

THE ROLE OF AUDITOR PERSONALITY IN DETECTING CORPORATE FRAUD

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Abstract

Detecting fraud in corporate financial reports remains a complex challenge with broad consequences for investors, regulators, and the public. This study investigates how auditor personality traits, ethics, professional scepticism, and work experience affect their fraud detection ability. Extending prior research on auditor characteristics (Chen et al., 2023; Khaksar et al., 2022; Samagaio & Felicio, 2022), the study explores five key personality traits: conscientiousness, openness to experience, extraversion, agreeableness, and neuroticism. Using a survey of 101 auditors from public accounting firms in Bali, the study employed partial least squares (PLS) modelling to test the proposed relationships. The results reveal that extraversion, agreeableness, openness to experience, ethics, and audit experience significantly enhance fraud detection ability. On the other hand, conscientiousness, neuroticism, and professional scepticism do not show significant effects. These findings underscore the importance of personal attributes, beyond technical skills, in shaping how auditors approach fraud risk. The study offers practical implications for audit firms, particularly in recruitment and auditor training. It also highlights the value of fostering personal attributes that support professional judgment in fraud detection.

Keywords: Auditor Personality, Fraud Detection, Attribution Theory, Big Five Personality Traits, Professional Scepticism, Audit Ethics

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1. INTRODUCTION

Fraud in financial statements is a serious problem that can harm various parties, including investors,

creditors, and the wider community (Othman & Othman, 2025; Rahayu & Widuri, 2025; Utomo & Mawardi, 2024). In this study, fraud refers to the intentional misrepresentation or manipulation of

financial data for personal gain (Dahlquist, 2006). According to Statement of Auditing Standards No. 70, material misstatements may result from either errors or fraud. While fraud involves deliberate acts, errors are unintentional and do not aim to benefit certain individuals. Therefore, the company's financial statements need to be audited by an independent party from outside the company, called an auditor, to ensure that the financial statements are free from material misstatement (Khikmah et al., 2023; Tjaraka et al., 2022). In this context, the auditor's ability to detect fraud becomes crucial. Prior studies suggest that auditor characteristics, such as professional scepticism, ethical orientation, experience, and personality, play a significant role in enhancing fraud detection effectiveness.

Attribution theory and the Big Five personality model offer a theoretical basis for understanding how individual characteristics influence auditor judgment and performance. Attribution theory, introduced by Heider (1958), posits that human behaviour is driven by internal factors (such as ability, attitude, and effort) and external factors (such as environmental pressure or luck), shaping how auditors assign meaning to audit evidence and make decisions (Weiner, 2008). Complementarily, the Big Five personality model outlines five personality traits: openness, conscientiousness, extraversion, agreeableness, and neuroticism, that can affect how auditors process information, evaluate risks, and respond to signs of fraud. Prior findings by Khaksar et al. (2022) demonstrate that such traits are positively associated with fraud detection effectiveness in audit contexts.

This study offers a novel conceptual model by integrating attribution theory and the Big Five personality model to investigate how stable psychological traits affect auditors' fraud detection ability. While external factors such as regulatory environment or organizational pressure may vary across contexts, internal traits like personality and ethical disposition remain relatively consistent, providing a reliable basis for predicting auditor behaviour (Webber, 2007). Previous research has not comprehensively explored how these internal traits interact within a behavioural auditing framework, particularly in the context of public accounting firms. By addressing this gap, the study contributes to a more individualized understanding of auditor performance in detecting fraud.

By bridging psychological theory and auditing practice, this study addresses the understudied relationship between auditors' internal characteristics and their professional judgment in fraud detection (Campa et al., 2023). Building on the work of Wahidahwati and Ardini (2021), it expands the analytical model by applying it to public accounting firms and incorporating variables such as personality traits and ethical orientation. This broader application enhances the understanding of how auditor profiles influence real-world audit outcomes. The findings are expected to inform the development of more accurate fraud detection frameworks and offer actionable insights for audit firms in the recruitment and professional development of auditors whose personal characteristics support higher audit quality.

This study aims to evaluate how specific auditor characteristics, including the Big Five personality traits, ethical orientation, professional scepticism, and audit experience, influence their

ability to detect financial fraud. Each variable is tested individually to determine its contribution to fraud detection outcomes. By grounding the analysis in attribution theory and the Big Five personality model, the study adds a psychological dimension to the behavioural auditing literature. In contrast to prior research that focused primarily on procedural or technical factors, this work emphasizes the importance of internal traits in shaping auditors' fraud judgments. It thus advances an auditor-centered approach to understanding audit quality and decision-making under ethical pressure.

While prior studies have explored the role of auditor ethics, scepticism, or technical competence in fraud detection, few have comprehensively examined how these elements interact with stable psychological traits within a unified behavioural framework. This study introduces a novel integration of attribution theory and the Big Five personality model to explain variations in fraud detection capability among auditors. Unlike traditional approaches that treat auditors as functionally homogenous professionals, this research positions individual personality traits, such as extraversion, agreeableness, and openness, as central predictors of fraud judgment effectiveness. By focusing on external auditors within Indonesian public accounting firms, this study also contributes contextual insights from a regulatory environment that remains underrepresented in global behavioural auditing literature.

This paper is structured as follows. Section 2 reviews the relevant literature related to fraud detection. Section 3 shows the research methodology related to the population, sample, and research indicators. Section 4 presents the research results, Section 5 discusses the results, and Section 6 concludes the research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Attribution theory, developed by Heider (1958), is a psychological framework that explains how individuals interpret the causes of behaviour — either as internal (dispositional) or external (situational) (Rudolph & Reisenzein, 2008; Weiner, 2008). In an auditing context, this theory provides insight into how auditors attribute management actions, particularly in identifying fraudulent intent. Auditors use attribution processes to infer whether misstatements arise from intentional fraud or unintentional error, drawing on cues from ethics, experience, and scepticism (Kassem, 2024). By understanding managerial motivations and behaviour patterns, auditors can better identify high-risk accounts and tailor procedures accordingly (Brazel et al., 2024; Kassem, 2024). Thus, attribution theory enhances fraud risk assessment by bridging behavioural cues with audit evidence evaluation (Chen et al., 2023).

Recent studies have extended the application of attribution theory by integrating behavioural cues and situational variables into audit decision-making processes (Gajewski et al., 2024; Rose et al., 2024). These approaches allow auditors to move beyond rigid procedural checklists and incorporate psychological insights when assessing client intentions. In high-complexity environments — where management manipulation is subtle or ambiguous — professional scepticism alone may not

be sufficient to identify fraud risk. Attribution-based assessments help auditors recognize patterns of behaviour that deviate from normative expectations, thereby enhancing diagnostic accuracy and judgment quality.

The Big Five personality model is one of the most empirically validated frameworks in psychology, capturing five broad dimensions of personality: openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism (Du et al., 2021; Gupta et al., 2024). These traits have shown cross-cultural consistency and predictive validity across domains such as job performance, leadership, and ethical behaviour (Thalmayer et al., 2022). Extraversion reflects sociability and assertiveness; agreeableness emphasizes trust and cooperation; neuroticism represents emotional instability and stress sensitivity; conscientiousness relates to discipline and responsibility; and openness denotes creativity and intellectual curiosity. In audit settings, these dispositional traits may influence how auditors evaluate evidence, interact with clients, and respond to ethical dilemmas — making them increasingly relevant to behavioral auditing research.

