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Quantitative Analysis of the Role of the Engagement Auditor in the Prevention and Detection of Misstatements and Errors Based on Structural Equation Modeling

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A B S T R A C T

The present study was conducted with the aim of quantitatively analyzing the role of the engagement auditor in the prevention and detection of misstatements and errors using a structural equation modeling approach. In this regard, quantitative data related to the factors influencing the engagement auditor were collected and analyzed. The primary data collection instrument was a researcher-made questionnaire consisting of two sections. The first section addressed the demographic characteristics of the respondents, including gender, age, educational level, and work experience. The second section contained the specialized research questions designed to measure the variables under investigation. The questions in this section were developed based on a five-point Likert scale in order to facilitate the measurement of attitudes and the accurate evaluation of responses. The required sample size in the quantitative phase, assuming an unlimited statistical population and using a simple random sampling method, was estimated at 384 participants. Ultimately, 310 analyzable questionnaires were collected, resulting in a response rate of 81%. To analyze the data, Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were employed. Furthermore, to assess the validity and reliability of the measurement instrument, methods such as content validity, the Content Validity Ratio (CVR) test, and statistical analyses using SPSS and SmartPLS software were applied. The results of the analyses indicated that the proposed model demonstrated an acceptable level of fit and that the factors affecting the role of the engagement auditor in the prevention and detection of misstatements and errors were appropriately explained. Based on the path coefficients, the “core category” component, with an effect coefficient of 0.637, exerted the greatest influence on the engagement auditor. In addition, the components of “intervening conditions” and “causal conditions” also played significant and substantial roles in this process.

Keywords: *Engagement auditor; Prevention; Detection of misstatements; Error*

1. Introduction

The growing complexity of financial markets, the expansion of multinational corporations, and the increasing sophistication of fraudulent financial reporting practices have significantly intensified the importance of auditing as a mechanism for ensuring transparency, accountability, and public trust in financial reporting systems. In modern economic environments, auditors are no longer perceived merely as technical verifiers of accounting records; rather, they are increasingly expected to function as proactive guardians of financial integrity capable of preventing, detecting, and reporting material misstatements and fraud. This transformation in the perceived role of auditors has emerged in response to recurring financial scandals, accounting frauds, and corporate collapses that have exposed weaknesses in traditional audit approaches and questioned the effectiveness of external auditing in safeguarding stakeholders' interests. The collapse of major corporations and the failure of auditors to identify or disclose fraudulent reporting practices have intensified regulatory pressure and increased scrutiny regarding auditors' professional responsibilities and ethical obligations (Akinadewo et al., 2024; Campa et al., 2023; Kassem, 2023). Consequently, the concept of the "responsible auditor" has become increasingly prominent in accounting and auditing literature, emphasizing auditors' active responsibility in preventing financial misconduct rather than merely identifying errors after their occurrence. This perspective aligns with the evolution of contemporary auditing standards, which increasingly emphasize professional skepticism, risk assessment, ethical judgment, and stakeholder accountability (Backof et al., 2022; Elshafie, 2023; Singer & Zhang, 2021).

The traditional perception of auditing was heavily influenced by the Policeman Theory, which viewed auditors primarily as fraud detectors responsible for identifying deliberate financial irregularities. Although contemporary auditing frameworks have expanded beyond this narrow perspective, the expectation that auditors should prevent and detect fraud remains deeply rooted among stakeholders and society at large (Akinadewo et al., 2024; Prawanth & Perera, 2022). This enduring expectation has contributed to the persistence of the audit expectation gap, referring to the discrepancy between what stakeholders expect auditors to accomplish and what auditing standards formally require them to perform. Studies have shown that unclear perceptions regarding auditors' duties can undermine public confidence in the auditing profession and create significant reputational risks for audit firms (Backof et al., 2022; Prawanth & Perera, 2022). In response, auditing regulators and professional bodies have sought to clarify auditors' responsibilities through enhanced reporting standards, critical audit matter disclosures, and revised audit communication frameworks (Backof et al., 2022; Elshafie, 2023). These reforms reflect a broader institutional effort to strengthen the auditor's role in financial governance and reinforce the accountability of auditors in detecting material misstatements and preventing fraudulent reporting practices.

The increasing frequency of accounting fraud cases has further emphasized the necessity of adopting a risk-oriented auditing approach capable of identifying vulnerabilities before they evolve into large-scale financial failures. Audit risk assessment has therefore become one of the most critical dimensions of contemporary auditing practice. Effective risk assessment enables auditors to allocate audit effort strategically, prioritize high-risk areas, and improve the probability of identifying material misstatements (Barbadillo et al., 2024; Porcuna-Enguix et al., 2021). Research demonstrates that audit team leaders play a fundamental role in constructing audit risk assessments during the planning phase, particularly in uncertain or complex environments where professional judgment becomes essential (Porcuna-Enguix et al., 2021). Moreover, audit effort has been shown to vary significantly depending on organizational characteristics, audit firm resources, and the complexity of the engagement (Barbadillo et al., 2024; Krishnan & Tanyi, 2023). In small and medium-sized audit firms, limited access to specialized resources may reduce auditors' ability to respond effectively to complex fraud risks, thereby affecting audit quality and financial reporting reliability (Barbadillo et al., 2024). These findings suggest that the responsible auditor's effectiveness depends not only on technical expertise but also on organizational support structures, institutional frameworks, and resource availability.

