

The Effect of Auditor Switching and Audit Effort on Audit Quality Audit With Audit Fee as Moderation

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ABSTRACT

This study aims to examine the effect of Auditor Switching and Audit Effort on Audit Quality, with Audit Fee serving as a moderating variable. The study is motivated by the importance of audit quality in enhancing the credibility of financial statements and the inconsistent findings of previous studies regarding the effects of auditor switching, audit effort, and audit fee on audit quality. This research employs a quantitative research method with property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period as the research objects. The sampling technique used was purposive sampling, resulting in a sample of 49 companies with 245 observations throughout the study period. The data used in this research are secondary data obtained from the companies' annual financial statements. Data analysis was conducted using panel data regression with the assistance of EViews 10 software, including descriptive statistical analysis, panel data model selection, classical assumption tests, hypothesis testing, and Moderated Regression Analysis (MRA). The results indicate that Auditor Switching has a positive and significant effect on Audit Quality, whereas Audit Effort has no significant effect on Audit Quality. Furthermore, Audit Fee is proven to moderate the relationship between Auditor Switching and Audit Quality, as well as the relationship between Audit Effort and Audit Quality. These findings suggest that higher audit fees can enhance auditors' effectiveness in producing high-quality audits, particularly in property and real estate companies characterized by complex operational activities.

INTRODUCTION

The increasingly competitive business world demands that companies present reliable, relevant, and accountable financial reports. For publicly traded companies, financial reports are a primary tool for investors, creditors, and other external parties to assess the company's condition and performance. Therefore, financial reports prepared by management need to be audited by an independent auditor to increase their credibility. The presence of an

independent auditor from a Public Accounting Firm (KAP) is crucial in ensuring the fairness of financial report presentation . (Naili & Primasari, 2020).

Quoting from (Kompas.com, 2020) a major case has again tarnished the Indonesian financial world through the case of PT. Hanson International Tbk, which surfaced in early 2020. This property company was involved in a fraudulent investment scheme that dragged thousands of investors and caused losses estimated at Rp 6 trillion and was proven to have manipulated the presentation of the annual financial report (LKT) for 2016. The Financial Services Authority (OJK) also imposed sanctions, both for the company and its president director, Benny Tjokro. In the inspection conducted by the OJK, manipulation was found in the presentation of accounting related to the sale of ready-to-build plots (Kasiba) with a gross value of Rp 732 billion, thus increasing the company's revenue sharply. In the sale and purchase, Hanson International violated Financial Accounting Standard 44 concerning Accounting for Real Estate Activities (PSAK 44). The Financial Services Authority (OJK) questioned the recognition using the full accrual method, even though the transaction was not disclosed in the 2016 Financial Statements (LKT). The company's financial statements were audited by a medium-sized public accounting firm (KAP), which later came under scrutiny for failing to detect major irregularities in the recording of assets and liabilities. Although the auditor provided a fair opinion, an investigation revealed that the financial statements contained information that did not reflect the company's actual condition. Due to the LKT manipulation, the OJK imposed a fine on PT. Hanson International Tbk of Rp 500 million and ordered it to make improvements and restate the 2016 LKT. Meanwhile, PT. Hanson International CEO Benny Tjokro was fined Rp 5 billion. Another director, Adnan Tabrani, was also fined Rp 100 million. Then, Sherly Jokom, an auditor from the Public Accounting Firm (KAP) Purwantono, Sungkoro and Surja, a member of Ernst and Young Global Limited (EY), was sentenced to a one-year suspension of her Registered Certificate (STTD).

The phenomenon that occurred indicates a failure to produce high audit quality, which is suspected to occur because auditors face budget constraints (*low audit fees*) and *time pressure* from management so that they do not carry out audit procedures adequately (Lailatul & Yanthi, 2021). In this study, audit quality is proxied by the AQMS (*Audit Quality Metric Score*) method which represents the dimensions of competence (KAP size, auditor industry specialization, *audit tenure*) and independence (*client importance* (CI), *Reporting Quality Audit Report* (RQA) (Oktaviani & Achmad, 2022).