Recent advancements in behavioural auditing research emphasize the impact of personality traits on auditors' professional scepticism, ethical reasoning, and judgment quality in fraud-related engagements (Khaksar et al., 2022; Saadullah & Bailey, 2014; Samagaio & Felicio, 2022). Traits such as openness to experience and conscientiousness have been found to enhance cognitive flexibility and procedural diligence — two attributes essential in identifying anomalies and inconsistencies during audits. Gajewski et al. (2024) demonstrate that auditors high in these traits perform better in fraud detection tasks, particularly when exposed to behavioural cues that activate analytic thinking. These findings support the view that personality not only shapes how auditors interpret evidence but also how they respond to fraud risk indicators under time pressure and ambiguity.

2.1. The effect of auditor work experience on the ability to detect fraud

Auditors' experience plays an important role in detecting fraud because it affects their ability to recognize and interpret fraud cues effectively. Attribution theory, which explains how individuals attribute causes to events, provides insight into how experienced auditors process information and make judgments about potential fraud. Auditors with more extensive experience tend to be more effective in applying analytical procedures to assess fraud risk compared to less experienced auditors. They have an advantage in identifying discrepancies and anomalies in financial statements that may indicate fraud (Knapp & Knapp, 2001). In addition, experienced auditors are better able to integrate various audit evidence and identify significant relationships between various information, which is a crucial aspect in detecting fraud.

Auditors who have prior industry experience tend to produce higher-quality and more efficient audits. This is due to their ability to utilize knowledge of risks as well as industry-specific practices to identify potential fraud (Lisic et al., 2022). In addition, instruction that increases auditors' awareness of cognitive dissonance in the chief

executive officer (CEO) narrative can significantly improve their ability to detect fraud. This approach allows auditors to focus more on inconsistencies that may indicate fraud (Hobson et al., 2017). Encouraging auditors to design a detailed plan for when and how to consider fraud aspects of the audit process can increase their alertness to fraud cues during the performance of audit procedures. This strategy helps auditors remain attentive to potential fraud, even when their primary focus is on performing planned audit procedures (Austin, 2023). Experienced auditors are generally more adept at detecting fraud due to their ability to integrate complex information and recognize patterns that indicate fraudulent activity. However, their effectiveness in detecting fraud can be further enhanced through specialized interventions and instructions that direct their attention to more specific fraud cues.

Attribution theory explains that experienced auditors are more skilled in understanding management's motivation to commit fraud in financial reporting (Aghazadeh et al., 2023). Their ability to accurately attribute the cause of an action allows auditors to make more informed judgments and reduce the likelihood of bias in evaluation. Auditors with more extensive experience are also more adept at detecting indications of fraud in a company and can provide a more comprehensive explanation than auditors who have little or no experience. Based on these arguments, the proposed hypothesis is as follows:

H1: Increasing auditor experience positively affects the auditor's ability to detect fraud.

2.2. The effect of auditor ethics on the ability to detect fraud

Auditor ethics, especially in the context of attribution theory, play a crucial role in influencing auditors' ability to detect fraud. Attribution theory explains that individuals attribute causes to events based on their perceptions and beliefs, which in this case are influenced by the auditor's ethical framework. Ethical considerations, such as moral philosophy and ethical ideals, play a role in determining how auditors assess and respond to potential fraud cues, which ultimately impacts the effectiveness of fraud detection. The relationship between ethics and fraud detection is complex, involving multiple dimensions of ethical behaviour and decision-making processes. Ethical idealism, which reflects auditors' concern for the welfare of others, is shown to have an effect on fraud detection ability. Auditors with high levels of ethical idealism tend to be less tolerant of fraud and more able to identify fraudulent activity. The combination of ethical idealism and professional scepticism increases the effectiveness of audit planning in detecting fraud, where ethical idealism reduces tolerance for unethical acts, while scepticism assists in evaluating available evidence (Verwey & Asare, 2022). Auditors' moral philosophy also has a significant effect on their ethical beliefs and decision-making process. Auditors with a strong ethical orientation are more sensitive to ethical dilemmas and more likely to make decisions that are in line with ethical standards. In addition, personal values as a reflection of moral philosophy also affect auditors' sensitivity to client integrity and competence, which are important factors in detecting fraud (Kung & Huang, 2013).

Auditors' ethical orientation, especially ethical sensitivity and moral intensity, plays an important role in the decision-making process. Auditors with high levels of moral intensity are more likely to make ethical decisions, which ultimately increases their effectiveness in detecting fraud. Ethical orientation also affects the way auditors understand ethical dilemmas, which impacts their ability to recognize and respond to fraud cues (Johari et al., 2017). In addition, activation of social norms related to honesty and responsibility can improve audit quality by reducing misreporting and enhancing ethical decision-making. Auditors who have a high awareness of these norms are more likely to perceive misreporting as unethical and act by professional standards (Blay et al., 2019). A sense of responsibility in detecting fraud, influenced by professional obligation and personal control, also plays a role in determining auditor performance in fraud detection tasks (DeZoort & Harrison, 2018).

In the context of religious value-based ethics, Suryandari et al. (2023) state that ethics in Hinduism can be measured through three main aspects, namely holy speech (wacika), holy thinking (manacika), and holy behaviour (kayika). This ethic is universal and serves as a guideline that can direct individuals not to commit fraud.

H2: An increase in auditor ethics positively affects the auditor's ability to detect fraud.

2.3. The effect of auditor professional scepticism on the ability to detect fraud

Professional scepticism is an important attribute for auditors that significantly affects their ability to detect fraud. From the perspective of attribution theory, which examines how individuals infer the cause of a behaviour, auditors' professional scepticism can be understood as a cognitive process that involves a critical attitude in assessing information and explanations provided by clients. This scepticism allows auditors to not only accept information at face value but also consider alternative possibilities that may indicate fraud. Professional scepticism increases auditors' effectiveness in detecting fraud by encouraging a questioning mindset and critically evaluating evidence. This mindset is critical in identifying discrepancies or anomalies in financial statements that could be indicative of fraudulent activity (Shirowzhan & Fakhari, 2024; Tümmeler & Quick, 2025). Research suggests that interventions, such as priming and additional instruction related to fraud considerations, can increase auditors' awareness of fraud cues, thereby improving their ability to detect fraud (Tümmeler & Quick, 2025).

In addition, activation of counterfactual mindset — the process of thinking about possible alternative explanations — has been shown to significantly increase auditors' professional scepticism, which ultimately contributes to improved audit quality (Rose et al., 2024). This scepticism is rooted in cognitive processes involving reflective thinking and data awareness, which are critical in forming more reliable audit opinions (Kelly & Larres, 2023). Various factors may influence the development of auditors' professional scepticism. For example, external drivers, such as social norms and the need for justification, have been shown to enhance professional scepticism by strengthening auditors' visual attention to relevant

information, thereby improving the quality of audit evidence evaluation (Gajewski et al., 2024). In addition, individual auditor characteristics, such as an extroverted personality, are also associated with higher audit quality (Chen et al., 2023). Situational factors, such as the professional orientation of the audit firm and the quality control system, also shape the auditor's scepticism in performing the audit.

