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### **The Role of Auditor Reputation as a Moderator of the Effect of Tax Aggressiveness and Public Ownership on Auditor switching Decisions**



Salsabiela Nur Fitria <sup>(1\*)</sup> Ida Nur Aeni <sup>(2)</sup>

<sup>(1,2)</sup> Department of Accounting Education, Universitas Negeri Semarang, Semarang, Indonesia

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(Corresponding author.

E-mail addresses:

salsabielanf12@students.unnes.ac.id, [idanuraeni@mail.unnes.ac.id](mailto:idanuraeni@mail.unnes.ac.id)

	Abstract
<b>Keywords:</b> Auditor Switching Tax Aggressiveness Public Ownership Auditor Reputation	<b>Purpose:</b> This study aims to examine tax aggressiveness and public ownership on auditor switching with auditor reputation as a moderating variable.
<b>Conflict of Interest Statement:</b> The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.	<b>Research Design and Methodology:</b> The sampling technique used was purposive sampling and obtained 41 companies with a research period of 4 years so that the final amount obtained was 101 sample data. The analysis method uses logistic regression with the help of SPSS software.
Copyright © 2023 Attestation: Scientific Journal of Accounting All rights reserved.	<b>Findings and Discussion:</b> The results showed that tax aggressiveness has a significant effect on auditor switching while public ownership has no significant effect on auditor switching. Auditor reputation strengthens the influence of tax aggressiveness and public ownership on auditor switching.
	<b>Implications:</b> This study contributes to the literature on auditor switching and provides practical implications for management, investors, and regulators in understanding the dynamics of auditor switching.

## **Introduction**

Auditors serve as professionals in the field of auditing aiming to systematically collect evidence and evaluate the accuracy of the information presented in the financial statements in a free, objective, and impartial perspective and report the results transparently (L. Wu & Xiao, 2021) . Auditors have

deep insight into the various accounting issues faced by auditees including the policies, estimates and assumptions used in the preparation of financial statements (Defond et al., 2024) . Auditors have a moral responsibility to the public, where their main task is to provide opinions regarding financial statements that have been prepared fairly and in accordance with applicable accounting standards (Dunne et al., 2021) . Auditors gain most of the legitimacy and public trust by appearing as firm protectors of the truth and cannot be influenced by pressure from any party (Rizki & Turner, 2023) . Auditors must maintain independence in the process of collecting and analyzing data to ensure the integrity and reliability of audit results because independence is considered one of the main principles of auditing (Rizki & Turner, 2023) .

Auditor independence is important to ensure that audits are free from external or internal influences that could undermine the objectivity and reliability of the audit results provided (Nordin, 2023) . Auditors who are considered less independent will have their value questioned by stakeholders and the public and reduced trust in audits (Rizki & Turner, 2023) . Auditor independence is maintained by limiting the engagement period so that auditors must be compulsorily replaced in accordance with government regulations. However, auditor switching can also occur voluntarily, and this phenomenon can be influenced by the auditor and auditee factors (Husnimubaroq & Majidah, 2019). Auditor switching can occur for reasons such as resignation, dismissal or serious conflicts between management and auditors. Auditor switching is also often used by companies to conduct opinion shopping, namely by looking for auditors who are considered more tolerant in providing opinions on the company's financial statements (Ye et al., 2022).

Cases related to auditor independence where companies manipulate financial statements and tend not to be disclosed by the responsible auditor have occurred in Indonesia. One of the cases that has occurred is PT Bumi Resources in 2012, a large mining company in Indonesia facing serious problems related to its financial statements. The financial statements audited by external auditors are considered not in accordance with applicable accounting principles. Auditors are considered not thorough enough in examining suspicious transactions appropriately and have an impact on the company's financial statements. Auditors allegedly did not act independently and were influenced by pressure from large and influential client companies. Auditors also failed to identify illegal arrangements related to the company's debt and asset management. Financial markets were shaken and a reputational crisis occurred at PT Bumi Resources after this problem was revealed (Sari et al., 2022) . This case emphasizes the importance of maintaining integrity and objectivity in the audit process.