According to (Lailatul & Yanthi, 2021), audit quality refers to the accuracy of information provided by auditors in accordance with applicable auditing standards, including information regarding accounting violations in a client's financial statements. High audit quality will produce reliable information about financial statements, providing sufficient assurance for use in decision-making by company management and investors. Optimal audit quality is reflected in the auditor's ability to adhere to applicable auditing standards and principles, maintain independence, adhere to the professional code of ethics, and comply with

legal regulations. Audit quality is useful as a provider of information to stakeholders such as investors, creditors, and company management, which is used as a basis for decision-making, protecting the public interest, and increasing public trust in the capital market (Qatrunnada & Sundari, 2021).

The first factor that influences audit quality is *Auditor switching* or change auditors by the company that may lower continuity auditor's knowledge of client, so that increase risk error beginning. *Auditor switching is a change of auditor carried out by a company. Auditor switching can be divided into two types: mandatory* due to binding government regulations and *voluntary* due to reasons other than regulations (Dewita & NR, 2023). This auditor switching aims to prevent a special relationship between the auditor and their client and to maintain the auditor's mental attitude in carrying out their duties as an independent auditor, thereby improving audit quality (Rizal & Yohanes, 2023) and (Naufaldyaksa et al., 2023). This in harmony with research conducted by (RS Guska, 2025) stated that *auditor switching* has an effect significant to audit quality. However Thus, the results study This different with study previously stated that *Auditor switching* has no effect on audit quality (Qatrunnada & Sundari, 2021).

The second factor that causes audit quality is *audit effort*. *Effort* is a crucial factor influencing audit quality. A public accountant's hard work and thoroughness are essential for producing a quality audit report. According to (Salim & Raharja, 2021), greater audit effort indicates higher audit quality. This is because public accountants have effective ways to communicate with client management and convince them to correct misstatements through adjustments. The accuracy of the information in the financial statements produced by the auditor depends on the auditor's quality. Therefore, it is assumed that achieving a high-quality audit requires high audit fees. The amount of audit fees received by public accountants generally varies depending on the fee structure, level of expertise required, job risks, and the difficulty of the case. Public accountants tend to incur high fees to obtain information about a company, resulting in better audit results (Supriyanto et al., 2023). The results of previous research conducted by (Supriyanto et al., 2023) on audit quality using the audit effort variable found that audit effort had a significant effect on audit quality. This research contradicts the research conducted by (Salim & Raharja, 2021) which showed that *Audit Effort* No influential significant to audit quality.

Apart from the factors of auditor switching and audit effort, there are other factors others that influence quality audit, namely the audit fee. The audit fee refers to the amount compensation received by the auditor for audit services that have been given to client. Audit Fee is fees paid client to the Accounting Firm Public Accounting Firm (KAP) for audit services that have been given. The amount of audit fees varies and is influenced by several factors, including size company, complexity audit services, risks faced, as well as KAP reputation. Audit fees are determined through agreement between auditor and client. Factors like risk assignments and levels auditor expertise also influences the amount of audit

fees received . With Thus , the audit fee is rewards that reflect quality and complexity services provided by auditors to client (Kumaunang et al., 2024).

From the results study above, then study will use *research gap* Because there is inconsistency results research conducted by (KDC Putri, 2017), (Qatrunnada & Sundari, 2021), (Dede Elevendra, 2021), (RS Guska, 2025), (Salim & Raharja, 2021), and (Supriyanto et al., 2023) with the variables studied *Auditor Switching*, *Audit Effort*, and *Audit Fee as moderators* using a sample of property and real estate sector companies listed on the Indonesia Stock Exchange (IDX). Based on the background of previous research described above and the formulation of the question, there are two factors that may influence the occurrence of audit quality in reporting its financial statements, namely *auditor switching* and *audit effort* . The difference between this study and previous research is by adding a moderating variable of *audit fees* that may strengthen or weaken the direct relationship of the independent variable to audit quality. This study took a sample of property and real estate companies listed on the Indonesia Stock Exchange (IDX). Thus, the author is interested in conducting a study entitled "The Effect of *Auditor Switching* and *Audit Effort* on Audit Quality with *Audit Fees* as a Moderator".

The formulation of the problem in this study is 4, namely: Is there an influence of *Auditor Switching* on Audit Quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024?. Does *Audit Effort* affect Audit Quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024?. Is *Audit Fee* able to moderate the relationship between *Auditor Switching* and Audit Quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024 . Is *Audit Fee* able to moderate the relationship between *Audit Effort* and Audit Quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024?.