Technological transformation and digitalization have also fundamentally altered the auditing landscape. The emergence of big data analytics, artificial intelligence, and digital financial systems has created new opportunities for auditors to enhance fraud detection capabilities and improve audit efficiency. At the same time, these developments have introduced new forms of financial manipulation and increased the complexity of auditing procedures (Apandi et al., 2022; jassim & Abdulahad, 2022). Modern auditors are therefore expected to possess advanced analytical

competencies and technological literacy in order to identify irregular patterns, assess data anomalies, and respond effectively to emerging financial risks. Analytical procedures have become increasingly important in reducing audit risk and improving the reliability of auditors' reports (jassim & Abdulahad, 2022). Furthermore, effective audit planning practices in the digital era require auditors to integrate technology-driven approaches into audit methodologies and risk assessment processes (Apandi et al., 2022). The integration of data analytics tools into auditing not only improves fraud detection capabilities but also enhances auditors' ability to communicate findings to stakeholders and regulatory institutions. Consequently, technological competence has become an essential component of the responsible auditor's professional identity and operational effectiveness.

Another important dimension influencing auditors' effectiveness in preventing and detecting misstatements relates to ethical judgment and professional independence. Numerous studies have emphasized that auditors' ability to fulfill their responsibilities depends heavily on maintaining independence from clients and resisting economic or relational pressures that may compromise professional objectivity (Kassem, 2023; Singer & Zhang, 2021). Auditor shopping, for example, represents a strategic attempt by companies to conceal financial misstatements by selecting auditors perceived as more lenient or compliant (Singer & Zhang, 2021). Such practices threaten audit quality and weaken stakeholders' confidence in financial reporting systems. Similarly, abnormal audit fees may create economic dependence between auditors and clients, potentially impairing auditors' professional skepticism and willingness to challenge management assertions (Krishnan & Tanyi, 2023). Research has shown that the relationship between audit fees and audit quality is significantly moderated by office resource availability and organizational conditions within audit firms (Krishnan & Tanyi, 2023). Therefore, the responsible auditor must operate within an environment that supports ethical decision-making, professional autonomy, and accountability-oriented organizational culture.

The issue of fraud detection remains one of the most controversial and challenging aspects of external auditing. Despite extensive auditing standards and regulatory reforms, auditors continue to face criticism for failing to identify or report major accounting frauds. The paradox of auditors' failure in detecting fraud has become a major subject of contemporary accounting research (Kassem, 2023). Several factors contribute to this challenge, including management concealment strategies, limitations in audit procedures, resource constraints, and cognitive biases affecting auditors' professional judgment (Kassem, 2023; Mayberry & Rane, 2025). Furthermore, earnings management practices designed to manipulate financial results often become increasingly sophisticated and difficult to detect through conventional auditing techniques (Mayberry & Rane, 2025). The consequences of inadequate fraud detection extend beyond financial losses and may include reputational damage, litigation risks, reduced investor confidence, and institutional distrust. Critical audit matters and enhanced disclosure requirements have therefore been introduced to improve transparency and increase auditors' accountability regarding high-risk areas of financial reporting (Elshafie, 2023). These developments indicate that the role of the responsible auditor has evolved from passive verification toward proactive financial governance and stakeholder protection.

Internal control systems and organizational governance mechanisms also play a significant role in supporting auditors' efforts to prevent and detect financial misstatements. Weak internal controls increase the likelihood of financial restatements and reduce the effectiveness of external audit procedures (Blanco et al., 2023; Feng et al., 2021). Research has shown that organizations with stronger corporate social responsibility orientations and more transparent governance structures are more likely to receive higher-quality internal control audit opinions (Blanco et al., 2023). Conversely, deficiencies in internal control reporting may signal broader governance problems and increase the risk of financial reporting failures (Feng et al., 2021). Auditors therefore operate within a broader institutional and organizational context where governance quality, transparency culture, and stakeholder engagement directly influence audit effectiveness. The responsible auditor must consequently maintain effective communication with supervisory institutions, management, and stakeholders in order to ensure that financial reporting processes remain transparent and accountable.

Professional expertise, specialized knowledge, and continuous learning are additional determinants of audit quality and responsible auditing behavior. The application of international auditing standards often requires auditors to rely on experts and specialists when dealing with highly technical or industry-specific matters (Kok & Maroun, 2021). However, research suggests that not all experts are perceived equally by auditors and standard-setting

institutions, highlighting the importance of competence, credibility, and professional judgment in audit decision-making (Kok & Maroun, 2021). Furthermore, gender diversity and leadership characteristics within audit teams may influence audit effort and professional performance (Contell et al., 2022). Female audit team leaders, for example, have been associated with increased audit effort and more cautious professional behavior in certain contexts (Contell et al., 2022). These findings reinforce the argument that auditors' personal characteristics, ethical motivations, and professional experiences are essential components shaping their effectiveness in detecting misstatements and ensuring financial reporting quality.

