

Developing a Professional Scepticism Competency Model for Accounting Students: Preparing for the Future of Work

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ABSTRACT

Recent fraud occurrences have heightened concerns over the lack of professional scepticism among accountants required to detect fraudulent activities and uphold the integrity of financial reporting. Hence, this study seeks to establish a competency model for professional scepticism among accounting students at Malaysian public universities and prepare them for future employment. Specifically, this study examines the elements influencing students' professional scepticism, including their academic backgrounds and motivations, and how the present curriculum impacts their critical thinking and decision-making abilities. Using a questionnaire survey as the research instrument, this study focuses on first- and final-year accounting students. The findings of this study can help universities develop a novel teaching approach that enhances students' professional scepticism, thereby improving their marketability and efficacy as future accountants. Furthermore, the findings of this study can provide guidance for the revision of university curriculum to enhance graduate preparedness. This may thus aid in the prevention of workplace fraud and mismanagement, thereby significantly enhancing the quality of accounting education in Malaysia.

Keywords: Professional, Scepticism, accounting students, accountants, universities

INTRODUCTION

Malaysia has experienced a significant increase in concerns regarding the professional scepticism of accountants with respect to fraud detection. This is because certain stakeholders hold a negative perception of accountants' professional scepticism and express dissatisfaction when they fail to exercise an adequate level of scepticism in the execution of their accounting duties. Companies and clients rely heavily on accountants to guarantee the reporting activities of organisations, and they consistently anticipate that they will preserve their professional scepticism in the detection of fraud. Professional scepticism refers to the attitude of an auditor or accountant towards inquiry. In a professional environment, curiosity and inquisitiveness are essential qualities (Glover & Prawitt, 2013). Malaysia Development Berhad (1MDB) was the most renowned embezzlement case in Malaysia. The Malaysian government established 1MDB as a public fund to encourage foreign investment and collaborations. However, it has since transformed into a central hub for illicit activities. The misappropriation and diversion of billions of dollars through various methods has transformed 1MDB into the largest corruption scandal in history (Jones, 2020). Jones (2020) also underscored the necessity of efficient accountancy and management procedures.

The 1MDB case is a significant financial scandal involving the Malaysian government-owned investment fund, 1MDB, which was established in 2009. The creation of 1MDB aimed to foster economic development by investing in diverse sectors such as energy, real estate, and tourism. Over time, 1MDB faced accusations of mismanagement and corruption, leading to the misappropriation of billions of dollars. High-ranking officials and their associates, including former Malaysian Prime Minister Najib Razak, allegedly embezzled approximately \$4.5 billion from 1MDB. In 2018, the 1MDB scandal led to charges of corruption and money laundering against Najib. Despite facing multiple charges, a high-profile trial ultimately found him guilty. The

1MDB case remains one of the largest financial scandals in history, highlighting issues of corruption and governance within Malaysia and prompting international scrutiny of financial practices involving state-owned enterprises. The ongoing legal proceedings and asset recovery efforts reflect the complexity and far-reaching implications of this scandal.

Apart from the 1MDB case in Malaysia, auditors often fail to detect fraud and misstatement in financial reporting, leading to a number of fraud and misstatement cases. One of the cases is about Silverbird Bhd. Silver Bird Bhd, a Malaysian corporation, was well-known for its engagement in the culinary and baking industries. It encountered substantial financial and legal issues in the early 2010s, especially relating to financial mismanagement and corporate governance failures. The court convicted former directors of Silver Bird Group for furnishing false statements. According to Adnan and Kiswanto (2017), the large number of fraud cases suggests an impairment in auditors' detection abilities. Similar to auditors, accountants also require a high level of professional scepticism, as their work involves making judgements and decisions, such as approving claims or payments from vendors and subordinates. They must be proficient in professional scepticism, as a lack of this competency would affect not only their credibility as individuals but also the organisation that they are working with.