The objectives to be achieved in this study are 4 , namely: To determine the effect of *Auditor Switching* on Audit Quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024. To determine the effect of *Audit Effort* on audit quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024. To determine the effect of *Audit Fees* can moderate the relationship between *Auditor Switching* and audit quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024. To determine the effect of *Audit Fees* can moderate the relationship between *Audit Effort* and audit quality in the property and real estate sector listed on the Indonesia Stock Exchange in 2020 - 2024.

There are 5 hypotheses in this study, namely: H₁ : It is suspected that *Auditor Switching* has an effect on Audit Quality . H₂ : It is suspected that *audit effort has an effect on audit quality* . H₃ : It is suspected that audit effort has an effect on audit quality . *Audit Fee* is able to moderate The influence of *Auditor Switching* on Audit Quality. H4 : It is suspected that *Audit Fees* are able to moderate the influence of *Audit Effort* on Audit Quality.

RESEARCH METHODS

This type of research is associative quantitative research, namely research that aims to determine the relationship between two or more variables using measurement instruments for each variable (Sugiyono, 2023). The operational variables used in this study are as follows:

Table 1 Operational Variables of Independent & Moderating

Variable Types	Variable Name	Variable Measurement	Scale
Independent	<i>Auditor Switching</i> (Syaputra & Hariadi, 2023)	Value 1 = <i>Auditor Switching</i> Value 0 = <i>No Auditor Switching</i>	Dummy
Independent	<i>Audit Effort</i> (Salim & Raharja, 2021)	$\text{(InvRec)} = \frac{\text{Inventories} + \text{Receivables}}{\text{Total Assets}}$	Ratio
Moderating	<i>Audit Fee</i> (Mulyadi, 2014)	$\text{LnFee} = \text{audit fee}$	Ratio

Source: Data processed by researchers (2026).

Table 2. Operational Variables Dependent

No	Proxy	Measurement Criteria
A	Competency Dimensions	
1.	KAP Size	A score of 1 is given if the company is audited by a <i>Big Four KAP</i> . Meanwhile, if an audit is carried out by a <i>non-Big Four KAP</i> , it is given a score of 0.
2.	SPCL	SPCL, or industry specialist auditor. A score of 1 is given if: first, the auditor has the largest industry <i>market share</i> . The industry must have at least 30 companies to meet the criteria. Second, an auditor is considered specialized if they audit 20% of the total number of companies within the industry. Otherwise, a score of 0 is given.
3.	<i>Tenure</i>	<i>Tenure</i> is defined as the length of time for a KAP audit assignment. The KAP audit assignment period is divided into 3. First, the audit period is short, if = 3 years (Francis and Yu, 2009; Johnson et al., 2002). Second, the audit assignment is medium, if it is > 3 years and < 9 years (Johnson et al., 2002; Gu l et al.,

No	Proxy	Measurement Criteria
		2009). Third, the audit assignment period is long, if = 9 years (Johnson et al., 2002). <i>Audit tenure</i> is given a value of 1 if the KAP assignment period interval is > 3 years and < 9 years; and given a score of 0 if other values are obtained.
A	Dimension of Independence	
4.	CI (<i>Client Importance</i>)	CI is a measure of the level of economic dependence of the KAP on the client. It is given a score of 1 if the KAPx is not dependent on the client, namely if the KAPx CI ratio is in the interval $\bar{x} \neq \sigma$, where $\bar{x}$ is the average (mean) CI of all KAPs in year t, and σ is the standard deviation. A score of 0 is given if any other value is obtained. CI (Client Importance) formula: $CI_{it} = SIZE_{it} / \sum_{i=1}^n SIZE_{it}$ Where: CI_{it} = <i>Client Importance</i> , $SIZE_{it}$ = Natural logarithm of all client assets y, and $\sum_{i=1}^n SIZE_{it}$ The total amount of assets (natural logarithm) of n clients audited by KAPx in a certain period.
5.	RQA	RQA is the availability and accuracy of <i>going concern</i> (GC) audit opinion reporting published by KAPx. RQA gets a score of 1 if it meets one of the following criteria: (1) If KAP x issues a GC opinion in year t, and client y in year t+1 has a negative operating cash flow or net loss as a sign of <i>financial distress</i> ; and (2) If KAP x does not issue a GC opinion in year t, and client y in year t+1 does not have a negative operating cash flow or net loss. It is given a score of 0 if otherwise.
	Formula	
AQMS	<i>The Audit Quality Metric Score</i> is the total score of all five audit quality proxies. KAPx for client y in year t, assessed by the highest score on the AQMS, namely 5.	