Another case that has occurred is at PT Garuda Indonesia Tbk which faced a case where the public accountant in charge was involved in manipulating financial statements and caused PT Garuda Indonesia Tbk to have to change auditors who previously used the services of KAP BDO to KAP Tanudireja, Wibisana, Rintis & Rekan and new auditor Daniel Kohar who has a good reputation and is part of the Big-4 KAP affiliation, thus it can be concluded that the cause of auditor switching at PT Garuda Indonesia Tbk is voluntary not from applicable regulations. Companies have the option to do auditor switching when the auditor in charge is not professional or receives an audit opinion that does not match their expectations, auditors play an important role in influencing management to do auditor switching (Tjahjono & Khairunissa, 2021) .

Each country's regulations regarding auditor switching have been established but there is still debate regarding the factors that influence the company's decision to conduct auditor switching (Kamarudin et al., 2022) . Previous research has investigated the effect of tax aggressiveness, and public ownership on auditor switching, some of which include research conducted by Herusetya & Natalie, (2021) and Sabilla & NR, (2023) revealed that tax aggressiveness has a positive effect on auditor switching. In contrast to research conducted by Husnimubaroq & Majidah, (2019) which states that tax aggressiveness does not effect auditor switching. Research conducted by Vidiанти & Yohanes, (2023) and Irjanti et al., (2023) revealed that public ownership has a positive effect on auditor switching. In

contrast to research conducted by Klarasati et al., (2021) and Aprillia (2013) which states that public ownership does not affect auditor switching.

Inconsistent results of previous research still occur. This study aims to determine whether tax aggressiveness and public ownership affect auditor switching and test auditor reputation as a moderating variable on the relationship between the main variables with auditor switching because it is believed to strengthen the influence of the two variables. This study covers public companies listed on the Indonesia Stock Exchange (IDX) in the energy sector for the period 2020-2023. Energy sector companies were selected in this study because they have a level of operational complexity and are vulnerable to transparency and regulatory issues as well as their significant influence on the environment, economy, public and investors, so that alignment with stakeholders becomes very important (Juliana & Sembiring, 2025). As a result, these companies must demonstrate high transparency to shape their corporate image (Blanco-Zaitagi et al., 2024). In addition, the originality of this study is to present a new perspective by exploring the role of auditor reputation as a moderating variable and adopting a different approach through the use of legitimacy theory to provide a more novel and in-depth perspective.

## Literature Review

The auditor switching problem can be explained using agency theory. Agency theory (Jensen & Meckling, 1976) is a contractual concept that explains the relationship between agents (management) and principals (shareholders). This theory contributes to reducing information asymmetry between agents and principals thereby increasing information transparency and legitimately protecting the rights and interests of principals (Jiang & Jiang, 2024). Agency conflicts arise when management acts in an opportunistic manner in its own interest (Lai & Leung, 2023). Management can act in their own interests at the expense of shareholders' interests, which can lead to agency problems and threaten the transparency of financial statements. Management and shareholders need to engage independent external parties with professional expertise to act as impartial third parties and ensure that managerial actions are aligned with their interests (Sawaya et al., 2025). Auditors play a role in reducing internal corporate conflicts by minimizing information asymmetry between agents and principals by presenting independent and objective financial reports and ensuring that the information submitted by agents reflects the company's financial condition accurately and transparently (Bhattacharya & Banerjee, 2020).

This research also adopts legitimacy theory (Dowling & Pfeffer, 1975). Legitimacy theory is a complementary theoretical approach regarding information needs between management and stakeholders (Velte et al., 2020). This theory focuses on the interaction between companies and society to explain how social expectations influence the various actions and activities carried out by companies (Suttipun, 2022). Companies that successfully operate based on an implicit social contract with society and act according to norms tend to fulfill and serve social expectations with the view that they are an integral part of society (Deegan, 2019). According to legitimacy theory, corporate involvement in sustainability is seen as authentic. Therefore, management is encouraged to convey sustainability information transparently and credibly to investors. This makes management less likely to manipulate the company's information flow to reduce the risk of a drastic decline in share prices in the future (Zhang et al., 2024). Auditors play an important role in conveying internal information to the public and help maintain and even improve the company's reputation (Jiang & Jiang, 2024). Audited financial statements play an important role in creating transparency and accountability, which in turn contribute to building and maintaining the company's legitimacy in the eyes of the public and stakeholders (Maroun & Duboisée de Ricquebourg, 2024).