Fraud and corruption cases occurring in public and private sector organisations have raised concerns about the contributing factors that led to such cases. One contributing factor could be the accountants' failure to detect fraud and corruption cases in their course of work as a result of a lack of professional scepticism competency (Nazlina, 2015; Ghani, Ilias, Muhammad, & Mohd Ali, 2022). The auditing literature has extensively discussed and researched the issue of professional scepticism, as it is an indispensable quality that significantly influences their behaviour and decisions (Sun, Jia, & Liu, 2021). Auditors often cite a lack of a high level of professional scepticism as the primary reason for their inability to detect material misstatements (Quadackers, Groot, & Wright, 2014; Sayed Hussin & Iskandar, 2017; Ghani et al. 2022). According to ISA 240, auditors are responsible for detecting fraud when auditing financial statements. In order to satisfy the ISA 240 requirement, accountants are required to maintain professional scepticism during the audit process, recognising the possibility of material misstatements that may arise from fraud, as stated in ISA 200. The company has held the accountants accountable for their failure to identify misconduct within the company and their failure to adhere to ISA 240. This is in accordance with Suryandari and Yuesti's (2017) assertion that the accountants' lack of professional scepticism is one of the reasons audits fail, as it prevents them from detecting fraud before it occurs.

According to the Committee to Strengthen the Accountancy Profession in 2014, public universities are failing to produce competent accounting graduates due to differences in examination standards and the acquisition of high-level professional skills after graduation, which may include a lack of professional scepticism. The Malaysian Institute of Accountants (2020) also stressed that public universities are failing to produce competent accounting graduates, underscoring persistent issues within the educational framework. In addition, studies have also shown that professional scepticism varies among individuals (Hurtt, 2010; Fatmawati, Mustikarini, & Fransiska, 2018; Johari et al., 2022).

This paper proposes a study aimed at developing a professional scepticism competency model that accurately reflects the professional scepticism competency of accounting students. In addition, this study examines the factors that influence professional scepticism among accounting students in Malaysia. One of the study's motivations is to make accounting students in Malaysia's public universities the most demanding in the market due to their high levels of professional scepticism, while also assisting the industry in reducing future fraud and misconduct. Cheng, Adekola, Albia and Cai (2022) emphasise the need for universities to understand employers' expectations in order to educate students who are fit for purpose. As a result, the quality of the university's output must be evaluated against the expectations of the employers. Similarly, Nolder and Kadous (2014) highlight the significance of professional scepticism in audit practices. Therefore, universities should learn and train this competency to ensure that students graduate with a high level of professional scepticism (Fatmawati et al., 2018). Therefore, it is imperative for public universities to incorporate the professional scepticism competency into their curriculum, equipping their students with a skill that is pertinent to their accounting roles. Despite the importance of this skill, public universities have not made significant efforts to

address this issue. As a result, this study aims to create a model that can improve the employability of accounting students by incorporating professional scepticism into the undergraduate curriculum.

The remainder of this paper is structured as follows. The next section, Section 2, provides the literature review relevant to this study. This is followed by Section 3 that provides the proposed research framework and theory used in this study. Section 4 outlines the proposed research design. The contribution of the proposed study is provided in the last section, Section 5.

LITERATURE REVIEW

Professional Scepticism

Professional scepticism, as defined by the International Auditing and Assurance Standards Board (IAASB), involves asking questions, being sensitive to potential errors or fraud, and critically evaluating audit evidence. Glover, Douglas, and Prawitt (2014) describe professional scepticism based on the Greek word "sceptikos," which means "inquiry or reflection." According to Glover et al. (2014), professionals who are highly sceptical tend to question, carefully observe, and suspend convictions. The term emphasizes the need for a questioning mind, which aligns with the International Auditing and Assurance Standards Board's (IAASB) concept. Glover et al. (2014) emphasize the importance of the ability to suspend belief in their definition, meaning not rushing into decision-making but rather assessing, evaluating, or reflecting on all the data offered before making one. Hurtt, Eining, and Plumlee (2008: 5) offer an intriguing definition, stating that "*professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence.*"

According to their definition, professional scepticism is the tendency to wait for evidence to support one alternative over another before making a decision. The accountant adopts a more "neutral" approach, delaying any decision-making until they gather sufficient evidence. As a result, the professional accountant or auditor starts the engagement with an unbiased opinion that may change as more data becomes available. The professional accountant or auditor will request additional evidence if the evidence indicates a higher risk. The term is consistent with Glover et al.'s (2014) "*suspension of belief*" theory. According to Fatmawati et al. (2018), this highlights the importance of professional scepticism in light of increasing business and audit failures. Professional scepticism ensures that the auditor consistently concentrates on conducting a quality audit. The preceding section on the concept of professional scepticism states that the auditor will achieve a quality audit by employing abilities that enhance professional scepticism, such as a questioning mind. As a result, increased professional scepticism may raise the auditor's chances of detecting things that their clients may have hidden.

