EFFECT OF COMPANY SIZE, FINANCIAL MISTAKES AND CHANGE MANAGEMENT REGARDING AUDITOR SWITCHING

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Abstract
This study aims to investigate the impact of company size on auditor switching in manufacturing companies in the food and beverage subsector between 2017 and 2021. to examine the impact of financial distress on auditor switching in manufacturing companies in the food and beverage subsector between 2017 and 2021. to examine how auditor switching is affected by management changes in manufacturing companies in the food and beverage subsector between 2017 and 2021. Quantitative research methodology was employed, and secondary research data were used in the investigation. Population the study was conducted on Manufacturers like this are traded on the Indonesian Stock Exchange (BEI). Purposive sampling was used in the sample selection process. Data analysis method using analysis statistics descriptive and analysis regression logistics. This research uses 110 sample data companies. results following, Company size does not affect auditors switching food and beverage sub-sector manufacturing companies. Financial distress positive and significant effect on auditors switching to food and beverage sub-sector manufacturing companies. Substitution management No influence on auditors switching on food and beverage sub-sector manufacturing companies.

Keywords: *Switcing Auditor, Company Size, Financial Distress, Change of Management*

INTRODUCTION

Auditor switching refers to the act of a company changing its auditor or public accounting firm, which may be done in response to governmental requirements or the company's own preferences. The Minister of Finance's Regulation Number 17/PMK.01/2008, which relates to Public Accounting Services Chapter II Services Sector Part Two Limitations on the Period for Providing Services, governs changes in auditors or KAP. Article 3 paragraph (1) KAP may provide general audit services for a maximum of 6 (six) consecutive fiscal years, and a public accountant may provide such services for a maximum of 3 (three) consecutive fiscal years, for the financial statements of an entity mentioned in Article 2 paragraph (1) letter a. Public Accountant Services and Public Accounting Firms in Financial Services Activities is regulated in Financial Services Authority Regulation Number 13/POJK.03/2017 Chapter VI Restrictions on the Use of Audit Services Article 16 Paragraph (1) states that Parties Carrying Out Financial Services Activities are obliged to limit the use of audit services for annual historical financial information from the same AP for a maximum of 3 (three) consecutive reporting financial years.

Two public accountants, Marlinna and Merliyana Syamsul, who audited PT Sunprima Nusantara Pembinaan (SNP) Finance's financial reports, were found to have broken professional audit norms, according to the Ministry of Finance. Citing official data from the Financial Professional Development Center (PPPK), they discovered that SNP had not completely implemented information system controls pertaining to client data and the correctness of financing receivables journals during their audit of the company's financial reports for the 2012–2016 fiscal year. The public accountant has not put in place sufficient and appropriate audit evidence for accounts pertaining to consumer financing receivables, nor has it put in place sufficient processes for detecting and responding to fraud threats. In this case, Public Accountants Marlinna and Merliyana Syamsul were given administrative sanctions with restrictions on providing audit services. Based on this case, companies should always carry out *voluntary* auditor *switching*, so that these cases can be minimized.

According to Halim's (2021) research on company size, auditor switching is influenced by the size of the organization. Larger organizations are more likely to transfer auditors, as seen by the positive and significant relationship between company size and auditor switching. Because they are thought to be able to maintain independence throughout audit assignments, companies will select more qualified auditors, which will further boost investor confidence in the company's financial information.

Research by Indriasih (2022) and Suanthara (2021) yielded different conclusions, namely that auditor switching is not impacted by the size of the organization. Size of the company has no bearing on KAP turnover. This indicates that a company's ability to modify its KAP is independent of its size because larger businesses are more likely to continue with their current KAP rather than adopt a new one (Suanthara, 2021).

Lius (2018) did research on financial difficulty and found that it has an impact on auditor switching. However, studies by Indriasih (2022) and Ramadhan (2021) show that switching auditors is unaffected by financial difficulties. Companies in financial distress are less likely to switch auditors because they would rather cut the cost of new audit engagements rather than pay startup fees to introduce their industry to a new public accounting firm. This lessens the load on the company and lessens the financial difficulties it faces.

Financial hardship has no bearing on KAP replacement voluntarily. This is due to the fact that when a company conducts an audit for the first time, it must comprehend the audit risks and the business environment. This results in high start-up costs that can increase audit fees when the company is experiencing financial difficulties, leading the company to decide to stick with the outdated KAP (Diana, 2019).

The findings of Indriasih's research on management change in 2022, which have an impact on auditor changes. However, studies by Ramadhan (2020) and Astuti (2021) show that management changes have little effect on auditor switching.