Regulatory developments and institutional reforms have further expanded the scope of auditors' responsibilities in recent years. Sustainability reporting, environmental disclosures, and non-financial performance reporting have emerged as important areas requiring independent assurance and professional evaluation (Kucheriava & Shvaher, 2023). The European Union's regulatory experiences regarding sustainability auditing demonstrate the growing expectation that auditors should contribute not only to financial transparency but also to broader social and environmental accountability (Kucheriava & Shvaher, 2023). Similarly, mergers and acquisitions, complex financial transactions, and cross-border operations increasingly require auditors to address multidimensional reporting risks and evaluate post-acquisition financial reporting quality (Ai et al., 2025). Auditors are thus expected to integrate financial expertise, regulatory awareness, technological competence, and ethical judgment into a coherent professional framework capable of responding to evolving stakeholder demands and institutional expectations.

At the same time, audit quality remains vulnerable to contagion effects and reputational crises within the auditing profession. Historical cases such as the collapse of Arthur Andersen demonstrated that audit failures can produce long-term consequences for the credibility and professional behavior of auditors across the industry (Guo et al., 2022). Research indicates that past audit scandals continue to influence auditors' professional conduct, risk sensitivity, and quality control practices years after such events occur (Guo et al., 2022). Likewise, the withdrawal or modification of auditing standards may significantly affect auditors' materiality judgments and professional decision-making processes (David & Abeysekera, 2021). Auditors' responsibilities regarding subsequent events procedures, stock registration statements, and waived audit adjustments further illustrate the complexity and legal sensitivity of contemporary audit engagements (Blythe, 2022; Choudhary et al., 2022). These issues underscore the importance of institutional support, professional accountability frameworks, and continuous retraining in strengthening auditors' capacity to prevent and detect financial misstatements effectively.

Given the increasing complexity of financial reporting environments, the expansion of stakeholder expectations, and the growing significance of professional accountability, understanding the factors influencing the role of the responsible auditor in the prevention and detection of misstatements and errors has become critically important. Although prior studies have investigated various dimensions of audit quality, fraud detection, professional judgment, audit risk assessment, technological transformation, and regulatory compliance, limited research has comprehensively examined the interconnected causal, contextual, intervening, strategic, and consequential dimensions shaping the responsible auditor's role within an integrated structural framework (Ai et al., 2025; Campa et al., 2023; Kassem, 2023; Mayberry & Rane, 2025). Therefore, the present study aims to quantitatively analyze the role of the responsible auditor in the prevention and detection of misstatements and errors based on Structural Equation Modeling.

2. Methods and Materials

The data collection method in the qualitative section was based on a library research approach. In this study, a questionnaire was used for data collection. The statistical population in the quantitative section consisted of experts and managers. Considering the target statistical population, the sampling method was non-probability random sampling, and the sample size was determined to be 310 participants using G*Power software. In the quantitative phase, data were collected through a field survey, and a researcher-made questionnaire was designed based on the criteria obtained from the qualitative phase. Furthermore, in this study, a questionnaire was employed to evaluate the research variables and collect the required data. The questionnaire was developed according to the indicators extracted from the characteristics of the influencing factors and was distributed online to participants. After establishing validity (construct validity using factor analysis) and reliability (through the calculation of Cronbach's alpha coefficient), the questionnaire was administered to respondents, who were

asked to complete it voluntarily based on their willingness and interest.

3. Findings and Results

In the quantitative section, considering the maximum variance and a 5% error level, it was determined that more than 400 questionnaires should be electronically distributed in order to increase the response rate and facilitate the research process. Of these, 317 participants completed the questionnaire, and these responses constituted the basis for data analysis and hypothesis testing. In this study, the selected variables were examined based on a conceptual model. The normality of the data was assessed using skewness and kurtosis indices. The sample consisted of 317 respondents. The validity and reliability of the constructs were examined using the measurement model and hypothesis testing, while model fit was evaluated using covariance-based Structural Equation Modeling (SEM) through SPSS software (Version 20) and SmartPLS software (Version 3). The application of SEM in measuring latent variables provided a more accurate representation of conceptual relationships. As stated by Mittal et al., "the Partial Least Squares (PLS) approach assumes that individual variables covary one-to-one with the others in the model, and the resulting model fit indices are controlled in the model measurement section." Furthermore, this method calculates an autonomous standard error and generates approximate t-values for testing the significance of structural paths. Therefore, according to Table 1, all variables were found to be in a desirable condition.

To assess questionnaire reliability, Cronbach's alpha and composite reliability measures were employed. The reliability results for each variable indicated that all values exceeded 0.70, demonstrating satisfactory reliability. To assess validity, convergent and discriminant validity were utilized. Table 1 presents the findings related to convergent validity. The convergent validity values obtained for the latent variables of the model were all greater than 0.50; therefore, it can be concluded that the convergent validity of the measurement models was satisfactory.