Hanson (2014) opines that professional scepticism is essential for auditors to conduct successful, high-quality audits, regardless of their technical competence. According to Hanson (2014), individuals who lack confidence in standing their ground may struggle to apply professional scepticism and defend their technical viewpoints in cases where the client has incorrectly accounted for certain transactions. Therefore, being highly sceptical can enhance the application of technical knowledge. In the accounting profession, a lack of professional scepticism can result in severe ethical compromises, as students who lack the ability to critically question methods may become desensitised to unethical behaviour over time. Accounting students are not taught to view circumstances sceptically; they may unintentionally contribute to a culture in which unethical actions continue unquestioned, prolonging wrongdoing within firms (Hanson, 2014). It is therefore obvious that professional scepticism leads to a stronger professional accountant. According to Correll, Glover, and Prawitt (2007), simply qualifying as a CA and being registered with SAICA does not qualify you as a professional. Professional scepticism distinguishes you as a professional. Professional scepticism is one of the qualities that makes a better accountant and auditor.

According to studies, students who are more sceptical are better able to identify potential hazards linked to fraudulent activities and make educated decisions during audits (Fatmawati et al., 2018). This lack of inspection can have major effects on businesses, as auditors act as a critical line of defence against financial misstatements that could have far-reaching consequences for stakeholders. Accounting students who lack

professional scepticism are more susceptible to failing to detect fraud and errors in financial reporting, as they may lack the critical thinking skills necessary to question the validity of the information they are presented with. Professional scepticism is essential for conducting high-quality audits that meet industry standards and offer stakeholders accurate financial data. Accountants need to develop this critical trait in their education to avoid resulting in lower audit quality and potentially negative consequences for stakeholders who rely on accurate financial reporting (IFAC, 2020). Failure to maintain strong audit quality standards can damage faith in financial markets and the accounting profession as a whole.

Many current accounting programs do not explicitly teach professional scepticism as a basic ability, leaving graduates unprepared for the intricacies and problems that await them in their professional jobs. According to studies, while students may learn important technical accounting skills, they frequently lack the critical thinking ability required to use these skills effectively in real-world circumstances (Glover & Prawitt, 2014). This educational gap may restrict their capacity to perform successfully in audit engagements and their effectiveness as future accountants or auditors. Muhammad, Ghani, Ilias, Razali, and Yassin (2024) emphasize that professional scepticism consists of various traits, including an inquisitive mindset, a suspension of judgment, a search for knowledge, interpersonal understanding, self-determination, and self-confidence. Their study confirms that these traits can be effectively measured using Hurtt's scale, which was adapted to fit the context of Malaysian accounting students. The study highlights the importance of incorporating professional scepticism into university curricula to ensure that graduates possess this essential competency before entering the workforce. The authors argue that enhancing professional scepticism among students can significantly reduce instances of fraud and mismanagement in their future roles as accountants.

Ghani et al. (2023) conducted a study focusing on accountants in the public sector and identified several factors that influence their level of professional scepticism. Their study found that individual-related factors such as age, knowledge, skills, attitude, and salary significantly affect professional scepticism. Additionally, work-related factors, including task experience, work placement, regulations, and technology in the workplace, also play a crucial role. The findings indicate that, while accountants generally exhibit a high level of professional scepticism, variations exist based on these influencing factors. This underscores the need for targeted training programs that address both individual and organisational aspects in order to enhance professional scepticism across the accounting profession. Integrating professional scepticism in accounting education is critical for developing competent professionals who can uphold ethical norms and constructively contribute to their businesses. Enhancing this part of training will assist students while also strengthening the overall integrity and credibility of the accounting profession.

Factors influencing Professional Scepticism

The International Federation of Accountants (2017) proposed that various factors such as audit timelines, leadership style, and groupthink can influence professional scepticism. To understand cultures, it is important to consider both individual and organisational perspectives. Does the firm encourage its trainees to question and explore deeper levels of understanding? Or does the firm merely want their trainees to follow the established approach and standards without question? There are six factors that may influence professional scepticism, based on Hurtt's model.

