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THE INFLUENCE OF RESTRUCTURING, FINANCIAL DISTRESS, AND REPUTATION OF PUBLIC ACCOUNTANTS ON AUDITOR SWITCHING AND THE IMPLICATIONS FOR TIMELINESS OF AUDIT COMPLETION MODERATED BY THE IMPACT OF THE COVID-19 PANDEMIC (A SURVEY ON BUMN STRATEGIC INDUSTRIAL SECTOR CLUSTER IN WEST JAVA)

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Keywords: Restructuring; Financial Distress; Reputation Of KAP; Auditor Switching; Timeliness Of Audit Completion; Impact Of The Covid-19 Pandemic.

ABSTRACT:

The study was aimed at finding out how the effect of Restructuring, Financial Distress, and Reputation of Public Accounting Firm (KAP) on Auditor Switching and its implications for the Timeliness of Audit Completion Moderated by the Impact of the Covid-19 Pandemic. Methods and data analysis using Structural Equation Modeling (SEM), the sample size must meet the minimum sample size for the application of the SEM model. In this study, the number of indicators was 31 indicators (question items) and used the maximum likelihood estimation method. The sample in this study amounted to 180 respondents. The results showed that restructuring had no effect on auditor switching, while financial distress and reputation of KAP had an effect on auditor switching. Auditor switching affects the timeliness of audit completion. The Covid-19 pandemic affects the timeliness of completing the audit. Auditor switching which is moderated by the Covid-19 pandemic has no effect on the timeliness of completing the audit. Financial distress has an effect on the timeliness of

audit completion through auditor switching. Firm reputation has an effect on timeliness of audit completion through auditor switching.

INTRODUCTION

Background

The timeliness of the presentation of financial reports and completion of audit reports is the main prerequisite for the company (client) so that the value of the timeliness of financial reporting is an important determinant of the level of usefulness of these financial statements (Halim, 2000). The benefits of a financial report will be reduced if the financial statements are not available on time. The lack of time in completing the audit can have an impact on auditor switching. Auditor switching can occur from the impact of restructuring, financial distress, and the reputation of the Public Accounting Firm (KAP).

Sinarwati (2010) states that changes in management as a result of restructuring are often followed by changes in company policies, including in the selection of KAP. The new management hopes that the new KAP is more able to work with and more able to provide an opinion as expected by management, accompanied by a separate preference regarding the auditor that it will use. Financial distress is a company condition that is in a state of financial difficulty. KAP Schwartz and Soo (1995) stated that companies that went bankrupt moved more frequently than companies that were not bankrupt. Uncertainty in business for companies that are threatened with bankruptcy (having financial difficulties) creates conditions that encourage companies to switch KAP

Auditor reputation is an auditor who has greater resources in terms of auditing by having good audit quality. Auditor's reputation greatly affects the credibility (quality, capability, or power to generate trust) of the company's financial statements, because users of financial services believe that auditors have unobservable monitoring power. Therefore, if the company has used the services of a reputable KAP, the company will not do voluntary auditor switching because a reputable KAP can support the company's development in maintaining its survival.

LITERATURE REVIEW

Theory Basis

Restructuring

Company restructuring is an effort made to improve and maximize the performance of a company, so that the company can continue to grow, or at least be able to adapt to the situation and conditions at hand. This is usually done to improve three aspects of the company, namely assets / portfolio, capital / finance, and management / organization. Bramantyo (2004): A restructuring strategy is used to find a way out for companies that do not develop, get sick or have a threat to the organization, or the industry is on the verge of significant change. However, restructuring may have an impact on the timeliness of the presentation of financial statements and completion of the audit report.

Financial Distress

Financial distress occurs before the bankruptcy of a company. Therefore, every company must predict financial distress because with this condition, the management may be able to find out the company's health condition, namely the company's bankruptcy condition. One of the factors that can cause a company to go bankrupt is financial difficulties.

Ross, et al (2013: 928): financial distress is a situation where a firm's operating cash flows are not sufficient to satisfy current obligations (such as trade credits or interest expenses) and the firm is forced to take corrective action.

The causes of financial distress according to Fahmi (2012: 105) are as follows: starting from the inability to fulfill its obligations, especially short-term liabilities including liquidity obligations and also obligations in the solvency category.

