

AUDITOR INABILITY TO USE PROFESSIONAL SKEPTICISM

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by

Tiffany D. Schuster

Dissertation

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Doctor of Business Administration

Liberty University, School of Business

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Abstract

This qualitative study sought to understand challenges to Louisville, Kentucky Certified Public Accounting firms and the development of auditor professional skepticism. The research considered the problem of the lack of professional skepticism and the importance of the skill in the auditor's role. The study focused on three levels of auditing roles, their experience in auditing, education levels, and overall experience in their current role. The research methodology was a single case study design and interviewed participants through gaining insight from their experiences in the auditing field, and the challenges faced. The research deepened the understanding of problems and contributing factors for professional skepticism development and identified potential solutions.

Keywords: professional skepticism, auditor judgment, fraud, material misstatement

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Date

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Date

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Dedication

This study is dedicated to my Lord and Savior Jesus Christ. I trusted in God with the path He chose for me, and he supported me throughout this entire process. I also dedicate this to my loving father that passed away during my doctoral studies; because he inspired me to further my education by his example of earning two doctorate degrees. I dedicate this to my loving mother, who helped with love and support while I continued my educational journey. I dedicate this to my husband because without him I would not have had the support to complete the research project. I dedicate this to my children, grandchild, and future grandchildren, who I pray will see this work as an example for them to follow and further their educational journey.

Acknowledgments

I want to thank my Lord and Savior, Jesus Christ. I prayed for several years prior to starting the doctoral journey and he supported me every step of the way. I also want to acknowledge my dissertation Chair, Dr. Gene Sullivan who was always helpful and provided the guidance for completing this degree. I also would like to acknowledge Elissa Rogers who was a couple of classes ahead of me in the program and she was able to help support me through the dissertation process and provided support for my dissertation. I want to thank my entire family for their support and encouragement throughout this process. Without those mentioned and other friends and family in my life, I would not have been able to push forward through the tough passing of my father and continue to push forward and complete the study.

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Section 1: Foundation of the Study

Auditors are tasked with validating financial statements through audit engagements and contracted to provide an objective view of the organization's financials. The independence of the auditor, as well as the use of professional skepticism, is a part of their role to provide confidence in the overall audit process. Despite these essential qualities necessary for the accounting profession, it is difficult to eliminate conflicts of interest and understand the use of professional skepticism of the auditor. The current study provides insight into the problems with the use of professional skepticism and the lack of understanding from the auditor profession.

Background of the Problem

The background of the problem was the auditor's inability to use professional skepticism through accounting audits creates an inconsistency with financial misstatement detection (Mubako & O'Donnell, 2018). Professional levels and attitudes of auditors and the critical assessment of the financial statements are inconsistent, and lack of skepticism leads to decreased auditor confidence (Yazid & Suryanto, 2017). Sheridan (2014) suggested specific managerial characteristics align to reflect a red flag for auditors to follow, but the growing list of personal characteristics of the manager and a suitable identifiable pattern has yet to be created for the auditor's use to detect fraudulent behavior.

The focus of this study was to research the use of professional skepticism, and the inability of auditors to detect material misstatements and the exposure of risk was worthy of a business study. Mubako and O'Donnell (2018) explained auditor skepticism and judgment fluctuates and leads the gap of the auditor's ability and lack in the auditor's response detecting material misstatements through auditing procedures. Yazid and Suryanto (2017) further suggested a lack of knowledge has an overarching problem for auditors to detect material

misstatements and prevent or minimize the presence of fraud. Auditor skepticism was necessary to bridge the gap of fraud through ineffective reviews, confusing reports, and personal ties to the firm where detection is problematic (Sheridan, 2014).

Potential solutions found in literature reviews from Mubako and O'Donnell (2018) depicted how adding in elements from audit regulators will align the understanding and exposure of auditor skepticism to increase audit quality. Another solution to the lack of auditor skepticism was the auditing firm's ability to recognize this element of the auditing process as a valuable concept and create educational programs to educate the importance of the attitude of professional skepticism (Yazid & Suryanto, 2017). Creating assessments of the auditor to evaluate the level of skepticism would help the auditing firm align the correct auditor with the appropriate assignment (Eutsler et al., 2018).

Problem Statement

The general problem addressed was the auditor's inability to detect client deception through the use of professional skepticism. Auditors are to align their abilities to provide reasonable assurance the financial statements are free from material misstatement; however, the lack of professional skepticism is an underlying problem (Glover & Prawitt, 2014). The lack following professional rules and regulations are problematic from a legal and ethical stance (Surak & Wilson, 2014). The paucity of auditor oversight creates a gap in the auditor's ability to effectively complete audits using a high degree of professional skepticism (International Monetary Fund, 2017).

A gap of knowledge exists between existing literature with accounting and the auditor's function to detect material misstatements due to the inability to use professional skepticism. The overall reaching problem to address the importance of the auditor profession is to research

compliance and follow regulations to fulfill the audit component (Kossovsky, 2014). Unethical professionalism was ignored for identifying unethical behaviors the auditor profession identifies risks to the firm (Jeffrey, 2011). Auditors provide assurance where the board members set approved measures where the auditor should fulfill the expectation of their role (Kubitscheck, 2014).

Specific Problem

The specific problem addressed was the auditor's inability to detect client deception through the use of professional skepticism in regional CPA firms in Kentucky. Professional and ethical decision making by the auditor is necessary when working with the discovery of fraud or other manipulative tactics but becomes problematic when professional skepticism is not used throughout the audit process (Jeffrey, 2016). Disorganization from auditor agencies was problematic in Kentucky and attribute to the lack of professional skepticism for this region (Luftus, 2018).

Purpose Statement

The purpose of the study was to examine the lack of professional skepticism, which results in the inability of auditors to detect deception when working through client inquiry. Professional auditors should conduct audits with due diligence for confidentiality as well as the discovery of material misstatements through deceptive techniques (Surak & Wilson, 2014). This qualitative case study explored the inability of the auditor and the problem of auditor skepticism continuum, where oversight and malformed judgments impede upon the professionalism of the field. Identification of the field of study for auditor's inability to fulfill their responsibilities will examine the gap of knowledge through the auditing process and discuss attributes contributing to the lack of professional skepticism (Brazel, 2018).

Professional and ethical decision making by the auditor is necessary when working with the discovery of fraud or other manipulative tactics but becomes problematic when professional skepticism is not used throughout the audit process (Jeffrey, 2016). Disorganization from auditor agencies was problematic in Kentucky and attribute to the lack of professional skepticism for this region (Luftus, 2018). The auditing function is an important application of professional skepticism and is important for regional performance measures and audit quality to apply professional skepticism by the auditor.

Nature of the Study

Walle (2015) described the growing need of qualitative research studies in the business field and identifies the case study design as an in-depth research base to explore and explain studies of business as an educational tool. The examination of the research methods will review the elements of each method and various designs to answer the research questions of this study. The different qualitative designs are researched to support the study and a chosen method selected for suitability for the study.

Qualitative Method

The qualitative method of the research study was chosen over the quantitative approach to investigate the problematic topics of the auditing environment (Zacharias, 2012). The participants of the qualitative method identified through different techniques than quantitative data-driven analytics to examine the auditor's inability of professional skepticism. The nature of the study plans to expand the knowledge and gain insight into the problem of the lack of professional skepticism used in formalized audits, where the focus will describe this phenomenon in the accounting profession. Kripke (1989) supported the qualitative method for

auditing research where the conceptual framework was instrumental for the study of the relationship between the auditor and the accounting profession.

Research with qualitative methods of auditing methods supports the study of the identification of fraudulent practices through an investigation of information derived from forensic accounting (Anderson et al., 2008). Qualitative methods are a valid form of research for assessing detailed documentation provided by auditor's assessments and recommendations of concerns and recommendations (Simutowe, 2019). Professional skepticism studies through a qualitative method identify ethical behaviors and levels of professional skepticism through the qualifications of the auditor and their judgment (Barnes & Huan, 1993). The qualitative method was suitable for the investigation of the auditor and their processes where the characteristics and recommendations reviewed through audited financial statements and the professional skepticism used (Nevius, 2013). Given the referenced research of the qualitative method, the examination of the auditor's inability to apply professional skepticism was the best method to investigate the practitioner's perceptions and practices.

Quantitative Method

Rajendran (2008) explained the observations for the quantitative method use statistical techniques where qualitative methodologies use a synergy approach to understand the event. The quantitative method was used for business research for predicting future outcomes through regression analysis (Chen, 2012). Research questions for the quantitative research method analyze a set of variables to predict outcomes based on assumptions from samples. Prasad (2015) suggested the quantitative method was best suited for a logical and formalized process where a data-driven systematic process to analyze the information.

Quantitative methods of research examine a pre and post review of the data where qualitative was best suited for an in-depth examination of analysis and how the outcomes were formed (Jiao, 2015). Quantitative methods are not the best to research through the questions of how and why where the investigation could overlook evaluation the of the research questions (Yin, 2014). Because of the qualities of the research questions in this study, the quantitative method is not suitable for collecting data where outcomes are examined through pre-audit variables and this study's focus is the professional judgment and the auditor's inability to use skepticism.

Mixed-Method

Mixed methods combine both the quantitative and qualitative methodologies where data are gathered through valid and reliable methods (Bourke et al., 2016). Data collection from unbiased focus groups involves integrating surveys where this combines comparison groups for analysis (Shaffer, 2013). Mixed methodologies combine cross-functional methods with analytical designs to find a synthesis of literature and statistical analysis to examine a single study. Surveys are a form of data collection methodologies as well as interviews for the research design of mixed methods (Adams et al., 2014).

Mixed methods combination of qualitative and quantitative elements and are suited for the synthesis of information from interviews and questionnaires examining current factors (Hai et al., 2019). The mixed method could be used for future research where the combination of the methods examination full capabilities of the auditor's professional skepticism through a pre and post evaluation (Jiao, 2015). This method was not suited for answering the qualitative research questions in this study because of the research method structure.

Designs

Case Study Design. A case study design is a qualitative method of a complex phenomenon where a close examination of the problem through a formal research plan (Travers, 2001). The qualitative approach was designed to determine the investigation of the problem through procedures and practices where the background is examined to allow the researcher through identifying literature and documents of the problem (Roberts et al., 2019). The case study examined the auditor's inability to use professional skepticism as a core component necessary for the auditing function for the qualitative research (Bee et al., 2018).

Yin (2014) related how and why research questions are prime examples for the case study design and the emphasis of a single event to examine. Case study designs used in the research of accounting and fraud-related issues identify auditing and recommendations from the auditing firms (Anderson et al., 2008). Case study designs are suited for affirming auditor obligations through assessing the appropriate professional skepticism used by the auditor of the evidence collected (Kripke, 1989). The case study design is best suited to examine the phenomenon of the auditor's lack of professional skepticism used in the audit process that surrounds this in-depth investigation.

Grounded Theory. A widely used qualitative design is the grounded theory design to obtain information to analyze data observing a social concept (Swanson, 2013). Interview techniques used for the grounded theory design identifies a process to study to develop a theory. The grounded theory uses a systematic design formed through data obtained from research questions created from cataloging the linked variables with the reflections found from research questions (Adams et al., 2014). The grounded theory is the study of the likelihood of an event to

occur or a hypothetical situation and is not selected for this study because this is an investigation of an actual event.

Narrative Design. Narrative qualitative designs craft a storyline through discussion, beginning with broad topics, and narrowing the focus of the research of the individual stories (Keegan, 2009). Maintaining a delicate balance of the development of the story with a subjective thought process constructs the storyline developed from the stories people create. The narrative research analysis reviews time and culture and is not suited to answer the research questions for this study of this business problem of auditor's lack of professional skepticism. The narrative research design plans the study from interviews that are a free form or unstructured interviews to describe how the individual felt in a scenario (Walle, 2015). The basis of the narrative design is written or spoken words from the individuals and is set in front of an audience. Because of the structure of the narrative research design, this method was not suitable because the occurrence is historical and not the focus of the study.

Ethnography Design. The ethnography design is mainly focused on people and writing to understand human behavior over an extended period (Jemielniak, 2014). This type of qualitative design explores local cultures and local traditions (Neve, 2008). Observance of behaviors researching social behaviors and values through environmental context to examine the culture of the studied group. The culture of the auditor and their environment are not the focus of the research study where this methodology observes and interviews the social phenomena in their real-world environment. This study was based on a single event and will not watch and interact with the auditors in this study and will not be used based on the business study.

Phenomenology Design. The phenomenology design is another qualitative research method where the humanistic view of life and social science is studied (Walle, 2015). This

technique does not answer the research questions where the formulation of the individual auditor's judgment but more of a reflection of the individual. Phenomenology qualitative research investigates an individual's perception of their experiences (Awasthy & Gupta, 2015). Phenomenology is the study of personal and individual lived experiences where the actual auditor's lived experiences explored (Reiter, 2011). While this study does not intend to interview lived experiences for this qualitative study, the case study approach was supportive of the investigation.

Nature of the Study Summary

Awasthy and Gupta (2015) suggested case studies are useful to answer the research question to explain the phenomenon of the business problem. Theoretical gain from a case study will examine a relevant case study in the Kentucky region through specific research of the auditor's inability to use professional skepticism to detect risk (Elsbach & Bechky, 2009). Qualitative methodologies, like case studies, are highly valued with an exploration of ethical and business-related examinations (Reinecke et al., 2016). Hughes and Berry (2000) supported the case study approach through the accounting function with the questions and research framework that benefits the selected design. Case studies are widely used to study a single phenomenon for an in-depth study of a problem that has a historical basis and generate context surrounding real-life scenarios (Adams et al., 2014). A qualitative method planned with a case study design is advantageous for an investigation of a single event and is chosen for this study (Yin, 2014).

Research Questions

The research questions of this case study will identify the inability of the auditor where lacks professional skepticism and how this impacts the auditor's failure to identify deceptive techniques through manipulation, misrepresentation, and misapplication (Rosen & Rosen, 2017).

The auditor's oversight derived from revisions and assumptions due to lack of professional skepticism can lead to long-term financial impacts to the organization (King, 2011). Less testing was performed based on the auditor's judgment to examine the level of risk associated with financial statement audits where control audit steps lack guidance and professional skepticism to achieve compliance (Anand, 2007).

RQ1. Why is there a gap with auditor's inability to use professional skepticism in the assessment of audit evidence?

The audited records are the basis of the foundation of the audit, but the original file should be checked for accuracy to ensure properly classified accounts otherwise this widens the gap of the auditor's inability to correctly perform their assessment (King, 2011). Discrepancies found within the auditor's framework lead to significant deficiencies, and lack of professional skepticism increases the chances of material misstatements in the financial reports (Anand, 2007).

RQ1a. How do the auditors form their judgments and understanding of professional skepticism?

An auditor's approach to inadequate controls over assets form judgments based upon inaccuracies in accounting and self-correcting values over time (King, 2011). Auditors are to use their views when auditing the firm's financials with a questioning mind, but the inquiries could potentially overlook differences from benchmarks and increase risk (Clinton & Arnold, 2008). Corporate performance and implementation of appropriate auditing procedures undergo pressures from the strategic objectives of the firm that could sway the auditor's ability to apply professional skepticism (Jones, 2012).

RQ1b. What leads the auditor to this deficiency related to skepticism, and how is this connected to gathering adequate evidence?

Gathering evidence through increased technological advanced programs is problematic for the auditor when concerning the efficiency of internal controls and professional skepticism to determine best practices (Anand, 2007). Audits are performed to identify red flags, but education in the industry is lacking creating deficiencies of professional skepticism (Clinton & Arnold, 2008). Empirical evidence and underperformance issues are factors relating to conducting audits and increase the gap of ethical behavior and corporate expectations (Jones, 2012).

Proposed Research Method and Design

The case study qualitative research methodology focuses on the auditor's ability to detect deception within auditing firms in Kentucky. As cited in the PCAOB reports, deficiencies related to skepticism are the most common audit deficiency. The examination of professional skepticism and fiduciary duty of the auditor will examine auditor assessment and lack of professional skepticism, impairment of auditor's independence, and evaluating the integrity of the auditor in auditing firms in Kentucky (Moran & Kral, 2013). The lack of auditor inability to conduct audits with professional skepticism is examined to answer the research questions posed in this case study.

Conceptual Framework

The case study design is a qualitative study that intends to understand the gap in the auditor's inability to use professional skepticism in the audit process. Within the conceptual framework, four different concepts are explored to understand auditor professional skepticism. The four concepts for this qualitative study are rules-based accounting, principles-based accounting, auditor independence, and audit quality. A diagram is represented in the conceptual

framework to support how these concepts relate to the study. The themes from the research will present and identify to describe how the theories relate to auditor skepticism.

Rules-based Accounting Concept

Accounting standards incorporate a method driven from Generally Accepted Accounting Principles (GAAP), where auditors must follow the guidelines through the auditing process. A survey revealed a small number of auditors understood the difference between rules-based accounting and the professional judgment needed through the use of the rules-based system (McEnroe & Sullivan, 2012). The inherent characteristics of the rules-based accounting approach guide the auditor of the suggested rules and application of the concept through the auditing process.

The dependence of the auditor's function has grown and expanded in recent years, with the expansion of duties demanding more independent thought and expanding knowledge used and increased professional judgment during the auditing process. Accounting judgment incorporates concepts of principle-based or rule-based application to form opinions based on standards (Illiano, 2012). The auditor uses professional analysis derived from one of the claims the firm incorporates into its processes and procedures.

Rules-based accounting is essential for auditors to control the audit of earnings and document through the process with the adherence to rules when auditing the financial statements (Vann & Presley, 2018). The presence of risk factors found during the audit are pressures of incentives, opportunities, and rationalization that indicate an increased need for professional skepticism (Arnold, 2009). Rules-based accounting standards increase comparable elements of expense disclosure (Crawford et al., 2014).

The concepts of rule-based accounting standards aid with the reduction of auditor professional skepticism where decision-making abated (Garner et al., 2008). The Ultramares concept is one where the auditor has an extended amount of responsibility owed beyond the usual due diligence they are to give. Kripke (1988) furthered this concept where accounting principles and the evolution of the accountant incurs complex values and estimates for practical application. Another idea is the principles-based concept of accounting, where the auditor uses principles for the implementation of a flexible managerial approach to auditor skepticism (McEnroe & Sullivan, 2012). These rules include concepts of the auditor's professional judgment and apply accounting concepts formally practiced in the workplace (See Appendix A).

Principle-based Accounting Concept

The international financial reporting standards (IFRS) offers a wider accounting approach of principle-based accounting where the methodology adjusts to the company's financial reporting structure (McEnroe & Sullivan, 2012). The guidelines created for the guidance of the auditor through the auditing process where flexibility is often an element where this concept differs from that of the rules-based accounting concept. This approach is gaining popularity where boards encourage professional judgment as an opinion through the principles-based idea (Illiano, 2012).

Client pressure from the Securities Exchange Commission (SEC) or the client-base was present and directly impacted the professional judgment provided by the auditor (Arnold, 2009). The application of professional skepticism where the effect of the principles-based approach where a mixture of rules and principles creates a flexible mix to adequately examine the expense disclosure (Crawford et al., 2014). Principles-based accounting standards produced higher

quality audits because the auditor's collection of data supports their judgment regarding the earnings reported by the company (Vann & Presley, 2018).

Independence Concept

The concept of independence includes proper handling by the auditor, as this is a crucial element for the processes of the auditor and understanding compliance with performance standards (Russell, 2013). The qualitative studies examine observations of the auditor and how they handle the elements of the audit while maintaining an independent viewpoint. The auditor is to design an audit process to confirm positively or negatively on the risk, balances, and for completeness (Holt & Wampler, 2011). Keeping an independent mindset throughout the audit encourages the auditor to examine the account balances through avenues where material misstatements modeled through account balance relationships.

Throughout an audit, the auditor must remain independent from the findings through a quality review; otherwise, compromises may arise from the process of the auditor's role (Tepalagul & Lin, 2015). The auditor's ability to maintain effective independence is important to the quality of the audit performed, and additional incentives are formed to promote adherence to these auditing quality rules. Auditor independence impaired through the use of required technical tools to measuring estimates lacks thorough investigation and management of a quality audit trail.

Quality Concept

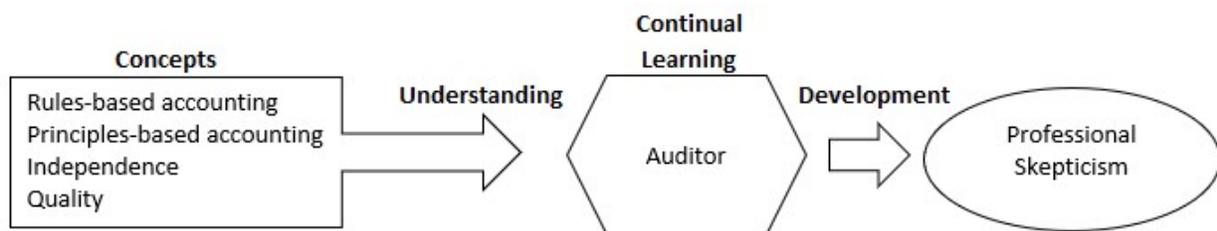
Communication throughout the audit adds to the level of quality output from the audit engagement where navigating technical pieces and accounting standards enhance efficiency (Levy, 2018). Auditor quality is another concept used throughout the auditing process where impairment can come from the expansion of duties or retraining due to audit rotations (Tepalagul

& Lin, 2015). Financial reporting quality is supported through structured relationships and client influence over the independent auditor (Khasharmeh & Desoky, 2018).

Auditors typically use a template design as a foundation in the auditing process, where qualitative research measure compliance and other auditing elements against standards (Bautista-Smith, 2012). The concepts are used by the auditor to measure various elements throughout the auditing process, where each item audited with compliance verification, and improvement opportunities identified. Templates help with the independence of the auditor through specific requirements of the audit engagement process. Audit firms create auditing tools and techniques to assist the auditor through the auditing process with increased efficiencies and quality of audit (Vann & Presley, 2018).

Figure 1

Four Concepts Support Auditor's Knowledge Base



In the diagram mentioned above (Figure 1), the four concepts support the basic understanding of the auditor's knowledge base. Throughout the auditing process, continual learning developed through a deeper understanding of the ideas that underpin the auditing function. The auditor develops their form of professional skepticism as an evolution throughout the process of auditing.

In summary, the auditor uses rules-based accounting concepts as a foundation for the development of the auditing function. Another concept auditors use principles-based accounting

to learn and develop methodologies and formulate professional skepticism. The auditor's use of the independence concept is the basic understanding of the auditor's judgment throughout the process of the audit. Auditing quality is the fourth concept where the auditor learns and develops the understanding of increased quality measures necessary to support the professional judgment and assessment of the client's financials. The study of these four concepts will identify the gap of knowledge where the auditor constructs their professional skepticism.

Themes and Perceptions

In this section, emerging ideas and perceptions developed to support the research of the conceptual framework. The themes are perceptions focused on for this qualitative case study are managerial understanding of auditor capabilities, audit risks, material misstatement and evidence identification, auditor estimates, and compliance to processes and procedures. Each emerging theme examines the auditor's cognitive ability throughout the auditing process.

The Theme of Managerial Understanding

The first theme of the conceptual framework is the managerial understanding of the auditor's cognitive and professional abilities. The audit engagement process uses a top-down approach where senior managers coordinate scheduled auditors based on experience and assumed knowledge (Udeh, 2015). Auditors adhere to accounting and auditing reforms and apply laws, such as the Sarbanes-Oxley Act (SOX) of 2002. Increasing auditor duties includes the boards to serve where directors determine the selection of the auditing board members (Banerjee & Kaya, 2017). Understanding the audit engagement process and the method auditors are assigned to their field workload relies on the managerial understanding of the auditor's capabilities.

The senior managerial assignment process translates to a logical connection between the understanding of management's assumptive knowledge of the assignment and the auditor selected for the task imposed throughout the selection process. Information technology increases efficiencies through the auditing process and automated many judgments auditors would construct. Auditor reliance on the systematic output reduces the detection of potential fraud occurrences early in the auditing process (Subhani, 2013).

Kasim and Hanafi (2015) contended the manager's role to align the auditor with the company's goals is inadequate. Additionally, the managers' motivation influenced by their incentives and goals where personal performance may not align with the shareholder's maximum value (Kasim & Hanafi, 2015). The audit manager's responsibilities are to plan the audit with skilled auditors where identification of process risks or financial reporting deficiencies presented by the auditor members of the firm. The role of the auditor is to ensure compliance and examine transactions and other documents to provide systems of the audit are operational and formulate professional judgment from the examination performed.

Theme of Risk

The second theme of the study identifies associated risks arising from auditor assessments of the audit evidence but lack continuously monitored processes for effective control over audit quality (Kasim & Hanafi, 2015). Current literature reflects the inability of the auditor to use their personal, professional skepticism through testing evidence and identifying evidence for testing (Anand, 2007). Risks of audits are explained through qualitative research where the application of business processes where risk assessed throughout the review and the nature of the effectiveness evaluated (Russell, 2013). The connection between the auditor and the lack of

professional judgment found through relationships of concepts and principles where examination further through a qualitative case study is deemed necessary.

Industry-specific educational requirements are a growing trend to enhance auditor knowledge. Unfortunately, a narrow field of work experience and application trend is emerging, thus widening the gap and lack of auditor knowledge in other fields (Udeh, 2015). Subhani (2013) contended the lack of continuous audits in addition to professional auditor judgments are necessary for identifying fraudulent and material misstatements. The auditing industry demands an expanded its scope of evidence examination, and auditors are accepting more responsibilities and expertise in several accounting areas. The expansion of duties with a narrow scope of practical application reduces audit exposure in other areas and the risk of undetected fraud increases.

The capacity of the auditor to develop professional skepticism comes through different decisions, process mechanisms, and attitudes of cognitive thought over time (Griffith et al., 2018). They are expanding the capacity and knowledge of the auditor driven through the process of audit evaluations and performance improvement efforts (Ma'ayan & Carmeli, 2016). Continual education allows the auditor to broaden their knowledge in the auditing field, but a necessary additional examination of this development conducted through this qualitative case study.

Material Misstatement Theme

The third theme of the study is the lack of transactional evidence and where a shortened lifespan of the transactional history through automated processes could miss a material misstatement. The automation process intends to speed up the flow of data and annual audits; however, the auditor could miss the detection of fraud or material misstatements because

important evidence was not collected (Subhani, 2013). A component to the auditing function is continual training during non-peak times where tenured staff will enforce skills and knowledge to inform new auditors of standards (Udeh, 2015). The detection of material misstatements through the collection of audit evidence where conclusions are drawn. Professional skepticism considers the elements of SAS 99 through the audit engagement process to detect fraud and material misstatement (Golden et al., 2006).

Theme of Estimation

The fourth emerging theme of lacking professional skepticism developed through the application and understanding of GAAP, where estimates created during the audit process is subjective and merely predictions (Golden et al., 2006). Auditing assessments derived from perceived auditing standards examined from not significant to a highly considerable evaluation of the account based on the factors involved (Ramos, 2008). Formalized rules and standards created to support auditors, but additional education is necessary with the addition of SOX and other compliance standards to ensure correctly calculated estimates.

Ramos (2008) stated the auditor's techniques for the audit contain elements of judgments were based on circumstances and beliefs of the presentation of the financial statements. Each company has the responsibility to construct a code of ethics for the auditors to follow, but each company may alter conflict of interest or unethical behavior policies (Anand, 2007). The auditor role has expanded and evolved with their function with the Sarbanes-Oxley Act where they had to implement and monitor the new procedures which changed their role as an auditor to detect material misstatements (Holt, 2008). The techniques and responsibilities driven through new laws should additionally speak to the importance of estimates when auditing the financial statements.

Compliance Theme

The fifth theme of the conceptual framework is the formation of auditor compliance with company process standards, and the understanding of those processes lead auditors to apply professional judgments on financial standards (Anand, 2007). Griffith et al. (2018) introduced The Elaboration Introduction Model where the process of the auditor's development of professional skepticism is through accountability, credibility, and motivation are factors represented in the cognitive processes of the auditor (see Appendix B). Auditors have several areas where they apply their pedagogical knowledge through the auditing process to identify potential errors in the financial statements.

Conceptual Framework Summary

In summary, the four concepts of rules-based accounting, principles-based accounting, independence, and quality are the foundation of knowledge the auditor must follow when performing an audit. The auditor uses the skills and education they have acquired through their tenure to expand their knowledge and capacity in industry-specific auditing roles. The case study examines the auditing functions uses of the concepts and themes and how they assess the materiality through the auditing process to discover and disclose the elements derived from the auditing process. The combination of these different concepts, themes, and components are relational to the qualitative case study to understand the auditor's lack of professional skepticism.