The first factor that influences professional scepticism is competence. Accountants' competence refers to their knowledge, abilities, experiences, and attitudes that enable them to conduct objective, cautious, and thorough audits. Accountants with a greater understanding of the subject can readily describe, grasp, and recognize various difficulties, as well as identify the source of the errors. Carpenter, Eining, and Plumlee, (2002) demonstrated that inexperienced accountants with a good understanding of fraud may detect fraud more effectively than auditors without such knowledge. Accountants with a higher degree of knowledge are more likely to make proper assumptions and evaluate unresolved audit results or financial statements. Accountants retain information to adjust risk based on customer and firm attributes, including managerial integrity, financial health, and internal control quality, according to many studies. For example, Herawaty and Susanto (2011) opined that accountants' knowledge of errors is positively relevant in assessing and determining the extent of misrepresentation in financial reporting. Thus, it is considered that an accountant's knowledge of fraud influences their professional scepticism.

Previous studies have found that knowledge does not automatically increase professional scepticism. Noviyanti and Winata (2015) found that knowledge of fraud has no effect on accountants' professional sceptical behaviour if they have a weak sceptical mindset. Auditors with a high level of experience are more willing to view non-errors as the most likely explanations for audit findings. Ratna, Mustikarini, and Fransiska (2020) can potentially impair professional scepticism. Furthermore, experience has a significant impact on the correctness of accountants' judgement and improves their ability to analyse information and produce numerous strategies in specific circumstances. Moreover, individuals with a higher degree of knowledge are more likely to be accepted by job openings in social environments (Huang et al. 2022). This is because students who consider themselves capable are more likely to be cautious when reviewing financial statements (Fatmawati et al., 2018). Furthermore, internalised competencies linked with accomplishment motivation allow students to efficiently utilise their cognitive resources, resulting in improved performance in activities that demand professional judgement (Werdhiastutie, Suhariadi, & Partiwi, 020). This is especially important in the context of accounting education, where the ability to detect potential errors is critical.

The second factor is a questioning mind. Charron and Lowe (2008) and Sayed Hussin and Iskandar (2013) define questioning mind as a critical approach to analyse information and evidence before drawing judgments. Idawati and Gunawan (2015) argue that a sceptical attitude helps accountants identify risks and make decisions. Accountants with a questioning mindset are more effective in detecting fraud, according to the study. According to Peytcheva (2013), auditors or accountants benefit considerably from having a sceptical mindset toward clients. Increasing professional scepticism improves accountants' ability to select evidence that supports the hypothesis at hand. As a result, this study proposes a favourable association between questioning the mind and accountants' fraud detection in the Malaysian environment. Accounting graduates with a questioning mindset tend to stand out as candidates capable of handling complicated financial situations and detecting possible problems before they escalate. This capacity is consistent with employers' expectations for professionals who can maintain ethical standards and contribute positively to organisational performance.

The third factor is the search for knowledge. According to Royae, Gholami, and Khoshbakht (2013), auditors and accountants seek expertise to understand difficult circumstances. Fullerton and Durtschi's (2004) study on Florida internal accountants found that those who are very sceptical prefer to seek additional information when faced with red flags. Accountants specifically requested additional information when they discovered questionable relationships, fraud prospects, or fraud symptoms among personnel. Additionally, Sayed Hussin and Iskandar (2017) found that accountants' pursuit of information significantly impacts their ability to estimate the risk of material misstatement in fraud cases. Auditors with a high level of professional scepticism may conduct additional checks on information before making decisions. Similarly, Pramana, Sari, and Putri (2016) agreed that auditors or accountants can uncover fraud when they search for information. The accountant's ability to detect fraud improves as the amount of evidence searched increases. Ashari (2017) found that accountants with higher levels of curiosity have a higher risk estimate for fraud, which aligns with previous findings. Accountants who seek further proof are more likely to consider the possibility of an assertion being inappropriate and subject to conditions. Employers in today's competitive job market value people who can think critically and seek information on their own initiative, in addition to technical skills. Accounting graduates who exhibit strong knowledge-seeking tendencies will distinguish themselves as individuals adept at navigating intricate financial landscapes and identifying potential issues before they escalate. This capacity improves their employability by matching employers' expectations for professionals who can maintain ethical standards and positively contribute to organisational performance.