Because new corporate management typically has the power to adopt policy changes or uphold preexisting policies, changes in management are not usually matched by changes in public accounting companies. Therefore, during the General Meeting of Shareholders (GMS), the possibility of new management implementing changes to the public accounting company must be explained. This can be stated by saying that management must give the public accounting firm an explanation of any changes it wishes to make if it is the new management's intention to execute changes to the firm. in order for the decision regarding the company's replacement of its public accounting firm to be made at the GMS. Certain companies in the company sample data represent management, but not their public accounting firm. It is assumed that the company feels there is no need to implement changes to the public accounting firm.

LITERATURE REVIEW

Agency Theory

Contractual connections between employees of a firm or organization are the focus of agency theory. According to Jensen and Meckling (1976), the most popular model is based on two individuals: the principal, or superior, and the agent, or subordinate. It is analyzed from a behavioral and structural standpoint. The agent is given decision-making authority by the principal. Economic rationality is presumed for both principals and agents (Jensen and Meeckling, 1976). The agent is given decision-making authority by the principal. Both principals and agents are assumed to be rational economic men motivated only by self-interest, but they may differ concerning preferences, beliefs, and information. According to agency theory, agents will act in their own self-interest, which may be at odds with the principal's objectives. In order to prevent agents from acting opportunistically and to ensure that they comply with the main's instructions, the principal will establish a systematic system of oversight (Famada Jensen, 1983). The aim of agency theory is to maximize company performance by reducing expenses and boosting productivity. According to the hypothesis, when a company's owner and management are not together, difficulties will occur and agency fees will grow to solve them (Jensen and Meeckling, 1976). In agency theory, the division of labor between owners and management is crucial. The agent receives work delegation from the owner and is supposed to represent the owner's interests (Wiseman et al.2012) (Ghozali, 2020: 86).

Switching Auditors

A study (2021) Auditor switching is the change of KAP or public accountant carried out by a corporation. Regarding the two basic arguments, namely due to the enactment of regulations from the parties concerned based on the Ministry of Finance (*mandatory*). The policy of the relevant corporation (voluntary), namely that *auditor switching* is carried out at the will of the corporation itself so that the nature of the change is *voluntary*.

Auditor switching is an important action taken by a client company to decide to switch auditors or public accounting firms in terms of carrying out audit assignments for the company to increase independence between the Public

Accounting Firm and the client company. In general, there are two types of switching auditors, namely mandatory switching auditors and voluntary switching auditors (Deliana, 2021).

Changing auditors (*auditor switching*) based on regulations is carried out *mandatory* for results that increase the independence of the auditor or KAP. RI Minister of Finance Regulation No. 17/PMK.01/2008 stipulates this regulation which discusses "Public Accounting Services" which came into effect on February 5 2008 which is an improvement on the Republic of Indonesia Ministry of Finance No. 359/KMK.06/2003. The phenomenon of changing auditors that occurs in Indonesia shows that there are companies that change auditors voluntarily. Changing auditors voluntarily *results* in negative things for the company, such as greater costs when the company is changing auditors within a short time frame (Lius, 2018).

Company Size

Brigham & Houston (2011:4) company size is the scale of the size of the company which can be classified based on various ways, including the size of income, total assets, and total equity. Company size is a scale of measurement seen from the total assets of a company or organization that combines and organizes various resources to produce goods or services for sale. The manager's general belief that a firm with high total assets is relatively stable and capable of producing large profits is the reason behind the company size based on total assets. Larger companies have a greater range of stakeholders, therefore policies Compared to small businesses, company policies will have a bigger influence on the public interest. Company policies will affect future cash flow prospects, which is important information for investors. In the meanwhile, it will affect how much tax revenue regulators get as well as how well they are able to safeguard society as a whole.

Financial Services Authority Regulation Number 53/POJK.04/2017 (POJK Number 53/POJK.04/2017) states that the size of companies conducting public offerings on the Indonesian Stock Exchange (issuers) can be divided into three categories, namely large-scale issuers (*large firms).*), medium-scale issuers (*medium size*), and small-scale issuers (*small firms*). The size of a company can describe the activities of a company. Large companies have a more complex organizational structure compared to small companies (Suanthara, 2021).

Financial Distress

Financial distress is a condition where the cash flow of a business entity is insufficient to cover its liabilities, for example, trade loans and interest costs, which then forces the business entity to take action. *Financial distress* is used as a warning of premature bankruptcy faced by a company, so management quickly takes action before bankruptcy occurs. Company bankruptcy can be seen in the presence of *financial distress* where the company is making smaller profits than before or the company is experiencing a deficit (Manto & Manda 2018).

