HOME   ABOUT   LOGIN   REGISTER   SEARCH   CURRENT   ARCHIVES   ANNOUNCEMENTS   HISTORY   INDEXING   FEES   CONTACT

Home > Archives > **Vol 13, No 2 (2021)**

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Table of Contents

Articles

MAIN MENU

Jurnal ASET (Akuntansi Riset)
SINTA 2

FOCUS AND SCOPE

EDITORIAL TEAM

PEER REVIEWERS

AUTHOR GUIDELINES

ONLINE SUBMISSION

SCREENING FOR PLAGIARISM

ASOSIASI PROFESI
» LINK ASOSIASI PROFESI
» MOU ASOSIASI PROFESI

KAPd

Username
Password
☐ Remember me
Login

» View
» Subscribe

Select Language
English   Submit

Search

Search Scope
All
Search

Browse
» By Issue
» By Author
» By Title
» Other Journals

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THE INFLUENCE OF AUDITOR ROTATION AND AUDITOR'S REPUTATION ON AUDIT QUALITY WITH AUDITOR SPECIALIZATION AS A MODERATING VARIABLE

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Abstract*. This study was conducted to examine how auditor rotation and auditor reputation influence audit quality moderated by audit specialization. The population of this study is using a Consumer Goods Inventory manufacturing company listed on the Indonesia Stock Exchange (IDX) from 2014-2019. The sample was selected using a nonprobability sampling technique with a purposive sampling technique, with the number of samples used from the 2014-2019 period was 234 companies. This study was using logistics regression analysis to see the influence of auditor rotation, auditor reputation on audit quality, with auditor specialization as a moderating variable. The conclution that auditor rotation had no influence on audit quality; auditor reputation had an influence on audit quality; and auditor specialization could not strengthen the relationship between auditor rotation and audit quality, but could strengthen the relationship between auditor reputation and audit quality.*

Keywords: Auditor Rotation, Auditor Reputation, Audit Quality, and Auditor Specialization

Introduction

Examination of financial statements (audit) is carried out within a company, because the company can have the benefit in maintaining the viability of the firm; evaluate and intensify the effectiveness of a firm. Moreover, the most important thing the company is able to find out and prevent any occurring fraud so that it can be directly addressed or prevented.

In order for the audit to be have good quality, the audit implementation must meet the audit requirements which include professional qualities and judgment which are intended to carry out and prepare audit reports. Audit quality as the probability that an auditor find and report an error in the report financial statements and report

them to users of financial statements (Salsabila, 2018)).

Audit quality still needs to be a concern, including from researchers because the implementation of a not good audit quality by an auditor or public accounting firm can still be found (Fadhilah & Halmawati, 2021). The International Forum of Independent Audit Regulators (IFIAR) conducted a survey in relation to the implementation of audit quality, and the survey results showed that there was a deficiency in audit quality in public companies. Likewise, the results of a study conducted by the Financial Professional Development Center (PPPK) of the Ministry of Finance showed that 58% of public accounting firms did not comply with existing administrative provisions,

54% of public accounting firms did not have a quality control system (SPM-1) and 73% of audit engagements did not meet the requirements of auditing standards (Fadhilah & Halmawati, 2021)

In order to minimize or even avoid the occurrence of the above, the Indonesian Institute of Accountants (IAI) has declared the need for auditor rotation (rotation of public accounting firm) in terms of restrictions on the public accounting firm or auditor ties. Audit rotation is the way to do it companies voluntarily audit their financial statements for the purpose of eliminate economic interests that can be minimized by audit rotation period ends for a short period of time, so the auditor can maintain its independence in conducting audits (Nizar, 2017). Different findings were conveyed by Chen et al (2004, as cited in Nizar, 2017) which found that audit rotation can cause a decrease in audit quality.

