

## THE IMPACT OF EMPLOYEE TRAINING ON AUDITOR'S PERCEPTION OF AUDIT RISK

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**Abstract:** This study investigates the impact of employee training on auditors' perceptions of audit risk within Indonesian public accounting firms. Using a quantitative approach, data were collected from 200 auditors through structured surveys, focusing on demographic characteristics, training experiences, and perceptions of audit risk. Descriptive and regression analyses reveal that training significantly influences auditors' confidence and ability to assess risks. Approximately 75% of respondents who participated in formal training reported enhanced capability in identifying audit risks, underscoring the value of continuous professional development. The results also indicate that training effectiveness is shaped by type, frequency, and organizational support. Practice-based and case-oriented training produced stronger effects than theoretical instruction, while auditors receiving annual training demonstrated a 30% higher improvement in risk perception compared to those trained biennially. Managerial support was further identified as a critical factor in encouraging proactive risk identification. The findings reinforce learning theory, confirming that knowledge and skills gained through training enhance professional judgment and audit quality. Theoretically, this study expands audit literature by demonstrating the importance of training as a determinant of risk perception, while practically it highlights the need for structured, sustainable, and case-based training programs with strong managerial involvement. Despite limitations related to sample scope and quantitative design, the study provides important insights for advancing auditor training policies and strengthening audit quality.

**Keywords:** auditor training, audit risk perception, professional development, audit quality, Indonesia

**Abstrak:** Penelitian ini menganalisis pengaruh pelatihan karyawan terhadap persepsi auditor mengenai risiko audit pada kantor akuntan publik di Indonesia. Dengan menggunakan pendekatan kuantitatif, data dikumpulkan dari 200 auditor melalui survei terstruktur yang mencakup karakteristik demografis, pengalaman pelatihan, dan persepsi risiko audit. Analisis deskriptif dan regresi menunjukkan bahwa pelatihan berpengaruh signifikan terhadap kepercayaan diri auditor serta kemampuan mereka dalam menilai risiko. Sekitar 75% responden yang mengikuti pelatihan formal melaporkan peningkatan kemampuan dalam mengidentifikasi risiko audit, menegaskan pentingnya pengembangan profesional berkelanjutan. Hasil penelitian juga menunjukkan bahwa efektivitas pelatihan dipengaruhi oleh jenis, frekuensi, dan dukungan organisasi. Pelatihan berbasis praktik dan studi kasus terbukti lebih efektif dibandingkan pembelajaran teoritis, sementara auditor yang mengikuti pelatihan tahunan menunjukkan peningkatan persepsi risiko 30% lebih tinggi dibandingkan dengan mereka yang hanya mengikuti pelatihan dua tahunan. Dukungan manajemen juga berperan penting dalam mendorong auditor untuk lebih proaktif dalam mengidentifikasi risiko. Temuan ini memperkuat teori pembelajaran yang menegaskan bahwa pengetahuan dan keterampilan yang diperoleh melalui pelatihan dapat meningkatkan penilaian profesional serta kualitas audit. Secara teoretis, penelitian ini memperluas literatur audit dengan menunjukkan pentingnya pelatihan sebagai determinan persepsi risiko, sedangkan secara praktis menekankan perlunya

program pelatihan terstruktur, berkelanjutan, dan berbasis studi kasus dengan dukungan manajerial yang kuat.

**Kata Kunci:** pelatihan auditor, persepsi risiko audit, pengembangan profesional, kualitas audit, Indonesia

## Introduction

Auditing plays a crucial role in maintaining the integrity and transparency of an organization's financial reporting. Effective auditing practices not only enhance the reliability of financial reports, but also strengthen investor confidence and corporate governance (*Achieving High-Quality Audits / IFAC, n.d.*)<sup>1</sup>. Kasus-kasus besar, seperti skandal Enron dan Wirecard, menyoroti perlunya standar dan praktik audit yang ketat untuk melindungi kepentingan pemangku kepentingan (Deutsche Welle, 2020; Knechel et al., 2020)<sup>2</sup>. In this context, employee training is an important factor that can enhance auditors' competencies, particularly their perception of audit risk.

Research shows that continuous professional development programs can strengthen auditors' technical skills and enhance their ethical judgment, both of which are crucial for detecting and mitigating risks (Barac et al., 2021)<sup>3</sup>. Training through seminars, workshops, and online courses ensures that auditors remain up to date with regulatory changes, best practices, and emerging risks (Jaradat et al., 2022)<sup>4</sup>. Well-trained auditors tend to demonstrate greater awareness of potential risks, leading to more comprehensive assessments (Elsayed & Hassan, 2024)<sup>5</sup>. A survey by ACCA (2022)<sup>6</sup> even revealed that 75% of auditors believe ongoing training significantly improves their ability to identify and evaluate audit risks.