Another factor is interpersonal understanding, which refers to recognizing the motivations and integrity of information providers (Hurt, 2010). Jahari and Kiswanto (2017) investigated whether interpersonal understanding improves accountants' capacity to detect fraud. The findings revealed a favourable correlation between accountants' interpersonal comprehension and their ability to detect fraud. Furthermore, McAllister, Blay, and Kadous (2016) investigated the relationship between individuals' interpersonal understanding and fraud risk brainstorming. The findings suggested that interpersonal understanding of an individual can have a substantial impact on the outcomes of fraud risk brainstorming. Pramana et al. (2016) investigated the impact of accountants' interpersonal understanding on their fraud detection capabilities. Researchers discovered that accountants possessing a higher level of interpersonal knowledge are more adept at detecting fraud. Students who develop strong interpersonal understanding are better positioned to build relationships that facilitate open

communication. Students who can demonstrate their ability to understand and navigate interpersonal dynamics will stand out to potential employers. Carpenter and Reimers (2009) found that interpersonal understanding affects a partner's influence on fraud detection. The study indicated a favourable correlation between interpersonal understanding and the level of fraud indications by accountants. Accountants with more sceptical behaviours are more likely to seek additional information when they uncover the possibility of fraud in an organisation.

The next factor that can influence professional scepticism is self-confidence. Self-confidence is defined as a sense of value and belief in a person's abilities (Hurt, 2010). Bogdan, Mester, Gherai, and Scorte (2017) examined the relationship between professional accountants' self-confidence and their view on making accounting decisions. The study found a favourable association between accountants' self-confidence and their view on the accounting judgement process. Furthermore, Owoso and Weickgenannt (2009) investigated how accountants' perceived abilities influence their actual performance in auditing. Self-perceived ability is an individual's belief about his or her capacity to accomplish and finish activities successfully. The findings demonstrated a positive correlation between accountants' self-perceived skill and their ability to identify errors. Professional scepticism requires some degree of self-confidence, which is important to collect audit evidence during an audit (Hurt, 2010). According to Ghani et al. (2023), self-confidence allows accountants to challenge assumptions and seek additional evidence when necessary. This finding is consistent with Hurt's (2010) assertion that self-confidence is essential to maintaining a sceptical mindset during audits and financial assessments. Thus, educational programs should not only focus on technical skills but also emphasise building students' confidence in their ability to question information critically. Based on these past literature reviews, self-confidence has a positive connection with accountants' fraud detection. Besides, students with high levels of self-confidence in accounting are more likely to engage with the topic, establish ambitious learning objectives, and persevere regardless of challenges. This approach is critical for developing professional scepticism because it drives students to question assumptions and look for inconsistencies in financial reporting. Hurt et al. (2008), for example, argue that auditors with high levels of self-confidence are more likely to demonstrate professional scepticism, which results in greater fraud and error detection.

The last factor is self-determining. Self-determination refers to the ability to assess if audit evidence is sufficient to make an audit judgement (Hurt, 2010). Royae et al. (2013) investigated whether independent accountants' self-determination influences their decision-making. The results revealed a beneficial association between independent accountants' self-determination and decision-making. McKnight and Wright (2011) also studied whether the association between an accountant's locus of control and relative work performance is meaningful. Locus of control is defined as the extent to which individuals participate in a process that leads to a desirable end, and it determines how people perceive themselves. Locus of control focuses on two types: internal locus of control, which directly influences judgement, and external locus of control, which indirectly influences judgement. The results indicated that an increase in internal locus of control will enhance the job performance of accountants.

Education Background

Education is defined as the systematic process of supporting learning and obtaining knowledge, skills, values, and attitudes through a variety of approaches, including teaching, training, and research (UNESCO, 2005). It combines official education in schools and universities with informal learning activities. Education is especially important in the field of accounting since it not only conveys technical information about financial concepts and regulations, but it also promotes critical thinking and ethical decision-making skills. These skills are required for accountants to handle complex financial settings while maintaining the accuracy of financial reporting.

Murray (2012) highlights that accounting education should not only focus on technical skills but also on fostering critical thinking and ethical judgment. He claims that a thorough educational experience prepares pupils to assess difficult circumstances and make sound decisions. This viewpoint emphasises the dual importance of education in preparing students for both the technical aspects of their job and the ethical quandaries they may encounter.

Furthermore, Coombs and Ahmed (1974) divide education into three categories: formal, non-formal, and informal learning. Formal education refers to institutionalised educational systems like schools and colleges, whereas non-formal education encompasses organised learning outside of traditional institutions like workshops or community initiatives. Informal education refers to ordinary learning activities that occur organically in daily life. This classification broadens our understanding of education by recognising that significant learning takes place outside of traditional academic settings.