Reputation of KAP

Arens (2010: 416): auditor reputation is the auditor's responsibility to maintain public trust and maintain the good name of the auditor himself and the KAP where the auditor works by issuing an opinion in accordance with the circumstances of the company. Joened, Damayanti (2016): auditor reputation is an achievement and public trust that the auditor holds on the big name of the auditor. The reputation of KAP greatly determines the credibility of the financial statements when:

“A reputable accounting firm is expected to be able to perform audits more efficiently and have greater flexibility to complete audits on schedule. Auditors who work at large public accounting firms are considered to be auditors of high reputation. A KAP that has a good reputation generally has more resources (competence, expertise and ability of auditors, facilities, auditing systems and procedures used) than a KAP with a poor reputation”. (Cameran, 2005).

Auditor Switching

Auditor switching is a change in auditors or a change in a public accounting firm by a company. Auditor switching can be done mandatory or voluntary. Mandatory replacement of auditors or KAP occurs due to government regulations requiring auditor rotation. Meanwhile, voluntary change of auditors means that companies make voluntary changes of auditors without the need for regulations made by the government. Mautz (in Nasser et al., 2006) change of auditors can improve the ability of auditors to protect the public by increasing prudence in various possible deviations, increasing service quality, and preventing closer relationships with clients. The provisions governing the necessity of changing auditors are regulated in the Government Regulation of the Republic of Indonesia Number 20 of 2015 concerning Public Accountant Practices. Article 11 paragraph 1 explains that the provision of audit services on historical financial information as referred to in Article 10 paragraph (1) letter a for an entity by a Public Accountant is limited to a maximum of 5 (five) consecutive financial years. In paragraph 3, it is explained that the limitation on providing audit services on historical financial information also

applies to Public Accountants who are Associated Parties. The Public Accountant may return audit services on historical financial information to the entity after 2 (two) consecutive financial years have not provided that service.

Impact of the Covid-19 Pandemic

The Covid-19 pandemic affected most of the business processes carried out by KAP, be it internal management, the KAP network, to the need for reconsideration of audit engagements to alternative audit approaches that must be taken during this pandemic. The Covid-19 pandemic has affected the results of obtaining audit evidence, for example, the enforcement of PSBB (large-scale social restrictions), which has an impact on access and travel restrictions as well as the availability of personnel from auditors and auditees. The auditor will need to make the relevant changes in this respect, exploring alternative audit procedures.

Auditors need to look at how ISA 330 (the auditor's response to assessed risks) serves as a guide to identify changes that are relevant to the auditor's ability to obtain sufficient appropriate audit evidence during a pandemic. As in the client acceptance and continuity stages, the auditor evaluates management's assessment of the entity's ability to maintain its business going on. The auditor should also pay special attention to the closing book process, especially on certain accounts, adjusting entries, non-routine transactions and special transactions, as well as the overall presentation in the financial statements. Likewise, the evaluation of the accuracy of the assumptions and the reliability of the data used for this pandemic condition.

Timeliness of Audit Completion

Timeliness in submitting audit reports is one of the criteria for audit professionalism. The accuracy of companies in publishing financial reports to the general public and the Capital Market and Financial Institution Supervisory Agency (Bapepam - LK) depends on the timeliness of the auditors in completing the audit work. The timeliness of the submission of the audited financial statements may affect the benefits of the information contained in the financial statements. Timeliness according to Chambers and Penman (1984) is defined as: (1) Timeliness is the delay in reporting time from the date of the financial statements to the reporting date; (2) The timeliness of the report is delivered relative to the expected reporting date. Halim (2000: 4) states that audit delay is the length of time for completion of the audit which is measured from the date of closing the book to the date of issuance of the audit report. Audit delay is a time span measured based on the length of days in the completion of the audit process by the independent auditor from the closing date of the book on December 31 to the date stated in the independent auditor's report.

The Influence of Restructuring, on Auditor Switching

Wijayani (2011) explains that the existence of new management may also be followed by policy changes in accounting, finance, and the selection of KAP. Change of management is usually done by large go-public companies. Management changes were carried out by looking at the condition of the

company where the existing management structure was not able to manage the company well (Pradhana and Suputra in Rosella Aprilia and Bahtiar Effendi, 2019). Management requires auditors who are more qualified and able to meet the demands of fast company growth. If this is not fulfilled, it is likely that the company will replace its auditors (Joher in Damayanti and Sudarma, 2007).

The Influence of Financial Distress on Auditor Switching

Uncertainty in business for companies experiencing financial difficulties and even threat of bankruptcy creates conditions that encourage companies to switch KAP (Astrini, Muid, 2013). Based on the agency theory which assumes that humans are self-interested, agents tend to switch to KAP which can adjust to the company's financial condition so that the company does not incur too large an audit fee (Fitriani, Zulaikha, 2014).