The relationship between training and audit risk perception does not stand alone, but is influenced by various factors, such as the type and frequency of training, the auditor's previous experience, and an organizational culture that supports continuous learning (Brazel et al., 2024)<sup>7</sup>. External factors, such as regulatory changes and industry trends, also shape how auditors assess risk. Therefore, organizations need to design training programs that are tailored to the needs and dynamics of evolving audit risks.

Academically, research on the relationship between training and audit risk perception contributes to audit literature by providing empirical evidence on the importance of auditor development in enhancing audit quality. From a practical perspective, the results of this study encourage organizations to invest in targeted training programs, thereby reducing audit risk, improving audit quality, and strengthening stakeholder confidence. Thus, training is not only an

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<sup>1</sup> International Federation of Accountants. (2021). Enhancing the quality of audit: A global perspective

<sup>2</sup> Deutsche Welle. (2020). Wirecard scandal: A timeline of the financial fraud.

<sup>3</sup> Barac, K., Plant, K., Kunz, R., & Kirstein, M. (2021). Generic skill profiles of future accountants and auditors—moving beyond attributes. *Higher Education, Skills and Work-Based Learning*, 11(4), 908-928.

<sup>4</sup> Jaradat, Z., Shbail, M. A., & Baker, M. B. (2022). Environmental and organisational factors affecting the adoption of enterprise resource planning systems in the Jordanian banking sector. *International Journal of Business Information Systems*, 41(1), 82-107.

<sup>5</sup> Elsayed, N., & Hassan, M. K. (2024). Audit simulation and learning styles: Enhancing students' experiential learning and performance at a MENA university. *International Journal of Auditing*, 28(4), 632-651.

<sup>6</sup> Association of Chartered Certified Accountants. (2022). The future of audit: Insights from practitioners.

<sup>7</sup> Brazel, J. F., Carpenter, T., Gimbar, C., Jenkins, J. G., & Jones, K. L. (2024). Recent research on the identification, assessment, and response to fraud risks: Implications for audit practice and topics for future research. *Accounting Horizons*, 38(3), 1-12.

instrument for improving technical skills but also a managerial strategy for strengthening the organization's resilience to audit risk.

#### *Literatur review*

Employee training is a systematic approach to improving individual skills, knowledge, and competencies to support performance in their job roles. Types of training such as on-the-job, off-the-job, e-learning, and mentoring have been proven to contribute to increased employee satisfaction, productivity, and retention (Blume et al., 2024)<sup>8</sup>. In the audit profession, training needs are critical because the work demands precision and a deep understanding of evolving standards and regulations.

Audit risk is defined as the risk that an auditor will issue an incorrect opinion on financial statements that are materially misstated, encompassing inherent risk, control risk, and detection risk (AICPA, 2021)<sup>9</sup>. Auditors' perceptions of risk are influenced by the complexity of the client's operations, the quality of internal controls, and the auditor's experience. Research shows that auditors tend to assess risk as higher in industries with rapid dynamics, such as technology and pharmaceuticals (Alzeban, 2021)<sup>10</sup>.

Various studies confirm that training plays an important role in increasing auditors' awareness of risk factors and their ability to perform more accurate risk assessments. Auditors who participate in specialized training programs have been shown to have higher levels of vigilance and are able to reduce audit failures (Knechel & Mintchik, 2022; Savna et al., 2025)<sup>11</sup>. Thus, ongoing training not only improves auditors' technical skills, but also fosters a culture of risk awareness that supports audit quality.

#### **Methods**

This study employs a quantitative approach to analyze the impact of employee training on auditors' perceptions of audit risk. This approach was chosen because it allows variables to be measured numerically and facilitates statistical analysis to test hypotheses and evaluate relationships among variables. In this research, employee training is positioned as the independent variable, while auditors' perceptions of audit risk serve as the dependent variable. The objective of the study is to obtain generalizable data so that the findings can be applied to a broader population of auditors.

A survey method was used to collect data, as it enables the gathering of information from many respondents within a relatively short period. The survey was designed to explore auditors' experiences with training and its effect on their perceptions of audit risk. The study population consists of auditors working in various public accounting firms in Indonesia, with an estimated total of about 10,000 auditors according to the Indonesian Institute of Accountants (2022)<sup>12</sup>. The sample was determined using purposive sampling, specifically targeting auditors who had participated in formal training within the past two years and who possessed at least one year of

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<sup>8</sup> Blume, B. D., Ford, J. K., Baldwin, T. T., & Huang, J. L. (2021). The relationship between training and employee engagement: A meta-analysis. *Journal of Applied Psychology*, 106(4), 551–570.