Definitions of Terms

Several terms were selected to add additional information and depth to the qualitative case study. The terms presented below will shed additional light on the terms and how they are used in the accounting field. Five main terms will include definitions and explanations to expand upon each concept.

Audit Quality: Financial reporting quality improved through appropriate accounting applications with increased measures to ensure accuracy in reporting (Pounder, 2009). The accounting profession demands a knowledgeable and effective professional business etiquette where service and quality are extremely important to the audit process (Van Riper, 1994).

Independence: The auditor's point of view is a fundamental professional attribute of independence through a review of their client's books (Van Riper, 1994). The auditor's independent attitude toward auditing accounting research of the client where professional consistency is mandatory to measure potential fraud correctly (Hasseldine, 2017).

Principles-based accounting: Rules established based on accounting principles to guide the accounting practitioner to publish accounts and figures that support the application of those principles (Pounder, 2009). Statement 157 provides additional information supporting valuation resource groups where auditing experts ensure financial reports support the application of fair value questions to evaluate and improve upon auditing techniques (Curtis, 2009).

Professional skepticism: Professional expectations of the auditor's professional conduct where the judgment contains elements of due diligence where fair valuation and practical assumptions of financial reporting used throughout the audit process (Curtis, 2009).

Rules-based accounting: Standards created to increase the alignment of financial statement transactions and events for financial reporting (Pounder, 2009). Rules-based accounting based on financial reporting created through fair value accounting practices and governed by regulation (Curtis, 2009).

Assumptions

The presentation of the definitions of the terms precedes the section of the assumptions, limitations, and delimitations. Theoretical and methodological assumptions evaluate the concepts

of the auditor and the professional skills they should possess throughout the process of the audit (Delamont et al., 2000). Assumptions are the presumptive state where the meaning derived from straightforward information as well as presence (Sallis, 1995). Several basic assumptions will be presented below with further explanation.

Truthful and Honest Assumption One

Assumptions formed through the case study of the auditing process are the assumption where honesty and truthful responses are given for questions regarding sensitive materiality (Keegan, 2009). Honesty derived from the feedback of the surveyed participants is assumed. Truthful answers derived from honest answers are assumed where the deviation from the truth is minimal. The truthful and honest assumption is not verified through the study and is perceived as subjective understanding and considered factual (Fischer, 2006).

Assuming the individuals contributing to the feedback of the case study are honest, the risk is that all answers may not be fully answered with all honesty. Another risk for the truth derived from the participants of the study is that the full and entire truth is not presented. Perhaps only some of the truth is told, where other parts are not included with the response.

Include literature to explain the type of full truth that requested from the participant. The study can educate on the honesty policy for the research program where full honesty expected for the validity of the research. A risk assessment will help to determine the level of risk associated with the type of questions asked (Brunk et al., 1991).

Knowledge Assumption Two

The individuals surveyed are knowledgeable regarding the auditing function within their organization. Additionally, knowledge of the auditing topic and perceived understanding of the

internal processes are important to the study. Understanding the differences between the terms is also an important topic for the study.

Risks derived from the knowledge assumption are not knowing the full extent of cognitive knowledge of the subject of the study. Risk of perception of knowledge base not at the level of understood knowledge of the topic. Estimation of risk inadequate where judgment perceived and normalization of potential risk not fully understood (Brunk et al., 1991).

Provide an educational resource to enhance the knowledge base of the participants of the case study. Through enhanced education of laws and the structure of the professional judgment characteristics, this will align the knowledge of the concepts of the study with that of the participant. Creating facts based on education will reduce the lack of knowledge in the subject area where the uncertainty of topics by the participant decreased through the margin of error (Brunk et al., 1991).

Similar Work Assumption Three

Assuming the organization contains the same type of financial information where similar styles of work continue throughout the department. The style of work has only been adjusted minimally from the firm's prior processes and procedures. Assuming laws have not changed extensively is also assumed for the study.

Assuming the organization continues with the same style of work would be a risk because typical companies change over time. Should the processes and procedures remain the same, the risk of the same type of problem could continue. Risks of laws changing throughout the study are risks where the data would shift and not represent the same information before the change with laws.

Mitigation of the risk of the current processes would align questions through processes of historic work principles with the current procedures. Mitigating risk from the assumption of similar work procedures by receiving copies of historical and current policies. Changes in laws applicable before the study and during the study would mitigate risk derived from this assumption.

Assumptions discussed for their risk factors and how the risk can impose problems of the study. The mitigation of the risk helps to reduce the exposure of risk where solutions explored. As the assumptions are reviewed, there are limitations to those researched assumptions, and they are discussed in the next section.

Limitations

The limits of the research design, examination of the available literature, and limitations of the strengths and application of the case study research methods can negatively impact the researcher (Delamont et al., 2000). Time and deadline limitations impede upon the researcher to complete tasks and preparations of the data with the completion of the project (Määttä, 2011). Understanding of material through exposed analysis has limits to the perception with a review of the problem and understanding the limitations of the project (Sallis, 1995).

Potential Random Selection Weakness

The research conducted by a government auditing center where an examination of the auditors' professional judgment researched. The sample used is from a random sampling method selected from random accounting personnel. The random selection could potentially weaken the experiment's validity through the differences in the accounting staff.

Potential Law Changes Weakness

The ability to judge the information of accounting procedures from current standards to those experienced through the time of the study (Nothhelfer, 2017). Understanding accounting laws and standards from an auditor's perspective is a potential weakness where the difference of the understanding will differ from each of the participants in the study. If substantial change with laws occurs, this could weaken the knowledge base of the participants and develop weaknesses in the study.

Potential Work Style Change Weakness

Changes in processes and procedures can alter the way businesses performed and create a potential weakness with a predetermined research plan for the case study. Fundamental work-style setting for the typical accountant change and adjust through the integration of technological enhancements (Rayman, 2006). Styles of traditional accounting adjust through software upgrades, and changes in work styles during the study could create a potential weakness of the study.

Limitation Conclusion

Limitations can come in the form of monetary restriction where the lack of an adequate budget limit the researcher's structure for research goals (Keegan, 2009). While limitations are restrictive through the understanding of the problem, there is also a section of delimitations to research to gain a deeper insight into understanding potential weaknesses.

Delimitations

This study will not focus on all forms of skepticism but will focus on the cognitive function of the auditors. Additionally, this study included auditors within a geographic region of Kentucky and will not include all auditors in the nation. Understanding the limitations of the

assumptions helps with the understanding of the auditor's limited ability to use professional skepticism. This section will focus on the scope of CPAs in Kentucky and research the understanding of client deception from the auditor's abilities within this study.

Delimitations of metaphysical reasoning and cognitive understanding lead to the purpose of understanding the depth of the study when exposing a problem (Sallis, 1995). Broadening or conversely reducing the delimitation of the significance could influence the researcher through restrictions of the case study methodology and the conclusions determined through a specific geographic region. The topic of the study is to understand the professional skepticism of the cognitive abilities of the auditor but not all aspects of skepticism.

Auditors and CPAs in Kentucky

Regulatory mandates impact similar working environments across a large range of accounting fields, where rules and regulatory similarities contribute to a uniform effort through a regional geographic area (Fedriani & Sansò, 2017). Knowing differences in state regulation and specific compliance change through the study will help with understanding the information, as workstyles may change over time for auditor roles. Providing rules and regulations implemented during the timeframe of the study for reference will offer a framework where the researcher will focus on the dimension of the auditor's role set in a specific regional area of Kentucky CPA firms (Galletta, 2012). Selecting a group of auditors from the random selection process can inhibit the case to be fully examined; therefore, constraining the study to a specific period reviewing client deception.

The focus of the study is not to include all auditors but to focus on actively engaged auditors within the predefined regional area, which excludes auditors outside of the region of Kentucky (Agius, 2014). Understanding the delimitations of the narrower focus of the study

analyzes the trends of regional auditors through their perceived fiduciary duty and fraud policies within the auditing industry. The case study reviews the concept of auditor selection and promotes an understanding of the problem of the view through a regional perspective of Kentucky CPAs (Wahlström, 2008). The delimitation of the study does not include all auditors but narrows the selected auditors through a smaller scope of active CPAs practicing in the state of Kentucky.

Client Deception

Understanding client deception through the expressed knowledge derived from the case study will limit the study through an association of understanding views of fraud from the client's willingness to share this information. The choices of the client formed through values or ideology and beliefs where deception and fraud molded through specific discourse, and this concept is not included with the study (Wahlström, 2008). The auditor's cognitive ability to detect client deception was the focus of this study, not all forms of professional skepticism.

Crafting the design of the case study will focus on a specific case structured to address problems with auditor's judgment through specific constructed questions to detect client deception (Galletta, 2012). This study will exclude other types of case studies performed with the same geographic region of participants for the study of client deception. The knowledge base of the participants' processes and procedures will examine the participant pool from the population of central Kentucky. The professional understanding from management's perception of the auditor's abilities included in this study through the geographic region.

The research section focused on the assumptions, limitations, and delimitations. The three assumptions expanded upon and linked with both limitations and delimitations of the study. Norms of society impose a standard through the community where auditor selection and

detection of client deception create some potential problems through choices of the chosen case study strategy (Agius, 2014). The case study will expand through the introduction of the literature review of these segments in the following section of the case study.

Significance of the Study

The findings in this qualitative case study examined the relevance of the auditor's inability to use professional skepticism and the characteristics of judgments and decisions of this research. The importance of this research also examined the development of the auditor's ability to develop a level of professional skepticism and the impact on the client. The study entails a detailed analysis of the gap with the auditor's inability to use professional skepticism in the assessment of client evidence. The significance of the study will explore the reduction of gaps within the existing literature and understand the effect on current business practices. A Biblical view will analyze the concepts and theories and connect the research with a spiritual viewpoint. The study is related to the accounting cognate where fraud is perpetrated through the auditor's inability to use professional skepticism.

Reduction of Gaps

The significance of the study will identify the framework surrounding the gap of knowledge of the auditor's professional skepticism and application of theoretical practices. The qualitative case study analyzes the existing literature and intends to bridge the gap through the concepts and applicable practices in the accounting field (Travers, 2001). Understanding the decision-making process of the auditor and how they base their determination on the analyzed data to formulate a judgment is significant to this qualitative case study (Patel & Riley, 2007).

Anderson et al. (2008) discussed the forensic accounting field is reducing the gap of financial valuation methodologies with supporting accounting policies and procedures. Barnes

and Hooi (1993) mentioned higher levels of independence, expanded knowledge, and lowering external pressures will reduce the gap of the auditor's ability to use professional skepticism.

Spring et al. (2013) further suggested auditors developing their judgment could bridge the gap in their skill set through supportive steps. The study will examine process enhancements through the audit where the auditors increase strategic managerial direction and enhance auditor skills through additional education (Spring et al., 2013). The qualitative case study will add to understand the effect the auditors' decisions have on the accounting field and will enhance the existing body of knowledge in the practice of auditing.

Implications for Biblical Integration

The Biblical application of professional skepticism in regards to the conceptual framework relates to the different concepts presented. The four concepts related to Biblical application are rules-based accounting, principle-based accounting, independence, and quality. The relationship between scripture and literature is presented in the implications for this section of the research.

Biblical Rules-based

In the book of Exodus, the Lord presented Moses with a list of 10 rules that we understand as the 10 Commandments. God gave us rules to follow as beneficial rules for us to follow in our daily lives. Relating this information from the Creator to the auditor's professional skepticism is following the accounting rules set forth to conduct proper audits that honor the accounting profession. "Six days shalt thou labor and do all thy work" (Exodus 20:9, King James Version). The Bible provides scriptural rules to follow, just as the auditor is to follow auditing rules, processes, and procedures.

Biblical Principles-based

As God provides the professional principles to follow, we as Christian believers should follow to benefit on earth what God has blessed us with for generations to come. As the auditor uses Christian faith in their auditing function to create the professional skepticism, they follow principles to honor their work. Receiving generational impacts from the Lord relate to the works that auditors can perform, should they follow the processes the company establishes, this relates to honoring the company, field of study, and the Lord. “And if you faithfully obey the voice of the Lord your God, being careful to do all his commandments that I command you today, the Lord your God will set you high above all the nations of the earth” (Deuteronomy 28:1, English Standard Version). Following the auditing principles regarding professional skepticism aligns with Biblical commandments with following the Lord.

Biblical Independence Integration

The auditor is to remain independent when engaged in an audit, and a Bible verse relating to independence is from the book of Galatians. “Stand fast therefore in the liberty wherewith Christ hath made us free, and be not entangled again with the toke of bondage” (Galatians 5:1, King James Version). Professional auditor independence should remain unchanged, and the Lord communicated through scripture that we should not compromise and maintain a steadfast path of righteous work.

Biblical Quality

Auditor professional skepticism should contain elements of quality that are Biblically based. “But someone will say, “You have faith and I have worked.” Show me your faith apart from your works, and I will show you my faith by my works” (James 2:18, English Standard

Version). From this Bible verse, our works should reflect the quality and by increasing honorable work that is pleasing to the Lord.

Scriptural Integration

Scripture supports Christians in their professional careers, where we are representative of how God intends for us to conduct ourselves throughout work and honoring him. From this Bible verse, we can see that God intended for us to work diligently, “Six days you shall labor and do all your work” (Deuteronomy 5:13, New International Version). We can also ascertain from scripture that we should work to the best of our abilities, “Lord, do good to people who are good, to people whose hearts are right” (Psalms 125:4, Common English Bible). As auditors working in the accounting field, following the guidelines from the Holy Bible will honor him through our work and as we are pure in the heart while doing so.

The gap in knowledge of the auditor’s ability to use professional skepticism lacks the quality to perform due diligence of the work and detection of fraud. “A healthy tree cannot bear bad fruit, and a poor tree cannot bear good fruit” (Matthew 7:18, Good News Bible). From this Bible verse, a tree can relate to a man’s works, where a good auditor will have good results. For auditors, lacking critical-thinking to develop adequate judgments through the audit should come from seasoned and well-educated auditors. While professionals vary with their innate abilities to conduct checks, continual education supported through scripture. “For this command is a lamp, this teaching is a light, and correction and instruction are the way to life” (Proverbs 6:23, New International Version). As we can see, additional education and instruction for the auditor scripturally based on bridging the gap of the auditor’s lack of professional skepticism.

Relationship to Field of Study

The evidence was judged through the distinct ability of the auditor's translation of professional judgment based upon accounting standards (Gasché, 2017). Evidence gathering is vital with the continued rise of fraudulent cases with financial statement material misstatements and the significance of the auditor's use of professional skepticism. The contribution of this case study intends to will focus on how to bridge the gap of the auditor's inability to use professional skepticism and support the findings through the literature review.

The contribution of the research will demonstrate how accounting techniques can aid with the auditor's ability to detect material misstatements and client deception through robust audits and professional skepticism. The benefits of this study will support the auditing function as a whole, where professional skepticism is an essential element in the auditing field. The technical advancements of the client's financial statement audits demand a more exceptional aptitude from the auditor, where more effective auditing practices and professional judgment are needed. Technical cognition derived from the work performed through auditing situations and distinct methods supportive facts of the auditor's understanding of the technical complexities (Gasché, 2017).

Thus, auditing firms that implement increased educational opportunities for the auditors and the recommended approach found through this research will better educate the auditor's creation of professional judgment. Accounting managers better equipped with a better understanding of the abilities of the auditor base supporting the auditing function; therefore, improving the judgment formation. Management assumes the knowledge of the auditor they assign for client engagements; however, differences in policies over subject knowledge have varied over time (Hammond, 1996). Throughout the auditing process, this field has not

implemented standards to the level of forensic accountants for fraud detection due to variations of auditing processes (Anderson et al., 2008).

Summary of Significance of the Study

The study will aid research with a deeper understanding of how to bridge the gap of the lack of professional skepticism in the managerial process where the selection of the auditor occurs. The auditor's position includes the application of independence and drives through a complicated process where the obligation and independent judgment appropriate for financial statement review (Shafer et al., 2004). A hypothesis of the formation of the auditor's professional judgment formed and developed based on Biblical truths. In conclusion, a deeper understanding of the gap of professional skepticism will enhance the overall auditing function through the knowledge of independence and cognitive development.

Literature Review

The literature review included a systematic analysis from the background information of professional skepticism and provides an association of related facts to the underlying auditing problem with the lack of use of this vital skill in the auditing profession (Butcher, 2020). The researcher will discuss the gap in the auditor's inability to use professional skepticism and expand on the topic of the elements of what professional skepticism is. Additionally, the research will examine how auditors form their professional judgments by examining the literature. Finally, the researcher will determine through an exhaustive review of the topics that lead to the deficiencies related to gathering evidence and the use of professional skepticism throughout this professional process.

The methodology is straightforward with the conceptual model and will discuss the auditor's fiduciary duty, impairment of independence, and evaluation of the auditor's integrity.

By examining professional skepticism, the themes and perceptions of the manager's understanding, risk, and material misstatements were reviewed for a full understanding of the auditor's inability to use professional skepticism. To fully understand the extent of the problem specifically, the researcher decided to use a case study qualitative research approach to focus on the auditors and their lack of professional skepticism (Gregory, 2020). The review will begin with the background of professional skepticism and how the themes and perceptions connect through combinations of significance.

Background Information

Professional skepticism lacks the auditors' abilities and has failed to find instances of due care for audits and expose incorrect accounting procedures to detect concealed fraud (Stuebs & Thomas, 2009). Sollfrey (2018) revealed that new auditors beginning their careers are less likely to have the quality of skepticism as compared with a tenured auditing associate. In another review by Considine (2018), the auditor should understand the level of inquiry throughout the audit to drive professional skepticism. The auditor's role has crucial components where a successful audit will need to demonstrate objectivity throughout the engagement. Understanding the level of professional skepticism necessary for audit engagement is an essential element the auditor must-have, and failure to apply this essential skill will result in low audit quality.

Several examples of audit firms have incurred fines and lacked exposure to fraudulent efforts, which stems from failing to create and comply with quality auditing standards. For example, an audit firm was fined \$250,000 for failing to use professional skepticism and reveal related party transactions (Atwood, 2020). Deficient internal controls should be tested and studied through audit procedures, and professional skepticism should be free from bias to located frauds such as misappropriated assets (Carmichael, 2020). Inadequate internal controls create

deficiencies found throughout the audit process where oversight or ineffective information documentation, and no formal ethical policies or procedures, contribute to failed audit performance. Additionally, the lack of internal control information discovered throughout the audit process should be submitted to the firm's management and the audit committee.

Evaluation of the transition of the traditional audit, with paper source documents, into a technically advanced auditing process where business developments create problems for the auditor's inability to increase professional skepticism and collect audit information (Simons, 2020). Lack of training for ethical behavior and professional fiduciary duties interfere with the application of auditing programs to properly train auditors (Butcher, 2020). With technological advances, the auditor should understand the increased risk of revenue recognition (Martin, 2002). Inefficient internal controls create exposure to unauthorized transactions and combining the lack of improper recording of business transactions internally where business systems expose a greater risk of undetected problems with system controls. Performing effective audit engagements should maintain a level of technological understanding by developing advanced skillsets and applying effective skills auditing through a computerized environment. Bellandi (2017) examined the changes in technology impact the overall audit process through navigating systems and understanding technology integrated with reporting. Audit service risk should monitor and report risk through to reach the audit program's targeted goals and influence the audit schedule to analyze the level of associated risk.

Underlying Causes to Problem

Evaluation of the quality of the planned audit procedures and understanding current controls should be reliable for auditors to use professional skepticism, but this understanding is not entirely equitable among auditors (Carmichael, 2020). Other underlying causes to the

problem with the underlying understanding of the auditors' attitude is difficult when performing the audit engagement with newly developed skills. Considine (2018) examined the auditors' challenges to increased risk under the fundamentals of accounting estimates of the financial statements raise concern over the level of auditor skill. Even as cautious as the auditor's role is, research studies reveal that the auditor's heightened awareness is needed to assess the risk assessment of the client's financial statements (Jallah, 2020). Ultimately, a lack of understanding discloses weaknesses from inadequate documentation to create weaknesses in internal controls components within the organization.

Turner (2020) examined continuous audits from Certified Professional Accountant (CPA) firms that have exposed issues through lack of independence and lack of quality where major reform is necessary. Considine (2018) furthered the notion of auditor independence as a requirement for a challenging mindset to interpret the auditing data with appropriate competency. Auditors should understand their level of objectivity and develop skills through critical-thinking and self-evaluation. The lack of auditor understanding is deficient with the understanding of full dynamics of the professional skepticism attitude is the mindset to assess material misstatements due to intentional fraud or concealment by management (Schreuder, 2020). Auditor independence involves the auditor's role to maintain objectivity through unbiased influence and professional judgment; otherwise, the auditor's independence is considered impaired.

Rymill and Cavenagh (2019) concluded the lack of autonomy with auditor independence has a limited cognitive ability to limit factors, and complex audits challenge impartial objectivity as a requirement of auditing standards. Independence can also incur problems where the auditor views their approach to the audit as superior, where they need to communicate with their

superiors to gain a better understanding. Another problem existing with auditors is the lack of communication where the timing of communication with management to discuss fraud or material errors should be communicated to the appropriate level of management and receive advice from the legal team for determination of processes and procedures to follow (Duttachowdhury, 2018).

Farag and Elias (2016) examined the role of professional skepticism with the impact of missed material misstatements and enormous financial frauds undetected and the legal reforms that are transforming. Liu (2018) furthered the topic of underlying problems with professional judgment by examining the lack of accounting education and supports the enhancement and development of skepticism. Other industry-specific conditions were examined to find causes of the underlying problems with an overall knowledge and how this could lead to overconfidence when compared with true abilities by the auditor where recognition of patterns or discernment of materiality could be due to lack of judgment (Grenier, 2017). The auditor's questioning mind should examine through a neutral viewpoint the focus of the approach of evaluation and ability to detect fraud.

New Auditor Communication. Pickett (2003) determined that newly appointed auditors have difficulty navigating the environment within audit firms with changed strategic visions. Leitch (2010) had a different view of the previous study where the auditor is enhanced through the exposure of new audit information where there is cause for concern over the impact of the organization's future value. The article written by Taylor (2013) supported the new auditor's role through effective communication and encourages opportunities for education and training for new auditors. New auditors should go through a process where the auditor's predecessor should effectively communicate to the new auditor anytime a change occurs with the auditing process.

Tepalagul and Lin (2015) examined auditor independence, where communication of new regulation changes necessary for new auditors to increase audit quality and improve independence. Additionally, auditors should train to expand their professional skepticism concerning their neutral view with educational services and continual training.

Glover and Prawitt (2014) measured the level of professional skepticism through the appointment of new auditors require communication with the audit committee for approval to ensure the best-suited auditor is exhibiting a high level of judgment. The newly appointed auditor's function is to develop the skills necessary to identify risk and material misstatements through effective audit engagements, enhancing critical-thinking skills, and self-evaluation (Heath & Staggs, 2015). Additionally, external and internal bias could negatively impact the auditor's communication and underestimate the necessary audit evidence necessary to separate themselves from negative implications through the lack of a problem discovered.

Gettler (2012) supported the need for effective communication is necessary for influencing a quality review by communicating gaps in ineffective internal controls. Rymill and Cavenagh (2019) examined the pressures of the new auditors to not only learn new skills and balances but also achieving, passing, and keeping their professional certifications and qualifications as an activity necessary for the auditing function but does not help support constructive cognitive judgment. Duttachowdhury (2018) examined the views of communication trends in the field of auditing, examined the management process by studying the organization itself, establishing objectives, and ineffective communication flows from auditor to management through performance appraisal and reviews. The synthesis of accounting for new employees through the audit profession provides additional detail to the lack of new auditor communication.

They should avoid bias and judgment traps where the lack of professional skepticism drives low audit quality.

Relationship of Auditor

Networking with CPA firms to research the effectiveness of the audit work performed where inspection of the audits performed in relationship with the client resulted in a foundation of poor audit functionality (Turner, 2020). The case study model was developed to learn about auditor judgment and the relationship between the factors to conduct a narrative from thematic analysis (Gregory, 2020). The case study's preparation is to explore the concept of professional skepticism and cognitive development application to assess judgment (Driessen et al., 2005). Vann and Presley (2018) concluded that auditor independence is an important role of corporate governance and alludes to interference with audit committees and the role of the auditor. External entities rely on the auditor objectivity where the reliance of the audited information shows a separation of the auditor and the external pressures to impact the audit negatively. As we see from the previous information, the relationships with shareholders and investors avoided solidifying the auditor's position within the firm where the position otherwise is seen as an impaired business relationship.

The relationships of auditors identify problems associated with the client or lack of judgment applicable to the poor accounting system. Duttachowdhury (2018) discussed how the statutory auditor's relationship and the role the professional should serve; however, problems arise from financial affairs, collusion, and lack of knowledge in the field. Tepalagul and Lin (2015) examined audit tenure where this familiarity can lead to a closer relationship with the auditing client where the auditor's independence is impacted due to favorable views ultimately resulting in audit failures. Tepalagul and Lin (2015) agreed that the auditor's lack of

independence and poor professional judgment lead to an auditing approach that is inadequate concerning audit quality.

Pickett (2003) supported the role of the auditor and building a relationship with the audit committee where the audit regulation knowledge of the auditor serves as a good partner to resolve issues on the audit committee. Additional research has shown a relationship between the auditor performance where skepticism, where the relationship of the evaluation of the audit team includes some bias (Brazel et al., 2019). Features of the auditor relationship where complex work structures with audit planning should align the appropriate auditor to the audit based on the auditors' judgments and actions (Durkin et al., 2020). Studies of audit-client relationships investigate audit activities where requirements imposed with the auditor explore problems encountered with relationships with the client. Duttachowdhury (2018) discussed how auditing techniques should include inspection of the financial statements, observation, and knowledge where the inquiry should be presented as both formal and informal.

Frag and Elias (2016) examined newly graduating auditors measured the trait of professional skepticism and examined a population of auditors ready to enter into their professional careers. The role of auditors to have a privity rule, thereby following standards through contractual obligations; however, this strict standard creates a liability for the auditor if not followed appropriately (Reinstein et al., 2020). Limiting the liability of auditors has evolved and changed through progressive examinations where the level of the fraud would be through a cap and reviewed through a relationship of the business risk and the auditing company's preferences of client portfolios (Johnson et al., 1995). Examination of new graduate skillsets on audit teams who lack professional skepticism tends to blur the disciplines of the decision-making

skills for identifying risk in comparison with the level of a tenured senior auditor with a questioning mind.

Conflict of Interest. Heath and Staggs (2015) explored the topic of relationships where conflicts of interest arise through friendships and other professional associations where a negative impact results from the auditors' inability to conduct an audit free from external factors. The research of Boyle and Carpenter (2015) examined the problems arising from conflicts of interest where the audit associate is pressured by existing audit assignments as well as managerial stresses directed toward the audit procedures. Conflicts of interest increased from auditors encountering problems with objectivity, and thus, the trust of the auditor is difficult to maintain. Griffin (2017) reviewed the importance of how auditor assertions should be free of bias, have sufficient evidence, but conflicts occur when compliance with ethical standards and professional judgment is lacking. For internal auditors, this view of presumptive doubt should be applicable in all audits regardless of the level of risk. McConnell and Banks (2003) reviewed two specific types of fraud auditors are tasked with discovering from financial statement reviews and misappropriations of assets where additional guidance is necessary to support the auditor's responsibilities.

Wilks and Zimbelman (2004) studied the individual psychological bias during the process of an audit and examined feedback provided to auditors and the gap with receipt of the information and the opportunity for auditors to and implement effective interview plans. In addition to relationships and bias adding to conflicts of interest, Levy's (2018) study adds to those principles with additional requirements of relationship to the auditor, not in the role management as well as not auditing their work as additional conflicts. Auditor independence is impacted through a lack of independence where unethical cultures are procured through

behaviors inconsistent with professional values auditors should be committed to (Jeffrey, 2018). With this in mind, auditors should be prepared to defend their objectivity by addressing standards to support their level of objectivity for investigations. Conflicts of interest increase through the lack of auditor independence and create a path of strategic decisions that go unchecked if not applied to reveal weaknesses within business models due to morally compromised auditors.