According to research conducted by Gunady, Mangoting (2013), Fitriani, Zulaikha (2014), Liyani et al. (2015) found that financial distress has a significant effect on the direction of a positive relationship with auditor switching. Where the higher the level of financial distress of a company encourages the company to tend to change its auditors compared to other companies with lower levels of financial distress.

The Influence of KAP's Reputation on Auditor Switching

The reputation of the KAP that audits a company has an important influence on the level of investor confidence in the financial statements produced by management. The transfer of KAP from Big four KAP to Non Big four KAP will generally have an impact on decreasing audit quality which of course reduces the trust of investors and is more risky than if it continues to use Big four KAP (Chang et al, 2010) and (Rakow et al, 2010). Investors are more likely to use financial reports produced by reputable auditors (Praptitorini and Januarti, 2007). A company will definitely look for a KAP that has high credibility to be able to increase the credibility of financial reports on external parties as users of Halim's financial statements (in Binti Luthfiyati, 2016). The existence of the expertise factor will determine changes in auditors by the company so that the company prefers a larger KAP. KAP expertise is one of the attributes in the services of a large KAP (Mardiyah in Binti Luthfiyati, 2016)

The Influence of Restructuring, Financial Distress, and Reputation of KAP on Auditor Switching

Restructuring, Financial Distress, and Reputation of KAP are assumed to have a joint effect on Auditor Switching. Restructuring, often referred to as downsizing or delayering, involves reducing companies in the workforce, work units or divisions, or reducing the level of positions in the company's organizational structure. Reducing company scale is necessary to improve efficiency and effectiveness (David, F, 1997). The restructuring strategy is used to find a way out for companies that do not develop, get sick or there is a threat to the organization, or the industry is on the doorstep of significant change. This assumes that companies are increasingly motivated to perform

auditor switching when a management change occurs. Aprillia (2013) states that share ownership by the community will encourage companies to change auditors to quality KAP. At the same time, financial distress is also assumed to be able to influence companies to do auditor switching where Schwartz and Soo (1995) explain that companies that go bankrupt perform auditor switching more often than companies that are not bankrupt. This makes the basis for the research to provide a hypothesis that restructuring, financial distress, and the reputation of public accounting firms have a simultaneous effect on auditor switch

The Influence of Auditor Switching on the Timeliness of Audit Completion.

Clients who change their auditors for no apparent reason, may be due to client dissatisfaction with the services provided by the old auditor. However, often the replacement of auditors is caused by disputes between the company and its public auditors regarding the presentation of financial statements and disclosures. A new client who has changed his auditor is a client with a big risk for the replacement auditor (Mulyadi, 2016). The change of auditors is likely to increase the risk of audit failure because auditors cannot develop knowledge of the client being audited, thus requiring a longer audit time to understand the client (Knauer, et al in Kurniasih, 2014). If the change of auditors is carried out, it will cause the audit time to be longer as well because the new auditors have to study the characteristics, environment and company systems from the beginning (Pawitri and Yadnyana in Susanto, 2018) According to Chairil and Ghazali (2001) defining timeliness is information for decision makers when needed and before the information has lost its ability to influence a decision.

The Influence of the Impact of the Covid-19 Pandemic on the Timeliness of Audit Completion

The Covid-19 pandemic has changed many things, especially global economic disruptions that can increase the amount of risk of material misstatement in management assertions in financial statements. The Covid-19 pandemic also affected the results of obtaining sufficient and appropriate audit evidence so that auditors are advised to explore alternative procedures including the use of technology and if management has not adequately disclosed the conditions and impacts caused by the conditions of the Covid-19 pandemic, auditors need to consider modification of the audit report (Ref: IAPI Technical Newflash April 2020 and IAPI PPL Material for May 2020). The effect of the impact of the Covid-19 pandemic on the timeliness of audit completion tends to inform financial reports that are not timely or audit delays so auditors need to look at how ISA 330 (Audit response to assessed risks) serves as a guide to identify changes relevant to the auditor's ability to obtain sufficient appropriate audit evidence during a pandemic

Framework

The timeliness of the presentation of financial statements and the completion of the audit report is an important determinant of the usefulness of the financial statements. The benefits of a financial report will be reduced if the

financial statements are not available and are not timely in completing the audit. Inaccuracies in the completion of the audit can have an impact on auditor switching, namely the incompatibility of the audited financial statements. Meanwhile, restructuring, financial distress, and reputation of KAP can have an impact on auditor switching. Restructuring or management change is carried out by observing the condition of the company where the management structure is unable to manage the company properly so that management requires auditors who are more qualified and able to meet the demands of rapid company growth so that restructuring or management changes are proven to have a positive effect on auditor switching. Uncertainty in business in companies experiencing financial distress or even being threatened with bankruptcy can influence the company to conduct auditor switching with auditors of higher quality than the previous auditors on the grounds of gaining shareholder trust and reducing litigation risk. Meanwhile, the reputation of the KAP that audits a company has an important influence on the level of investor confidence in the financial statements produced by management so that it has a simultaneous effect on auditor switching.