Aggressiveness in decision making extends to the professional realm in finance and economics both in ways that are still within applicable accounting principles and those that deviate to create more profitable finances (Brivot et al., 2025). Taxes are seen as a burden for companies, so companies tend

to try to minimize their tax obligations to manage finances efficiently to maximize profits with tax avoidance mechanisms (Minh Ha et al., 2021). Tax Aggressiveness is a condition where companies minimize tax liabilities by taking advantage of loopholes in the law (Adela et al., 2023). Information asymmetry is one of the main factors triggering companies tax aggressiveness by companies which causes an imbalance of information between the company and other parties, making it difficult to detect the practice (Alkausar et al., 2023). Auditors can be a solution to overcome agency problems. Tax aggressiveness carried out by clients questions the integrity of management, which raises doubts about the quality of financial reporting and can increase audit risk and potentially lead to conflicts with management which can encourage auditors to resign (Husnimubaroq & Majidah, 2019). Auditors who retain clients with tax-aggressive financial statements face a greater risk of loss of trust, litigation, audit, and reputational risks (Herusetya & Natalie, 2021). Corporate financial statements include tax expenses, therefore auditors need to ensure tax-related validity to foster stakeholder trust (Chung & Lee, 2024). Companies that implement aggressive tax strategies may experience auditor switching to avoid detection from independent and strict auditors, they may move to more cooperative auditors (Chan & Song, 2021).

H1: Tax aggressiveness has a positive effect on Auditor switching.

Public companies sell their shares to the outside market thus creating greater separation between those who own the company and the management of the company (Hall et al., 2020). Public ownership shows public interest in public companies and affects how auditors assess audit risk (Shan et al., 2019). This is in line with legitimacy theory which states that the greater the public ownership, the higher the level of disclosure of information related to company activities (Arduyaningsih & Oktarina, 2022). Companies will show accountability to the public in order to maintain social support through auditors who act as reliable supervisors in the capital market because of their ability to provide independent assurance of the credibility of financial statements (B. Wu et al., 2025). Auditors ensure that financial statements are prepared fairly and accurately reflect the financial condition and performance of the company to support the efficient functioning of the capital market and enable investors and stakeholders to make the right decisions based on credible information (Irijanti et al., 2023). The greater the public ownership, the greater the responsibility of companies to report their activities to the public who are also shareholders. Companies need to prepare more comprehensive and quality sustainability reports to gain public support, even though they have a small portion of ownership (Sumarta et al., 2023). Companies tend to be more selective in choosing auditors in an effort to meet the expectations of public shareholders because independence is the public perception that auditors are objective and not influenced (Chung et al., 2021). Management can do auditor switching as a form of improving audit quality which is considered as an effort to ensure the integrity and credibility of financial statements (Chen et al., 2020).

H2: Public Ownership has a positive effect on auditor switching.

Auditors not only monitor the financial statements and tax activities of companies in accordance with accounting principles, but also maintain the integrity of management and organizations. A reputable auditor also improves the quality of the company by showing that management has maintained integrity (Arora & Singh, 2019). Auditors play a role in minimizing agency conflicts, especially auditors with high reputations who tend to have high ethical standards and independence. Professional ability requires auditors to help ensure transparency and compliance with tax regulations and support the integrity of financial statements (Ojala et al., 2020). Auditors with good reputations are expected to provide independent and objective opinions on the company's financial statements. They are tasked with assessing whether clients are engaging in tax aggressiveness in an effort to reduce tax liabilities (Qawqzeh, 2023). Tax risks can indicate the potential for large settlements with tax authorities and lead to a restatement of financial statements that risk damaging the auditor's

reputation (Abernathy et al., 2021). Highly reputable auditors tend to avoid engaging in tax avoidance activities because of the adverse consequences that can arise such as litigat risk, decreased reputation, and loss of trust from stakeholders (Madah Marzuki & Syukur, 2021).