Questionable Judgment. The lack of professional, ethical training is problematic where auditors lack the underlying knowledge of appropriate ethical behaviors to fully apply professional skepticism in the workplace (Butcher, 2020). Auditor experience and estimated work estimates from a management perspective deem the qualifications for ill-equipped audit team members (Doherty, 2019). The credibility from the auditor's judgment should question key areas from the study where the 'economic substance' of the record is examined before attestation (Martin, 2002). Despite the expansive training for auditors, the lack of professional skepticism results in collapses in the accounting field impacting the reputation of the auditing profession and assurance services. Parlee (2015) concluded that senior auditors could disseminate between credible and reliable audit evidence with significant ease. Lee et al. (2012) analyzed the understanding of the mental capabilities that construct perspective detection and show the presumptive trust and doubt auditors develop their decisions in the target interview. Wilks and Zimelman (2004) examined patterns with establishing auditor detection of material misstatements with the context surrounding the auditing results and motivation behind the information discovered through the auditing process. The collective pattern of professional skepticism should not only be a frame of mind but yet also found in the personality traits of the individual auditor supportive of a quality approach.

Problems arise with auditors when auditors are not able to fully use professional skepticism with a questioning mind to discover material misstatements and potential fraud that would also impact the investor's decision whether or not to invest in an organization (Farag & Elias, 2016). Grenier (2017) examined the correlation between confidence with auditor judgment and the level of risk asserted from the ability to identify material misstatements where insufficient questioning minds lead to elevated audit risk. The increase of adoption of principles-based accounting standards increases the liability and risk for the auditor and broadens the exposure where professional judgment becomes imperative (Reinstein et al., 2020). With this level of thought, the appropriate level of applied skepticism should evolve from a lack of trust to an appropriate level of skepticism to reduce the level of risk associated with the audit engagement. Additional guidance for auditors to implement professional skepticism because auditors do not always understand the honest intent of the inquiry process (McConnell & Banks, 2003).

Lack of Education. Sollfrey (2018) revealed low amounts of training and education lead to the undeveloped auditor explanations through lack in the fields of study of convergent and divergent training. The lack of training in the forensic accounting field has the ability of the auditing staff to prevent or detect fraudulent omissions from financial statements. A judge in a court proceeding had to stop the trial to ask what a forensic accountant was because of the unfamiliarity with the term (Arrowsmith, 2020). Jallah (2020) promoted the importance of collegiate education and reviewed the certifications available for auditors in the accounting profession. Undereducated auditors impact the role of the auditor through ineffective means and increase problems through underdeveloped qualifications where insight affects audit quality. Wilks and Zimbelman (2004) studied the lack of auditor education is reflected with the use of

inadequate skills and is seen through the use of checklists, predictable audit plans, and lack of strategic cognitive reasoning. Like most skills, auditors require time to develop a high-level of professional skepticism through nurtured application and applicable educational practice.

Auditor quality control checks have historically been deficient where the Public Company Accounting Oversight Board (PCAOB) got involved to evaluate inferior audits performed by accounting firms that continuously proved a lack of professional skepticism (Atwood, 2020). Appropriate research design suggests auditors' performance is inconsistent and accounting issues cross-examined through accounting standards, rules, and procedures to support concepts (Patel & Chand, 2011). Developing an educational commitment to increase assertions will increase the logical intellect and quality of their abilities. Should the cost of the quality control check and the cost of increasing skepticism increase additional costs without yielding a material misstatement, then the cost associated with enhancing skepticism affects the evaluation of the auditor's performance (Brazel et al., 2019). Costs should examine both the cognitive effort for auditors applicable to the level of performance by auditing firms, and if the benefits outweigh the costs, implementing the educational enhancements is justified.

Liu (2018) examined audit quality and suggested courses for auditors could increase this trait by continuous training to manage and explore the role of educational training to cultivate an enhancement of the skepticism dynamics. Educating auditors with appropriate levels of professional skepticism through accounting education will increase the knowledge of the independent auditor and overall program of accounting (Liu, 2018). Audit quality, if founded on appropriate planned audit structures for problem-identification and discovering persuasive evidence of divergent thinking transforming into convergent thought through the evaluation of audit evidence. Honigsberg (2019) suggested that a scorecard for auditors would support an

auditor to disclose actions of audited information where quality would hold auditors accountable for public accountability for audit failures.

Conceptual Model

The qualitative research was to understand the knowledge and to understand a deeper level of the case study of professional skepticism (Gregory, 2020). The case study explores the procedures used by the auditors to collect data relevant to the decisions demonstrated in the areas of professional skepticism, fiduciary duty, independence, and integrity (Driessen et al., 2005). The complexity of the auditing profession through this research examined the application of professional skepticism, corporate governance, human behaviors, and ethical business models (Coppage & Shastri, 2014). Substantive procedures must also include procedures for the auditor for testing and examination of the financial statements for completeness. Substantial degrees of auditor skepticism is required for objectivity, and as audits progress, the demonstration of the skills of the auditor should be evident.

Examination of Professional Skepticism

Exploring the topic of professional skepticism, regarding the capacity of the decision-making capabilities of auditors, exposes a level of risk associated with professional skepticism (Palazuelos et al., 2019). Previous research has shown that professionally qualified individuals serving in the capacity of the auditor role require experience with the accounting concepts supported by higher-level education (Helfaya et al., 2019). When auditors are more concerned over the audit, in-person audit reviews and meetings with the clients helped with the enhancement of professional skepticism to assess non-verbal communication (Jascob, 2020). Sollfrey (2018) concluded that the level of professional skepticism and the evolution of the auditor's skillset, where the level of experience enhances the overall audit quality. Schreuder

(2020) went on to discuss the importance of estimations through audits with the use of professional skepticism that is a requirement of a thorough examination. Griffin (2017) discussed the role and function of the auditor where professional skepticism is essential to analyze evidence and to question audit evidence for a potential fraud that may exist.

In the context of auditing, PR Newswire (2014) described the role of the auditor with the quality of professional skepticism that works in a detectable system poised on the assumption of critically assessing financials and encourages responsibility of continuous review for fighting fraud. Special to The Daily Record (2020) furthered the statement by saying auditors exercising good judgment support high ethical standards and responsibility of professional skepticism support the overall audit process. The use of professional skepticism combined with auditing standard requirements affects decisions where responsibility through the audit is important to understand (Wright & Bhattacharjee, 2018). Lee et al. (2012) examined the risk of professional skepticism, where three main categories of risk were evaluated for potential fraud identification through experimental design, auditor response, and effective results. Brickner and Pearson (2003) examined the SAS 99 rule, where the auditor should use professional skepticism to discover the existence of fraud in the financial statements and maintain a cognitive questioning mind. While auditors are given these rules and responsibilities does not completely remove bias even by using a systematic approach for improving audit quality.

These studies have found companies typically implement controls to reduce exposure to fraud and incorporate accounting controls over internal processes but lack the ability to understand the psyche of the auditor's mindset. Campbell and Silverstein (2010) evaluated the level of skepticism by connecting the knowledge of the subject matter with that of the perceived context of the problem. Thus, while earlier studies have shown a link with knowledge and the

effects of the outcome of the auditors' judgment through influencing the outcome based on the supervisor's evaluation of the use of professional skepticism used throughout the auditing process (Brazel et al., 2019). The research from Durkin et al. (2020) suggested the increased scrutiny to develop and enhance the overall likelihood of skepticism discovering hidden fraudulent information. Glover and Prawitt (2014) also stated the level of professional auditor judgment is in demand and needs to be enhanced through audit quality, education, and understanding the basic underlying nature of skepticism.

As noted above, fraud exists in many levels throughout industries, departments and involves the intent to deceive and willful acknowledgment to misrepresent material misstatements in the financial statements. Based on the findings by Mintchik and Riley (2019), the mindset of fraud perpetrators studied the actual link between fraud and the perpetrators through criminology research. An analysis of the history of auditors by Balkaran (2019) examined the transformation of the mindset of auditors and found the auditor must have an inquiring mind to detect fraud and understand the difference between an error and true intent. More broadly, studies of fraud look at the view of accounting standards where hidden agendas perpetrate fraud through sophisticated professionals where obtaining assurance becomes difficult (Bellandi, 2017). Audit failures stem from the compliance of the auditor to fully understand the expertise for fraud detection through evaluation of fraud detection processes and auditing procedures (Nicolaescu, 2013).

Honigsberg (2019) concluded that simply the image of professional skepticism is not enough and thus cause audit failures, and internalizing these failures harm the auditor's reputation. As such, fraud is also in the form of waste and abuse in addition to the illegal activities intentionally involved illegally where unethical activities are found (Russell & ASQ

Quality Audit Division, 2013). In addition, accounting choices have to have the flexibility to adjust audit judgments when unethical accounting practices reveal bias, and the research demonstrates increased engagement risk (Brown-Liburd et al., 2013). Wedemeyer (2010) examined the link between auditor judgment and the quality of work performed through individual audits and found decisions could include effects of fraud related to the assessment of business risk. Additionally, the fraud policies internal auditors follow but suspecting fraud should measure and report the level of fraud perpetrated and follow disciplinary actions (Errington et al., 2020). Further studies of fraud have disclosed detection of fraudulent schemes has resulted from a lack of skepticism, and auditors' failures increase due to the small level of professional judgments used (Noviyanti & Winata, 2015).

Auditor Decision-Making Judgment. The various studies link the challenges of audit judgments in this study; resolution arises from increasing business decisions where profits pose problems with meeting budgeted provisions, which raises the awareness of professional skepticism (Khan & Ali, 2020). The characteristics of auditor decision-making include the responsibility of financial data and the decision-making auditors use to audit the financials (Ferreira & Morais, 2020). Decision-making pertaining to elements of the audit, such as retaining documentation and instituting deterrent controls, improve efficiency and accuracy with reporting (Makwetu, 2020). The framework in which the auditor works incorporates a relationship between the auditor's judgment and the organization they are auditing (Alves Júnior & Galdi, 2019). Taylor (2013) ranked the skillsets needed for auditors, and professional skepticism ranks near the top as an essential skill auditor should apply through a quality audit. Prior studies found the development of auditor judgments and the quality of brainstorming ideas believe detection of

fraud through the perception of ethical viewpoints poses problems for translation due to the lack of a questioning mind (Nicolaescu, 2013).

Jeffrey (2018) examined auditor decision-making attitudes of auditors and found ethics as the main indicator of positive attitudes for their social and professional responsibility. Prior studies suggest auditors planning their audit with criteria and strategic perspectives to assess the financial information while looking at the level of risk to professional judgment considering the process and framework in which the planned audit is facilitated (Ojo, 2016). Schmitt (2013) concluded that auditor decision-making is intensified through fraud not discovered where the auditor discovering the fraud had a higher concern for the impacts of the investigation. Transparency of the planned audit is not fully presented on the audit report and only includes a summary of highlights where critical accounting decisions to the design of the audit would provide information on the auditor's decision-making conduct. The objective decisions made by auditors should evaluate the client's financials with a questioning mind and assertions to form a bias-free determination of audit evidence (Brown-Liburd et al., 2013).

Errington et al. (2020) furthered the auditor decision-making process with the role of the auditor to prevent fraud through departmental evaluations and understand potential red flags to detect concealed actions to further investigate. Additionally, the auditor's questioning mind and skeptical attitude support audit engagements where the attitude develops the decision-making skills necessary to collect competent audit evidence and associate with the application throughout the audit engagement (Noviyanti & Winata, 2015). Further studies have shown a higher risk of fraud from family-owned companies than corporations that have corporate structures hiring outside of the family where the assessment of risks is heightened through the access to company resources (Krishnan & Peytcheva, 2019). The underlying issue with auditors

with professional judgment and distinguishing the difference between malpractice and fraud where transparency of auditor work papers would disclose the decision-making process (Ehrlich & Williams, 2013).

Going Concern. Another part of the auditor's job is to use professional skepticism for determining the opinion of going concern risk and an audit opinion of future profits (Ferreira & Morais, 2020). Auditing pronouncements, responsive requirements, and response time of companies assist the going concern element for the auditor to assess through a systematic approach where audit risk should include preventative controls for organization going concern (Makwetu, 2020). Reviewing the variables through the audit model will review standard financial information as well as future projections to analyze future returns (Alves Júnior & Galdi, 2019). Robinson (2011) evaluated auditor judgment about the going concern risks and explain the importance of evidence gathering and the skepticism required for auditors. Griffin (2017) examined the going concern for a company to exist beyond a year, and if substantial doubt is present, the auditor should judge the likelihood of the effectiveness of managerial view and board member meetings to discuss.

Jeffrey (2018) also looked at the going concern for business entities where the auditor would disclose the ability of a business entity to continue the satisfactorily current business but would also examine the ethical issue of managing going concerns. Auditors will review auditing records to examine the going concern of companies to assess the reasonable amount of profits for growing organizations and measure future viability. Swanson and Theis (2019) examined the mandatory obligation of auditors where they have to state their opinion of the firm's ability to exist is doubtful is difficult when the going concern is compromised. In addition to the auditor's opinion, the study also supports the stance where the organization should also use and exhibit

professional skepticism through their auditing review of the financials and going concern opinions.

Mindset. The mindset viewed from different perspectives gains insight into the level of purposeful fraud by the perpetrator, who rationalizes the disengagement and opportunity through lax internal controls (Mintchik & Riley, 2019). Balkaran (2019) looked further into the mindset of auditors for an extended study throughout documented history and found auditors should have a mindset focused on critical thought and development of accounting issues. Bellandi (2017) looked at the prudent mindset as a riskier in relationship to the auditor's approach for financial statement reviews. The mind of the auditor should be open to entertain flexibility with the firm's audit and move beyond critical thinking but also the auditing environment as well as the norms and culture. Brown-Liburd et al. (2013) studied auditor skepticism where a negative impact to the professional reputation would translate into a higher level of concern for fraud and risk through 'presumptive-doubt' views.

Prior research examined by Wedemeyer (2010) found pressures existing from the audit impact the quality of the audit and evaluated judgments stemming from pressured mindsets. The focus of the auditor mindset on discovering fraud through asset misappropriation, corrupt schemes, and financial statement fraud, where fraud policies support the auditor role through the mindset of who would have the opportunity to commit the fraudulent acts (Errington et al., 2020). The skeptical mindset is studied through the audit assignment, where the auditors' skeptical mindset contains characteristics through testing audit evidence, interpersonal understanding, and disposition of the skeptical personal basis (Noviyanti & Winata, 2015). Additionally, the auditor's judgment and the frame of mind to detect fraud and concealment of risk assessments with the connecting business ethics with the gap of audit evidence due to the

lack of the mindset of the auditor (Krishnan & Peytcheva, 2019). Examining the state of mind of the auditor and the level of liability the auditor exposed where applications of professional conduct should report a genuine opinion of the financial statements (Ehrlich & Williams, 2013).

Fiduciary Duty of Auditor

There are a lot of factors that auditors adhere to with the due professional care of an auditor where the end result of their work would be to create quality audit results (Kertarajasa et al., 2019). The business environment in which the auditor inspects operations should shed light on the disclosure of auditing procedures and testing of internal controls to fully test the financial statements and inspect for materiality (Jascob, 2020). The influence of the auditing assignment requires contributions to the audit engagement through professional reviews and exercising professional skepticism that upholds the standard (Schreuder, 2020). While auditors are not fiduciaries, they do present a responsibility to incorporate a higher level of fiduciary duties arising from the audit engagement process and a responsibility to draw a conclusion of the performed audit.

The responsibility of the auditor is to focus on the audit of the client's accounts and review with realistic measurements the performance of the due diligence related to the auditors' judgments (Mullis & Hatfield, 2018). The assimilation of information is essential for the profession of the auditor is to exercise due professional care where the auditors' failure to do so will cause the lack of professional care and reduces the questioning mind (Coppage & Shastri, 2014). The fiduciary duty of the auditor is important to detect fraud and is supported through the auditors' works. Levy (2018) expanded upon problems with the fiduciary duty of the auditor with increasing audit adjustments are impaired with significant adjustment with reportable deficiencies. Auditors embrace the position to seek independence where the value of the audit is

expressed through the detail given and quality of the professional assertion of the auditing services.

Accountability

The research of Hoos et al. (2019) suggested accountability is an essential quality of the auditors' formation and process to develop judgment. Pickett (2003) furthered the accountability of the auditor with a link of business success and corporate governance and auditor accountability with considerations with financial reporting. The human act is described as thinking through the various considerations of the actions of one's self and argues skepticism is 'antithetical' (Campbell & Silverstein, 2010). Problems with accountability described by Durkin et al. (2020) reviewed the impact of lack of motivation by the auditor as well as demonstrating effective behaviors representing accountability through the auditing process. Dunlap (2011) also studied auditor accountability and described the ultimate goal of the process of the audit to hold the professional auditors accountable for the performance where the audit scores are directly tied to the audit manager. Experienced auditors assess the financial statements through proposed auditing processes and evaluation of accounting methods used to assess the likelihood of fraud.

Cultural and socio-economics transfer personal beliefs of accountants into the accountability where auditors have the duty to examine complex accounting information under extreme pressure with the organization's reputation as well as the independent auditor's core beliefs (Jeffrey, 2018). Feng (2020) examined auditor assessment with the noncompliance efforts of the firm and the relating decisions reviewed by the auditor related to federal programs and company viability of internal control deficiencies. Auditor accountability is distinguished by their ability to maintain independence through an objective viewpoint through their auditing process (Frank & Rasa, 2014). Aggressive accounting applications could question the level of

conflict with the auditor, where client retention concerns arise through engagement risk.

Compliance and regulation standards argue auditing accountability through personal beliefs or aggressive accounting techniques can impact the power over the auditor. The discourse of the auditor views the concept as the desire to increase the intrinsic desired goal through averting from pressures but operate through provisions with a responsible behavior of accountability.

Impairment of Auditor's Independence

Unmanaged accountability would exhibit irresponsible behavior and excuse the behavior of independent control over professional judgments through the lack of independence.

Professional skepticism is a quality for auditors to detect fraud; maintaining independence from influences is necessary to conduct a solid quality audit (Kertarajasa et al., 2019). The accounting profession, however, incorporates essential elements of professional skepticism and if independence was lacking the integrity of the profession (Caruso, 2020). The lack of neutral viewpoints impedes upon the auditor independence and introduces bias through the audit engagement and is the leading cause for a non-neutral perspective (Quadackers et al., 2014). Jallah (2020) mentioned the importance of auditor independence, where audit quality is an important skill for auditors to possess. An important strategic element of auditor independence where mitigating the influences of the auditor's judgment is significantly lowered through self-reflection (Arnold, 2009).

Chenok and Adams (1994) revealed another problem with auditor independence where the internal auditor will approve the scope of the auditing assignment developing their own set of standards and policies for the audit to follow. Audit firms require adherence to an audit environment where appropriate auditor skills are aligned with the development of the engagement strategy while keeping objectivity and independence of procedures to safeguard

concerns over client management. Auditors should seek ethical and moral reasoning through the framework with an ability to analyze evidence through autonomy. The nature of auditing should exhibit elements of cross-checking for consistency where financial audits examine the organizational inconsistencies through inter-connectedness of departmental activities.

The impact on the quality of the auditor's advice should plan accounting guidance as an independent assessment of the financial statement position because of the lack of forward-looking statements (Asay & Hales, 2018; Wright & Bhattacharjee, 2018). Technological proficiency is a requirement of the International Accounting and Assurance Board (IAASB) to help with the inspection of reports through maintaining a skeptical attitude (Coppage & Shastri, 2014). Heath and Staggs' (2015) research showed continual monitoring of the auditor's performance will increase consistency within the audit by involving consistency checking as a diagnostic process the auditor follows. Impairment disparage can also come from the lack of accountability from management or the direct tie to goals and not strategic activity (Dunlap, 2011). Additional activities with monitoring should move beyond the processes and procedures but also examine the monitoring of regulations and institute control over the mechanisms of formalized controls. The changing business conditions alter the auditor work through the engagement as discrepancies of the accounting records with conflicting or missing information as well as relationship impacts add bias to the formal process (McConnell & Banks, 2003).

Depleted cognitive control is represented through the potential actions where comprehension of errors increases with the complexity of the audit engagement (Mullis & Hatfield, 2018). The Code of Professional Conduct derived from the AICPA requires the auditor to remain independent of conflicts of interest with the relationship of the client and external auditor (Ketz, 2020). The process by which the auditor works is through an independent structure

where the cognitive ability to act alone where strategies are used through the technology to clearly understand relevant information (Ahmad, 2019). Impairment of auditor independence has been questioned with the increased need to protect investors, and auditors are to maintain independence as well as an independent audit committee (Klein, 2018). Poorly designed audits built upon assumptions of assurance and assurance services lack the essential elements of planning, documentation, and auditing controls.

Self-interest. Klein and Kumar (2015) researched the development of moral reasoning where the first stage is the focus on one's self, and the self-interest is the moral development of their own decisions to weigh rewards with misconduct punishments. Burton et al. (2013) studied the auditor's efforts to detect fraud and material misstatement where the penalties associated with the liability where self-interest is protected for the auditor as well as the auditing firm conducting the audit and are affected by the severity of the penalty associated with the auditor's decision. Auditing technology changes over time and auditors should examine their personal abilities toward the evolution of technological changes where self-interest in skillsets is challenged to meet demands in the work environment. Klein (2018) suggested the self-interest where benefits arise from the changes, not only in technology, but in regulations, governance, and audit committee composition.

Self-review. Arnold (2009) discussed the strategy of self-review as a technique with decision-making considerations where the technique should eliminate bias. Levy (2018) disclosed the PCAOB does not have a disclosure of auditors to submit recommendations to their managers or the audit committee and should apply with the financial statement reviews. Self-review would move beyond the inspection of oneself but to exercise evaluation techniques to move from inferior techniques to redefine audit quality for oneself. Swanson (2010) discussed

the need for advocacy through assurance with fraud detection where formalized governance should challenge the gap of the auditing profession and auditing controls. Clear set guidelines are not always given to auditors creating a lack of guidance and issues arise from the methodical examination of the financial statements where judgment where the familiarity with sampling techniques affect auditor familiarity with guidance and standards (Kadous, 1996).

Evaluate Auditor Integrity

Personal characteristic elements of the auditor function include integrity, where the application of knowledge and ethics is necessary to increase audit quality (Kertarajasa et al., 2019). Incorporating trust and honesty, and professional care enhance the engagement and motivates results performed with integrity (Caruso, 2020). Evaluation of reasonableness from the auditor stance should examine the structure of the internal controls as well as clearly stated objectives to ensure they are clearly defined (Martin, 2002). The model of auditor integrity moves beyond the model of reasoning but assumes legitimate concerns over the unaccountable behavior of organization operations.

Lee et al. (2012) measured the doubt of auditors through their research where trust is presumably derived from truthful audit results, and deception detection should be revealed through the audit interview, but evaluation of truthfulness is not merely determined by the interviewees' behavior. Rymill and Cavenagh (2019) studied the standardization through gathering audit evidence and evaluating the judgment process as an approach consistent with auditing steps. Quality assurance detects fraud through dishonest means of organizations where cross-checking inconsistencies by evaluating examinations of documented discrepancies.

Self-control is a requirement of the auditor, and they must separate their personal concepts and beliefs from the client through critically thinking and observance through testing

and gathering credible evidence (Brennan, 2020; Mullis & Hatfield, 2018). Auditor effectiveness is a result of instituted independence rules where the integrity of the auditor is free of bias (Ketz, 2020). Burca and Lile (2018) further evaluated the values of the auditor through their motivations and quality and framework of the accounting practices to deliver high-quality audit results free from motivational pressure. Hoos et al. (2019) examined the auditor's integrity is resulting from formalized professional training is also a virtue developed through upholding ethical standards. Campbell and Silverstein (2010) provided evidence where skepticism is the appearance to justify our beliefs through the individual conclusion.

The integrity of an audit program is strengthened through solid practices the auditor control procedures controlled through compliance audits and integrity inspections and investigations (Dunlap, 2011). The report of the independent auditor will develop an opinion over the financial statements and effectiveness over internal controls and will indicate inadequate control systems through the evaluation of the effective design of the financial systems currently in place during the auditing process (Chenok & Adams, 1994). Additional policies developed to determine the level of auditor integrity would decrease should include a cap on auditor legal liability lack the ability to detect fraud (Burton et al., 2013). Quality measures also studies by Klein (2018) revealed improvements with audit programs increased the integrity of the examination of earnings restatements and earnings management earnings.

Accounting Practices

Montague (2010) concluded the motivation behind the individual auditor or audit manager will impact the audit engagement and is cause for concern. Management pressures increase the risk of material misstatement and can increase the stress of the auditor to detect material misstatements and develop estimations that interfere with memory retrieval (Ahmad,

2019). Accounting misrepresentation and financial manipulation of figures have been a common theme that impacts decisions the auditor that impact the qualitative structure (Burca & Lile, 2018). Supporting the auditing function is the managers who provide alignment with their auditors and the client and make representations of the auditors and their valuation of company assets (Brennan, 2020). Accounting policies like the Sarbanes-Oxley Act of 2002 were examined where they measured auditor independence before and after the implementation of the new accounting policies and increased audit quality due to the new set of procedures (Hollingsworth & Li, 2012).

Managerial Understanding

Harding and Trotman (2017) concluded several managers at the senior level who served as participants to examine how managerial understanding dominates skeptical orientation. Montague (2010) discussed managerial assertions, where the auditor's judgment could differ from the manager's perception due to bias. Managerial duties are to increase the knowledge base level through assigning the appropriate audit staff for the correct audit engagement based on the perceived professional skepticism of the auditors chosen (Doherty, 2019). Leadership coordinates the auditor staff based on serving the clients auditing needs to effectively (Ruggeri, 2019). Within the CPA firms, it is up to management to assign and align the auditor with the appropriate assumptions, appropriate evidence, and free from bias (Schreuder, 2020). Management sets the standards for the system controls and designs influence over the conducted audit through cultural behaviors (Patel & Chand, 2011).

Swanson (2010) examined the effects of managerial effectiveness to support the auditing practices with relationships between the auditor and the client as well as the technical side of the auditing process to test the functionality of the management controls established in the auditing

process. Notes to the financial statements are supplemented with an attestation of the accounting policies and require management to discuss estimates and assumptions as well as the function of management related to the transparency of the audit examination. Problems arise from the managerial perspective where the managers within organizations evaluate the level of penalty connect with their level of fraud with that of the perks associated with the fraud the manager's incentive (Burton et al., 2013). Hollingsworth and Li (2012) examined auditor independence and quality where information risk is reduced through increased independence on the auditor role and less economic dependence supporting credible financial statement reviews.

Monitoring and supervisory tasks by management should review auditor work to ensure the work performed was authorized and examined through the selected auditing process (Ojo, 2016). Swanson and Theis (2019) examined how management communicated negative problems uncovered through the audit with increasing technical terminology and disclosure of business risk. Assessment of management is an underlying part necessary for an audit where the integrity of management and their representation could also negatively impact the effectiveness of the audit. Feng (2020) looked at management's responsibility with a different perspective, with management using the deficiencies to lower risk associated with the company's viability and investigated root causes found with the independent auditor. Accounting standards are established to require managers to have a questioning mind to determine if the audited company has the risk of going concern abilities as well as the fair presentation of financial statements (Reinstein & Tate, 2016). Frank and Rasa (2014) focused heavily on management independence for decision-making, where their function would recommend resolutions for the auditors without impairment.

Auditor Risk

The professional profile for auditor training reveals professional training is a small percentage of learning, which attribute to an increased correlation with risk and error detection (Palazuelos et al., 2019). Criticism over the years has left auditors exposed to firms not training their staff adequately to exercise due diligence and professional skepticism (Ray, 2015). Higher-risk audit engagement environments require a higher level of doubt to remain neutral, which increases the level of skepticism and erosion of valuation judgments (Asay & Hales, 2018; Quadackers et al., 2014). Hoos et al. (2019) examined the link between accountability pressures from the professional association with improving risk assessments to influence decisions. Leitch (2010) revealed the increased risk of the auditor rule through judgment, and the understanding of the evidence is cause for concern where the evidence the auditor works with is not enough to make a practical, informed decision.

The power of management and close relationship with the audit client can increase the overall risk of the audit process, where an increased number of accounting scandals risk the merit of the structure (Ketz, 2020). Collusion with the leadership of the client organization impaired auditor independence and increased the risk of unidentified financial material misstatements (Du, 2019). The degree of risk increases as pressures from individuals and where the attitude of the auditor impacts the processing of audit information (Ahmad, 2019). Furthermore, the extended level of risk is increased through biased patterns and a mindset associated with the auditors' decisions (Griffith et al., 2015). The link between material misstatements and audit risk, where the quality of controls is monitored through risk management, has also shown increased risk with management's bias and self-serving attitude (Honing Skepticism, 2013).