Auditor reputation also has an important role in determining audit quality. According to Rahayu (2012, as cited in Nizar, 2017) auditor reputation is the achievement and trust of the public for an auditor on behalf of a big name imprinted on the public accounting firm or auditor. Laypersons think that auditors who have a good reputation, for example, auditors who are included in the Big Four group, will have better audit quality than non-Big Four public accounting firms. This perception can be formed because they think that a recognized public accounting firm will have international recognition, adequate training, and have a great responsibility (Nizar, 2017).

Auditor specialization is the level of an auditor's knowledge of engagement includes general knowledge about the economy and industry that became where the entity operates, and knowledge more specifically about how entities operate (Suciana & Setiawan, 2018). Industry specialization make auditors have the ability and adequate knowledge compared non-specialized auditors.

This study is a replication of previous studies, where the difference from this study is by using auditor specialization variable as a variable that moderates the relationship among auditor rotation and auditor reputation on audit quality.

Research Objectives
The objectives of this study are:
1. To test the Influence of Auditor Rotation on Audit Quality
2. To test the influence of auditor reputation on audit quality
3. To test the Influence of Auditor Rotation on Audit Quality when moderated by Audit Specialization.
4. To test the influence of Auditor Reputation on Audit Quality when moderated by Audit Specialization.

LITERATURE REVIEW
Agency Theory
The relationship between the principal and the agent is that the agent is the party in charge of evaluating the performance of the principal. An agent who has duties as a company manager has an obligation to report the results of the company's performance to the principal. Another important task of an agent is to inform the information to the principal, including the delegation of decision-making authorization from the principal to the agent (Nizar, 2017).

According to Eisenhardt (1989, as cited in Hartadi, 2012), agency theory uses the following 3 basic assumptions of human nature:
1. Humans often avoid the coming risks (risk adverse)
2. Humans in general only care about themselves (self interest)

3. Humans have a limited sense of perception of the future (bounded rationality)

Based on this theory, there are differences in interests between the principal and the agent where these differences lead to agency conflicts. Potential conflicts often arise in contractual relationships between various parties who have interests in the company due to different goals based on their interests and positions. Problems arise when the principal is unable to make sure that the agent does what is best in the interests of the principal. This is what causes a conflict of interest or agency conflict and the existence of information asymmetry (Prasetia & Rozali, 2016).

Auditor Rotation

Auditor rotation has been a constant consideration for researchers abroad and in Indonesia (Elder et al., 2015). Audit rotation is audit turnover independent company conducted independently periodically to reduce the threat of intimacy where the auditor has been involved for too long client (Salsabila, 2018). The change of auditors is not without reason. This is based on the loss of trust from the public to the auditors due to the many cases related between the client and public accounting firms in and outside Indonesia.

The theory proposed by Sumarwoto (2006, as cited in (Kirana, I Gusti Ayu Monika Intan & Ramantha, 2020), states that in a general sense, auditor rotation has two characteristics—voluntary & mandatory. The rotation carried out by the auditor is caused by an obligation (mandatory) and can also occur voluntarily from the auditor based on management decisions (Kirana, I Gusti Ayu Monika Intan & Ramantha, 2020).

Auditor Reputation

According to (Nizar, 2017), auditor reputation is one of the public trusts and achievements held by auditors in the good name that guide an auditor. Client companies have a perception of auditors that public accounting firms with international affiliates have more interest when compared to public accounting firms that have no affiliation with international public accounting firms. In addition, client companies also have high expectations of the performance and quality of public accounting firms with international affiliations. This is because public accounting firm has characteristics related to quality such as peer review, training, and international recognition.

Big Four public accounting firms and international public accounting firms are seen as more capable of providing good audit quality. It is said by Firth and Liau, (1998, in Wibowo & Rossieta, 2009) that there are four advantages of the auditor scale, including:

1. The large number of client sectors controlled/handled by the public accounting firm;
2. There are many kinds of services provided;
3. Very wide geographical coverage, including international affiliation; and
4. The total number of audit staff in a public accounting firm.