Source: Data processed by researchers (2026).

This research data uses secondary data, with data collection methods using documentation techniques in the form of annual audited financial reports and annual reports of property and real estate companies for 2020-2024 which have been published on the Indonesia Stock Exchange (IDX) and can be obtained through the website www.idx.co.id. Furthermore, these data are variables that are processed using *Microsoft Excel* 2019 and *E-Views* 10 software.

RESULTS AND DISCUSSION

Overview of Research Object

The data used in this study are secondary data in the form of annual audited financial reports and company annual reports. The objects of this study are property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2020-2024. These companies can be calculated and analyzed regarding *auditor switching*, *audit effort*, and audit quality and *audit effort* in each company. A total of 49 research samples were obtained, where the sampling used a purposive sampling technique which is a non-random sample selection with certain criteria (Abdullah et al., 2022). The criteria for the companies used as research samples are as follows:

Table 2 Sample criteria results

No	Criteria	Amount of Data
1	Property & Real Estate Companies listed on the Indonesia Stock Exchange in 2024	90
2	Property & Real Estate Companies listed on the Indonesia Stock Exchange in 2020-2024.	(13)
3	Property & Real Estate Companies that experienced Delisting on the Indonesia Stock Exchange in 2020-2024.	(5)
4	Real Estate Companies that have published annual financial reports and have been audited on the Indonesia Stock Exchange within the observation period, namely 2020-2024	(3)
5	Real Estate Companies that display audit service fees on the Indonesia Stock Exchange in 2020-2024	(20)
Number of samples that meet the criteria		49
Observation Year 2020-2024		5
Total Observations		245

Source: Data processed by researchers (2026).

Sample Description

The companies that were samples in this study can be seen in the following table:

Table 3 of sample companies

No	Code	Company name
1	APLN	Agung Podomoro Land Tbk.
2	ASRI	Alam Sutera Realty Tbk.
3	FATHER	Bekasi Asri Pemula Tbk.
4	BCIP	Bumi Citra Permai Tbk.
5	BEST	Bekasi Fajar Industrial Estate
6	BIPP	Bhuwanatala Indah Permai Tbk.
7	BKDP	Bukit Darmo Property Tbk
8	BKSL	Sentul City Tbk.
9	BSDE	Bumi Serpong Damai Tbk.

No	Code	Company name
10	CTRA	Ciputra Development Tbk.
11	DILD	Intiland Development Tbk.
12	DMAS	Puradelta Lestari Tbk.
13	DUTI	Duta Pertiwi Tbk
14	ELTY	Bakrieland Development Tbk.
15	EMDE	Megapolitan Developments Tbk.
16	FMII	Fortune Mate Indonesia Tbk
17	GMTD	Gowa Makassar Tourism Development
18	GPRA	Prime Gapuraprima Tbk.
19	INPP	Indonesian Paradise Property T
20	JRPT	Jaya Real Property Tbk.
21	KIJA	Jababeka Industrial Estate Tbk.
22	LPCK	Lippo Cikarang Tbk
23	LPKR	Lippo Karawaci Tbk.
24	LPLI	Star Pacific Tbk
25	MDLN	Modernland Realty Tbk.
26	MKPI	Metropolitan Kentjana Tbk.
27	MTLA	Metropolitan Land Tbk.
28	OMRE	Indonesia Prima Property Tbk
29	PLIN	Plaza Indonesia Realty Tbk.
30	PUDP	Pudjadi Prestige Tbk.
31	PWON	Pakuwon Jati Tbk.
32	RDTX	Roda Vivatex Tbk
33	SMRA	Summarecon Agung Tbk.
34	TARA	Agung Semesta Sejahtera Tbk.
35	CSIS	Cahayasakti Investindo Success
36	NASA	Andalan Perkasa Abadi Tbk.
37	POLL	Pollux Properties Indonesia Tbk
38	MPRO	Maha Properti Indonesia Tbk.
39	URBN	Urban Jakarta Propertindo Tbk.
40	POLY	Pollux Hotels Group Tbk.
41	PAMG	Milky Way Pertiwi Tbk.
42	BAPI	Bhakti Agung Propertindo Tbk.
43	REAL	Repower Asia Indonesia Tbk.
44	PPRO	PP Property Tbk.
45	TRIN	Pioneer Trinita Properti Tbk.
46	KBAG	Karya Bersama Anugerah Tbk.
47	MONEY	Pakuan Tbk.
48	CASTLE	Puri Global Sukses Tbk.
49	ASPI	Andalan Sakti Primaindo Tbk.