Financial distress is the state in which a business encounters financial challenges prior to declaring bankruptcy, necessitating the use of liquidity. *Financial distress*, in the opinion of Platt and Platt (2002), is a stage that a business goes through before going bankrupt or going through liquidation. According to Brigham

and Daves (2003), poor decision-making is the root of the financial problems that businesses face as well as associated flaws that may be directly or indirectly linked to management and a failure to monitor the business's financial situation so that resources are not being used as needed. A company that is in financial crisis is one that is unable to compete with other businesses and cannot control its core managerial competencies.

Change of Management

Management change is a change in the position and managerial structure of a company. Management changes are determined based on the General Meeting of Shareholders (GMS) or the replacement party for the new management, namely the President Director, or CEO. The CEO is a figure who is included in the *top management* of a corporation. Change of management is a change in the board of directors based on the decision to resign from the board of directors or based on the decision of the GMS (Astuty, 2021).

CONCEPTUAL FRAMEWORK

Relationship between Company Size and Auditor Switching

Company size is the size of the company as seen from the value of the company's total assets. Companies with a large asset classification tend to carry out auditor switching because the company has sufficient financial resources. Meanwhile, small companies tend not to carry out auditor switching because the company's financial resources tend to be small. The results of research conducted by Halim (2021) state that company size influences auditor switching.

The Relationship between Financial Distress and Auditor Switching

Financial Distress is where the company's condition before experiencing bankruptcy will experience financial difficulties, thus causing the company to carry out liquidity. Bankruptcy in this study is proxied by the DER (Debt to Equity Ratio) value, where if the DER ratio has a value above 100%, then the company's financial condition needs monitoring, if the DER value is above 200%, then the company's financial condition is in a very vulnerable condition. A good company's financial condition is a DER value of 1 or 100%. If the company is in a healthy financial condition, the company will tend to change auditors. The results of research conducted by Manto&Manda (2018) and Lius (2018) state that financial distress affects auditor switching.

Relationship between Management Change and Switching Auditor

A company's CEO or board of directors can be replaced. Generally, changes to the management are made during the General Meeting of Shareholders (GMS). Companies that undergo management changes often engage in auditor switching since the new management will select auditors who are more capable and dependable when it comes to auditing the organization. According to Manto & Manda (2018) and Indriasih (2018) research findings, management changes have an impact on auditor switching.

RESEARCH METHOD

The type of research used is quantitative and the type of research data used in the study is data secondary. Population used in the study This is company manufacturers listed on the Indonesian Stock Exchange (BEI). Sample selection was carried out using a purposive sampling method. Data analysis method using analysis statistics descriptive and analysis regression logistics.

No	Variable Name	Concept Definition	Variable Definition
1	Auditor Switching (Y)	Substitution auditors nor Office Accountant Public (HOOD) Which do assignment audits of a company	1 = Do auditors switching in a way voluntary 0 = No do auditors switching g sequentially voluntary
2	Company Size (X1)	ownership asset Which is owned by the company and classified on a large scale or small based on the condition of his finances	Ln(Total Assets)
3	Financial Distress (X2)	condition Where the company currently faces difficulty finance And If circumstances the prolonged so can cause bankruptcy	$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}} x100\%$
4	Change of Management (X3)	change leader in something company (change of director)	1 = Replace the main director 0 = did not replace the main director

Source: Researcher Data, 2023

Table 1. Definition Operational Variable

State the data collecting method, data analysis, type of the research, time and place of the research (if the article is based on the field research), and mention the hypothesis if your article has it (optional).

RESULT AND DISCUSSION

Research Sample

The purpose of this study is to examine how auditor switching is impacted by the size of the company, financial hardship, and replacement management. Secondary data is employed in research studies. Examine This was accomplished by selecting manufacturing enterprises in the food and drink subsector from 2017 to 2021 using purposive sampling, which is sourced from the Stock Exchange Indonesian Securities (BEI) based on specific criteria. The data company provided 110 samples based on the criteria employed in the study, as shown in the following table:

No	Criteria	Amount
1.	Company manufacturing (sector food and drinks) registered in Exchange Effect Indonesiaperiod year 2017 - 2021	33
2.	The company does not publish reports on finance in a way	

	consistent from the year 2017 – 2021	11
3.	Companies That do not serve reporttheir finances in the eyes of rupiah money.	0
	Amount Company Sample	22
	Total Sample (22 x 5)	110