Table 1

Results of Variable Validity and Reliability Assessment

Component	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)	Q^2
Effective communication with supervisory institutions	0.752	0.823	0.822	0.600	0.295
Direct communication with stakeholders	0.856	0.865	0.888	0.600	0.480
Enhancement of the auditor's professional status	0.875	0.882	0.901	0.534	0.306
Use of data analytics tools	0.819	0.876	0.867	0.576	0.357
Social trust-building	0.872	0.899	0.899	0.535	0.312
Increased financial transparency	0.875	0.881	0.902	0.535	0.300
Professional and regulatory requirements	0.761	0.787	0.826	0.588	0.430
Unclear expectations from the auditor	0.882	0.889	0.908	0.554	0.375
Individual ethical motivations	0.876	0.885	0.903	0.539	0.315
Continuous professional retraining	0.821	0.842	0.863	0.546	0.428
Previous crises in professional credibility	0.744	0.798	0.816	0.583	0.435
Transformation in the auditor's professional identity	0.884	0.887	0.908	0.554	0.378
Professional and ethical conflicts of interest	0.826	0.842	0.865	0.546	0.489
Strengthening whistleblowing mechanisms	0.821	0.833	0.867	0.556	0.490
Development of risk-based auditing	0.881	0.896	0.908	0.559	0.340
Development of professional accountability frameworks	0.921	0.926	0.936	0.647	0.461
Formation of the auditor's responsible role	0.883	0.898	0.908	0.557	0.304
Institutional support for whistleblowers	0.852	0.862	0.885	0.593	0.459

Responsible auditor in the prevention and detection of misstatements and errors	0.969	0.980	0.821	0.543	0.447
Internalization of professional values	0.893	0.903	0.915	0.576	0.469
Strategies	0.953	0.960	0.957	0.527	0.315
Weak legal structure in confronting misstatements	0.745	0.834	0.821	0.510	0.420
Inefficient organizational structure	0.898	0.907	0.919	0.592	0.401
Experiential records in major cases	0.866	0.885	0.897	0.530	0.298
Contextual conditions	0.967	0.973	0.970	0.514	0.466
Causal conditions	0.954	0.963	0.958	0.541	0.328
Intervening conditions	0.957	0.962	0.960	0.544	0.482
ضعف در استقلال حسابرس	0.925	0.927	0.938	0.656	0.456
Weakness in previous supervisory mechanisms	0.841	0.861	0.880	0.585	0.365
Organizational culture of concealment	0.875	0.899	0.902	0.544	0.488
Culture of accountability in society	0.915	0.923	0.932	0.633	0.439
Environmental and media pressures	0.888	0.889	0.911	0.562	0.473
Core category	0.966	0.970	0.968	0.598	0.352
Level of organizational transparency	0.836	0.847	0.875	0.570	0.295
Mediating role between organization and regulator	0.888	0.895	0.911	0.565	0.306
Marginal role of supporting institutions	0.847	0.848	0.882	0.584	0.481
Auditor personality type	0.920	0.925	0.936	0.648	0.389
Industry type and its sensitivity	0.747	0.815	0.827	0.518	0.478
Availability of data analytics technologies	0.762	0.799	0.831	0.598	0.321
Consequences	0.962	0.969	0.965	0.581	0.404
Prevention of misstatements before occurrence	0.898	0.908	0.919	0.590	0.372
Reduction of unreported violations	0.862	0.874	0.892	0.508	0.449
Expansion of traditional auditing boundaries	0.819	0.855	0.865	0.561	0.373

This criterion is used to connect the measurement and structural sections of Structural Equation Modeling and indicates the extent to which changes in each dependent variable are explained by the independent variables. A critical point here is that the coefficient of determination (R^2) is calculated only for endogenous (dependent) constructs of the model, whereas its value for exogenous constructs is zero. The higher the R^2 values for endogenous constructs, the better the model fit. Chin (1998) identified the values of 0.19, 0.33, and 0.67 as indicators of weak, moderate, and strong model fit, respectively. Furthermore, Henseler (2009) and Hair et al. (2011) introduced the values of 0.25, 0.50, and 0.75 as benchmarks for weak, moderate, and strong structural model fit based on the coefficient of determination criterion. According to the results presented in Figure 1, the coefficient of determination (R^2) for the endogenous constructs of the research model was satisfactory. The coefficient of determination for the performance of dependent components indicates that 45% of the variance in the model variables is explained by the combined effects of independent and dependent variables, which is considered strongly acceptable.

The second category of findings in this study focused on examining the structural model test. After confirming validity and reliability, the structural model of the research was evaluated. This model enables the examination of the research models. Figure 1 presents the results obtained from the output of SMARTPLS2 software. According to this model, factor loadings were significant at the 95% confidence level, and all *t*-statistics were outside the critical range of −1.96 to +1.96.