Source: Data processed by researchers (2026).

Descriptive Statistical Analysis

Table 4 Results of descriptive statistical analysis

	AQMS	FEE	SWITCH	EFFORT
Mean	1.416327	20.23031	0.391837	0.303210
Median	1,000,000	20.22897	0.000000	0.251457
Maximum	4,000,000	24.16725	1,000,000	0.987220
Minimum	0.000000	18.19754	0.000000	2.54E-05
Std. Dev.	0.913323	1.141771	0.489160	0.243493
Skewness	0.248553	0.619561	0.443146	0.951471
Kurtosis	2.544150	3.634216	1.196379	3.317375
Jarque-Bera	4.643919	19.78023	41.22701	37.99459
Probability	0.098081	0.000051	0.000000	0.000000
Sum	347,0000	4956.425	96,00000	74.28637
Sum Sq. Dev.	203.5347	318.0883	58.38367	14.46642
Observations	245	245	245	245

Source: Data processed by researchers (2026).

Based on Table 4.2, the results of the analysis using descriptive statistics are explained as follows:

The dependent variable, namely Audit Quality using AQMS measurement, has an average value of 1.416327. This value indicates that the average AQMS score of 245 research data is 1.41. Because the data scale is in the range of 1 to 4, the average indicates that the majority of data tends to be around the value of 1. With a minimum value of 1 and a maximum of 4. Then the standard deviation value is smaller than the mean value of $0.913323 < 1.416327$ indicating that the research data has a low level of variation or is homogeneous. The results of the Jarque-Bera normality test produce a probability value of $0.098081 > 0.05$, so it can be concluded that the Audit Quality data is normally distributed.

The first Independent Variable *Auditor Switching* (X1) shows that the average value is 0.391837 or around 39.18% . If *SWITCH* is a dummy variable (0 and 1), then it can be interpreted that around 39.18% of the 245 observations have a *SWITCH* value = 1, while the rest have a value of 0. With a minimum value of 0, the maximum value is 1. Then the standard deviation value is greater than the average value of $0.489160 > 0.391837$ indicating that the data has a relatively high level of distribution or is heterogeneous. The results of the *Jarque-Bera normality test* produce a probability value of $0.000000 < 0.05$, so it can be concluded that the *SWITCH* data is not normally distributed. This condition is common because *SWITCH* is a *dummy variable* that only has two categories, namely 0 and 1.

The second independent variable, *Auditor Effort* (X2), shows an average value of 0.303210, indicating that the average company studied has disclosed 30% of the items used to measure *Audit Effort*. The minimum value of *Audit Effort* is 0.0000254 , which occurred at PT Andalan Perkasa Abadi Tbk in 2021. The maximum value of *Audit Effort* is 0.987220, which

occurred at PT Bhakti Agung Propertindo Tbk. 2024. The standard deviation value of 0.243493, which is smaller than the average value, indicates that the data has a relatively low level of distribution or is homogeneous. The results of the Jarque-Bera normality test show a probability value of 0.000000, which is smaller than the 0.05 significance level, so it can be concluded that the EFFORT data is not normally distributed. The data distribution also tends to be skewed to the right with a skewness value of 0.951471.

The Audit Fee (Z) moderation variable shows a minimum value of 18.19 which occurred at PT Bekasi Asri Pemula Tbk. in 2022 & 2023, while the maximum value is 24.16 which occurred at PT Kawasan Industri Jababeka Tbk. in 2022 with a mean of 20.23031 and a standard deviation value of 1.141771 which is smaller than the average value indicating that the data has a low level of distribution or is homogeneous. The results of the Jarque-Bera normality test produce a probability value of 0.000051 which is smaller than the 0.05 significance level, so it can be concluded that the FEE data is not normally distributed. In addition, the skewness value of 0.619561 indicates a distribution that is skewed to the right, while the kurtosis value of 3.634216 indicates a distribution that is sharper than the normal distribution.