Based on the framework above, the relationship between the variables in this study can be described as follows:

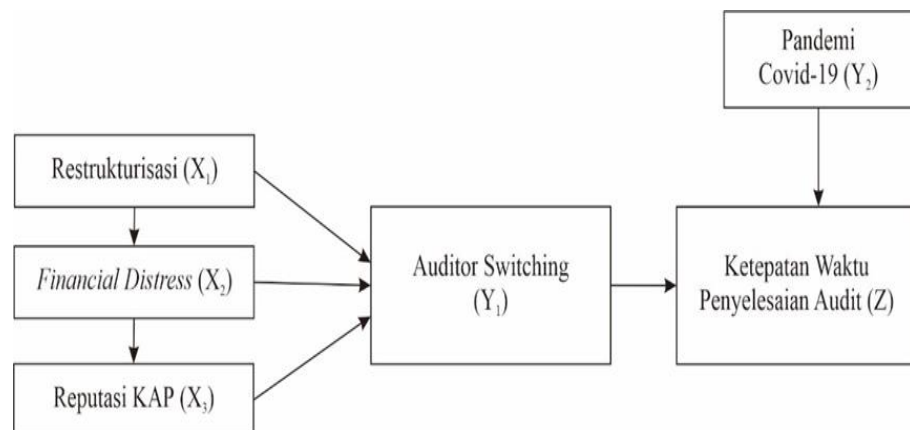


Figure 2.1: Framework

OBJECT AND RESEARCH METHOD

Research Object

The research object is the subject matter to be investigated in order to obtain a more focused data. The research objects include: (1) Restructuring, (2) Financial Distress, (3) Reputation of KAP, (4) Auditor Switching, (5) Pandemic Covid-19, and (6) Timeliness of Audit Completion. This research was conducted in three state-owned strategic industrial sector clusters in West Java, namely: PT. LEN, PT. Pindad, and PT. INTI.

Data source

The data source used in this research is primary data, which is obtained by distributing questionnaires to respondents in three BUMN strategic industrial sector clusters in West Java. Amount using a formula. The calculation of the number of samples in this study using the Slovin formula is as follows.

$$n = \frac{N}{1 + Ne^2}$$

Information:

n = Number of samples

N = Total population

e² = actual level or limit of error

Then the number of research samples is as much as:

$$n = \frac{8.029}{1 + 8.029 (0,1)^2} = 98,7 \text{ (rounded to 100 responses)}$$

The population of the three BUMN strategic clusters in the industrial sector in West Java was 8,029 respondents. Simple random sampling.

The population in this research is BUMN in West Java, which consists of three BUMN strategic clusters of the industrial sector in West Java, namely:

Table 3.1 Research Population

No.	BUMN	Population
1.	PT Len Industri (Persero)	1.041
2.	PT Pindad (Persero)	2.588
3.	PT Dirgantara Indonesia (Persero)	4.400
Total		8.029

Source: Annual reports and website (PT. Len Industri 2019, PT. Pindad 2018, PT. Dirgantara Indonesia 2017)

Sample

Methods and data analysis using Structural Equation Modeling (SEM), the sample size must meet the minimum sample size for the application of the SEM model.

In this study, the number of indicators is 31 indicators (question items) and uses the maximum likelihood estimation method, so with the rule of thumb, the sample size required is at least $31 \times 5 = 155$ respondents. While the data is disseminated by the calculation of the Slovin method with a population of 3000 respondents and an error rate of 5%, the number of samples is 100 (calculated using Slovin) of respondents so that it meets the minimum limit determined by the SEM model, for the calculation of each college sample using proportional random sampling can be seen in table 3.2

Table 3.2. Research Sample Calculation

No.	BUMN	Population	Sample
1.	PT. Len	1.041	
2.	PT. Pindad	2.588	
3.	PT. Dirgantara Indonesia	4.400	
	Total	8.029	180

Source: processed

Research methods

The research method used by the author is descriptive method and verification method.