Auditor Specialization

Specialization in the Auditor can be stated that the auditor has a function as a party that provides assurance on the integrity of the figures accounting results in the financial statements. Knowledge that must be possessed by auditors is not only knowledge of auditing and accounting, but also the client's industry (Siregar & Elissabeth, 2018). Meanwhile, according to (Rahadianto, 2012, as cited in (Kirana, I Gusti Ayu Monika Intan & Ramantha, 2020), states that auditor specialization is the cognition and special capability in a distinctive industry that is obtained from the experience of the auditor when conducting audits and special training on auditing a particular industry to improve audit quality.

Experimental studies show that auditors with industry-specific knowing are more possible to have a comprehensive concept of company characteristics which

improves their ability and methods to find errors.

Audit Quality

Audit quality is the result of describing the attitude and work of the auditor when carry out their audit duties, this can be seen through the evaluation of the report reliable financial statements in accordance with auditing standards that have been applied. In addition to avoiding misstatements and accounting violations, quality audit is a helper to maintain stability and credibility and trust to users of financial statements that have been issued by auditors (Ege & Stuber, 2021). Furthermore, auditing is a service that is required to be a monitoring tool because of the potential for conflicts of interest between owners and managers as well as between shareholders. Therefore, auditing functions as a process to reduce information discrepancies on the part of managers and shareholders, i.e., using external parties to provide approval of the financial statements. In addition, according to DeAngelo, 1981 as cited in (Kirana, I Gusti Ayu Monika Intan & Ramantha, 2020) also, audit service quality could be elucidate as the same level of probability that will be judged by the market that the auditor will (a) find a offense in the client company's accounting system, and (b) make a report on the violation.

Hypothesis Development
Influence of Auditor Rotation on Audit Quality

Audit rotation is carried out to limit long relationship between client and auditors. Relationships that are too long can reduce the objective nature of an auditor so that the auditor will not cover up client's earnings management. Rotation audits also provide a perspective on new clients who make information reliability and the resulting audit is of higher quality (Suciana & Setiawan, 2018). The policy regarding auditor rotation issued by the government is expected

to have a significant clout on the forcefull of an auditor's independence on the performed audit process (Elder et al., 2015) found that auditor rotation reduces the likelihood of auditors issuing biased and misstated reports in financial statements. Meanwhile, Chen et al (2004, as cited in Nizar, 2017), stated in their study that audit rotation can cause a decrease in audit quality.

Based on this, the following hypotheses can be formulated:
H₁: Auditor rotation or auditor switching has an influence on audit quality.

Influence of Auditor's Reputation on Audit Quality

Most clients or companies that use public accounting firm services will have the perception that auditors from well-known public accounting firms or those with affiliations of international public accounting firms will have higher audit quality than other public accounting firms. This will not only influence the client/company that uses the services of an auditor, but it will also influence the assessment of the company's stakeholders.

Larger companies have the complexity of their operations and increased separation between management and ownership. Big company that having more resources and more experience can develop a better internal control system in activities operations compared to small firms (Effendi & Ulhaq, 2021). This is in line with (Nizar, 2017) who said that auditors from big four Public Accounting Firms and Public Accounting Firms incorporate with international Public Accounting Firms have better quality because the auditors are well-advised to have more characteristics. This result is inversely proportional to the study conducted by

(Hartadi, 2012) that auditor reputation has a negative influence on audit quality and this is due to several allegations including the dominance of the Big Four Public Accounting Firms as auditors in listed companies.

Based on this, the following hypothesis can be formulated:

H$_2$: Auditor reputation has an influence on audit quality.

Influence of Auditor Rotation, Auditor Reputation on Audit Quality with Auditor Specialization as Moderating Variable.

The existence of a specialized auditor makes the realization of effectiveness and efficiency audit function with these advantages so that it can improve the quality audit (Fadhilah & Halmawati, 2021). Auditor specialization relates to an auditor who has a better understanding of the company's internal control, audit risk, and the company's business. Auditor specialization in this case is intended to capable to provide appropriate audit quality results. Based on this, the following hypothesis can be formulated:

H$_3$: Auditor rotation influences audit quality when moderated by auditor specialization.