Figure 1

Structural Model of the Research in the Significance State

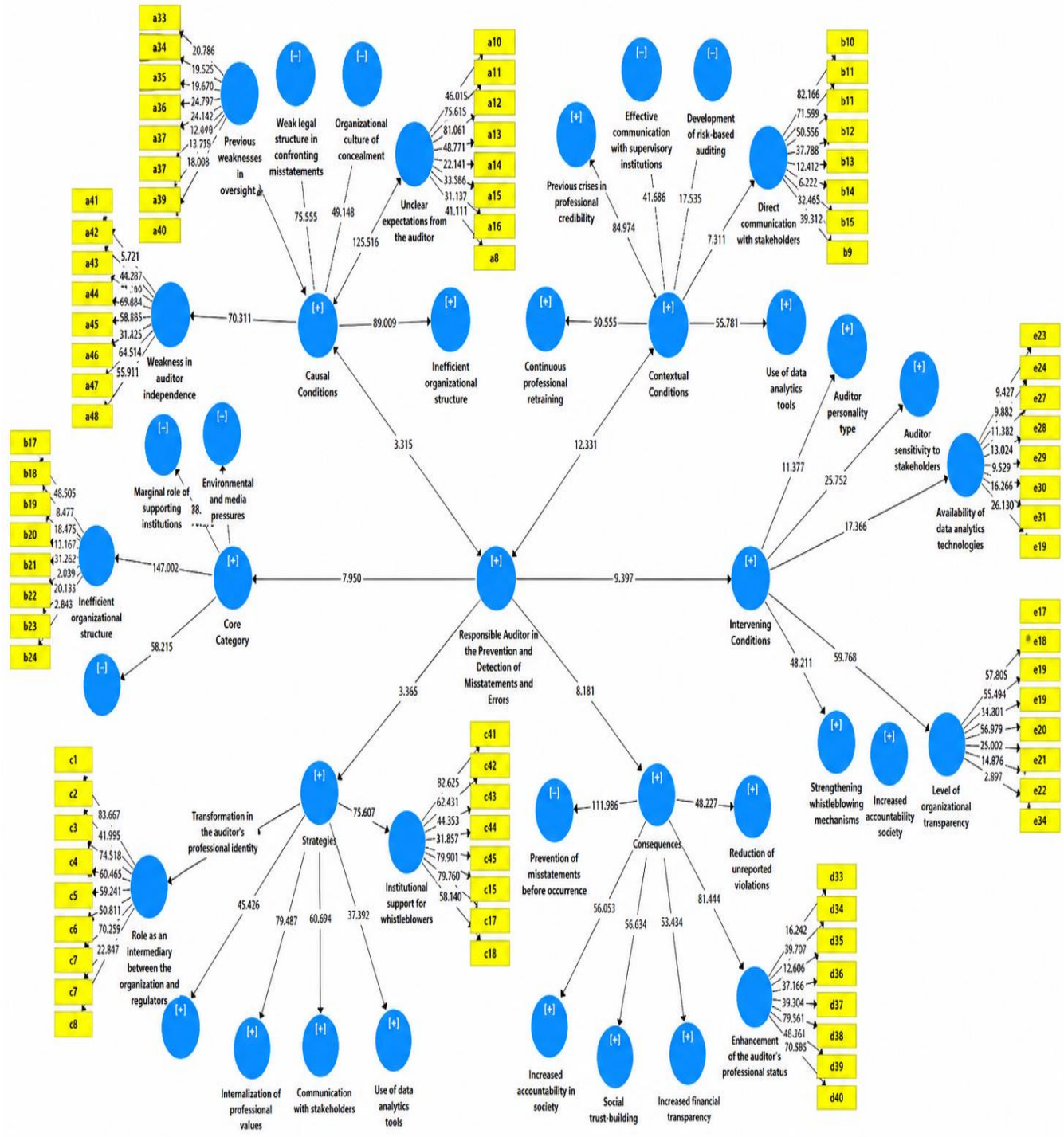
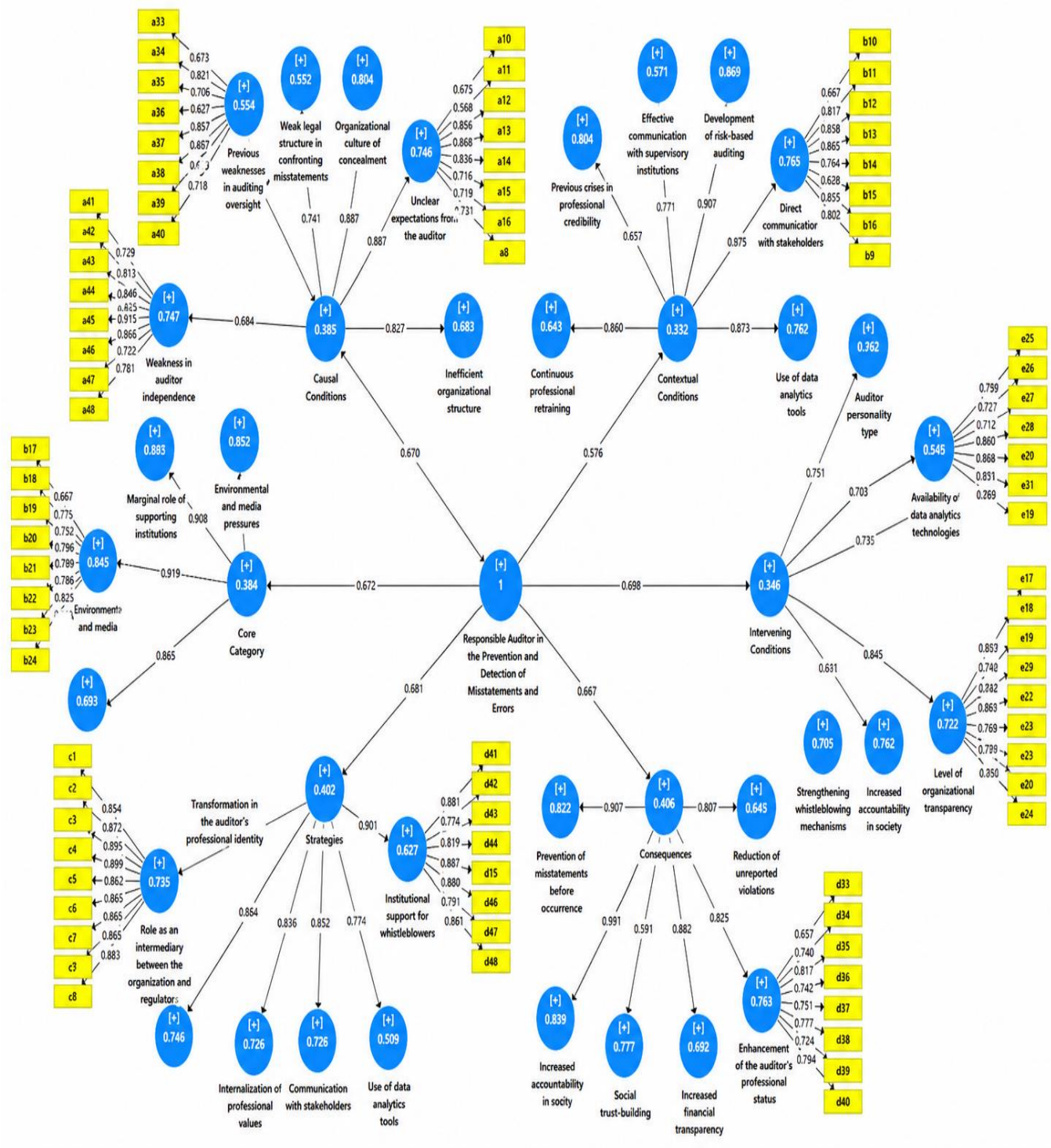