Table 2. Criteria And Amount Sample

Descriptive Analysis

The results of descriptive analysis research in this research can be seen in Table 3 below

	N	Minimum	Maximum	Mean	Std. Deviation
Company Size	110	29.00	3282.00	2412.6818	959.24291
Financial Distress	110	1.00	537.00	83.0182	74.61583
Change of Management	110	.00	1.00	.1091	.31318
Switching Auditors	110	.00	1.00	.5091	.50221
Valid N (listwise)	110				

Table 3. Results Descriptive Analysis

Results Descriptive Statistical Analysis Size Company (X1)

On analysis statistics descriptive variable size company show that mark *minimum* ones generated is 29.00 for mark *maximum* 3282.00 while the average value (*mean*) is 2412.6818 and the standard deviation is resulting in the company size variable is 959.24291.

Results Analysis Statistics Descriptive *Financial Distress* (X2)

In the descriptive statistical analysis, the *financial distress variable* shows that the resulting *minimum value is 1, for a maximum value* of 537.00 whereas the average value (mean) is 83.0182 and the standard deviation is The resulting *financial distress* variable is 74.61583.

Results Analysis Descriptive statistics Substitution Management (X3)

On analysis statistics descriptive variable replacement management show that the mark *minimum* Which generated is 0, For mark *maximum* 1 whereas the average value (mean) is 0.1091 and standard The resulting deviation in the management change variable is 0.31318. The average value is 0.1091, meaning 11% of the 110 company sample data made management changes, the remaining 89% did not make changes management.

Results Analysis Statistics Descriptive Auditors Switching (Y)

In the descriptive statistical analysis of the *auditor switching variable* shows that the mark *minimum* generated is 0, and For mark *maximum* 1 the average value (*mean*) is 0.5091 and the standard deviation generated in the *auditor switching variable* is 0.50221. Average value as big as 0.5091 It means 51% of 110 data sample companies changed of auditor while 49% of the 110 sample data did not do so replacement auditors.

Analysis Regression Logistics

Testing Appropriateness Model Regression (*Goodness of Fit*)

Testing in study This is done with the use of *Hosmerand Lemeshow's Goodness of Fit Test* to test whether fit data is data suitable with the model. With provision if own results less than 0.05 hypothesis zero is not accepted whereas If the produce mark is more than 0.05 hypothesis zero can accepted.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	4,234	8	,835

Table 4. Results Testing *Goodness of Fit*

From the results of Table 4, it can be seen that the Chi-square value is 4,234 with probability significance as big as 0.835 Where 0.835> 0.05 so can concluded that H0 accepted so that model data is capable predict his observations And model regression Ready For process analysis furthermore.

Testing Appropriateness Whole Model (Overall Model fit)

This test was carried out to see what model. whether it fits the data or not. By comparing values between -2 log likelihood (-2LL) at the beginning (Block Number = 0) with a value of -2 log likelihood (-2LL) at the end (Block Numbers = 1). There is a declining mark between -2LL beginning (initials -2LL function) with mark -2LL on the step next (-2LL end) showing that the model hypothesized fits with data And shows model regression Which is Good depicted by 2 tables following :

Iteration History [a,b,c]

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	152,456	,036
	2	152,456	,036

a. Constant is included in the model.

b. Initial -2 Log-Likelihood: 152,456

c. Estimation terminated at iteration number 2 because parameter estimates changed by less than .001.

Table 5. Test Whole Model Regression Stage 1

Iteration History [a,b,c,d]

Iteration		-2 Log likelihood	Coefficients Constant	Company Size	Financial Distress	Change of Management
Step 1	1	148,008	-.637	,000	,005	-.304
	2	147,894	-.718	,000	,006	-.370
	3	147,894	-.722	,000	,006	-.373
	4	147,894	-.722	,000	,006	-.373

a. Method: Enter
b. Constant is included in the model.
c. Initial -2 Log-Likelihood: 152,456
d. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Table 6. Test Whole Model Regression Stage 2

Table 5 and Table 6 show that there is a comparison mark - 2LL block 0 with -2LL block 1. From the calculation results the value of -2LL is visible that mark block First (Block Numbers = 0) as big as 152,456 And mark -2 in the second block (Block Number = 1) is 148,008. With these results can concluded that the model regression Which second more Good, Because the experience declined mark from block First to block second.