H$_4$: Auditor reputation influences audit quality when moderated by auditor specialization.

RESEARCH METHOD

Type of Research

The approach utilized in this study was a quantitative approach in which it used data analysis with quantitative or analytical characteristics to evaluate the stated speculations (Sugiyono, 2010). This type of research is focused on using quantitative methods with the type of Causal Explanatory research. Causal Explanatory Research is descriptive in nature and seeks to test theories or hypotheses to strengthen opinions or reject theories or hypotheses derived from existing research findings (Kurniawan, 2016).
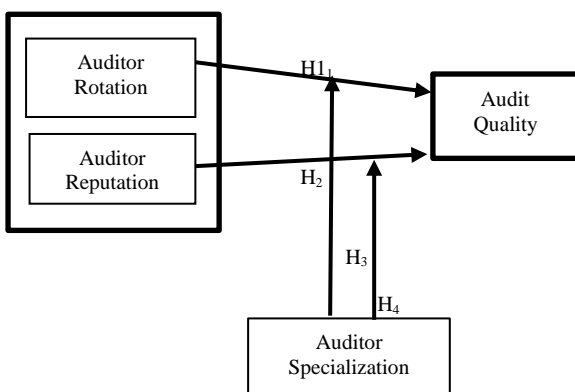
Research Model

Research Population

The population of this study is using a consumer goods inventory manufacturing company or consumer goods inventory listed on the Indonesia Stock Exchange (IDX) from 2014-2019.

No.	Sample Criteria	No. of Sample
1.	Manufacturing firm/corporation in the Goods Consumer Inventory sector listed on the Indonesia Stock Exchange from 2014 to 2019.	63
2.	Goods Consumer Inventory firm/corporation listed on the Indonesia Stock Exchange that published audited financial reports for the period 2014 to 2019.	40
3.	Goods Consumer Inventory manufacturing firm/corporation listed on the Indonesia Stock Exchange that include the names of Auditors and Public Accounting Firms for the period 2014 to 2019.	39
Number of research samples		39
The total number of research samples for the 2014-2019 period		234

Variable Operational Measurement

Independent Variables

a. Audit Switching

In this study, the researcher uses a dummy variable in assigning attributes to auditor rotation where 1 (one) if the company implements auditor rotation and 0 (zero) for companies that do not carry out auditor rotation.

b. Auditor Reputation

In the research that will be carried out by the researcher, the researcher will use a dummy variable which is attributed to the reputation of the auditor where 1 (one) is for companies audited by a Public Accounting Firm that has affiliation with the Big Four and 0 (zero) for companies audited by a Public Accounting Firm. who have no affiliation with the Big Four (non-Big Four).

c. Auditor Specialization

The following is the percentage of Auditor Industry Specialization (AIS) calculations:

$$AIS = (\text{Number of KAP clients in a sector})/(\text{Number of Issuers in Industry}) \times 100\%$$

The value of the above formula is calculated using a dummy variable where the number 1 (one) is given to auditors who have specialization and 0 (zero) is assigned to auditors who do not have specializations

Dependent Variable

Audit Quality

Audit quality in this research is measured by looking at the amount of return on assets (ROA) owned by the company

Data Analysis Technique

A variety of existing data collection techniques can be used. This technique can be used with the aim of collecting the required data depending on the method and origin of the data used. In this study, the following data analysis techniques were used:

Regression Model Feasibility Test

In this study, the regression model used was be examinded using Hosmer and Lemeshow's Goodness of Fit Test using chi-square. The Goodness of Fit Model can be be told to be not good if the value of the observations cannot be predicted by the model. In other words, the Goodness of Fit Model is cast-off if the value of Hosmer and Lemeshow's Goodness of Fit Test is less than 0.05, whose means that there is a significant difference between the observed value and the model. However, if the value of Hosmer and Lemeshow's Goodness of Fit Test is greater than 0.05, then the 0 (zero) hypothesis cannot be rejected, which means that the observation value can be predicted by the model or it can also be told that the model is not rejected because it has compatibility with the observation data (Ghozali, 2018)