Individual auditors' sense of accountability and their intention to be sceptical are also influenced by social norms, although personal attitudes toward scepticism have a lower impact. However, the presence of negative factors such as ego depletion and overconfidence may weaken the influence of professional scepticism on the quality of auditors' judgment and decision-making (Shirowzhan & Fakhari, 2024). Professional competence requires auditors to maintain a sceptical attitude, which includes a critical mindset and an objective assessment of the adequacy, reliability, and relevance of audit evidence (Regulation of the Supreme Audit Agency of the Republic of Indonesia No. 1 of 2007). The public accountant professional standards also define professional scepticism as a mindset that continuously questions and critically evaluates audit evidence. The stronger an auditor's scepticism, the higher their motivation and determination in identifying indications of fraud in the audit environment. Auditors with a high level of scepticism are able to increase the effectiveness of fraud detection by searching for additional information when finding indicators of fraud. Auditors are expected to maintain professional scepticism while performing audit tasks, especially in assessing the possibility of fraud, even when there is no direct evidence of fraud.

Sceptical auditors do not simply accept management's assertions without verification. Instead, they actively seek additional information and evidence to support or challenge the claims made by management. In the process of making decisions and preparing audit opinions, auditors with a high level of scepticism tend to be more careful and thorough, ensuring that the financial statements are free from material errors by collecting sufficient supporting evidence. Based on the discussion above, the following hypothesis is proposed:

H3: Professional scepticism has a positive effect on fraud detection.

2.4. The effect of extraversion on the ability to detect fraud

Extraversion is one of the personality traits characterized by sociability, assertiveness, and enthusiasm, which can significantly affect the effectiveness of external auditors in detecting fraud. Auditors with high levels of extraversion tend to have good interpersonal skills, which can provide an advantage in the audit process. However, this advantage needs to be balanced with an adequate level of professional scepticism so that auditors remain objective and are not easily influenced by interpersonal relationships that can cloud their judgment. Extraversion can improve auditors' ability to communicate effectively and build relationships with clients. This potentially makes it easier for auditors to gather information and gain deeper insight into the client's financial condition, which can support fraud detection. However, too close

an interpersonal relationship can be a risk if the auditor does not maintain the scepticism necessary to assess the reliability of the information obtained (Chen et al., 2023).

Extraverted auditors also tend to be more adept at conducting interviews and investigations, which are important components of the fraud detection process. Their ability to build client interactions and ask investigative questions can help uncover inconsistencies or suspicious behaviour (Tümmler & Quick, 2025). However, auditors with extraverted traits must still be careful that their social skills do not reduce objectivity in assessing fraud risk. Studies conducted by Johnson et al. (2013) show that auditors need to be aware of client management's attitude towards fraud risk, especially when there are indications of narcissistic behaviour, which can significantly increase the potential for fraud. Therefore, auditors with high levels of extraversion must ensure that their interactions with clients remain professional and do not hinder the application of professional scepticism required in the audit.

H4: Extraversion has a positive effect on fraud detection.

2.5. The effect of agreeableness on the ability to detect fraud

The personality trait of friendliness in external auditors can significantly affect their ability to detect fraud. Friendliness, which is characterized by cooperativeness, trustworthiness, and empathy, can affect auditors' level of professional scepticism, which is a key factor in identifying fraudulent activity. Although friendliness is generally associated with positive interpersonal interactions, its impact on fraud detection effectiveness is complex and variable. Several studies have shown that friendliness is positively correlated with professional scepticism, which contributes to improved audit quality. Auditors with high levels of friendliness tend to be more open in their interactions with clients as well as more thorough in verifying information, which may improve their ability to detect indications of fraud. However, excessive friendliness can also be a hindrance if it causes auditors to trust client management too much, thus lowering their vigilance against potential fraud (Johnson et al., 2013).

The effect of friendliness on fraud detection also depends on its interaction with other personality traits, such as conscientiousness and openness. This suggests that friendliness is not the only determinant of auditor effectiveness in uncovering fraud, but must be balanced with other characteristics that support thoroughness and prudence in auditing. Auditors with high levels of sociability risk having difficulty in maintaining sufficient scepticism to critically evaluate management assertions, which is a crucial element in detecting fraud risk (Kassem, 2024). Moreover, auditors' effectiveness in detecting fraud is not only affected by sociability, but also by the balance with other traits such as conscientiousness and neuroticism. For example, auditors who have a high level of conscientiousness tend to be more thorough and disciplined in performing audits, which may compensate for the negative impact of excessive friendliness on professional scepticism. Studies also show that auditors with a high level of

conscientiousness have a lower risk of degrading audit quality, as they are more careful in assessing the information provided by clients.

To address the potential drawbacks of high sociability, training and awareness-raising programs can help auditors develop a more sceptical mindset, thereby increasing their effectiveness in detecting fraud. This training could include understanding management's motivations in presenting financial statements as well as the application of specialized audit procedures to identify fraud risks (Kassem, 2024; Kassem & Omoteso, 2023).

H5: Agreeableness has a positive effect on fraud detection.

2.6. The effect of neuroticism on the ability to detect fraud

High levels of neuroticism, which are characterized by emotional instability and negative emotions, can significantly affect external auditors' ability to detect fraud. Auditors with high neuroticism tend to experience anxiety, stress, and uncertainty, which may hinder their effectiveness in critically evaluating audit evidence and maintaining professional scepticism. As a result, they are more prone to errors in judgment and have difficulty identifying and responding to indications of fraud. Neuroticism is negatively correlated with audit quality because it can decrease the quality of audit practices and reduce auditors' effectiveness in applying the professional scepticism necessary for accurate fraud detection. Auditors with high levels of neuroticism may have difficulty in controlling emotional distress during audit procedures, thus impairing their ability to focus on recognizing indications of fraud (Austin, 2023). The emotional instability they experience may also increase their cognitive load, further hampering their ability to identify the more subtle signs of deception.

In addition, the negative emotions that characterize neuroticism can lead to decreased motivation and inattention to detail, which ultimately impacts the effectiveness of fraud detection (Murphy, 2012). Professional scepticism, which is critical in the audit process, requires a critical mindset and careful evaluation of evidence. However, high neuroticism can inhibit this scepticism, making auditors more likely to accept management assertions without adequate verification (Lee et al., 2013). Auditors with high neuroticism tend to exhibit "presumptive trust" rather than "presumptive doubt", which makes them more vulnerable to fraud and less courageous in challenging management assertions (Lee et al., 2013). To overcome this weakness, auditors need to be provided with training that encourages them to develop implementation intentions related to fraud detection. This strategy has been shown to increase their attention to fraud indications and improve detection effectiveness, even when they do not consider fraud-related tasks a top priority (Austin, 2023).

H6: Neuroticism has a positive effect on fraud detection.