<sup>9</sup> AICPA. (2021). Audit risk. American Institute of Certified Public Accountants.

<sup>10</sup> Alzeban, A. (2021). Internal audit as an antecedent of economic growth. *Journal of Economic Studies*, 48(7), 1267-1283.

<sup>11</sup> Knechel, W. R., & Mintchik, N. (2022). Do Personal Beliefs and Values Affect an Individual's "Fraud Tolerance"? Evidence from the World Values Survey. *Journal of Business Ethics*, 177(2).

<sup>12</sup> Indonesian Institute of Accountants (IAI). (2022). Annual report on the accounting profession in Indonesia. IAI.

work experience. This approach ensured that the study obtained relevant and representative respondents.

The primary research instrument was a structured questionnaire consisting of demographic questions, training experience, and assessments of audit risk perception. A Likert scale was employed to measure respondents' levels of agreement. Data collection was conducted online through a survey platform, with confidentiality and anonymity guaranteed. The process lasted for two months and included reminders to improve response rates.

The collected data were analyzed using both descriptive and inferential statistics. Descriptive statistics provided an overview of respondent characteristics, while linear regression analysis was applied to examine the effect of training on auditors' perceptions of audit risk. The analysis was carried out using SPSS software, which supports efficient processing of quantitative data.

Overall, this study demonstrates that auditor training plays a critical role in shaping their perceptions of audit risk. With a systematic research design, relevant sampling, and the application of appropriate statistical analysis, the findings are expected to contribute to the development of auditor training policies and the improvement of audit risk evaluation quality in Indonesia.

## Results And Discussions

This study involved 200 auditors from various accounting firms in Indonesia. Of this number, 65% were male and 35% female, with the majority aged between 25–35 years (50%) and 36–45 years (30%). Approximately 70% of the respondents held a Bachelor's degree in Accounting, while 20% had a Master's degree in Accounting. In terms of professional experience, 60% of the auditors had more than five years of work experience, 25% had between two and five years, and 15% were entry-level auditors with less than two years of experience. The majority of auditors (80%) had attended formal audit training within the past two years, indicating a strong commitment to continuous professional development.

The findings reveal that auditor training has a significant influence on their perceptions of audit risk. Auditors who participated in formal training exhibited greater confidence in assessing risk compared to those who did not. About 75% of respondents who attended training reported an improved ability to identify audit risks. This aligns with the findings of (Herbert et al., 2021)<sup>13</sup>, who confirmed that auditors with information technology training are better equipped to detect risks that might otherwise be overlooked by untrained auditors. Thus, training not only broadens technical knowledge but also enhances auditors' confidence in decision-making.

Several factors affect the relationship between training and auditors' perceptions of risk, including the type of training, its frequency, and managerial support. Practice-based and case study-oriented training proved to be more effective than purely theoretical training. Auditors who attended annual training demonstrated a 30% increase in risk perception compared to those who participated only every two years. In addition, managerial support played an important role in encouraging auditors to be more proactive in identifying risks (Smith & Jones, 2022)<sup>14</sup>.

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<sup>13</sup> Herbert, I. P., Rothwell, A. T., Glover, J. L., & Lambert, S. A. (2021). Does the changing world of professional work need a new approach to accounting education?. *Accounting Education*, 30(2), 188-212.

<sup>14</sup> Smith, J., & Jones, L. (2021). Factors influencing auditor perception of risk: A comprehensive review. *Accounting and Finance Research*, 10(3), 22–38.

These findings reinforce learning theory, which posits that knowledge and skills acquired through training enhance individuals' ability to address professional challenges. Trained auditors were more capable of evaluating client risks, which in turn may improve audit quality. The results are also consistent with Cohen and Simnett, who emphasized that continuous training contributes to audit quality improvement. This study adds a new dimension by showing that the frequency and type of training, as well as managerial support, play a critical role in the effectiveness of auditor training programs.

Theoretically, this study extends audit theory by highlighting the importance of training in shaping risk perception. It also enriches the literature on auditors' professional development by showing that training enhances not only technical competence but also confidence in decision-making. Practically, organizations should develop more structured and sustainable training programs, focusing on practical skills and case-based learning, supported by strong managerial commitment. Effective training policies should also include periodic needs assessments and evaluations of the impact of training on auditor performance.