Detective controls impact integrity with auditor judgment through the level of managerial assessments of the audit staff with approval of processes (Wright, 2016). Insufficient levels of managerial understanding of the audit engagement where material misstatement risk is identified are further increased with the level of fraud due to the examination of audit evidence as low contains 'insufficient levels of professional skepticism' (Harding & Trotman, 2017). Mock and Fukukawa (2016) concluded the understanding of risk assessments based on various approaches, such as probability assessments and belief-based approaches. Professional skepticism should be enhanced to contradict audit evidence and documentation where the attitude and lack of a questioning mind could miss a possible material misstatement.

Risk mitigation can also come as a safety measure where the auditing of public organizations develops auditor tools and skills through a well-formulated comprehensive design (Rymill & Cavenagh, 2019). Continuous auditing in relationship with risk mitigation where maximum gain will increase the effective frequency develop a model where audit quality is affected through the increased frequency of audits (Chan et al., 2018). Swanson (2010) also evaluated risk with audit involvement with corporate governance and strategically managing risk throughout the organization to discover flaws and risk exposure from within the firm.

Material Misstatement

Auditors measure for reasonable assurance compute and calculate financial statement disclosures to estimate the amount of material misstatement through the view of auditor perception (Helfaya et al., 2019). Pressures of underlying management contingencies derived from creditor and investor demands increase the likeliness of balance sheet vulnerabilities (Ruggeri, 2019). The definition from the AICPA where the auditor should have a questioning mind or deliberate mindset to detect possible fraud or errors from material misstatements (Ray,

2015; AICPA, AU-C200.14, Definitions). The research supports the auditor's role to correctly identify material misstatements through the application of professional skepticism throughout the audit (Honing Skepticism, 2013). Leitch (2010) found the human behavior factor to disseminate review risk assessments of flawed data increases exposure to misstatements. Additionally, fraud prosecutions were found to willfully violate compliance standards where applicable laws have found through knowledge of the concealed misrepresentation (Ehrlich & Williams, 2013).

Studies also show the effect of auditor impairment increases the likelihood of material misstatement and impacts accounting and auditing functions with the contribution of this study to examine audit quality and the dependence on low-quality data (Asay & Hales, 2018; Du, 2019). Furthering the topic of quality presented by audits, suggests the risk of audit quality is connected with complex accounting processes and the mindset in which an auditor works (Griffith et al., 2015). Detection of material misstatements is present through the fluctuations of trends handling big data estimates of significant audit risks (Burca & Lile, 2018). Harding and Trotman (2017) presented research supporting the likelihood of material misstatement from fraud based on the level of skepticism impacting auditor judgment and actions.

In addition, material misstatement is the assessed risk measuring the probability of beliefs and assumptions where audit evidence and assessments examine the accuracy of current and prior assertions to ascertain the level of significance (Mock & Fukukawa, 2016). Regulation impacts auditor development of skepticism, where the focus should be aligned with the level of risk involved with the audit engagement process and focus on the areas of greater risk (Glover & Prawitt, 2014). The role of the auditor is to increase their skill by constantly crafting the application of professional skepticism, and lack of this skill could devalue the service the auditor presents to a quality audit. Continuous auditing establishes a framework where the auditor tests

for abnormalities through avenues of internal control monitoring but not all fraud can be detected, as collusion or managerial overrides can become overt the fraud detection initiative (Chan et al., 2018).

Estimations by Auditors

The principle assertions and the framework in which audits are structured is not consistent throughout the business environment and also varies by state rules and regulations (Simons, 2020). Auditors rely on measures derived from the systematic output from the financial disclosures to evaluate statistical differences (Helfaya et al., 2019). Financial fraud detection is derived from enhanced professional skepticism that incorporates executed with high ethical standards to achieve credible estimations by the auditors (Tang & Karim, 2019). The PCAOB strengthens rules for auditing estimates, supervising specialists (2019) supports the importance of the Auditing Standard 2501 and how the estimates are applied through professional skepticism. The possibility of companies expanding from national to global change the estimates auditors examine through the financial statements and reviews become more complex where increased risk could develop through estimates (Honing Skepticism, 2013). Research has shown auditing standards examined through a retrospective review of estimates have shown the impact of the lack of risk and controls where the prior year assurance of the financial statements to detect potential errors in accounting estimates has failed (Wright, 2016).

Feng (2020) looked at the auditor estimates through a view of non-compliance with rules and accounting regulations and have different views with the level of risk associated with the deviation from compliance efforts. Reinstein and Tate (2016) examined the auditor's role with disclosures of going concern as well as tracking the reasons why the company is failing to meet obligations through an auditing analysis of the audit evidence to review auditor estimates

appropriately. With respect to accounting estimates, they should include historical information and develop the accounting estimates through determining assumptions based on an adequate review of historical and current information. The increased expectations of the auditors incorporate the auditor estimates with discernment through associated levels of risk, going concern while remaining unbiased through an independent approach.

Regulation and Compliance

Detecting risks from an audit through relevant compliance indicators evaluated by auditor evidence and aligning this with processes and procedures but should consider the potential risk of systematic regulation design (Tang & Karim, 2019). The professional auditing standards incorporate professional skepticism to ensure compliance with the assessment of audit evidence (Ray, 2015). Studies show the accounting profession works through a systematic process of regulation established financial reporting standards are required to comply with to adopt similar approaches benchmarked (Patel & Chand, 2011). Glover and Prawitt (2014) examined problems from regulation and compliance standards where the level of policies can impede upon the level of applied skepticism and disjoin the focus of audit and risk detection. Information within the audit contains information regarding the adherence of regulatory compliance and evaluation reasonableness from the application of compliance efforts. The regulatory environment is aligned to the auditor's judgment capabilities and decision-making techniques used to discover risks (Krishnan & Peytcheva, 2019).

Regulations are created to support the structure of the environment in which the audit is conducted and protects the reputation of the accounting field (Burca & Lile, 2018; Du, 2019). Griffith et al. (2015) maintained additional work papers such as checklists, and new standards can bridge the gap between regulation and the auditing role. The lack of consistency is an

accounting issue common, and lack of accounting policies, laws, and responsibilities perpetuations the problem of making credible judgments (Brennan, 2020). Regulation audit inspection finds a global need for increased skills of skepticism because of the importance of this particular skill for the profession of auditing, and this is a high-ranking problem with auditors globally (Gettler, 2012). Chan et al. (2018) examined the development of continuous auditing through a structure of regulation and compliance that are necessary to follow governing rules, such as the Sarbanes Oxley Act of 2002.

Hollingsworth and Li (2012) debated the topic of auditor independence in relationship with accounting professionals and the underlying compliance, rules, and regulations auditors and risk reduction and avoidance preservation are studied. Compliance with programs reveals regulation and compliance standards applied throughout the entire business, where companies should move toward improved compliance. Regulations and standards organizations are to follow are to review the internal financial statements of the audited organization and inquire as to the legitimacy of the conditions discovered through the review and expand audit procedures if management has concerns over the going concern of the organization (Hollingsworth & Li, 2012). Prior research shows the development of rules and standards to regulate white-collar fraud through requirements set forth with auditors by examining opportunities and rationalization of behaviors of dissatisfaction (Mintchik & Riley, 2019; PCAOB, AU section 316, "Consideration of Fraud in a Financial Statement Audit," 2002). The importance of SEC regulation and the increase over the years with requirements of independent audit committee requirements for publicly traded organizations and enforces additional controls through increased compliance mandates (Balkaran, 2019).

Themes and Perceptions

Auditor issues share several common themes with an evident lack of professional judgment applied from the auditor. Skepticism themes are based on several subjects where the formation of skepticism cannot side with one single formulation process but also needs flexibility in the process (Lee, 2001). The perception of auditor independence in appearance is a concern for auditors where the auditor must maintain objectivity throughout a given auditing situation (Gelter & Gurrea-Martínez, 2020). Themes of ethical matters related to the practitioner's professional responsibility integrate several ethical considerations that challenge the auditor's perception of discovering fraud (Hatchard, 2018). Standards for professional conduct and development of professional skepticism had emerging themes from lack of integrity to the inability to follow regulation. The auditor's perception to incorporate a questioning mind to detect material misstatements find barriers through complex judgment understanding to implement professional interpretations shows emerging issues for the development of auditor skepticism.

Auditor Role

The auditor's role as an emerging theme from the literature review concerning the professional skepticism that is needed. Understanding the responsibilities associated with the auditing role revealed risk management through the auditor's assessment of internal controls (DeZoort & Harrison, 2018). The auditor's role works through the framework developed to examine the financial statements reviewing regularity, efficiency, and performance (Barrett, 1996). The auditor's perception is to exercise a questioning mind through complex processes and identify opportunities for risk exposure (Anderson & PricewaterhouseCoopers, 1998). As companies evolve and enhance technology systems, an emerging theme of the auditor role is

expanding their knowledge of the systematic processes, remaining skeptical about the information monitored throughout the audit, and reviewing the controls set in place (Hodge, 2020).

Audit Engagement

A theme found from the literature review was the audit engagement process and the importance of the audit's underlying concepts. The engagement objectives should use cognitive abilities to use due care to establish fraud detection methods to prevent and detect auditing controls (DeZoort & Harrison, 2018). The audit engagement theme reflects the client's focus, where a high-level technical skill set is required to develop and prepare for the audit engagement (Barrett, 1996). Engagement planning is performed from the management's perspective to choose the appropriate auditor for the audit engagement. The audit's contractual agreement through the implementation of formalized standards and the auditor needs credible decision support incorporated within the audit framework (Bone, 2020). The unique skills required by the auditor and the degree of professional skepticism exercised reflect the knowledge base the audit professional should possess concerning applicable estimates (Reinstein et al., 2018).

Professional Standards

Another emerging theme from the literature review was the professional standards an auditor must formulate their professional skepticism. Management's assertion of the professional qualities the independent auditor poses is a perception of the ideals held by the auditor chosen for the evaluation of risk (Anderson & PricewaterhouseCoopers, 1998). The perception of auditors fully understanding the standards in which they work is shown increased challenges of development of guidance with how to apply their professional judgment (Bone, 2020). Accounting standards are guidelines where auditors examine the financial statements for material

misstatements with information of principles-based steps for auditor performance (Reinstein et al., 2018). Professionalism and the auditor's use of professional standards exemplify the effectiveness of internal auditors' policies and the foundation for a successful audit (Jacka, 2017).

Auditor Skepticism

Skepticism is a fundamental skill auditor base assumptions of accounting estimates and exercise judgment to evaluate the level of material misstatements (MacSweeney, 2020). Auditor judgments formed through complex challenges with a high level of risk associated with the categories of determinations for specific circumstances related to the audit, such as the complexity of the audit engagement, subjective assumptions, and significant risk associated with complex judgment (Reinstein et al., 2018). Auditors follow established rules to invoke ethical application and critical thinking to achieve a higher level of behaviors consistent with practicing professional skepticism (Jacka, 2017). Auditors' motivation behaviors are reflected by the use of high-level professional skepticism for fraud investigations to examine opportunities for material misstatements and gaps with internal controls (Richards, 2016).

Risk Identification

A theme related to auditor risk was the increased pressure for auditors to mitigate risks through the appropriate application of bias-free professional skepticism (Bone, 2020). The perception that auditors are to detect significant risks for the audited client is through the audit outcome to increase skepticism with decision-making tied to the results of the output of data through a questioning mind (Hodge, 2020). Auditors assessing the financial information include completeness testing to identify higher risks associated with the audit and decrease the risk as they increase the level of the internal review process to ensure the reasonableness of the

established controls (Austin et al., 2020). Auditors evaluate internal control design to assess the level of risk associated with materiality in comparison to determine accounting estimates and related events (MacSweeney, 2020).

Fraud Detection

The fraud detection theme disclosed the auditor's judgment basis should be free of bias and incorporate a questioning mind to safeguard against flaws in the internal audit structure (Hodge, 2020). Professional skepticism is a fundamental characteristic to detect fraud where internal auditors investigate motivation and question the client should behaviors support a deviation from normal behaviors (Richards, 2016). The audit profession establishes controls and estimates to review the situation to interpret potential fraud situations free from bias and aware that auditor independence will support the auditor's position. Auditor concerns over the client's financial statements have an end goal in sight to detect fraud through communication with audit managers and assessments of internal controls through professional skepticism (Murphy, 2013). Auditor independence is linked with establishing credible relationships free from bias and ensuring audit quality through auditor rotation of client engagements to ensure the financial statements are fairly stated.

Audit Quality

Professional standards for reviewing financial statements incorporate professional standards where the auditor's accountability and performance impact the overall quality. Identification of fraud and corruption creates means for auditors to design adequate audit procedures where responsibility is incorporated into the resulting design that reflected increased quality standards (DeZoort & Harrison, 2018). The perception of auditor quality tied to the involvement with the auditing process where independence is necessary to make professional

judgments and justify the stance through applying appropriate skepticism (Barrett, 1996). The perception of audit quality revealed the lack of skepticism with financial reporting exposes risks and challenges to measuring materiality; however, with ongoing monitoring by the auditor, the audit engagement enhanced the overall quality (Anderson & PricewaterhouseCoopers, 1998). Audit professionals review the economic environment where management assigns the appropriate audit practitioner, where increased audit quality results from active communication between the auditor and the audit manager (MacSweeney, 2020).

Summary of Literature Review

The information from the literature review consists of the critical elements of the research. The study includes expanding topics of the background of the problem and underlying causes of the problem and detecting fraudulent schemes (Burca & Lile, 2018). Auditors should use self-reflection techniques to ensure justice and fraudulent mitigation strategies to analyze fraud risk skepticism. The literature review supports the case study design and develops the conceptual model through existing literature. Through the three research questions of this qualitative case study, the auditor's failure to detect deception through the accounting function studies the themes and perceptions to reduce knowledge gaps. The results of this study indicate fraud risk conditions are associated with the level of professional skepticism the auditor possesses.

Underlying causes to the problem examined through the themes and perceptions of the auditor's attitude where communication with the auditing process resulting from material findings where professional skepticism was expressed. The auditor's relationship should develop the cognitive understanding to assess audited materials while remaining independent from conflicts of interest (Wright, 2016). Questionable judgment increased professional skepticism

through the implementation of internal controls supported by a questioning mind. The auditor's fiduciary represents the auditor's responsibility for accountability, impairment, and evaluation of independence containing personal characteristics auditors should possess. Management's understanding of the auditor's capabilities to detect material misstatements while following accounting policies remaining independent were elements found to enhance the overall audit engagement process. Finally, the auditor's mindset who possesses a questioning mind should develop fraud risk assessment and techniques through analysis of issues where a weak perspective leads to undiscovered misstatement and underlying fraud.

Discovered Themes

Discovered themes were consistent with the literature review and the outcomes of the study. The theme of fraud detection, material misstatements, and communication were some of the discovered themes found through the research. Additionally, training, audit engagement, and issues were professional skepticism were consistent with the discovered themes and the literature review. These discovered themes will be further explained in future sections of this dissertation.

Transition and Summary

In summary of Chapter 1, the nature of the study examined by comparing the research methods with the qualitative research study as the chosen method. The case study format was the specific design found to support the research study problems for professional skepticism in the auditor's role. From the literature review, several key points found a lack of the development and use of professional skepticism within the auditing profession. The auditor's role has evolved with changes to audit engagement and increased levels of professional standards where assurance and trust derived from the auditor's opinion through professional skepticism (Bavly, 1999). The level of risk found to come from various areas where professional judgment challenges involved

material misstatements, management's bias, and changes from rules and regulations governing the accounting profession. Ultimately, the topic of fraud viewed through the mindset of professional skepticism is a quality expected as a fundamental skillset for auditors to possess and support their role (Giroux, 2014).

The next chapter will include reviewing the current research project and examining the research instruments and developing emerging themes. Review of the professional auditing complexities, the research project analyzed changes through the evolution and guidance of the auditors (Bavly, 1999). Uncovering fraud is quite complicated while auditing through the accounting system. The research gathered data to analyze the deficiencies where the auditor's lack of professional skepticism failed to discover hidden fraud in the financial statements (Giroux, 2014). This chapter reviewed the methodology, research design, and procedures for the auditor's lack of professional skepticism.

Section 2: The Project

The qualitative case study's focus was to explore the lack of professional skepticism of auditors and how the missed detection of fraud contributed to the lack of this necessary cognitive skill. The reliance on correctly presented financial statements acknowledged through the auditor's review were complexities involved in the technology-driven audit. The project reviewed financial statement fraud detection and understood the auditor's risk factor responsibilities (Wilson, 2016). A random sample of auditors who know the professional skepticism processes within regional CPA (Certified Public Accountant) firms. The researcher designed the project to add to the body of knowledge with a heightened sense of judgment throughout the audit process.

Section 2 of the dissertation includes the researcher's role and the participants' introduction to the case study design. The population and sampling methods, data collection techniques, and data analysis sections will present information in this section. Additionally, the reliability and validity of the information collected were analyzed to provide insight into the auditor's lack of professional skepticism. The researcher examined the auditor's commitment to auditing firms' auditing processes to determine where professional skepticism lacked to uncover fraud and risk exposure (Wilson, 2016). The study began with a review of the purpose statement of the problem with fraud and material misstatements uncovered through the lack of professional skepticism.

Purpose Statement

The purpose of the study was to examine the lack of professional skepticism, which resulted in the inability of auditors to detect deception when working through client inquiry. Professional auditors should conduct audits with due diligence for confidentiality as well as the

discovery of material misstatements through deceptive techniques (Surak & Wilson, 2014). This qualitative case study explored the inability of the auditor and the problem of auditor skepticism continuum, where oversight and malformed judgments impede upon the professionalism of the field. Identification of the field of study for auditor's inability to fulfill their responsibilities examined the gap of knowledge through the auditing process and discuss attributes contributing to the lack of professional skepticism (Brazel, 2018).

Professional and ethical decision-making by the auditor is necessary when working with the discovery of fraud or other manipulative tactics but becomes problematic when professional skepticism is not used throughout the audit process (Jeffrey, 2016). Disorganization from auditor agencies is problematic in Kentucky and attribute to the lack of professional skepticism for this region (Luftus, 2018). The auditing function is an important application of professional skepticism and is important for regional performance measures and audit quality to apply professional skepticism by the auditor.

Role of the Researcher

The researcher role interprets and collects data by contacting participants of the study to observe responses of the experience through direct experience (Stake, 2010). The researcher's role was to objectively gather data as the sole collector of the data in the qualitative research study. The researcher's goal examined the literature and the impacts of the lack of professional skepticism and employ a strategy for development to answer the research questions posed. The study by Leavy (2014) revealed that the researcher's role is to build a relationship with the partner organization increasing participant honesty and accuracy for the research topics. Creswell (2014) emphasized the researcher's role with comprehensive data collection and considerations

to address the researcher's project. The researcher's role is to examine the process and use of professional skepticism through Certified Public Accountant (CPA) firms in the Kentucky area.

The researcher used the case study research design to further understand the participants' experience with the phenomenon of the lack of professional skepticism. Case study research employs the methodology to use a selected case with subsequent analysis evaluating different samples of data collected through a timeline analysis and observations for an in-depth analysis and unfold measures to understand auditor skepticism (Elman et al., 2016). The researcher examines participants who were members of regional CPA firms to examine the importance and use of professional skepticism. The research planned to examine the level of professional skepticism and evaluate the quality of judgment with auditors and the strategy inquiring fraud (Lauck et al., 2020). Walle (2015) revealed the case study as credible qualitative research with flexible elements for researchers. Researchers use a case study design with research questions, literature review, interviews, archival data, and data collection strategy processed responses to examine the outcomes from the case study results (Gupta & Awasthy, 2015).

The foundational understanding of the researcher comes from a foundation of three decades in the accounting field. The researcher has been employed in a full-time capacity at a Fortune 500 company in the insurance industry and has performed financial duties involving internal auditing and assurance services. The researcher managed several auditors who reviewed medical cases and examined raw medical data for financial interpretation. The researcher does not have experience with the external auditing role; however, she has worked with external auditors from within the Fortune 500 organization. Researchers with experience collecting data expanded knowledge from the qualitative approach for the research questions (Keegan, 2009).

The researcher incorporated bracketed data from the development of background training into the interview process to avoid personal bias (Morgan, 2011). Doctoral research issues arise from the researcher's judgment to invoke an outcome misapplied from bias (Baddeley, 2012). For these reasons, the use of the bracketing interview structure frames the project and aids the researcher from the use of interjecting the view free from personal application to validate the data (Morgan, 2011). Through the technique of triangulation, the researcher improved the validity of the data, free from bias.

The researcher requests participation via regular mail and e-mail to regional CPA firms in Kentucky requesting participation in the doctoral case study. A statement of participation on company letterhead is necessary to confirm the auditing firm's confirmed research study with appropriate contact information from the firm. Communicating the interview structure through a nondirectional interview helps the respondents answer the interview questions and express their opinions (Beuving & Vries, 2015). The researcher will obtain the e-mail addresses from the director from the CPA firm and e-mail the authorized auditor participants upon receipt of the signed permission letter. The researcher then sends e-mails to conduct interviews for the topic of professional skepticism and gather evidence to gain a deeper understanding.

Another data collection method the researcher incorporates in the qualitative research is archival data. The secondary data analysis is from archival data that aids in developing accounting and understanding of the data collected from the interview for further understanding of the research (Fischer & Parmentier, 2010). The interview guide responses are investigated through archival data and add additional credibility to the study.

Transitioning from the researcher's role from the participants' interview, the researcher obtained approval from Liberty University. The Institutional Review Board (IRB) purpose of the

board is a collective commitment to interject opinions and knowledgeable views to objectively review the doctoral researcher's submission (Stark, 2012). Stark (2012) indicated a process the members of the IRB committee members is to vote for a consensual decision regarding the individual researcher's study. IRB approval involves an additional review when interacting with human subjects in the research (Kramer et al., 2009).

The purpose of the researcher's role in this section of the research process is to seek the approval of the committee members for the suggestions of the researcher's methods and interview questions (Stark, 2012). The researcher's submission is executed with the intent of the study's important findings through communication with the university and the IRB board for approval (Kramer et al., 2009). The researcher collected data for this study via interviews and analyze the results to compare the case study results in an Excel workbook. The researcher's results focused on the specific research questions and follow planned documented procedures to conduct the study while following IRB regulations (Kramer et al., 2009).

Research Method and Design

The researcher has selected the qualitative method to explore the lack of professional skepticism further. The chosen research design chosen by the researcher is the case study design. Halecker (2016) suggested the qualitative research is an established basis for the examination through the case study methodology. The next section described the methods for analysis and the chosen framework.

Discussion of the Method. The researcher has chosen the qualitative study due to the characteristics of the case study method's specific design, where the examination characteristics address the research questions for this study (Stake, 2010). From Creswell's (2014) study, qualitative research inquiry is suitable for researchers to examine across broad platforms the

investigated subjects' behavior and attitudes. Additionally, Walle (2015) assessed issues concerning processes of a particular situation. The case study design approaches an event for investigation through a specified time frame with data collection to involve fieldwork to understand the phenomenon (Gupta & Awasthy, 2015).

Qualitative research techniques are to study ethical problems through processing data after gaining informed consent from the participants in the study (Keegan, 2009). Examining combined results from qualitative researchers, the process of this researcher reflected through logical views where the participants respond to the proposed research questions (Gupta & Awasthy, 2015). The researcher employed the case study design to answer the research questions through data to shape the overall study from electronic communication sources (Saldana, 2011). Saldana (2011) disclosed that keyword internet searches would help examine data relative to the research study to gather additional essence.

Qualitative research supports the exploration of understanding, collecting, and analyzing data (Halecker, 2016). The qualitative research methodology's conceptual framework connects appropriate data collection methods for analysis (Gregory, 2020). The qualitative methodology helped the researcher with the type of research to collect and analyze data from interviews to understand the problem's in-depth view. Qualitative methods appropriately help the researcher understand the empirical evidence through the case study design (Bansal et al., 2018).

Qualitative methods incorporate decision-making techniques to triangulate the retrieved data for interpretation to analyze free from bias (Baddeley, 2012). The foundation of qualitative methods incorporates the use of triangulated data for analysis to increase the quality of the findings (Klenke, 2016). The qualitative research studied the topic of professional skepticism as the guiding framework to triangulate the data and extract emerging themes.

Discussion of Design. From Walle's (2015) study, the case study structure is to examine a particular event to understand decisions and is well-suited for qualitative studies. The distinction of the case study research contributes incorporate an element of purposeful sampling where the methodology examines the available literature where the lack of efficiency in the professional auditing career are strategies to align case studies with the qualitative research (Elman et al., 2016). Yin (2014) guided the single-case study design for the researcher to create an appropriate case study and investigate the field of knowledge of the study's topic of professional skepticism.

The case study aids with an in-depth analysis to analyze data for a greater understanding of a particular phenomenon (Halecker, 2016). The qualitative case study model supports the interview framework to evaluate the research study's phenomenon (Gregory, 2020). Qualitative research studies conduct research on a single phenomenon through an interview process, understanding skepticism's conceptualization (Travers, 2001). The research conducted a single-case study to examine current skepticism patterns with data received from the interview (Bansal et al., 2018). The researcher used the case study design to examine the lack of professional skepticism and the inability to apply this vital skill.

The case study design was used through the interview process to investigate a single case study and used interview questions to collect data (Travers, 2001). The case study promoted researching a single topic, such as professional skepticism, and understanding this topic's complexity through the interview process (Bansal et al., 2018). Furthering the process of the identified problem of professional skepticism, the researcher correlated the relationship of the topic through an interview to analyze the data and interpret the results.

Discussion of the Method for Triangulation. A theory for research design used for this study helped develop research through constructivism for social analysis (Addis & Winch, 2018). Qualitative research uses critical thinking, where the framework of constructivism is a practical research paradigm for research methodology (Jack & Saulpic, 2019). The characteristics of the constructivism pedagogy incorporate a triangulated framework for the researcher to judge the interactions and collect the experiences from the participant's perspectives (Jack & Saulpic, 2019). Data triangulation and methodological triangulation ensure the reliability of the analyzed information (Huetteman, 1993). The data triangulation achieves reliability through collecting data from the respondents through open-ended responses to the interview guide, taped interviews, and field notes. The methodological triangulation method analyzed transcribed responses from the qualitative framework to explore the data themes, increase the researcher's confidence and reliability of the study's findings (Huetteman, 1993).

The researcher incorporated the interview guide with open-ended questions to gather data from the personal perspectives of the individuals working within the CPA firms. Additionally, archival data is examined to further enhance the overall credibility of the study (Fischer & Parmentier, 2010). Triangulation of this data came from commonly used in-person interviews where the researcher is the primary source of the data collection process (Moser & Korstjens, 2018). Triangulation is also through the archival data that are another research resource of preserved qualitative data (James & Sorensen, 2000). The data retrieved from the interview guide are analyzed along with archival data and triangulated to detect a common theme and increase credibility.

The researcher's chosen approach is constructivism for additional insight into the concept of professional skepticism as the concept to understand the occupation. The constructivism

research method will aid in the ability of the researcher to gain expertise and real knowledge from the topic (Addis & Winch, 2018). The nature of constructivism improves the knowledge of the researcher through norms recognized through the views of the participants to develop a greater understanding of the subject (Bagnoli, 2013).

Summary of Research Method and Design. The overall objective of the case study research is to understand the problem better and to contribute to the field of knowledge in the subject area. The single-case study provides a structured design for the researcher to follow to collect and analyze data (Yin, 2014). The researcher examined the collected data from the interviews and archival data through the case study design and use constructivism for triangulation. The qualitative research aided with the discovery of the theme from the interview combined with connections with the literature on the topic of skepticism (Travers, 2001). The research single-case study examined the auditor's inability to use professional skepticism and gain additional insight into this problem.

Participants

The researcher uses qualitative research to collect data through interviews with structured and semi-structured questions to analyze (Adham et al., 2018). To gain access to the participants for this study, the researcher searched the local area for CPA firms in the Louisville, Kentucky area. The research is supported by a study by Adham et al. (2018) where categorization of the research topics is developed into two different sections from the reflection of participant responses with prescribed answer selections and open-ended responses by the participants. The researcher searched online for CPA firms in the surrounding area to gain a potential participant list.

The researcher then cross-referenced the online search of local CPA firms with the Kentucky Society of CPAs to view participating listings of local businesses and validate active firm status. The listing is captured in an Excel workbook with the address, partner names, phone numbers, and listing of e-mails of the CPA firms. Selected participants of these localities incorporate their working knowledge related to professional skepticism, where their answers should enlighten the researcher by answering the interviewer's questions (Roulston, 2019). Additionally, the participant schedule should allow for a 20-minute interview to add information regarding themselves, their role within the organization, and their commitment to answering questions thoroughly for the interview process.