The American Psychological Association (APA) defines education as a lifelong process that includes both formal schooling and informal learning experiences that help an individual's personal and professional growth. This definition emphasises the necessity of recognising that learning occurs in places outside traditional academic settings, which is especially crucial in fast-expanding disciplines like accounting, where continual professional development is required (American Psychological Association, 2020). The International Federation of Accountants (IFAC) emphasises the need for lifelong learning, stating that accountants must engage in continual professional development to adapt to changing industry norms and practices (IFAC, 2020). Lifelong learning not only improves technical abilities but also encourages critical thinking and adaptability—qualities required for effective professional scepticism. Additionally, Glover and Prawitt's (2014) claim that a strong educational background has a considerable impact on professional scepticism among accountants. Professional scepticism is defined as an attitude of questioning, being sensitive to potential misstatements or frauds, and critically evaluating audit evidence. Their study indicates that accountants who receive comprehensive training in ethics and critical thinking are better equipped to maintain a sceptical mindset, which is crucial for effective fraud detection.

Accounting students' professional scepticism is constantly influenced by their educational experience. For example, Fatmawati et al. (2018) discovered that students engaged in rigorous accounting programs emphasising ethical standards and critical thinking have higher levels of professional scepticism than those in less demanding courses. This shows that educational institutions have an important role in preparing students for the obstacles they will confront in the workplace. According to Muhammad et al. (2024), accounting programs should include professional scepticism training in their curricula to guarantee that graduates have this critical competence before joining the workforce. They argue that increasing students' understanding of professional scepticism can help to reduce fraud and mismanagement in their future positions as accountants. The study's goal is to establish benchmarks for Malaysian universities to assess the level of professional scepticism displayed by their accounting students, thereby assisting efforts to reduce this scepticism prior to graduation.

In summary, previous studies have defined education as a multidimensional process that includes knowledge acquisition, skill development, ethical reasoning, and critical thinking. These components are especially significant in accounting school, where cultivating professional scepticism is critical for creating competent graduates capable of navigating complicated financial contexts while adhering to ethical principles.

Proposed Research Framework

This study proposes to use resource-based theory (RBT) as the foundational structure to investigate the factors that influence professional scepticism among accounting students. According to RBT, a firm's competitive advantage derives from its unique resources and competencies, which can be utilised for accounting education and professional development. The focus of this study is on how educational institutions play an important role in shaping students' professional sceptical competencies. As this study is seeking to construct a professional scepticism competency model for accounting students' future of work, the framework presented below would serve as a guideline to construct the model.

As shown in Figure 1, this study posits that the independent variable will be influenced by the independent variables. The dependent variable for this study is professional competency, whilst the independent variables are competency, questioning mind, search for knowledge, interpersonal understanding, self-determination and self-confidence. In this research framework, educational background acting as a moderating factor for this study of which the accounting students would acquire during their educational experiences. For example, a solid educational foundation improves students' knowledge and skills, allowing them to critically assess

evidence and retain a questioning mindset (Glover & Prawitt, 2013). Furthermore, their ability to actively seek knowledge and comprehend interpersonal dynamics contributes to their effective use of professional scepticism.