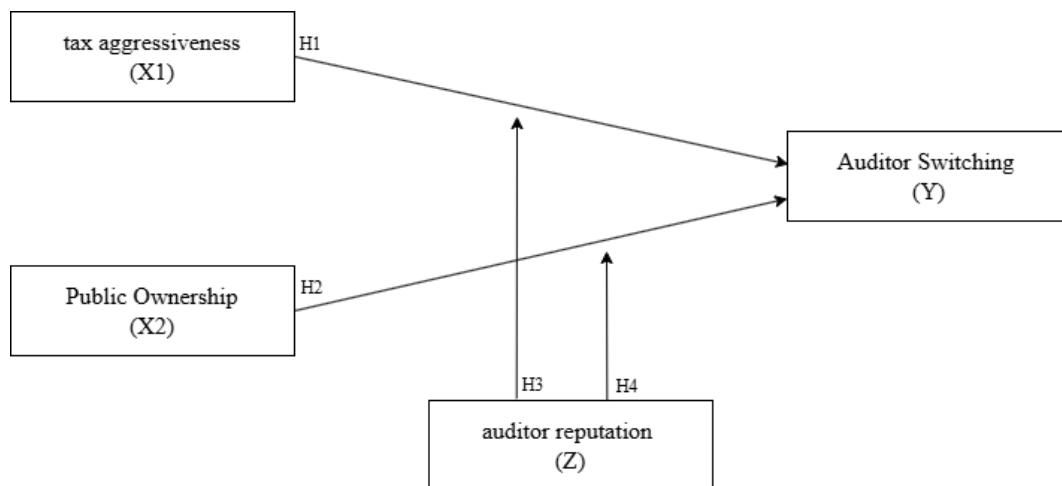
H3: Auditor reputation strengthens the effect of tax aggressiveness on auditor switching.

Auditors are required to play a role as gatekeepers for public companies. Auditors serve the public interest by attesting to the company's financial statements so as to increase the credibility and trust in the information. Auditors with a good reputation are also an important foundation for the legitimacy and sustainability of the audit profession (Nasution & Östermark, 2020). High public ownership creates pressure for companies to maintain legitimacy through accountability and information transparency. Companies appoint reputable auditors to meet these legitimacy demands to strengthen trust in financial statements (Tran & Tran, 2023). A fair stock price reflects the result of investor access to relevant information provided through financial statements in supporting the creation of an efficient capital market where stock prices reflect company fundamentals (Demange et al., 2020). Auditor quality is considered superior when they come from Big-4 firms because they can invest in technology, recruitment and development and standardize audit methodologies so as to provide better audit results (Manik & Laksito, 2019). The Big-4 firms include the largest accounting and professional services firms, namely Deloitte, EY, KPMG and PwC. Companies with high public ownership tend to have a greater need for highly reputable auditors to maintain public trust (Dewi et al., 2019). Auditor reputation is one of the factors that connects public ownership with the tendency of auditor switching because companies will do auditor switching when the auditors used do not meet expectations (Sukmawati et al., 2024).

H4: Auditor reputation strengthens the effect of public ownership on auditor switching.

The framework of this research is as follows.

**Figure 1.** Research Model



**Figure 1** shows the research model, namely the effect of tax aggressiveness and public ownership on auditor switching with auditor reputation as moderation.

## Research Design and Methodology

This study uses a quantitative approach with secondary data obtained from the audited financial statements of go public companies in the energy sector for the 2020-2023 period listed on the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)). The population of this study amounted to 90 energy companies listed

on the IDX for the 2020-2023 period. The sampling technique used purposive sampling so that 41 companies were obtained with a final number of 164 analysis units. The sample selection data for the study is listed in the following Table.