Addressing the comfort level of the participants, the researcher communicated the participant may refuse to answer questions they are uncomfortable answering selections indicating through stopping with the question or the interview (Roulston, 2019). Thorough communication informed the participant that their answers are kept confidential increases the level of trust with the participants. A level of trust and respect is earned through a successful researcher-business relationship with communication at regular intervals (Leavy, 2014). Throughout the research interview process, the participant's role is to share their knowledge about the topics and provide time for thoughtful responses (Roulston, 2019). Trusting participants allow knowledge sharing of the topics through their professional career for the researcher to analyze patterns of symmetry (Leavy, 2014).

In the final stage of the process relating to the participants, the researcher summarized the information collected from the answered questions and reflect on the data through the development of a narrative (Adham et al., 2018). The summary is coded to mask the identity of the participant through an alphanumeric assignment based on when the respondent participates in

the interview. Additionally, the business name is assigned an alphanumeric code to maintain the anonymity of the respondent business participating in the study.

Population and Sampling

The researcher's population was drawn from the population in Louisville, Kentucky. A purposeful sample was drawn from the chosen population. The purposeful selections from the population were drawn from an online search of the Louisville area and cross-listed with the listings from the local CPA society's member registration listing incorporate various sized CPA firms. The sampling method incorporated demographic data, the professional level, and purposeful questions to gather data free from bias (Durmic, 2020). This study's population for this study consisted of the listing of CPA firms listed on the Kentucky Society of Certified Public Accountants current registered firms. The current listing of CPA firms was chosen because they are the most up-to-date listing local area's available firms.

A purposive selection was used to create the foundation of selection for the sample population of this study. A purposive selection was used for the specific purpose through the examination of a localized geographic area and specific research topic (Duncan, 2008). This sampling method is best suited to collect diverse experiences and incorporate different professional career experiences from the population selection (Palermo et al., 2015). A small purposive sample is a credible style of exploration to enhance knowledge and understand and assess the auditor's perspectives (Palermo et al., 2015). Incorporating the qualitative approach gathered information from a range of professional experiences where the researcher developed a theme through analyzed data through the purposive sample.

Discussion of Population. The population is structured units where the researcher gathered information as the sole informational source where the population output drawn from

the sample (van Rijnsoever, 2017). The sample of the case study population's point of view develops empirical results analyzed through the case participants (Lee et al., 2007). The sample size incorporates a size of the population focused on a single case approach that analyzes the respondent's responses from the research questions through a small subset of auditors in the population (Lee et al., 2007). According to the Kentucky Board of Accountancy, there are 249 registered CPA firms in Louisville, Kentucky (Kentucky Board of Accountancy, 2021). Of the 249 CPA firms, 10 of the largest firms in the Louisville area were selected as the study population due to their vast resources and capabilities to have auditors available for the interview. The population sample, a set of 14 participants, was derived from the respondents of the CPA firm website listing from the invitation to participate in the researcher's doctoral case study.

Discussion of Sampling. The population sample of 14 participants scheduled for meeting interviews based on the company's hierarchy and determined by the interviews given until saturation (Moser & Korstjens, 2018). Data saturation determines the size of the study, where the collection of data continued until the collection of qualitative data and sampling is sufficient for the analysis (Moser & Korstjens, 2018). The researcher may reach 14 participants; however, the actual population is determined through the data collected and concluded once saturation is met where no new data is generated (Low, 2019). The total count of interviews conducted is determined by the 'stopping criterion' to collect a substantive sample size (Francis et al., 2010).

Varying degrees of positions within the organization are needed to gather data from different experiences of professional skepticism. The sample size provided the researcher with an adequate amount of information to analyze and develop emerging themes from the participant responses. Purposive sampling criteria are an approach to understand the study's topic and

provide information of the appropriate participants with varying titles within the firm (Lincoln & Guba, 2013). The discovered themes from the constructivism paradigm will shed light on exploring exploration through ‘new insights’ from the engagement. The interview process continued as new information received through the participant’s responses (Lincoln & Guba, 2013).

The data is retrieved from the willing participants from the study in the geographic area of Louisville, Kentucky CPA firms. For this study, the researcher separates the auditors by title and level held within the organization. The researcher uses qualitative research methods to gain insight from sampling methods of the data derived from the participant’s responses until the point of saturation (Walker, 2012). The sample size is expanded or contracted due to the interview guide’s responses and when saturation is met. The researcher identified saturation by examining the data when no new information achieved from the interviews and responses are redundant (Walker, 2012). The sample size for qualitative studies is relatively small in size and added to the development of themes through various individual participant responses (Low, 2019). The researcher could reach saturation before the 14 participant interviews have concluded, and saturation could occur sooner than anticipated (Francis et al., 2010). Conversely, the research could attain the saturation point beyond the 14 participant interviews where the continuation of the study continues until saturation of emerging themes has concluded (Francis et al., 2010).

Summary of Population and Sampling. The eligible participants are auditors currently employed at a CPA firm located in Louisville, Kentucky, and listed on the Kentucky Board of Accountancy website. Director-level individuals listed on the CPA website contacted who are tasked with the responsibility of achieving acceptance of the study. The research contacts the

CPA firms through e-mailed invitations to extend the invitation of participation in the study (Lincoln & Guba, 2013). The researcher incorporated the sample population and analyzed data relevant to the research questions. Throughout the process, the interview guide is used with the participants until saturation has been met where the interviews conducted have become repetitive (Walker, 2012). Thus, the total population comes from the data retrieved and where saturation has occurred, and the interview process has concluded with rich data received (Low, 2019).

Data Collection and Organization

This section of the project discusses the data collection techniques and instruments used in the study. The data collection and organization of the data processes are described in this section to describe the plan for the research. The instruments used within the research plan described the interview guide and how this relates to the driving research questions. The reliability and validity of the study examined through this next section discusses these important elements to the study.

The researcher plans to collect qualitative data from the responses from the interview guide's questions related to the problem. The data collected is from the responses to the questions asked from the interview guide in a personal one-on-one setting. The researcher plans to record and transcribe the participant responses for further review and organize the results into an informative format for analysis.

The nature of qualitative inquiry posed questions important to the field of study the researcher would like to better understand (Merriam & Grenier, 2019). This section examined the instruments for data collection, an assessment of the validity of the instrument for the study. The techniques used for data collection are described as to the nature of their relationship with the project. The data organization techniques examined the importance of maintaining secure

data organized with security measures. The researcher plans to collect data using qualitative research methods where this is appropriate for case study research.

Data Collection Plan. Data collection and analysis provide a context for the researcher to gather data extracted from the substantive interview guide. The researcher seeks to understand the data received and analyzed to obtain a detailed outlook from the participant's perspective (Merriam & Grenier, 2019). The researcher is the primary instrument for analyzing the collected data and interpreting the results through the utilization of the interview guide.

The researcher used many different questions through an interview guide to gain insight from various perspectives from the participant. The data collection interview instrument is a guided design for the respondent to answer the questions in the same order, which increases the quality of the business research (Satyaprasad & Krishnaswami, 2010). The nominal scale was used to gain information from a checkbox list item in the interview, and this approach allows the participant to select one answer from the guide (Habib et al., 2014). In contrast, the interview style contained elements of a direct and structured interview where the same questions were asked of the same professional level, which enhanced the reliability of the interview (Satyaprasad & Krishnaswami, 2010).

Member checking increased the credibility and validity of the study by incorporating this tool as applied for respondent validation (Thomas, 2017). The researcher contacted the participant with a follow-up to examine collected responses to ensure accuracy. The researcher circled back with the participant should new interview questions arise from the received responses from the individual participants. The data collection plan encompasses the data collection, communication post-interview, and additional follow-up should additional questions

arise. This is an appropriate plan for this case study through validation techniques of triangulation and member checking to ensure internal validity for this project (Thomas, 2017).

Data Collection Techniques. The in-person interview process incorporates the use of qualitative techniques in attempts to explain the behavior of the emerging variable responses (Burton, 2007). Prior to the official interview, the researcher received a signature for acceptance of the forthcoming meetings to affirm participation in the study (Creswell & Poth, 2018). The data collection process is repeated for each interview to collect information uniformly for each new participant interview (Sandu, 2018). Participative observations are data collection techniques where the researcher interviewed to only read the questions but recording the responses from the participants (Lee & Broderick, 2007). The researcher uses techniques to understand the underlying information behind the data collection and analyzed through the interview guide to gathering data to analyze (Gillham, 2000).

Instruments. The interview guide (See Appendix A) contains the information related to the questions asked of the participants, segregated sections of the interview guide is for the level of experience of the audit associate and is the main research instrument for this study (Habib et al., 2014). Data collection techniques in qualitative studies collect data through responses given with different cognitive attitudes derived from the perceptions of the professional decision-making and behavioral aspects (Burton, 2007). The interview guide consisted of open-ended questions to retrieve answers from a standardized format; however, this allowed the participant to answer the questions with unstructured answer responses where this style has been found useful for case studies (Satyaprasad & Krishnaswami, 2010). Upon conclusion of the data collection process, the researcher archived the data on an external drive, detached from the computer, and store it in a locked cabinet in the researcher's office.

The researcher's questions for this study are as follows:

RQ1. Why is there a gap with the auditor's inability to use professional skepticism in the assessment of audit evidence?

Questions pertaining to further understanding this research question were added to the interview guide to understand the gap of knowledge in this field of study. The background questions lay a foundation to identify if an emerging theme of the use of professional skepticism is found from the participant's background.

In Appendix A, questions 1, 2, and 5 are needed to answer this research question from the perspective of the auditing staff members. In Appendix A, questions 4 and 5 are needed to answer this research question from the senior auditing staff members. In Appendix A, questions 4 and 5 are needed to answer this research question from the management or leadership level within the firm.

RQ1a. How do the auditors form their judgments and understanding of professional skepticism?

Training and education questions are asked from the interview guide to determine if the lack of education or training offerings the auditor is exposed to has harmed the understanding of professional skepticism.

In Appendix A, question 3 is needed to answer this research question from the auditing staff members. In Appendix A, question 1 is needed to answer this research question from the senior auditing staff members. In Appendix A, question 2 is needed to answer this research question from the management or leadership level within the firm.

RQ1b. What leads the auditor to this deficiency related to skepticism, and how is this connected to gathering adequate evidence?

Examining the time involved in auditing are questions asked from the perspective of each level of the auditor, senior level, or management are asked to understand if the gap of knowledge is connected to time in the auditing field.

In Appendix A, question 4 is needed to answer this research question from the auditing staff members. In Appendix A, questions 2 and 3 are needed to answer this research question from the senior auditing staff members. In Appendix A, questions 1 and 3 are needed to answer this research question from the management or leadership level within the firm.

Data Collection Techniques. The in-person interview process incorporates the use of qualitative techniques in attempts to explain the behavior of the emerging variable responses (Burton, 2007). Prior to the official interview, the researcher received a signature for acceptance of the forthcoming meetings to affirm participation in the study (Creswell & Poth, 2018). The data collection process is repeated for each interview to collect information in a uniform fashion for each new participant interview (Sandu, 2018). Participative observations are data collection techniques where the researcher conducted the interview to only read the questions but recording the responses from the participants (Lee & Broderick, 2007). The researcher uses techniques to understand the underlying information behind the data collection and analyzed through the interview guide to gathering data to analyze (Gillham, 2000).

Data Organization Plan

The researcher organized the data through coding the participant's identification and the firm's information to remain anonymous. A separate file folder located in the external drive will house the raw data retrieved from the interview. The research project recorded and verified the raw interview information collected and process using a qualitative software system named

NVivo. The data collection techniques and organization of the data collected are expanded upon in the next sections.

Data Organization Techniques. Following the conducted interview process, the researcher examines the responses to identify tasks and techniques through masking of the participant's identity so they will remain anonymous. The study organized the data through collection procedures where the researcher studied the respondent's answers from the transcribed interview (Lee & Broderick, 2007). The raw data is masked for the specific interviewee with an alphanumeric code as well as the organization that participates in this study to maintain anonymity. The categories are developed through an emerging pattern formed from the responses of the participants.

Summary of Data Collection and Organization. The data collection process is constructed through the qualitative method with the use of interviews to obtain the data (Sandu, 2018). The researcher collected, analyzed, and interpreted the data to formulate a conclusion from the participant's experiences with professional skepticism (Lee & Broderick, 2007). The collected data contains the collected data used for the research and the interview guide and is important for data analysis. Therefore, there were two instruments used for the qualitative case study to collect and organize the data gathered.

Data Analysis

The researcher used the interview guide to gather data of emerging themes formed from classifying the information gathered from the interview guide. The classifications are derived from coding the information through the interpretation of the retrieved data. The researcher triangulated the data through qualitative methods with the use of the NVivo qualitative software.

Finalizing the data analysis, the researcher interpreted the results and develop a theme from the software's output (Creswell & Poth, 2018).

The data retrieved from the open-ended questions asked during the in-person interview are collected, organized, and member checked (Thomas, 2017). The researcher uses NVivo software to process the participant responses from the question asked through the interview. The interviewer gathered the information necessary to input into the NVivo software system for data analysis and conversion of raw data for processing. The qualitative software assists the researcher with the development of emerging themes and patterns from analysis of the data. Data analysis is a process used by the researcher to discern meaning from the software's processed patterns and emergent ideas begin to develop.

Emergent Ideas. The purpose of the data analysis was to compare the data retrieved from the respondents of the study and compare the results to gain insight through a non-bias study through the purposeful questionnaire through a structured interview process and identify emergent ideas (Burton, 2007). Small groups of respondents throughout each segmented group yielded greater insight into the topic of the study. Data analysis is an essential element to the research process where the researcher is tasked with identifying, coding, and categorizing data (Mayan, 2009).

Coding Themes. The researcher organized the data from the interview through triangulation to create themes derived from characteristics of the gathered interviewees' responses (Creswell & Miller, 2000). Mayan (2009) introduced the process of the coding process first steps with data analysis, where the researcher compared the data from the interview. The NVivo software was used through the coding process where the researcher deciphered the qualitative data that helps with organizing the information.

Interpretations. The researcher interpreted the results of the interview through the answers to the questions and translate the data into understandable knowledge (Keegan, 2009). The researcher summarized the data from the participant responses to understand underlying data derived from the interview. The interpretation of the data used qualitative software to further develop the information process through a published software system widely used by qualitative researchers.

Data Representation. The data came from the answers from the participants from the interview guide. The data processed through the NVivo system supports qualitative data through predefined reports to show data representation of the information. Two data visuals shows the qualitative data in the form of data visualizations to identify emerging themes through the software. The graphical visualization output of the study is located in the Appendices section and referenced through citations.

Analysis for Triangulation. Triangulation is the process of analyzing data to support validity with the study and removal of personal bias (Amoretti & Preyer, 2011). Triangulation through the use of member checking and interview responses to apply credible analysis to ensure the validity of the raw data for analysis. Qualitative research is structured to understand the phenomenon through the case study to test the validity of information from different sources. The research design is a structured design or ‘blueprint’ to support valid analysis with set procedures with credible verification processes (Flynn et al., 2019). The researcher uses analytic data techniques and personal data process experience to increase the qualitative rigor of the formal research presentation (Flynn et al., 2019).

Summary of Data Analysis. Throughout the assessment of that data collected, the researcher looked for data that supports emerging theories as well as data that may oppose the

development of the understanding of the problem (Gillham, 2000). The researcher documented and validated the data gathered from the interview guide and formalize the results in the study and establish the credibility of the findings (Creswell & Miller, 2000).

Reliability and Validity

The researcher ensures reliable and valid data through credible participant groups through several steps. The information gathered through credible qualitative practices highlights the characteristics of the data (Flynn et al., 2019). The information interpreted by the researcher is validated through triangulation from several levels of auditor professionals. Bracketing techniques were used to develop themes through qualitative research methods.

Reliability. An interview guide is a reliable tool that qualitative researchers use to gather data (Keegan, 2009). The process increases reliability from the instrument used with the same qualitative method and yields similar results (Walle, 2015). Reliability is established through the consistency and use of proven qualitative methods and ensuring rigor through triangulation. Documentation of the data collection process is vital for the researcher as this helps to map the research. Increased reliability of the data is through saturation, where the degree of data analyzed resulted in no new information, which indicates the saturation point (Guest et al., 2020). Reliability is also enhanced through member checking, where the researcher validates the analysis results (Birt et al., 2016). Triangulation through qualitative methods and examining variations of analysis of CPA levels to validate the interpreted data collected and enhance overall understanding (Birt et al., 2016).

Validity. In qualitative research, the researcher ensures the information output from data analysis is reliable (Keegan, 2009). The validity of the research results stems from the control research measures representative from the findings of the legitimate study (Walle, 2015). The

researcher examined the data through structured analysis, a technique the qualitative research design includes triangulation to ensure appropriate application. Transcribing the data increases the trustworthiness of the study where the researcher interprets the data and application of rigorous validation procedures to ensure the credibility of the data (Birt et al., 2016). The validation process used the interview guide's raw data and submit a copy to the participant for credibility verification as a receipt of their participation in the study. The authenticity of the information corresponds to trustworthy criteria where the researcher used credible internal validity to establish confidence with this study (Lincoln, 1995; Lincoln & Guba, 2013).

Bracketing. The strategy of bracketing is a replication process where the detailed case study process has phases for replication (Gupta & Awasthy, 2015). The chosen method is the tool to help aid the researcher with the case study to better understand the subject of the data and the analysis (Freeman & Greenwood, 2020). Triangulation helped align the different data sources using the NVivo software for the theme development translation from the interview.

Summary of Reliability and Validity. The phases of the case study qualitative techniques are supported through triangulation for analysis (Gupta & Awasthy, 2015). The information regarding reliability and validity within the study was examined. The interviewed participants received a transcript from the interview to ensure credibility. These processes support the study to organize and plan the study, clarifying interview notes and synthesis of emerging themes.

Summary of Section 2 and Transition

Section 2 represented the participants included in the study as well as the role of the researcher. The qualitative methods outlined the interview guide for data collection, interpretation, and analysis. This section concluded with the reliability and validity of the study

as additional credible support structures in place to validate the rigor of the study. In this next section of the study, the researcher finalizes the project where the development of themes and the relationship between them are discussed.

Section 3: Presentation of the Findings

This section of the study finalizes the evaluation and outcomes from this study. The evaluation and outcomes of this study were obtained from various accounting firms within the locality of Louisville, Kentucky. The researcher explored the emerging themes with an analysis of the anticipated themes and perceptions derived from the research questions from Section 2.

The presentation of the findings revealed overarching themes from the results of the interview. This section describes six overarching emerging themes: fraud detection, communication, audit engagement, material misstatement, training, and issues with professional skepticism. Continuing in this section, the researcher finalized the outcomes, impacted the topic, and presented recommendations for applying to the professional accounting practice. The researcher reflects on the results, presentations, and findings and finalizes the conclusions from this research study.

Overview of the Study

The research project was analyzed through a qualitative lens, which reviewed the lack of knowledge in the auditing field, where professional skepticism deficits contribute to failed detection of material misstatements. To analyze this study, the researcher asked six questions regarding the participant's background, with five targeted questions surrounding the research topic and another five questions targeted at the participant's rank within the firm (Appendix A).

The research questions aided the researcher to further understand and analyze the qualitative study to add to the existing body of knowledge where the lack of professional skepticism increases the overlook of material misstatements, and underlying fraud goes undetected. This study produced beneficial information for accountants in the auditing field to

understand the lack of professional skepticism. Additionally, the lack of the application of professional skepticism has a financial material misstatement impact to consider (Kelly, 2006).

The qualitative case study elements created a framework for the researcher to investigate the topic of CPAs and to gain greater insight through the design. The literature review presented aspects regarding the subject matter prior to the investigative process. The researcher used the one-on-one interviews to observe the CPAs as they were interviewed to add an extra perspective into the problem following the guidance from the interview guide. The interviews were presented to local CPA firms in the local Louisville, Kentucky area. Due to COVID-19, the researcher received limited responses to accept the face-to-face interviews for the research study and reemergence of the COVID virus and the Delta variant outbreak.

Studying the topic of professional skepticism in the local CPA firms shed light on important elements of the auditing process for auditors to enhance the important aspect of the accounting profession. The researcher analyzed the topic of fraud through the significance of emerging themes based on judgment and improving firm performance (Ghafoor et al., 2019). The importance of internal controls increases where the demand for skilled judgment is necessary for increasing accountability in the auditing field. The researcher examined the lack of detecting material misstatements from one's perspective relative to examining data and developing judgments through the auditing process and justification of the outcome (Kelly, 2006).

Through the literature review, the researcher identified a gap in the literature with the formulation of a questioning mind. Education to enhance auditor judgment through examining the financial statements was not consistently found. The purpose of the study was to examine the lack of professional skepticism through audit inquiry and formulating an overall judgment based

on the financial statements. Three main research questions were explored to investigate the topic of professional judgments. The first question addressed the topic of the gap with the auditor's inability to use professional skepticism when assessing audit evidence. The second research question addressed the formulation of the auditor's judgment and their use of professional skepticism. The final research question examined if there was a link between gathering audit evidence and skepticism used through this process.

The case study qualitative research methodology was used to support the researcher with the study. Qualitative research methods allow researchers to explore the quality inquiry to assist the researcher in understanding the topic where there is a lack of literature or known facts related to the phenomenon (Creswell, 2014). The case study design allowed the researcher to explore several topics through an interview with participants. The interview included 14 participants. The researcher gained additional insight into the problem associated with the lack of professional skepticism.

To begin the research study, the researcher gained approval prior to working with human subjects. The researcher submitted the necessary documents required to perform the study with willing participants through the Internal Review Board (IRB) to gain approval to develop materials for the interview process. The CPA firms were chosen through the local Louisville Kentucky CPA firms listed on the local registry. This allowed the researcher to examine the CPA firm, locate participants through analysis of their titles within the firm, and view qualifications. The researcher gained information for specific local locations, e-mail, phone numbers, and the number of CPAs within the firm through the company's website.

After organizing the listing of potential participants and approval granted by Liberty University's IRB, the researcher notated the date of contact via e-mail, and if an e-mail was not

available, the researcher notated the other contact method. Other contact methods were through the specific CPA firm's website as a contact form and telephone calls with a voicemail message. The records were kept on an Excel file and separated by the participants who accepted the opportunity to participate in the study and those who did not accept the invitation.

Once the researcher had the list of individuals willing to participate in the study, the researcher reached out to the individual CPAs to schedule a date and time they would be able to meet. The researcher kept the meetings convenient for the participants at their place of work, an agreed-upon location, or via Zoom. Upon agreement of the date and time, the researcher then added an alphanumeric code to mask the identity of each participant. This code was used throughout the remaining portion of the interview process, transcribing the audio files, and was saved in an offline external drive locked in a cabinet in my home office. The researcher held the opportunity to participate in the study from May 29, 2021, through August 11, 2021, to the individuals found on the Louisville KY CPA website. The researcher felt the study did not meet saturation and added another opportunity for participation in the study from October 15, 2021, through October 22, 2021. While a limit to the count of participants depends on the study, some researchers suggest having six participants as the minimum while another set of researchers suggest 12 participants as the minimum where no new data were discovered (Daniel, 2019; Guest et al., 2006).

The field study was conducted at several firms in the Louisville, Kentucky area to meet with the participants in person at their firm with one interview conducted via Zoom. E-mail and networking were the tools used to coordinate schedules with the participants from the CPA listing for the area. The researcher gathered data from 14 interviews where the researcher also examined observations from the in-person meeting, such as mannerisms, eye contact, and body

language. The interview guide presented a planned design for the researcher to ask questions during a one-on-one interview and maintain consistency throughout the interview process. The researcher presented a consent form for each of the participants with a short introduction along with the researcher speaking from the interview guide with the opening introductory paragraph.

The signed agreement forms were presented during the interview or signed prior to the beginning of the interview. Some of the participants signed and scanned the document prior to the interview, while most of the participants signed the document at the time of the interview's start. The researcher printed the signed and scanned consent forms and presented that document at the beginning of the meeting to remind the participant of the research parameters with confidentiality and the audio voice recording that took place during the interview. The participants were able to reexamine the signed consent form prior to the beginning of the interview. Additionally, because of COVID-19, the researcher was limited to the number of individuals to interview because of the face-to-face interaction as well as the number of CPA firms in which to meet with those individuals.

The researcher explained that there would be an audio recording of the interview prior to placing the iPhone audio recorder on the table between the researcher and the participant. The researcher placed the audio recorder on the table beside the consent form and asked questions from the interview guide that was on the researcher's computer. The guide was helpful to ensure the researcher would be able to follow similar styles and correct wording for each interview question asked as well as each interview conducted. The researcher had their computer on the table, placed in front of the researcher, and was able to follow the form to ensure accuracy with the questions. On a few occasions, the researcher had to repeat a question asked during the interview, and the researcher's computer was helpful to guide through this process seamlessly.

The researcher presented a small introduction to get acquainted with the participants prior to the study. Once the introduction was concluded, the researcher informed the participant of the time involved with the study, confidentiality, and the participant may decline to answer a question they do not feel comfortable answering is acceptable. The researcher explained that the interview would be recorded and placed the voice recorder app on the iPhone onto the table in between the participant and the researcher.

The interview questions began with a background and demographic section consisting of six questions. Studies have shown an introduction helped the participant ease into the interview with a higher level of comfort (Belk, 2017). The researcher began with background questions getting to know the participant's career level and years of service. Also asked in the questions was the number of times they encountered problems with professional skepticism, followed by their level of education or certification.

The first question of the background and demographic section asks about the participant's rank or level within the firm. The researcher wanted to understand the career level of the participant, which would help the researcher analyze the qualitative data from different viewpoints. The next question asked a little more about the career level and how many years they have held that level of rank. This is followed by the number of years they have been in public accounting in total to gain a better understanding of the connection, if any, between the participant and the time they have been in this industry. The researcher wanted to analyze if staying in one firm, or several would have an impact on auditor judgment as well as the number of years of experience and understand the gap with the auditor's inability to detect material misstatements was due to the lack of professional skepticism.

This second section in the interview guide is questions for all participants where the questions are targeted to their specific role within the firm. Managers, directors, partners, auditors, and supervisors within the firms have different roles, and these five questions helped understand the experience the participant held. The question with the topic of fraud is introduced to gain a better understanding of their experience with fraudulent-related topics. This section is comprised of a set of five questions to all participants, which also asks questions expanding from their position within the firm into what specific actions take place should the discovery of fraud occur.

The third and final section of questions on the interview guide asked questions to the participant's specific rank with five different questions for each of the three categories: auditor, supervisor, senior partner. The first set of rank-specific questions was asked to the auditing staff members to understand their perspective of professional skepticism within the firm. The second category is the supervisors and senior staff members where they were asked questions relating to their experience with professional skepticism, interaction with auditors, and how management handles fraud-related issues. The final section of the rank-specific questions were questions given to managers and managing partners with questions designed to gather pertaining to training for professional skepticism as well as communication coordination questions if material misstatements were detected and the processes performed. These questions are for the head of the firm that has managing duties and strategizes at a senior level within the firm.

The interview guide concludes with a conclusion paragraph to thank the participant for their time with the doctoral research study surrounding the topic. The questions seek to identify causes for the lack of judgment and increase the level of professional skepticism for the good of the public sector, investors, and social responsibility (Giroux, 2014). The conclusion paragraph

reaffirmed the participant's answers would remain anonymous and the researcher would transcribe the interview from the recorded audio recording to a written format. The researcher communicated they would reach out if they had any questions, as well as allowing the participant to reach out if they too had any lingering questions based on the interview conducted. The researcher also stated that they could request a copy of the transcribed recording if necessary. The final section of the conclusion thanked the participant for their time with affirmation of the importance to the field of study research conducted.

Of the participants that accepted the opportunity to participate in this study, only managers, directors, and partners of firms were the rank within the firms that accepted the opportunity to interview in the first offering for participation. There were no auditing staff or senior auditors to interview acceptance for this study until the second opportunity to participate within the study was offered. The researcher offered another opportunity for participation in the study during an on-site training program for the auditors where the researcher was able to obtain an additional eight participants. The researcher studied the problem through achieving the optimal sample size of 14 by reaching saturation as the experiences became redundant through the interview process (Daniel, 2019).

