

ABSTRACT

THE INFLUENCE MECHANISM CORPORATE GOVERNANCE OF EXTERNAL AUDITOR SELECTION

BY

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The purpose of this research was to test empirically the influence of mekanimse corporate governance against the reputable auditors and election to test comparatively regarding corporate governance mechanisms and the selection of the external auditor on the financial industry specialization and non-finance listed in Indonesia stock exchange. A sample of these studies use purposive-sampling on the company listings on BEI.

Analysis methods in use are logstik regression test, test different independent t-test and use additional tests to regression test. The independent variable in this study is mekanimse corporate governance described the institutional share ownership with a presentation, the presentation of managerial stock ownership, the size of the Board of Commissioners and the audit Committee's effectiveness. The dependent variable used is the selection of the external auditor were described using dummy variables for top ten reputable Auditors and external auditor revenue in research for additional regression test. Controlling variable used is the size of the enterprise, leverage and the type of industry.

Research results that stock ownership variable has no effect on the selection of the auditor eksternal the reputable. While the variable size of the Board of Commissioners and the audit Committee's effectiveness to the reputable auditor election. Test result different tells us that the mechanism of the corporate governance and the election of an auditor for the financial sector better than the non-financial sector.

Keywords: corporate governance Mechanism, the selection of auditors and revenue auditor eksternal.