Factors Influencing Auditors' Professional Scepticism in Financial Statement Audits: A Theoretical Review, Empirical Synthesis, and Conceptual Framework for the Audit Market in Hanoi

Ngo Thi Kieu Trang
Hanoi University of Natural Resources
and Environment, Hanoi, Vietnam
https://doi.org/10.56201/ijebm.vol.12.no10.2026.pg60.74

Abstract
Professional skepticism is universally recognized as the cornerstone of financial statement audits, directly governing an external auditor's cognitive ability to recognize anomalies, evaluate contradictory evidence, and detect material misstatements arising from error or deliberate corporate fraud. Despite its formal codification in International Standards on Auditing and Vietnamese Standards on Auditing, skepticism remains an elusive behavioral construct in practice, frequently undermined by cognitive heuristics, environmental stressors, commercial conflicts of interest, and socio-cultural hierarchies. This paper presents an extensive, multi-layered literature review systematically grounded in foundational theoretical paradigms—specifically, Hurtt's Trait-Based Model, Nelson's State Determinants Model, Ajzen's Theory of Planned Behavior, Role Stress Theory, and Agency Theory. Building upon this theoretical architecture, the paper synthesizes global and domestic empirical evidence across four primary determinant clusters: individual auditor attributes, internal audit firm quality controls and leadership, workload and budgetary pressures, and client-specific characteristics and corporate governance. Furthermore, this study bridges an acute research gap by situating these determinants within the institutional, commercial, and socio-cultural idiosyncrasies of Hanoi's audit market—characterized by profound hierarchical deference, deep-seated informal relational networks, severe busy-season calendar compression, and stark operational disparities between international Big 4 networks and domestic non-Big 4 practices. Finally, this paper proposes an integrative conceptual framework comprising six testable propositions and delineates an empirical methodological roadmap to guide forthcoming inquiries and assist audit practitioners, regulatory bodies, and standard-setters in safeguarding audit quality and restoring capital market credibility.

Keywords: *Professional skepticism, External auditor, Financial statement audit, Literature review, Conceptual framework, Audit quality, Hanoi audit market, Emerging markets.*

1. Introduction

The credibility of audited financial statements serves as the fundamental catalyst for efficient capital allocation and investor confidence in modern market economies. At the epicentre of this assurance mechanism lies the external auditor's application of professional skepticism. Codified internationally under International Standard on Auditing 200 and domestically within Vietnamese Standard on Auditing 200, professional skepticism is formally defined as an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence. Far

from being a mechanical tick-box procedure, skepticism represents an active psychological and behavioral commitment. It dictates how an auditor conceptualizes engagement risk, formulates inquiry strategies, scrutinizes management representations, pursues corroborating third-party evidence, and confronts aggressive accounting treatments. Notwithstanding clear statutory mandates, high-profile corporate reporting collapses across the globe—ranging from historical debacles such as Enron, WorldCom, and Parmalat to contemporary failures including Wirecard in Germany, Carillion in the United Kingdom, and Silicon Valley Bank in the United States—consistently reveal a common denominator: an acute breakdown or systemic dilution of auditor professional skepticism. Regulatory inspection reports issued by the International Forum of Independent Audit Regulators and the Public Company Accounting Oversight Board routinely identify deficient skepticism in high-risk audit areas, particularly complex accounting estimates, fair value measurements, related-party transactions, and revenue recognition. In transitional and emerging market economies, the challenge of sustaining professional skepticism is intensified. Vietnam's macroeconomic landscape, characterized by rapid capital market expansion, ongoing legal harmonization, and extensive state-owned enterprise restructuring, provides a compelling yet precarious auditing environment. Recent capital market upheavals and large-scale corporate financial statement manipulations in Vietnam (most visibly observed in prominent banking, property, and corporate bond crises, as well as accounting restatements across listed real estate developers) have triggered unprecedented scrutiny from regulators, investors, and the public. These events compel a fundamental re-examination of the structural factors that either empower or paralyze an external auditor's skeptical mindset and proactive actions. As the political capital, administrative core, and primary corporate hub of Northern Vietnam, Hanoi represents an auditing micro-ecosystem of profound empirical and practical significance. Hanoi houses the national headquarters of major commercial banks, powerful state-owned conglomerates, general corporations, and a vast array of public firms listed on the Hanoi Stock Exchange and the unlisted public company market. Concurrently, the city hosts the northern executive offices and operational teams of the international Big 4 audit firms, alongside hundreds of dynamic mid-tier international network affiliates and domestic Non-Big 4 accounting practices.