Meeting with higher-level employees in the firm enabled the researcher to gain insight into professional skepticism from several firms while interviewing six participants for the study. Meeting with the skill-level of partners within the firm reflected pride and ownership within the firm they have equity or value of business mission (Graham, 2008). The auditors interviewed had newer educational experiences and less hands-on application and knowledge of the auditing functions. The auditing supervisor levels have experiences from the auditing perspective as well as from an elevated level from continued training sessions and time on the job.

Themes Discovered

Theme 1: Fraud Detection. During the audit, the auditor's role is to detect differences or errors that are adjusted or deliberately manipulated. The detection of those errors that the intent is the role of auditors to detect the mistakes, omissions, and fraud. Auditing standards establish the framework with correlation with the responsibility to obtain reasonable assurance of the financial statements and not materially misstated due to fraud. Participant P11 responded they "will review the auditor's work and go into the audit committee as I feel appropriate" when fraud is detected. Throughout the audit engagement, fraud is generally categorized into three abuse areas: intellectual, technological, and physical resources in which the auditor investigated variances from their estimates (Minastireanu & Mesnita, 2019).

The first question with gathering adequate audit evidence added to fraud detection and how the auditor must have a questioning mind when performing the audit. The auditor would be the professional to communicate fraud was detected to higher management or the partner in the firm for them to review the potential fraud found. Auditors have access to tools and resources to help them detect fraud in their audit engagements (Goh, 2020). Existing factors cause auditors to have an impaired quality audit which could be a lack of sufficient audit evidence and the complexities of the technological limitations (Umar et al., 2017). Participant P6 responded, "the written statement by both parties must be taken account as well as the formal investigation" when gathering evidence related to fraud.

The detection of fraud can come from patterns outside the norm, and using a fixed misstatement threshold, aided the auditor in scaling the fraudulent activities through the variance analysis (Riani et al., 2018). Auditors determine the specific planned audit procedures structured to detect the risk of material misstatements through an objective perspective (Dickins & Reisch,

2012). P7 also furthered the notion by responding with “audit planning, at this stage [in the auditing process] the auditor will work with the client to establish the scope of the audit timescales and resources responsibilities where the audit and client are usually outlined” with detail to support their role to detect material misstatements. The auditor’s role is to systematically identify opportunities where fraud could be presented on the financial statements and examine the company’s internal controls (Anand, 2007).

Theme 2: Communication. The audit professional would hold regular communication channels open for auditors to report their findings. A peer review is performed for all audits to ensure the information communicated follows the process and items are not missed. Communication is frequent with the smaller firms with their location very close with the other partners within the firm. Most auditors found that open communication styles worked best and that flexibility with communication is necessary. P11 stated, “if we suspect fraud, we need to bring it up to the director on the engagement.” This shows the importance of communication and the chain of command during an audit.

Communication limitations for new auditors include supervised activities by educated staff where understanding the judgment is applied throughout, and the audit is examined by supervisor or peer reviews (Massi et al., 2020). Auditors will communicate should a departure from GAAP or related fraud issues arise from the audit where the managerial or partners would be involved to pay specific attention to detecting material misstatement (Eftimie, 2017). Practical communication skills help the auditor investigate the financial statements through communication where some barriers to open communication processed would impact the overall audit (Golen et al., 1997). P8’s response supports this style of communication where they “report

to my supervisor and then also design and perform other audit procedures that address the risk of material misstatements.”

Communicating sensitive information to management and sharing this information with leadership increases the teamwork environment (King, 2006). Auditors follow the guidance regarding the discussion surrounding the identification of material misstatements as in SAS No. 99, where the team discusses and brainstorm ideas regarding the audit (Dickins, & Reisch, 2012). P11 responded with “misstatements, inadequate accounting statements and records” where they would document their information prior to communicating their results. Communication is an essential part of the auditing process where communication is necessary to discuss relevant information related to internal controls and the auditing framework through a supportive system (Anand, 2007).

Theme 3: Audit Engagement. The third emerging theme surrounded audit engagement. With the research questions surrounding fraud detection and professional skepticism, these characteristics are used throughout the audit engagement process. The auditors discussed the audit engagement process, channels of communications, and policies to adhere to for the detection of material misstatements. Two participants agreed how the auditors are chosen for an audit engagement where, “they look at my skills and technical abilities of the auditors [they] will be supervising along with checking my planning and being efficient and effective” (P10 & P11). Data analytics aid the auditor through the audit engagement to increase the audit’s integrity and increase fraud detection (Goh, 2020). Auditors use software systems to aid them with analysis to detect and measure material misstatements where complex tasks adopt measurement systems (Umar et al., 2017). Knowing which auditor has the correct capabilities is valuable when assigning them to an audit engagement.

The audit engagement incorporates fraud detection techniques through identifying patterns using predictive observations but is limited by sophisticated data (Massi et al., 2020). The audit is structured with acquiring knowledge about the audit engagement firm where identification and suspicion of fraud should be found through abnormalities found through the auditor's work (Eftimie, 2017). P13 mentioned, "audit practice leader is in charge of assigning team members to engagements." This statement relates the skills of the auditor and their alignment of skillset to an audit.

Planning the audit evaluates the company's internal environment to understand professional skepticism with a questioning mind while following a set structure (Anand, 2007). Understanding the physical environment of the firm the audit engagement is performed helped with the auditor-client relationship through role awareness (Golen, 1997). P4 mentioned, "we have a meeting, and we go over [the audit plan] during our preliminary planning." This plan is where the team discussed the organization's environment and understood the likelihood of material misstatement and focus areas.

Theme 4: Material Misstatement. Auditors are tasked with detecting material misstatements through their audits. The material misstatement could be due to fraud, error, or omission by the audited firm. The training received and the auditor's plan help to detect material misstatements in the financial statements. Material misstatements are large monetary items that could impact the user of the financial statement decisions. P10 added, "material risk relating to the statement of the financial statements" is examined through "the scope of dollars, time scales, and resources." Concealing an item through deceptive means is a deliberate attempt to hide a material misstatement and is fraud. Organizations that are faced with financial losses should copy go without detection through the accounting system (Minastireanu & Mesnita, 2019).

The auditor's task is to provide reasonable assurance of the company's financials where material misstatements undergo a risk assessment process to detect fraudulent activities (Leonard, 2008). Estimates are important to evaluating financial changes and P9 mentioned they "tested the client's financials, and they were not in alignment with estimates" and they will "have evidence where you are suspecting fraud." Several types of fraud exist, and auditors use behavior dynamics found within the data to identify material misstatements of risks to consider (Massi et al., 2020). The auditor's observations include estimates to determine the value and frequency of information to understand the audited data (Riani et al., 2018). Auditors typically work in a team-style structure; interacting with the client through an independent stance is needed to remove any bias that could develop through the working relationship (Golen, 1997).

The team is a helpful structure where auditors communicate material weaknesses found in the auditing process (Georgiades, 2020). P5 mentioned, "our training program is, you learn as you go," meaning that they receive continuous hands-on training. Additionally, training is essential where P6 stated they gain an understanding of the "type of clients, and we have certain people that fit better." The participant also mentioned the skillset of auditors and the differences between those who are tech-savvy and those who are more hands-on with manual processes.

Theme 5: Training. The topic of training was an emerging theme from the analysis of the qualitative data. Auditor training is necessary through undergraduate studies as well as in current practice in the field. P11 stated, "we have done multiple levels of training; however, we continue to do training to make sure our skills are sharp, and it also gives us a chance to learn anything new." The training was a topic discussed where auditors at varying levels had different training and training, which was different per firm. To increase performance with the evaluation of financial information, training with fraud-related patterns increases the detection methods and

increases the chance of gathering evidence through behaviors and patterns found from the audit (Minastireanu & Mesnita, 2019).

Auditors undergo training programs to deepen the understanding of the audit engagement process and skills to help with professional skepticism (King, 2006). The education system introduces the accounting profession to training to understand control procedures, the accounting cycle, and the processes and procedures needed for developing a deeper understanding of the audit (Leonard, 2008). Training programs are designed to create the knowledge of the necessary accounting estimates and disclosures and apply professional skepticism to the financial reporting review process (Georgiades, 2020). The training was an important theme found in this study where all participants were CPAs, and those they hire are preferred to have education and some experience. P4 stated, “it’s much better if you can get auditing background first or even tax because sometimes, we get tax forensic issues.” This reflects the importance of the combination of both education and experience in the auditing profession.

Theme 6: Issues Professional Skepticism. The final emerging theme from the data analysis was issued with professional skepticism. Professional skepticism is a necessary characteristic auditor’s must-have. Fulfilling the professional duty requires a level of professional skepticism where an auditor reviews the financials with a questioning mind. P12 stated, “fraud detection [is where they] appropriately identify, information related to fraud risks with due care and professional skepticism.” The auditor’s responsibility is to detect fraud through their professional obligation, and their investigating practices should evaluate and make informed decisions (Drogalas et al., 2017).

When auditors are performing the audit, if their investigation is not suitable for the current audit procedures, the auditor should extend the scope of testing when they detect a

questionable or unusual item (Umar et al., 2017). P13 stated professional skepticism “includes a questioning mind and a critical assessment of attitude”. The examination of fraud is derived from the auditor’s questioning mind to consider factors that measure financial elements and examine the findings from the auditing procedures (Drogalas et al., 2017).

Careful consideration goes into planning the audit and preventing fraud through increasing training opportunities to understand their task of audit and knowledge of the elements of fraud (Eftimie, 2017). The lack of professional skepticism is a primary concern and the leading reason why auditors have difficulty detecting material misstatements, errors, and fraudulent activities (Leonard, 2008). The auditor estimates reviewed by management require a level of material misstatements and the reasonableness of projections appropriate with the evaluation and the presentation of the financial statements (Georgiades, 2020). Professional skepticism is continually used, and P4 stated, “when we get a case, we are hired to look for fraud.” The role for some divisions is to look for the fraud and may come from a whistleblower where the firm examines the case.

The professional judgment contains an attitude subjected to rationalization through presence, pressure, and opportunity, as found in the fraud triangle (Ghafoor et al., 2019). A question was asked relating to this topic with P13 response of “I have had issues with some auditors and their professional skepticism, and I have had to coach [them], and we use professional skepticism continuously.” In addition to using professional skepticism, education is also important for the development of the skills and detection of material misstatements. This was also supported with P14 response of education where “we have continuous workshops to build our strengths and we have strong professional knowledge or practical skills to help develop detection of fraud or material misstatements.”

Identifying areas of accounting risk correlate with the lack of education surrounding fraud-related materials in accounting education (Giroux, 2014). The firm's partner ultimately signs off on the audits where the principal business owner's names would appear on the finalized results from the audits performed (Bragg, 2003). Gathering information uses professional skepticism and the evaluation of the information gathered. Many participants added, "I have continuous training but could use more to develop skepticism" (P7, P8, & P10). The information gained from the interviews found several steps to uncover fraud through systems, appropriate and knowledgeable staff, and by partners of the firms overseeing all documents before the client to reduce the risk of material misstatements. Professional skepticism combined with education helps increase cognitive levels of discernment related to the information gathered during the audit engagement.

Interpretation of the Themes

Emerging Interpretations of the Major Themes. Gaining insight into the emerging themes from the qualitative analysis presents the researcher with an important task of further understanding working with the data, coding, memoing, and using audio recordings (Hollis, 2019). The NVivo®15 qualitative research program scanned the combination of transcribed audio recordings and presented findings of emerging themes. The researcher listed the top six themes that emerged from the data output. The interview was structured with three different sets of questions to examine the data from different perspectives.

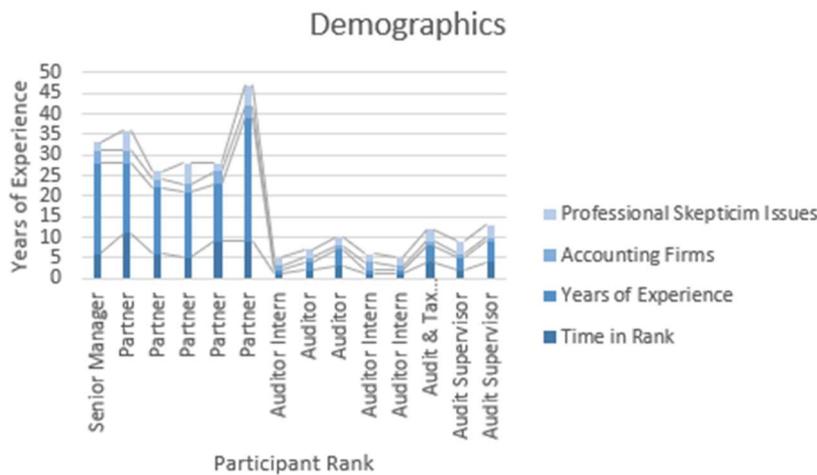
The hierarchy chart of themes is represented in block form, where the qualitative analysis themes are shown with the most significant sections in larger boxes and smaller themes in small boxes (Appendix D). The researcher found six emerging themes based on the size of the hierarchy blocks of the chart. The interpretation of the emerging themes is discussed in this

section. The themes were formed through the data compilation from participant interviews where saturation was met where the researcher stopped collecting data due to no new themes developed (Daniel, 2019).

Demographics. In the demographic section, the participants were asked their rank in their firm, which is represented on the bottom portion of the graph with a label. The next layer in the diagram is the time in the specified rank of their current role with the corresponding years labeled inside the dark blue section. The next layer is a section for the total number of years’ experience where the total number is added to the block. This is followed by the number of accounting firms the participant has worked with. The top section is the number of professional skepticism issues encountered on an annual basis.

Figure 2

Demographics



The researcher examined the demographic data and found the partner participants were from the top levels of the firm, with a minimum of 5-years’ experience in their current position for each. The researcher found the overall years of experience minimum of 14 total years of experience with only experience with 2-3 firms in total (Appendix F). The researcher found no

similar patterns across the data with professional skepticism based on demographic data. Half of the participants found only two issues with professional skepticism, while others found five or more issues with professional skepticism annually.

The researcher examined the demographic data from the audit supervisors where the years of experience ranged from 2 to 4 years of experience in their current position and total years of experience range from 3 to 5 years overall. Similarities existed between all participants in this category with work experience from one firm in their career and the professional skepticism issues for all participants was three for each participant.

The final category examined through demographics was the auditors and audit interns. The time in their current rank ranged from almost 1 year through 3 years of experience and their total work experience was only differed by one participant of 4 years. The majority of participants have only worked at 1 firm where one participant worked at two firms and all participants have experience two issues with professional skepticism in their career.

The researcher examined the results from the demographic portion of the interview and found those with the most years of service encountered 12 or more issues with professional skepticism, while the participants with the least years of service only found issues nine times with professional skepticism, followed by the newest auditors with only two issues with professional skepticism. The researcher could see a connection across the data pattern with an understanding of professional skepticism heightened by the years of service and the expansion of time on audits, exposing the participants to more instances of professional skepticism issues found in the workplace.

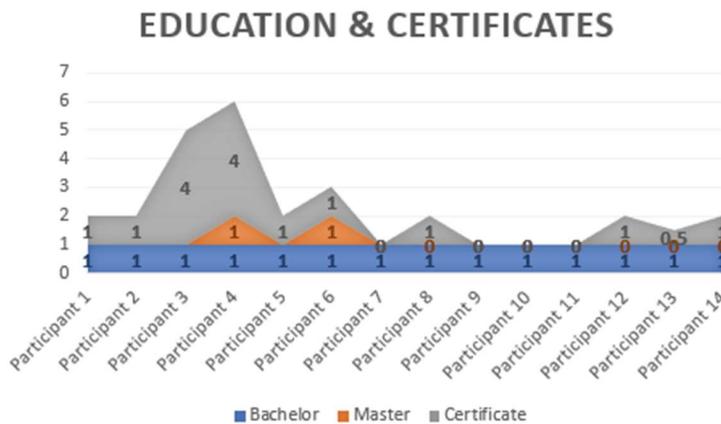
From the feedback retrieved from the demographic section, this section presents evidence where professional skepticism is interrelated with an auditor's training and experience and that

demographics play a role in the deficiency related to judgment and gathering evidence. All three experience levels were examined with years of experience and time in their current role inconclusive. The researcher then examined the education and certificates from the participants for additional analysis.

Education and Certificates. The last question of the demographic section examined the level of education and professional certificates (Figure 3). In this figure below, the graph is comprised of three different sets of information regarding education and certificates. The level of education is segregated out between bachelor’s degree and master’s degree to show the increased level of education. This is followed by an area of certification to examine if the participant increased their skillset through achieving a higher-level certificate to support their education in their role.

Figure 3

Education



In the figure above (Figure 3), all participants held bachelor’s degrees, and some had a professional certificate. The blue bottom layer represents the base education requirement of a bachelor’s degree and the count of bachelor’s degrees held. The second level is represented in orange color and is for those participants who hold a master’s degree and how many of those

master-level degrees they hold. The top gray section represents the professional certificates they have earned, where more than half of the participants held at least one professional certification. Two of the participants held four professional certificates, seven participants obtained one certificate license, one was in progress, and four participants have not earned a professional certificate. The researcher reviewed the education and related this to the context of the research questions.

The respondents expressed the lack of knowledge for those auditors with one to three years of professional experience. One participant mentioned, “after every or almost every engagement, if they did at least 40 hours on the engagement, we do a performance evaluation on them, so they get some feedback on things to focus on.” The researcher examined the instances, noting patterns with the risk associated with auditors with one to three years of experience, and the participants responded that continuous feedback is necessary because of the newer auditors and the lack of professional skepticism applied throughout the audit.

The researcher reviewed the data values and meanings with the understanding of professional skepticism and found that the combined degrees and certificates ranged from those with increased tenor held more professional designations. The researcher examined this level of education and combined this thought with the amount of additional continuing education requirements held within the organization. One participant mentioned the credit hours of auditor training, “[they] get 50 to 60 here and 40 CPE’s is our requirement on an annual basis.” This shows the level of training is necessary and mandatory for accounting firms. This relates to the researcher asking about detection of material misstatements in the interview where a participant answered, “we run it through a second time after the previous audit, and everything is reviewed, kind of like a peer review system.” Education and peer review are important to increase formal

and informal levels of education. Literature also supports the correlation between peer review systems and education to enhance the overall understanding of the auditor's knowledge (Colbert & Murray, 1998).

The peer-review process reviews the audit information for material misstatements and evaluates this evidence based on professional skepticism (Colbert & Murray, 1998). Current literature connects the link between education and the peer review process with gathering quality data and reaching a conclusion of the audit engagement. Group-style work is essential for the flow of information and review of the auditing work performed.

Interview Question Set Two. In the second section of the interview, the researcher asked all participants, regardless of rank, five questions related to their primary role within the organization, as well as deeper probing questions into the topic of judgment relative to fraud. In the first question, the researcher was able to obtain information about the participant's background and primary duties.

The first interview question helped guide the researcher with the second question during the interview of understanding the communication of detected material misstatements found from the audit engagement. Knowing the rank of the participant and their level within the organization provided the additional context of their role as management when communicating material misstatements.

One participant described the process of collecting audit evidence by "the written statement by both parties must be taken account as well as the formal investigation, which to give you an idea of what that would look like is the files. The notes taken by the auditor are considered as evidence. As well as any other verbal statements and proof, and there will be an additional audit on that person by another party." A major theme of communicating evidence

was found through a correlation of feedback from the respondents where auditors gathered documents prior to communicating material misstatements to the audited firm. The two major themes directly connected to this research question are communication and material misstatement.

A participant mentioned, “high-risk areas will perform both analytical procedures and substantive testing over the details and non-material or non-risk areas we may only perform analytical procedures or small substantive procedures.” This information reflects the process of how the auditors begin their formal judgments through a set of procedures to determine if there are any material misstatements found in the audit engagement furthering this formation of professional skepticism, the training programs varied by firm and through the level of the participant within the firm. This begins to shed light on how some auditors form their judgments and incorporate a questioning mind. One participant mentioned their firm assigns auditors, “unbiased as possible to have no background information [on the client],” which translates into the removal of bias when the auditor receives their notification from performing the audit.

A couple of major themes were connected to this driving research question, where the auditor wanted to understand how auditor judgment is formed; however, training and issues with professional skepticism were the themes that emerged from this set of questions during the interview process but did not fully describe how the auditors form their judgments during the audit engagement. Two participants within the study mentioned they, “have continuous training but could use more to develop skepticism” and this skill development could prove to be valuable additions to auditor skillsets.

The third research question asked, “What leads the auditor to this deficiency related to skepticism, and how is this connected to gathering adequate evidence?” The researcher asked the

participants a question during the interview to help shed light on this question. The participants responded with the role management has within the role of assigning auditors to the audit engagement. One participant mentioned, “in order to gather all the evidence, it's very important to observe and inspect.” Where another participant responded, “we first go through a risk assessment process to determine what areas are of highest risk and what accounts are material, and then we submit requests to clients on the information.” The notes are evidence, but the relationship with adequate evidence is not clearly defined. Reliance on the client is also where the auditor will wait for information to support the financial figures they have found from the audit of the financial statements.

This driving research question also connected how the audit committee handles reported fraud with varying results. The auditors communicated any material misstatements from the audit engagement up the chain of command, where there was a peer review. Fraud detected was reviewed by the partners of the firm prior to communicating this with the audit committee. One participant stated the importance to “review the auditor’s work and the work papers and go to the audit committee if I feel it is appropriate.” Results of the interview mentioned that this communication would be on a case-by-case basis where professional judgment would be necessary and confirmed by a partner prior to notifying the client and audit committee.

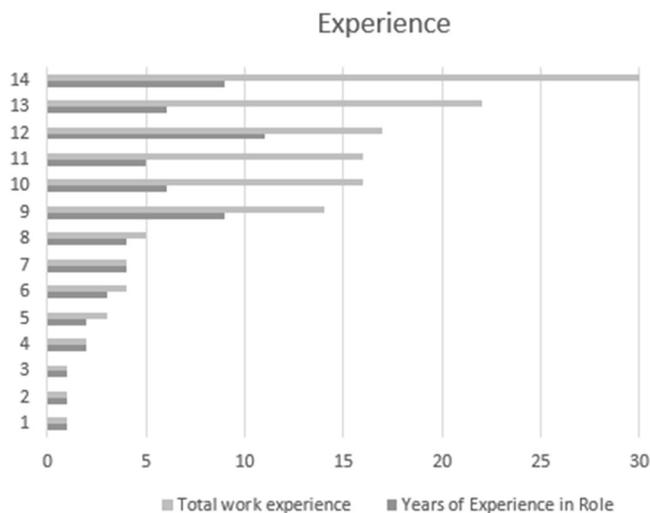
Representation and Visualization of the Data

The relationship between the themes created an emerging pattern where the evaluated driving research questions examined data patterns and found six emerging themes across the data. Each of the emerging themes relates to the driving research questions to understand why there is a gap with the auditor’s lack of professional skepticism. The themes presented a framework where the representation of the visualized data were examined.

The researcher examined the years of service the participants had with their current firm and their total years of experience. The participant experience ranged from one year to 11 years of experience in their current role in the dark gray column (Figure 4). The total years of experience were 1 years to 30 years of experience in the accounting field, which is shown as the lighter gray column (Figure 4).

Figure 4

Experience



The experience graph helped the researcher understand the level of capacity in their current role within the firm and their total experience in the accounting field. This information was necessary for the researcher to gain better insight into the development of their skills and knowledge on the subject matter. Significant findings were found with the participants with more work experience and years of experience in their present role.

The fraud and material misstatement (Figure 5) counted the number of times these words were used during the interview process about professional skepticism. The researcher examined the mention of qualitative data from the translated interviews and used memoing as a technique to count the instances of the mention of these two terms to determine a correlation between the

two topics. The researcher found a minimum of two material misstatements for each participant, with five as the highest level of material misstatement instances mentioned during the interview. Cross-referencing material misstatement with the topic of fraud, the researcher found a higher level of examples mentioning fraud than material misstatements, with two as the minimum mentions of fraud and 22 as the highest level of word mentions related to fraud.

Figure 5

Fraud and Material Misstatement



Relationship of the Findings

Managing the data helped align the researcher with linking the data sets and using codes to align the research through descriptive chunking and exploring the data through a critical review (Hollis, 2019). The findings relate to the essential areas of the proposed research method and design share a relationship with the results from the interview with auditing firms in Kentucky. The critical study aimed to understand the deficiencies about professional skepticism as reasoning found through the audit engagement.

Figure 6

Qualitative Findings Relationship of the Findings

The figure above represents the transcribed information and presented in a Word Chart derived from the NVivo®15 qualitative software system. The findings confirm deficiencies related to skepticism are evident in audit deficiencies. Examining (Figure 7), the data revealed the amount of years' experience is directly correlated with professional judgment. The researcher asked a question with relation to the risk associated with auditors with one to three years of experience to the participants. P4 responded, "coming right out of school, you don't have the hands-on experience." In Figure 6, 'years' was a keyword identified through the research of deficiencies with detecting fraud. P6 responded with a reduction of tasks, "Get them ready to detect risks," which is part of the role of the management of the audit engagement. A final key element found (Figure 6) was the auditor's assessment through a questioning mind. P6 supported this finding with the following statement where auditors "can do the analytical reviews; they can ask questions."

Research Questions Related to Findings. As seen in the Word Graph (Figure 7), a data pattern shows a relationship between the audit, years, and questions where this deficiency leads to applied professional skepticism. The Word Graph (Figure 7) represents several key indicators of how auditors form their judgment. The results revealed the years of service applied through the auditing function increase the knowledge of the auditor with supervision by management. Additionally, the right questions asked developed increased judgment over time as well as an overall understanding of professional skepticism. The audit engagement works through the gathering of data, which in turn becomes evidence to back up the figures of the financial reports or refutes the information presented working with the client identifying fraud while asking questions was also a relationship within the findings.

Relationship with the Research Questions

In this section, the researcher explained the relationship with the findings and how they address each research question. The three research questions are described individually below with the development of the findings. The connection of the research questions is elaborated with the patterns of themes found within each.

Research Question 1. The first research question asked, “Why is there a gap with auditor’s inability to use professional skepticism in the assessment of audit evidence?” Most participants stated the need for auditor training, especially newer auditors, to increase professional knowledge from the audit engagement. A consistent demographic found with each participant was the number of auditing firms the respondents worked with was one to three firms in total (Appendix E). All respondents indicated that increasing knowledge would come from hands-on approach while on the job combined with training. The training vastly varied from each

participant firm with the number of hours, type of training received, and the hours of hands-on learning opportunities.

The findings suggest there is a relationship with the gap in the auditor's inability to use professional skepticism due to a lack of education. The education found from the interviewed participants was vastly different from the exposure to valuable educational opportunities and regular training onsite at various firms. Assessing the audit evidence comes from a questioning mind the auditor must develop on a continuous basis. P4 mentioned, "they have level training at their firm." This is special training that is dependent upon the level or rank of the auditor within the firm as to the type of training they receive. Similarly, the findings show a theme development in qualitative content analysis with Appendix D on training.

Research Question 2. The second research question asked, "How do the auditors form their judgments and understanding of professional skepticism?" P6 mentioned "treating everyone with the same types of skepticism," where the high level of professional skepticism is to be used with each firm. The findings also indicate the level of applied judgment should contain characteristics of uniform application. Additionally, P1 responded with, "the key indicator of someone who is going to be as practicing professional skepticism the most beneficial way possible is to constantly be questioning and backing up everything with evidence." This statement reveals an evolution of the formation of auditor's judgment where they are to continuously have a questioning mind.

The findings also elude for auditors to understand in the field appropriate application of professional judgment that comes from experience. Appendix D shows a connection with issues with professional skepticism as a major theme in the study as this key finding connects with understanding what professional skepticism is but also that there are problems in this area. The

findings show judgment is formed through the understanding of a questioning mind and correct application of professional skepticism.

Research Question 3. The third research question asked, “What leads the auditor to this deficiency related to skepticism, and how is this connected to gathering adequate evidence?” P6 responded that the auditor “can be more aware of these types of situations that happen” with relationship to risk and finding material misstatements. P3 discussed, “Our audit methodology is challenged every year to make sure that they will detect material misstatements if they exist.” This response supports that the auditor methodology used throughout the audit process to gather adequate evidence is continuously reviewed and thus enhanced with each audit. The skepticism related to this is the true ‘awareness’ of concealed fraud held within the financial statements.

Relationship with the Conceptual Framework

The conceptual framework elements were constructed with the case study design. The qualitative study intends to understand the gap in the auditor’s inability to use professional skepticism. The conceptual framework develops guidance regarding four main concepts of rules-based accounting, principles-based accounting processes (Gornik-Tomaszewski & Choi, 2018). Framework was also applied to financial reporting, auditor independence, and audit quality to look at other components of the auditing function. The topic of rules-based or principles-based accounting did appear during the research results, as the researcher had anticipated.