**Table 1.** Research Sample

Sample criteria	Total
Energy sector companies listed on the bei for the period 2020-2023	90
The company publishes annual reports / audited financial statements during the period 2020-2023	(32)
The company performs <i>auditor switching</i> at least once during the period 2020-2023	(1)
The company does not experience losses or negative profits during the period 2020-2023	(13)
The company has the data and information needed	(3)
Total companies in the research sample	41
Research period	4
Number of company observations (Sample x Period)	164

The operationalization of this research variable is as in table 2 of the variables discussed.

**Table 2.** Operationalization of Research Variables

Variables	Operational Definition	Indicator	Scale
Dependent Variable			
Auditor switching (Y)	Auditor switching is a change of auditor of a company that can occur mandatorily or voluntarily.  (Huda et al., 2021)	1 = Companies that make auditor changes 0=Companies that do not conduct auditor	Nominal
Independent Variable			
Tax Aggressiveness (X1)	The act of manipulating tax reports to reduce taxable income  (Herusetya & Natalie, 2021)	<i>Effective Tax Ratio</i> $\frac{\text{Tax Expense}}{\text{Earning Before tax}}$	Ratio
Public Ownership (X2)	the percentage of the company's shares owned by the public.  (Klarasati et al., 2021)	<i>Public Ownership</i> $\frac{\text{Total Public Shares}}{\text{Total Outstanding Shares}}$	Ratio
Moderating Variable			

Auditor Reputation (Z)	Views and judgments about the credibility of an individual audit firm or auditor by clients, investors, and the public.  (Naibaho & Amanda, 2024)	1= Auditor from Big-4 category  0= Auditor from Non Big-4 category	Nominal
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This research data analysis technique uses logistic regression. The reason for using logistic regression analysis is because there is a Non-Metric dependent variable or in other words using dummy variables.

## Findings and Discussion

### Descriptive statistical analysis

The results of the analysis excluded 63 data outliers so that the research data became 101. The results of descriptive statistical analysis are as follows.

**Table 3.** Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tax Aggressiveness	101	0.00	2.25	0.2966	0.31218
Public Ownership	101	0.03	0.85	0.2540	0.14990
Auditor Switching	101	0.00	1.00	0.3366	0.47492
Auditor Reputation	101	0.00	1.00	0.8218	0.38460
Valid N (listwise)	101				

Source: Processed research data, 2025.

Based on the results of descriptive statistics, the Tax Aggressiveness variable has an average value of 0.2966 with a standard deviation of 0.31218, indicating that there is sufficient variation in corporate tax aggressiveness. Public Ownership has an average of 0.2540, with a minimum of 0.03 and a maximum of 0.85, indicating a difference in the level of public share ownership in the observed companies. Auditor Switching and Auditor Reputation are binary variables with a mean of 0.3366 and 0.8218 respectively, indicating that the majority of firms retain their auditors, and most are audited by auditors with high reputation. The standard deviations on these variables indicate that there is significant variation in the sample of 101 companies.

### Logistic regression analysis

**Table 4.** Goodness Fit Test.

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	7.743	8	.459

The Hosmer and Lemeshow test results are  $0.459 > 0.05$ . This means that the model is able to predict the value of its observations or in other words the model is suitable for use in the next stage.

**Table 5.** Overall Model Fit

Iteration History <sup>a,b,(c)</sup>			
Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	129.047	-.653
	2	129.033	-.678
	3	129.033	-.678

The -2 log likelihood value is 129.033 before including the independent variables.

**Table 6.** Overall Model Fit

Iteration History <sup>a,b,(c,d)</sup>							
Iteration			Coefficients				
			-2 Log likelihood	Constant	Tax Aggressiveness	Public Ownership	Auditor Reputation by Tax Aggressiveness Auditor Reputation by Public Ownership
Step 1	1	121.138	-2.047	1.610	-2.983	1.641	-3.502
	2	120.688	-2.478	2.111	-3.765	2.373	-5.590
	3	120.682	-2.507	2.184	-3.787	2.584	-6.536
	4	120.682	-2.507	2.185	-3.786	2.601	-6.671
	5	120.682	-2.507	2.185	-3.786	2.601	-6.673
a. Method: Enter							
b. Constant is included in the model.							
c. Initial -2 Log Likelihood: 129.033							
d. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.							