Testing Coefficient Determination (*Nagelkerke R Square*)

The coefficient of determination test results can be seen from the *Nagelkerke R-value Square*. This test aims to find out how big the variable is independent (*financial distress*, size of Office Accountant Public, replacement management, company size, and opinions audit) capable explain and influence variable dependent (*auditor switching*).

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	147,894 [a]	.041	,054

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

Table 7. Coefficient of Determination

Based on Table 7, it is known that the *Nagelkerke R Square value* shows a value of 0.054, meaning that the variability of the dependent variable is possibly explained by the independent variable in this study is 5.4%, while the remaining 94.5% is explained by other outside variables model study.

Matrix Classification

Matrix classification shows strength predictions from model regression To predict the possibility of *auditors switching* on the company.

Classification Table [a]

	Observed		Predicted Switching Auditors		Percentage Correct
			.00	1.00	
Step 1	Switching Auditors	.00	36	18	66.7
		1.00	23	33	58.9
	Overall Percentage				62.7

a. The cut-off value is .500

Table 8. Classification Matrices

Based on table 8, the classification matrix shows strength predictions from the regression model for predicting *auditors switching* on sample companies achieved 62.7% obtained from prediction accuracy on company Which No do *auditors switching* is 54 company with a percentage of 66% and accuracy predictions on company Whichcarried out *auditor switching*, namely 33 of 56 companies or 58.9%.

Test Multicollinearity

On technique analysis regression logistics No need to test normality, heteroscedasticity, and autocorrelation in the independent variables. Matter This because variable bound in regression logistics This is dummy variables (0 and 1), so the residuals do not require a third of the test. However, this multicollinearity test is still needed in the analysis regression Logical. Test multicollinearity aims To know whether there is or not a correlation between variables independent by investigating big intercorrelation between variable the independent. A good regression model is a regression with no correlation symptoms between variable free. Test multicollinearity in research This uses test VIF that is said free with provision If mark VIF< 10. For results, test multicollinearity can seen in the table:

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	,341	.138		2,461	,015		
	Company Size	2.969E-5	,000	,057	,593	,554	,994	1,006
	Financial Distress	,001	,001	,188	1,934	,056	,961	1,040
	Change of Management	-.076	,156	-.047	-.486	,628	,957	1,045

a. Dependent Variable: Auditor Switching

Table 9. Test Multicollinearity

Based on table 9 test multicollinearity shows that results study This No happen symptom correlation because in Table d above every variable shows a correlation value < 10 or mark VIF <10.

Test Hypothesis Regression Logistics

Test By Partial (Test Wald)

In this study, the *Wald test* was used to determine the effect of individual independent variables on the dependent variable. When The test results obtained a significance value > 0.05 means variable independence No influence in a way individual to variable dependent. If its significance < 0.05 That means variable independent influentialin a way individual to variable dependent.

Variables in the Equation

							95% CIfor EXP(B)	
		B	S.E	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1	[a]Company Size	,000	,000	,378	1	,539	1,000	1,000	1,001
	Financial Distress	,006	,003	3,427	1	,644	1,006	1,000	1,013
	Change of Management	-.373	,651	,329	1	,566	,688	,192	2,467
	Constant	-.722	,584	1,528	1	,216	,486		

a. Variable(s) entered on step 1: Company Size, Financial Distress, Management Change.

Table 10. Results Coefficient Logical Regression

Based on the results of the logistic regression output in table 10, you can form model regression logistics following :

US = -0.722 + 0.000UP + 0.006FD – 0.373PM (1)

Following explanation regarding models logistic regression in:

1) The constant is 0.722 with a significance value of 0.216. Value 0.722 > 0.05 means that the variables are company size, *financial distress*, and management change is zero then *the auditor switching variable* will not occur because the result is not significant.
2) Coefficient regression variable Company Size with mark constant 0.000 and significance value 0.539, indicating that 0.539 > 0.05 so variable company size does not influential to*auditors switching.*
3) Coefficient regression variable *financial distress* with mark constant 0.006 and significance value 0.044, indicating that 0.644 > 0.05 so variable *financial distress* do*es not* influence*auditors switching.*

4) Coefficient regression variable change of management with mark constant -0.373 and significance value 0.216, indicating that 0.216 > 0.05 so variable change of management is not influential to*auditors switching.*
5)

Test Simultaneous

The F test is used to determine the effect of independent variables on dependent in a way simultaneous. If the results testing obtained mark its significance > 0.05 That means the variable independent has No simultaneous effect on the dependent variable. If the value of The significance is <0.05, it means the independent variable has an influence simultaneous to the variable dependent.