Panel Data Regression Model Selection

Table 5 Results of panel data regression model selection

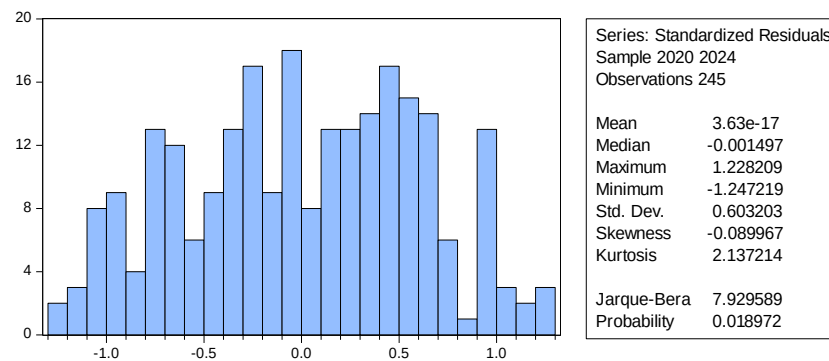
No	Model Selection Test	Probability Value	Model Results
1.	<i>Chow Test</i> (CEM vs FEM)	0.0000 < 0.05	FEM Test
2.	<i>Hausman Test</i> (FEM vs REM)	0.0163 < 0.05	FEM Test
3.	<i>Lagrange Multiplier Test</i> (CEM vs REM)	0.0000 < 0.05	REM Test
Model Conclusion			FEM Test

Source: Data processed by researchers (2026).

After testing the three panel data regression models, it was concluded that the *Fixed Effect Model* (FEM) was the most appropriate model to use. The next step was to continue the analysis with multiple linear regression using the *Fixed Effect Model* (FEM).

Classical Assumption Test

Normality Test



Source: *E-views 1 0* Output Results (2026).

Figure 1 Results of normality test

Based on Figure 2 above, it shows that probability value *Jarque -Bera* as big as $7.929589 > 0.05$, it can be concluded that the data is normally distributed. The basic requirements of the regression model have been met with the assumption of normality which shows that the residuals follow a normal distribution.

Multicollinearity Test

	EFFORT	SWITCH	FEE
EFFORT	1,000,000	0.001470	-0.294879
SWITCH	0.001470	1,000,000	0.029496
FEE	-0.294879	0.029496	1,000,000

Source: *E-views 1 0* Output Results (2026).

Based on table 6 above, it can be seen that all correlation coefficients between the SWITCH (X1) and EFFORT (X2) variables are below the limit <0.90 , meaning that multicollinearity does not occur.

Heteroscedasticity Test

Table 6 Results of heteroscedasticity test

Dependent Variable: RESABS

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.313238	2.029962	1.139547	0.2559
SWITCH	-1.828539	0.951558	-1.921626	0.0561
EFFORT	1.545596	4.667880	0.331113	0.7409
FEE	-0.090962	0.102070	-0.891172	0.3740
SWITCH*FEE	0.088888	0.046911	1.894795	0.0596
EFFORT*FEE	-0.075711	0.239818	-0.315700	0.7526

Source: *E-views 1 0* Output Results (2026).

Based on table 7 above, the results of the heteroscedasticity test using RESABS show the following probability values: *Auditor Switching* (SWITCH) of 0.0561 and *Audit Effort* (EFFORT) of 0.7409. Since all probability values of the independent variables are > 0.05 , it means that heteroscedasticity does not occur.

Table 7. Results of autocorrelation test, (f) test, coefficient of determination test

R-squared	0.981950	Mean dependent var	8.715353
Adjusted R-squared	0.976942	SD dependent var	42.33395
SE of regression	0.681776	Sum squared residual	88.78028
F-statistic	196.0551	Durbin-Watson stat	2.120941
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.546115	Mean dependent var	1.416327
Sum squared residual	92.38134	Durbin-Watson stat	1.966495

Source: E-views 10 Output Results (2026).

Autocorrelation Test

Based on table 8 above, the Durbin–Watson value obtained is 2.120914 is between - 2 and +2, so it can be concluded that this model does not experience autocorrelation.

Hypothesis Testing**Test (F)**

Based on table 8 above, the calculated $F > F$ table (196.0551 > 3.03) is obtained, so H_1 is accepted, meaning that *Auditor Switching* and *Audit Effort* together have an effect on Audit Quality.