Figure 2

Structural Model of the Research in the Standardized State



In the quantitative section, the research model was analyzed using SmartPLS software. This analysis included the identified variables, the relationships among them, and comparisons with previous studies. Based on the obtained results, all factor loadings and path coefficients were reported as significant at the 95% confidence level. Specifically, the t-statistics associated with all model paths were outside the critical interval of −1.96 to +1.96, indicating the significance of the relationships among the latent variables of the study at the 5% error level.

4. Discussion and Conclusion

The findings of the present study demonstrated that the proposed structural model of the responsible auditor in the prevention and detection of misstatements and errors possessed an acceptable level of fit and explanatory power. The results indicated that the causal conditions, contextual conditions, intervening conditions, strategies, and consequences were all significantly associated with the central construct of the responsible auditor. Moreover, the values of reliability and convergent validity confirmed the adequacy of the measurement model, while the structural model coefficients revealed that the proposed framework was capable of explaining a substantial proportion of the variance related to auditors' effectiveness in preventing and detecting financial misstatements and errors. Among the identified dimensions, the core category representing the responsible auditor demonstrated the strongest centrality within the model, indicating that auditors' professional accountability, ethical orientation, and operational effectiveness constitute the pivotal mechanisms through which auditing quality can be strengthened. The findings suggest that the responsible auditor is not merely a technical evaluator of financial statements but rather a multidimensional professional actor influenced by organizational structures, institutional pressures, technological developments, and ethical considerations. These findings are consistent with contemporary auditing literature emphasizing the transformation of auditing from a traditional compliance-oriented activity into a proactive governance and accountability mechanism (Akinadewo et al., 2024; Campa et al., 2023; Kassem, 2023).