2.7. The effect of conscientiousness on the ability to detect fraud

Conscientiousness is one of the personality traits in the Big Five model characterized by diligence, prudence, and a high sense of responsibility. This

trait plays an important role in improving the ability of external auditors to detect fraud. Auditors with high levels of conscientiousness tend to be more organized, reliable, and have a strong work ethic. In the context of auditing, these characteristics contribute to increased attention to detail and commitment to rigor, which are critical in identifying potential fraud. Conscientiousness also has a positive relationship with professional scepticism, which is a key element in detecting fraud. Conscientious auditors are more likely to adopt a questioning mindset and critically assess audit evidence. The combination of conscientiousness and professional scepticism allows auditors to be more alert to inconsistencies and encourages them to conduct further investigations when suspicious indications are found. In addition, auditors who have a high level of awareness tend to avoid low-quality audit practices because of their great sense of responsibility for their profession. They are more disciplined in thoroughly examining financial statements and are more sensitive to warning signs that may indicate fraud (Chen et al., 2023).

A deliberative mindset—which involves careful planning and development of fraud detection strategies more prevalent among high-awareness auditors. This approach allows them to more effectively identify potential fraud and select appropriate audit procedures to address discovered risks. Furthermore, the use of a deliberative mindset as opposed to implementation intentions can improve the effectiveness of audit planning and resource optimization, ultimately increasing the likelihood of fraud detection (Rixom & Plumlee, 2023). However, while awareness has an important role in improving audit quality, other factors such as ethical idealism and scepticism also need to be taken into account. These two traits complement mindfulness by influencing the extent to which auditors tolerate deception as well as how they evaluate the evidence found. Auditors who have a high level of awareness and are supported by ethical idealism and professional scepticism are better equipped to detect fraud. They are more likely to apply comprehensive audit procedures and be critical of suspicious practices, thereby improving overall audit effectiveness (Verwey & Asare, 2022).

H7: Conscientiousness has a positive effect on fraud detection.

2.8. The effect of openness to experience on the ability to detect fraud

Openness to experience, one of the personality traits in the Big Five model, has a significant influence on external auditors' ability to detect fraud. This trait is characterized by a high level of creativity, curiosity, and readiness to accept and explore new ideas and experiences. Auditors with high levels of openness tend to be more adept at recognizing unusual patterns or anomalies in financial data, which are often indicators of fraudulent activity. In addition, this openness can increase auditors' professional scepticism, which is an important element in detecting fraud, as it allows them to question assumptions and explore possible explanations for discrepancies in the financial statements. Openness to experience has a positive correlation with professional scepticism, which is critical in supporting effective fraud detection. Auditors with

this trait are more likely to doubt the validity of financial statements and consider the possibility of fraudulent practices. This scepticism helps them maintain a critical mindset in evaluating audit evidence and identifying potential red flags in financial reporting (Lee et al., 2013).

In addition, auditors with a high level of disclosure tend to be more active in applying various analytical procedures that are effective in detecting fraud in financial reporting. The techniques they use include analysing anti-fraud controls as well as applying more complex analytical methods to detect anomalies in financial transactions (Kassem & Omoteso, 2023). Their creativity and ability to consider multiple perspectives allow for a more thorough investigation and increase the likelihood of uncovering fraud. Openness to experience also plays an important role in brainstorming sessions conducted by teams of auditors to discuss potential fraud risks and develop mitigation strategies. Auditors with this trait are more open to exploring different fraud scenarios and are better able to come up with innovative solutions to detect them (Tümmller & Quick, 2025).

In addition, they are more likely to conduct a comprehensive fraud risk assessment by considering a wider range of possible fraud schemes (DeZoort & Harrison, 2018). Furthermore, auditors with high openness are more receptive to and adopt new methods and technologies in fraud detection, including techniques based on cognitive dissonance analysis in the evaluation of verbal communication. Their ability to adapt to these innovations can increase their effectiveness in detecting indications of fraud hidden in CEO narratives and other management communications. Their willingness to apply more modern approaches allows for more accurate fraud detection results compared to auditors who rely solely on traditional methods (Hobson et al., 2017).

H8: Openness to experience has a positive effect on fraud detection.

3. RESEARCH METHODOLOGY

This study adopts a quantitative research design by employing a structured questionnaire and document analysis to assess the effects of auditor personality traits, ethics, professional scepticism, and audit experience on fraud detection ability. The study was conducted among external auditors working in public accounting firms located in Bali, Indonesia. The population consisted of 155 auditors registered across 19 public accounting firms in Bali. Using purposive sampling, 101 auditors were selected as respondents, based on the following criteria: 1) they are currently practicing as external auditors, and 2) they have at least one year of audit experience.

Data were collected through the offline distribution of printed questionnaires to each public accounting firm. The questionnaire was adapted from established instruments used in previous studies, with all items measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). A pilot test was conducted involving 30 final-year accounting students who had completed the audit practicum course. The purpose of this pilot was to evaluate the clarity, consistency, and contextual relevance of each item. Based on

their feedback, minor modifications were made to enhance the clarity and cultural alignment of the instrument.

The collected data were analysed using partial least squares structural equation modelling (PLS-SEM) with the aid of SmartPLS 4.0 software. This method was selected due to its suitability for small-to-medium samples, handling non-normal data distributions, and testing models with multiple latent variables. The analysis followed the procedures outlined by Hair et al. (2019), starting with an evaluation of the measurement model (including indicator reliability, internal consistency, convergent validity, and discriminant validity), followed by an evaluation of the structural model (path coefficients, R^2 values, and significance through bootstrapping with 5,000 subsamples).

To support the interpretation of descriptive data, this study also applied the three-box method. This technique categorizes the average value of each indicator into three levels: low (1.00–2.33), moderate

(2.34–3.66), and high (3.67–5.00), allowing a clear visualization of auditor perceptions across each variable measured.

This research applies a behavioural lens to explore how auditors' characteristics relate to their perceived ability to detect fraud. This study does not utilize forensic analytics to detect fraud directly, but rather emphasizes the psychological and ethical dimensions that influence how auditors exercise their professional judgment. Such an approach has gained traction in behavioural audit research, especially in studies aiming to understand how cognitive styles, emotional tendencies, and moral values shape audit quality (Saadullah & Bailey, 2014; Samagaio & Felicio, 2022). For future inquiry, combining this perspective with analytical models based on actual financial data could offer a more comprehensive strategy for improving fraud detection.