Table 8. Results of partial test (t) and moderated regression analysis (MRA) test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.556564	1.765202	-3.147834	0.0019
SWITCH	0.647287	0.102483	6.316072	0.0000
EFFORT	-3.249152	1.872565	-1.735134	0.0843
FEE	0.333970	0.088428	3.776753	0.0002
SWITCH*FEE	-0.029683	0.005110	-5.808198	0.0000
EFFORT*FEE	0.195610	0.095652	2.045008	0.0422

Source: E-views 10 Output Results (2026).

Partial Test (t)

Based on table 9, the partial test results (t) can be concluded:

The Auditor Switching (SWITCH) variable obtained a t-count value of 6.316072 > 1.9 690, with a probability value of 0. 0000 where the value is 0.0 000 < 0.05, then H_0 is accepted and H_1 is rejected. So it can be concluded that *Auditor Switching* partially influences Audit Quality.

Audit Effort Variable (EFFORT) obtained a t-count value of -1.735134 < 1.9 69 0 , with a probability value of 0.0 843 where the value of 0.0 843 > 0.05, then H_1 is accepted and H_0 is rejected. So it can be concluded that *Audit Effort* is partially not has a negative effect on Audit Quality.

Coefficient of Determination (R2) Test

Based on table 8 above, the *Adjusted R-squared value* is 0.976942, meaning that 97.69 % of Audit Quality is influenced by *Auditor Switching* and *Audit Effort*. Thus, there is still approximately 2.31 % of Audit Quality variation that is influenced by other factors outside this study.

Moderated Regression Analysis

Based on table 9 of the results of the regression analysis with *moderated regression analysis* above, the interaction relationship between the *SWITCH*FEE* variables has a probability value of $0.0000 < 0.05$, it can be concluded that the *Audit Fee* able to moderate the relationship between *Auditor Switching* and Audit Quality . The interaction between the *EFFORT*FEE* variables has a probability value of $0.0422 < 0.05$, then it can be concluded that the *Audit Fee* can moderate the relationship between *Audit Effort* and Audit Quality.

The Effect of Auditor Switching on Audit Quality

Auditor Switching (AS) has a T-count of $0.647287 < 1.969$ with a significance value of $0.0000 < 0.05$. The partial test results (t-test) indicate that *auditor switching* has a partial significant effect on audit quality, thus the first hypothesis (H1) is accepted. A probability value smaller than 0.05 indicates that auditor switching can increase the effectiveness of the audit process by creating better auditor independence.

From an agency theory perspective, independent auditors function as a monitoring mechanism to mitigate conflicts of interest between management as agents and shareholders as principals . Auditor turnover is one mechanism for maintaining auditor independence, enabling auditors to conduct audits objectively and produce more reliable audit reports. The results of this study align with those of (Handayani & Setiawan, 2024) and (Naufaldyaksa et al., 2023) , which state that *auditor switching* has a positive effect on audit quality because it increases auditor independence in conducting audits and provides new perspectives in the audit process, thereby improving the auditor's ability to detect material misstatements. However, these results differ from those of (Qatrunnada & Sundari, 2021) and (Dede Elevenndra, 2021) , which show that *auditor switching* does not significantly impact audit quality. High audit quality is not always accompanied by auditor rotation, as auditors maintain their independence during audits, thus maintaining good audit quality. *Auditees* generally engage in audit rotation when they experience discrepancies and dissatisfaction with the auditor in carrying out audit assignments.

The Influence of Audit Effort on Audit Quality

Audit Effort (AE) has a T-value of $-3.249152 < 1.969$ with a significant value of $0.0843 > 0.05$. The results of the partial test (t-test) show that *Audit Effort* does not have a significant effect on Audit Quality , so the second hypothesis (H2) is rejected. The direction of the influence (positive or negative) must be adjusted to the regression coefficient (β) in the regression output , not just based on the t value.

From an agency theory perspective, auditors are tasked with reducing information asymmetry between management and shareholders. To effectively perform this function, auditors must perform adequate audit procedures to ensure the information communicated to shareholders is highly reliable. This study aligns with research by Salim & Raharja (2021) that found *audit effort* has no significant effect on audit quality. However, this finding differs from research by Xiao et al. (2020) and Supriyanto et al. (2023) , which found that *audit effort* improves auditors' ability to detect material misstatements, thus improving audit quality.