Auditing in Hanoi operates under unique cultural, institutional, and environmental realities:

Socio-Cultural Hierarchies and Relational Dynamics: Auditing in Northern Vietnam is deeply intertwined with traditions emphasizing deference to seniority, avoidance of public confrontation, preservation of personal reputation, and extensive reliance on informal social connections. These implicit social norms frequently create acute psychological friction when junior auditors are tasked with interrogating senior executives or state-appointed officials.

Extreme Calendar Compression: A legal and operational concentration of corporate fiscal year-ends on December 31 generates a severe, four-month busy season spanning January through April. Audit engagement teams operate under debilitating overtime hours, severe fatigue, and rigid filing deadlines, creating a direct conflict between procedural velocity and critical evidential scrutiny.

Stark Market Bifurcation: The Hanoi audit market exhibits substantial structural bifurcation. While Big 4 firms utilize proprietary automated audit workflows, global forensic resources, and robust risk management desks, domestic non-Big 4 firms grapple with intense fee competition, limited technical budgets, and high staff turnover.

Despite a vast global literature on professional skepticism, scholarly investigations

contextualized within Vietnam remain scarce, predominantly fragmented, or reliant on superficial descriptive surveys that omit institutional nuances. A comprehensive, academically rigorous synthesis that bridges international theoretical models with the localized operating conditions of Hanoi's audit sector is urgently needed.

Accordingly, the objective of this study is threefold:

First, to systematically review and integrate the foundational theoretical models governing professional skepticism, notably Hurtt's Trait Model, Nelson's Determinants Paradigm, Ajzen's Theory of Planned Behavior, and Role Stress Theory.

Second, to synthesize global and transitional empirical findings regarding the individual, organizational, temporal, and client-driven determinants of auditor skepticism.

Third, to contextualize these findings within the cultural and commercial landscape of Hanoi, culminating in an integrative conceptual framework with testable propositions to guide empirical research and support policy formulation under project HUNRE.2026.06.32.

2. Theoretical Foundations

2.1. Deconstructing the Architecture of Professional Skepticism: Trait vs. State Paradigms

Academic accounting literature exhibits an extensive discourse surrounding the conceptual boundaries and operational definitions of professional skepticism. The discipline has synthesized these viewpoints into two foundational, mutually reinforcing paradigms: Trait Skepticism and State Skepticism.

Table 1: Comparative Matrix of Trait Skepticism versus State Skepticism

Dimension	Trait Skepticism (Hurtt, 2010) DOCX	State Skepticism (Nelson, 2009) DOCX
Conceptual Nature	Enduring, stable individual psychological disposition that persists across situations and over time.	Context-dependent, dynamic psychological state that fluctuates across specific audit engagements.
Core Dimensions	6 psychometric dimensions: Questioning mind, Suspension of judgment, Search for knowledge, Interpersonal understanding, Self-esteem, Autonomy.	2 operational stages: Skeptical judgment (anomaly and risk recognition) and Skeptical action (evidential response).
Underlying Driver	Innate psychological makeup, general intelligence, ethical development, and personal belief systems.	Interaction between auditor knowledge, baseline traits, workplace incentives, and client engagement risk.
Audit Implication	Determines baseline sensitivity toward anomalies and resistance to social compliance.	Governs actual evidential decisions and confrontation choices under commercial and environmental stress.

2.1.1. Hurtt's (2010) Multi-Dimensional Trait Model

Pioneered by Kathy Hurtt (2010), the trait perspective conceptualizes skepticism as an enduring individual psychological disposition that persists across diverse situations and temporal intervals. Drawing from philosophy, cognitive psychology, and consumer research, Hurtt constructed a validated 30-item psychometric scale structured around six distinct, interconnected dimensions:

A Questioning Mind: A disposition to approach audit assertions with intellectual curiosity, ongoing inquiry, and refusal to accept claims on face value.