Rules-Based Audit Approach. The rules-based audit approach characteristic found from the interview supports an analytic approach where P6 responded with, “do the planning” and for the auditor to “documents and all your analytic tools.” This is a specific checklist to ensure all tools used are included in the audit engagement using an analytic approach. Additionally, constant monitoring of the audit was also output from the interview where a P4 mentioned, “we

continue to try to open our toolbox with different skillsets.” This topic was an item where the firm would monitor the employee staff they employ and add additional human capital to increase the knowledge and backgrounds with different skillsets. Knowledge is the professional skepticism that is needed to use the conceptual framework and not rely on computation outputs from computerized processes and concepts of rules-based auditing is also needed for a full understanding (Pate & Stanga, 1989).

Principles-Based Audit Approach. For the principles-based accounting approach, the auditing firms have a qualitative technique where P4 responded, “we try to review their work as close to when they have done it.” This helps the qualitative factor of the audit characteristics. This is also developed over time where P6 added to the notion, “we run it through a second time after the previous audit, and everything is reviewed, kind of like a peer review system.” The continual review process continued to develop over time. Accounting is also continually evolving the conceptual framework for principles-based auditing approaches are part of the qualitative standards for financial reporting and opinions are issued (Kirk, 1989). In fact, the principles-based audit approach is so important, the conceptual framework has improvement projects to help increase the financial reporting environment and efforts to continue to work on the conceptual framework (Holzmann, & Munter, 2014).

Auditor Independence. The topic of auditor independence did surface through the interview process. One firm was very adamant about the ability to maintain independence. P2 responded with, “There's always independence checks that we do throughout the year. Everybody in the firm one does one annually.” Furthermore, P2 stated, “Anybody that's a manager and above that has to do one every on a quarterly basis to make sure that they're independent of any possible clients.” This shows that auditor independence is very important to

firms and their audit engagement. Separating the duties of auditors from the entity is an important position to maintain a separate objective view through assessment of financial information and ask probing questions to obtain information related to activities (Lennard, 2007).

The conceptual framework for independent work adds consistency for auditors evaluating financial statements and audit engagement processes (Gornik-Tomaszewski & Choi, 2018).

Another participant mentioned an independent review is performed to ensure auditor independence. This relates to the research question where a gap in auditor independence could exist if there is a lack of auditor independence to assess audit evidence with a questioning mind.

Audit Quality. The audit quality characteristic was also found as a because of the interview. P3 responded with, “we've got a quality control team that evaluates both our quality control document and our audit methodology annually, and then we supplement our audit methodology with best practices and work paper templates and tips and tricks for our team members.” This relates to the research question that the lack of audit quality would be a result of the lack of professional skepticism used to collect and gather audit evidence. The conceptual framework for audit quality allows auditors to identify financial statement information, including notes to the financial statements with information and disclosures that are needed for judgment (Holzmann & Munter, 2014).

Additionally, the conceptual framework for audit quality is a fundamental component with the qualitative aspects of the financial reporting process (Gornik-Tomaszewski & Choi, 2018). Consistency of audit quality is a characteristic for auditors to compare financials and is an element of the FASB’s conceptual framework (Kirk, 1989). This concludes the results with the conceptual framework received as an output of the interview process.

Research Question 2. The second research question asked, “How do the auditors form their judgments and understanding of professional skepticism?” The connection with the research question and the conceptual framework is rooted in a blend of participant responses and current literature. P3 responded that the auditor’s “biggest risk would be if they were auditing something and maybe didn't get quite enough support.” Missing support on their formation of the judgment used through the audit could be lacking because of the lack of a rules-based focus and errors on detection focus. Judgment is needed on the part of the auditor where elements of the financial statements are reasonably measurable (Pate & Stanga, 1989).

Likewise, understanding professional skepticism followed the audit approach of the principles-based approach. P4 responded about auditor understanding where “training in learning in the different areas and if you try to do that, coming right out of school, you don't have the hands-on experience.” We can see the direct correlation with the development over time of the understanding of professional skepticism. The conceptual framework maintains a consistent basis for reviewing financial reporting with an objective lens (Lennard, 2007).

Auditor formation of their judgments was examined for auditor independence. P4 stated, “we do performance management,” where this essentially will evaluate the auditor and their skill level with meetings to evaluate the overall development of their auditing skills. Another participant responded, “quality control committee,” where the qualitative factors present from the audit are reviewed to ensure the auditor’s independence is continually reviewed for any impairments. Financial statement presentations are subject to the auditor’s formation of their opinions through testing of revenues when recognized, realized, and require auditors to apply critical thinking (Pate & Stanga, 1989).

The quality of the audit is the last element of the conceptual framework. P4 responded, “we really look at the talents of each person to try to figure out who would be the best to perform the work.” This, in turn, reflects the quality of the audit is also a part of management to best align the suitable skillsets with increasing the qualitative factors of the audit engagement. Management applies their perspective through using the conceptual framework for business structured processes through financial reporting processes to scale resources (Lennard, 2007).

Research Question 3. The third research question asked, “What leads the auditor to this deficiency related to skepticism, and how is this connected to gathering adequate evidence?” Each element of the conceptual framework was examined through the results of this research question. Deficiencies are found through intentional or errors and omissions of critical information pertaining to financial reporting (Lennard, 2007). The auditor’s lack of knowledge transfers the content to an understanding of what evidence to gather. The rules-based accounting audit approach was evaluated through the results of the interview guide responses. The rules-based approach characteristic of an analytical approach is necessary as a characteristic of gathering audit evidence. P6 mentioned the auditing function, “if you don’t understand how their business works and how they make money, it’s hard to understand.” This information supports that an overall understanding of the business’s structure is necessary to gather adequate evidence.

For the principles-based audit approach, an emerging characteristic was prevention focus. P6 stated how they gather evidence by a “tailored audit program for those significant sections. For immaterial sections, we generally don’t, but for the significant ones, we’ll do a tailored audit approach, which kind of dictates steps that we should perform to obtain audit evidence.” The conceptual framework develops standards set to maintain current with the creation of projects and plan to increase consistency (Kaminski & Carpenter, 2011). The researcher could see a

pattern and a deeper understanding of the business environment as to a deficiency related to skepticism and gathering audit evidence.

The next conceptual framework item is auditor independence, where the researcher examined if independence would lead to the deficiency related to skepticism and gathering adequate audit evidence. P4 mentioned they “slice and dice different teams because they're [the client is] expecting to ask for the same thing every year.” This reveals that there are necessary steps performed by the auditing firms to ensure a rotation of staff would help maintain the independence of the auditor. There is a unified interest with the financial reports where quality of the financial reports aids with professional skepticism to understand, rely, and compare the financial reports (Mangala & Dhanda, 2018).

P6 furthered the topic with this statement regarding independence “even if they were to have a personal relationship with the client previously, or know the company well, we want them to treat as though everyone and everything they say has to be backed up by evidence, and they have to look at that evidence before coming to a conclusion when auditing.” This statement shows that auditor independence is directly connected to the auditor’s work function and maintaining a departure from a close personal relationship is necessary. The conceptual framework for increased quality is tied with the relationship elements where faithful representation is necessary and relevant (Kaminski & Carpenter, 2011).

Anticipated Themes

Prior to data collection, the researcher anticipated that emerging themes would develop through the interview process aligning with the researcher’s current knowledge and the literature review. The anticipated themes were managerial understanding, risk, material misstatement, and compliance from the collected data. The measurement of financial information determines the

level of risk and the relevance to determine anticipated and expected measurements (Barth, 2014). These were based on the current elements found in the auditing field with large amounts of literature to support these areas.

The researcher anticipated larger firms would have larger resources and have a willingness to participate in the study than smaller firms with constrained resources. The researcher anticipated meeting with partners of firms would be difficult to achieve, whereas there are more staff auditors performing work on the audit. Due to the various auditing levels, the research had planned to approach different levels within the auditing firm with different sets of questions suitable for their rank within the firm.

The first anticipated theme was the manager's understanding of the audit in relation to professional skepticism. Manager's reporting objectives and monitoring techniques differ from the firm as well as the external factors developing the pressures to manipulate financial statement figures (Ghafoor et al., 2019). Periodic checks of auditing staff, internal control procedures, and supervisory employees aid the auditor in uncovering fraud-related items in the financials (Bragg, 2003). Monitoring through small organizations was easier for the partner to observe and understand the assessment of quality from the staff members. Objective measurements are needed through a consistent framework to evaluate the qualitative measurements and estimation (Barth, 2014). The business application of systematic reviews performed to monitor the auditing staff and their work performed.

Partners within the firms are monitored differently depending on their style of management. Objective criteria are applied for decisions to determine the criteria needed to achieve quality financial reporting assessment (Koeppen, 1988). Some partners would carefully review all portions of work with a detailed review to ensure accuracy in reporting. Conversely,

auditing partner evaluation style could often analyze the auditing work through a less stringent scope after carefully understanding the timeline of the audit. The styles of monitoring differed from daily, weekly, and dependent upon the level of planned activities the firm had.

The second anticipated theme was the topic of risk emerging from the interview process. There are different levels of risk found within an audit, and the auditor was seeking to better understand how risk is managed overall with risk-based thinking (Coleman, 2018). This area of thought allows audit firms to examine the elements that decreased the audit quality with controls in place to minimize unwanted results. Auditing approached risk-based auditing to conduct an audit that is proactive instead of reactive as the framework for the auditing methods.

The researcher also sought to understand the topic of material misstatement and evidence identification as an anticipated theme from this study. The researcher sought to understand if the theme for the lack of professional skepticism and the detection of material misstatements and identifying evidence correlated with one another. Audit procedures include verification of controls, effectiveness, and other verification procedures the auditing firm useful for fraud detection (Vona, 2008).

Another anticipated theme is auditor estimates, to understand their reasonableness when working through the audit process. While all fraud will not go undetected, the auditors work with reasonable estimates with identifying opportunities, job rank, and policies governing the estimates used to detect material misstatement (Vona, 2008). Fraud risk is analyzed through the auditing process examining transactions, differences found in the increased or decreased of various accounts found on the financial statements (Vona, 2008).

The final anticipated theme was compliance with processes from the auditor's standpoint and the judgment used while performing the set of procedures. (Nichols, 2014). The researcher

anticipated departure from audit procedures would increase concerns over the lack of material misstatement detection. The researcher also was interested in finding if the procedures were updated or how audit quality was increased.

Actual themes were somewhat different than anticipated with the data results from the interviews. The data revealed more emerging themes than those anticipated by the researcher prior to the study. The themes that emerged from the interview were fraud detection, communication, audit engagement, material misstatement, training, and issues with professional skepticism (Figure 1). Qualitative data analysis presents emerging themes that explain the complex data analysis (Hollis, 2019).

Relationship with the Literature

Communication has similarities with the results from the interview. Bee et al. (2018) mentioned three different types of communication auditors should use to be effective with the different types of meetings they attend. A difference found in the literature review with the communication topic was the timing of the communication meetings where the auditor should use different communication skills when in the kickoff meeting, walkthrough meeting, and closing meeting discussions (Bee et al., 2018). A similarity with the literature review and the results from the study was the importance and frequency of auditor communication with the timing of the internal audit assertion to the engagement process. P6 mentioned, “we are in constant communication because that is such an important part of what we do.” This statement supports the importance of communication within the role of the auditor.

Similarities exist between the role of the auditor and the questionable judgment and underlying ethics as major contributing factors to the formation of the auditor’s judgment in the interview as well as the literature review. P6 stated, “errors that are [an] indication of poor

judgment, poor performance.” Seeing the correlation with the lack of questionable judgment and ethical considerations is similarly found within the current literature. Auditor ethical decisions impact many end-users and must follow steps necessary to form their judgments (Dragos, 2010).

A similarity was found with the educational component with the formation of auditor judgment where this was directly associated with professional skepticism. Risk is associated with the lack of hands-on experience, as noted by P4, “coming right out of school, you don't have the hands-on experience.” The educational role is vital to the development of professional skepticism. Education is vitally important to auditors to increase the reduction of the gap of the lack of professional issues and auditor understanding (Boyle & Canning, 2005).

There is, however, a counterargument where education is not the driving component of the formation of auditor judgment. Accounting students attend a different university that contains different programs where some lack the resources to develop critical thinking (Calderon, 2019). This counterargument infers education could be a part of the factor influencing professional skepticism but is not a definitive development element of this characteristic.

The auditor's function should be to maintain the integrity and follow the ethical code and apply them through the gathering of audit evidence through the audit engagement (Dragos, 2010). Through the study, the researcher found that the lack of experience leads to the deficiency of professionalism within the audit engagement. P6 responded stated the new auditors can “analyze the results of what they're doing to, then ask the following questions, because they don't have a good enough business sense.” This shows that deficiencies are related to experience and may miss a material misstatement if they do not gather appropriate evidence.

Relationship with the Problem

This next section discusses how the results of the findings relate to the problem. The problem that is studied is the auditor's inability to use professional skepticism. Inconsistencies arise with the lack of detecting material misstatements, decreased confidence, and the manager's role in the audit engagement. The relationship between the problem and the findings shows the gap in judgment is present with new auditors in the field. P4 stated, "after every or almost every engagement if they did at least 40 hours on the engagement, we do a performance evaluation on them, so they get some feedback." This support is to help bridge the gap with the level of professional skepticism used to develop the gathering of adequate audit evidence. This is also supported by P6 responding to the interview mentioned, "someone who is higher up than the person who was given the job of the audit would be peer-reviewed by someone else." This statement shows that continual review of the work performed is necessary as new employees are developing their professional judgment to detect material misstatements.

Management's role within the audit engagement process is a vital role that contributes to the confidence of the auditor. The managers ensure the audit staff has the correct skill set for the assigned audit engagement. P1 stated, "training for new hires on how to use our software, programs, Excel and Adobe." This helps develop the technical skills of the new auditors, but more is needed to solidify the full and robust comprehension needed as a new auditor. The manager's role was evident with the audit engagement and a major contributor as seen in this The NVivo®15 graph (Figure 8).

training with relation to experienced partners within the firm and their experiences with new auditors. Preliminary analytics help supports the auditor and their role where P6 stated the systems in place for auditors “help you guide your audit steps.” A combination of predictive analytics with education and hands-on training improves the connection of gathering adequate audit evidence to support and document their work.

Summary of the Findings. This chapter summarizes the findings, significant themes, and the focus of the study. The researcher gathered data and analyzed the problem with auditors and the lack of professional skepticism used during the audit, and the decisions related to gathering adequate audit evidence. Section 3 included gathering data by interviewing 14 participants for this study, the senior auditing staff, managing audit staff, and auditing staff members, and examined through an interview guide to probe deeper into the research topic of the lack of the auditor's inability to use professional skepticism. The researcher gathered current literature to support the participant responses and the data retrieved from the analytic review through the qualitative software system to examine a relationship from the study.

The significant factors for judgments and decisions revealed six major themes in the study for fraud detection, communication, audit engagement, material misstatement, training, and issues with professional skepticism. The researcher discusses the themes through individual sections and the connection of the conceptual framework for each theme. This study provided a better understanding of the lack of professional skepticism and underlying reasoning as to why auditors lack the ability of a questioning mind as part of their role within the auditing function. The researcher offered accounting firms in the Louisville, Kentucky area to participate in the study and interviewed participants to gain greater insight into this problem. The auditor's role is to maintain a questioning mind and an attitude of independence and detect material

misstatements (Vinten, 2005). The lack thereof translates into detecting material misstatements concealed by fraud, where additional training is needed to handle the issues with professional skepticism during the audit engagement.

The study reviewed the application to professional practice, current literature, and qualitative data analysis to explore the lack of professional skepticism in everyday practice. The anticipated themes and discoveries were compared with data and the interpretation of the major themes found from the interview in a visual representation. These themes are presented in Appendix D through Appendix K, with various figures and graphs analyzing the data collected in an illustration format. The researcher interviewed 14 participants from local CPA firms in the Louisville, Kentucky, area. Upon completing the participant interviews, the researcher determined saturation had been met and that the researcher found no new information. The researcher triangulated the data using participant responses with literature, memoing and identifying similarities and differences in responses. The study results revealed many fascinating contributing factors of the auditor's inability to use professional skepticism. A single driver was not the sole reason for the auditor's failure to use professional skepticism but two contributing factors.

The researcher determined the lack of experience on the job was the most common reason for the lack of professional skepticism (Appendix E). The other driving factor was the lack of education and the need for additional judgment development through education (Appendix G & H). The researcher found an association with the higher education level achieved showed an increase in professional skepticism. Additionally, the researcher found the experience was another element that contributed to applying professional skepticism through the audit.

The relationship of the findings and the connection with the research questions, the conceptual framework, literature, and relationship with the problem were identified, researched, and discussed. The result of the study found that professional skepticism is a problem for newer auditors, and the educational field needs training for auditor judgment. In summary, an overall view of the study includes visualized graphical data discussing the auditor's role in an audit and the gap of professional skepticism used throughout the professional field of practice—recommendations for actions and other study topics discussed in the next section.

Overview of the Study

This section of the dissertation finalizes the applications to professional practice from this study. The study was conducted to understand the auditor's lack of professional skepticism and gain greater insight into the underlying reasons for this deficiency. To understand this, the relevance to business practices was researched from various accounting firms within the locality of Louisville, Kentucky. The researcher examined the information from the interviews and compared the qualitative results to explain the gap in the auditor's ability to use professional skepticism.

The researcher used purposive sampling from the local CPA firms from data collected from the interviews. The researcher examined the qualitative data and found six emerging themes for the potential cause of the lack of developing a questioning mind. Training and experience were the two overarching themes connecting the findings with the gap in auditor skepticism issues. The development of uniform training and enhanced education would be beneficial for the auditing profession.

In this next section, the researcher tied the qualitative data related to the biblical framework applicable to the accounting field. Additionally, the researcher finalized the

applicability to the field of accounting and recommendations for action for the development of professional skepticism. The researcher reflected on the outcomes, presentations, findings, and finalize the research study with recommendations for future study.

Application to Professional Practice

Professional skepticism is a necessary quality to have a questioning mind and to critically analyze audit evidence. Auditors need professional skepticism to critically analyze the data and to communicate material misstatements to management because of fraudulent activity (Harding & Trotman, 2017). The researcher found; auditing firms created more of a team production approach with monitoring to ensure a high level of professionalism associated with the firm's contracts. Management's role with aligning appropriately skilled auditors is also an important factor to the engagement team where planning is essential to increase audit quality (Glover & Prawitt, 2014). Resources and energy are devoted to monitoring to aid the partners with evaluating the auditing work. Most works were monitored in a one-on-one approach; however, some remote work was necessary where Zoom and other technological equipment were used to discuss the audit with additional staff. Throughout the monitoring of the auditors, the peer review system is highly utilized in the auditing environment, but more enhancements are needed for the development of skepticism for the auditing profession.

One-on-one monitoring is part of the auditing firm's internal control structure where all firms had this mechanism in place. Internal control processes ensure the auditor's independence through the audit with additional peer reviews to maintain quality controls (Glover & Prawitt, 2014). This validated the auditor's results and efforts and helped with controlling the process of detecting material misstatements. All firms additionally complied with continuous auditing and

monitoring programs where efficiencies in their audits were enhanced. Performance of the auditors translated into efficient and effective work and compliance activities.

Zoom is advanced software to allow accounting firms to continue the monitoring process by screen-sharing systems and conference calls. Monitoring continued through the use of visual reviews in newer innovative technological means was incorporated to validate audit tests and the results from the audit performed. This program was used extensively through the previous year as a work-around approach for in-person auditing functions. With monitoring from a remote location, enhanced ethics is necessary to ensure the appropriate application of professional skepticism (Brown-Liburd et al., 2013). These techniques are helpful to increase overall audit quality and education to enhance the auditor's abilities are also needed.

Improving General Business Practice. The applications to business practice would enhance the auditing profession for uniform educational opportunities and development opportunities for the accounting professionals. Improving auditor quality is increased through the development and training of professional skepticism with established procedures that provide reasonable assurance that properly trained auditors are well educated to conduct quality audits (Colbert & Murray, 1998). Development of training sessions and other enhancement programs for auditor professional skepticism would enhance the mindset of the auditor and identify manipulated financials (Harding & Trotman, 2017).

Training programs have been important educational enhancements for accountants where creating uniform classroom exercises would increase the overall knowledge of the auditor. Increasing education for auditors can examine current methods used and layer in the application for real-time accounting auditing courses (Chan et al., 2018). As auditing changes, the auditing profession standards for education should also adapt to develop programs suitable for enhancing

necessary skillsets for the auditors. Businesses benefit from continuous training opportunities for their employees where added competence in specified areas translates into professional development and increased technical abilities.

Improving development standards for education results in increasing accounting education and practitioners in the auditing field to identify material misstatements. Auditing financial statements are not only conducting audits for domestic financial statements but also globally where international auditing practices and ethical standards should also add to the development of auditing standards (Balkaran, 2019). Training programs for accounting students traditionally are learned through the source of textbooks; however, as the profession changes, the application of an actual audit through performing accounting activities is an enhancement feature for improving auditing practices (Leung, 2011).

Auditors have a valuable profession where education enhances their role, and increased skillsets of auditors emanate a polished reputation where firms benefit with a return on their educational investment (Peterson, 2017). Forensic accounting is a newer emerging path for auditors to continuously explore the profession to increase detection of fraud and gain additional experience with education related to financial disclosure issues and accounting risks (Giroux, 2014). Professional and ethical rules are important for the role of an auditor where practicing in this field requires competence through hands-on activities.

Improving the overall business environment for auditors should add formalized training to increase knowledge in areas of forensic accounting (Gottschalk, 2014). The use of important auditing tools to audit through the computer but auditing professionals also need well-equipped professional skepticism to discern critical assessments of financial statements (Baofu, 2014). Inspecting the financial statements takes expertise from the auditing professional where

reasoning and decisions are made to gain a greater understanding of the measurements and to detect any problems within the data (Travers, 2007).

The auditor takes steps to detect fraud and examine other financial statement anomalies through specific auditing steps (Holgate & Buckley, 2009). These steps increase general business practices through performing functions in accordance with planned procedures to position the auditor with supportive tools for a quality audit. Education and training add to further understanding and development of the auditor's role and application for the specific functions the auditing professional must undergo.

Potential Application Strategies. Simulations for auditors to examine fraudulent cases uncovered through successful audits uncovered evidence that could prove to show auditors the processes and judgment needed to discover material misstatements (Harding & Trotman, 2017). The realm of academics has a place to enhance the education of techniques to enhance auditor professional skepticism to increase the ability to develop critical judgment (Glover & Prawitt, 2014). Increasing the level of professional skepticism enhances the auditor's ability to understand the detection of material misstatements (Hoos et al., 2019). Overall education is necessary to increase the knowledge of the auditor and through their profession, the auditor applied judgment based on standards of practice (Ray, 2015).

The auditor's approach to the audit determined the overall audit quality where the auditor is to assess the level of risk associated with the audit. Factors related to the risk assessment found from the auditor's point of view are vital elements and functions the auditor applies in practice (Mock & Fukukawa, 2016). Failing to identify risks of errors in the financial statements could be detrimental to the overall quality of the audit and necessary training is essential to increasing awareness of material misstatements (McMillan & White, 1993). Increasing the frequency of

education and analysis techniques would develop auditor methodologies and teach to skillsets needed in the accounting profession (Chan et al., 2018).

The risk of material misstatements is evaluated through a skeptical view and the belief of the presentation of the financial statements and audit evidence gathered by the auditor (Mock & Fukukawa, 2016). Initial risk assessments help shape the auditing framework to determine the level of risk associated with the audit engagement and training for professional skepticism related to the levels of risk increases the level of performance (Ray, 2015). Risk factors could result from complex technical computerized environments or results of the lack of moral reasoning resulting in missed opportunities to detect fraud (Brown-Liburd et al., 2013).

Applying new educational techniques reduces the risk of fraudulent related activities through increased controlled practices where the auditor systematically examines the financial statements (Balkaran, 2019). Training the accountant should be through credible academics as well as hands-on training programs where the auditor learns how to use the training program and use the knowledge in the field (Leung, 2011). Recruiting knowledgeable candidates is important as well as certification of auditors but continuing with educational training to ensure auditors are abreast of new standards is an obligation firm should employ to increase auditing quality (Peterson, 2017).

Potential strategies for firms to invest in their auditors with increased specialized courses geared toward the detection of material misstatements and to increase competence in the professionals. Providing training beyond traditional training programs in the college area could be certifications or areas of training to detect higher levels of concealed fraudulent activities (Gottschalk, 2014). Failure to increase audit efficiencies impacts the obligation of the accounting field and receives critical feedback from the service of the formalized process of auditing (Baofu,

2014). Knowing how to increase the value of financial performance through the auditing function through the application of auditing tools and cognitive skillsets adds to the profession to reduce risk by detection of material misstatements.

Accountants have an important role in continuously enhancing their knowledge and skillsets through training and professional development opportunities. Ethical application of the skills learned to translate into application in general practice the auditing standards with peer reviews to add additional quality enhancements (Holgate & Buckley, 2009). Opportunity for the auditor to enhance their understanding of professional judgment increases the learning and performance for the auditor's improvements and growth of business knowledge.

Summary of Application to Professional Practice. Enhancing professional skepticism would increase the likelihood of reporting fraud and material misstatements where applying increased levels of professional skepticism would allow audit professionals to understand the consequences and risks related to their actions (Glover & Prawitt, 2014; Hoos et al., 2019). Accountability by the auditor's performance has implications for the accounting profession where significant levels of professional skepticism are needed to perform reasonable application of assumptions of the presentation of the financial statements (Hoos et al., 2019).

Auditor functions are to review financial statements with a questioning mind and to uncover scandals where internal control practices fail due to lack of testing and fraudulent activities (Balkaran, 2019). Understanding the complexities of the details of the audit committee development, compensation to CPA firms, and the auditor selection process could also provide additional insight into the level of independence for the auditor (Giroux, 2014). Communicating problems in relation to the level of risk is also an area where organizations should apply

monitoring activities to review processes and procedures to ensure they are current with trends in the financial field (Gottschalk, 2014).

Recommendations for Further Study

Accountants, and specifically auditors, need additional education techniques introduced into their coursework to increase levels of professional judgment. The impacts of performance evaluations and how this is applied through the auditor's role would be beneficial to understanding the review of audit evidence (McMillan & White, 1993). The behaviors of auditors should seek to increase the education and training are recommended to layer into the accounting courses to increase auditor skepticism (Ray, 2015). The further study recommendations are for exploring if additional training methods did enhance overall auditor skepticism. This would understand if the auditor's training was adequate or if more training was needed to develop and evaluate the level of professional skepticism.

Another recommendation for further study for the auditing profession is to explore if hands-on training opportunities prior to new auditors in the field yield higher-quality audits. Looking at the application of actual auditing performance through training new auditors through education and peer reviews prior to actual fieldwork can review the technical application and judgment applied through their role. Adding trained professionals to the accounting industry would enhance the overall work in the industry and support competent auditors.

Reflections

Prior to the study, the researcher understood the auditor role, judgment, and the importance of education. While meeting and interviewing individual participants, the researcher learned the importance of experience and job training components to support the auditing function. Before starting the study, the researcher knew the full dissertation process would span

several years but did not know how different a doctorate program is compared with other levels of education. The researcher found the exhaustive review of the literature review as a highly involved process; however, the research expanded the knowledge base and deepened the understanding of the importance of solid research.

The ethical values found from the interviews included pride with high ethical standards and a culture where internal controls equate to high involvement (Graham, 2008). Recognizing progress in the auditing field suggests performance and the value of the work the auditor completed is necessary to understand the performance measures of the auditor's work. Working with auditors well versed with increased levels of experience in auditing, creating, and reviewing financial reports, and combining with accounting education is a mixture of related professional accountancy elements needed for the profession (Peterson, 2017). As the researcher interviewed participants, the auditor's work is a group-style effort where these values are necessary for continued success for the industry.

A portion of the interview process that the researcher enjoyed was the physical meeting in business professional attire. The researcher enjoyed knowing that each participant in the study had an opportunity cost involved with this process. The researcher could feel how important the topic of professional skepticism is to their firm and how the participants continuously enhanced their processes and procedures to ensure continued development.