Operationalization of Variables

Operationalization of this research variable is the independent variable (X) is Restructuring (X1), Financial Distress (X2), and Reputation of KAP (X3). The intervening variable is Auditor Switching (Y1). The moderator variable is Pandemic Covid-19 (Y2) which affects (strengthens or weakens) the relationship between the independent and dependent variables. The dependent variable is the Timeliness of Audit Completion (Z)

Data analysis

Descriptive Data Analysis Method

The weight of the actual score can be seen in the table below:

Table 3.3 Percentage Criteria for Respondents' Responses

No.	Score (%)	Criteria
1	20.00% - 36.00%	Not good
2	36.01% - 52.00%	Less
3	52.01% - 68.00%	Enough
4	68.01% - 84.00%	Good
5	84.01% - 100%	Very good

RESEARCH RESULTS AND DISCUSSION

Research Results

Validity and Reliability Test

Test Results of the Validity and Reliability of Restructuring Variables (X1), Financial Distress (X2), and Reputation of KAP (X3)

The results of the validity test for the question items on the restructuring variable (X1), financial distress (X2), and KAP reputation (X3) which consist of 12 statement items have a validity coefficient value of $r_{count} > r_{table}$ (0.30). Thus it can be said that all items to measure restructuring (X1), financial distress (X2), and reputation of KAP (X3) are declared valid.

The reliability results show that the restructuring variable (X1), financial distress (X2), and KAP reputation (X3) have a Cronbach alpha value > 0.70 . The results of this test indicate that all statement items used including the research instrument are declared reliable so that it can be concluded that the measuring instrument used to measure the restructuring variable (X1), financial distress (X2), and the reputation of KAP (X3) because it has provided consistent results.

Validity and Reliability Test Results of Auditor Switching Variables (Y1) and the Covid-19 Pandemic (Y2)

Following are the results of the validity test for the variable auditor switching (Y1) and the Covid-19 pandemic (Y2) based on the recapitulation of the SPSS output results, it can be seen that the results of the validity test for question items on the variable auditor switching (Y1) and the Covid-19 pandemic (Y2)

consists of 14 statement items that have a validity coefficient value of $r_{count} > r_{table}$ (0.30). Thus it can be said that all items to measure auditor switching (Y1) and the Covid-19 pandemic (Y2) are declared valid.

The reliability test results of the Auditor Switching variable (Y1) and the Covid-19 Pandemic can be seen that the auditor switching (Y1) and the Covid-19 pandemic (Y2) variables have a Cronbach alpha value of > 0.70 . The results of this test show that all statement items used, including the research instrument, are declared reliable, so it can be concluded that the measuring instrument used to measure the auditor switching (Y1) and the Covid-19 pandemic (Y2) variable has provided consistent results.

Results of Variable Validity and Reliability Test Timeliness of Audit Completion (Z)

The results of the validity test of the audit completion timeliness variable (Z) based on the recapitulation of the SPSS output results, it can be seen that the results of the validity test for the question items on the audit completion timeliness variable (Z) consisting of 4 statement items have a validity coefficient value of $r_{count} > r_{table}$ (0.30). Thus it can be said that all items to measure the timeliness of audit completion (Z) are declared valid.

The reliability test results of the audit completion timeliness variable (Z) can be seen that the audit completion timeliness variable (Z) has a Cronbach alpha value > 0.70 . The results of this test indicate that all statement items used including the research instrument are declared reliable, so it can be concluded that the measuring instrument used to measure the variable timeliness of audit completion (Z) is because it has provided consistent results.

The Influence of Restructuring (X1), Financial Distress (X2), and Reputation of KAP (X3) on Auditor Switching (Y1) and Its Implications for Timeliness of Audit Completion (Z) Moderated by the Impact of the Covid-19 Pandemic (Y2)

Evaluation of the Outer Model

The criteria used in assessing the outer model are discriminant validity, convergent validity, composite reliability and Cronbach alpha. Other information that can be obtained from the analysis of the measurement model provides the dimension most closely related to the research variables, seen from the dimension that has the greatest factor loading.