Overall Model Fit Test

In this study, the statistics used were build upon the likelihood function. Likelihood L of the model is the probability level where the hypothesized model is depicted as a whole on the input data. With the aim of studying the 0 (zero) and alternative hypotheses, then L is changed to -2LogL so that it can be concluded that the decrease in likelihood (-2LogL) exhibit that the regression model has a preferable model or it can be said that the hypothesized model has a good fit with the data (Ghozali, 2018)

Nagelkerke's R Square Test

According to to produce a coefficient of determination, Nagelkerke's R Square is used. Nagelkerke's R Square is an amalgamation that has been modified in such a way from Cox and Snell's R Square coefficient, and this coefficient aims to ensure that the value of the type varies from 0 (zero) to 1 (one). This method can be done by separating the Cox and Snell R Square values to the largest value.

Logistics Regression Coefficient Test

This study used logistics regression analysis to see the influence of auditor rotation, auditor reputation, and auditor specialization on audit quality. According to (Latan & Temalagi, 2013), logistics regression testing and multiple regression testing are basically the same, but what distinguishes the two tests is that the dependent variable in logistics regression testing is categorical.

This study used the following logistic model:

$$Ln\ (p\ /\ 1 - p) = a + b_1X_1 + b_2X_2 + b_3Z + b_4X1.Z + b_5X2.Z$$

Note:

$Ln\ (p\ /\ 1 - p)$	=	is the probability of a company being audited by a Public Accounting Firm that complies with the earning benchmark criteria.
$\beta 0$	=	constants
$\beta 1, \beta 2, \beta 3$	=	independent regression coefficient of each independent variable
e	=	standard error
X1	=	Auditor rotation
X2	=	Auditor reputation
X1.Z	=	Interaction between auditor rotation and auditor specialization on audit quality
X2.Z	=	Interaction between auditor reputation and auditor specialization on audit quality

RESULTS AND DISCUSSION
Overview of Research Objects

In this study, the object of study is a manufacturing company in the Goods Consumer Inventory sector that has been listed on the IDX (Indonesia Stock Exchange) for the period 2014 - 2019. The population in this study is 63 manufacturing companies in the Goods Consumer Inventory sector that have been listed on the IDX. The sampling technique utilized in this research was purposive sampling technique which was part of the non-probability

sampling technique with the following criteria.

Research Results
Logistics Regression Prerequisite Test
Omnibus Test

Before testing the hypotheses, the feasibility test of the logistics regression model was first tested. This analysis was based on the Omnibus Test of Model Coefficient. The decision making was as follows:
- If the Chi Square significance ≤ 0.05, then the logistics regression model is feasible to use.
- If the Chi Square significance > 0.05, then the logistics regression model is not feasible to use.

Table 2 Uji Omnibus

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	53.364	5	.000
	Block	53.364	5	.000
	Model	53.364	5	.000

The table above shows that the independent variables can be used to predict the dependent variable and are statistically convincing. It can be seen that the significance value of 0.000 is less than 0.05. This also shows that all independent variables together have a significant influence on the dependent variable.

Hosmer and Lemeshow's Goodness of Fit Test

Hosmer and Lemeshow's Goodness of Fit Test was used to the null hypothesis whether the empiric data match or fit the model (there is no distinction between the model and the data so that the model can be said to be fit). A model is said to be fit if the value of sig > 0.05 on Hosmer and Lemeshow's Goodness of Fit Test.

Table 3 Uji Hosmer and Lemeshow Test

From the table above, it can be visible that the significance value (Sig) is more than 0.05 (0.535 > 0.05), so it can be concluded that the model is fit.