Suspension of Judgment: The cognitive capacity to withhold definitive conclusions until sufficient, appropriate corroborating evidence has been collected and evaluated.

Search for Knowledge: A pursuit of broad, exploratory evidence beyond the immediate requirements of compliance checklists, driven by an inherent desire to comprehend operational context.

Interpersonal Understanding: Insight into human behavior and organizational politics, enabling the auditor to recognize that individuals provide biased, self-serving, or deceitful information due to misaligned incentives.

Self-Esteem: Emotional confidence and professional self-worth, which empower the auditor to resist social pressure, confront authoritative corporate executives, and defend contested findings.

Autonomy: Professional independence and moral agency, enabling the auditor to direct investigations without yielding to client management or peer conformity.
Auditors exhibiting high baseline trait skepticism are psychologically predisposed to identify subtle evidential anomalies, exhibit lower susceptibility to halo effects, and resist management's persuasive appeals. However, individual psychological traits alone do not guarantee skeptical execution when professional and organizational environments introduce counteracting pressures.

2.1.2. Nelson's (2009) Determinants and Action Model

To explain why auditors with strong skeptical dispositions sometimes fail to act skeptically during fieldwork, Nelson (2009) proposed an integrative model of State Skepticism. Nelson distinguished between **Skeptical Judgment** (the cognitive recognition that an anomaly exists and that risk is elevated) and **Skeptical Action** (the actual behavioral response, such as expanding sample sizes, modifying substantive procedures, or qualifying the audit opinion).
According to Nelson, manifest professional skepticism is dynamically shaped by three interacting categories of inputs:

Auditor Knowledge: Encompassing deep expertise in financial reporting frameworks, specific client industry operations, cognitive familiarity with non-routine fraud schemas, and general problem-solving ability.

Auditor Traits: Incorporating cognitive styles, personality dispositions reflecting Hurtt's dimensions, baseline trust tendencies, and ethical orientation.

Auditor Incentives and Environment: External workplace variables including firm quality control reviews, accountability pressures, regulatory threat, fee dependency, engagement budget limits, and client commercial relationships.
Nelson's model clarifies that skeptical judgment is a necessary but insufficient prerequisite for skeptical action: an auditor may correctly discern financial statement manipulation yet fail to confront the client or expand substantive testing due to severe time budget pressures, fear of client dismissal, or lack of leadership backing.

2.2. Supporting Theoretical Frameworks

Table 2: Supporting Theoretical Frameworks Explaining Skeptical Behavior

Theory	Foundational Authors	Theoretical Mechanism Applied to Auditor Professional Skepticism
Theory of Planned Behavior (TPB)	Ajzen (1991)	Skeptical actions are driven by Behavioral Intentions, determined by: (1) Attitude toward skepticism; (2) Subjective Norms (partner/peer expectations); and (3) Perceived Behavioral Control (resources, time budgets, authority).
Role Stress Theory	Kahn et al. (1964)	Auditors face boundary-spanning stress manifesting in: (1) Role Conflict (regulatory rigor vs. client retention); (2) Role Ambiguity (unclear evidential thresholds); and (3) Role Overload (excessive workload and time pressure).
Agency Theory	Jensen & Meckling (1976)	The external auditor serves as an independent monitoring mechanism to reduce information asymmetry and agency costs between principals (shareholders) and agents (management). Skepticism ensures monitoring validity.
Signaling Theory	Spence (1973)	Audit firms signal superior audit quality, reputational capital, and independence to the capital market by enforcing stringent professional skepticism, thereby justifying premium audit fees.

3. Synthesis of Empirical Literature

Empirical investigations across international and transitional markets converge upon four primary clusters of determinants that systematically govern the application of an auditor's professional scepticism.

Table 3: Determinant Clusters Influencing Auditor Professional Skepticism

Determinant Cluster	Key Antecedent Variables	Direction of Impact and Empirical Mechanisms
1. Individual Auditor Attributes	Technical accounting competence Professional experience & tenure • Moral reasoning & ethical orientation •Emotional intelligence & resilience	**Positive:** Technical competence enables rapid anomaly recognition. **Non-Linear:** Experience trap risks unreflective heuristic reliance. **Positive:** Post-conventional moral development fosters resistance to client coercion.
2. Audit Firm Internal Environment	• Leadership tone at the top Supervision & coaching quality Engagement quality reviews (EQCR) Access to forensic/technical desks	**Positive:** Partner support creates psychological safety to challenge management. **Positive:** Accountability pressure from rigorous reviews enforces robust evidence documentation and elimates logical inconsistencies.

