

Summary of Paper: [Audit Partner Trait Skepticism and Going-Concern Reporting Decisions](#)

What is this study about?

This study examines whether an audit partner's trait skepticism, or their natural tendency to question evidence and delay conclusions, affects a key audit decision: issuing a going-concern (GC) opinion for financially distressed companies. A GC opinion signals that a company may struggle to continue operating and is critical for investors and creditors. The authors combine survey-based psychological data with real audit outcomes from Belgium. The final sample includes 19,200 financially distressed company-year observations linked to 136 audit partners from 2008–2017, providing strong real-world evidence on how individual auditors influence reporting decisions.

What are the major findings of the study?

The study finds that more skeptical audit partners are more likely to issue GC opinions. About 26% of distressed companies received a GC opinion. The effect is meaningful: companies audited by highly skeptical partners are about 2.6 percentage points more likely to receive a GC opinion (roughly increasing from 25% to 28%). Importantly, this relationship is stronger when auditors have greater competence (broader industry experience) and independence (larger client portfolios), suggesting auditors must both be skeptical and be able to act on it.

Why is the study important?

The findings show that individual audit partners materially influence audit quality, beyond firm-level standards or processes. This has implications for hiring, training, partner assignment, and performance evaluation -- especially for high-risk or distressed clients.

What is the impact on professional practice and society at large?

Accurate GC reporting provides early warnings to investors, lenders, boards, and regulators, helping mitigate financial losses and governance failures. The study supports regulatory emphasis on professional skepticism and highlights its role in strengthening audit quality, market confidence, and public trust.