The results concerning causal conditions revealed that previous weaknesses in auditing oversight, weak legal structures in confronting misstatements, organizational concealment culture, unclear expectations from auditors, weakness in auditor independence, inefficient organizational structures, environmental pressures, and the marginal role of supporting institutions significantly contributed to shaping the responsible auditor's role. These findings indicate that auditors' performance cannot be interpreted independently from the institutional and organizational contexts within which they operate. Weak governance systems and ambiguous legal responsibilities may limit auditors' ability to exercise professional skepticism and challenge aggressive financial reporting practices. This finding strongly aligns with the arguments presented by Kassem regarding the paradox of auditors' failure in detecting and reporting fraud, where structural and institutional barriers often reduce the effectiveness of external audit procedures (Kassem, 2023). Similarly, Singer and Zhang demonstrated that firms attempting to conceal financial misstatements may engage in auditor shopping practices, thereby threatening auditor independence and reducing the effectiveness of fraud detection mechanisms (Singer & Zhang, 2021). The present findings further support the view that ineffective institutional oversight and weak accountability cultures create environments in which auditors encounter greater difficulties in identifying and disclosing financial irregularities. The significant role of environmental and media pressures observed in the study also supports the notion that external social scrutiny increasingly shapes auditors' behavior and professional judgment in contemporary financial systems.

The findings related to contextual conditions showed that previous crises in professional credibility, continuous professional retraining, effective communication with supervisory institutions, development of risk-based auditing, direct communication with stakeholders, and the use of data analytics tools significantly influenced the responsible auditor construct. These findings indicate that audit effectiveness increasingly depends on auditors' adaptability to technological, institutional, and professional changes. In particular, the importance of risk-based auditing and communication with stakeholders demonstrates the growing emphasis on proactive and transparent auditing practices. This result is highly consistent with the findings of Barbadillo et al., who argued that audit risk management and audit effort are essential determinants of audit quality, especially in environments characterized by uncertainty and resource constraints (Barbadillo et al., 2024). Similarly, Porcuna-Enguix et al. emphasized the importance of strategic audit planning and risk assessment processes in improving audit decision-making and reducing the likelihood of material misstatements (Porcuna-Enguix et al., 2021). The significance of continuous professional retraining also confirms the argument that modern auditors must continuously update their competencies in response to technological innovations, evolving regulations, and increasingly complex financial transactions. This interpretation is supported by Apandi et al., who emphasized the necessity of integrating digital competencies and analytical technologies into audit planning practices in the digital era (Apandi et al., 2022).

Another important finding of the study was the significant effect of intervening conditions, including auditor

personality type, auditor sensitivity to stakeholders, availability of data analytics technologies, level of organizational transparency, and industry sensitivity. These results indicate that auditors' effectiveness is shaped not only by external institutional factors but also by individual characteristics and organizational dynamics. The role of auditor personality type and stakeholder sensitivity suggests that auditors' ethical orientation, professional commitment, and interpersonal awareness directly influence their capacity to identify irregularities and maintain professional skepticism. These findings correspond with prior research emphasizing the influence of behavioral and psychological factors on audit judgments and professional decision-making (Contell et al., 2022; David & Abeysekera, 2021). Furthermore, the importance of data analytics technologies confirms the growing role of technological capabilities in strengthening fraud detection mechanisms and improving audit quality. This finding supports the conclusions of jassim and Abdulahad, who argued that analytical procedures significantly contribute to reducing audit risks and enhancing the reliability of audit reports (jassim & Abdulahad, 2022). Likewise, the significance of organizational transparency and industry sensitivity indicates that auditors perform more effectively in environments characterized by open communication, accountability, and lower levels of information asymmetry. This finding is also consistent with Blanco et al., who found that stronger internal controls and socially responsible governance systems positively affect the quality of audit outcomes and organizational accountability (Blanco et al., 2023).

The strategic dimension of the model also generated important insights regarding the mechanisms through which responsible auditing can be strengthened. The findings revealed that developing professional accountability frameworks, institutional support for whistleblowers, internalization of professional values, expansion of traditional auditing boundaries, transformation in the auditor's professional identity, communication with stakeholders, and the use of data analytics tools significantly contributed to enhancing the responsible auditor's role. These results suggest that effective auditing requires a comprehensive strategic orientation integrating ethical principles, institutional protections, technological innovation, and stakeholder engagement. The significance of whistleblower support mechanisms reflects the increasing recognition of transparency and accountability as essential pillars of fraud prevention. This finding corresponds with the literature emphasizing that fraud detection frequently depends on effective reporting mechanisms and organizational cultures supportive of ethical disclosure (Campa et al., 2023; Kassem, 2023). The expansion of traditional auditing boundaries observed in the findings also reflects the evolving expectations placed upon auditors in contemporary financial systems. Auditors are now expected not only to evaluate historical financial statements but also to assess governance quality, sustainability disclosures, and risk management systems. This interpretation is strongly aligned with the work of Kucheriava and Shvaher, who highlighted the expanding role of auditors in sustainability reporting and broader accountability frameworks within the European regulatory context (Kucheriava & Shvaher, 2023).