3. Workload and Budget Pressures	• Time budget pressure & tightness Busy-season workload compression Audit fee compression & discounting	**Negative:** Severe time limits trigger reduced audit quality acts (premature sign-offs, superficial inquiries). **Negative:** Discounted fees reduce experienced staffing and increase client fee dependency.
4. Client-Specific Characteristics	• Client risk profile & internal controls Management integrity & aggressiveness Auditor-client tenure & familiarity	**Positive:** Heightened inherent risk triggers state-level skeptical action. **Negative:** Extended tenure creates relational familiarity, misplaced trust, and anchor bias that weaken critical scrutiny.

3.1. Individual Auditor Attributes

Extensive behavioral research confirms that technical competence represents a baseline requirement for exercising skeptical judgment. An auditor cannot critically question that which they do not understand. In modern audits involving complex revenue arrangements, credit loss modeling, and fair value derivatives, skepticism requires deep comprehension of accounting frameworks and underlying valuation mechanics. Specialized auditors detect warning signs significantly faster than generalist auditors due to richer cognitive mental schemas. Regarding professional experience, researchers identify a non-linear dynamic known as the experience trap. Auditors who perform repetitive audit programs across similar clients without regular professional updates often rely on subconscious availability heuristics and confirmation biases. They frequently assume that current-year controls mirror prior-year conditions, leading to uncritical acceptance of client representations. Continuous professional education focused on evolving fraud patterns is vital to prevent cognitive complacency across senior personnel. Furthermore, moral development and emotional intelligence empower auditors to confront management and withstand interpersonal friction during contentious evidential disputes.

3.2. Audit Firm Internal Environment and Quality Controls

Individual skepticism cannot flourish within an unsupportive or purely commercially driven firm culture. The tone at the top articulated by executive partners serves as the primary institutional signal defining behavioral expectations throughout engagement teams. When leadership explicitly prioritizes audit quality over commercial considerations and actively supports staff who challenge client assertions, junior auditors experience psychological safety. Conversely, when partners prioritize client retention and fee growth above substantive evidential resolution, audit teams quickly adopt an attitude of minimal compliance, curtailing investigative inquiries to avoid commercial conflict. Formal review structures and access to specialized technical or forensic desks reinforce this institutional protection.

3.3. Workload, Temporal, and Commercial Pressures

The negative relationship between severe time budget pressure and professional skepticism represents one of the most consistent findings in behavioral accounting literature. Time budget constraints stem from commercial fee ceilings, inadequate resource planning, or compressed client reporting windows. When available hours fall short of the work required to evaluate complex accounts, auditors experience acute role overload. Under intense temporal stress, auditors frequently engage in reduced audit quality acts, such as premature sign-offs, sample reductions, and superficial corroboration. Furthermore, aggressive fee competition restricts the assignment of experienced senior personnel, delegating critical evidential

evaluations to junior staff members who lack the authority to execute skeptical actions effectively.

3.4. Client-Specific Characteristics and Governance Context

Auditor skepticism varies across engagements, demonstrating its nature as a dynamic state. When auditors identify high inherent risks, material control weaknesses, rapid turnover among financial executives, or aggressive earnings incentives, their situational skepticism elevates accordingly. Auditors respond to these elevated risk assessments by expanding the scope of substantive audit procedures and seeking corroboration from independent third parties. Conversely, when clients maintain strong corporate governance and stable internal control systems, baseline skepticism normalizes into a neutral, consultative posture. However, prolonged auditor-client tenure creates familiarity risks, leading to unreflective reliance on prior-year workpapers and social alignment with client management that can erode objective scrutiny.

4. The Localized Auditing Landscape in Hanoi

While international literature provides a robust analytical baseline, applying these models directly to the audit market of Hanoi reveals clear context-specific realities that require explicit analysis.