The data analysis technique used is partial least squares (PLS) with the following equation:

$$DCF = \alpha + \beta_1 AE + \beta_2 ET + \beta_3 SC + \beta_4 EX + \beta_5 AG + \beta_6 NE + \beta_7 CO + \beta_8 OP + \varepsilon \quad (1)$$

where,

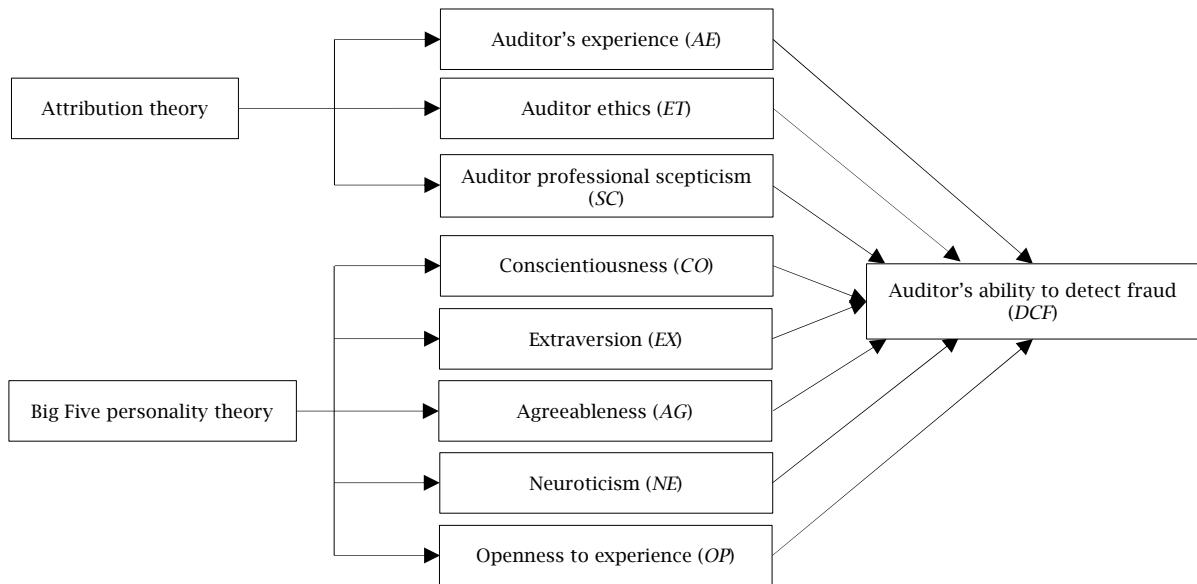
- DCF — detecting corporate fraud;
- AE — auditor experience;
- ET — auditor ethics;
- SC — auditor professional scepticism;
- EX — extraversion;
- AG — agreeableness;
- NE — neuroticism;
- CO — conscientiousness;
- OP — openness to experience.

To enhance transparency and replicability, the questionnaire items were adapted from validated instruments in prior studies. The Big Five personality traits were measured using the ten-item

personality inventory (TIPI) by Gosling et al. (2003). Professional scepticism items referred to constructs developed by Hurtt (2010) and Kelly and Larres (2023), ethical orientation followed frameworks from Suryandari et al. (2023), and auditor experience from DeZoort and Harrison (2018), Knapp and Knapp (2001), and Lisic et al. (2022). Indicators of fraud detection ability were constructed based on studies by Hobson et al. (2017) and Wahidahwati and Ardini (2021). All instrument sources and operational definitions are detailed in the table of variable definitions. A full version of the questionnaire is available upon request to support future replication studies.

Table 1. Operational definitions of variables

Variables	Definition	Indicator	No. of statements
Detecting corporate fraud (DCF)	A series of processes that auditors undertake to discover intentional misstatements in financial statements.	a) Understanding the client's internal control structure; b) Audit testing; c) Characteristics of cheating.	6 statements
Auditor experience (AE)	Cumulative knowledge and skills acquired by auditors through practice in the auditing field.	a) Length of service b) Audit task diversity c) Role in the audit team	6 statements
Auditor ethics (ET)	Moral principles and standards that guide auditors in professional behaviour.	a) Wacika (speak holy); b) Manacika (think holy); c) Kayika (do holy).	6 statements
Auditor professional scepticism (SC)	A critical attitude that involves questioning and evaluating evidence with a mindset of professional doubt and objective judgment.	a) Critical thinking; b) Professionalism; c) Accuracy check; d) Understanding of audit evidence.	8 statements
Extraversion (EX)	Sociability, assertiveness, and a tendency to seek stimulation and the company of others. It is associated with positive emotions and a tendency to engage in social interactions.	TIPI	2 statements
Agreeableness (AG)	Cooperative, compassionate, and friendly. It reflects a tendency to prioritize social harmony and consider the needs of others.		2 statements
Neuroticism (NE)	Emotional instability, anxiety, and a tendency to experience negative emotions such as anger, depression, and vulnerability.		2 statements
Conscientiousness (CO)	Perseverance, organization, and a strong sense of duty. These are strong predictors of academic and professional success.		2 statements
Openness to experience (OP)	Experience involves high levels of creativity, curiosity, and a preference for novelty and variety.		2 statements

Figure 1. Research model

4. RESULTS

4.1. Pilot test

To ensure the clarity, contextual relevance, and psychometric robustness of the questionnaire, a pilot test was conducted involving 30 final-year accounting students who had completed the audit practicum course. The analysis confirmed that all measurement items met the required validity and reliability thresholds. Feedback from participants also indicated that the questionnaire statements were well understood and culturally relevant to their audit practicum experience.

4.2. Descriptive statistics

The response rate in this study was 88% where out of 101 questionnaires distributed, 89 questionnaires were returned. Although only 89 valid responses were collected, this number meets the minimum threshold for PLS-SEM based on the “10-times rule” (Hair et al., 2019). This guideline suggests that the minimum sample size should be 10 times the number of indicators in the most complex construct. In this study, the professional skepticism variable contains eight indicators, requiring a minimum of 80 observations, which was exceeded.

Table 2. Description of respondents

No.	Description	Classification	Number (people)	Percentage (%)
1	Gender	Men	33	37%
		Women	56	63%
	Total		89	100%
2	Age	< 25 years old	44	49.4%
		26-35 years old	43	48.4%
		> 36 years old	2	2.2%
	Total		89	100%
3	Last education	Senior High School/Vocational High School	1	2%
		D3	3	3%
		S1	69	77%
		S2	16	18%
	Total		89	100%
4	Auditor position	Junior auditor	53	60%
		Senior auditor	30	34%
		Supervisor	3	3%
		Manager	3	3%
	Total		89	100%
5	Length of work	1-3	56	63%
		4-6	20	23%
		> 6	13	15%
	Total		89	100%

Respondents in this study were dominated by women (63%) with an age of less than 25 years old (49.4%). The average respondent's education is a bachelor's (77%) with a junior auditor position (60%), and they have 1-3 years of work experience (63%). Based on Table 4, an overview of each variable can be explained. By using the three-box method,

the respondents' answers can be divided into three categories, namely high, medium, and low. The fraud detection variable has an average value, which is in the medium category, meaning that the respondents in the study are in the high, medium, and low categories.

4.3. Test outer model (validity and reliability)

Initial testing of the outer model test found that the DFC4, ET2, and ET4 indicators had cross-loading below 0.7, so these indicators were removed in subsequent tests. The outer model test consists of validity and reliability testing. According to Hair et al. (2019) discriminant validity test is better to use the heterotrait-monotrait ratio (HTMT) value

compared to the Fornell-Larcker. Based on Table 3, the HTMT value is lower than 0.9, so each construct has met the discriminant validity requirements.