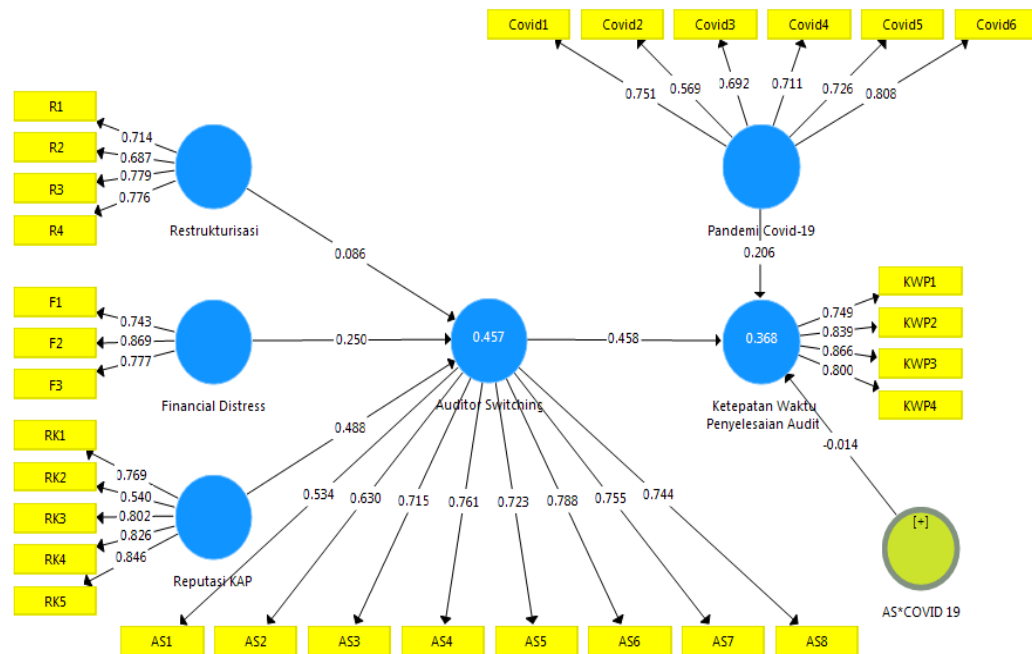


Figure 4.1 Display of PLS Algorithm Results

Inner Model Evaluation

The structural model in PLS is evaluated using collinearity assessment, structural model path coefficients, coefficients of determination (R2 value), and effect size (f²). The structural model of this research can be seen in the following figure:

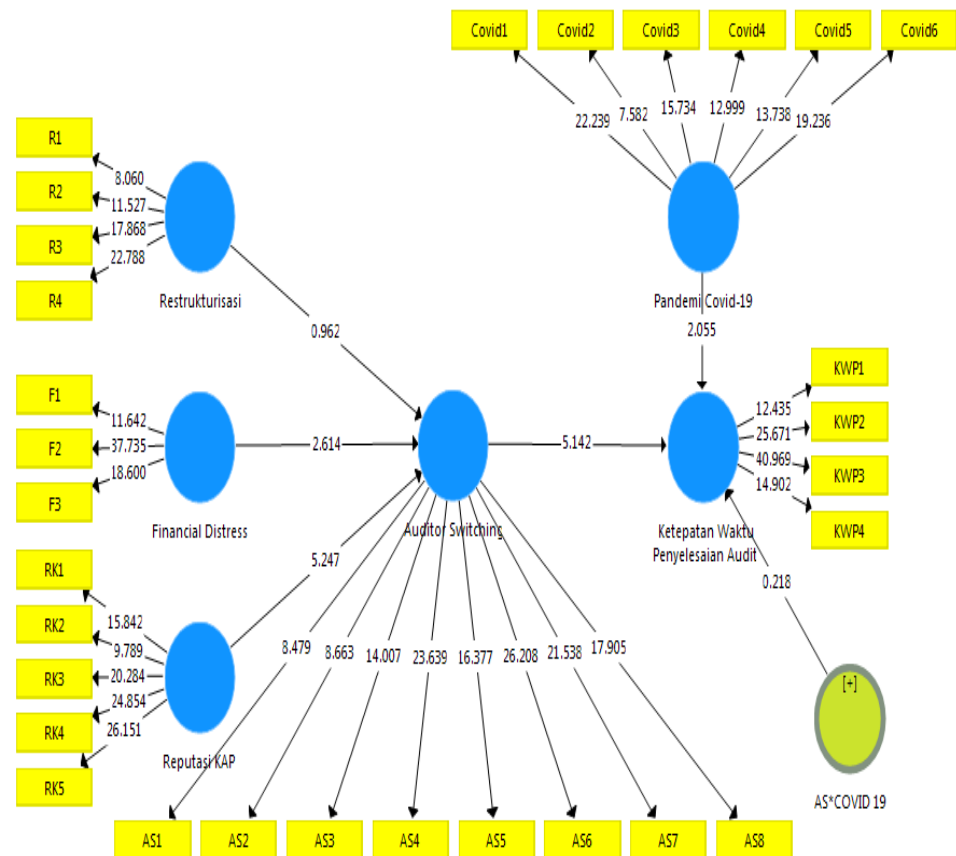


Figure 4.2 Display of PLS Bootstrapping Results

Structural Model Path Coefficients

Structural model path coefficients on the PLS-SEM algorithm are obtained to determine the structural model relationship or path coefficient that represents the hypothetical relationship between constructs. The path coefficient has a standard value between -1 and +1. The results of the path coefficients in this study can be seen in the following table.