The consequences identified in the study further demonstrated the practical significance of responsible auditing. The results showed that the responsible auditor contributes significantly to the prevention of misstatements before occurrence, reduction of unreported violations, increased financial transparency, social trust-building, enhancement of the auditor's professional status, strengthening whistleblowing mechanisms, and increased accountability in society. These findings indicate that responsible auditing generates outcomes extending far beyond the technical verification of financial statements. The enhancement of financial transparency and accountability supports the broader social function of auditing as a mechanism for protecting investors, strengthening market confidence, and promoting institutional legitimacy. This finding is highly consistent with prior studies emphasizing the relationship between audit quality and public trust in financial systems (Elshafie, 2023; Mayberry & Rane, 2025). Moreover, the role of responsible auditing in reducing unreported violations confirms the importance of auditors as proactive agents of organizational governance and ethical compliance. Research on financial restatements and internal control failures has similarly demonstrated that high-quality auditing can substantially reduce the likelihood of concealed reporting irregularities and governance breakdowns (Feng et al., 2021). The findings also support the argument that responsible auditing enhances the professional legitimacy and social status of auditors by reinforcing their public accountability role and demonstrating their contribution to financial integrity.

The study additionally revealed that communication and interaction among auditors, stakeholders, regulators, and organizational actors play a critical role in shaping auditing

effectiveness. The significance of direct communication with stakeholders and supervisory institutions demonstrates that auditing is increasingly becoming a collaborative and interactive process rather than a purely isolated technical evaluation. This finding aligns with contemporary auditing literature emphasizing the growing importance of stakeholder-oriented auditing practices and transparent reporting frameworks (Backof et al., 2022; Prawanth & Perera, 2022). In particular, Backof et al. highlighted the necessity of clarifying auditors' responsibilities within new audit reporting standards in order to reduce misunderstanding and narrow the audit expectation gap (Backof et al., 2022). The present study extends this perspective by demonstrating that effective communication mechanisms not only improve stakeholder understanding but also strengthen auditors' capacity to identify risks and fulfill their professional obligations more effectively.

Furthermore, the findings regarding organizational and institutional structures support the argument that audit quality is highly dependent on resource availability, governance conditions, and professional support systems. The significant effects of organizational structure, professional retraining, and institutional support observed in the model correspond with the findings of Krishnan and Tanyi, who demonstrated that office resource availability moderates the relationship between audit fees and audit quality (Krishnan & Tanyi, 2023). Similarly, the findings regarding professional credibility crises and historical audit failures reflect the long-term reputational effects described by Guo et al. following the collapse of Arthur Andersen, where major audit failures significantly influenced subsequent professional behavior and quality standards across the auditing profession (Guo et al., 2022). The current findings therefore reinforce the view that responsible auditing requires sustained institutional investment, organizational learning, and continuous professional development in order to maintain credibility and effectiveness within increasingly complex financial environments.

The findings of this study also contribute theoretically by providing an integrated structural framework for understanding the multidimensional nature of responsible auditing. While previous studies have typically examined isolated factors such as audit risk, fraud detection, audit quality, or technological adaptation, the present research demonstrates that responsible auditing emerges through the interaction of causal, contextual, intervening, strategic, and consequential dimensions. This integrated perspective provides a more comprehensive understanding of how auditors' effectiveness in preventing and detecting misstatements is simultaneously shaped by institutional structures, technological capacities, ethical orientations, stakeholder relationships, and organizational environments. In doing so, the study extends prior literature on auditing accountability and professional responsibility by emphasizing the interconnected and systemic nature of contemporary auditing processes (Ai et al., 2025; Budisantoso & Kurniawan, 2022; Choudhary et al., 2022; Koh et al., 2021).

One limitation of the present study is that the data were collected using self-reported questionnaires, which may increase the possibility of response bias and subjective interpretation by participants. In addition, the study focused primarily on experts and managers within a specific professional and organizational context, which may limit the generalizability of the findings to other industries, countries, or institutional environments. Another limitation concerns the cross-sectional design of the study, which restricts the ability to evaluate causal changes in auditors' behavior and professional effectiveness over time. Furthermore, some contextual and cultural variables influencing responsible auditing may not have been fully captured within the current structural model.

Future research should investigate the role of responsible auditors across different institutional, regulatory, and cultural environments in order to compare how contextual factors influence auditing effectiveness. Longitudinal studies may also provide deeper insight into the dynamic relationships among professional accountability, technological adaptation, organizational governance, and fraud prevention over time. Additionally, future studies could integrate qualitative approaches such as interviews and case analyses to explore auditors' lived experiences, ethical dilemmas, and professional judgments in more detail. Comparative studies between large international audit firms and smaller local audit firms may further contribute to understanding how organizational resources and institutional support affect responsible auditing practices.

From a practical perspective, the findings suggest that audit firms, regulatory bodies, and professional institutions should prioritize the development of accountability-oriented auditing cultures supported by continuous professional training, technological innovation, and ethical governance mechanisms. Policymakers should strengthen legal protections for whistleblowers and enhance institutional oversight structures in order to support auditors'

independence and professional judgment. Audit firms should invest in advanced data analytics tools and provide auditors with continuous retraining programs that improve risk assessment capabilities and fraud detection competencies. Moreover, organizations should promote transparent governance systems and facilitate effective communication between auditors, stakeholders, and regulatory institutions in order to strengthen public trust and improve the overall quality of financial reporting systems.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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Declaration of Interest

The authors report no conflict of interest.

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Ethics Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were considered.

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