Table 4: Unique Contextual Dimensions of the Hanoi Auditing Market

Dimension	Empirical Manifestation in Hanoi	Impact on Auditor Professional Skepticism
Socio-Cultural Hierarchies & Networks	• Client portfolio dominated by major state-owned enterprises, ministries, and political conglomerates. • Deep-seated cultural deference to seniority, rank, and preservation of personal reputation. • Pervasive reliance on informal relational ties to secure and renew audit engagements.	• Junior auditors experience profound psychological inhibition when required to challenge elder, high-ranking executives. • Communication relies on indirect phrasing, enabling management to evade probing questions. • Commercial pressure to safeguard the partner's social network discourages aggressive evidential challenges.
Busy-Season Bottleneck	• Regulatory alignment of corporate fiscal year-ends on December 31. • Strict statutory filing deadline within 90 days (late March to April). • Acute operational compression spanning January through April.	• Audit teams endure 70- to 90-hour workweeks, resulting in severe physical and cognitive fatigue. • Operational focus shifts from critical investigative thinking to procedural compliance checklists. • Disincentive to pursue evidential anomalies due to the risk of deadline breaches and cost overruns.

Market Bifurcation (Big 4 vs. Non-Big 4)	• **Big 4:** Multinational clients and premier listed firms; global ERP software; centralized risk desks; premium fee structures. • **Non-Big 4:** Intense domestic price competition; aggressive fee discounting; lean margins; high staff turnover.	• Big 4 auditors benefit from institutional backing, automated analytical tools, and economic independence. • Non-Big 4 auditors face severe economic vulnerability, fee dependency, and reliance on entry-level staff, increasing the risk of compromised skepticism.

4.1. Cultural Dimensions: Deference to Seniority, Saving Face, and Relational Networks
Auditing in Northern Vietnam takes place within a distinct socio-cultural milieu characterized by high power distance, collectivist orientations, and deep-seated informal relational networks. These cultural forces exert a pronounced influence on behavioral skepticism during client interactions:

Deference to Authority and Seniority: In Hanoi's corporate ecosystem, which features prominent state-owned corporations and politically connected conglomerates, senior client executives frequently hold high administrative, social, and political standing. Junior and senior auditors often experience profound psychological and cultural hesitation when required to challenge senior figures. Asking pointed, adversarial questions to an elder corporate officer can be perceived as socially inappropriate, causing junior auditors to accept evasive explanations rather than breach interpersonal norms.

Preserving Harmonious Relationships and Saving Face: Business interactions in Northern Vietnam place a premium on maintaining collective harmony and saving face. Direct confrontations regarding disputed accruals or aggressive revenue treatments run counter to these communication norms. Auditors often resort to indirect, cautious phrasing, enabling manipulative client management to obscure substantive evidential issues.

The Interpersonal Ties Paradox: In transitional economies, commercial engagements are frequently secured and maintained through established social relationships. When audit partners maintain close personal, social, or historical ties with client executives, engagement teams face an implicit professional conflict. Auditors may worry that expressing rigorous skepticism could jeopardize the partner's network, lead to complaints, or result in assignment changes.

4.2. Extreme Busy-Season Calendar Compression
A significant institutional feature of the Vietnamese auditing market is the widespread alignment of corporate fiscal years with the calendar year-end (December 31), mandated by domestic accounting regulations for public and state-owned entities. Under the Law on Securities and current regulatory requirements, listed firms must publish their audited annual financial reports within 90 days of the fiscal year-end, concentrating mandatory filing dates in late March and April. This calendar concentration generates an acute **busy-season bottleneck** in Hanoi from January through April. During this intense four-month period:
Audit teams routinely endure 70- to 90-hour workweeks, pervasive physical and mental exhaustion, and prolonged travel across northern industrial zones and commercial centers;
Role overload peaks, leaving minimal cognitive capacity for deep, unstructured investigative thinking; The operational priority inevitably shifts toward procedural compliance—meeting

statutory deadlines to prevent client stock trading suspensions and avoid firm budget overruns. Under these conditions, auditors face strong structural incentives to minimize exploratory questioning, accelerating the potential compromise of professional skepticism.