Overall Model Fit

Overall assessment of the model in logistics regression (-2 log likelihood) is an assessment of -2 log likelihood. Pay attention to the number -2 log likelihood at the beginning of the block number = 0, and at the number -2 log likelihood at the block number = 1, if there is a decrease in the value of -2 log likelihood, then the model can be accepted because it fits the data (model fit with the data) and this also indicates that the regression model is a good regression.

Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	3.137	4	.535

Table 4 Overall Model Test

Iteration History[a,b,c]

		-2 Log likelihood	Coefficients
Iteration			Constant
Step 0	1	227.938	1.248
	2	226.218	1.450
	3	226.212	1.463
	4	226.212	1.463

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 226.212

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

Block 0: Beginning Block
Block 1: Method = Enter

Iteration History[a,b,c,d]

Iteration	-2 Log likelihood	Co nst ant	Rotas i_Aud itor	Rep utasi _Au ditor	Spes ialisa si_A udit	Inter aksi _X1 Z	Inte rak si_ X2 Z
Step 1	1	182.28 0	1.7 47	.260	2.66 0	.060	.274	2.0 24
	2	173.44 5	2.4 17	.548	3.39 5	.122	.370	2.2 09
	3	172.85 5	2.6 53	.720	3.62 9	.157	.335	2.1 92
	4	172.84 9	2.6 80	.744	3.65 5	.163	.325	2.1 87
	5	172.84 9	2.6 81	.744	3.65 5	.163	.324	2.1 87

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 226.212

From the output above, it can be seen that the 2 log likelihood values decreased from the value in Block 0 to Block 1. With this, the model can be accepted because it fits the data (model fit with the

data) and this also indicates that the regression model is a regression that good.

Logistics Regression Analysis
Logistics regression Equation

The logistics regression equation in this study is as follows:

$$Ln\ (p\ /\ 1 - p) = a + b_1X_1 + b_2X_2 + b_3Z + b_4X1.Z + b_5X2.Z$$

Table 5 Variables in the Equation

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1[a]	Rotasi_A uditor	744	.77 0	.935	1	.33 4	.475
	Reputasi _Auditor	3.655	.67 2	29.55 1	1	.00 0	.026
	Spesialis asi_Audi t	.163	.77 3	.045	1	.83 3	1.17 7
	Interaksi _X1Z	.324	1.0 93	.088	1	.76 7	.723
	Interaksi _X2Z	2.187	.91 9	5.660	1	.01 7	8.91 1
	Constant	2.681	.51 8	26.73 8	1	.00 0	14.5 92

a. Variable(s) entered on step 1: Rotasi_Auditor, Reputasi_Auditor, Spesialisasi_Audit, Interaksi_X1Z, Interaksi_X2Z.

The values are entered into the logistics regression equation as follows:

$$Ln\ (p\ /\ 1 - p) = 2{,}681 + 0{,}744X_1 + 3{,}655X_2 + 0{,}163Z + 0{,}324X1.Z + 2{,}187X2.Z$$

From Table 5, the following interpretations can be made:

- Constants 2.681 means that if the values of X_1, X_2, Z, X_1.Z, and X_2.Z are 0, then the value of the dependent variable's log of odds (the probability value of the dependent variable) is 2.681.
- The logistics regression coefficient for the X_1 variable is 0.744. This means that for every increase in X_1 by 1 unit, it will increase the log of odds of the dependent variable by 0.744 units,

assumed the other independent variables have a fixed value.

- The logistics regression coefficient of the X_2 variable is 3.655. This way that for every increase in X_2 by 1 unit, it will increase the Log of odds of the dependent variable by 3.655 units, assumed the other independent variables have a fixed value.

- The logistics regression coefficient for Z variable is 0.163. This way that for every 1 unit increase in Z, it will increase the log of odds of the dependent variable by 0.165 units, assumed the other independent variables have a fixed value.