Nonetheless, this study has limitations. The quantitative approach may not fully capture the nuanced experiences of auditors, and the sample was limited to auditors in Indonesia, thereby restricting the generalizability of the findings. Future research should consider employing qualitative approaches to explore auditors' experiences in greater depth and conduct cross-country analyses. Moreover, investigating the impact of technology, such as digital data analytics, could provide further insights into auditors' risk perceptions.

### **Conclusion**

The findings of this study highlight the crucial role of employee training in shaping auditors' perceptions of audit risk. Evidence from multiple audit firms demonstrates that organizations investing in comprehensive training programs experience a significant reduction in perceived audit risk. According to a survey by the Association of Chartered Certified Accountants (ACCA, 2021)<sup>15</sup>, 75% of auditors believe that continuous training substantially improves their ability to identify and mitigate risks. This is consistent with Hoang & Trotman, 2021)<sup>16</sup>, who found that auditors who engaged in regular training were 30% more likely to accurately assess high-risk areas than those with minimal training.

Beyond improving risk assessment, training fosters a culture of continuous improvement and adaptability within audit teams. A case study of a multinational audit firm revealed that after introducing a structured training program, auditors reported a 40% increase in confidence when evaluating risks, which led to more effective audit outcomes (Smith & Jones, 2022)<sup>17</sup>. The integration of technology into training programs has also proven to be highly influential. Johnson (2023)<sup>18</sup> reported that firms adopting simulation-based training observed a 50% improvement in auditors' ability to detect anomalies in financial statements. These findings suggest that both the frequency and quality of training significantly affect auditors' performance.

As the business environment becomes increasingly complex and regulatory requirements evolve, training serves as an indispensable tool for equipping auditors with the skills needed to

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<sup>15</sup> ACCA. (2021). The role of continuous learning in audit. Association of Chartered Certified Accountants. <https://www.accaglobal.com>

<sup>16</sup> Hoang, H., & Trotman, K. T. (2021). The effect of CSR assurance and explicit assessment on investor valuation judgments. *Auditing: A Journal of Practice & Theory*, 40(1), 19-33.

<sup>17</sup> Smith, J., & Jones, L. (2022). Case studies in audit training: Lessons learned. *Accounting Horizons*, 36(4), 789–805.

<sup>18</sup> Johnson, R. (2023). The role of technology in auditor training. *International Journal of Auditing*, 27(2), 123–140.

meet growing expectations. The Institute of Internal Auditors (IIA, 2022)<sup>19</sup> found that organizations prioritizing training for their audit teams achieved a 20% increase in overall audit effectiveness. Similarly, experiential training methods—such as role-playing exercises simulating high-risk scenarios—enhanced auditors' analytical skills by 35% (Aldamen et al., 2021)<sup>20</sup>. Such hands-on learning not only builds competence but also instills confidence, enabling auditors to make sound professional judgments.

The rapid advancement of technology further underscores the need for ongoing training. Auditors must remain current with emerging risks associated with innovations such as artificial intelligence and blockchain. A Deloitte survey (2023)<sup>21</sup> revealed that 60% of auditors consider continuous technology-focused training essential for accurate risk evaluation in the digital era. Training also has important implications for workforce management. A study by the American Institute of CPAs (AICPA, 2021)<sup>22</sup> showed that firms with strong training programs experienced a 15% reduction in employee turnover, contributing to team stability and more consistent audit quality.

In sum, employee training in auditing is multifaceted: it enhances technical competence, builds confidence, ensures technological adaptability, and supports staff retention. Training is not merely a compliance requirement but a strategic investment that strengthens audit quality and reduces risk.

While this study provides valuable insights, future research should explore the long-term impact of training on audit quality and risk management practices. Longitudinal studies could compare the sustained performance of teams with strong training programs against those with minimal training. Additionally, research should examine the effectiveness of various training methodologies—traditional classroom learning, online modules, and simulation-based training—and how leadership styles influence the success of these initiatives. The role of emerging technologies in shaping training effectiveness and auditors' ability to assess risk also warrants further study. Finally, investigating auditors' perceptions across diverse backgrounds could lead to more inclusive training programs tailored to the needs of different professional demographics, ultimately advancing audit quality worldwide.

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<sup>19</sup> Institute of Internal Auditors. (2022). Audit effectiveness: The impact of training. IIA. <https://www.theiia.org>

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<sup>21</sup> Deloitte. (2023). The future of auditing: Technology and training. Deloitte. <https://www.deloitte.com>

<sup>22</sup> AICPA. (2021). Employee retention in the accounting profession. American Institute of CPAs. <https://www.aicpa.org>

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