Convergent validity testing uses the average variance extracted (AVE) and cross-loading values as listed in Table 4. The AVE value exceeds 0.5 while the cross-loading value is greater than 0.7, so that the data in this study are valid.

Table 3. Discriminant validity test results

Variable	AE	AG	CO	DFC	ET	EX	NE	OP	SC
AE									
AG	0.066								
CO	0.156	0.131							
DFC	0.203	0.078	0.079						
ET	0.057	0.110	0.080	0.244					
EX	0.135	0.211	0.208	0.524	0.234				
NE	0.102	0.156	0.066	0.043	0.067	0.116			
OP	0.132	0.196	0.305	0.165	0.061	0.101	0.124		
SC	0.248	0.112	0.247	0.160	0.217	0.177	0.131	0.096	

Table 4. Convergent validity test results

Item	Mean	Category	AVE	Outer loading	Composite reliability
AE	3.80	High	0.649		0.917
AE1	3.89	High		0.777	
AE2	3.90	High		0.782	
AE3	3.76	High		0.833	
AE4	3.73	High		0.867	
AE5	3.69	High		0.703	
AE6	3.82	High		0.859	
AG	4.52	High	0.806		0.891
AG1	4.60	High		0.782	
AG2	4.44	High		1.000	
CO	4.40	High	0.941		0.970
CO1	4.45	High		0.955	
CO2	4.35	High		0.985	
DCF	4.07	High	0.816		0.957
DCF1	4.12	High		0.920	
DCF2	4.00	High		0.924	
DCF3	4.22	High		0.830	
DCF5	4.29	High		0.914	
DCF6	3.98	High		0.926	
ET	4.62	High	0.957		0.989
ET1	4.60	High		0.964	
ET3	4.61	High		0.974	
ET5	4.64	High		0.991	
ET6	4.63	High		0.983	
EX	4.54	High	0.641		0.780
EX1	4.54	High		0.861	
EX2	4.55	High		0.735	
NE	4.46	High	0.800		0.887
NE1	4.53	High		0.779	
NE2	4.39	High		0.997	
OP	4.63	High	0.914		0.955
OP1	4.61	High		0.978	
OP2	4.64	High		0.933	
SC	4.56	High	0.753		0.960
SC1	4.62	High		0.989	
SC2	4.49	High		0.791	
SC3	4.62	High		0.971	
SC4	4.48	High		0.703	
SC5	4.51	High		0.755	
SC6	4.57	High		0.703	
SC7	4.61	High		0.987	
SC8	4.61	High		0.971	

Reliability test in PLS can be known from the Cronbach's alpha and composite reliability values. The Cronbach's alpha value is conservative (the lowest value) while the composite reliability (ρ_c) is the highest value, so it is recommended to report with composite reliability (ρ_a), whose value lies between the two (Hair et al.,

2019). The rule of thumb composite reliability value must be > 0.7 . The complete test results are presented in Table 3. The test results show that the composite reliability (ρ_a) value shows a value of more than 0.7, so it can be concluded that all constructs are reliable.

4.4. Inner model (goodness of fit model)

According to Hair et al. (2019), adjusted R^2 can be used to avoid bias in complex models. This value

indicates that the diversity of data can explain that the model is relatively weak, which is 21.9% or in other words, the information contained in the data of 21.9% can be explained by the model.

Table 5. Inner model (Hypothesis testing)

Hypothesis	Description	Original sample (O)	T statistic	p value	Decision
H1	$AE \rightarrow DCF$	0.237	2.264	0.024**	Accepted
H2	$AG \rightarrow DCF$	0.202	2.445	0.015**	Accepted
H3	$CO \rightarrow DCF$	0.051	0.441	0.659	Rejected
H4	$ET \rightarrow DCF$	0.189	2.001	0.045**	Accepted
H5	$EX \rightarrow DCF$	0.346	3.925	0.000*	Accepted
H6	$NE \rightarrow DCF$	0.174	1.344	0.179	Rejected
H7	$OP \rightarrow DCF$	0.257	2.055	0.040**	Accepted
H8	$SC \rightarrow DCF$	0.024	0.161	0.872	Rejected

Note: * significant at 1%, ** significant at 5%.

Based on Table 5 of the PLS analysis results, it can be seen that auditor experience, ethics, extraversion, agreeableness, and openness to experience positively affect fraud detection ability. However, conscientiousness, neuroticism, and professional scepticism do not significantly impact fraud detection.

5. DISCUSSION

5.1. Auditor work experience has a positive effect on auditors' ability to detect fraud.

Attribution theory, introduced by Heider (1958), explains how individuals interpret and attribute causes to behaviours or events. In the auditing context, auditors with extensive work experience develop stronger attributional reasoning skills, enabling them to better assess anomalies or irregularities in financial reports. This skill helps them distinguish between unintentional errors and potential fraud indicators. In this study, auditor work experience was found to have a significant positive effect on fraud detection ability ($\beta = 0.237$; $p = 0.024$), as shown in the structural model results. This supports the theoretical assumption that experienced auditors are more effective in identifying red flags and early signs of fraudulent activity. The relationship was statistically significant, indicating that as auditors accumulate more years of service and diverse engagement exposure, their ability to detect fraud improves accordingly.

Our empirical findings align with prior research. Knapp and Knapp (2001) demonstrated that audit managers, who generally have more extensive experience, are more effective in identifying fraud risks, especially when given explicit fraud-related instructions. Similarly, Hobson et al. (2017) found that the combination of professional experience and targeted training significantly enhances an auditor's fraud detection ability. International exposure, as highlighted by Austin (2023), also improves audit judgment and responsiveness in complex settings. Lusic et al. (2022) further reinforce that industry-specific experience increases audit quality and fraud vigilance. Therefore, our findings empirically validate the theoretical perspective that auditors with greater professional exposure possess stronger fraud-detection competencies, supported not only by

practical experience but also by cognitive and attributional development fostered through years of auditing engagements.

5.2. Auditor agreeableness has a positive effect on auditors' ability to detect fraud

Agreeableness refers to a personality trait characterized by friendliness, cooperation, empathy, and prosocial behaviour. In the auditing profession, agreeable auditors tend to exhibit better interpersonal collaboration, both within audit teams and with clients. This enhances their ability to extract relevant information, foster cooperation, and identify irregularities that may signal fraudulent activity. The results of this study demonstrate that auditor agreeableness has a significant positive effect on fraud detection ability ($\beta = 0.202$, $p = 0.015$). This finding empirically supports the hypothesis that agreeable auditors are more sensitive to behavioural cues — both prosocial and antisocial — which can be crucial for professional scepticism and fraud detection.

Additionally, agreeableness fosters openness to different viewpoints, enhancing the auditor's capacity to critically evaluate evidence from various perspectives. Research by Fanning and Piercy (2014) supports this, showing that auditors with high agreeableness are more likely to develop productive relationships with management, leading to improved information access. Austin (2023) further highlights that such auditors are less likely to engage in confirmatory bias, allowing them to objectively consider evidence that challenges management assertions. However, high agreeableness alone does not necessarily ensure high audit quality. As noted by Samagaio and Felicio (2022), when agreeableness is complemented by other traits such as conscientiousness, the auditor's effectiveness in detecting fraud improves. In this study, the significant statistical relationship confirms that agreeableness, when accompanied by professional vigilance, contributes meaningfully to fraud detection effectiveness. Thus, the empirical evidence aligns with the psychological theory that agreeableness enhances interpersonal trust and cooperation, both of which are vital for conducting thorough audits in potentially opaque organizational environments.