The influence of audit fees is able to moderate auditor switching on audit quality

Based on the results of the Moderated Regression Analysis (MRA), the interaction between *SWITCH*FEE* has a *probability value* of $0.0000 < 0.05$. Therefore, it can be concluded that *Audit Fees* significantly moderate the relationship between *Auditor Switching* and Audit Quality. In other words, the higher the *Audit Fee* paid by a company, the positive effect of *Auditor Switching* on improving Audit Quality tends to decrease.

Based on agency theory (Jensen & Meckling, 1976) , it is explained that independent auditors are a monitoring mechanism that functions to reduce conflicts of interest between management as agents and shareholders as principals . When *auditor switching occurs* , the new auditor requires additional time and resources to understand the business environment, internal control systems, and company risks. Therefore, adequate *audit fees* provide support for auditors to carry out audit procedures more optimally so that the oversight function can run more effectively. The results of this study are in line with research by (Rachmat & Setiawaty, 2026) and (Maulana et al., 2024) which states that *audit fees* can strengthen the effectiveness of audit implementation after auditor switching occurs because auditors obtain more adequate resource support and *audit fees* that are appropriate to the level of complexity of the assignment enable auditors to improve the quality of audit implementation by increasing audit time, number of personnel, and expanding audit procedures. However, the results of this study contradict (Maura, 2020) who stated that *audit fees* do not moderate the influence of *auditor switching* on audit quality, meaning that the relationship between the principal and management is always based on a contract.

The influence of audit fees is able to moderate audit effort on audit quality

Based on the results of the Moderated Regression Analysis (MRA), the interaction between *EFFORT*FEE* has a *probability value* of $0.0422 < 0.05$, indicating that *Audit Fees* significantly moderate the relationship between *Audit Effort* and Audit Quality. This means that the greater the *Audit Fee* received by the auditor, the stronger the influence of *Audit Effort* on improving Audit Quality.

Based on agency theory, auditors are a monitoring mechanism tasked with reducing information asymmetry between management and shareholders. For this oversight function to operate effectively, auditors must obtain sufficient and appropriate audit evidence through adequate *audit effort*. *Audit fee support* allows auditors to allocate resources optimally, resulting in a more effective audit process and improved audit quality (Salim & Raharja,

2021). The results of this study are in line with research (Salim & Raharja, 2021) which states that *audit effort* will have a greater impact on audit quality if the auditor receives adequate resource support during the audit process. The greater the effort the auditor expends and the more adequate the compensation received, the greater the auditor's opportunity to perform audit procedures thoroughly, thereby improving audit quality. Furthermore, research by Kumaunang et al. (2024) explains that *audit fees* are essentially a form of compensation for audit services provided by auditors, according to the complexity of the assignment. However, higher *audit fees* do not always translate into increased auditor effort, as auditors already have audit procedures that must be implemented in accordance with professional standards. Therefore, *audit fees* do not strengthen the relationship between *audit effort* and audit quality.

CONCLUSION AND SUGGESTIONS

Conclusion:

Based on the discussion outlined above, the following conclusions can be drawn from this research:

1. Partially, *Auditor Switching* has a positive and significant effect on Audit Quality.
2. Partially, *Audit Effort* does not have a significant effect on Audit Quality.
3. Partially, *Audit Fees* are proven to moderate the relationship between *Auditor Switching* and Audit Quality.
4. Partially, *Audit Fees* are proven to moderate the relationship between *Audit Effort* and Audit Quality.

Research Limitations :

The limitations of this research are as follows:

1. The focus of this research is only using samples of property and *real estate sector companies* listed on the Indonesia Stock Exchange for the 2020 period. – 2024, so the research results cannot be generalized to other industrial sectors that have different operational characteristics and business risks.
2. The observation period in this study only covers five years (2020 - 2024), which means it is not yet fully capable of describing the dynamics of changes in economic conditions and audit policies in a long-term perspective.
3. This study only used two independent variables: *Auditor Switching* and *Audit Effort* , and one moderating variable: *Audit Fee* . However, audit quality is influenced by various other factors, such as *audit tenure*, Public Accounting Firm size, auditor industry specialization, auditor independence , *audit committee size*, *corporate governance*, *financial distress*, and company size, which were not included in this research model.

Suggestion:

following are suggestions that researchers can provide for future researchers :

1. It is recommended to expand the research object by adding from various other sectors listed on the Indonesian Stock Exchange.
2. It is recommended to add a longer observation period.
3. It is recommended to add other variables that have the potential to influence Audit Quality .

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