Table 6 shows a decrease in the likelihood value (-2LL) to 120.682. this indicates that all variables have stable coefficients and parameter estimates have reached the point of convergence.

**Table 7.** Coefficient of Determination

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	107.091 <sup>a</sup>	.195	.271

Table 7 shows that 0.271 or 27.1% of the dependent variable is able to explain the variation in auditor switching and the remaining 72.9% is explained by other factors not examined.

This study uses logistic regression because the dependent variable is a dummy variable. Normal distribution is not required, so the normality assumption is ignored. However, logistic regression requires that there is no correlation between independent variables (Damodar N. Gujarati; Dawn C. Porter, 2009)

**Table 8.** multicollinearity test

Coefficients <sup>a</sup>		
		Collinearity Statistics
Model		Tolerance VIF
1	(Constant)	
	Tax Aggressiveness	0.826 1.211
	Public Ownership	0.824 1.213

Auditor Reputation	0.990	1.010
a. Dependent Variable: Auditor Switching		
Source: (Data processed by researchers, 2025)		

The multicollinearity test results show that all independent variables have a Tolerance value > 0.1 and VIF < 10, indicating the absence of multicollinearity in the logistic regression model.

**Table 9.** Simultaneous Test

		Chi-square	df	Sig.
Step 1	Step	21.942	2	.000
	Block	21.942	2	.000
	Mode	21.942	2	.000

Based on the significance result of 0.000 ( $0.000 < 0.05$ ),  $H_0$  is rejected and  $H_a$  is accepted. This means that the variables of tax aggressiveness, public ownership and auditor reputation have a significant effect on auditor switching.

**Table 10.** Partial Hypothesis

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 <sup>a</sup>	Tax Aggressiveness	2.185	0.980	4.970	1	0.026	8.895
	Public Ownership	-3.786	3.678	1.060	1	0.303	0.023
	Constant	-2.507	1.214	4.268	1	0.039	0.081
a. Variable(s) entered on step 1: Tax Aggressiveness, Public Ownership.							

Source: Processed research data, 2025.

The logistic regression results show that Tax Aggressiveness has a significant effect on Auditor Switching with a Sig value.  $0.026 < 0.05$ , so  $H_1$  is accepted. Meanwhile, Public Ownership has no significant effect with a Sig value.  $0.303 > 0.05$ , so  $H_2$  is rejected.

**Table 11.** Moderation Test

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 <sup>a</sup>	Auditor Reputation by Tax Aggressiveness	2.601	1.090	5.692	1	0.017	13.475
	Auditor Reputation by Public Ownership	-6.673	2.943	5.141	1	0.023	0.001
	Constant	-3.256	0.944	11.901	1	0.001	0.039
a. Variable(s) entered on step 1: Auditor Reputation * Tax Aggressiveness, Auditor Reputation * Public Ownership							

Source: Processed research data, 2025.

The logistic regression results show that Auditor Reputation strengthens the effect of Tax Aggressiveness on Auditor Switching with a Sig value.  $0.017 < 0.05$ , so  $H_3$  is accepted. In addition, Auditor Reputation also strengthens the effect of Public Ownership on Auditor Switching with a Sig value.  $0.023 < 0.05$ , so  $H_4$  is accepted.