- The logistics regression coefficient of the $X_1.Z$ variable is 0.324. This way that for every increase in $X_1.Z$ by 1 unit, it will increase the Log of odds of the dependent variable by 0.324 units, assumed the other independent variables have a fixed value.

- The logistics regression coefficient of the $X_2.Z$ variable is 2.187; it means that every increase in $X_2.Z$ by 1 unit, it will increase the log of odds of the dependent variable by 2.187 units, assumed the other independent variables have a fixed value.

Nagelkerke R Square Coefficient Test

The coefficient test in binary logistics regression analysis uses the Nagelkerke R Square coefficient which is a alteration of the Cox and Snell R Square coefficients so that the maximum grade can attain one and has a value range between 0 and 1. The coefficient value of Nagelkerke R Square is generally larger than Cox and Snell Square, but incline to be smaller than the value of R2 determination in multiple linear regression. This test measures how much influence the independent variables have on the dependent variable.

Table 6. Nagelkerke R Square Coefficient Test

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	172.849ª	.204	.329

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

It can be seen that the Nagelkerke R Square value is 0.329. This means that the influence of all independent variables on the dependent variable is 0.329 or 32.9% and the rest is influenced by other variables not examined in this study.

Wald Test

Logistics regression analysis is used to estimate an outcome based on changes in the values of the independent variables or to estimate the probability based on each value of the independent variable. The Wald test itself is a test to establish whether the independent variable partially has a significant influence on the dependent variable. Logistics regression analysis was performed simultaneously on all independent variables with a significance level of 5%. The complete logistics regression test yield are presented in the following table:

Table 7. Wald Test
Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1ª	Rotasi_Auditor	.744	.770	.935	1	.334	.475
	Reputasi_Auditor	3.655	.672	29.551	1	.000	.026
	Spesialisasi_Audit	163	.773	.045	1	.833	1.177
	Interaksi_X1Z	324	1.093	.088	1	.767	.723
	Interaksi_X2Z	2.187	.919	5.660	1	.017	8.911
	Constant	2.681	.518	26.738	1	.000	14.592

a. Variable(s) entered on step 1: Rotasi_Auditor, Reputasi_Auditor, Spesialisasi_Audit, Interaksi_X1Z, Interaksi_X2Z.

To establish whether there is a significant influence between each independent variable and the dependent variable, a significance test is carried out with the following steps:

1. establish the null hypothesis and the alternative hypothesis

$H_0 : b = 0$ This means that the independent variable has no influence on the dependent variable

$H_a : b \neq 0$ This means that the independent variable has an influence on the dependent variable

2. Decision-making
- Significance > 0.05, so H0 is accepted
- Significance 0.05, so H0 is rejected

3. Conclusion:
- The X_1 variable partially has no influence on Y. This is because the significance value is > 0.05 (0.334 > 0.05) so that Ho is accepted and H1 is rejected.
- Variable X_2 partially influences Y. This is because the significance value <0.05 (0.000 <0.05) so Ho is rejected and H_a is accepted.
- Auditor rotation has no affect on audit quality when moderated by auditor specialization. This is because the significance value of the interaction variable X_1Z is more than 0.05 (0.767 > 0.05) so that Ho is accepted and H_a is rejected.
- Auditor reputation influences audit quality when moderated by auditor specialization. This is because the significance value of the X2Z Interaction variable is less than 0.05 (0.017 > 0.05) so that Ho is rejected and H_a is accepted.

Discussion
Influence of Auditor Rotation on Audit Quality

From the outcomes of the logistics regression coefficient table above, it shows that the X1 variable (auditor rotation) partially has no influence on audit quality (Y). This can be seen from the significance value > 0.05 (0.334 > 0.05), so that Ho is accepted and H_1 is rejected.

Changing/rotating auditors in the audited company is indeed a good thing to do, but this does not rule out the possibility of a new auditor to be able to master or understand clearly and well the in-depth situation about their new client/company. This means that an auditor needs to readjust to their new client/company.