A portion of the process that became cumbersome was translating dictation from audio files into data, and then furthering the data into knowledgeable information. Once the transcribing process was completed, the research enjoyed the technical aspects of the project. The researcher was able to learn how to use the NVivo software package to create word graphs, code, and examine the qualitative data. The researcher has a high-level of technical acuity and

was able to add additional graphs from Microsoft Excel by the levels of the participant. The researcher pondered to create a new software for qualitative researchers based on their own experiences.

Personal and Professional Growth

The professional growth incentive to increase professional skepticism depends on the inherent risk involved and size of the firm where auditors should evaluate documents with a questioning mind (Graham, 2008). The researcher found this case study would benefit the application of professional skepticism development within the classroom and is adding information related to this topic in their courses. The importance of auditor professional skepticism is an important element that impacts several areas of the audit but also comes from learned behaviors applicable to auditor decision making and the lack of this could result in detrimental outlooks on the auditing profession (Brown-Liburd et al., 2013). This is one area the research would continue to seek to increase knowledge in this area to benefit future auditors and accountants. Changes in the accounting profession and auditing environment require educational and professional opportunities where research toward the development of judgmental characteristics would strengthen the overall sector (Chan et al., 2018).

Auditor performance and application of knowledge of the work performed translates into the perception of accountants in the auditing field and increasing the skills and expertise continuously is needed to ensure services performed are of high quality (Leung, 2011). The researcher has a thought to begin working with CPA firms for contract employment to increase the level of professional performance in the auditing area. Establishing auditing commissions to review performance goals is helpful to understand the application of financial statement review through an objective lens and compare auditor performance (Travers, 2007). The accountant uses

their current knowledge of the auditing field but adds additional training to focus in their trained professional field and it is common for the auditor to narrow their focus to a specific industry to increase their specialized knowledge in accounting matters important to their role (Holgate & Buckley, 2009). The researcher would seek to increase the knowledge of others they work with through sharing education and other developed skills.

The effect of researching enhances the understanding of personal and professional growth in the auditing field for the researcher. As the principal researcher, knowledge was added to further understand the role of auditing and how this course is taught in the educational sector. Understanding how fraud can go undetected and translate into internal control deficiencies prepared the researcher to discover the lack of uniformity in the area of professional skepticism. Learning and growing perspectives add to the future success of the accounting field and understanding the auditor training and skill development is an important key performance indicator for this field. The researcher is excited to begin to further develop the skillsets needed to help detect material misstatements and encourage firms to increase education with professional skepticism.

Biblical Perspective

Christian ethics and moral values are needed in the business environment where the character is built by following God's commandments and applied throughout professional careers. Auditors with flawed judgment are making questionable decisions that could harm the overall accounting profession and require additional training (Hill, 2008). The Bible has many verses where God provides his people with important rules and instructions to follow and align with his values. For businesses, deceitful works are fraudulent activities and do not follow what God intended for the purpose of business dealings. "Thou shalt not steal" (Exodus 20:15, King

James Version). This Bible verse provides information pertaining to the topic of fraud and how businesses are not to steal. Concealing fraudulent items through complex financial transactions is a deliberate attempt to deceive and steal from the company.

Management also plays a role in the auditor's growth were applying 'mutual accountability' the auditors would develop a deeper understanding of critical judgment and management would align the best auditor to the engagement (Hill, 2008). Management has an important function within businesses and in the auditing, field oversees the auditor's work. "You shall do no wrong in judgment, in measures of length or weight or quantity" (Leviticus 19:35, English Standard Version). Auditors rely on management to help guide them with appropriate reviews of the auditing work based on non-bias information and the application of correct risk measures. Having managers that do not align with God's word is a departure from the narrow path where we should seek to find. Auditors should remain unbiased and independent with their work and the manager must align the correct auditor with the appropriate audit engagement.

The Holy Bible is a foundation where businesses should build upon with just measures and honest gains. Swaying from those ethical choices creates a dishonest work environment where trust is compromised. "But blessed is the one who trusts in the LORD, whose confidence is in him" (Jeremiah 17:7, New International Version). Businesses following the lead from the Lord are blessed and they must trust in the Lord to create correct financial statements and deter any fraudulent activity.

Layering in policies and procedures that follow Christian values is actively showing other businesses how to trust in the Lord and follow his lead. "Enter through the narrow gate. For wide is the gate and broad is the road that leads to destruction, and many enter through it. But small is the gate and narrow the road that leads to life, and only a few find it" (Matthew 7:13-14, New

International Version). Many people make up a business and perform the day-to-day functions within. If many individuals decided to do the wrong application and perpetrate fraud, many could follow that same path. The auditor should always show resiliency and higher ethical standards through their walk with the Lord and follow the narrow path of righteousness with protecting their profession and the business where they work.

"In the morning sow your seed, and at evening withhold not your hand, for you do not know which will prosper, this or that, or whether both alike will be good" (Ecclesiastes 11:6, English Standard Version). The relationship of this Bible verse shows us that fraud-related activities will not prosper. The companies may temporarily see increased profits but over time, the fraud will surface and the company will suffer. Planting seeds is similar to adding skillsets to the auditors to increase their knowledge in the field. Adding more knowledge increases the likelihood of detecting internal control deficiencies where fraud detection will ultimately translate into strengthening the professional.

Summary of Reflections

To increase the audit quality, additional training and application of professional judgment are necessary to ensure the effectiveness of the audit (Baofu, 2014). Auditing is an expanding field and a necessary segment of accounting where they seek to protect businesses from fraudulent activities through increased quality of audits. Financial auditing enhanced through the application of actual auditing cases and understanding how companies can conceal fraudulent activities with increased education and robust application of auditor skepticism aids with the development of those judgments (Travers, 2007). God has blessings for those companies that follow his lead and we need to trust in what God has intended for our lives.

Expanding our minds with ethical judgment adds to the profession of auditing and follows the Lord's guidance. As auditors continuously seek to understand the evolving environment, discipline and protecting companies through the detection of fraud is an important application and a valuable service to the communities the organization serves. Increasing knowledge translates to value-added opportunities for both the auditor and the firm where adding to the skillsets of the auditors can only enhance the profession.

Summary and Study Conclusions

In summary, this study used a qualitative single case design to gather information related to Louisville, Kentucky CPA firm auditors to examine professional skepticism. The researcher gathered information from the auditor's perspectives based on their level of seniority within the firm to examine detection of material misstatements, fraud detection, and the judgment used by the accounting profession. The researcher conducted face-to-face interviews with 14 participants for this study, except for one Zoom meeting, at a mutually agreed upon location. Participants were selected through purposive sampling methods from local Louisville, Kentucky CPA firms. The researcher recruited participants until saturation of the data had been determined because any more respondent data would become redundant, and the data would not benefit the study. The gap in the auditor's inability to use professional skepticism was researched with outcomes that would benefit the auditing profession in hopes to increase the auditor's skillset.

Through the interview process, the participants were given opportunities to elaborate on their personal experiences working in the auditing field. The participants were asked several interview questions to obtain additional insight into the types of judgment applied through auditing engagements. The researcher asked demographic questions, questions based on their rank within the firm, and questions related to professional skepticism to understand the skill sets

needed for communication of material misstatements to management, and how management handled detection of potential fraud. The researcher gained additional insight into the types of problems related to the risk exposure because of the lack of professional skepticism.

Upon completion of the research, six major themes emerged from the review of the qualitative data. The major themes found from the research identified and agreed with results from the exhaustive literature review. The information obtained from the study allowed the researcher to understand the problem with professional skepticism where additional training and education would benefit the auditors in detecting material misstatements and increasing professional judgment through audits. Increasing auditing education was found valuable to increase the knowledge base of the auditor as well as helping newer auditors develop a questioning mind.

The interviewed participants agreed that the continuous use of professional skepticism is needed to promote a high-level audit and to ensure the process's quality. Understanding the company's environment is necessary for the auditor's understanding and auditing views through the scrutiny of the structure of the internal controls. Preventing fraud starts with planned processes and the reconciliation of approvals and authorized levels and associated risk levels. Newer auditors rely heavily upon the joint efforts of peer review processed, which also increased audit quality. Auditing partners and auditors alike agreed additional education for auditor skepticism would benefit the accounting profession and maintain a high level of accountability within the field.

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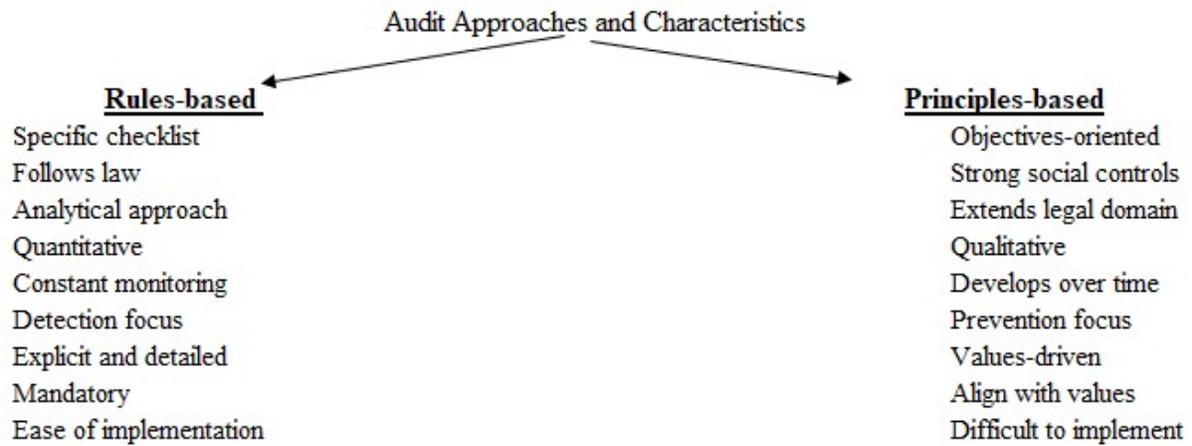
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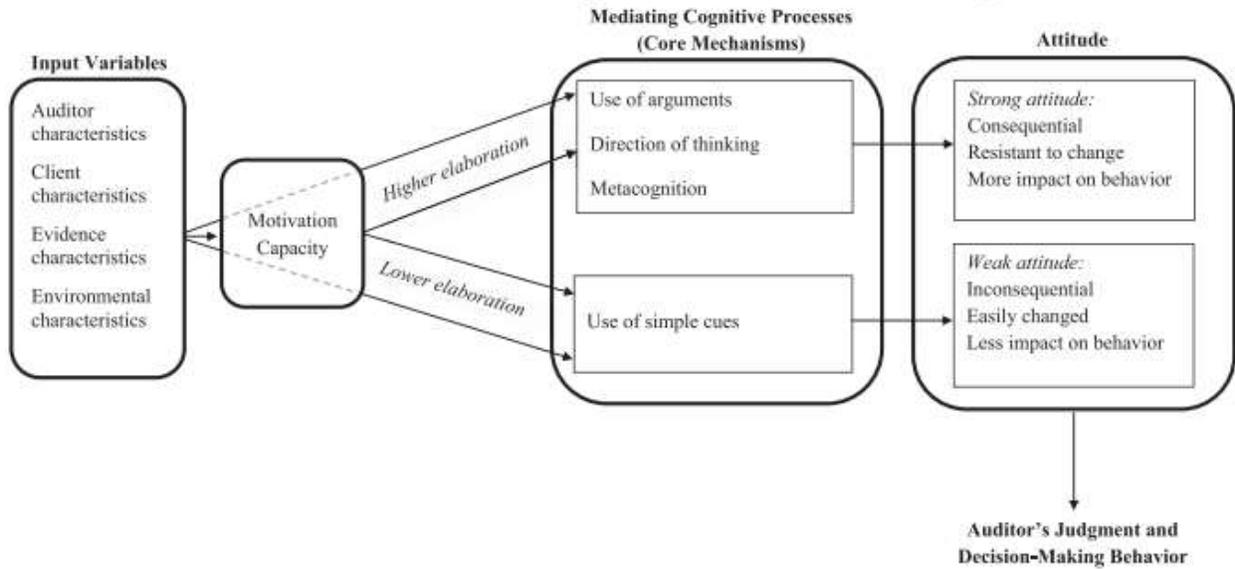
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Appendix A: Audit Approaches and Characteristics

Appendix B: Elaboration Likelihood Model

FIGURE 1
The Elaboration Likelihood Model Applied to Auditors' Attitudes and Judgments



Source: Adapted from Petty : Petty & Briol (2012)

Appendix C: Interview Guide for All Participants

Introduction

Please respond to the following questions regarding your background information of auditing and professional skepticism. The interview will take approximately 20 minutes to complete the interview using the questionnaire. All answers provided will remain strictly confidential. Please answer the following questions to the best of your ability and if you become uncomfortable with any question, please select decline to answer before moving forward with the interview.

Background and Demographics

1. Indicate the category that best describes your rank within the firm.
 - a. Senior or Senior Associate
 - b. Manager or Supervisor
 - c. Auditor
2. How long have you held this rank?
 - a. Less than one year
 - b. Between one and three years
 - c. More than three years
3. Total years of public accounting experience
4. Count of accounting firms you have worked at in your career (include current firm)
5. Number of times that you have been involved with issues with professional skepticism
 - a. Never
 - b. One or two times in career

- c. One or two times per year
 - d. Three or five times per year
 - e. More than five times in career
6. What is the level of your education?
- a. Bachelor's Degree
 - b. Master's Degree
 - c. Certification(s)

Questions for All Participants

1. Please describe your primary functional duties within the organization.
 - a. Could you elaborate some more?
2. How the role of management with reporting detection of material misstatements?
 - a. Why do you feel this way?
3. If you suspect fraud, what are your procedures for reporting this important item?
4. How does management play a role with assigning auditors to engagements?
 - a. What do you mean by that? (asking for clarification)
5. How does the audit committee deal with reported fraud detection?

Interview Guide Section for Auditing Staff Members

Questions for Auditing Staff Members

Please describe your level of agreement with each of the following statements. Elaborate the response that best describes your position on the topic.

1. How does your firm rewards client retention and development in the evaluation of performance?
 - a. What do you mean?

2. How does your firm reward technical competence in the evaluation of performance?
 - a. Why do you think about this?
3. How is praise given in performance evaluation for integrity, objectivity, or independence?
 - a. How often is praise given for performance?
4. How do you go about gathering audit evidence?
 - a. What do you think about this?
5. Please describe the training you have received to detect fraud and use of professional skepticism.
 - a. How often do you receive training?

Interview Guide for Senior Staff Members

Questions for Senior Staff Members

1. Please describe the method of training the auditing team receive for fraud detection.
 - a. If you could focus on an area, what would it be?
2. How are employees that use professional skepticism evaluated within the organization?
 - a. Is that so, please go on.
 - b. How often?
3. What types of risk do you find as most prevalent with the auditing function?
 - a. What do you mean?
4. How are strategic plans aligned to enhance processes and procedures regarding development of professional skepticism?
 - a. What do you think of this?

5. Please describe how auditing staff members are to perform evidence gathering processes.
 - a. How so?

Interview Guide for Management

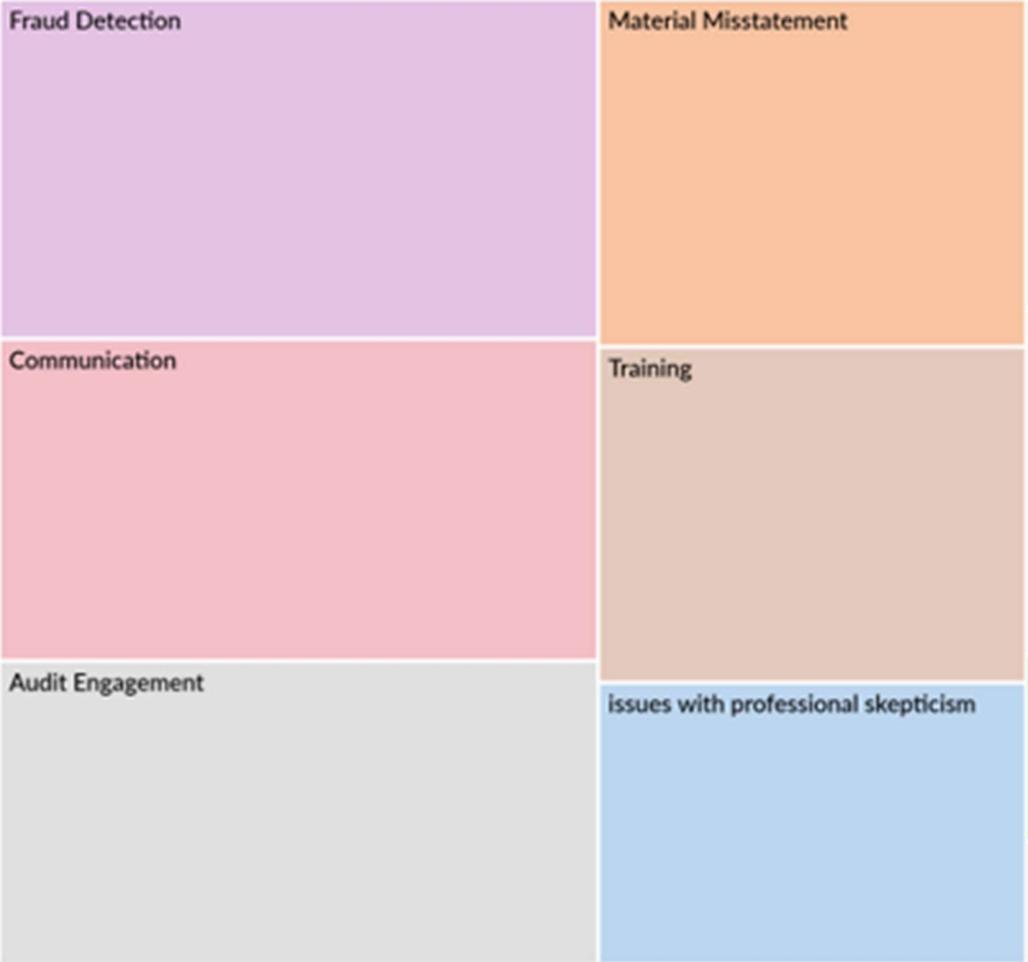
Questions for Managing Staff Members

1. How do auditing staff members gather adequate audit evidence?
2. How are training programs conducted to increase auditor fraud detection?
 - a. What is the focus?
3. How are the techniques of audit quality enhanced to detect material misstatements?
 - a. What else?
4. How are risks associated with auditors that have one to three years of experience identified with regards to fraud detection?
 - a. Could you elaborate on that some more?
5. How does the management level communicate with the senior and auditing levels?
 - a. How often?

Interview Guide Concluding Paragraph

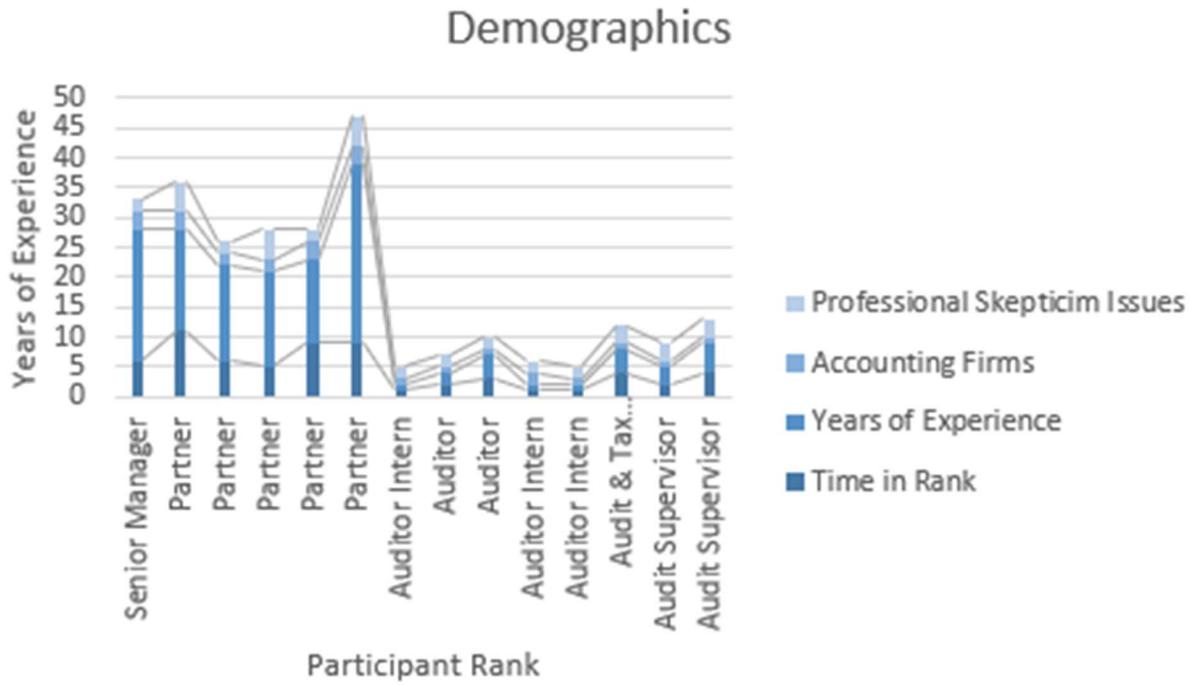
Thank you for sharing this information with me today and for participating in this important research study. The answers provided in this study will be kept confidential and used solely for the purposes of the research study. I will transcribe the interview and will return a copy to you for your review where you may add additional comments if necessary. Should I have any questions or additional comments, I will reach out to you within the next week via e-mail or phone. Should you have any additional comments or changes, you will have one week to inform me of any changes or additional information. Thank you again for your time for this study.

Appendix D: Overarching Themes Derived from the Interview Guide



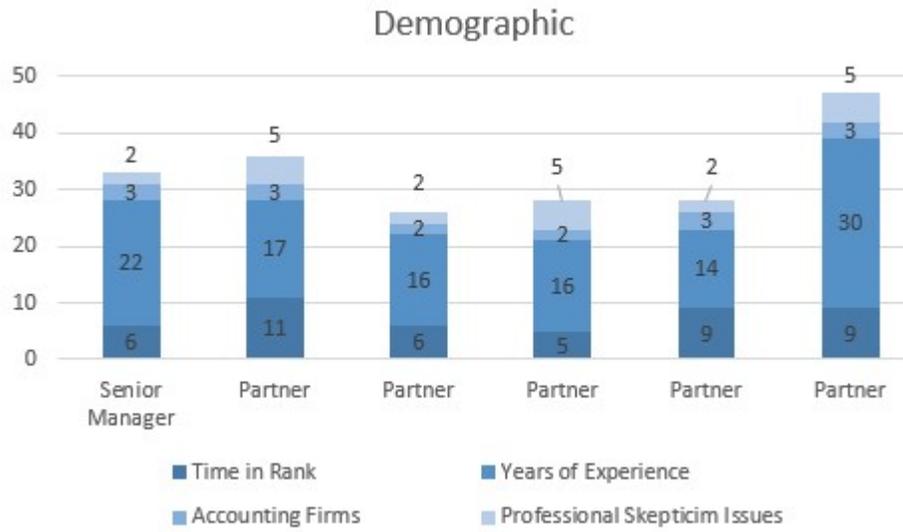
Appendix E: Demographics

Figure 2. Demographics



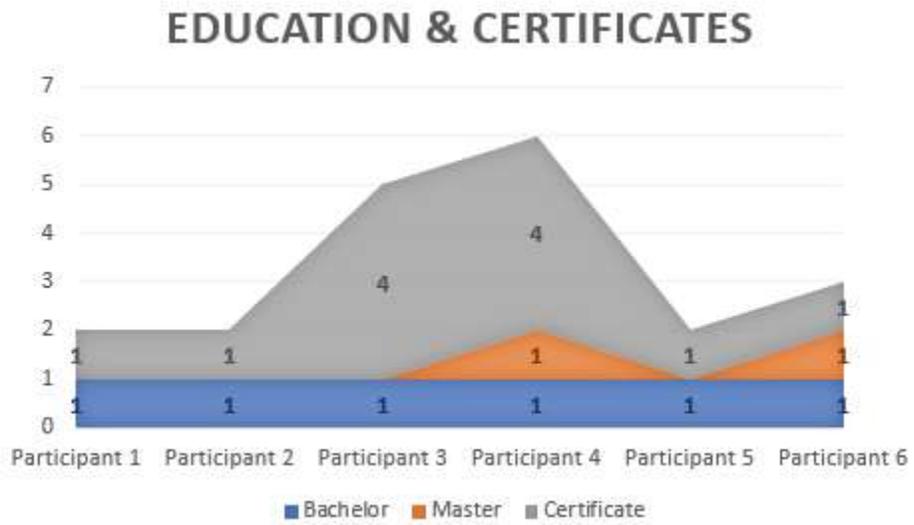
Appendix F: Demographics Partners

Figure 3. Demographics Partners



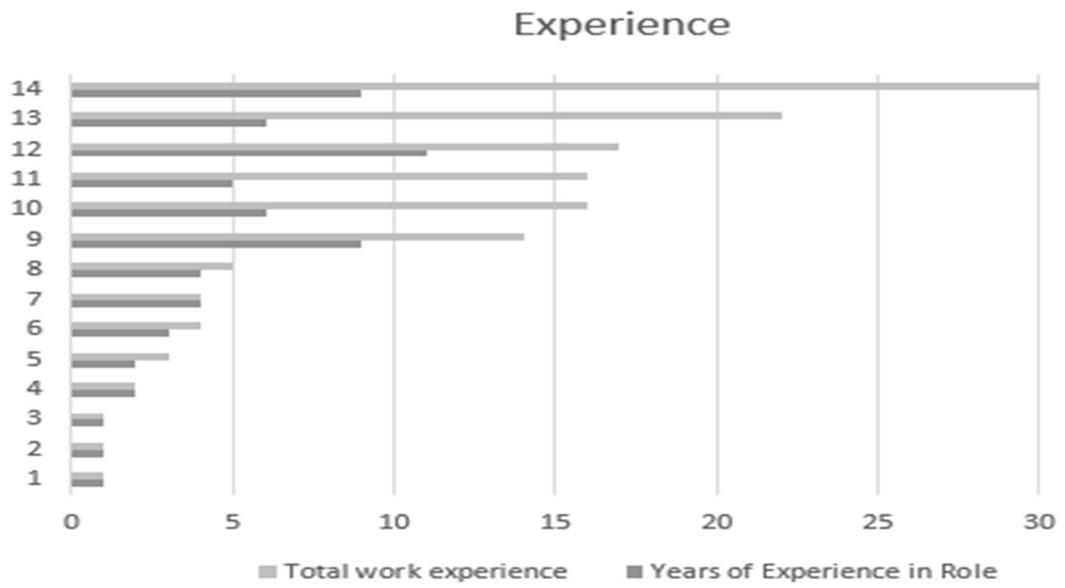
Appendix G: Education

Figure 4. Education



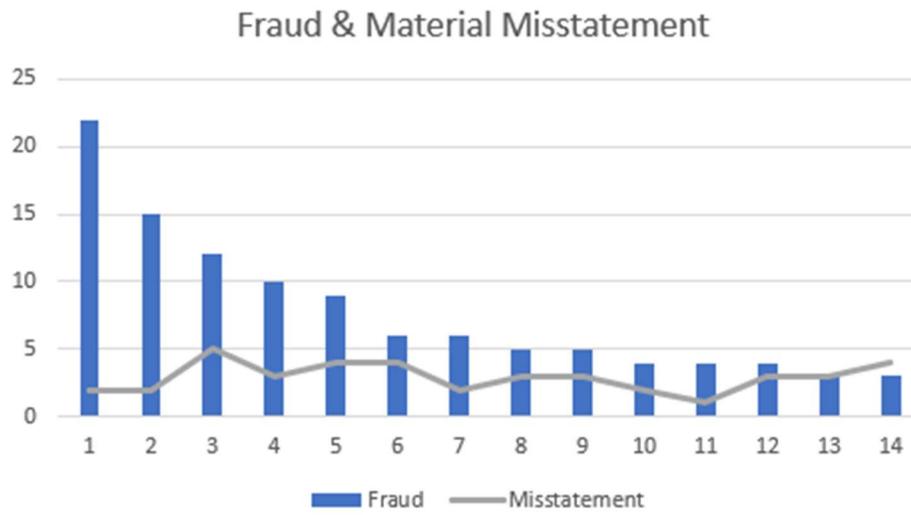
Appendix H: Experience

Figure 5. Experience



Appendix I: Fraud and Material Misstatement

Figure 6. Fraud and Material Misstatement



Appendix J: Qualitative Findings Relationship of the Findings

Figure 7. Qualitative Findings Relationship of the Findings