4.3. Institutional Divergence: The Big 4 versus Domestic Non-Big 4 Divide

The auditing market in Hanoi is structurally bifurcated into two distinct operational segments: **The Big 4 Practices:** Multinational network firms in Hanoi conduct audits for multinational corporations, foreign-invested enterprises, leading state-owned institutions, and premier listed corporations. These practices deploy sophisticated automated audit tools, integrated data analytics, central risk desks, and structured quality-monitoring regimes. Furthermore, their compensation models and reputational considerations offer staff greater institutional insulation against client commercial pressure.

Domestic Non-Big 4 and Mid-Tier Practices: In contrast, hundreds of domestic audit firms in Hanoi operate in a commercial segment characterized by intense price competition and lower margins. In order to survive, many domestic firms engage in aggressive fee discounting, leading to lean operational margins that restrict spending on technical training, automated workflow systems, and competitive compensation. As a consequence, domestic firms encounter elevated staff turnover, heavy reliance on entry-level interns, and an acute commercial vulnerability to client fee loss. These structural constraints heighten the risk of compromised skepticism within the domestic mid-tier sector.

5. Conceptual Framework and Proposition Development

To consolidate these theoretical insights and address the institutional realities of Hanoi's audit market, this study proposes an overarching conceptual framework. Grounded in Nelson's State Skepticism framework, Hurtt's Trait Model, Ajzen's Theory of Planned Behavior, and Role Stress Theory, the framework links localized antecedent determinants to auditors' skeptical behavior, incorporating contextual moderators.

Table 5: Structural Components of the Proposed Conceptual Framework

Framework Component	Theoretical Operationalization and Sub-Constructs	Role within the Analytical Model
Antecedent Determinants	• **Individual Attributes:** Technical knowledge, standards proficiency, trait skepticism (Hurtt, 2010), cognitive autonomy. • **Audit Firm Environment:** Leadership tone at the top, partner support, EQCR review rigor, forensic consulting access. • **Workload & Fee Stress:** Time budget pressure, busy-season fatigue, audit fee discounting. • **Client Governance & Risk:** Inherent business risk, internal control strength, management integrity, related-party complexity.	**Independent Variables (Antecedents):** Directly influence the auditor's state skepticism (Propositions 1, 2, 3, 4).

Auditor Professional Skepticism	• **Skeptical Judgment:** Cognitive recognition of heightened risk, identification of evidential inconsistencies, anomaly sensitivity. • **Skeptical Action:** Behavioral confrontation, expansion of substantive sample testing, requesting independent confirmation, opinion modification.	**Core Dependent Variable:** Primary behavioral outcome of the audit process.
Hanoi Contextual Moderators	• **Cultural Hierarchies & Social Ties:** Deference to seniority, saving face considerations, informal relational network strength. • **Institutional Status:** International Big 4 network practice versus domestic Non-Big 4 accounting firm.	**Moderating Variables:** Moderate the translation of antecedent drivers and skeptical judgment into skeptical action (Propositions 5, 6).

Proposition Development:

Proposition 1 (Individual Competence and Traits): Auditors possessing higher levels of technical competence (proficiency in accounting frameworks and fraud detection indicators) and foundational trait skepticism will demonstrate significantly higher levels of skeptical judgment and skeptical action during financial statement audits.

Proposition 2 (Firm Leadership and Governance): A strong internal audit firm quality environment characterized by an unambiguous tone at the top, explicit partner support for challenging client assertions, and robust quality control reviews is positively associated with an auditor's willingness to translate skeptical judgment into skeptical action.

Proposition 3 (Temporal and Budgetary Constraints): Severe time budget pressure and busy-season workload compression are negatively associated with an auditor's application of professional skepticism, increasing the likelihood of reduced audit quality acts and superficial corroboration.

Proposition 4 (Client Risk Dynamics): Heightened client risk profiles, complex related-party transactions, and weak internal control structures positively influence an auditor's state-level skeptical judgment, prompting expanded substantive testing procedures, provided the auditor experiences sufficient behavioral control.

Proposition 5 (Cultural Moderation): The negative relationship between client management pressure and an auditor's skeptical action is significantly amplified by cultural deference to seniority and informal relational connections, such that junior auditors in Hanoi are less likely to execute confrontational skeptical actions against senior client executives.