Table 4.1. Path Coefficients

	Original Sample (O)
Restructuring -> Auditor Switching	0,086
Financial Distress -> Auditor Switching	0,250
Reputation of KAP -> Auditor Switching	0,488
Auditor Switching -> Timeliness of Audit Completion	0,458
Covid-19 Pandemic -> Timeliness of Audit Completion	0,206
As*Covid 19 -> Timeliness of Audit Completion	-0,014

Source: SEM-PLS results based on primary data processed in 2021

Based on the data presentation above, it can be seen that the value of the path coefficients of each research variable is between -1 and less than +1. Thus these results indicate that each research variable has a structural model relationship or path coefficient that represents the hypothetical relationship between constructs.

Coefficients of Determination (R^2 value)

This coefficient is a measure of the accuracy of the prediction model and is calculated as the correlation between the actual construct endogenous and the predicted values. The rules of thumb for R^2 are 0.75 (substantial), 0.50 (moderate) and 0.25 (weak / weak).

Table 4.2 *Coefficients of determination (R^2 value)*

	R^2
Auditor Switching	0,457
Timeliness of Audit Completion	0,368

Source: SEM-PLS results based on primary data processed in 2021

Based on the data presentation above, it can be seen that the R Square value of the dependent variable auditor switching has an R^2 value of 0.457 or 45.7% (moderate) and the dependent variable on the timeliness of audit completion has an R^2 value of 0.368 or 36.8% (moderate) .

Effect Size (f^2) (Goodness of Fit)

The effect size (f^2) is used to assess whether exogenous construct variables have an effect on endogenous constructs. This is used to determine whether a structural model is a fit model. The rules of thumb for the effect size are The f^2 values of 0.02 (small), 0.15 (medium), and 0.35 (large effect).

Table 4.3 *Effect size (f^2)*

	Auditor Switching	Timeliness of Audit Completion
Restructuring	0,007	
Financial Distress	0,077	
Reputation of KAP	0,320	
Auditor Switching		0,212
Covid-19 Pandemic		0,046
As*Covid 19		0,001

Source: SEM-PLS results based on primary data processed in 2021

Based on the data presentation above, it can be seen that the f^2 Square value of the restructuring variable on auditor switching has an f^2 value of 0.007 (small effect), the financial distress variable for auditor switching has an f^2 value of 0.077 (small effect), the KAP reputation variable towards auditor switching has an f^2 value of 0.320 (medium effect), the auditor switching variable on the timeliness of audit completion has an f^2 value of 0.212 (medium effect), the

Covid-19 pandemic variable on the timeliness of audit completion has an f^2 value of 0.046 (small effect), and the variable $As^* Covid\ 19$ moderation on the timeliness of audit completion has an f^2 value of 0.001 (small effect). Thus, from these results it is stated that this research model can have a goodness of fit which is quite good.

DISCUSSION

To assess the significance of the prediction model in structural model testing, it can be seen from the t-statistic value between the independent variable and the dependent variable in the Path Coefficient on the Smart PLS output with the following results:

Result of Direct Effect Test

The results of testing the hypothesis in the study are as follows:

The Influence of restructuring on auditor switching

Based on the test results, the Path Coefficients Direct Effect (T Statistics and P value) can be seen to have a path coefficient of 0.086 and a T Statistics value of 0.962. The path coefficient value of 0.086 is positive, indicating that the more frequent restructuring is implemented, the auditor switching will increase. The t statistical value is $0.962 < 1.96$ (5% significance level). This means that restructuring has no effect on auditor switching.

The Influence of financial distress on auditor switching

Based on the results of the Path Coefficients Direct Effect test (T Statistics and P value), it can be seen that it has a path coefficient of 0.250 and a T Statistics value of 2.614. The path coefficient value of 0.250 is positive, which indicates that the higher the financial distress, the higher the auditor switching will be. The t statistical value is $2.614 > 1.96$ (5% significance level). This means that financial distress has an effect on auditor switching.

The Influence of KAP reputation on auditor switching

Based on the test results on the Path Coefficients Direct Effect (T Statistics and P value) it can be seen that it has a path coefficient of 0.488 and a T Statistics value of 5.247. The path coefficient value of 0.488 is positive, which indicates that the better the reputation of KAP, the higher the auditor switching will be. The t statistic value is $5.247 > 1.96$ (5% significance level). This means that the reputation of KAP has an effect on auditor switching.

