabeth, 2021), (Dewi et al., 2024), that financial distress has a significant positive effect on auditor switching.

Effect of Audit Delay, Audit Opinion and Financial Distress on Auditor Switching

The results of the research show that audit delay, audit opinion, and financial distress collectively influence the decision to change auditors. This conclusion is supported by the F-test result of 18.295 with a degree of freedom (df) of 3 and a significance value of 0.000, which is below the 0.05 threshold, indicating statistical significance. These findings suggest that the overall condition of a company plays a critical role in determining auditor switching decisions. Specifically, for mining companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period refer to businesses operating within specific industries that were officially registered and actively traded on the IDX throughout those years, these three variables are influential factors. Furthermore, the study aligns with agency theory, which explains the relationship between shareholders as principals and management as agents, highlighting the potential for conflicts of interest that may prompt changes in audit arrangements. In the context of auditor switching, it was found that factors such as audit delay, unfair audit opinion, and financial distress can trigger companies to change auditors. This occurs because of the potential conflict of interest between management and stakeholders, where management may do not consistently align their actions with the best interests of shareholders. Delays in audit completion may indicate an attempt to delay disclosure of unfavorable information, while a poor audit opinion indicates the auditor's inability to provide an objective assessment of the financial reports. Financial distress may exacerbate this relationship, ultimately driving the decision to change auditors so that the company can obtain a more favorable opinion or support financial recovery efforts.

CONCLUSION

Based on the study's findings, audit delay and financial distress significantly affect a company's decision to switch auditors, whereas the audit opinion does not have a notable impact. Audit delay defined as the time interval between the end of the fiscal year and the issuance date of the independent auditor's report can influence this decision, as it may reflect internal inefficiencies or issues that could undermine stakeholder confidence, is often perceived as a negative signal regarding the company's

internal condition. Such delays have the potential to diminish investor confidence. This encourages management to change auditors to restore market perception. In addition, financial distress conditions, which describe serious financial difficulties to potential bankruptcy, encourage companies to change auditors in an effort to obtain an audit opinion that can support the company's image and stability in the eyes of stakeholders. In contrast, the type of audit opinion received, either an unqualified opinion or an opinion with modifications, is not a dominant factor in the auditor switching decision, because companies tend to consider other aspects such as cost efficiency, long-term working relationships, and internal company policies. Overall, the findings of this investigation show that the three variables simultaneously affect auditor turnover and support agency theory which explains the potential conflict of interest between management as agents and shareholders as principals. In this context, auditor switching is often a strategic move to maintain the company's credibility, especially when there are audit delays or serious financial pressures. Therefore, auditor selection is not only based on the results of previous examinations, but also as a form of corporate strategy to adjust to internal conditions and external expectations, especially from investors and regulatory authorities.

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