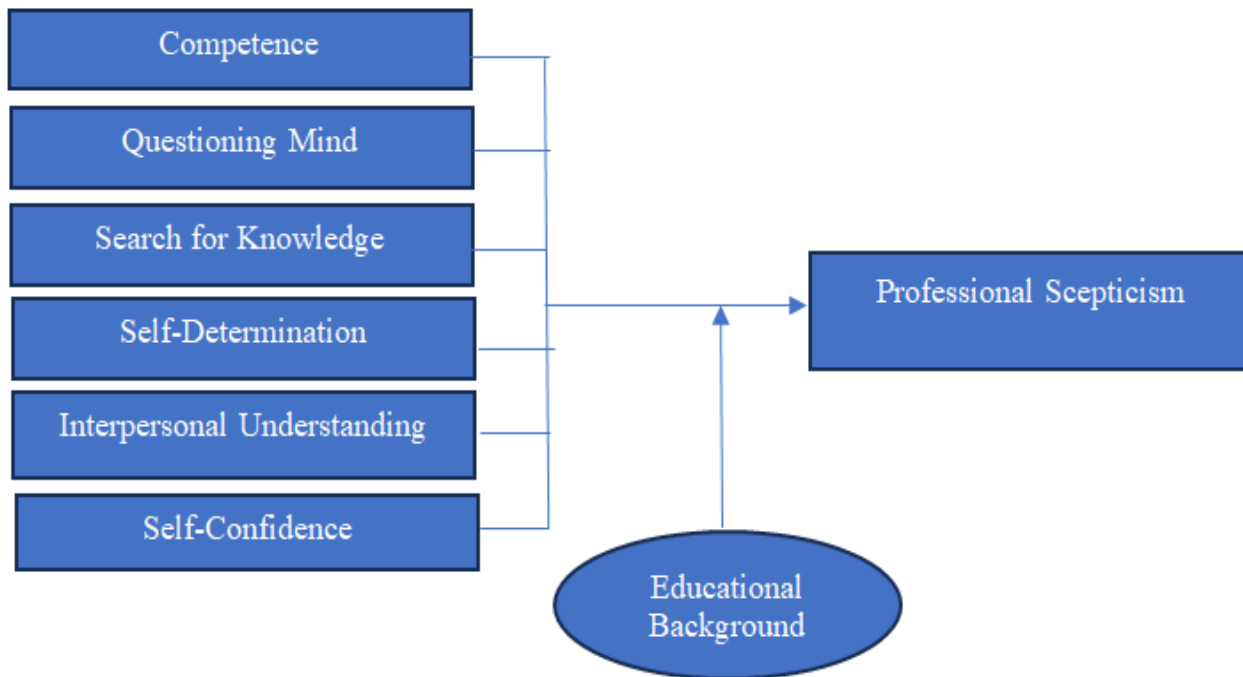


Figure 1: Proposed Research Framework of this Study

In the research framework, educational background serves as a moderating variable, influencing the strength of the relationship between these independent characteristics and the dependent variable, professional scepticism competency. By exploring how diverse educational experiences influence the development of these competencies, this study hopes to identify gaps in existing accounting education practices and provide practical recommendations for curriculum improvement. By incorporating RBT into the research framework, this study emphasises not only the need of internal resources in creating professional scepticism but also the need for educational institutions to connect their curricula with industry standards. This connection is critical for teaching graduates to manage complicated financial settings while maintaining ethical standards in their future jobs (Fatmawati et al., 2018). This study adopts Hurtt's (2010) scale, which consisted of 30 items categorised into six traits. The scale will undergo a thorough and iterative validation process (Sayed Hussin & Iskandar, 2013). Future studies on professional scepticism are expected to use Hurtt's (2010) professional scepticism scale.

Proposed Research Design

Population and Data Sampling

This study selects first-year and final-year accounting students from public universities in Malaysia as participants to achieve the research objectives. In order to conduct exploratory factor analysis (EFA) on Hurtt's (2010) scale of professional scepticism model, it is deemed sufficient to have a sample size of at least 200 for the purposes of this study. Accordingly, a sample will be tested, which is defined as a section of the population that a researcher will choose for the purpose of the study (Sekaran & Bougie, 2009). The larger the sample size, the lower the error will occur when the study is conducted. This study will use stratified sampling, which is a probability sampling approach in which the target population is separated into distinct subgroups or strata with similar characteristics. This method ensures that each subgroup is well represented in the sample, hence increasing the reliability and validity of the findings. The primary goal of stratified sampling is to get data from respondents from various parts of the population, allowing for a more thorough examination of the research subject. Using this strategy, the researcher can ensure that all viewpoints and experiences are collected, resulting in deeper understandings of the topic of study.

The total number of students enrolled in public universities in Malaysia is approximately 449,000. Using G*Power, the estimated sample size needed is around 390 students. To achieve a balanced and representative sample across the 20 universities, we will select 20 students from each university, ensuring equal representation. The sample size analysis was conducted a priori using GPower 3.0.10 for multiple regression. With an estimated small effect of $r = .02$ (Cohen, 1988), an alpha of .05, 6 predictors, and the desired power of .80, a total sample size of 390 students would be necessary to achieve statistical significance of the results. The population of this study was first-year and final-year undergraduate students at Malaysian public universities, which is quite large. Therefore, the sample size of 200 was proposed to reduce the likelihood of Type I or Type II error in data analysis.