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	4,562	3	,207
	Block	4,562	3	,207
	Model	4,562	3	,207

Table 11. F Test

Table 11 is the results *of Omnibus Tests of Model Coefficients* which produces a *Chi-Square value* of 4.562 with df 3 And marks its significance as big as 0.207. On mark, significance produces the number 0.207 which means 0.207 > 0.05 so that the company size variable, *financial distress*, and management changes, do not have a simultaneous effect on variable *switching auditors.*

Discussion

Company size does not affect Auditor Switching in Food and Beverage Sub-Sector Manufacturing Companies in 2017-2021.

Hypothesis First in the study This mentions that the size of the company has a positive effect on *auditor switching.* The research results show a significance value of 0.539 > 0.05. Based on the partial test it was found that company size was not influenced by *auditors switching* so the hypothesis was first rejected. Company size is a measure that compares scale companies Which assesses of asset ownership of every company. The more its height assets are owned by some company so possibility there is interest in using the service *Big Four* KAP. This is Because the company can balance And fulfill costs that will be spent on audit fees by the *Big Four KAP*. Big companies already use *Big Four* KAPs tend to Not replace HOOD Which it uses. Whereas company small will tend Also still use the service HOOD small Because adapts assets owned company.

The results of this study cannot prove the existence of the influence company size variable on *the auditor switching variable*. Size company management No influence on *auditor switching* supported by research from Indriasih et al (2022) in his research mentioned that company size has no effect *on auditor switching.*

Financial Distress Influence Auditor Switching in Food and Beverage Sub-Sector Manufacturing Companies in 2017-2021.

Hypothesis second on study This mentions that *financial distress is* influential and positive to *auditors switching*. With mark significance 0.644 > 0.05. Based on the partial test it was found that *financial distress* did not affect *auditors switching* so the second hypothesis is accepted.

Financial distress is a condition a company currently experiences difficulty in finance so that worry can cause bankruptcy. In terms of The company will not take action to replace the auditor because in these conditions the company has limitations in the ability to pay for auditing services causing the use of previous auditor services for cost reasons. The company does not need to incur greater costs if it uses the services of the previous KAP.

The results of this research are supported by Astuty et al (2021) who state that corporations that are experiencing financial difficulties are unlikely to change auditors because if a corporation carries out a change of auditor it will result in higher costs so the company will maintain existing audit engagements by reducing costs. engagement in order to minimize the burden and financial distress on the company.

In addition, Ramadhan et al. (2020) noted that financially distressed companies typically continue their public accounting firm in order to avoid incurring new costs for new engagements. This is because, in the event of a new engagement, the company typically has to pay startup costs in order to introduce the accounting firm and the public to the company's industry. This may result in an increase in the financial load on the business and greater financial challenges.

Changes do not affect Auditor Switching in Food and Beverage Sub-Sector Manufacturing Companies in 2017-2021.

Hypothesis third in the study This mentions that replacement management is influential and positive to *auditors switching.* With a significance value of 0.216 > 0.05. Based on partial tests it was found that Management changes have no effect on *auditor* switching hypothesis third rejected. A change of management is a change of directors in something company Which often can cause a change in policy between old directors and new directors. However, it is not always updated directors can cause a change in auditors, this is because If there are replacement auditors so possibility results in reporting finance No can maximum like auditors previously And the auditor's opinion is still in line with the new directors. So in change directors on generally No influence directors Which new For replacing the auditor.

The study's findings do not establish that variable replacement management has an impact on the switching of variable auditors. Management of substitutions No impact on switching auditors, as evidenced by a study by Ramadhan et al. (2020). The researcher noted that this is because, in the event of a management transition, a company may choose to keep its public accounting firm in place if the external auditor's performance is judged satisfactory and in accordance with management's wishes. These policy changes are not always implemented by the company.

According to Astuty (2021), a change in management does not always mean a change in a public accounting firm because the new management of the company

has the power to maintain or change existing policies. Any changes the new management may make to the public accounting firm should be grounded in the GMS.

CONCLUSION

Based on the results study Which aims To know the influence of company size, *financial distress*, And replacement management of *auditor switching* on company manufacture sub-sector food And drink period 2017 – 2021 obtained results: (1) Company size does not affect auditors *switching* food and beverage sub-sector manufacturing companies. (2) *Financial* distress positive and significant effect on *auditors switching* to food and beverage sub-sector manufacturing companies. (3) Substitution management No influence on *auditors switching* on food and beverage sub-sector manufacturing companies.

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