## Discussion

**Tax Aggressiveness has a positive effect on Auditor Switching.** The hypothesis test results indicate that the higher the level of tax aggressiveness carried out by the company, the greater the possibility of auditor switching. Auditors must be able to account for the audit results especially to shareholders and tax authorities, this leads to the interpretation that auditors tend to avoid risks arising from the potential disclosure of tax aggressiveness activities such as reputation and legal problems so

that auditors tend to resign from clients who have extreme tax aggressiveness activities. This result is in line with agency theory which states that agency problems can arise due to tax aggressiveness activities carried out by company management due to the separation between ownership and control. Managers who act as agents can take advantage of complex tax structures to facilitate transactions to reduce the amount of tax the company must pay and divert surplus resources to their personal interests. The results of the study are in line with the conclusions of research conducted by Herusetya and Natalie (2021) and Sabila & NR (2023) which show that tax aggressiveness has a positive effect on auditor switching.

**Public Ownership does not affect auditor switching.** The results of this study indicate that auditor switching is not influenced by the percentage of shares owned by the public. Companies with public ownership are often expected to have tighter supervision and more pressure from external parties to increase transparency and accountability of the company, but in this study public ownership does not contribute directly to the company's decision to do auditor switching. Legitimacy theory argues that companies will take specific actions to meet external expectations and maintain their image. However, in this study perhaps companies with public ownership already feel sufficiently protected by the existing auditors and consider that auditor switching is not the main way to gain or maintain legitimacy and not all public shareholders actively supervise management. Companies may prefer to maintain existing relationships with auditors who are considered capable of maintaining reputation and trust without having to rotate just to meet the legitimacy demands associated with public ownership. Auditor switching can still occur regardless of high or low public ownership, as it is more often influenced by other factors.

The results of the study are in line with research conducted by Klarasati et al (2021) and Aprilia (2013) which state that public ownership does not affect auditor switching.

**Auditor reputation in moderating the effect of tax aggressiveness on auditor switching.** Based on the results of the research conducted, it was found that auditor reputation strengthens the effect of tax aggressiveness on auditor switching. This finding shows that companies with high tax aggressiveness activities tend to be more at risk in the face of reputation and legal problems. Auditor reputation guarantees for audit quality and objectivity of the company's financial statements. Companies that engage in high tax aggressiveness such as extreme tax avoidance can increase the risk for auditors because auditors must ensure that these practices are disclosed accurately in the financial statements and in accordance with tax regulations. Auditors with a good reputation and have high integrity and are able to manage audit risk are more likely to avoid companies involved with tax aggressiveness activities. Conversely, companies involved with tax aggressiveness activities tend to look for new auditors who are more willing to accept these risks. The results showed that reputation auditor moderates the relationship between tax aggressiveness and the decision to do auditor switching, where both reinforce each other.

**Auditor reputation in moderating the effect of public ownership on auditor switching.** The results showed that auditor reputation strengthens the influence of ownership on auditor switching. This finding shows that although public ownership has no direct effect on auditor switching, auditor reputation is proven to be able to moderate the relationship. In the theory of legitimacy, companies with public ownership are often more pressured to maintain accountability and public trust, auditor reputation actually plays a role in strengthening its ineffectiveness on auditor switching. Reputable auditors who have high integrity tend to prefer to maintain stable client relationships. Auditors may not feel pressured to change clients or change the companies they audit just because of public ownership factors, because they have maintained good audit quality and met applicable standards.

## Conclusion

The conclusion of this study shows that tax aggressiveness has a significant positive effect on auditor switching, which means that the higher the tax aggressiveness applied by the company, the greater the possibility of auditor switching because reputable auditors do not easily compromise the

risk of financial statement impropriety. Companies also move to find more cooperative auditors. Public ownership does not have a significant influence on auditor switching, so public ownership does not contribute directly to the company's decision to change auditors because it is more influenced by other factors regardless of high or low public ownership. Auditor reputation plays a role in strengthening the influence of tax aggressiveness on auditor switching, because auditors who have a good reputation and high integrity, and are able to manage audit risk, tend to avoid companies involved in tax aggressiveness activities. Auditor reputation can also strengthen the effect of public ownership on auditor switching, auditor reputation ensures that audit quality is maintained without the need to rely on auditor changes triggered by these external factors.

Future research is expected to use more appropriate indicators to measure auditor switching, which is expected to affect auditor switching from both internal and external sides, as well as expand the object of research so that data coverage becomes wider.

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