5.3. Auditor conscientiousness does not affect the auditor's ability to detect fraud

Conscientiousness, a core trait in the Big Five personality model, reflects a person's diligence, responsibility, and self-discipline. While this trait is generally regarded as beneficial in professional settings, the results of this study indicate that auditor conscientiousness does not significantly influence fraud detection ability ($\beta = 0.051$, $p = 0.659$). This finding suggests that, despite its positive connotation, conscientiousness alone may not be sufficient to enhance fraud detection performance in complex audit environments. One possible explanation lies in the multifaceted nature of fraud detection itself. Fraud identification relies heavily on professional scepticism, analytical reasoning, and contextual judgment, rather than solely on task diligence. Conscientious auditors may excel in following procedures and maintaining accuracy, but detecting fraud often requires adaptive thinking, intuition, and responsiveness to subtle behavioural cues — traits more aligned with scepticism and emotional intelligence.

Kassem and Omoteso (2023) argue that while conscientiousness contributes to procedural accuracy, it is not inherently predictive of fraud detection effectiveness. This is consistent with our findings, where no statistically significant relationship was observed. Furthermore, audit performance is shaped not just by individual traits in isolation, but by the interaction of multiple traits. As Samagaio and Felicio (2022) suggest, causal asymmetry in personality traits implies that no single attribute, including conscientiousness, solely determines audit quality outcomes. In summary, our data empirically confirm that while conscientiousness may support overall audit discipline, it does not directly enhance the auditor's ability to detect fraud. This highlights the importance of examining personality traits not in isolation but as interacting dimensions influencing audit judgment and outcomes.

5.4. Auditor ethics have a positive effect on auditors' ability to detect fraud

Attribution theory explains how individuals assess the cause of a behaviour or event. In auditing, this perspective is applied when auditors evaluate whether anomalies in financial statements stem from honest mistakes or intentional manipulation. Auditors with strong ethical foundations are more likely to apply rigorous attribution reasoning, maintain scepticism, and avoid accepting client explanations without sufficient supporting evidence. In this study, auditor ethics was found to have a significant positive effect on fraud detection ability ($\beta = 0.189$, $p = 0.045$). This supports the theoretical expectation that ethical commitment enhances professional scepticism and objectivity, two critical components in detecting fraud. The empirical finding confirms that when auditors consistently uphold ethical standards, they are more vigilant and less susceptible to cognitive bias or client pressure during fraud risk assessment.

This result is consistent with prior research. Wahidahwati and Ardini (2021) assert that a strict ethical orientation contributes to greater fraud

awareness. Similarly, Subawa et al. (2024), in a study conducted across Bali and Java, found that auditors who were ethical, independent, and sceptical performed better in identifying fraud risks. Furthermore, real-world corporate cases, such as the PT Envy Technologies Indonesia Tbk scandal, reinforce how ethical deficiencies among auditors can compromise audit quality and mask fraud (Hafizh & Qinthalah, 2024). Therefore, the positive and significant relationship between ethics and fraud detection in our study validates that ethical integrity is not only a theoretical ideal but also an empirically supported determinant of audit effectiveness.

5.5. Auditor extraversion has a positive effect on auditors' ability to detect fraud

Extraversion is a personality trait characterized by high energy, sociability, and assertiveness. In the auditing environment, extroverted auditors are more likely to engage proactively with clients and team members, enhancing their ability to collect nuanced information and detect potential anomalies in financial reporting. The results of this study confirm that auditor extraversion has a significant positive effect on fraud detection ability ($\beta = 0.346$, $p = 0.000$). This empirical finding supports the hypothesis that extroverted auditors, by virtue of their strong interpersonal and communication skills, are better positioned to probe deeper during audit engagements, thereby improving fraud detection outcomes.

These results align with the perspective that extraversion contributes to more effective information exchange and team collaboration. Research by Chen et al. (2023) emphasizes that extroverted auditors, particularly when combined with a moderate level of professional scepticism, exhibit superior fraud detection performance. Their tendency to seek interaction and maintain dynamic engagements allows them to elicit critical information and spot inconsistencies during audit procedures. Additionally, extroverted individuals are often motivated by performance goals and exhibit a strong desire to excel, which may translate into greater attentiveness in high-risk auditing environments. Their ability to build rapport with clients, without compromising professional boundaries, strengthens their capacity to detect behavioural cues and signals of financial misrepresentation. Therefore, the significant positive relationship between extraversion and fraud detection found in this study confirms that interpersonal competence is not merely a social advantage but a valuable asset in uncovering fraud within audit contexts.

5.6. Auditor neuroticism does not affect the auditor's ability to detect fraud

Neuroticism, defined as the tendency toward emotional instability, anxiety, and mood fluctuations, is often considered detrimental to job performance. In the audit profession, such emotional reactivity could theoretically interfere with objective judgment. However, the findings of this study indicate that auditor neuroticism has no significant effect on fraud detection ability. This result suggests that emotional instability alone is

not a decisive factor in the auditor's capacity to uncover fraud. This aligns with prior research showing that while neuroticism may influence stress tolerance and job satisfaction, it does not necessarily impair cognitive performance in tasks such as fraud detection. According to Peytcheva (2013), professional scepticism — rather than emotional traits — plays a more critical role in enhancing hypothesis testing accuracy among auditors. Similarly, Verwey and Asare (2022) argue that ethical idealism and scepticism have a stronger predictive power over fraud detection than personality traits like neuroticism.

In this study, the lack of statistical significance supports the view that other attributes, such as ethical integrity, audit experience, and analytical rigor, are more dominant in shaping fraud detection performance. While neuroticism may influence interpersonal behaviour or audit stress response, it does not appear to directly impact fraud-related judgment and decision-making. Furthermore, Austin (2023) notes that interventions such as structured audit procedures and decision aids can mitigate the potential negative effects of neurotic tendencies, allowing auditors to maintain consistent vigilance regardless of emotional predisposition. Taken together, our findings reinforce the conclusion that neuroticism is not a primary determinant of fraud detection ability and that effective fraud identification is better supported by cognitive and ethical factors.

5.7. Openness to experience auditor has a positive effect on the auditor's ability to detect fraud

Openness to experience is a personality trait marked by imagination, intellectual curiosity, and adaptability to new methods and ideas. In the context of auditing, these qualities support auditors in evaluating financial evidence with creativity and flexibility, particularly when encountering complex or ambiguous transactions. In this study, openness to experience was found to have a significant positive effect on fraud detection ability ($\beta = 0.257$, $p = 0.040$). This indicates that auditors who are open to novel information and alternative viewpoints tend to apply broader cognitive frameworks, which enhance their capacity to question evidence critically and identify red flags. Their receptiveness to new approaches also facilitates more effective fraud risk assessments in dynamic or evolving audit environments.