Research Instrument

Based on a theoretical framework and the results of previous studies, this study proposes a questionnaire survey as the research instrument. This study adapts Hurtt's (2010) scale, which consisted of 30 items categorized into six traits: questioning the mind, suspension of judgment, searching for knowledge, interpersonal understanding, self-determination, and self-confidence. Therefore, this study relies on primary data, collected through the distribution of questionnaires to respondents. The questionnaires consist of 30 items; 7 items focus on the demographic profile of respondents, and the remaining 23 items focus on the construction of the research framework.

The questionnaire employs a six-point Likert scale, with options ranging from "strongly disagree" (1) to "strongly agree" (6). The initial section will gather demographic details about each respondent, including their role within the audit firm, gender, age, professional experience, and educational background. The subsequent section includes questions based on five determinant factors derived from Hurtt's (2010) professional scepticism scale, adjusted to align with the resource-based framework of this study.

Data Collection Method

The questionnaires are prepared, distributed, and collected within a six-month period. Initially, approval will be obtained from the university before proceeding with distribution to respondents in the target population. Prior to sending the questionnaires, they will be reviewed by five accounting lecturers from a public university in Malaysia. All feedback and comments received will be used to enhance the validity of the measurement.

In order to estimate the response rate and feasibility of the research, a pilot test is conducted whereby 20 questionnaires are distributed to respondents from each of the public universities in Malaysia. This test is important to examine the error of each variable of this study and, at the same time, help the respondents to gauge their understanding of this survey (Ismail, Merejok, & Mat Dangi, 2019).

The questionnaire survey is prepared in Google Form and distributed via email or WhatsApp. A total of 200 sets of questionnaires will be sent to students at 20 public universities across Malaysia. Prior to emailing the Google Form link to the intended respondents, we will reach out to them over the phone as a courtesy and request their assistance in distributing the questionnaire to other targeted students. The data collection period will extend for six months from the initial distribution date of the questionnaire.

Data Analysis Tools

The quantitative data will be analysed using Statistical Package for the Social Sciences (SPSS) software to achieve the objectives of this research. SPSS has been selected for its compatibility and user-friendly interface, which facilitates the analysis of large datasets effectively. Descriptive and exploratory factor analysis (EFA) will be conducted based on six traits of professional scepticism identified by Hurtt (2010).

Contribution of Proposed Study

The proposed study seeks to create a professional, sceptical competency model exclusively for accounting students at Malaysian public universities. The initiative is especially timely given recent concerns about the level of professional scepticism among accountants, particularly in light of major fraud cases, such as the

IMDB crisis. The article makes significant contributions in the areas of theoretical developments, practical benefits for educational institutions, and enhancements to students' employability. This study theoretically contributes to the existing literature by constructing a comprehensive competency model that defines and categorises the elements of professional scepticism relevant to accounting students. By integrating factors such as a questioning mindset, knowledge-seeking behaviours, and emotional intelligence, the model will provide a structured framework for understanding how these competencies interact to enhance professional scepticism. Also, the study addresses gaps in current research by focusing on the specific context of Malaysian accounting education. While previous studies have explored professional scepticism broadly, this study will provide localised insights into how cultural and educational factors influence scepticism among Malaysian accounting students.

Practical contributions for this study are to provide actionable recommendations for revising accounting curricula at public universities in Malaysia. By identifying key competencies associated with professional scepticism, educational institutions can design courses that incorporate these elements, ensuring that graduates are better prepared for the demands of the workforce. By aligning educational outcomes with industry expectations, this study can facilitate stronger partnerships between universities and accounting firms. Such collaborations can lead to internship opportunities that allow students to apply their skills in real-world settings, further enhancing their employability. Graduates equipped with a strong foundation in professional scepticism will be more attractive to employers. The ability to critically evaluate information and detect potential fraud is highly valued in the accounting profession, making these students more competitive in the job market.

The proposed study offers substantial contributions to both theory and practice by developing a professional scepticism competency model tailored for accounting students. Its findings will not only enhance our understanding of the factors influencing professional scepticism but also provide valuable insights for educational institutions seeking to improve student outcomes. Ultimately, this study aims to empower future accountants with the skills necessary to uphold ethical standards and effectively detect fraud, thereby improving their employability and contributing positively to the accounting profession in Malaysia.

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