The Influence of auditor switching on the timeliness of audit completion

Based on the test results on the Path Coefficients Direct Effect (T Statistics and P value) it can be seen that it has a path coefficient of 0.458 and a T Statistics value of 5.142. The path coefficient value of 0.458 is positive, indicating that the higher the auditor switching, the better the accuracy of the audit completion time. The t-value statistic is $5.142 > 1.96$ (5% significance level). This means that auditor switching has an effect on the timeliness of audit completion.

The Influence of the Covid-19 pandemic on the timeliness of completing the audit

Based on the test results on the Path Coefficients Direct Effect (T Statistics and P value), it can be seen that it has a path coefficient of 0.206 and a T Statistics value of 2.055. The path coefficient value of 0.206 is positive, indicating that the Covid-19 pandemic will improve the accuracy of the audit completion time. The t statistical value is $2.055 > 1.96$ (5% significance level) which means that H_0 is rejected. This means that the Covid-19 pandemic has an effect on the timeliness of completing the audit.

The Influence of auditor switching, which is moderated by the Covid-19 pandemic, on the timeliness of audit completion

Based on the test results, the Path Coefficients Direct Effect has a path coefficient of -0.014 and T Statistics value of 0.218. The path coefficient value of 0.014 is negative, which indicates that auditor switching, which is accompanied by the Covid-19 pandemic, slows down the timeliness of completing the audit. The t statistic value is $0.218 < 1.96$ (5% significance level). This means that auditor switching, which is moderated by the Covid-19 pandemic, has no effect on the timeliness of audit completion.

Indirect Effect Test Results

The Influence of restructuring on the timeliness of audit completion through auditor switching

Based on the test results on the Path Coefficients Indirect Effect (T Statistics and P value) it can be seen that the path coefficient is 0.039 and the T Statistics value is 0.889. The path coefficient value of 0.039 is positive, indicating that the better the restructuring is followed by a high auditor switching, which will increase the timeliness of audit completion. The t statistical value is $0.889 > 1.96$ (5% significance level). This means that restructuring has no effect on the timeliness of audit completion through auditor switching.

The Influence of financial distress on the timeliness of audit completion through auditor switching

Based on the test results on the Path Coefficients Indirect Effect (T Statistics and P value), it can be seen that it has a path coefficient of 0.114 and a T Statistics value of 2.318. The path coefficient value 0.114 is positive, indicating that the better financial distress, followed by a high auditor switching, will increase the timeliness of audit completion. The t statistical value is $2.318 > 1.96$ (5% significance level). This means that financial distress affects the timeliness of audit completion through auditor switching.

The Influence of KAP reputation on the timeliness of audit completion through auditor switching

Based on the test results, the Path Coefficients Indirect Effect (T Statistics and P value) can be seen to have a path coefficient of 0.224 and a T Statistics value of 3.743. The path coefficient value of 0.224 is positive, which indicates that the better financial distress, followed by a high auditor switching, will

increase the timeliness of audit completion. The t statistical value is $3,743 > 1.96$ (5% significance level). This means that the reputation of KAP has an effect on the timeliness of audit completion through auditor switching.

CONCLUSION

Conclusion

Based on the results of research and discussion regarding "The Effect of Restructuring (X1), Financial Distress (X2), and Reputation of KAP (X3) on Auditor Switching (Y1) and Its Implications for Timely Audit Completion (Z) Moderated by the Impact of the Covid-19 Pandemic (Y2) in the BUMN Strategic Industry Sector Cluster in West Java", the following conclusions can be drawn:

Restructuring has no effect on auditor switching, where restructuring is proven to not encourage auditor switching.

Financial distress affects auditor switching, where financial distress is proven to encourage auditor switching.

The reputation of KAP has an effect on auditor switching, where the reputation of KAP is proven to be able to encourage auditor switching.

Auditor switching has an effect on the timeliness of audit completion, where auditor switching is proven to encourage the timeliness of audit completion.

The Covid-19 pandemic has an effect on the timeliness of completing the audit, where the Covid-19 pandemic has proven to be able to encourage the timeliness of audit completion.

Auditor switching which is moderated by the Covid-19 pandemic has no effect on the timeliness of audit completion, where the Covid-19 pandemic has not been proven to slow down or accelerate the timeliness of audit completion.

Restructuring does not affect the timeliness of audit completion through auditor switching.

Financial distress affects the timeliness of audit completion through auditor switching.

The reputation of KAP affects the timeliness of audit completion through auditor switching.

SUGGESTIONS

The timeliness of completing the audit should have no effect with the Covid-19 pandemic by implementing health protocols and being able to do work through WFH in rotation.

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