This finding is consistent with previous literature. Emerson and Yang (2012) observed a positive relationship between openness and professional scepticism — an essential trait in fraud detection. Saadullah and Bailey (2014) further emphasized that individuals high in openness are more ethically inclined and exhibit greater vigilance in morally ambiguous situations. More recently, Oktafiana and Chariri (2025) found that openness enhances auditors' ability to utilize digital forensic tools effectively, suggesting that openness supports not only behavioural adaptability but also technological competence. The present study extends these insights by empirically validating that openness to experience is not only theoretically relevant but also statistically significant in enhancing fraud detection ability. This underscores

the need to consider personality dimensions — particularly openness — as valuable predictors in behavioural audit research.

5.8. Auditor professional scepticism does not affect the auditor's ability to detect fraud

Although professional scepticism is widely regarded as a foundational element in effective auditing, the findings of this study reveal that auditor scepticism does not have a significant effect on fraud detection ability ($\beta = 0.024$, $p = 0.872$). This outcome challenges conventional expectations and suggests that scepticism, in the absence of structural or procedural support, may not translate into improved fraud identification. One plausible explanation is that professional scepticism, while enhancing auditors' alertness, must be paired with practical tools such as forensic techniques or specialized fraud detection procedures. Without such integration, even highly sceptical auditors may struggle to move from suspicion to confirmation. Rose et al. (2024) caution that overly sceptical auditors might interpret irregularities as fraudulent, but are often constrained by audit scope limitations or lack of investigative authority.

Furthermore, attribution theory supports the view that fraud detection is influenced by both dispositional and situational factors. If audit firms emphasize client retention or if the organizational culture discourages confrontation, sceptical tendencies may be suppressed. External pressures — such as time budget constraints or implicit client expectations — can reduce the auditor's ability to act on their scepticism (Kelly & Larres, 2023). Another consideration is the auditor's expertise. As Kasseem (2024) argues, scepticism must be coupled with fraud pattern recognition and investigative competency to yield practical fraud detection outcomes. Auditors who lack forensic training may question management assertions but remain unable to pursue deeper testing or confirm their suspicions. Therefore, the empirical finding in this study reinforces the notion that professional scepticism alone is insufficient unless supported by institutional backing, forensic skills, and procedural flexibility. This suggests that future training and audit design should not only foster scepticism but also ensure that auditors are equipped and empowered to act on it.

6. CONCLUSION

This study offers empirical insights into how auditor personality traits, professional scepticism, audit experience, and ethics contribute to the detection of financial statement fraud. The results reveal that specific personality traits — namely extraversion, openness to experience, and agreeableness — have a significant positive influence on auditors' effectiveness in identifying fraudulent activities. In addition, professional ethics and audit experience play a critical role in enhancing fraud detection. Conversely, conscientiousness, neuroticism, and professional scepticism do not exhibit significant effects. These findings emphasize that, beyond technical skills and professional scepticism, dispositional factors such as personality traits and ethical values are also essential in shaping fraud detection capabilities.

From a theoretical perspective, this research extends the behavioural accounting literature by integrating Attribution theory and the Big Five personality model within the context of audit fraud. It highlights the importance of auditors' dispositional attributes — an area often overlooked in traditional audit research — while opening new avenues for interdisciplinary studies that bridge psychological frameworks with accounting practice. From a practical standpoint, the findings suggest that public accounting firms should take personality traits and ethical values into account when designing recruitment and training strategies to strengthen fraud detection. Furthermore, regulatory bodies are encouraged to develop guidelines that promote the inclusion of psychological and ethical training within the auditor education curriculum.

Despite its contributions, this study is subject to several limitations. First, the data were obtained solely from auditors working at public accounting firms in Bali, which may constrain the generalizability of findings across different regional or institutional settings. Second, the research employs a cross-sectional design, which limits the ability to observe behavioural dynamics or changes over time. Third,

the reliance on self-administered questionnaires raises the potential for social desirability bias or misinterpretation of items by respondents. In addition, the behavioural approach used in this study emphasizes perceived fraud detection ability rather than testing actual fraud detection performance through forensic data analysis.

To enhance future investigations, researchers are encouraged to adopt a more diverse methodological approach, including longitudinal studies or experimental frameworks that assess behavioural shifts. Expanding the sample to other regions or incorporating triangulated data sources, such as interviews, case analysis, or digital audit trails, could improve the depth and accuracy of insights. It is also recommended that future work explore the non-significance of professional scepticism by accounting for task complexity, audit firm culture, or regulatory environment. Lastly, incorporating emerging themes such as cognitive bias, emotional intelligence, and technological tools like artificial intelligence-based audit analytics could provide a more holistic understanding of auditors' capacity to detect fraud in evolving financial environments.

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APPENDIX. RESEARCH QUESTIONNAIRE

Variable: Ability to detect fraud

Understanding of the client's internal control structure

- 1) I understand the key elements of the client's internal control system.
- 2) I was able to identify the weaknesses in internal control that could potentially lead to fraud.

Implementation of audit testing

- 1) I perform audit procedures with sufficient rigour to detect potential fraud.
- 2) I customise my audit testing based on the level of fraud risk I identify.

Identification of fraud characteristics

- 1) I am able to recognise patterns or symptoms that often appear in cases of financial statement fraud.
- 2) I can distinguish between unintentional errors and actions that lead to fraud.

Variable: Auditor experience

Length of work as an auditor

- 1) I have long enough work experience as a professional auditor.
- 2) My years of experience help me recognise indications of fraud more quickly.

Diversity of audit tasks that have been handled

- 1) I have handled different types of audits in diverse industries.
- 2) I have experience with various complex audit procedures.

Role in the audit team

- 1) I am often trusted to lead or mentor audit team members.
- 2) I am actively involved in the decision-making process within the audit team.

Variable: Auditor professional scepticism

Critical thinking

- 1) I consider clients' explanations that are not supported by strong evidence.
- 2) I analyse audit information from various points of view before drawing conclusions.

Professionalism

- 1) I maintain objectivity in every audit examination process.
- 2) I am not easily influenced by pressure from clients in preparing audit opinions.

Accuracy check

- 1) I regularly re-verify suspicious audit information.
- 2) I ensure that any supporting documents are carefully scrutinised before making conclusions.

Understanding audit evidence

- 1) I understand the different types of audit evidence and their appropriate use.
- 2) I am able to assess the strengths and weaknesses of available audit evidence.

Variable: Extraversion

- 1) I am someone who is friendly and sociable.
- 2) I am someone who is introverted and quiet (reverse-coded).

Variable: Agreeableness

- 1) I am someone who easily trusts others.
- 2) I often find other people's mistakes (reverse-coded).

Variable: Neuroticism

- 1) I feel nervous or anxious easily.
- 2) I can stay calm in stressful situations (reverse-coded).

Variable: Conscientiousness

- 1) I am a conscientious person and do my work thoroughly.
- 2) I tend to be lazy and put off work (reverse-coded).

Variable: Openness to experience

- 1) I am an original person and like to come up with new ideas.
- 2) I am not interested in artistic or creative things (reverse-coded).