Proposition 6 (Institutional Form Moderation): The positive relationships between firm quality controls, technical competence, and manifest professional skepticism are significantly stronger among international Big 4 audit firms than among domestic Non-Big 4 audit practices in Hanoi, moderated by organizational capital, automated audit technologies, and economic independence.

6. Empirical Methodological Roadmap

To operationalize the proposed conceptual framework within Hanoi's audit environment, forthcoming academic investigations (such as project HUNRE.2026.06.32) should implement a rigorous, mixed-methods research design that moves beyond standard cross-sectional correlation analyses.

Table 6: Methodological Architecture for Future Empirical Studies

Research Phase	Sampling and Data Collection Strategy	Analytical Methods and Research Purpose
Phase 1: Quantitative Survey	• **Target Sample:** N = 350 to 450 practicing external auditors across Hanoi. • **Sampling Method:** Stratified sampling across Big 4, mid-tier international, and domestic Non-Big 4 firms. • **Measurement Scales:** Hurtt's HPSS (30 items), Nelson's state skepticism scale, Glover's time pressure scale, Carpenter & Reimers' leadership scale.	• **Techniques:** Partial Least Squares Structural Equation Modeling (PLS-SEM) and Covariance-Based SEM (CB-SEM). • **Multi-Group Analysis (MGA):** Evaluate structural path differences between Big 4 and Non-Big 4 cohorts. • **Objective:** Validate psychometric construct reliability and test linear/moderating propositions.
Phase 2: Experimental & Qualitative Design	• **Behavioral Factorial Experiment:** 2x2 factorial audit case simulation manipulating time pressure (high vs. low) and client relational ties (close vs. distant). • **In-Depth Interviews:** Purposive sample of 15 to 20 audit partners, regulatory inspectors, and audit committee chairs in Hanoi.	• **Techniques:** Analysis of Variance (ANOVA/MANOVA) for experimental manipulation checks. • **Thematic Qualitative Analysis:** Disentangle hidden cognitive trade-offs, interpersonal friction, and tacit socio-cultural constraints that surveys fail to capture.

7. Practical and Policy Implications

The theoretical synthesis and contextual evaluation presented in this study offer practical implications for external audit firms, standard-setting authorities, and commercial clients operating across Hanoi and the broader capital market.

Table 7: Actionable Recommendations for Systemic Stakeholders

Stakeholder Group	Practical Strategic Interventions	Anticipated Systemic Impact
Audit Firms in Hanoi	• Establish confidential internal de-escalation channels for junior staff. • Accelerate investment in audit data analytics and automated workflow tools to reduce routine compliance burdens. • Rebalance partner evaluation metrics from commercial billing targets toward technical documentation quality and audit rigor.	Dismantles hierarchical communication barriers, mitigates cognitive burnout during busy season, and removes disincentives to skeptical inquiry.
Regulators and Professional Bodies	• Implement targeted, thematic inspections on high-risk accounting estimates (fair value, land valuation, related parties). • Establish minimum audit fee benchmarks for public-interest entities to curb price wars. • Strictly enforce mandatory partner and firm rotation cycles.	Enforces market accountability, prevents fee-driven erosion of audit scope, and breaks excessive familiarity bonds between auditors and clients.
Universities and Professional Educators	• Modernize accounting curricula beyond procedural rules to include behavioral psychology, cognitive bias mitigation, and forensic questioning. • Embed experiential simulation workshops on managing conflict with assertive, senior corporate executives.	Cultivates psychological resilience, professional self-esteem, and assertive interpersonal communication skills in future audit graduates.

8. Conclusion

Professional skepticism is not an isolated individual personality trait, nor is it a routine mechanical procedure. It is a dynamic behavioral state that emerges from continuous interactions among an auditor's technical competence and ethical fortitude, the firm's leadership tone, temporal pressures, and localized institutional dynamics. By systematically reviewing foundational academic literature—specifically Hurtt's Trait Model, Nelson's Determinants Framework, the Theory of Planned Behavior, and Role Stress Theory—this study synthesizes the multifaceted nature of professional skepticism and situates it within the realities of Hanoi's audit market. The analysis highlights how cultural deference, informal social networks, intense busy-season compression, and structural bifurcation between Big 4 and domestic Non-Big 4 firms influence the exercise of skepticism.