The results of this study are in line with the studies of Nizar (2017), Astika (2017), and Kirana (2020), who concluded that auditor rotation or auditor switching does not influence audit quality.

Influence of Auditor's Reputation on Audit Quality

The regression coefficient table shows that the auditor's reputation variable (X_2) partially influences audit quality (Y). This is indicated by the significance value < 0.05 (0.000 < 0.05) so that Ho is rejected and H_2 is accepted.

Companies audited by public accounting firms that have good reputations (e.g., public accounting firms affiliated with international or Big Four public accounting firms) will be indicated to have competent auditors in their fields so that this will influence the quality of the audit itself. They tend not to be afraid to express or give a true opinion regarding the condition of the client's financial statements. This study is in line with the study of Prasetia and Rozali (2016), which states that audit reputation has an influence on audit quality.

Influence of Auditor Rotation on Audit Quality with Auditor Specialization as Moderating Variable.

Auditor rotation has no influence on audit quality when moderated by auditor specialization. This can be seen from the significance value of the Interaction variable (X1Z) in the Table where it is more than 0.05 (0.767 > 0.05). Therefore, Ho is accepted and H_3 is rejected.

An auditor who has or does not specialize in a particular field has the same

experience in conducting audits, so that auditor specialization cannot strengthen the influence of auditor rotation on audit quality. The results of this study are in line with the study conducted by Kirana and Ramantha (2020).

Influence of Auditor's Reputation on Audit Quality with Auditor Specialization as Moderating Variable.

Auditor reputation influences audit quality when moderated by auditor specialization. This can be seen from the significance value of the X_2Z interaction variable of less than 0.05 (0.017 > 0.05) so that Ho is rejected and H4 is accepted. An auditor who has a specific specialization according to what the client needs will certainly have more value in conducting an audit. An auditor who has a specific specialization will also have a good reputation in the minds of clients (by looking at the side of education and professionalism). Therefore, auditor specialization can strengthen the relationship of auditor reputation to audit quality.

CONCLUSIONS AND RECOMMENDATIONS
Conclusions

Based on the results of this study, there are several conclusions that can be drawn, i.e.:

1. Auditor rotation partially has no influence on audit quality. Changing/rotating auditors in the audited company is indeed a good thing to do, but this does not rule out the possibility that the new auditor is able to master or understand clearly and well the in-depth situation about their new client/company. This means that an auditor needs to readjust to their new client/company.
2. Auditor reputation partially influences audit quality. Companies

audited by public accounting firms that have good reputations (e.g., public accounting firms affiliated with international or the Big Four public accounting firms) will be indicated to have auditors who are competent in their fields so that this will influence the quality of the audit itself.

3. Auditor rotation has no influence on audit quality when moderated by auditor specialization. An auditor who has or does not specialize in a particular field has the same experience in conducting audits. Therefore, auditor specialization cannot strengthen the influence of auditor rotation on audit quality.
4. Auditor reputation influences audit quality when moderated by auditor specialization. An auditor who has a specific specialization in accordance with what the client needs will certainly have more value in conducting audits and will have a good reputation in the minds of clients (by looking at education and professionalism). Therefore, auditor specialization can strengthen the relationship of auditor reputation to audit quality.

Recommendations

This study has several limitations. Therefore, from these limitations, the researchers intend to provide the following recommendations for future studies:

1. The research sample used is a manufacturing company in the Consumer Goods Inventory sector. To provide different results and perspectives, perhaps other researchers can explore other companies such as mining, or other industries.
2. The data used in this study were all ordinal data and this was quite difficult for researchers to process the data. It is advisable for future

researchers to use a combination of interval and ordinal data.

3. The research variables used are auditor rotation, auditor reputation, and auditor specialization on audit quality. To provide different results

and perspectives, maybe other researchers can explore other variables that can be studied such as audit fees, audit tenure, time pressure, and so on.

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