The proposed conceptual framework and testable propositions establish an academic and practical foundation to guide forthcoming empirical investigations under project HUNRE.2026.06.32. Ultimately, fostering consistent, robust professional skepticism across external audit firms in Hanoi is essential to elevating audit quality, protecting the public

interest, and securing sustainable transparency across Vietnam's growing capital markets.

Acknowledgments

The author gratefully acknowledges the institutional and financial research support provided under the scientific research topic: **"Factors Influencing Auditors' Professional Skepticism in Financial Statement Audits at Audit Firms in Hanoi". Subject Code: HUNRE.2026.06.32.** Hosted and funded by Hanoi University of Natural Resources and Environment, Hanoi, Vietnam.

IJEBM

References

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.

Asch, S. E. (1956). Studies of independence and conformity: A minority of one against a unanimous majority. *Psychological Monographs: General and Applied*, 70(9), 1–70.

Bamber, E. M., Ramsay, R. J., & Tubbs, R. M. (2010). An examination of the effects of experience, competence, and professional skepticism on auditors' fraud detection. *Behavioral Research in Accounting*, 22(1), 45–68.

Brazel, J. F., Jackson, S. B., Schaefer, T. J., & Stewart, B. W. (2016). The outcome effect and professional skepticism: How should auditors' performance be evaluated? *The Accounting Review*, 91(6), 1577–1599.

Carpenter, T. D., & Reimers, J. L. (2013). Professional skepticism: The effects of a partner's influence and the presence of fraud on auditors' fraud judgments and actions. *Behavioral Research in Accounting*, 25(2), 45–69.

Glover, S. M., Prawitt, D. F., & Drake, M. S. (2015). Between a rock and a hard place: A challenge for auditors' professional skepticism. *Current Issues in Auditing*, 9(1), P1–P9.

Hammersley, J. S. (2011). A review and synthesis of empirical research on fraud detection in auditing: A cognitive perspective. *Auditing: A Journal of Practice & Theory*, 30(2), 73–101.

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online Readings in Psychology and Culture*, 2(1), 1–26.

Hurtt, R. K. (2010). Development of a scale to measure professional skepticism. *Auditing: A Journal of Practice & Theory*, 29(1), 149–171.

Hurtt, R. K., Brown-Liburd, H., Earley, C. E., & Krishnamoorthy, G. (2013). Research on auditor professional skepticism: Literature synthesis and opportunities for future research. *Auditing: A Journal of Practice & Theory*, 32(Supplement 1), 45–97.

International Auditing and Assurance Standards Board. (2018). *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*. New York: International Federation of Accountants.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.

Kahn, R. L., Wolfe, D. M., Quinn, R. P., Snoek, J. D., & Rosenthal, R. A. (1964). *Organizational stress: Studies in role conflict and ambiguity*. John Wiley & Sons.

Kohlberg, L. (1984). *The psychology of moral development: The nature and validity of moral stages*. Harper & Row.

Ministry of Finance of Vietnam. (2012). *Vietnamese Standard on Auditing No. 200: Overall objectives of the independent auditor and the conduct of an audit in accordance with Vietnamese standards on auditing*. Issued under Circular No. 214/2012/TT-BTC. Hanoi: Ministry of Finance.

Nelson, M. W. (2009). A model and literature review of professional skepticism in auditing. *Auditing: A Journal of Practice & Theory*, 28(2), 1–34.

Public Company Accounting Oversight Board. (2012). *Maintaining and applying professional skepticism in audits*. Staff Audit Practice Alert No. 10. Washington, D.C.: PCAOB.

Robinson, S. N., Curtis, M. B., & Robertson, J. C. (2018). Disentangling the effects of audit committee member financial expertise and professional skepticism. *Journal of Accounting and Public Policy*, 37(5), 397–415.

Spence, M. (1973). Job market signaling. *The Quarterly Journal of Economics*, 87(3), 355–374.

Svanström, T. (2016). Time pressure, training, and professional skepticism in auditing. *Managerial Auditing Journal*, 31(6/7), 581–606.

Tepalagul, N., & Lin, L. (2015). Auditor independence and audit quality: A literature review. *Journal of Accounting, Auditing & Finance*, 30(1), 101–121.

IJEBM